



Breakwall Investment Advisor, LLC

Form ADV Part 2A: Firm Brochure

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This brochure provides information about the qualifications and business practices of Breakwall Investment Advisor, LLC. If you have any questions about the contents of this brochure, please contact Christopher Abbate at 917-690-0000. The information in this brochure has not been approved or verified by the Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Breakwall Investment Advisor, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov. Any reference to Breakwall Investment Advisor, LLC as a “registered investment adviser” or being “registered” does not imply a certain level of skill or training

Item 2 Material Changes

This document is the initial Form ADV Part 2A, also referred to as the Firm Brochure (the “Brochure”) for Breakwall Investment Advisor, LLC (collectively with our affiliates, “we,” “our Firm,” “the Firm” or “Breakwall”). Breakwall filed its initial application to register as an investment adviser with the SEC on November 9th, 2023.

In this Item 2, Breakwall will periodically identify and discuss material updates to the Brochure. We are in the process of registering as an investment adviser; therefore, we have no material changes to report. This Brochure may be requested at any time, without charge, by contacting Christopher Abbate, Chief Compliance Officer (“CCO”), at cabbate@breakwallcap.com or 917-690-0000.

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Item 4 Advisory Business

Breakwall Investment Advisor, LLC is a Delaware limited liability company and investment advisory services firm which may provide investment advisory services and management services as an investment adviser and sub-adviser to certain private investment funds (collectively with any future private investment fund or sub-advisory arrangement to which Breakwall provides investment advisory services, including employee and co-investment vehicles, the “Funds,” and each, a “Fund”). Affiliated entities formed by Breakwall may serve as general partners to each Fund (collectively with any future general partner to a Fund, the “General Partners,” and each a “General Partner”). Breakwall and the General Partners (each, an “Adviser” and collectively, “Breakwall”) generally operate as a single advisory business.

The sole owner of our Firm is Breakwall Capital LLC. Founders Christopher Abbate, Jamie Brodsky and Daniel Flannery are the principal owners of and control Breakwall Capital, LLC indirectly through certain intermediate entities.

Breakwall seeks to build a portfolio primarily of debt investments with an overall goal of current income and capital appreciation through its core strategy of direct lending within specific sectors of the energy industry. Breakwall expects to make debt investments in companies whose activities span conventional energy, as well as low carbon and renewable sources. Breakwall expects to target the loans towards expanding the infrastructure required to meet the world’s growing energy demand while facilitating the decarbonization of new and existing energy assets and creating more sustainable infrastructure. Breakwall also expects to invest in companies that explore for and produce crude oil and natural gas. Breakwall investments are expected to be focused primarily on Breakwall-led, directly originated first lien loans. Opportunistically, Breakwall may seek to make select investments in the secondary market for syndicated loans, commercial bank facilities or secured bonds that offer compelling risk-adjusted returns due to a technical trading issue or misunderstood fundamental credit issue.

Breakwall intends to act as a sub-adviser to Riverstone Credit Partners I, Riverstone Credit Partners II and a series of other affiliated feeder vehicles, separately managed accounts and co-investment vehicles, which are a private funds advised by Riverstone Holdings LLC, an SEC registered investment adviser (“Riverstone”). Breakwall also intends to act as the sub-advisor to Riverstone Credit Opportunities Income plc (“RCOI”), a publicly listed UK Investment Trust that is managed by Riverstone. Collectively the private funds of Riverstone and RCOI are referred to herein as the “Existing Riverstone Credit Funds”. Breakwall also intends to act as the investment manager of Valor Upstream Credit Partners, L.P., which is a private partnership formed between Vitol, an energy and commodities company, and Riverstone Valor Upstream Co-investment, L.P.

Breakwall’s advisory services for the Funds are detailed in the applicable private placement memorandum or other offering document (each, a “Memorandum”) and/or limited partnership agreement, investment management agreement or other operating agreement (each, a “Limited Partnership Agreement” and together with the Memorandum, the “Governing Documents”). The information provided herein about Breakwall’s investment

advisory services is qualified in its entirety by reference to the Governing Documents and the subscription agreements.

As of November 9th, 2023, Breakwall did not manage any client assets on either a discretionary or non-discretionary basis. Certain statements included in this Brochure are intended to describe Breakwall's anticipated investment advisory operations.

Item 5 Fees and Compensation

Breakwall's fees and expenses are described generally below and detailed in each investor's advisory agreement or applicable account documents as well as, with respect to the private fund, in the private fund's Governing Documents. Governing Documents for the Funds describe such fees, compensation, and expenses in much greater detail. Investors in the Funds should refer to the relevant fund's Governing Documents for an accurate description of the Fund's fees, compensation, and expenses.

Our Firm or our affiliates typically receive compensation from our Funds based on a percentage of assets we manage and performance-based compensation in the form of "carried interest" or a performance allocation.

Breakwall intends to assess a management fee on committed capital in our Funds. We generally refer to "committed capital" as commitments to legally binding, income producing obligations to provide capital, whether funded or unfunded. The fees will range between 0.5% to 1.5% of the capital commitments or, depending on the current stage in the term of the applicable fund, total funded commitments with respect to each of our Funds.

Breakwall intends to receive a carried interest or performance fee as performance-based compensation from each of our Funds except certain co-investment vehicles. Our carried interest currently ranges from 15% to 20%. The particular fees and compensation relevant to a private investment fund or other investment vehicle are disclosed to investors in the Governing Documents for the relevant Fund or other investment vehicle.

From time to time, we may in the future enter, into side letters or other written understandings with individual investors that have the effect of establishing rights under, or altering or supplementing, the terms of a particular Fund's partnership agreement or other relevant Governing Documents. The altered terms may include but are not limited to fees, incurrence of expenses, transparency, transfer rights, excuse rights (which may increase the percentage interest of other investors in, and contribution obligations of other investors with respect to, such investments) or notice requirements. Our Firm and our affiliates do not impose a uniform schedule of management fees or performance-based compensation for all Funds.

Our compensation is subject to a waiver and reduction at our sole discretion. Our Firm, our affiliates and certain of our professionals may in the future invest, in investment vehicles advised by us. Our principals and employees are not subject to management fees or carried interest on their direct or indirect investment in our Funds. If our Firm, our affiliates, or our professionals are investing in an investment vehicle sponsored by us, any

actual or potential fee waiver is disclosed to potential investors in the offering materials for the particular investment vehicle.

Asset-Based Fees

Investors in our Funds will indirectly pay the management fees by way of capital contributions to the Funds according to their capital commitments and/or their invested capital. Under the Funds' Governing Documents, the management fee will be calculated and charged on a basis that generally is not tied to the fund's then-current net asset value. As further specified in the relevant Governing Documents, management fees will initially generally be charged based on a formula tied to the amount of the relevant Fund's aggregate committed capital or the cost basis of investments made by the relevant fund. We generally refer to "committed capital" as commitments to legally binding, income producing obligations to provide capital, whether funded or unfunded. As a result, except where the Governing Documents expressly provide to the contrary, the amount of management fees generally will not correspond with fluctuations in the fund's net asset value, including where the fair market value of an investment exceeds or falls below the total amount of committed capital or the cost basis relating to such investment. Therefore, the management fee generally will not be reduced in connection with any partial distributions, partial realizations, reorganizations and write downs unless the amount of committed capital is reduced or except as required by the relevant Governing Documents. Each year, we charge management fees quarterly in advance of each quarter. Investors in our Funds will pay these fees to our Funds pursuant to capital calls made by our Funds.

The Funds' Governing Documents set forth the full list of terms under which a Fund's management fee will be reduced, offset, or otherwise be limited, and consequently investors should expect to bear the full specified management fee in the relevant Governing Documents until they are reduced in the circumstances and on the date(s) specified therein.

From time to time and as permitted by the Governing Documents, we may provide to certain current or prospective investors in our Funds or other persons, including other sponsors, market participants, finders, consultants, service providers, Breakwall personnel, certain other persons associated with Breakwall or its affiliates and/or third parties whose participation might add value to the investment in terms of consummating, operating or exiting the investment, the opportunity to participate in investment vehicles sponsored by us that will invest in certain of our portfolio companies alongside our funds. Such investment vehicles typically are required to invest and dispose of their investment in the applicable portfolio companies at the same time and on the same terms as the applicable Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or co-invest vehicle (including a co-investing fund) may purchase a portion of an investment from one or more funds after such funds have consummated their investment in the portfolio company (also known as post-closing sell-down or transfer), which generally will have been funded through co-investor capital contributions and/or use of a fund credit facility. Investors in such investment vehicles are generally not subject to any management fees or performance-based compensation, but in certain cases have been

subject and may in the future be subject to such fees or other fees as set forth in the relevant Governing Documents.

Our Funds pay their asset-based management fees in advance. Should our management services be terminated prior to the complete rendering of services for the period, we would refund to the relevant Funds an amount of their management fees pro-rated from the date of our termination to the end of the period to which the advance fee covered. The relevant Funds would then refund such an amount to their investors based on the amount of management fees paid by them. [should this go in the management fee section?]

Sub-Advisory Fees

Breakwall intends to provide sub-advisory services to certain pooled investment vehicles managed by other advisers, including but not limited to the Existing Riverstone Credit Funds. Compensation for such sub-advisory services varies and is negotiated by Breakwall and the sub-advised pooled vehicle's sponsor. Sub-advisory compensation paid to Breakwall typically involves management fees and performance-based compensation, with the specific terms of that compensation set forth in the sub-advised pooled vehicle's offering documents and/or a sub-advisory agreement.

Performance-Based Compensation

We also intend to receive performance-based compensation or carried interest from our Funds, except certain co-investment vehicles. After returning capital contributions to investors and subject to any write-downs associated with our Funds' investment portfolios, we intend to receive a carried interest or performance fee from our Funds. As a result, we do not intend to receive carried interest or performance fees on a regularly scheduled basis. The carried interest arrangements summarized above are set out in the offering materials and Governing Documents for each sponsored investment fund. The carried interest arrangements summarized above are set out in the offering materials and Governing Documents for each sponsored investment fund.

Expense Reimbursement

In connection with our advisory services, Funds will bear all of their own expenses (ordinary and extraordinary). The enumerated lists below are detailed but do not include every possible expense a client may incur. The expense arrangements summarized below are set out in the offering materials and Governing Documents for each sponsored investment fund.

We may offset some of the investment-related expenses listed below against the management fees.

Organizational Expenses

Our Funds will pay for expenses related to their organization, including:

- legal expenses,

- accounting expenses,
- filing expenses and fees incurred in connection with organizing and establishing the Fund client and its affiliates, and
- expenses incurred in connection with marketing and offering of interests in the Fund and its affiliates (including travel expenses (which in some cases includes reimbursement of business and first-class travel) (“Travel Expenses”), and printing costs or other similar amounts, incurred in connection with the offering of interests in our fund client and its affiliates).

Our Funds generally have a cap on the expenses listed above, and our affiliates, typically the general partner of a fund, bear expenses in excess of these caps either directly or through a management fee offset (to the extent there are management fees available to offset such expenses).

Operational Expenses

Our Funds will pay for expenses related to their operation, such as:

- fees, costs and expenses directly related to the purchase, holding and sale of the Fund’s investment,
- expenses of any administrators, custodians (including fees, costs and expenses of any depositary), counsel, accountants and other professionals or service providers (including the audit and certification fees and costs of printing and distributing reports to the Fund’s investors) and any other out-of-pocket expenses incurred in connection with the administration of a fund or otherwise with fund accounting, tax and legal advice (including with respect to actual or potential litigation, if any) and information technology, in each case whether performed by staff of the Firm and its affiliates, or by third parties),
- all out-of-pocket fees, costs and expenses, if any, incurred in developing, negotiating, structuring, acquiring, trading, settling, monitoring, holding and disposing of actual investments, directly or through one or more intermediate vehicles, including without limitation any financing, legal, accounting, advisory and consulting expenses in connection therewith (including Travel Expenses, meal, communication, certain entertainment and selected research subscription expenses) (to the extent not subject to any reimbursement of such costs and expenses by entities in which a fund invests or other third parties),
- fees, costs and expenses relating to or arising from establishing, implementing, monitoring or measuring the impact of environmental, social and governance policies and programs and cybersecurity with respect to the Funds or their portfolio companies; provided that certain fees, costs and expenses may be allocated between Breakwall, the Funds and their portfolio companies as determined by Breakwall to be appropriate in its sole discretion,

- any insurance, indemnity or litigation or extraordinary expense or liability,
- brokerage commissions, custodial expenses, other bank service fees and other investment costs, fees and expenses actually incurred in connection with actual investments,
- principal and interest on and fees and expenses arising out of all borrowings made by a fund, including, but not limited to, the arranging thereof,
- certain structuring expenses, such as blocker expenses,
- out-of-pocket expenses of the Fund's investor advisory committee,
- out-of-pocket implementation, licensing, consulting and maintenance costs relating to technology systems (such as CRM, portfolio monitoring, valuation and reporting systems),
- expenses of any offices established for tax or other regulatory purposes for the Fund's investments,
- certain taxes,
- any fees or other governmental charges levied against the Fund, and
- expenses for transactions not completed, including amounts payable to third parties and all fees and expenses of lenders, investment banks and other financing sources in connection with arranging financing for transactions that are not consummated, and any deposits or draw-down payments that are forfeited in connection with unconsummated transactions.

We seek to allocate the expenses among the applicable Funds and the applicable investments of each client in a fair and reasonable manner. In certain cases, potential co-investors will not bear the broken-deal expenses that a Breakwall Fund incurs in pursuit of an investment, or subscription credit facility fees and expenses, which are generally allocated entirely to the applicable Fund that is the borrower under such facility.

Investment-Related Expenses

We will allocate the investment-related expenses among the applicable Funds and the applicable investments of each client in a fair and reasonable manner. Because we render advice to private credit funds, and investments are made on a negotiated basis, opportunities for trade executions are rare. In these circumstances, our Funds will pay brokerage fees. Investment-related expense arrangements are set out in detail within the Governing Documents for each Fund. Please see Item 12 for further details.

From time to time, our affiliates may cause, our Funds to make distributions to them in amounts sufficient to permit the payment of the tax obligations of our affiliates and their direct and indirect owners in respect of allocations of income related to their carried

interest. These advances will reduce any amounts of carried interest that we and our affiliates later receive until these advances are restored to the Fund. In the event that aggregate carried interest distributions (including any such prior advances) are greater than the actual amount of carried interest to which our affiliates are entitled upon a final distribution by a fund client (determined on an after-tax basis in accordance with the applicable fund agreement), we and our affiliates must repay any outstanding balances to the Fund through a “clawback” mechanism.

Neither our Firm nor any of our principals, affiliates or employees will receive any transaction-based compensation for the sale of securities of our Funds to investors in those funds.

We may receive certain fees in connection with the portfolio investments of our Funds. Please see Item 11 for a discussion of those arrangements.

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

Our Firm or our affiliates intend to generally receive performance-based compensation in the form of carried interest or performance allocations from each of our Funds, except with respect to certain co-investment vehicles. The Firm does not believe that this arrangement creates a conflict of interest since the co-investment vehicles are generally intended to invest alongside a fund on substantially the same terms and in accordance with the terms of the applicable Fund Governing Documents. Please see Item 5 for a detailed explanation of our performance-based compensation. The existence of the carried interest or performance allocation may create an incentive for our Firm or our affiliates to make riskier or more speculative investments on behalf of our Funds than would be the case in the absence of these arrangements, although our commitment of capital to our Funds should mitigate this incentive. Furthermore, when allocating investments, the Firm or our affiliates may have incentives to favor Funds with higher potential for carried interest over Funds with lower potential for carried interest. As described in more detail below, we have adopted allocation policies designed to treat all Funds fairly and equitably in accordance with the applicable Governing Documents.

Item 7 Types of Clients

Our Funds will rely on certain exceptions from the definition of “investment company” in the Investment Company Act of 1940, as amended (the “1940 Act”); accordingly, none of our Funds are registered as an investment company under the 1940 Act. Investors participating in our credit funds will generally include individuals, certain banks or thrifts institutions, sovereign wealth funds, pension and profit-sharing plans, trusts, estates, endowments, charitable organizations or other corporate or business entities (which may include entities that are owned, directly or indirectly, by principals or other employees of Breakwall or its affiliates). In some cases, private equity professionals from other firms or other services professionals may also be investors in our fund.

Our Firm determines in its sole discretion any requirements for entering into an investment advisory contract with a Fund or otherwise opening or maintaining an account, including whether a private fund is large enough to implement its desired investment program.

Typically, the Funds will require minimum investment amounts ranging from \$5 million to \$10 million, but such amounts can be reduced with the prior agreement of Breakwall, subject to applicable legal requirements.

Fund interests will be offered and sold generally to investors that are (i) “accredited investors” as defined under Regulation D of the Securities Act of 1933, as amended and (ii) “qualified clients” as defined under the Investment Advisers Act of 1940, as amended (the “Advisers Act”) or “qualified purchasers” or other “knowledgeable employees” of Breakwall, as defined under the 1940 Act.

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

In managing our Funds, we will employ methods of analysis and investment strategies suitable for each Fund’s investment objective as summarized below. More detailed descriptions of each Fund’s investment methods of analysis and investment strategies are included in the Fund’s Governing Documents. There can be no assurance that Breakwall will achieve the investment objectives of a fund and loss of investment capital is possible.

Investment Strategies

Our Firm, on behalf of our Funds, intends to invest primarily in directly originated first lien term loans made to small to mid-sized companies. We also may participate in secondary credit investments from time to time. We source investments worldwide.

The below investment activities will be focused on debt instruments of North American companies and will generally not include investments in preferred or common equity securities, except as described below. In particular, the Funds’ investments will be predominantly providing senior secured financing alternatives to small and mid-sized energy companies. In the future, the Funds may also invest in individual debt instruments of companies trading at distressed levels but that we believe are fundamentally sound or acquire existing loans from banks on an opportunistic basis. We vary the investment programs within the energy and power sectors according to our Funds’ needs. In addition, we may engage in any combination of the following investment strategies:

- investing in debt instruments, including, among others:
 - debt instruments made in connection with an investment in equity or equity-related securities such as warrants,
 - debt investments with a view to a restructuring in which we anticipate that our client will receive an equity interest, and

- debt investments that are equity-linked investments such as convertible securities,
- investing in non-U.S. securities,
- investing in emerging markets,
- investing in small capitalization companies,
- royalty interests or mineral production payments,
- borrowing/leveraging, including short-term bridge loans (on an unsecured basis),
- hedging, credit, currency, commodity price and/or interest rate exposure, and
- investing in or with other partnerships and entities.

Most of the above strategies involve medium to long-term investment in debt instruments with some investment in swaps, commodities and property interests.

From time to time, we may in the future make short-term investments on behalf of Funds for cash management purposes that may include investments in bank depository products, commercial paper and government securities. Other investments may take the form of privately negotiated investment instruments including unregistered debt from both foreign and domestic issuers. We describe material risks relevant to our investment strategies below.

Methods of Analysis

With respect to each of our Funds, we use our extensive industry expertise and relationships with key players in the industry to thoroughly evaluate and investigate the fundamentals of our investment prospects. We also have significant experience in conducting due diligence, valuation and all other aspects of deal execution, including financial and legal structuring, accounting and compensation design. We draw upon our extensive network of relationships with industry-focused professional advisory firms to assist with due diligence in other areas such as regulatory risk, contractual liabilities, accounting, tax, employee benefits, environmental, engineering and insurance.

Our Firm, on behalf of a Fund, will generally only make an investment in a company after a comprehensive review of: a target company's management team, industry dynamics, competitors and competing technologies, the quality of a company's assets, products and services, the company's competitive position and strategy, financial statements, off-balance sheet and contingent liabilities, debt capacity and financing needs, equity and debt market perspectives, environmental, political and regulatory risks, and economic risk, exit alternatives and return potential.

We analyze and evaluate investment opportunities using conventional financial measures, regardless of the sector or the development stage of the portfolio company. We work with the management teams of potential borrowers to analyze past and present results, review a

thorough forward-looking operating plan and assess the organizational and capital resources necessary for the potential portfolio company to refinance our investment.

Our approach to portfolio monitoring and development requires a close working relationship with senior management of our Funds' portfolio companies and tracking portfolio companies' performance relative to expectations at the time the investment was made.

Despite our thorough research and analysis, investing in any debt instrument involves a risk of loss that any investors in our Funds must be prepared to bear. While the following is a detailed explanation of some of the significant risks associated with the investment strategies we employ, it does not describe all of the risks that may potentially be faced by any fund. Prior to making any investment in a fund, investors should review the applicable fund's private placement memorandum or other offering document for additional information regarding risks and conflicts of interest specific to such fund.

Certain general risks associated with an investment in any fund we advise include:

Suitability of Investment

An investment in the Funds is not suitable for all investors. An investment is suitable only for sophisticated investors and an investor must have the financial ability and experience to understand, the willingness to accept, and the financial resources to withstand, the extent of their exposure to the risks and lack of liquidity inherent in an investment in the Funds. An investment in the Funds is speculative and long-term with no certainty of return and is subject to a high degree of risk. There can be no assurance that the Fund's investment objectives will be achieved or that there will be any return of capital.

No Assurance of Investment Return

No assurance can be given as to the Fund's ability to choose, make and realize investments in any particular company or portfolio of companies. There can be no assurance that the Funds will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the type of companies and transactions described herein. Investments made by the Funds are subject to a wide range of risks, including the impact of terrorist acts or threats thereof, environmental regulations, force majeure, economic trends and other externalities beyond the control of the Funds or Breakwall, which could cause such investments to lose value. There can be no assurance that any investor will receive any distribution from the Funds. Partial or complete sales, transfers, or other dispositions of investments which may result in a return of capital or the realization of gains, if any, are generally not expected to occur for a number of years after any investment is made.

Reliance on the General Partner and Investment Advisor

Breakwall will have exclusive responsibility for the Fund's activities and investors will not be able to make investment or any other decisions in the management of the Funds and generally will not receive financial information that is available to Breakwall with respect

to entities in which the Funds has an investment and/or the issuers and/or the borrowers thereof. Accordingly, the success of the Funds will depend in large part upon the skill and expertise of professionals employed by Breakwall and no person should invest in the Funds unless such person is willing to entrust all aspects of the management of the Funds to Breakwall.

Highly Competitive Market for Investment Opportunities

The activity of identifying, completing and realizing attractive investments is highly competitive and involves a high degree of uncertainty. The availability of investment opportunities generally will be subject to market conditions. In particular, in light of changes in such conditions, including changes in long-term interest rates, certain types of investments may not be available to the Funds on terms that are as attractive as the terms on which opportunities may have been available in other periods. The Funds expects to encounter competition from other entities having similar or overlapping investment objectives, such as mezzanine investors or other investors with a focus on debt and/or energy investments generally. The Funds will be competing for investments with other investment partnerships and corporations, financial institutions, business development companies, strategic industry investors, the public debt and equity markets and other financial investors investing directly or through affiliates. Over the past several years, an ever-increasing number of private equity and debt funds have been formed, including in the energy and power industry (and many such existing funds have grown in size), resulting in an unprecedented amount of capital available for private investment. As a result of the dislocations in the credit market and capital markets, other firms and institutions are seeking to capitalize on the perceived opportunities with vehicles, funds and other products that are expected to compete with the Funds for investments. Some of these competitors may have more relevant experience, greater financial resources and more personnel than the Funds. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of investment opportunities available to the Funds and adversely affecting the terms upon which investments can be made. There can be no assurance that the Funds will be able to locate, consummate and exit investments that satisfy the Fund's investment objectives or realize upon their values, or that the Funds will be able to invest fully its committed capital.

Lack of Diversification

Investors have no assurance as to the degree of diversification of the Fund's investments, either by number, geographic region, asset type, category or sector. These risks may be further pronounced in cases in which an investment is secured by a relatively small or less diverse pool of underlying assets. The risk-return profile of the various categories of investments varies, and the non-performance of a category in which the Funds is concentrated would have a significant adverse effect on the Funds. Certain geographic regions, industries and/or sectors may be more adversely affected by economic pressures when compared to other geographic regions, industries and/or sectors. As the Funds is focused on the energy industry, value will be particularly susceptible to fluctuations in such an industry. Therefore, the aggregate return of the Funds may be adversely affected by the unfavorable performance of one or a small number of investments, geographic regions,

industries and/or sectors or unfavorable developments in one or a small number of geographic regions or sectors or the energy industry overall.

Nature of Investment in Senior Loans

The assets of the Funds will likely include first lien senior secured debt but may also include selected subordinated debt investments, which involves a higher degree of risk of a loss of capital. The factors affecting an issuer's first and second lien leveraged loans, other subordinated debt tranches and its overall capital structure, are complex. Some first lien loans may not necessarily have priority over all other debt of an issuer. For example, some first lien loans may permit other secured obligations (such as overdrafts, swaps or other derivatives made available by members of the syndicate to the company) or involve first liens only on specified assets of an issuer (e.g., excluding real estate). Issuers of first lien loans may have two tranches of first lien debt outstanding each with first liens on separate collateral or may have first lien tranches that have *pari passu* liens but with one tranche having payment priority over the other (such as revolvers having payment priority over term debt).

Interest Rate Changes May Adversely Affect Value

Most of the investments acquired by the Funds are likely to have interest rates that adjust in accordance with the Standard Overnight Financing Rate ("SOFR"). SOFR is a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities. SOFR is calculated as a volume-weighted median of transaction-level tri-party repo data collected from the Bank of New York Mellon as well as GCF Repo transaction data and data on bilateral Treasury repo transactions cleared through FICC's DVP service, which are obtained from the U.S. Department of the Treasury's Office of Financial Research (OFR). Each business day, the New York Fed publishes the SOFR on the New York Fed website at approximately 8:00 a.m. ET. SOFR serves as a global benchmark for home mortgages, student loans and what various issuers pay to borrow money.

Term Loans, Delayed Draw Loans, or Revolvers

The Funds may invest in term loans, delayed draw term loans, bridge loans, and revolving loans, together with, without limitation, other instruments described herein. A term loan is a loan that has a specified repayment schedule. A delayed draw loan is a loan that typically permits the borrower to withdraw predetermined portions of the total amount borrowed at certain times. A revolving credit facility differs from a delayed draw loan in that as the borrower repays the loan, an amount equal to the repayment may be borrowed again during the term of the revolving credit facility. Delayed draw loans and revolving credit facilities usually provide for floating or variable rates of interest. If the Funds enters into or acquires a commitment with a borrower regarding a delayed draw loan or a revolver, the Funds will be obligated on one or more dates in the future to lend the borrower monies (up to an aggregate stated amount) if called upon to do so by the borrower. These commitments may have the effect of requiring the Funds to increase its investment in a borrower at a time when it might not otherwise decide to do so (including at a time when the company's financial condition makes it unlikely that such amounts will be repaid). Delayed draw loans

and revolvers may be subject to restrictions on transfer, and only limited opportunities may exist to resell such instruments. As a result, the Funds may be unable to sell such investments at an opportune time or may have to resell them at less than fair market value.

Credit Risk

One of the fundamental risks associated with the Fund's investments is credit risk, which is the risk that an issuer will be unable to make principal and interest payments on its outstanding debt obligations when due. The Fund's return to investors would be adversely impacted if an issuer of debt in which the Funds invests becomes unable to make such payments when due. Although the Funds may make investments that Breakwall believes are secured by specific collateral the value of which may initially exceed the principal amount of such investments or the Fund's fair value of such investments, there can be no assurance that the liquidation of any such collateral would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal payments with respect to such investment, or that such collateral could be readily liquidated.

Restructuring and Foreclosure

Debt investments (such as loans, notes and other structured investments) or participations therein and other investments originated or otherwise acquired by the Funds could be, at the time of their origination or acquisition, or could become after origination or acquisition, non-performing for a wide variety of reasons. Such non-performing debt investment could require a substantial amount of workout negotiations and/or restructuring, including in bankruptcy proceedings, which could entail, among other things, an extension of the term, a substantial reduction in the interest rate and a substantial write-down of the principal of such debt investment, conversion of such debt investment, in whole or in part, to equity or other debt instruments or other consideration, or additional funding, including in the form of equity, or loss or impairment of any collateral securing such debt investments. However, even if a debt investment restructuring were successfully accomplished, a risk exists that upon maturity of such restructured debt investment, replacement "takeout" financing will not be available, resulting in an inability by the borrower to repay the debt investment and the possible need for other concessions which could adversely affect the returns realized by the Funds.

Sub-Investment Grade and Unrated Debt Obligations

The Fund's investment strategy is focused on investing in instruments that will primarily include first lien loans and notes, but also may include second lien loans and notes, senior unsecured and senior subordinated notes and capital leases, each of which may be sub-investment grade debt obligations. Investments in the sub-investment grade categories are subject to greater risk of loss of principal and interest than higher-rated instruments and may be predominantly speculative with respect to the obligor's capacity to pay interest and repay principal. Such investments may also be subject to greater risk than those with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with non-investment grade instruments, the yields and prices of such instruments may fluctuate more than those that

are higher rated. The market for non-investment grade instruments may be smaller and less active than those that are higher rated, which may adversely affect the prices at which these investments can be sold and result in losses to the Funds, which, in turn, could have a material adverse effect on the performance of the Funds.

Nature of Junior, Subordinated and/or Unsecured Investments

While primarily focused on first lien debt instruments, the Fund's strategy may entail acquiring investments that are junior, subordinated and/or unsecured instruments and the Fund's remedies with respect to such investments will be subject to the rights of holders or more senior tranches in an issuer's capital structure and, to the extent applicable, contractual inter-creditor, co-lender and/or participation agreement provision. In the case of certain such investments where the portfolio company seeks a reorganization, if the portfolio company in question does not successfully reorganize, the Funds will have no assurance (as do those distressed investors that acquire only fully collateralized positions) that it will recover any of the principal that it has invested. While such junior, subordinated, or unsecured investments may benefit from the same or similar financial and other covenants as those enjoyed by the indebtedness ranking ahead of the investments and may benefit from cross-default provisions and security over the portfolio company's assets, some or all of such terms may not be part of particular investments.

Fixed Income Securities

The Funds may invest in fixed income securities. Investment in these securities may offer opportunities for income and capital appreciation and may also be used for temporary defensive purposes and/or to maintain liquidity. Fixed income securities are subject to the risk of the issuers or a guarantor's inability to meet principal and interest payments on its obligations and are subject to price volatility due to factors such as interest rate sensitivity, market perception of the creditworthiness of the company and general market liquidity.

Bank Loans and Participations

A portion of the Fund's assets may be invested in bank loans and participations in bank loans. These obligations are subject to unique risks, including, without limitation: (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws; (ii) so-called lender liability claims by the issuer of the obligations; (iii) environmental liabilities that may arise with respect to collateral securing the obligations; (iv) adverse consequences resulting from participating in such instruments with other institutions with lower credit quality; and (v) limitations on the ability of the Funds to directly enforce its rights with respect to participations. The loans invested in by the Funds may include term loans and revolving loans, may pay interest at a fixed or floating rate and may be senior or subordinated.

Convertible Securities

Convertible securities are bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A

convertible security entitles its holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Convertible securities have unique investment characteristics in that they generally (a) have higher yields than common stocks, but lower yields than comparable non-convertible securities, (b) are less subject to fluctuation in value than the underlying common stock due to their fixed-income characteristics and (c) provide the potential for capital appreciation if the market price of the underlying common stock increases.

Covenant-Lite Loans

Although Breakwall generally expects the loan documentation of most of the Fund's investments to include both incurrence and maintenance-based covenants, there may be instances, such as those investments purchased by the Funds on the secondary market, in which the Funds invests in covenant-lite loans. An investment by the Funds in a covenant-lite loan may potentially hinder the ability to reprice credit risk associated with the portfolio company and reduce the ability to restructure a problematic loan and mitigate potential loss. As a result, the Fund's exposure to losses may be increased, which could result in an adverse impact on the Fund's return to its investors.

Bridge Financings

From time to time, the Funds may lend to portfolio companies on a short-term, unsecured basis or otherwise invest on an interim basis in portfolio companies in anticipation of a future issuance of long-term debt securities or other refinancing or syndication. Such bridge financings would typically be convertible into a more permanent, long-term security; however, for reasons not always in the Fund's control, such long-term securities issuance or other refinancing may not occur, and such bridge financings may remain outstanding. In such event, the interest rate on such loans or the terms of such interim investments may not adequately reflect the risk associated with the unsecured position taken by the Funds.

Investments in Publicly Traded Securities

The Funds will have the ability to invest in securities that are publicly traded and are, therefore, subject to the risks inherent in investing in public securities (including new issues of securities). These factors are outside Breakwall's control and could adversely affect the liquidity and value of the Fund's investments. When investing in public securities, the Funds may be unable to obtain financial covenants or other contractual rights that it might otherwise be able to obtain in making directly originated or otherwise privately negotiated investments. Moreover, the Funds may not have the same access to information in connection with investments in public securities, either when investigating a potential investment or after making an investment, as compared to privately negotiated investments. Furthermore, the Funds may be limited in its ability to make investments, and to sell existing investments, in public securities because Breakwall may be deemed to have material, non-public information regarding the issuers of those securities or because of other internal policies.

Market Risk

Issuers in which the Funds invests could deteriorate as a result of, among other factors, an adverse development in their business (including due to adverse commodity price movements), a change in the competitive environment or the worsening of the current (or any future) economic and financial market downturns and dislocations. As a result, issuers that the Funds expected to be stable or improve may operate, or expect to operate, at a loss or have significant variations in operating results, may require substantial additional capital to support their operations or maintain their competitive position, or may otherwise have a weak financial condition or be experiencing financial distress. In addition, exogenous factors such as fluctuations of the credit markets and capital markets also could result in investments owned by the Funds becoming worthless. Similarly, these companies could present a high degree of business and credit risk. There is a possibility that the Funds may incur substantial or total losses on its investments. During an economic downturn or recession, investments of financially troubled or operationally troubled issuers are more likely to go into default than those of other issuers. Investments of financially troubled issuers and operationally troubled issuers are less liquid and more volatile than those of companies not experiencing financial difficulties. The market prices of such investments are subject to erratic and abrupt market movements and the spread between bid and asked prices may be greater than normally expected.

Coronavirus and Public Health Emergencies

There continues to be an outbreak of a novel and highly contagious form of coronavirus (“*COVID-19*”), which the World Health Organization declared to constitute a “Public Health Emergency of International Concern.” The outbreak of COVID-19 has resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in certain equity and debt markets. The global impact of the outbreak continues to evolve, and many countries have reacted by instituting quarantines, prohibitions on travel and the closure of offices, businesses, schools, retail stores and other public venues. Businesses have also implemented similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, have created significant disruption in supply chains and economic activity and have had a particularly adverse impact on transportation, hospitality, tourism, entertainment and other industries. Jurisdictions and other local and national authorities may expand or extend measures imposing restrictions. Breakwall cannot predict if states, municipalities, local, and/or national authorities will implement or authorize restrictions.

Credit Ratings are Not a Guarantee of Quality

The Funds may invest in debt securities that have been rated by internationally recognized rating organizations. In general, the credit ratings of these organizations represent the opinions of such agencies as to the quality of investments that they rate and are not a guarantee of quality. Such agencies may change their method of valuation of, and the ratings of, securities held by the Funds at any time. A credit rating is not a recommendation

to buy, sell or hold assets and may be subject to revision or withdrawal at any time by the assigning rating agency.

Prepayment Risk; Early Redemptions and Refinancings

The Fund's debt investments may be subject to early redemption features, refinancing options, pre-payment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by the Funds earlier than expected. Prepayment rates are influenced by changes in interest rates and a variety of economic, geographic and other factors beyond the Fund's control. Therefore, the frequency at which prepayments (including voluntary prepayments by borrowers and liquidations due to defaults and insolvency) occur on the Fund's investments can adversely impact the Funds and prepayment rates cannot be predicted with certainty making it impossible to insulate the Funds from prepayment or other such risks. Early prepayments give rise to increased re-investment risk, including, for example, when the prevailing level of interest rates falls, the Funds may be unable to re-invest cash in a new investment with an expected rate of return at least equal to that of the investment prepaid. This may have a material adverse effect on the Fund's investment objectives and the internal rate of return and/or multiple of invested capital. In addition, depending on the financial condition of the portfolio company, warrants and other equity investments may become worthless.

Risks Relating to Issuer-Specific Events

Before making investments, Breakwall intends to conduct due diligence that they deem appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, and legal and regulatory issues. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment. Such involvement of third-party advisors or consultants may present a number of risks primarily relating to Breakwall's reduced control of the functions that are outsourced.

Risks Related to Investing in Green Loans and Sustainability-Linked Loans

When evaluating potential investment opportunities, in addition to financial return, a majority of the Fund's investment will also satisfy the criteria of a Green Loan or Sustainability-Linked Loan. As a result, the opportunity set for potential investments will necessarily be smaller than it would otherwise be if the Funds were seeking to make investments solely on the basis of financial returns, and Breakwall may forgo opportunities that are attractive from a financial perspective if they do not also meet Green Loan or Sustainability-Linked Loan criteria.

Small or Mid-Sized companies

The Funds may invest in the debt of portfolio companies that are at a conceptual or early stage of development or that have little or no operating history; offer services or products that are not yet developed or ready to be marketed or that have no established market; are operating at a loss or have significant fluctuations in operating results; are engaged in a

rapidly changing business; and need substantial additional capital to set up infrastructure, hire management and personnel, develop product prototypes, support expansion or achieve or maintain a competitive position. Such companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and service capabilities and a larger number of qualified managerial and technical personnel.

Public Company Holdings

The Fund's investment portfolio may contain debt securities issued by publicly held companies or their affiliates. Such investments may subject the Funds to risks that differ in type and degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Funds to dispose of such securities at certain times, increased likelihood of shareholder litigation against such companies' board members or significant shareholders, and increased costs associated with each of the foregoing risks.

Fraud

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

Misconduct of Breakwall Personnel and Third-Party Service Providers

There have been a number of highly publicized cases involving fraud or other misconduct by employees in the financial services industry in recent years, and there is a risk that employee misconduct could occur with respect to the Funds. Misconduct by employees or by third-party service providers could cause significant losses to the Funds. Employee misconduct could include, among other things, binding the Funds to transactions that exceed authorized limits or present unacceptable risks, engaging in other unauthorized activities or concealing unsuccessful investments (which, in either case, may result in unknown and unmanaged risks or losses), or otherwise charging (or seeking to charge) inappropriate expenses to the Funds or Breakwall. In addition, employees and third-party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting the Fund's business prospects or future activities. It is not always possible to deter misconduct by employees

or service providers, and the precautions Breakwall takes to detect and prevent this activity may not be effective in all cases.

Additional Capital Requirements

Certain of the Fund's investments may require additional capital. The amount of such additional capital needed will depend upon the status and objectives of the particular investment. If the Funds provided are not sufficient, additional capital may be required to be raised at a price unfavorable to the existing investors, including the Funds. In addition, the Funds may make additional debt and equity investments in order to preserve its proportionate ownership when a subsequent financing is planned, or to protect the Fund's investment when such investment's performance does not meet expectations. The availability of capital is generally a function of capital market conditions that are beyond the control of the Funds or Breakwall.

Spread Widening Risk

For reasons not necessarily attributable to any of the risks set forth herein (for example, supply/demand imbalances or other market forces), the prices of the debt instruments and other securities in which the Funds invests may decline substantially. Volatility uncertainty in public markets, particularly in debt markets, may have the impact of increasing the spreads between debt instruments and their relevant benchmarks, indicating an increasing risk of defaults. Thus, purchasing debt instruments or other assets at what may appear to be "undervalued" or "discounted" levels (due to perceived market dislocations or otherwise) is no guarantee that these assets will not be trading at even lower levels at a future time of valuation or at the time of sale. It may not be possible to predict, or to hedge against, such "spread widening" risk.

Interest Rate Fluctuations

General interest rate fluctuations may have a substantial negative impact on the Fund's investments and investment opportunities and accordingly may have a material adverse effect on the Fund's investment objectives and the rate of return on invested capital. The securities in which the Funds will invest have valuations which are based on numerous factors, including energy sector fundamentals and specific company characteristics. However, such securities are also susceptible to fluctuations in interest rates and, like treasury bonds, the prices of securities can increase when interest rates fall and decline when interest rates rise.

Financial Market Fluctuations

General fluctuations in the market prices of securities, credit prices/spreads, valuations and/or interest rates may adversely affect the value of the Fund's investments and investment opportunities and, accordingly, may have a material adverse effect on the Fund's investment objectives and the rate of return on invested capital. Instability in the markets may also increase the risks inherent in such investments. The ability of portfolio companies to repay debt obligations (including making payments to the Funds as a creditor with respect thereto) and/or refinance debt securities may depend on their ability to sell

new securities in the public debt market or otherwise, or to raise capital in the leveraged finance debt markets, which historically have been cyclical regarding the availability of financing. Interest rate changes may also affect the value of a debt instrument directly (in the case of adjustable-rate instruments) or indirectly (in the case of fixed rate instruments). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price.

Inflation

Inflation and rapid fluctuations in inflation rates have had in the past, and may in the future have, negative effects on economies and financial markets. For example, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. In an attempt to stabilize inflation, countries may impose wage and price controls or otherwise intervene in the economy. Governmental efforts to curb inflation often have negative effects on the level of economic activity. There can be no assurance that inflation will not become a serious problem in the future and have an adverse impact on the Fund's returns.

General Economic Conditions

The success of the Funds and its investments may be materially affected by market, economic and political conditions globally and in the jurisdictions and sectors in which they invest or operate, including factors such as interest rates, the availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Fund's investments), trade barriers, currency exchange controls, and national and international political, environmental and socioeconomic circumstances (including wars, terrorist acts or security operations). The last global recession was prolonged and serious. An economic downturn could adversely affect the financial resources of the Fund's portfolio companies and their ability to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such defaults, the Funds could lose both invested capital in and anticipated profits from the affected portfolio companies. Such marketplace events have also impacted the availability and terms of financing for leveraged transactions.

Valuation Risks

Breakwall or its affiliates will determine in accordance with the Governing Documents the fair value the Fund's investments. Breakwall may cause the Funds to engage qualified valuation experts (at the expense of the Funds) to assist in these determinations, however, it is not required to do so. Given that the assets of the Funds may at any time include investments which are thinly traded, for which no market exists or which are restricted as to their transferability under applicable laws or regulations, the Fund's investments may be extremely difficult to value accurately. Furthermore, because of overall size or concentration in particular sectors or positions, the value at which the Fund's investments can be liquidated may differ, sometimes significantly, from the assigned valuation of such investments. There may be a relative scarcity of market comparables on which to base the value of the Fund's investments. Accordingly, the carrying value of an investment may not

reflect the price at which the investment could be sold in the market, and the difference between carrying value and the ultimate sales price could be material.

Investments in Energy Industry

The Funds will invest in debt-related securities of the energy industry. Electric generation and transmission, as well as oil, natural gas, and coal storage, handling, processing, and transportation, are typically regulated to varying degrees. In addition to restrictions imposed by environmental regulators (see below), statutory and regulatory requirements may include those imposed by energy, zoning, land use, safety, labor and other regulatory or political authorities. It is possible that changes to applicable regulations or regulatory practice could have adverse consequences for an investment in the Funds. Investments in the energy industry are subject to certain special risks, including those discussed generally herein.

Energy Industry Market Dislocation

Events in the energy markets have caused significant dislocations and illiquidity in the credit market for energy companies. Such events have had and may in the future have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Any resulting economic downturn could adversely affect the financial resources of borrowers in which the Funds has invested and result in the inability of such borrowers to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such defaults, the Funds may suffer a partial or total loss of capital invested in such companies, which would, in turn, have an adverse effect on the Fund's returns. Such marketplace events also may restrict the ability of the Funds to sell or liquidate investments at favorable times or for favorable prices (although such marketplace events may not foreclose the Fund's ability to hold such investments until maturity).

Volatility of Oil and Natural Gas Prices

The performance of the Fund's investments in the energy sector will depend substantially upon prevailing prices of electricity, oil, natural gas, natural gas liquids, coal and other commodities (such as metals) and the differential between prices of specific commodities that are a primary factor in the profitability of certain conversion activities such as petroleum refining, power generation and enhanced oil recovery (related to the use of natural gas to generate steam used for oil production). The operation and cash flows of any investment may depend, in some cases to a significant extent, upon prevailing or improving market prices for energy commodities.

Power Purchase Agreement Risk

Portfolio companies may enter into power purchase agreements ("PPAs"). Payments by power purchasers to such companies or projects pursuant to their respective PPAs may provide the majority of such companies' or projects' cash flows. There can be no assurance that any or all of the power purchasers will fulfill their obligations under their PPAs or that a power purchaser will not become bankrupt or that upon any such bankruptcy its

obligations under its respective PPA will not be rejected by a bankruptcy trustee. There are additional risks relating to the PPAs, including the occurrence of events beyond the control of a power purchaser that may excuse it from its obligation to accept and pay for delivery of energy generated by a company or project. If PPAs are terminated for any reason, including as a result of a default by a portfolio company, there can be no assurance that an alternative purchaser will be found or if found, will be as creditworthy or willing to purchase the full quantities of products at a price equal to or higher than the price agreed with the power purchasers being replaced. The failure of a power purchaser to fulfill its obligations under any PPA or the termination of any PPA may have a material adverse effect on a portfolio company and such portfolio company's ability to make interest or principal payments on any financing provided by the Funds when due.

Technical Risk

Investments in the energy industry may be subject to technical risks, including the risk of mechanical breakdown, spare parts shortages, failure to perform according to design specifications and other unanticipated events which adversely affect operations. There can be no assurance that any or all such risks can be mitigated.

Weather and Climatological Risks

Certain energy companies may be particularly sensitive to weather and climate conditions. For example, solar power generators rely on the frequency and intensity of sunlight, wind turbines upon the frequency and intensity of the wind. Portfolio companies focused on biomass rely on the production of crops, which can be adversely affected by droughts and other weather conditions, and nuclear and many fossil fuel-fired power plants require large volumes of water to operate.

Renewable Energy Policy Risk

Investments in renewable energy and related businesses and/or assets currently enjoy wide support from national, state and local governments and regulatory agencies designed to finance development thereof, such as the U.S. federal investment tax credit and federal production tax credit, U.S. Department of the Treasury grants, various renewable and alternative portfolio standard requirements enacted by several states, renewable energy credits and state-level utility programs, such as system benefits charge and customer choice programs. Similar support, initiatives and arrangements exist in non-U.S. jurisdictions as well, in particular the European Union. Non-U.S. jurisdictions may have more variable views on policies regarding renewable energy (and, for example, may be more willing or likely to abandon initiatives regarding renewable energy in favor of more carbon-intensive forms of traditional energy generation). The combined effect of these programs is to subsidize in part the development, ownership and operation of renewable energy projects, particularly in an environment where the low cost of fossil fuel may otherwise make the cost of producing energy from renewable sources uneconomic. The operation and financial performance of any renewable energy portfolio companies will be significantly dependent on state policies and regulatory frameworks that support renewable energy sources.

Disposal of Water and Waste

Water is an essential component of oil, natural gas and natural gas liquids production during the drilling, and in particular, hydraulic fracturing process. Inability to locate enough water or dispose of or recycle water used or produced in a portfolio company's exploration, development, and production operations, could adversely impact its operations. Moreover, the imposition of new environmental initiatives and regulations could include restrictions on a portfolio company's ability to conduct certain operations such as hydraulic fracturing or disposal of waste associated with the exploration, development or production of oil, natural gas and natural gas liquids (including, but not limited to, produced water, drilling fluids and other materials used in the drilling and completion process).

Drilling, Exploration, Development and Mining Risks; Operational and Catastrophe Risks

The Funds intends to invest in the energy industry, including businesses that engage in oil and gas exploration, development and production. Such businesses are speculative and may involve a high degree of risk and the use of new technologies. For example, oil and gas drilling may involve unprofitable efforts, not only from dry holes, but from wells that are productive but do not produce sufficient net revenues after drilling and other costs. Acquiring, developing and exploring for and producing oil and natural gas involves many risks. These risks include encountering formations or pressures, premature declines of reservoirs, blow-outs, equipment failures and accidents in completing wells and otherwise, cratering, sour gas releases, uncontrollable flows and leaks of oil, natural gas, crude oil, refined petroleum products or other hydrocarbons, adverse weather conditions, pollution, fires, spills and other natural disasters or acts of terrorism that could lead to environmental damage, injury to persons and loss of life or the destruction of property, any of which could expose portfolio companies to the risk of litigation and clean-up or other remedial costs. The Funds may seek to maintain insurance coverage for the operations of its investments, but insurance coverage for environmental damages that occur over time or insurance coverage for the full potential liability that could be caused by sudden environmental damages may not be available at a reasonable cost, and the Funds may be subject to liability or may lose substantial portions of its properties in the event of certain environmental damages.

Portfolio Company Development, Construction and Operational Risks

A portfolio company may face development and construction risks, including, but not limited to: (i) labor disputes, shortages of material and skilled labor or work stoppages; (ii) slower than projected construction progress and the unavailability or late delivery of necessary equipment; (iii) less than optimal coordination with public utilities in the relocation of their facilities; (iv) failure of third parties to perform their obligations; (v) failure or delay in obtaining necessary permits and/or governmental approvals and other regulatory matters; and (vi) many hazards and force majeure events inherent in the production and delivery of electricity, exploration and operation of gas and oil fields, transportation of energy products and other related activities. Events of this nature could severely delay or prevent the completion of, or significantly increase the cost of,

construction or operation of portfolio company assets or businesses. If any entity upon which a portfolio company depends for the engineering, procurement, construction, testing or commissioning of assets under construction breaches its obligations, or if a counterparty to any a material contracts is declared bankrupt or insolvent, the ability to complete construction and operate assets, and consequently the ability to meet such portfolio company's obligations under PPAs or other customer contracts, could be impaired. Such delays or disruptions may result in lost revenues or increased expenses, including higher operation and maintenance costs related to a portfolio company. These risks could result in substantial losses due to personal injury or loss of life, severe damage to and destruction of property and equipment and pollution or other environmental damage and may result in the curtailment or suspension of their related operations. Public awareness of such risk, potential publicity and related reputational risk to the operators and owners of such facilities have been significantly amplified by historical events.

Fund Level Operational Risk

Operational risks arising from transactions not being properly booked, evaluated or accounted for or other similar disruption in the Fund's operations may cause the Funds to suffer financial losses, the disruption of its business, liability to third parties, regulatory intervention or damage to its reputation. Generally, neither Breakwall nor the manager will be liable to the Funds for losses incurred due to the occurrence of any such errors.

Failure of Risk Management Procedures and Methods

The risk management techniques and strategies used by Breakwall (or other persons, where applicable) may not be effective in mitigating the Fund's risk exposure in all economic market environments or against all types of risk, including risks that Breakwall fails to identify or anticipate or does not have access to information about. Some of the qualitative tools and metrics for managing risk may fail to predict future risk exposures. These risk exposures could, for example, arise from factors that Breakwall (or other persons, where applicable) did not anticipate or correctly evaluate in its models. In addition, any quantified modeling performed does not take all risks into account and could prove insufficient, exposing the Funds to material unanticipated losses. Other risk management methods depend upon evaluation of information that is publicly available or otherwise accessible by Breakwall (or other persons, where applicable). This information may not in all cases be accurate, complete, up-to-date or properly evaluated.

Lack of Management Rights

Investors will generally have no opportunity to control the day-to-day operation, including investment and disposition decisions, of the Funds. Breakwall generally has discretion in structuring, negotiating and purchasing, financing and eventually divesting investments on behalf of the Funds. Consequently, the investors will not be able to evaluate for themselves the merits of particular investments prior to the Fund's making such investments.

Infrastructure Risks

The Funds will target investments in first lien direct lending investments within the energy infrastructure, infrastructure services and energy transition sectors. Investment in or related to infrastructure projects, companies and assets involves many unique and acute risks. Project revenues can be affected by several factors including economic and market conditions, political events, competition, regulation and the financial position, credit quality and business strategy of customers / contractual counterparties. Unanticipated changes in the availability or price of inputs necessary for the operation of infrastructure assets may adversely affect the overall profitability of an investment or related project. Events outside the control of an issuer, such as political action, governmental regulation, tariffs, import duties, demographic changes, economic conditions, government macroeconomic policies, political events, toll rates, power and energy prices, transportation charges, service fees, social instability, natural disasters (such as fire, floods, earthquakes and typhoons), changes in weather, changes in wastewater operations, changes in demand for products or services, including for digital infrastructure assets, assets in connection with social infrastructure, political or local opposition, technical obsolescence, slower than projected construction progress, bankruptcy or financial difficulty of a major service provider, customer or supplier and acts of war or terrorism and other unforeseen circumstances and incidents could significantly reduce the revenues generated or significantly increase the expense of constructing, operating, maintaining or restoring infrastructure facilities. In turn, this may impair an issuer's ability to repay its debt, make distributions to the Funds or even result in termination of an applicable concession or other agreement.

Land Title Risk

Certain portfolio companies may require large areas of land to install and operate their equipment and associated infrastructure. The rights to use the necessary land and the specific mineral interest under the land may be obtained through freehold title or fee simple title, easements, government concessions, leases and other rights of use. Different jurisdictions adopt different systems of mineral and land title, and in some jurisdictions, it may not be possible to ascertain definitively who has the legal right to enter into mineral and land tenure arrangements with investments.

Hydraulic Fracturing

The Funds may make loans to entities that use hydraulic fracturing in their core programs. Hydraulic fracturing typically involves the injection of water, sand or other proppants, and additives under pressure into rock formations in order to stimulate hydrocarbon production.

Certain portfolio companies may find that the use of hydraulic fracturing is necessary to produce commercial quantities of oil, natural gas and natural gas liquids from reservoirs in which they operate. It is likely that the Funds will invest in entities and businesses that have operations in the United States where there have been a number of initiatives and proposed initiatives at the federal, state and local level to ban or regulate hydraulic fracturing and to

study the environmental impacts of hydraulic fracturing and the need for further regulation of the practice.

Key Inputs

The operations of the businesses in which the Funds invests may rely on access to certain key inputs such as strategic consumables, raw materials and drilling and processing equipment. The inability to obtain such key inputs in a timely manner could delay or reduce a portfolio company's production, which could have an adverse impact on its results of operations and financial condition. Periods of high demand for such supplies can result in periods when the availability of supplies are limited and cause costs to increase above normal inflation rates. Any interruption to supplies or increase in costs could adversely affect the operating results and cash flows of the Fund's portfolio companies, and thus their ability to repay debt obligations of the Funds.

Independent Contractors

Independent contractors are typically used in operations in the energy industry to perform various operational tasks, including carrying out drilling activities and delivering raw commodities to processing or beneficiation plants. In periods of high commodity prices, demand for such contractors may exceed supply resulting in increased costs or lack of availability of key contractors. Disruptions of operations or increased costs also can occur as a result of disputes with contractors or a shortage of contractors with particular capabilities. Additionally, since a business in which the Funds invest may not have the same control over independent contractors as they may have over their own employees, there is a risk that such contractors will not operate in accordance with its own safety standards or other policies.

Unavailability or Cost of Equipment and Personnel

The demand for qualified and experienced field personnel, geologists, geophysicists, engineers, and other professionals can fluctuate significantly, often in correlation with natural gas, oil and natural gas liquids prices, causing periodic shortages. Historically, there have been periods during which shortages of drilling and workover rigs, pipe and other equipment as demand for rigs and equipment has increased along with the number of wells being drilled. It cannot be predicted whether such conditions will exist in the future and, if so, what their timing and duration will be. Such shortages could delay or cause a portfolio company to incur significant expenditures and result in a material adverse effect on its business, financial condition and/or results of operations.

Terrorist Activities; Unavailability of Insurance for Certain Catastrophic Losses

Terrorist attacks of unprecedented scope have caused instability in the world financial markets and may generate global economic instability. The continued threat of terrorism and the impact of military or other action have led to and will likely lead to increased volatility in prices for electricity and could affect the Fund's financial results. Further, the United States government has issued public warnings indicating that energy assets might be a specific target of terrorist organizations. portfolio companies may involve significant

strategic assets having a national or regional profile. The nature of these assets could expose them to a greater risk of being the subject of a terrorist attack than other assets or businesses.

General U.S. and Non-U.S. Regulatory Risks

The global energy industry is subject to comprehensive U.S. and non-U.S. federal, state and local laws and regulations, including without limitation: the Clean Air Act, which imposes obligations related to air emissions; the Clean Water Act and Oil Pollution Act, which impose obligations related to discharges of pollutants into regulated bodies of water; the Resource Conservation and Recovery Act, which imposes requirements for the handling and disposal of waste; the Comprehensive Environmental Response, Compensation, and Liability Act (“*CERCLA*”), which regulates the cleanup of hazardous substances that may have been released at properties currently or previously owned or operated by a portfolio company or at locations to which a portfolio company has sent waste for disposal; the EPA’s emergency planning community right to know regulations under CERCLA, which requires a portfolio company to organize and/or disclose information about hazardous materials used or produced in connection with operations; the Occupational Safety and Health Act, which establishes workplace standards for the protection of the health and safety of employees, including the implementation of hazard communications programs designed to inform employees about hazardous substances in the workplace, potential harmful effects of these substances, and appropriate control measures; the National Environmental Policy Act, which requires federal agencies to evaluate major agency actions having the potential to significantly impact the environment and which may require the preparation of environmental assessments and more detailed environmental impact statements that may be made available for public review and comment; the Migratory Bird Treaty Act, which implements various treaties and conventions between the United States and certain other nations for the protection of migratory birds and, pursuant to which the taking, killing, or possessing of migratory birds is unlawful without a permit, thereby potentially requiring the implementation of operating restrictions or a temporary, seasonal, or permanent ban on operations in affected areas; the Endangered Species Act, which seek to ensure that activities do not jeopardize endangered or threatened animals, fish and plant species or their habitats; and federal, state, local and non-U.S. laws and regulations similar to the foregoing.

Environmental and Health and Safety Requirements and Liabilities

Environmental and health and safety (“*EHS*”) laws, regulations and regulatory initiatives play a significant role in the energy and power industry and can have a substantial impact on investments in this industry. For example, global initiatives to minimize pollution have played a major role in the increase in demand for natural gas and alternative energy sources, creating numerous new investment opportunities. Conversely, required expenditures for EHS compliance have adversely impacted investment returns in a number of segments of the industry. The energy and power industry will continue to face considerable oversight from EHS regulatory authorities. Some of the most financially onerous environmental requirements regulate air emissions of pollutants and greenhouse gases; these requirements may particularly affect companies in the energy section, and in particular in its power

generation fragment. The Funds may invest in portfolio companies that are subject to a wide range of changing and increasingly stringent EHS laws, regulations and permit requirements.

Investments in Portfolio Companies in Regulated Industries

Certain industries are heavily regulated. The Funds will make investments in portfolio companies operating in industries that are subject to greater amounts of regulation than other industries generally. Investments in portfolio companies that are subject to greater amounts of governmental regulation pose additional risks relative to investments in other companies generally. Changes in applicable laws or regulations, or in the interpretations of these laws and regulations, could result in increased compliance costs or the need for additional capital expenditures. If a portfolio company fails to comply with these requirements, it could also be subject to civil or criminal liability and the imposition of fines. A portfolio company also could be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such company. Governments have considerable discretion in implementing regulations that could impact a portfolio company's business, and governments may be influenced by political considerations and may make decisions that adversely affect a portfolio company's business. Additionally, certain portfolio companies may have a unionized workforce or employees who are covered by a collective bargaining agreement, which could subject any such portfolio company's activities and labor relations matters to complex laws and regulations relating thereto. Moreover, a portfolio company's operations and profitability could suffer if it experiences labor relations problems. Upon the expiration of any such portfolio company's collective bargaining agreements, it may be unable to negotiate new collective bargaining agreements on terms favorable to it, and its business operations at one or more of its facilities may be interrupted as a result of labor disputes or difficulties and delays in the process of renegotiating its collective bargaining agreements. A work stoppage at one or more of any such portfolio company's facilities could have a material adverse effect on its business, results of operations and financial condition.

Effects of Ongoing Changes in the Utility Industry

The Funds may make investments in companies operating in the electric utility industry both in the United States and abroad. In many regions, including the United States, the electric utility industry is experiencing increasing competitive pressures, primarily in wholesale markets, as a result of consumer demand, technological advances, greater availability of natural gas and other factors. In response, for example, the Federal Energy Regulatory Commission (the "*FERC*") has implemented regulatory changes to increase access to the nationwide transmission grid by utility and non-utility purchasers and sellers of electricity; similar actions are being taken or contemplated by regulators in other countries. A number of countries, including the United States, are considering or have implemented methods to introduce and promote retail competition. To the extent competitive pressures increase and the pricing and sale of electricity assume more characteristics of a commodity business, the economics of independent power generation

projects into which the Funds may invest may come under increasing pressure. Changes in regulation may result in consolidation among domestic utilities and the disaggregation of many vertically integrated utilities into separate generation, transmission and distribution businesses. As a result, additional significant competitors could become active in the independent power industry.

Federal Power Act; Natural Gas Act; State Regulations

Portfolio companies owning or operating electric generation and transmission assets may separately be subject to regulatory requirements under the Federal Power Act, as amended, other federal utility statutes, state and local public utility laws. These laws may require regulatory approval for the issuance of certain securities that the Funds may hold, as well as requiring regulatory approval before the Funds may exercise certain remedies, such as foreclosure, with respect to its investments in regulated entities. In addition, as regulated entities, the companies in which the Funds may be invested may be restricted from earning additional revenues or recovering certain costs as a result of ratemaking decisions by their applicable federal or state regulators.

Regulatory Approvals and Related Portfolio Company Matters

The Funds may invest in the securities of portfolio companies it believes have obtained all material energy-related federal, state, local or non-U.S. approvals required as of the date thereof to acquire and operate its assets. In addition, the Funds may require the consent or approval of applicable regulatory authorities in order to make particular investments. This is particularly true in connection with portfolio company foreclosure proceedings. A portfolio company could be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such company.

Regulation of Greenhouse Gases

There is a growing consensus in the United States and globally that emissions of greenhouse gases (“GHGs”) are linked to global climate change; this consensus may lead to more stringent regulation of GHGs in the future. Increased public concern and mounting political pressure may result in more international, United States federal or United States regional and state requirements to reduce or mitigate the effects of GHGs. For example, the United Nations-sponsored “Paris Agreement” requires signatory nations, including the United States, to determine and submit emission reduction targets. President Biden has announced a target of reducing the United States’ emissions by 50-52% below 2005 levels by 2030. A number of jurisdictions, including the European Union, have already implemented GHG emission allowance cap-and-trade programs as a means of reducing GHG emissions. Domestically, the state of California has enacted legislation (A.B. 32), and pursuant to A.B. 32 has implemented regulations, for a broad-based cap-and-trade program that has now been operating since 2013. A number of states in the Northeast United States, under the Regional Greenhouse Gas Initiative (“RGGI”), have implemented rules to stabilize and reduce emissions of GHGs from fossil fuel-fired power plants. RGGI

allows each state flexibility in the distribution of its carbon dioxide allocations. There have been a number of legislative proposals in the United States Congress to regulate GHGs.

Political and Societal Challenges

Energy and energy-related infrastructure projects may be subject to siting requirements. Siting of energy projects is also frequently subject to regulation by applicable state, county and local authorities. For example, proposals to site an energy plant or engage in drilling activities in a particular location may be challenged by a number of parties, including non-governmental organizations and special interest groups based on alleged security concerns, disturbances to natural habitats for wildlife and adverse aesthetic impacts, including the common “not in my backyard” phenomenon. Concerns regarding some of the techniques used in the extraction of shale oil and gas in order to enhance recovery, such as the use of natural gas hydraulic fracturing may also arise, which may require governmental permits or approvals and which have recently been the subject of heightened environmental concerns and public opposition in some jurisdictions (as more fully described above). The failure of any portfolio company to receive, renew or maintain any required permits or approvals or any inability to satisfy any requirement of any permits or approvals may result in increased compliance costs, the need for additional capital expenditures or a suspension of project operations, which could adversely impact its ability to meet its debt obligations to the Funds and hence the value of the Fund’s investment.

Tax Regulation and Incentives

It is possible that new U.S. or non-U.S. taxes on the energy and power industry could be implemented and/or U.S. or non-U.S. tax benefits could be eliminated or reduced, reducing the profitability of issuers and their available cash flow. In addition to the short-term negative impact on the financial results of issuers, such additional burdens, if enacted could reduce the Funds available to issuers for reinvestment and thus ultimately reduce their growth and future energy and power production and generation.

Certain federal income tax deductions currently available with respect to oil and natural gas exploration and development may be eliminated as a result of future legislation. Certain changes in U.S. federal income tax law could eliminate certain tax deductions that are currently available with respect to oil and gas exploration and development, and any such change could negatively affect issuers’ financial condition and business operations, and, in turn, the Fund’s investments.

Political, Legal and Commercial Instability

The Funds may invest globally and may invest in businesses that have operations in regions with varying degrees of political, legal and commercial stability. Political, civil and social pressures may result in administrative change, policy reform and/or changes in law or governmental regulations, which in turn can result in expropriation or nationalization of investments and/or adversely affect the value or liquidity of Such investments or an underlying businesses or the Fund’s ability to obtain leverage. Renegotiation or nullification of pre-existing agreements, concessions, leases and permits held by the Fund’s

underlying investment entity or businesses, changes in fiscal policies (including increased tax or royalty rates) or currency restrictions are all possibilities. Commercial instability caused by bribery and corruption and more generally underdeveloped corporate governance policies in their various guises can lead to similar consequences, any of which could have a material adverse effect on an portfolio company's profitability, ability to finance itself, repay debt, or, in extreme cases, its viability, which could, in turn, have a material adverse effect on the Fund's investments therein.

Changes in Global Supply and Demand and Prices for Commodities

Commodity prices are affected by global supply and demand, particularly in the United States, as well as widespread trading activities by market participants and others, either seeking to secure access to such commodities or to hedge against commercial risks, or as part of the activities of the businesses in which the Funds invests. Fluctuations in commodity prices give rise to commodity price risk for the businesses in which the Funds invests. Such prices tend to be subject to substantial variation. The Funds will make debt investments in businesses whose financial performance will in part depend on commodity prices (particularly oil and gas prices). If the prices for those commodities experience a substantial downturn or remain relatively weak for the medium to long term, the ability of those businesses to grow or maintain revenues in future years may be adversely affected, and at certain long term price levels for a given commodity, extractive operations with respect to that commodity may not be economically viable. The ability of such businesses to service debt obligations to the Funds, or the value of the Fund's investments may, as a result, be adversely affected.

Sovereign Risk

The right of certain portfolio companies to extract mineral resources, generate, deliver or sell energy or related services and equipment may be granted by, or derive from approval by, governmental entities and are subject to special risks, including the risk that the relevant governmental entity will exercise sovereign rights and take actions contrary to the rights of the Funds or the relevant investment under the relevant agreement. There can be no assurance that the relevant governmental entity will not legislate, impose regulations or change applicable laws or act contrary to the law in a way that would materially and adversely affect the business of any portfolio company.

Change of Law Risk

In addition to the risks regarding regulatory approvals, it should be noted that government counterparties or agencies may have the discretion to change or increase regulation of a portfolio company's operations, or implement laws or regulations affecting the portfolio company's operations, separate from any contractual rights it may have. A portfolio company could also be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such company. Governments have considerable discretion in implementing regulations, including, for example, the possible imposition or increase of taxes on income earned by or from a

portfolio company or gains recognized by the Funds on its investment in such portfolio company, that could impact a portfolio company's business as well as the Fund's return on its investment with respect to such portfolio company.

Hedging Policies and Commodities Price Risks

In connection with certain investments, the Funds or its portfolio companies may, but is not required to, employ hedging techniques designed to reduce the Fund's equity, currency, commodity price, interest rate exposure or other investment risks or as a means of structuring an investment in a portfolio company in light of applicable legal, tax or regulatory considerations.

Use of Derivatives and Other Specialized Techniques

Portfolio companies in the energy and power industry engage in derivatives transactions to insulate against changes in commodities prices, and the Funds or its portfolio companies may engage in other derivative or similar transactions as described above. These transactions may involve the purchase and sale of commodities or commodity futures, the use of forward contracts, swap agreements, put and call options, floors, collars or other arrangements. Such instruments may be difficult to value, may be illiquid and may be subject to wide swings in valuation caused by changes in the price of commodities or other underlying assets. Derivative instruments may trade principally on markets organized outside the United States. Markets for such instruments may be illiquid, highly volatile and subject to interruption. Suitable hedging instruments may not be available at reasonable cost, and the Funds is not required to engage in hedging.

Counterparty Risk

The Funds is exposed to the risk that third parties that may owe the Funds money, securities, instruments, obligations or other assets will not perform their obligations. These parties include trading counterparties, clearing agents, exchanges, clearing houses, custodians, prime brokers, administrators and other financial intermediaries. These parties may default on their obligations to the Funds due to bankruptcy, lack of liquidity, operational failure or other reasons. This risk may arise, for example, from entering into swap or other derivative contracts under which counterparties have long-term obligations to make payments to the Funds, or executing trades with respect to securities, instruments, obligations, futures, currencies or commodities that fail to settle at the required time due to non-delivery by the counterparty or systems failure by clearing agents, exchanges, clearing houses or other financial intermediaries.

Risk Management

The Fund's methods of seeking to minimize investment strategy and market risks may not accurately address future risk exposures. Risk management techniques are based in part on the observation of historical market behavior, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted. In certain situations the Funds may be unable to, or may choose not to, implement risk management

strategies because of the costs involved or other relevant circumstances or business judgments, and even if risk management strategies are utilized, such strategies cannot fully insulate the Funds from the risks inherent in its planned activities. No risk management system is fail-safe.

Portfolio Company Insolvency Risks

If a court in a lawsuit brought by a creditor or representative of creditors (such as a trustee in bankruptcy) of a portfolio company were to find that a portfolio company did not receive fair consideration or reasonably equivalent value for incurring the indebtedness evidenced by the securities that the company issued to the Funds or granting a lien to secure such securities or providing a guarantee in respect of such securities and, after giving effect to such indebtedness and the use of the proceeds thereof, the portfolio company: (i) was insolvent; (ii) was engaged in a business for which its remaining assets constituted unreasonably small capital; or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could: (a) avoid, in whole or in part, such indebtedness or the liens, if any, securing such indebtedness or the guarantees in respect of such securities as a fraudulent conveyance; (b) subordinate such indebtedness to existing or future creditors of the obligor; or (c) recover amounts previously paid by the portfolio company (including to the Funds) in satisfaction of such indebtedness or proceeds of such security interest previously applied in satisfaction of such indebtedness.

Currency and Exchange Rate Risks

A portion of the Fund's investments, and the income received by the Funds with respect to such investments, may be denominated primarily in foreign currencies. However, the books of the Funds will be maintained, and contributions to and distributions from the Funds generally will be made, in U.S. dollars. Accordingly, changes in currency exchange rates may adversely affect the dollar value of investments and the amounts of distributions, if any, to be made by the Funds. In addition, the Funds will incur costs in converting investment proceeds from one currency to another. Breakwall may cause the Funds to enter into hedging transactions designed to reduce such currency risks. See—"Certain Risk Factors and Potential Conflicts of Interest—Hedging Policies and Commodities Price Risks" above. Furthermore, Interests in the Funds are denominated in U.S. dollars. Investors subscribing for Interests in any country in which U.S. dollars are not the local currency should note that changes in the value of exchange between U.S. dollars and such currency may have an adverse effect on the value, price or income of the investment to such investor.

Non-U.S. Economic and Political Risks in General; Non-U.S. Investments

The Funds may invest a portion of its aggregate commitments outside of the United States. Non-U.S. investments involve risks not typically associated with investing in U.S. capital markets and securities, including risks relating to: (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which the Fund's non-U.S. investments are denominated, and costs associated

with conversion of investment principal and income from one currency into another; (ii) differences between the U.S. and non-U.S. securities markets, including potential price volatility in, and relative illiquidity of, some non-U.S. securities markets; (iii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less governmental supervision and regulation in some countries; (iv) certain economic, social and political risks, including potential exchange control regulations and restrictions on non-U.S. investment and repatriation of capital and the risks of political, economic or social instability and the possibility of expropriation or confiscatory taxation and adverse economic and political development; (v) the possible imposition of non-U.S. taxes on income and gains recognized with respect to such securities; (vi) less developed laws regarding corporate governance, fiduciary duties and the protection of investors; (vii) differences in the legal and regulatory environment or enhanced legal and regulatory compliance; (viii) political hostility to investments by foreign or private equity investors; and (ix) less publicly available information.

Potential Collapse of the Euro

The stability of certain European financial markets has deteriorated and speculation as to the possibility of additional defaults by sovereign states in Europe in respect of their obligations has increased. Given current market conditions of relatively weak growth in many EU member states (which are expected to continue in the near to medium term), there is a risk that default of certain participating member states of the EU may lead to the collapse of the Eurozone as it is constituted today or that certain member states of the EU may cease to use the Euro as their national currency. Moreover, financial and economic developments in one EU member state may impact economic and financial conditions among other EU member states. Any such development could have an adverse effect on the Funds, the performance of its investments and its ability to effectively achieve its investment objectives. Any deterioration in the economic environment caused directly or indirectly by such a default may have a direct effect on the creditworthiness of borrowers and/or issuers, thereby impacting the value of the Fund's investments generally and adversely affecting the Fund's ability to generate attractive risk-adjusted investment returns.

General Risks of Investments Outside of More Developed Economies

The Funds may make investments in less developed or developing countries. Investments outside of more developed countries involve certain factors not typically associated with investing in those countries, including risks relating to: (i) differences arising from less developed securities markets, including potential price volatility in, and relative illiquidity of, some such securities markets; (ii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements; (iii) less government supervision and regulation in some countries, which may result in lower-quality information being available and less developed corporate laws regarding fiduciary duties and the protection of investors, less developed bankruptcy laws and difficulty in enforcing contractual obligations; (iv) certain economic and political risks, including potential economic, political or social instability, exchange control regulations, restrictions on foreign investment and repatriation of capital (possibly requiring government approval),

expropriation or confiscatory taxation and higher rates of inflation and reliance on a more limited number of commodity inputs, service providers and/or distribution mechanisms; (v) potentially material and unpredictable governmental influence on the national and local economies; (vi) fewer or less attractive financing and structuring alternatives and exit strategies; and (vii) the possible imposition of local taxes on income and gains recognized with respect to investments. There can be no assurance that adverse developments with respect to such risks will not adversely affect the securities or assets of the Funds that are held, directly or indirectly, in certain countries.

Anti-Corruption Laws and Regulations

Economic sanction laws in the United States and other jurisdictions may prohibit Breakwall and the Funds from transacting with or in certain countries and with certain individuals and companies. In the United States, the U.S. Department of the Treasury's Office of Foreign Assets Control ("*OFAC*") administers and enforces laws, executive orders and regulations establishing U.S. economic and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These entities and individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs. The lists of OFAC prohibited countries, territories, persons and entities, including the List of Specially Designated Nationals and Blocked Persons, as such list may be amended from time to time, can be found on the OFAC website at www.treas.gov/ofac. In addition, certain programs administered by OFAC prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on the lists maintained by OFAC. These types of sanctions may restrict the Fund's investment activities.

Non-Controlling Investments; Investments with Third Parties

As a debt investor, the Funds expects to hold non-controlling interests in portfolio companies with limited or no ability to protect its position in such portfolio companies, like a control equity investor would. The Funds may co-invest with third parties. Such investments may involve risks in connection with such third-party involvement, including the possibility that a third-party co-venturer may have financial, legal or regulatory difficulties resulting in a negative impact on such investment, may have economic or business interests or goals that are inconsistent with those of the Funds or may be in a position to take (or block) action in a manner contrary to the Fund's investment objectives. In addition, the Funds may in certain circumstances be liable for the actions of its third-party co-venturers.

Investments Longer than Term

The Funds may make investments that may not be advantageously disposed of prior to the date that the Funds is terminated, either by expiration of the Fund's term or otherwise. Breakwall has a limited ability to extend the life of the Funds, and the Funds may have to

sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution. In addition, although upon the dissolution of the Funds Breakwall (or the relevant liquidator) will generally be required to reduce to cash and cash equivalents such assets of the Funds as Breakwall or such liquidator deems it advisable to sell, subject to obtaining fair value for such assets and any tax or other legal considerations, there can be no assurances with respect to the timeframe in which the winding up and the final distribution of proceeds to the investors will occur.

Uncertain Exit Strategies; Limited Liquidity

Due to the illiquid nature of certain of the positions that the Funds may acquire, Breakwall is unable to predict with confidence what the exit strategy will ultimately be for any given position, or that one will definitely be available. Exit strategies that appear to be viable when an investment is initiated may be precluded by the time the investment is ready to be realized due to economic, legal, political or other factors. The Funds may invest a portion of its assets in financial instruments that are not publicly traded. The Funds may not be able to readily dispose of such non-publicly traded financial instruments and, in some cases, may be contractually prohibited from disposing of such securities for a specified period of time. Accordingly, the Funds may be forced to sell its more liquid positions at a disadvantageous time, resulting in a greater percentage of the portfolio consisting of illiquid securities.

Illiquid and Long-Term Investments

Investment in the Funds requires a long-term commitment with no certainty of return. Many of the Fund's investments may be highly illiquid and may only attract a limited number of prospective buyers. Accordingly, investments may often be difficult to value and to sell or otherwise liquidate and their realizable value may be less than their intrinsic value. There can be no assurance that the Funds will be able to realize Such investments in a timely manner. Although investments by the Funds may generate current income, the return of capital and the realization of gains, if any, from an investment will generally occur only upon the partial or complete disposition or refinancing of such investment. While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the investment is made. The Funds will generally not be able to sell investments of any issuers publicly unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. In addition, in some cases the Funds may be prohibited by contract or legal or regulatory reasons from selling certain investments for a period of time. To the extent that there is no liquid trading market for an investment, the Funds may be unable to liquidate that investment or may be unable to do so at a profit. Moreover, there can be no assurances that purchasers of the Fund's investments will be found. In particular, there may be limited funding capacity in the markets and, as a result, lower demand for private investments as fewer buyers are able to raise financing on attractive terms to purchase the investments, thereby making investments more illiquid than they may have been in the recent past. Consequently, the timing of cash distributions to investors is uncertain and unpredictable and in certain situations a disposition of an investment may result in distributions in-kind to investors. Finally, if the Funds were forced to dispose of an illiquid investment at an inopportune

time, it might be forced to sell at a substantial discount to market value, resulting in a loss to the Funds.

Borrowing and Leverage

Breakwall may, but is not required to, utilize permanent Investment Leverage in connection with the Fund's investments (on up to a 1:1 portfolio-wide basis (the "Portfolio Leverage Limit")) through one or more Leverage Facilities. See Detailed Summary of Partnership Terms—Borrowings and Guarantees" and "Leverage" for further information. If employed, such Investment Leverage will increase the exposure of an investment to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the investment. Borrowings by the Funds have the potential to enhance the Fund's returns, however, they will further diminish returns (or increase losses on capital) to the extent overall returns are less than the Fund's cost of funds. As a general matter, the presence of leverage can accelerate losses. In addition, the Funds may exceed the Portfolio Leverage Limit with respect to individual investments. Accordingly, the failure of any highly leveraged investment could have a disproportionate impact on the returns of the Funds.

Investments in Highly Leveraged companies

The Fund's investments are expected to include investments in companies whose capital structures may have significant leverage (which may include substantial leverage senior to the Fund's investments), a considerable portion of which may be at floating interest rates. The leveraged capital structure of such companies will increase their exposure to adverse economic factors such as rising interest rates, downturns in the economy or further deteriorations in the financial condition of the company or its industry. This leverage may result in more serious adverse consequences to such companies (including their overall profitability or solvency) in the event these factors or events occur than would be the case for less leveraged companies. In using leverage, these companies may be subject to terms and conditions that include restrictive financial and operating covenants, which may impair their ability to finance or otherwise pursue their future operations or otherwise satisfy additional capital needs. Moreover, rising interest rates may significantly increase the portfolio company's interest expense, or a significant industry downturn may affect a company's ability to generate positive cash flow, in either case causing an inability to service outstanding debt. Such leverage, when combined with the Funds-level leverage described under "Leverage" above, will serve to magnify both the Fund's opportunities for gain and its risk of loss from a particular investment.

Short-Selling

Short selling involves selling securities which are not owned by the short seller and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which the Funds engages in short sales will depend upon Breakwall's investment strategy and opportunities. A short sale creates the risk of a

theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Funds of buying those securities to cover the short position. There can be no assurance that the Funds will be able to maintain the ability to borrow securities sold short. In such cases, the Funds can be “bought in” (*i.e.*, forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Credit Default Swaps

The Funds may invest in credit default swaps. A credit default swap is a contract between two parties which transfers the risk of loss if a company fails to pay principal or interest on time or files for bankruptcy. In essence, an institution which owns corporate debt instruments can purchase a limited form of default protection by entering into a credit default swap with another bank, broker-dealer or financial intermediary. Upon an event of default, the swap may be terminated in one of two ways: (i) by the purchaser of credit protection delivering the referenced instrument to the swap counterparty and receiving a payment of par value; or (ii) by the parties pairing off payments, with the purchaser of the protection receiving a payment equal to the par value of the reference security less the price at which the reference security trades subsequent to default.

Investments may be made in credit default swaps by the Funds as part of its investment strategy. Credit default swaps may also be used to hedge a portion of the default risk on a single corporate loan or a portfolio of loans. Credit default swaps can be used to implement Breakwall’s view that a particular credit, or group of credits, will experience credit decline or improvement. In the case of expected credit improvement, the Funds may sell credit default protection in which it receives a premium to take on the risk. In such an instance, the obligation of the Funds to make payments upon the occurrence of a credit event creates leveraged exposure to the credit risk of the referenced entity. The Funds may “purchase” credit default protection even in the case in which it does not own the referenced instrument if, in the judgment of Breakwall, there is a high likelihood of credit deterioration.

Material, Non-Public Information

By reason of their responsibilities in connection with other activities of Breakwall, certain employees of Breakwall and its affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities and may not be able to sell an investment that it otherwise might have sold. Disclosure of such information to Breakwall, Breakwall and/or the personnel responsible for the affairs of the Funds will be on a need-to-know basis only, and the Funds may not be free to act upon any such information. Due to these restrictions, the Funds may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold. The Funds may not have access to material non-public information in the possession of Breakwall which might be relevant to an investment decision to be made by the Funds, and the Funds may initiate a transaction or sell an

investment which, if such information had been known to it, may not have been undertaken. In the event any material, non-public information is disclosed to a person responsible for the affairs of the Funds, the Funds may be prohibited by applicable securities laws and Breakwall's internal policies from acting upon any such information.

Uncertainty of Financial Projections

Breakwall may determine the suitability of certain investments based in part on financial projections for portfolio companies. Projected operating results will normally be based primarily on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic, political and market conditions, which are not predictable, can have a material adverse impact on the reliability of such projections and have a significant impact on the actual rate of return received with respect to investments of the Funds.

Legal, Tax and Regulatory Risks; Dodd-Frank Act

During the term of the Funds, legal, tax and regulatory changes could occur that may adversely affect the Funds. For example, from time to time the market for private equity transactions has been adversely affected by a decrease in the availability of senior and subordinated financing for transactions, in part in response to regulatory pressures on providers of financing to reduce or eliminate their exposure to such transactions. The regulatory environment for private investment funds is evolving, and changes in the regulation of private investment funds may adversely affect the value of investments held by the Funds and the ability of the Funds to effectively employ its investment and trading strategies. Increased scrutiny and proposed legislation applicable to private investment funds and their sponsors may also impose significant administrative burdens on Breakwall and may divert time and attention from portfolio management activities. In addition and in particular in light of the changing global regulatory climate, the Funds may be required to register under certain foreign laws and regulations, and need to engage distributors or other agents in certain non-U.S. jurisdictions in order to market Interests to potential investors. The effect of any future regulatory change on the Funds could be substantial and adverse. In addition, the securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. The SEC, other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies.

The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action.

There continues to be significant discussion regarding enhancing governmental scrutiny and/or increasing the regulation of the private equity industry and a number of legislative initiatives have been signed into law affecting alternative investment Firms, including the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "*Dodd-Frank Act*"), a key feature of which is the potential extension of prudential regulation by the Board of

Governors of the Federal Reserve System (the “*Federal Reserve*”) to nonbank financial companies that are not currently subject to such regulation but that are determined to pose risk to the U.S. financial system. The Dodd-Frank Act defines a “nonbank financial company” as a company that is predominantly engaged in activities that are financial in nature. The Financial Stability Oversight Council (the “*FSOC*”), an interagency body created to monitor and address systemic risk, has the authority to subject such a company to supervision and regulation by the Federal Reserve (including capital, leverage and liquidity requirements) if the FSOC determines that such company is systemically important, in that its material financial distress or the riskiness of its activities could pose a threat to the financial stability of the United States. The Dodd-Frank Act does not contain any minimum size requirements for such a designation and it is possible that it could be applied to large private equity funds. If during the Fund’s investment period regulations were to extend the regulatory and supervisory requirements, such as capital and liquidity standards currently applicable to banks, or the Funds were considered to be engaged in “shadow banking,” either in Europe, the United States or in any other jurisdiction in which the Funds engages in investment activities, the regulatory and operating costs associated therewith could adversely impact the implementation of the Fund’s investment strategy and the Fund’s returns and may become prohibitive

General U.S. Tax Considerations

The Funds is expected to be treated as a partnership for U.S. federal income tax purposes. Each U.S. partner in the Funds, in determining its U.S. federal income tax liability, will take into account its allocable share of items of income, gain, loss, deduction and credit of the Funds, without regard to whether it has received distributions from the Funds. As is generally the case for similar private equity investment vehicles, an investment in the Funds will give rise to a variety of complex U.S. federal income tax and other tax issues for Investors. Certain of those issues may relate to special rules applicable to certain types of investors, such as tax-exempt entities, life insurance companies, banks, individuals, dealers in securities and non-U.S. persons and entities. It is possible that the Funds will not be able to furnish the partners’ Schedule K-1s for completing their U.S. tax returns prior to April 15th of each year. In such event, each partner would have to file requests for extension of the time for the filing of their U.S. tax returns. Prospective investors are urged to consult their own tax advisors with specific reference to their own situations concerning an investment in the Funds. See the discussion in “Certain Legal, Regulatory and Tax Considerations—Certain U.S. Federal Income Tax Considerations.”

Possible Legislative or Other Developments

All statements concerning the U.S. federal income tax consequences of any investment in the Funds are based upon existing law and the interpretations thereof. Therefore, no assurance can be given that the currently anticipated income tax treatment of an investment in the Funds will not be modified by legislative, judicial or administrative changes, possibly with retroactive effect, to the detriment of the Partners. Additionally, tax authorities in jurisdictions where the Funds maintains investments may increase or materially change their tax codes so as to materially increase the tax burden associated with an investment in the Funds or to force or attempt to force increased disclosure from or about the Funds

and/or its Partners as to the identity of all persons having a direct or indirect interest in the Funds. Such additional disclosure may take the form of additional filing requirements on Partners.

No Market for Limited Partner Interests; Restrictions on Transfers

The interests have not been registered under the 1933 Act, the securities laws of any U.S. state thereof or the securities laws of any other jurisdiction and, therefore, cannot be resold unless they are subsequently registered under the 1933 Act and other applicable securities laws or unless an exemption from registration is available. It is not contemplated that registration of the Interests under the 1933 Act or other securities laws will ever be affected. There is no public market for the Interests, and one is not expected to develop. Each investor will be required to represent that it is a qualified investor under applicable securities laws and that it is acquiring its Interests for investment purposes and not with a view to resale or distribution and that it will only sell and transfer its interest to a qualified investor under applicable securities laws or in a manner permitted by the Governing Documents and consistent with such laws. An investor will not be permitted to assign, sell, exchange or transfer any of its interests, rights or obligations with respect to its Interests without the prior written consent of Breakwall, which consent may be given or withheld in the sole and absolute discretion of Breakwall. Except in extremely limited circumstances, withdrawals from the Funds will not be permitted. Investors must be prepared to bear the risks of owning Interests for an extended period of time.

Public Disclosure

Some of the interests will be held by investors, such as public pension plans and listed investment vehicles, which are subject to public disclosure requirements. The amount of information about their investments that is required to be disclosed has increased in recent years, and that trend may continue. To the extent that disclosure of confidential information relating to the Funds or its portfolio companies results from Interests being held by public investors, the Funds may be adversely affected. Breakwall may, in order to prevent any such potential disclosure, withhold all or any part of the information otherwise to be provided to such Investors, as more fully described in the Governing Documents. Without limiting the foregoing, in the event that any party seeks the disclosure of information relating to the Funds, its investments, its affiliates, and/or any entity in which an investment is made under FOIA or any such similar law, Breakwall may, in its discretion, initiate legal action and/or otherwise contest such disclosure, which may or may not be successful, and any expenses incurred therewith will be borne by the Funds. Conversely, potential future regulatory changes applicable to investment advisors and/or the accounts they advise could result in Breakwall and/or the Funds becoming subject to additional disclosure requirements the specific nature of which is yet uncertain.

Force Majeure Risk

Investments may be affected by force majeure events (i.e., certain major events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God and natural disasters (such as, fire, hurricanes, floods, tornadoes, tsunamis,

windstorms, volcanic eruptions, earthquakes and typhoons), acts of war (declared or undeclared), epidemics, endemics or pandemics, terrorist acts, cyber security incidents, riots, work stoppages, shortages of labor, strikes, union relations and contracts, fluctuating prices and supply of labor and/or other labor-related factors). Some force majeure events may adversely affect the ability of a party (including a counterparty to the Funds) to perform its obligations until it is able to remedy the force majeure event. In addition, the cost to an investment or the Funds of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or specifically in the country in which the Funds invests. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over one or more of the Fund's investments, could result in a loss to the Funds, including if an investment is canceled, unwound or acquired (which could be without what the Funds considers to be adequate compensation). Any of the foregoing may therefore adversely affect the performance of the Funds and its investments.

Terrorism Risk

Terrorist attacks have caused instability in the world financial markets and may generate global economic instability. The continued threat of terrorism and the impact of military or other action have led to and will likely lead to increased volatility in prices for electricity, ethanol/biodiesel, coal, oil and gas and could affect the Fund's financial results. As a result of such terrorist activities, the Funds may not be able to obtain insurance coverage and other endorsements at commercially reasonable prices or at all. A terrorist attack involving the property of the Fund's portfolio may result in liability far in excess of available insurance coverage and have adverse consequences on the Fund's impacted investments.

Cyber Security Breaches and Identity Theft

Cyber security incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. Information and technology systems of Breakwall and its respective portfolio companies may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If any systems designed to manage such risks are compromised, become inoperable for extended periods of time or cease to function properly, Breakwall, the Funds and/or a portfolio company may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Breakwall's, the Fund's and/or a portfolio company's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm Breakwall's, the Fund's or a portfolio company's reputation, subject them and their respective affiliates to legal claims and otherwise affect their business and financial performance.

Trade Policy

Political leaders in the U.S. and certain European nations have been elected on protectionist platforms, fueling doubts about the future of global free trade. The U.S. government has indicated its intent to alter its approach to international trade policy and in some cases to renegotiate, or potentially terminate, certain existing bilateral or multi-lateral trade agreements and treaties with foreign countries and has made proposals and taken actions related thereto. In addition, the U.S. government has recently imposed tariffs on certain foreign goods, including steel and aluminum and has indicated a willingness to impose tariffs on imports of other products. Some foreign governments, including China, have instituted retaliatory tariffs on certain U.S. goods and have indicated a willingness to impose additional tariffs on U.S. products. Other countries, including Mexico, have threatened retaliatory tariffs on certain U.S. products. Global trade disruption, significant introductions of trade barriers and bilateral trade frictions, together with any future downturns in the global economy resulting therefrom, could adversely affect the financial performance of the Funds and its investments. In particular, the U.S. and China have agreed to a partial trade deal with respect to their ongoing trade dispute, however certain issues remain unresolved, which is expected to be an ongoing source of instability, potentially resulting in significant currency fluctuations and/or have other adverse effects on international markets, international trade agreements and/or other existing cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise). While this dispute has already had negative economic consequences on U.S. markets, to the extent that this trade dispute escalates into a “trade war” between the U.S. and China, there could be additional significant impacts on the industries in which the Funds participates and other adverse impacts on Fund investments.

Liability for Return of Distributions

Any investor’s capital commitment is susceptible to risk of loss as a result of any liability of the Funds, irrespective of whether such liability is attributable to an investment to which such investor did not contribute any capital or otherwise participate. The Investors (and former investors) may, under applicable law and/or the terms of the Governing Documents, be obligated to return, with interest, any distributions previously received by them to satisfy liabilities of the Funds or that have been wrongfully paid to them. In addition, an investor may be liable under applicable federal and state bankruptcy or insolvency laws to return a distribution made during the Fund’s insolvency. The Partnership Agreement will grant Breakwall the right to require Investors to return distributions in certain circumstances, even following the dissolution of the Funds.

Co-investment Opportunities

There can be no assurance that co-investment opportunities will arise with respect to any given investment of the Funds. Any such opportunities may be allocated by Breakwall in its discretion, whether to investors of the Funds or to other persons, including the Breakwall sponsor group as provided in the Governing Documents. In connection with any such allocation decisions, Breakwall may consider its own interests, including economic or other benefits (including fees or carried interest), the size and timing of an investor’s

Commitment to the Funds, and the size of an investor's aggregate commitments to Breakwall funds, vehicles and accounts generally. Investing in the Funds does not entitle any investor to allocations of co-investment opportunities and such opportunities may be offered only to certain Investors as well as to third parties. In addition, Breakwall officers, employees and affiliates may co-invest with the Funds as provided in the Governing Documents. Furthermore, Breakwall has established, and may establish additional, dedicated or "standing" co-investment vehicles to participate in co-investment opportunities alongside the Funds from time to time for the benefit of one or more investors in the Funds (on such terms and conditions as agreed). The amount and frequency of co-investment by any such co-investment vehicles would be at the discretion of Breakwall. It is possible that any such co-investment vehicles would result in fewer co-investment opportunities to investors who do not participate therein and allocations to the co-investment vehicle may result in the Funds investing less than it would have in the related investments. The performance of co-investments is not aggregated with that of the Funds, including for purposes of determining any carried interest that may arise under the Governing Documents.

Syndicated Co-Investments

Part of the Fund's strategy is to make investments with the expectation of offering a portion of its interests therein as a co-investment opportunity to Investors and/or other third parties or otherwise allocating it to Other Breakwall Products or syndicating it to other parties. Syndicated Co-Investments (as defined below), investments sold to any parallel fund or alternative investment vehicle from the Funds or from such parallel fund or alternative investment vehicle to the Funds, or as otherwise provided in the Governing Documents will not require the consent or approval of the LPAC and will not be subject to the Fund's investment concentration limitations. By executing a subscription agreement for Interests in the Funds, an investor consents to all such transactions to the fullest extent permitted by law. In connection with negotiating senior loans and bank financings in respect of transactions sponsored by Breakwall, Breakwall may obtain the right to participate on its own behalf (or on behalf of vehicles that it manages) in a portion of the senior term financings with respect to such transactions on an agreed upon set of terms.

POTENTIAL CONFLICTS OF INTEREST

Breakwall expects in the future to establish and/or continue to advise and/or manage, various investment vehicles, pooled investment funds, managed account arrangements (including vehicles formed for a single investment) and proprietary accounts (collectively, "*Other Breakwall Products*"). Investors should be aware that there will be occasions when Breakwall and its affiliates may encounter potential conflicts of interest in connection with the Funds, Other Breakwall Products and its own interests. If any matter arises that Breakwall determines in its good faith judgment constitutes an actual conflict of interest, Breakwall may take such actions as may be necessary or appropriate, within the context of the Governing Documents, to ameliorate the conflict (and upon taking such actions Breakwall will be relieved of any responsibility for such conflict). Although not required in every instance, these actions may include, by way of example and without limitation, presenting a conflict of interest to the LPAC as provided for in the Governing Documents,

disposing of the security giving rise to the conflict of interest, appointing an independent fiduciary to act with respect to the matter giving rise to the conflict of interest, and/or in connection with a matter giving rise to a conflict of interest with respect to an investment, consulting with the LPAC regarding the conflict of interest and either obtaining a waiver from the LPAC of the conflict of interest or acting in a manner, or pursuant to standards or procedures, approved by the LPAC with respect to such conflict of interest. There can be no assurance that Breakwall and its affiliates will identify or resolve all conflicts of interest in a manner that is favorable to the Funds. By acquiring an interest in the Funds, each investor will be deemed to have acknowledged the existence of any such actual or potential conflicts of interest and to have waived any claim with respect to any liability arising from the existence of any such conflict of interest.

Carried Interest

The existence of Breakwall's carried interest may create an incentive for Breakwall to make riskier or more speculative investments on behalf of the Funds than would be the case in the absence of this arrangement. The required sponsor commitment may not reduce this incentive. In addition, the manner in which Breakwall's entitlement to carried interest is determined, and the exercise of discretion by Breakwall under the terms of the Governing Documents relating thereto, may result in a conflict between its interests and the interests of investors with respect to the sequence and timing of disposals of investments, or the exercise of such discretion by Breakwall under the terms of the Governing Documents. Furthermore, current law provides for a lower capital gains tax rate on performance-based compensation from investments held for at least three years. While Breakwall generally intends to seek to maximize pre-tax returns for the Funds as a whole, Breakwall may nonetheless be incentivized, for example, to cause the Funds to accelerate deployment of capital at the beginning of the Fund's investment period, hold investments longer to ensure long-term capital gains treatment or dispose of investments prior to any change in law that would result in a higher effective income tax rate on carried interest. If distributions are made of property other than cash, the amount of any such distribution will be accounted for at the fair value of such property as determined by Breakwall in accordance with procedures set forth in the Governing Documents. An independent appraisal generally will not be required and is not expected to be obtained. In certain limited circumstances, the amount of carried interest will be calculated based on the fair value of in-kind distributions, even though an investor may have elected to receive a distribution of cash in lieu thereof.

Loan Syndication and Administration

Breakwall expects to engage in the business of underwriting, syndicating and administering senior and other loans to corporate and other borrowers, which may include borrowers in which the Funds or Other Breakwall Products have invested. In connection with such activities, Breakwall could have conflicts of interest in serving in such capacity and as advisor to the Funds. For example, Breakwall as administrative agent or arranger may be exposed to liabilities to purchasers of loans and others in connection with the services it renders in such capacities and its defense of such liabilities would result in it taking actions in its own interests. Moreover, the interests of one of Breakwall's clients with respect to a borrower of a loan in which the Funds has an investment may be adverse to the interests of

the Funds. In conducting the foregoing activities, Breakwall will be acting for its other clients and will have no obligation to act in the interests of the Funds.

Allocation of Expenses

Breakwall will have a conflict of interest in allocating certain expenses among partners of the Funds as well as among the Funds, any parallel fund and co-investment vehicles. For example, as described under “Side Letters” above, out-of-pocket expenses incurred by Breakwall in complying with the provisions of one or more side letters may be allocated to all partners whether or not all such partners receive a benefit from such side letter provisions. Among other approaches, Breakwall’s allocation policy may provide for allocation of such expenses across Breakwall’s platform based solely on capital commitments or invested capital without regard to the specific services provided to any Breakwall fund, vehicle and / or account, including the Funds. In addition, all costs incurred in complying with the AIFMD will generally be borne by all partners in the Funds.

Service Providers

Certain advisors and other service providers, or their affiliates (including any accountants, administrators, lenders, brokers, attorneys, consultants, investment or commercial banking Firms and certain other advisors and agents) to the Funds, Breakwall, Other Breakwall Products or their portfolio companies may also provide goods or services to or have business, personal, political, financial or other relationships with Breakwall. These service providers and their affiliates may contract or enter into any custodial, financial, banking, advising or brokerage, placement agency or other arrangement or transaction with the Funds, Breakwall, Breakwall or any investor in the Funds or any entity in which the Funds has made an investment. Similarly, these service providers and their affiliates may engage in competitive activities and may earn fees from or receive other consideration from such persons or entities, and may provide different advice or services, take different action from the advice or services they provide, or action they take, for the Funds.

Co-Investment Allocations

There may be circumstances where an amount of opportunity available to the Funds is instead allocated to Other Co-Investors (including in connection with Syndicated Co-Investments), and there is no guarantee for any investor that it will be offered any co-investment opportunities. As a general matter, Breakwall, in determining the allocation of discretionary co-investment opportunities, generally expects to take into account various facts and circumstances deemed relevant by Breakwall. Such factors are likely to include, among others, whether a potential Other Co-Investor has expressed an interest in evaluating co-investment opportunities, whether a potential Other Co-Investor has a history of participating in co-investment opportunities with Breakwall, the size of the potential Other Co-Investor’s interest to be held in the underlying portfolio company as a result of the Fund’s investment (which is likely to be based on the size of the potential Other Co-Investor’s capital Commitment and/or investment in the Funds or Other Breakwall Products), whether the potential Other Co-Investor has demonstrated a long-term and/or continuing commitment to the potential success of Breakwall, the Funds, Other Breakwall

Products or other co-investments, their capital commitments to the Funds and/or Other Breakwall Products, their economic interest in Breakwall, and such other factors that Breakwall deems relevant under the circumstances. Furthermore, Breakwall has established, and may establish additional, dedicated or “standing” co-investment vehicles to participate in co-investment opportunities alongside the Funds from time to time for the benefit of one or more investors in the Funds (on such terms and conditions as agreed). The amount and frequency of co-investment by any such co-investment vehicles would be at the discretion of Breakwall. It is possible that any such co-investment vehicles would result in fewer co-investment opportunities to investors who do not participate therein and allocations to the co-investment vehicle may result in the Funds investing less than it would have in the related investments. Prospective investors should also note that Investors are not required to participate in co-investments offered by Breakwall. The allocation of co-investment opportunities may involve a benefit to Breakwall including, without limitation, fees or carried interest from the co-investment opportunity and/or capital commitments to the Funds and/or Other Breakwall Products. In light of the foregoing, Breakwall will face conflicts of interest in allocating investment opportunities among the Funds and co-investors, which may not necessarily be resolved in favor of the Funds. There can be no assurances with respect to the amount of any investment opportunity that will be allocated to the Funds. Moreover, any co-investment vehicles may not be in a position to assume a pro rata share of subsequent investments in a portfolio company.

Strategic Investors and Joint Venture Partners

The Funds may form, enter into or invest in joint ventures, investment platforms, build-ups and other arrangements with third party or affiliated managers or other persons with respect to specified portfolio investments or categories of portfolio investments. Some of the third-party operators and joint venture partners with which Breakwall may elect to co-invest the Fund’s capital have preexisting investments with Breakwall. The terms of these preexisting investments may differ from the terms upon which the Funds invests with such operators and partners. To the extent a dispute arises between Breakwall and such operators and partners, the Fund’s investments relating thereto may be affected.

Breakwall Co-Investment

Breakwall and its affiliates may co-invest with the Funds as contemplated under the terms of the Governing Documents. Any co-investment vehicles may not be in a position to assume a pro rata share of subsequent investments in a portfolio company. Breakwall and any members of Breakwall may participate in a co-investment opportunity up to such amount as Breakwall is advised by counsel is desirable for the carried interest, if any, from the vehicle to be treated as a profit allocation or otherwise for tax purposes.

Portfolio Company Relationships

The Fund’s portfolio companies may be counterparties or participants in agreements, transactions or other arrangements with portfolio companies of Other Breakwall Products that, although Breakwall determines to be consistent with the requirements of such funds’ Governing Documents, may not have otherwise been entered into but for the affiliation

with Breakwall, and which may involve fees and/or servicing payments to Breakwall-affiliated entities which are not subject to the management fee offset provisions. For example, portfolio companies may enter into agreements regarding group procurement, benefits management, purchase of insurance policies (which may be pooled across portfolio companies and discounted due to scale) and other operational, administrative or management related matters from a third party or a Breakwall affiliate (including, for this purpose, a portfolio company of a different Breakwall sponsored investment fund), and other similar operational initiatives that may result in commissions or similar payments, including related to a portion of the savings achieved by the portfolio company, and in each case payments made to Breakwall in connection therewith will not be subject to the management fee offset provisions otherwise described herein. Moreover, with respect to transactions or agreements with portfolio companies, at times if unrelated officers of a portfolio company have not yet been appointed, Breakwall may be negotiating and executing agreements between Breakwall and/or the Funds on the one hand, and the portfolio company or its affiliates, on the other hand, including management services agreements or similar agreements, which could create a conflict of interest. Among the measures Breakwall may use to mitigate such conflicts is involving outside counsel or professional advisors to review and advise on such agreements and provide insights into commercially reasonable and arm's-length terms.

THE FOREGOING DOES NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS AND CONFLICTS INVOLVED IN THIS OFFERING OR AN INVESTMENT IN THE FUNDS, ESPECIALLY SINCE THE FUNDS HAS THE FLEXIBILITY TO ENGAGE IN A WIDE RANGE OF INVESTMENT STRATEGIES WITH RESPECT TO INVESTMENTS IN A DIVERSE NUMBER OF COUNTRIES AND SECTORS THROUGHOUT THE ENERGY VALUE CHAIN AND MAY INVEST OPPORTUNISTICALLY IN TYPES OF INVESTMENTS NOT DESCRIBED HEREIN, AND THE FULL RANGE OF STRATEGIES, ASSETS AND MARKETS IN WHICH THE FUNDS MAY INVEST CANNOT BE SPECIFIED IN ADVANCE, AND ACCORDINGLY THE FUNDS MAY BE SUBJECT TO ADDITIONAL RISKS NOT DESCRIBED HEREIN. POTENTIAL INVESTORS SHOULD READ THE SUBSCRIPTION AGREEMENT AND THE PARTNERSHIP AGREEMENT IN THEIR ENTIRETY BEFORE DECIDING WHETHER TO INVEST IN THE FUNDS AND SHOULD CONDUCT THEIR OWN DILIGENCE REGARDING THE FUNDS, BREAKWALL AND THE ENERGY INDUSTRY.

Item 9 Disciplinary Information

Neither our Firm nor any management person has been involved in any material legal and disciplinary events required to be disclosed under this Item 9.

Item 10 Other Financial Industry Activities and Affiliates

Relationships with Broker-Dealers and Registered Representatives

As of November 9th, 2023, certain employees of the Firm are registered representatives of Riverstone Capital Services, LLC, a broker-dealer registered with the SEC and a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”).

Other Registrations

Neither Breakwall 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.

Material Relationships or Arrangements

As disclosed in Item 4, the Firm intends to serve as the adviser and manager to, and is affiliated with, the General Partners of the Existing Riverstone Credit Funds. The Firm or our affiliates intend to sponsor, manage, sub-advise, and serve as general partners of the Existing Riverstone Credit Funds, as well as certain investment vehicles formed to invest alongside Existing Riverstone Credit Funds.

Below is a list of Funds that are either affiliated with, or sub-advised by, Breakwall.

- Riverstone Credit Partners, L.P. – a private fund managed by Riverstone and other affiliated feeder vehicles separately managed accounts and co-investment vehicles.
- Riverstone Credit Partners II, L.P. - a private fund managed by Riverstone and other affiliated feeder vehicles separately managed accounts and co-investment vehicles.
- Riverstone Credit Opportunities Income Plc - a publicly listed UK Investment Trust managed by Riverstone.
- Valor Upstream Credit Partners, L.P. - a private partnership formed between Vitol and Riverstone Valor Upstream Co-investment, L.P.
- Breakwall Capital LLC – a holding company for the ownership interests of Breakwall executive management.

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

Our Firm has established a code of ethics (“Code of Ethics”) that sets forth standards of ethical conduct for our professionals. This code addresses standards of treating Funds ethically, potential conflicts of interest and personal trading by our Firm and our affiliates and professionals. In addition, we have established policies and procedures that address, among other things, potential conflicts of interest that might arise in the management of the Funds that we sponsor.

Our policies prohibit our employees from purchasing or selling, directly or indirectly, any security while in possession of material, non-public information regarding the security, whether or not this information was obtained in the course of employment. Our employees also may not discuss material, non-public information with anyone outside of our Firm and our affiliates. Our Firm generally prohibits our employees from trading in equity or debt securities in companies in the energy, power or other sectors related to investments of the Funds, except that (1) employees may trade in energy- or power-related mutual funds and (2) employees may trade in energy exchange-traded funds (“ETFs”), commodity interests, royalty trusts and publicly-traded securities also owned by Breakwall, only after receiving pre-clearance from our CCO or a designee. In addition, prior to investing in shares of initial public offerings or private placements, an employee must first pre-clear the trade with our CCO or a designee.

Our employees are not permitted to take for their own advantage an opportunity that rightfully belongs to our Firm, our affiliates or our Funds, are prohibited from using corporate property, information or position for personal gain, and may not compete directly or indirectly with our Firm, our affiliates or our Funds.

Our employees and control persons must certify annually that they have read and agree to comply in all respects with our Code of Ethics and that they have disclosed or reported all personal securities transactions, holdings and accounts required to be disclosed or reported by our Code of Ethics.

Additionally, our Code of Ethics provides for a range of sanctions, as deemed appropriate by our senior management, should anyone violate the Code of Ethics. These sanctions include, but are not limited to, a warning, fines, disgorgement, suspension, or termination of employment.

The paragraphs above only represent a summary of key provisions in our Code of Ethics. We will provide a copy of our entire Code of Ethics to any prospective client, any client or any investor in our Funds upon request.

Under certain circumstances, we may recommend to Funds, or buy or sell for client accounts, securities in which we or our affiliates have a material financial interest. We may have a material interest that could create conflicts that must be managed.

Since our Funds may be subject to different management fee and performance allocation structures and we may receive a carried interest from one fund sooner than from another fund, there may be a conflict of interest on how we allocate portfolio investments between various funds. We have instituted an allocation policy in order to mitigate those conflicts.

Additionally, for other investment vehicles sponsored by us to invest alongside our Funds in specific portfolio companies, the allocation of the investment opportunity to such vehicles may be dictated by the investment limitations of the corresponding fund. In circumstances where an entire investment could be made by the applicable fund, we may in the future allocate, a portion of such investment to one or more other investment vehicles if we believe in our good faith judgment that the full investment would unreasonably limit or otherwise affect the diversification of the applicable fund or that a particular strategic co-investor would add value to the investment in terms of consummating, operating or exiting the investment. In some cases, a Fund may invest alongside one or more other funds or entities not controlled by Breakwall, as members of a consortium.

In addition, the Firm may in the future structure, an investment to permit another fund focused on credit investments to participate in one or more debt tranches of the capital structure of a portfolio company of an equity fund (either together with, or separate from, participation alongside the portfolio investment made by the equity fund). The Firm faces potential conflicts of interests arising from the different interests held by different Firm funds in the underlying portfolio company (e.g., with respect to the terms of high yield securities or other debt or other instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). It is possible that in a bankruptcy proceeding one fund's interests may be adversely affected by virtue of the involvement and actions of another fund relating to its investment.

From time to time, certain principals of Breakwall may serve as board members of or organize special purpose acquisition vehicles (each, a "SPAC"), and collectively control the sponsor of the SPAC. A SPAC is a company formed for the purposes of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or other similar business combination with one or more businesses. Although these principals will continue to devote their time and attention to the investment activities of the Funds, they will have other obligations with respect to the SPACs as board members. In addition, the principals may regularly obtain confidential information regarding various target companies and other investment opportunities which would be imputed to all of Breakwall. Therefore, if a principal receives confidential information with respect to a company, Breakwall Funds may face certain restrictions on their ability to pursue a transaction with that company or dispose of an investment.

In the event that we cause one fund to purchase an investment from another fund (known as a cross trade), there may be a conflict of interest in how we allocate that trade and the terms of that trade. If we intend to engage in any cross trade, the investment committees

of both relevant funds will review their respective fund's charter and organizational documents to determine if there are any prohibitions or restrictions on cross trades, and the nature of those restrictions. In addition, the investor advisory committee of each fund must approve the cross trade prior to its execution. Our Firm or our affiliates will document the reason for the decision to effect a cross trade, including the price and any potential transaction-cost savings. In any case, neither our Firm nor any affiliate may charge any commissions to either fund. Transactions that involve one Fund "catching up" or "rebalancing" its allocation in an investment relative to other Funds invested pursuant to our Allocation Policy are generally not considered "cross trades" and would be governed by the Allocation Policy.

In addition, our Funds may buy from or sell to our Firm or affiliates. This could potentially create a conflict of interest between our Firm and a fund because we have an incentive to negotiate more favorable terms for us or our affiliates at the expense of our client. As a result, we are subject to client notice and consent obligations in connection with the operation of the private investment funds for which we act as investment manager if those transactions are deemed to be "principal transactions." We have established policies and procedures that address these principal transactions and the Funds' investment guidelines, investors agreements and charter documents typically establish the terms of any principal transactions or restrict principal transactions. To the extent that a fund may engage in principal transactions with our Firm or our affiliate, our client receives disclosure of the potential for principal transactions and the process for approving them.

Most importantly, we establish an investor advisory committee for each fund to review and resolve conflicts of interest, including with respect to principal transactions, that we bring to it in our discretion or as required by the Fund's applicable Governing Documents. If we intend for a client to engage in a principal transaction, we will notify the client's investor advisory committee of the transaction and must obtain written approval from the investor advisory committee or the requisite percentage of investors before we proceed with the principal transaction. We also review the client's organizational documents to determine the procedures to be followed to approve principal transactions. In the absence of required consent, we will not proceed with the transaction.

Our Firm, together with our affiliates, has the obligation to invest certain amounts in or alongside our Funds on generally the same terms and conditions as the Funds or their investors (except with respect to fees and carried interest payable to our Firm), as part of our negotiated sponsor commitment.

Our principals, employees or senior advisors may invest in other private equity or private credit investment vehicles (including single investor-co-investments) managed by other advisers. In some cases, our Firm, its affiliates or the Funds may purchase portfolio companies that are owned by other investment vehicles, which may indirectly benefit any principals, employees or senior advisors.

Certain advisors and other service providers, or their affiliates (including any accountants, administrators, lenders, brokers, attorneys, consultants, investment or commercial banking Firms and certain other advisors and agents) to a Fund, the Firm or their portfolio

companies may in the future provide, goods or services to or have business, personal, political, financial or other relationships with the Firm (including sponsoring the minority investors). Such advisors and service providers may be investors in a fund, affiliates of a general partner and/or sources of investment opportunities and co-investors or counterparties therewith. These relationships may influence a general partner in deciding whether to select or recommend such a service provider to perform services for a fund or a portfolio company (the cost of which will generally be borne directly or indirectly by a fund or such portfolio company, as applicable). Notwithstanding the foregoing, investment transactions for a fund that require the use of a service provider will generally be allocated to service providers on the basis of best execution, the evaluation of which includes, among other considerations, such service provider's provision of certain investment-related services and research that Breakwall believes to be of benefit to a fund. In certain circumstances, advisors and service providers, or their affiliates, may charge different rates or have different arrangements for services provided to the Firm and its affiliates as compared to services provided to a fund and its portfolio companies, which will result in more favorable rates or arrangements than those payable by a fund or such portfolio companies.

Petra Funds Group ("Petra"), is a service provider which provides back-office services to private funds and investment advisers, including fund administration services, compliance support, outsourced CFO services and other ancillary services. Petra was originally formed by a group of ex-Riverstone employees and is owned by the employees of Petra and the partners of Riverstone. As such, certain of our indirect owners own a minority, non-controlling interest in Petra via their status as partners or former partners of Riverstone. Petra provides services to the Existing Riverstone Credit Funds, and as part of their separation from Riverstone, our indirect owners agreed to retain Petra to provide back-office services to Breakwall and its affiliates, including the Funds. To the extent provided under a Fund's Governing Documents, a Fund will engage Petra directly on terms to be negotiated on an arm's-length basis, with any incremental services expenses to be borne by such Funds.

The Funds' portfolio companies may be counterparties or participants in agreements, transactions or other arrangements with portfolio companies of other investment funds managed by the Firm or its affiliates that, although the Firm determines to be consistent with the requirements of such Funds' governing agreements, may not have otherwise been entered into but for the affiliation with the Firm, and which may involve fees and/or servicing payments to the Firm's affiliated entities which are not subject to the management fee offset provisions described in the applicable fund Governing Documents.

In addition, if the Funds' obtain controlling interests in portfolio companies, the Firm typically has the right to appoint board members to such portfolio companies, or to influence their appointment. Serving on a portfolio company board may give rise to conflicts to the extent that a Firm employee's (or consultant's) fiduciary duties to a portfolio company as a director may conflict with the interests of the Funds that are invested in such portfolio companies.

Item 12 Brokerage Practices

Because we intend to render advice to private credit funds, and investments are made on a negotiated basis, opportunities for trade executions are rare. On those rare occasions that our Firm executes trades on behalf of its Funds, our professionals must demonstrate compliance with broker selection, recordkeeping and other requirements related to trading, including “best execution.”

Our Firm seeks the most advantageous terms for fund trades. While trade price is often a significant quantitative factor in determining best execution, it is not the sole determinative factor. When placing orders with brokers for execution, we also evaluate qualitative execution factors, such as:

- available prices and rates of commissions or other compensation to brokers,
- efficiency of execution, bearing in mind the size of the order and characteristics of the security (for example, liquid vs. illiquid),
- financial responsibility of the broker-dealer, and
- the ability of the broker-dealer to execute block trades.

When selecting brokers for underwriting transactions, we consider a different set of factors, such as:

- expertise in a particular industry,
- potential network for selling securities,
- past success with public offerings, and
- potential underwriting discount.

Research and Other Soft Dollar Benefits. We may receive unsolicited research from brokers, dealers, and banks through which we execute portfolio trades. In circumstances in which we use such research, the quality and ability to receive research may factor into the selection of brokers, dealers and banks executing portfolio trades. We do not have any agreements in place that would require that we give any specified amount of brokerage to any broker-dealer.

Referrals in Selecting or Recommending Broker-Dealers. We do not receive referrals for Funds from any broker-dealers. In limited circumstances, we may use a broker where a division or affiliate of the broker may have referred or may refer investors to our Funds. We may be deemed to have a potential conflict of interest in receiving referrals in that we may have an incentive to select those brokers. In order to mitigate such a conflict, we focus on the criteria set forth above when selecting brokers.

Directed Brokerage. As our Funds are all private investment funds or accounts managed by us, we select all broker-dealers and do not permit our Funds to direct brokerage.

Aggregation of Trades – Policies and Procedures. Because we render advice to private credit funds, and investments are made on a negotiated basis, opportunities for trade aggregation are rare with respect to different funds.

However, in addition to the limited partnerships that serve as the core private investment funds advised by our Firm, we may create parallel and alternative investment vehicles, as well as feeder funds that invest directly or indirectly in the core fund or parallel and alternative vehicles, to the extent these structures are consistent with applicable law and the core fund's organizational documents. Generally, a parallel investment vehicle will invest and divest proportionally in the same investments, and on virtually the same terms and conditions and at the same time, as the core private investment fund, subject to any limitations in the parallel investment vehicle's organizational documents. We may establish alternative investment vehicles for tax reasons to permit certain investors to make investments outside of the core private investment fund, which investments generally will function as if made by the core fund on a substantially equivalent economic basis.

Results of Aggregating Trades

Ultimately, the Funds can benefit when we aggregate trades because we get volume discounts on execution costs. On the other hand, situations may occur where one client could be disadvantaged because:

- the average price received for an aggregate order may be worse than what a client would have received had it traded a smaller quantity of shares on its own, or
- the investment activities we conduct for other Funds may result in, among other things, multiple Funds needing to dispose of commonly held securities or other common investment positions at the same time.

When we do not aggregate trades, our Funds pay higher execution costs than they would have had we aggregated the trades.

Item 13 Review of Accounts

The Firm's professionals serve on the investment committees for the private investment funds for which we act as adviser, and they routinely monitor their portfolio investments. Their reviews focus on operations, financial performance and strategic direction of each portfolio company owned by the Funds. The investment committee will perform comprehensive reviews quarterly, and a subset of the investment committee monitors each portfolio investment more frequently to ensure compliance with its stated objective.

In addition, the investment committee reviews the valuations of funds' investments that are non-marketable securities.

Investors in our Funds receive written financial reports, including information relevant to each investor's fund investment and a description of the Fund's investment, on a quarterly basis. Investors in our Funds also receive audited financial statements of the Funds in which they are invested, valuations of all the Fund's investments and tax information necessary for the completion of U.S. tax returns on an annual basis.

In addition to the information provided to all of our Funds' investors, we have and, in the future, may arrange to provide certain investors of our Funds with additional information or more frequent reports that other investors will not receive.

Item 14 Client Referrals and Other Compensation

The Firm may, at times, receive an economic benefit from non-clients for providing advisory services to our Funds. For instance, when we conduct certain transactions on behalf of our Funds, we might receive fees from portfolio companies in which our Funds are invested. From these relationships, we may receive:

- transaction fees (e.g., advisory fees we charge to any portfolio company and organizational or success fees we receive in connection with any fund investment),
- monitoring fees,
- investment banking, underwriting, and/or syndication fees,
- break-up fees, and/or
- directors' fees (including in-kind compensation).

We may apply a portion of those fees we receive in these cases to reduce the management fees payable by the applicable client and its investors. The operating agreements of each of our Funds set out the terms of these arrangements, which may vary from fund to fund. There will not be any offset applied to the co-investment vehicles, whether or not they pay any management fees.

We may also choose to engage third party placement agents or "finders" to solicit investors for certain of our Funds. Our Funds disclose in their offering documents that they may enter into these arrangements. In addition, certain of our Funds may require investors to acknowledge any fee payments relating to solicitation arrangements.

Item 15 Custody

Breakwall will have access to funds and authority to deduct fees and other expenses from a client's account and services by our affiliates as general partners of our Funds, we are deemed under the Custody Rule to have custody of our clients' funds, subject to certain exceptions set forth in the Custody Rule and related guidance.

We will utilize the services of a bank or other qualified custodian (as defined under Rule 206(4)-2) to hold all funds and securities of any of our Funds, to the extent required by the Advisers Act and SEC guidance. We will also ensure that the qualified custodian maintains these funds in accounts that contain only Funds' funds and securities, under our name as agent or trustee for the Funds.

While Rule 206(4)-2 generally requires an investment adviser to ensure that a qualified custodian sends account statements to Funds at least quarterly, we are not subject to this requirement because all private credit funds managed by us are subject to audit at least annually by an independent auditor that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. In these cases, we distribute audited financial statements to all investors of our Funds within 120 days of the end of the fiscal year of the Funds.

Item 16 Investment Discretion

Our Firm will accept discretionary authority to manage our Funds' securities accounts. Despite this broad authority, we are committed to adhering to the investment strategy and program set forth in each of our Fund's private offering materials and/or investment management agreement. These documents cover matters such as the types and amounts of securities of which a client's portfolio will consist, portfolio allocation limitations and the degree of risk assumed by a client's portfolio. Before accepting the discretionary authority inherent in managing our Funds, we carefully review the investment strategies and investment programs set out in our Funds' offering documents. Investment advice is provided directly to each fund and not individually to the investors of any fund.

Item 17 Voting Client Securities

We have implemented proxy voting policies and procedures in accordance with securities laws and our fiduciary obligations to our Funds. We strive to vote client proxies in a manner consistent with each client's best interests.

Our Firm votes proxies in accordance with guidelines in effect from time to time. We generally expect to vote proxies in accordance with the recommendations of company management. Generally, we will cast proxy votes in favor of proposals that maintain or strengthen the shared interests of shareholders and management, increase shareholder value, maintain or increase shareholder influence over the issuer's board of directors and management, maintain or enhance the independence of the board of directors, and maintain or increase the rights of shareholders. We will generally cast proxy votes against proposals having the opposite effect of those items listed above, particularly where we believe that a proposal will have a dilutive effect on the value of the underlying security. In addition, we

will vote against a proposal or recommendation of management if we determine that such a vote is in the best interests of our client.

Prior to voting, we will determine whether an actual or potential conflict of interest with our Firm or any other interested person exists in connection with the proposal(s). If an actual or potential conflict is found to exist, we will engage a reputable non-interested party to independently review our vote recommendation and to confirm that our vote recommendation is in the best interest of the client under the circumstances. If the independent non-interested party determines that our vote recommendation is not in the best interest of a client under the circumstances, then we will vote in the manner suggested by the independent non-interested party.

It is always possible that, after appropriate analysis, we may decide that declining to cast a vote at all is in the best interest of our client.

In limited situations, we may not have the authority to vote on certain Funds' securities. In these cases, investors may contact us, at any time, with questions about a particular proxy solicitation. The guidelines included in the proxy voting policy and procedures are subject to change as Breakwall periodically reassesses those policies and procedures to reflect developments in proxy voting and the best interests of its Funds. Breakwall's proxy voting policies and procedures set forth guidelines for voting proxies with respect to private companies, public companies and also for certain types of proposals.

A copy of the proxy voting policy and procedures is provided to each fund and delivered to each investor upon investment in a fund. A copy is also available upon request. We provide information regarding any proxies actually voted by us to any client and any investor of a fund upon the request of the client or the investor.

Item 18 Financial Information

We do not believe any financial condition exists that is reasonably likely to impair our ability to meet contractual commitments for our clients.

Our Firm has never been the subject of a bankruptcy petition.