

ITEM 1: COVER PAGE

HUDSON CLEAN ENERGY PARTNERS

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This brochure provides information about the qualifications and business practices of Hudson Clean Energy Partners ("Hudson").

If you have any questions about the contents of this brochure, please contact Colleen Kelly, at (201) 287-4473 or at Colleen.Kelly@HudsonCEP.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Hudson is registered as an investment adviser with the SEC. Registration as an investment adviser does not constitute an endorsement by the SEC of an investment adviser's skill or expertise, nor does it imply any level of skill or training in providing advisory services to its clients.

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

ITEM 2: MATERIAL CHANGES

Hudson is completing Part 2A of Form ADV for the first time and, as such, this Item 2 is not applicable.

In future filings, this item will address only material changes that have been incorporated since Hudson's last delivery or posting of this document on the SEC's public disclosure website (IAPD) at www.adviserinfo.sec.gov.

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ITEM 4: ADVISORY BUSINESS

Organized in 2006 by Neil Z. Auerbach, Hudson Clean Energy Partners (together with certain of its affiliated entities identified in Item 10 below, “Hudson”), is a global alternative asset manager that is registered with the SEC as an investment adviser. It focuses on the clean energy sector, managing, on a discretionary basis, approximately \$1.025 billion of client assets as of December 31, 2011. Messrs. Neil Z. Auerbach and John A. Cavalier indirectly control Hudson through their ownership of its general partner.

Hudson specializes in providing advice with respect to investments in the clean energy sector to private equity funds sponsored by a Hudson affiliate, including investments in renewable power, alternative fuels and low-carbon sectors. “Clean Energy” refers to energy from renewable resources and alternatives to fossil fuels, energy from fossil fuels using technologies or processes that improve their environmental impact, energy storage, grid management, energy delivery and energy efficiency. It includes power derived principally from bio-fuels (such as ethanol), biomass, wind, solar, hydro and geothermal sources and the various technologies that support the production, use and storage of these sources.

This brochure primarily describes Hudson’s investment advisory services with respect to its private equity funds. Hudson also provides investment advisory services to other clients through separately managed accounts; these services are described in a separate brochure

available upon request by contacting Colleen Kelly, at (201) 287-4473 or at Colleen.Kelly@HudsonCEP.com.

Generally, the private equity funds are organized as one or more U.S. and non-U.S. partnerships ("Partnerships" or "Clients") to invest in late stage growth capital, buyout, development infrastructure companies, and high growth, asset-based, capital-intensive, minimal technology development risk companies directly or through holding companies or other special purpose vehicles (all of the foregoing, "Portfolio Companies"). Each investment transaction is approved by a Hudson investment committee. The investment committee membership may vary from Partnership to Partnership and includes certain Hudson professionals.

Subject to certain restrictions, Hudson may provide investment management services to additional private equity funds, parallel vehicles, co-investment vehicles and separate accounts without prior consultation with Clients. Currently, in addition to serving as an investment manager to the Partnerships, Hudson serves as investment manager to various parallel and co-investment vehicles structured to facilitate investments by affiliated and third-party investors alongside Partnerships. Such co-investment opportunities may be offered at Hudson's discretion. They will be made available based in part on whether, and to what extent, particular investment opportunities exceed the desired allocation to Clients in the aggregate in terms of investment size, type, available capital, diversification or other relevant investment considerations.

Hudson acts as investment adviser to certain special purpose vehicles through which certain investors have invested on substantially the

same terms and conditions as other Partnerships to the extent practical. Generally, special purpose vehicles are formed to facilitate portfolio investments for tax, regulatory or legal purposes and/or to facilitate participation in certain types of investments.

The investment portfolio of the Partnerships may vary in terms of investment type (late stage growth capital, buyout and development infrastructure transactions), sub-sector, and geography. Typically, Clients pursue control and shared-control positions globally and primarily invest in equity and equity-related securities, as well as debt securities transactions, in the Clean Energy industry.

Hudson acts as investment adviser to the Partnerships as set forth in various investment management agreements (“Advisory Agreements”) and employs investment and non-investment professionals. Generally, Hudson’s investment management advisory services consist of: (i) portfolio analysis and consulting for purposes of identifying investment opportunities and making investments; (ii) actively monitoring transactions post-investment; (iii) divestment transaction recommendations with respect to portfolio investments by Clients; (iv) arranging for the performance of day-to-day administrative operations for Clients; and (v) providing assistance to each Client’s general partner, a Hudson affiliate (each, a “General Partner”), in respect of the management and supervision of the business and affairs of that Client.

Hudson may use the services of one or more affiliates for investment advice and Client servicing in their local or regional markets or their areas of special expertise except to the extent, if any, inconsistent with applicable law. Arrangements among affiliates take a variety of forms,

including, but not limited to, sub-advisory or servicing arrangements under which Hudson remains fully responsible to each Client from a legal and contractual perspective.

The management and control of each Partnership is vested in its General Partner. Each Partnership is managed in accordance with such Client's investment guidelines and restrictions, as disclosed in its offering documents, rather than the individualized needs of any particular limited partner of a Client ("Limited Partner"). Participation in a Partnership does not, in and of itself, create an advisory relationship between a Limited Partner and Hudson. Prior to investing in a particular Partnership, prospective Limited Partners are advised to carefully consider whether that Partnership's investment guidelines and restrictions meet their investment objectives and risk tolerance.

Other qualified investors who may not be Hudson employees, but may have pre-existing business relationships with Hudson or its affiliates, may also invest with Clients.

From time to time, the General Partner for a particular Partnership or Hudson (in its capacity as the investment advisor) may, on behalf of a particular Partnership, enter into side letters or other similar agreements (collectively, "Side Letters") with particular Limited Partners that have the effect of establishing rights under, or altering or supplementing the terms of, a Client's governing documents in a manner more favorable to such Limited Partners than those applicable to other Limited Partners. Such rights or terms in any such Side Letter are not subject to approval by the other Limited Partners and may include: (i) different notice periods, minimum investment amounts or

fees (including management and performance fees; (ii) “excuse” and “opt-out” rights applicable to particular investments (which may increase the percentage interest of other Limited Partners in such investments, and contributions or obligations of other Limited Partners with respect to such investments) or specific co-investment rights; (iii) certain additional information rights or additional diligence, valuation or reporting rights extended to such Limited Partner, including, for example, to accommodate special regulatory or other circumstances of such Limited Partner; (iv) additional obligations and restrictions on a particular General Partner and/or Hudson and the investment vehicle with respect to the structuring of investments in light of legal, tax and regulatory considerations of such Limited Partner; (v) different levels of preferred return and/or different clawback arrangements; or (vi) other rights or terms in light of particular legal, regulatory, public policy or other characteristics of such Limited Partner. Limited Partners who have Side Letters may make independent investment decisions based on the information obtained pursuant to those arrangements. The terms of any such Side Letter will not be disclosed to other Limited Partners unless the General Partner of a particular Partnership, in its sole discretion, determines otherwise or unless it is otherwise required to do so pursuant to an agreement with said Limited Partners. Any rights or terms so established in a Side Letter with a particular Limited Partner will govern solely with respect to such Limited Partner.

ITEM 5: FEES AND COMPENSATION

Each Partnership's offering documents set forth such Partnership's respective applicable fees and expenses.

Typically, Hudson offers investment management services for a management fee ("Management Fee"), as described below. In addition, an affiliate of Hudson receives performance-based compensation, as discussed in Item 6. Fees for certain Clients may be waived, reduced or calculated differently with respect to certain Limited Partners, including, but not limited to, Hudson's employees or affiliates, at the discretion of Hudson and in accordance with the respective Partnership's offering or governing documents.

The Management Fee

For a particular Partnership, the Management Fee is calculated as a percentage, typically 2.0% per annum, of: (i) the aggregate capital commitments of Limited Partners in that Partnership during the commitment period specified in the offering documents; and (ii) after the expiration of the commitment period, the (x) sum of the aggregate invested capital of all Limited Partners of that Partnership minus (y) proceeds from sales of investments representing a return of capital and the cumulative amount of any write-offs, if any, attributable to those Limited Partners' investments in Portfolio Companies. The Management Fee may be payable up to six months in advance. Generally, should Hudson's investment management services to a particular Client be terminated prior to the end of the period in which

the fees have been paid in advance, an appropriate refund will be made of such Fees for any stub period in which services are not provided based on the number of days therein. Limited Partners pay the Management Fee through capital contributions to their respective Partnerships in accordance with the Management Fee calculations below, subject to the offset provisions described in the offering materials and below.

Organizational Expenses

Each Client generally pays for all of its out-of-pocket organizational expenses, including legal, professional, consulting, printing and travel expenses. Such expenses are limited to a maximum amount (a “cap”); Hudson or its affiliates typically bear the expenses in excess of such caps. In addition, Hudson or its affiliates typically bear all placement agent fees incurred by the Partnership in connection with a Partnership offering.

Operating Expenses

The Partnerships generally pay all expenses related to their operations, including expenses incurred in connection with the investigation, purchase, holding, management, sale or proposed sale of Client investments, expenses of administrators, service providers and custodians, and insurance, indemnity and litigation costs. In addition, each Partnership pays its direct operating expenses, such as legal, accounting, audit, compliance and tax preparation expenses (including preparation costs of financial statements, tax returns and reports to the Limited Partners), printing and mailing costs, market information systems and computer software expenses, fees of financial modeling services, filing and registration fees, Limited Partner advisory committee expenses, expenses of meetings of the Limited Partners,

expenses of the General Partner advisory board, and any taxes, fees or other governmental charges levied against the Partnerships.

Other Fees

Hudson or an affiliate may receive certain advisory, underwriting, consulting, monitoring, organization, transaction fees, directors' fees and other fees ("Ancillary Fees") from any Portfolio Company; however, an amount equal to 80% of all Ancillary Fees received by Hudson or an affiliate (with certain exceptions) will be applied to reduce and offset the Management Fee otherwise payable. Ancillary Fees do not include any amount received from any Portfolio Company as reimbursement for expenses directly related to such Portfolio Company, as compensation for services as an officer or employee of such Portfolio Company or as reimbursement for compensation of any officer or employee. Prospective and existing Clients and Limited Partners are encouraged to review the applicable Partnership offering materials for a more thorough description of the exact fees which generally give rise to such an offset against the Management Fee.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

One or more affiliates of Hudson serves as a General Partner of each Partnership. Such General Partner may charge “performance-based” or “special-allocation” fees in the form of a carried interest distribution (“Performance Fee”) as discussed below. If applicable, any performance fees charged will comply with the requirements of Section 205 of the Advisers Act and the applicable rules under the Act.

Generally, such performance-based compensation will be subject to a “distribution waterfall” calculation that requires capital contributions, expenses, write-downs (if any), and a compounded, cumulative annual preferred return related to all realized or partially realized investments to be paid first to the Limited Partners of a particular Partnership, with a subsequent “catch-up” to the related General Partner before the full carried interest distribution is earned and paid to that General Partner. Performance-based fees are typically payable as investments are realized and/or capital is distributed and may be subject in some cases to a cumulative high water mark or similar provision intended to ensure that prior capital contributions, expenses, write-downs, and a compounded, cumulative annual preferred return related to all realized or partially realized investments are recouped before giving effect to any Performance Fees. In addition, clawback provisions may apply. The relevant offering documents detail the formula for calculating, the timing and amount of the Performance Fee or allocations for each Partnership.

When an affiliate of Hudson receives a Performance Fee, Hudson may have an added financial incentive to achieve gains, and its personnel may have an incentive to select investments that are riskier or more speculative than might otherwise be chosen. Hudson manages each Partnership in accordance with the investment strategies described in the respective Partnership's offering materials to help ensure that Limited Partners are aware of such Partnership's investment strategies, including associated risk factors.

Hudson may have a conflict of interest to the extent that it has an opportunity to earn a fee from a Client's acquisition or disposition of investments. Hudson believes that the Management Fee offset provisions described in Item 5 and the alignment of interest created by Hudson's and its affiliates' significant equity commitment in certain Clients substantially mitigates this potential conflict.

ITEM 7: TYPES OF CLIENTS

Hudson's advisory Clients are U.S. and non-U.S. investment partnerships sponsored by a Hudson affiliate.

Limited Partners of the Partnerships consist primarily of public and private retirement and pension plans, sovereign wealth funds, insurance companies, public and private profit-sharing plans, commercial banks and business entities.

To help the U.S. federal government combat the funding of terrorism and money laundering activities, Hudson seeks to obtain, verify, and record information that identifies Clients or Limited Partners. Hudson asks for information that enables its third-party fund administrator to verify the identity of any Client or prospective Limited Partner in a manner that is consistent with applicable U.S. federal requirements and to share that information as required by applicable law.

Institutions and individual Limited Partners who wish to commit to a particular Partnership may be required to invest a minimum amount, which varies depending on the Partnership. These requirements are disclosed in each Partnership's offering documents. Exceptions are made at the discretion of Hudson.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

In providing investment management services to its Clients, Hudson uses various investment strategies and methods of analysis that it believes suitable for achieving each Client's investment objectives. This Item 8 contains a discussion of investment strategies and methods of analysis, and the principal risks associated with such investment strategies. Prospective Clients and prospective Limited Partners should understand that it is not possible to identify all of the risks associated with investing and that past performance is not a guarantee of future results.

Hudson seeks to manage accounts such that risks are appropriate to a particular strategy. Often, it is neither possible nor advisable to fully mitigate all risks. Any investment in a Partnership interest includes the risk of loss. Prospective Clients and prospective Limited Partners should understand that: (i) such investments are illiquid; (ii) they could lose some or all of their investment; and (iii) they should be prepared to bear the risk of such potential losses.

Investment Strategies

Hudson pursues a differentiated, late stage, growth capital investment strategy for its Clients, focused on the intersection of markets, technology and policy to identify trends, opportunities and value. Hudson believes that the continually evolving Clean Energy industry landscape creates a competitive advantage for the firm's highly focused, seasoned industry experts, who seek to identify macro trends

and capitalize on discrete opportunities before they are widely recognized. Hudson's reputation for deep sector and sub-sector domain expertise, coupled with its well-established industry networks, affords Hudson an opportunity to identify leading Clean Energy franchises and to originate privately-negotiated investment opportunities that are distinctly proprietary in regions where growing political support for Clean Energy technologies, coupled with a desire for energy security and environmental sustainability, underpin rapid deployment of renewable energy. Across sectors and geographies, Hudson typically focuses on selectively investing in Portfolio Companies in the following industry segments:

- Platform Companies. Investing in and building the leading franchises in clean electricity generation and fuel production that utilize commercialized technologies in industries such as wind, solar photovoltaic, biomass, bio-fuels, small hydro, geothermal and energy smart technologies.
- Value-chain Investments. Investing in companies that operate in critical segments of the Clean Energy generation and production value chain and that have synergies with other Portfolio Companies. Such segments may include raw materials, equipment manufacturing, transportation/distribution, energy management and green energy trading.
- Proven Technologies. Investing in companies whose emerging technologies Hudson believes have been through the appropriate development stages and are poised for commercialization

including, among others, new energy conversion technologies for clean fossil-fuel combustion, carbon sequestration, emerging bio-fuels and energy storage.

Subject to each Client's investment guidelines and restrictions as disclosed in its offering documents, Hudson typically targets investing primarily in North America, Western Europe, and, to a lesser extent, China and emerging markets, focusing on countries that have the following characteristics: (i) favorable regulatory, political and business climates; (ii) strong legislated or pending Clean Energy initiatives and incentive programs; (iii) natural resources that can be utilized to support Clean Energy; (iv) protected intellectual and commercial property rights; (v) growing domestic economies; (vi) favorable export characteristics; and (vii) highly educated workforces. Certain Clients may have a different geographic focus specified in their investment guidelines.

Hudson pursues a control-oriented approach typically resulting in ownership positions ranging from traditional majority control to significant minority stakes with board representation, negative controls and significant influence. Investments may include, but are not limited to, the following structures: (i) purchase of common or preferred shares of new companies; (ii) formation of partnerships and joint ventures; (iii) purchase of equity, partnership and joint venture interests through capital contributions to existing private or public companies; (iv) formation of, and investment in, consortia which may be organized as partnerships or companies; (v) formation of, or investment in, companies to aggregate generation/production projects; (vi) purchase of derivatives, to the extent necessary to facilitate a particular Client's investment and/or to improve its quality; (vii) investments structured as senior or subordinated debt with

conversion rights or warrants; and (viii) other structures designed to achieve return levels appropriate for equity-oriented investments. All investment structuring opportunities are subject to each Client's investment guidelines and restrictions, as disclosed in its offering documents.

Methods of Analysis

Generally, if Hudson, through its screening process, qualifies a potential investment opportunity for an allocation of resources, a deal team is assigned and Hudson's investment process continues.

Hudson or its affiliates will typically use a number of analytical methods in an effort to achieve a thorough and in-depth assessment of a potential investment. Generally, this review involves a number of areas including, but not limited to: (i) industry outlook, sector trends and competitive dynamics; (ii) cost structure and profitability forecasts; (iii) the management team; (iv) customer mix and supply chain; (v) investment highlights and risk factors; (vi) legal, structuring and tax analysis; and (vii) regulatory, policy and environmental considerations.

Post-acquisition, Hudson's investment professionals will seek to: (i) provide strategic assistance to Portfolio Companies in refining their business models; (ii) augment and strengthen management teams; (iii) implement operational improvements; (iv) support geographical and/or product line expansion; and (v) optimize the capital structure.

Risk of Loss

An investment in securities, including the Portfolio Companies held by the Partnerships, involves a significant degree of risk. Hudson seeks to manage investments so that risks are appropriate to a particular strategy. Often, it is neither possible nor advisable to fully mitigate all risks. Any investment includes the risk of loss. Past performance is not a guarantee of future results. Furthermore, there is no guarantee that a particular level of return will be achieved. Prospective Clients and prospective Limited Partners should understand that Partnerships' investments are illiquid and that they could lose some or all of their investments and should be prepared to bear the risk of such potential losses.

Losses in a particular Partnership will be borne by the Limited Partners and the General Partner of that Partnership and not by Hudson (other than as an affiliate of the General Partner of that Partnership). Therefore, a prospective Limited Partner should only invest in a Partnership if it can withstand a total loss of its investment. The following are some of the risks which should be considered prior to making an investment in private equity funds such as the Partnerships:

Prior Investment Performance

Not Indicative of Future Results

There can be no assurance that the historical performance of any particular Partnership in the past means that any future investments by that Partnership or other Partnerships managed by Hudson will generate similar returns. Furthermore, newly-formed Partnerships have no prior operating history upon which an investor can base its prediction of future success or failure.

Loss of Capital

All investments in a Partnership involve a risk of a complete loss of capital.

Long-Term Nature of Investment in Partnership

Investment in a Partnership requires a long-term commitment with no certainty of return. There can be no assurance that a Partnership will be able to realize returns on its investment in a timely manner or at all.

Management of Partnership

Limited Partners as such will have no right or power to participate in the management of their Partnership. Accordingly, no person should become a Limited Partner unless such person is willing to entrust all aspects of Partnership management to Hudson and its affiliates.

Reliance on Management

The success of each Partnership will depend on the ability of Hudson to identify and consummate suitable investments, maintain or improve the operating performance of Portfolio Companies and dispose of the investments at a profit. The loss of the services of any of Hudson's investment professionals could have an adverse impact on a Partnership's ability to realize its investment objectives.

Failure to Fund Commitments;

Consequences of Default

If the Limited Partners fail to honor their commitments to a particular Partnership, it may jeopardize that Partnership's ability to complete its investment strategy or otherwise continue its operations.

Dependence on Management of Portfolio Companies

Although Hudson will be actively involved in, and monitor the performance of, each investment, a particular Partnership will rely primarily upon Portfolio Company management teams to operate the Portfolio Companies on a day-to-day basis.

Restrictions on Transfer;

Limited Liquidity

The interests in a Partnership have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), any state securities laws or the laws of any foreign jurisdiction. There is no public market for such interests, and none is expected to develop. In addition, a Limited Partner may not sell, transfer or assign, in whole or in part, its interest in a Partnership except with the consent of its respective General Partner, which may be withheld by said General Partner in its sole discretion, and in compliance with any governing offering documents and applicable securities law. There is no obligation on the part of any person to register any interest in a Partnership under any applicable securities laws. Generally, Limited Partners may not withdraw capital from a Partnership and, as a result, may be able to realize returns on their investments only to the extent of Partnership distributions and upon ultimate liquidation of that Partnership.

Prospective Limited Partners should be aware that they will be required to bear the financial risks of an investment in Partnership interests for an indefinite period of time as an investment in a Partnership is illiquid. While an investment by a Partnership may be sold at any time, it is not generally expected that this will occur for a number of years after such

investment is made. There may not be a public market for any of the private securities held by Partnerships. The securities issued by Portfolio Companies typically cannot be sold except pursuant to a registration statement filed under the Securities Act or in a private placement or other transaction exempt from registration under the Securities Act and that complies with any applicable non-U.S. securities laws. In addition, in some cases, a particular Partnership may be prohibited by contract from selling securities for a period of time. Since there will generally be no readily available market for many investments held by a particular Partnership, most of a particular Partnership's investments will be difficult to value. Certain investments may be distributed in-kind to the Limited Partners and could consist of securities for which there is no readily available public market. As such, a Partnership's investments are highly illiquid, and there can be no assurance that a particular Partnership will be able to realize on such investments in a timely manner.

No Right of Withdrawal

Generally, Limited Partners will not be permitted to withdraw from a Partnership. They will be able to realize returns on investments only to the extent of distributions from, and upon ultimate liquidation of, their Partnership.

Risks upon Dispositions of Investments

In connection with the disposition of an investment in a Portfolio Company, a Partnership may be required to make representations about the business and financial affairs of the Portfolio Company typical of those made in connection with the sale of any business, or may be responsible for the contents of disclosure documents under applicable securities laws. A Partnership may also be required to indemnify the purchasers of such investment or underwriters to the extent that any

such representations or disclosure documents turn out to be incorrect, inaccurate or misleading. These arrangements may result in contingent liabilities, which may ultimately have to be funded by the Limited Partners. Each Partnership's respective organizational document contains provisions to the effect that if there is any such claim in respect of a Portfolio Company, it will be funded by the Limited Partners to the extent that they have received distributions from the Partnership, subject to certain limitations.

Side Letters

A particular Partnership may enter into Side Letters with certain Limited Partners, as described in Item 4. Such Limited Partners may be able to base their investment decisions on information that is not generally available to other Limited Partners.

Performance Fee; Distributions In-Kind

The existence of a General Partner's Performance Fee may create an incentive for the associated Partnership to make riskier or more speculative investments than would be the case in the absence of this arrangement. Under certain limited circumstances, in-kind distributions of investments for which market quotations are not readily available may be made.

Difficulty Locating Suitable Investments; Competition for Investment Opportunities

A particular Partnership may be unable to source a sufficient number of attractive opportunities that satisfy its investment objectives and may be subject to intense competition for investment opportunities with many sources of capital.

Foreign Portfolio Companies

Certain Portfolio Companies in which the Partnerships may invest may be domiciled and have significant operations outside of the United States. Such investments involve risks not typically associated with investments in the securities of U.S. companies including, but not limited to: (i) political and economic considerations (e.g., greater risk of expropriation and nationalization, confiscatory taxation and potential difficulty of repatriating funds); (ii) general social, political and economic instabilities; (iii) the smaller size of the securities market in certain non-U.S. countries; and (iv) fluctuating foreign currency exchange rates. In addition, accounting and financial reporting standards that prevail in such countries are generally not equivalent to U.S. standards, and frequently less information is available to investors. To the extent a Partnership invests in Portfolio Companies operating in emerging market countries, those investments involve certain risks not typically associated with investments in the securities of companies in more developed markets, including the direct and indirect consequences of potential political, economic, social and diplomatic changes in those countries.

Nature of Private Equity Investments

Private equity securities generally represent the most junior position within the issuer's capital structure and are therefore subject to the greatest risk of loss. A particular Partnership's investments in private equity may be associated with a leveraged transaction, increasing the financial risks of the issuer. There can be no assurance that any Partnership will be adequately compensated for risks taken.

Risk of Early Stage Companies

The Partnerships may invest in private equity of companies at an early stage of development, which involves a high degree of business and

financial risk. Early stage companies with little or no operating history may require substantial additional capital to support expansion or to achieve or maintain a competitive position, may produce substantial variations in operating results from period to period or may operate at a loss. Such companies may face intense competition, including competition from companies with greater financial resources, more extensive development, better marketing and service capabilities and a larger number of qualified management and technical personnel. Such risks may adversely affect the performance of such investments and result in substantial losses.

Control Issues

Although each General Partner may seek protective provisions, including, possibly, board representation, in connection with certain of its private equity investments, to the extent that a particular Partnership takes minority positions in companies in which it invests, the particular General Partner thereof may not be in a position to exercise control over the management of such companies, and, accordingly, may have a limited ability to protect said Partnership's position in such companies.

Risks of Industry Focus

The Partnerships will invest in Portfolio Companies in the Clean Energy and Clean Energy-related industries. Accordingly, their ultimate performance will be a function of the performance of these industries and of changes in, among other things, oil and gas prices and regulatory requirements. Oil and gas prices have been, and are likely to continue to be, volatile and subject to wide fluctuations in response to many of the following factors: (i) relatively minor changes in the supply of and demand for oil and gas; (ii) market uncertainty; (iii) political conditions in international oil-producing regions; (iv) the extent of domestic

production and importation of oil in certain relevant markets; (v) the level of consumer demand; (vi) weather conditions; (vii) the competitive position of oil or gas as a source of energy as compared with other energy sources; (viii) the refining capacity of oil purchasers; and (ix) the effect of federal and state regulation on the production, transportation and sale of oil. The energy industry is subject to comprehensive federal, state and local laws and regulations. Present, as well as future, statutes and regulations could cause additional expenditures, restrictions and delays that could materially and adversely affect the Portfolio Companies and the prospects of the respective Partnerships. In addition, estimates of hydrocarbon reserves by qualified engineers are often a key factor in valuing certain energy companies. These estimates are subject to wide variances based on changes in commodity prices and certain technical assumptions. Accordingly, it is possible for such reserve estimates to be significantly revised from time to time, creating significant changes in the value of the company owning such reserves.

Investment in Clean Energy

The investment programs of the respective Partnerships involve investments in companies that develop and operate Clean Energy power projects, which face a variety of risks. Technologies such as regenerative fuel cell, wind turbine and power electronics products and technologies are currently being developed or have only recently been made commercially available. Many of these new products and technologies are based on new and unproven design, and have not reached a level of maturity that allows for a predictable level of reliability. It is difficult to predict whether they will be commercially viable, at what rate the market will develop and whether there will be a sustainable market for them at all. Moreover, these companies may not be successful in developing product designs and manufacturing processes.

Absence of Investment

Company Act Protections

While a Partnership may be considered similar in some ways to an investment company, it is not required and does not intend to register as such under the Investment Company Act of 1940, as amended (the “Investment Company Act”) and, accordingly, Limited Partners are not accorded the protections of the Investment Company Act.

Tax Treatment

There may be changes in tax laws or interpretations of such tax laws adverse to a particular Partnership or its Limited Partners. There can be no assurance that the structure of a given Partnership or of any investment will be tax-efficient to any particular Limited Partner. Also, there can be no assurance that a particular Partnership will have sufficient cash flow to permit it to make annual distributions in the amount necessary to permit Limited Partners to pay all tax liabilities resulting from their ownership of their Partnership interests. Prospective Limited Partners are urged to consult their own tax advisers with reference to their specific tax situations.

Concentration/Performance Risk

Because each Partnership may only make a limited number of investments, and because those investments generally will involve a high degree of risk, poor performance by a few of that Partnership’s investments could severely affect the total returns to its Limited Partners. The performance of portfolio investments of other Partnerships managed by Hudson or its affiliates is not necessarily indicative of the results that will be achieved by any particular Partnership.

Allocation of Investment Opportunities

Participation in specific investment opportunities may be appropriate for more than one Partnership. If it is not possible to satisfy in full the investment interests of multiple Clients in an investment opportunity, then allocations will be made in a manner which Hudson deems to be fair and reasonable over time taking into account all facts and circumstances including disclosures made in the offering documents and the terms of any Side Letters. Due to the nature of certain assets, as well as specific Client guidelines, pro rata allocation of trading opportunities is not always feasible. Therefore, such allocations are driven primarily by a number of factors, including Client guidelines, each Partnership's offering documents, legal and tax concerns, and Hudson's internal investment policies, as appropriate.

Hudson does not anticipate that any investment opportunity that is appropriate for one or more Partnerships would be appropriate for other advisory clients of Hudson or its affiliates. However, in the event that an investment opportunity may be appropriate for one or more Partnerships in addition to one or more other advisory clients of Hudson or its affiliates, Hudson will consider several factors in determining the allocation of such investment among such Clients, including the investment criteria, geographic scope, investment size and nature of the investment focus of each Client, the relative amounts of capital available for investment by each Client and such other factors as Hudson and its affiliates deem relevant, subject to compliance with the investment guidelines applicable to each Client.

Other Activities of Management

Messrs. Auerbach and Cavalier will devote at least a majority of their business time, and all other investment professionals managing the Partnerships will devote substantially all of their business time, to perform their obligations under the Advisory Agreements. They will, however, work on other projects and for other advisory clients. As a result, conflicts may arise in the allocation of management resources.

Additional Conflicts of Interest

Hudson is subject to a number of actual and potential conflicts of interest, as described in each Partnership's offering documents and in Item 10.

In addition to the risks discussed above, an investment in a particular Partnership may be subject to the following additional risks: volatility in the market and general economic conditions, as well as increased government regulation. For a complete discussion of a Partnership's investment strategies and the principal investments risks of those strategies, please read carefully each respective Partnership's offering materials.

ITEM 9: DISCIPLINARY INFORMATION

There are no legal or disciplinary events required to be disclosed pursuant to this Item 9.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Hudson's SEC registration applies to six affiliated entities, each of which is under common control and shares certain investment personnel. Three of these entities, Hudson Capital Management (NY), L.P., Hudson Capital Management (NY) CUSD, L.P. and Hudson Capital Management (NY) II, L.P., provide advisory services to private equity funds. The remaining three entities, Hudson Capital Infrastructure (Europe), LLC, Hudson Capital Infrastructure (U.S.), LLC and Hudson Capital Infrastructure (Global), LLC, provide investment advisory services to separately managed accounts.

Various potential and actual conflicts of interest may arise from the overall investment activities of Hudson and its affiliates, as described in more detail in each Partnership's offering documents and in Item 8.

Hudson is a U.S. registered investment adviser under the indirect control of Messrs. Neil Z. Auerbach and John A. Cavalier, who also control other investment advisers. From time to time, and to the extent permitted by applicable law, Hudson may delegate some or all of its responsibilities, duties and authority under an Advisory Agreement to one or more of its affiliated investment advisers, including Hudson Capital Management UK Limited, a wholly-owned subsidiary of Hudson located in London, England and registered with the UK Financial Services Authority, and Hudson (Beijing) Clean Energy Investment Advisory Company Limited, a wholly-owned subsidiary of Hudson located in Beijing, China.

Hudson has arrangements and transacts, subject to applicable law, with related persons under the control of Messrs. Auerbach and Cavalier, including entities that manage and control the Partnerships or other investment vehicles for which Hudson or an affiliate may provide advisory services. Different affiliates of Hudson serve as the General Partners of the various Partnerships. A description of each Partnership, including its operations and activities, Management and Performance Fees (if any) and structure can be obtained from each respective Partnership's offering documents.

Hudson may face a number of potential conflicts of interest as a result of these relationships, including allocation of investment opportunities among advisory clients and allocation of time of Hudson personnel to the business affairs of such clients. Such conflicts are discussed in more detail in Items 6 and 8.

Certain inherent conflicts of interest may arise from the fact that certain partners, officers and affiliates of Hudson carry on other business activities in which Limited Partners may have no interest, some of which have similar investment objectives to those of the Partnerships. As explained in more detail in each Partnership's offering documents, conflicts of interest exist in the structure and operation of the Partnerships and Hudson.

Further, employees of Hudson or its affiliates may invest or be offered the right to invest in various Partnerships on the same terms and

conditions as those applicable to the corresponding investments by the Partnerships (other than with respect to Management Fee and Performance Fee). A minority owner in Hudson owns a significant Limited Partnership interest in one Partnership and, from time to time, may own significant Limited Partnership interests in other Partnerships and act as placement agent for Hudson. Certain Limited Partners own an interest in one or more of the General Partners and have certain rights with respect to that General Partner and Hudson.

Hudson may recommend to Clients an additional purchase or sale of securities in which one or more of its affiliates has a pre-existing financial interest or position as a result of an earlier investment in the issuer by the affiliate at the same time as an earlier investment by the Client therein.

In addition, other potential conflicts of interest may arise due to the activities of Hudson and its personnel, including, but not limited to, potential conflicts arising when personnel of Hudson serve as directors of certain Portfolio Companies in which a Client has an interest, but is not the sole shareholder. Having employees hold such director positions often enhances the ability of Hudson to manage its investments for Clients. At the same time, directors are fiduciaries required to make decisions that consider the best interests of the Portfolio Company and its shareholders rather than solely the individual interests of Hudson's Client.

The receipt of Performance Fees by Hudson creates a potential conflict of interest, as noted above in Item 6. Hudson believes that the Management Fee offset provisions described in Item 5 and the alignment of interest created by Hudson's and its affiliates' significant

equity commitment in certain Clients substantially mitigates this potential conflict.

Item 8 contains a description of Hudson's policy with respect to allocation of investment opportunities that fall within the investment guidelines of multiple Clients.

Hudson has established policies and procedures to identify and address potential conflicts of interest. Any conflicts of interest that arise between one of Hudson's Clients and Hudson and its affiliates or their clients (or another Client of Hudson) will be discussed and resolved on a case-by-case basis by senior officers of Hudson and its affiliates, or internally by Hudson, as applicable. Any such discussions will take into consideration the interests of the relevant parties and the circumstances giving rise to the conflict. In addition, each Partnership's respective Limited Partner Advisory Committee will review certain potential conflicts of interest, as specified in the respective Partnership's offering documents.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Hudson strives to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust. In seeking to meet these standards, Hudson has adopted a Code of Conduct which establishes ethical standards for Hudson and sets forth procedures to address potential conflicts of interest. The Code of Conduct is designed to ensure that Hudson meets its fiduciary obligations to its Clients and to prevent and detect violation of securities laws. The Code of Conduct imposes requirements as to confidentiality and limitations on, and reporting of, gifts and entertainment in addition to restrictions on, and reporting of, employee personal securities transactions.

For additional information concerning the interests of Hudson and its affiliates in Client transactions, see Item 10 above. When engaging in any such transactions, Hudson will seek to comply, with the Advisers Act and any other applicable laws, rules or regulations. Item 10 also discusses other conflicts of interest that Hudson may face.

ITEM 12: BROKERAGE PRACTICES

Typically, Portfolio Company transactions do not involve the use of a broker because they are made on a negotiated basis. In the event that a wholly-owned Portfolio Company has an initial public offering through an underwriter or syndication of underwriters, or Hudson uses a broker in any transaction, Hudson will select the broker involved in its absolute discretion, subject to its obligations as a registered investment adviser.

ITEM 13: REVIEW OF ACCOUNTS

Hudson has policies in place for reviewing portfolio transactions for consistency with each respective Partnership's guidelines. The investments made by the Partnerships for which Hudson provides investment advice are generally long-term and illiquid in nature. Accordingly, the review process is not directed towards a short-term decision to purchase or sell securities. However, Hudson's investment professionals review the relevant portfolios on an on-going basis and provide reports in a manner, and on a frequency, as may have been negotiated with the Limited Partners, or as required by the Partnership's organizational documents.

Typically, Limited Partners receive quarterly financial reports and audited annual reports. The terms and conditions of each Partnership's organizational documents specify the type and frequency of reports to Limited Partners, including relevant tax reporting information. Special reports may be developed to meet specific Client requirements or respond to Client inquiries.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Hudson may enter into cash compensation arrangements with one or more unaffiliated placement agents. Any placement agent fees associated therewith will ultimately be payable by Hudson either directly or through an offset of the Management Fee payable to Hudson by the respective Client.

Hudson may use as a placement agent an affiliate of an entity that owns both a minority interest in Hudson and a significant Limited Partnership interest in one or more Partnerships.

ITEM 15: CUSTODY

Hudson generally does not maintain direct custody of Client assets. However, under Rule 206(4)-2 (the “Custody Rule”) under the Advisers Act, “custody” is broadly defined to also include holding indirectly client funds or securities, or having any authority to obtain possession of them, including the authority to withdraw funds or securities from a Client’s accounts or ownership of or access to client funds or securities (such as through fee deductions). Under this Custody Rule, Hudson may be deemed to have custody because of the rights of its affiliates as General Partners of the Partnerships.

All Partnership assets are held in custody by an unaffiliated entity acting in the capacity as “qualified custodian” to the extent required by the Custody Rule.

The Partnerships are subject to an annual audit performed by a nationally recognized public accounting firm and the audited financial statements are distributed to each investor. The audited financial statements are prepared in accordance with U.S. generally accepted accounting principles and are generally distributed within 90 days of the end of each respective Partnership’s fiscal years.

ITEM 16: INVESTMENT DISCRETION

Generally, Hudson, or an affiliate of Hudson, has sole discretion to determine, without the consent of the Limited Partners, which securities will be bought or sold (and in what amount) by the Partnerships, subject to compliance with the investment guidelines applicable to each Partnership.

ITEM 17: VOTING CLIENT SECURITIES

Investments in Partnerships and other types of investment vehicles do not typically convey traditional voting rights, and the occurrence of corporate governance or other consent or voting matters for this type of investment is substantially less than that encountered in connection with registered equity securities. On occasion, however, a Limited Partner may receive notices or proposals from a Partnership or other investment vehicle seeking the consent of, or voting by, holders ("proxies").

As a registered investment adviser, Hudson is further required to describe its proxy voting policies and procedures and, upon the request of any Client, to provide such person with: (i) the actual proxy voting policies and procedures; and (ii) information about votes cast on behalf of any Partnership managed by Hudson in which such person has made an investment. These proxy voting policies and procedures: (i) address Hudson's overall policy and are designed and implemented in a manner reasonably expected to ensure that Client proxies are voted in the best interest of the Partnerships and in a manner that maximizes the value of Partnership investments; (ii) identify the persons responsible for monitoring corporate actions, determining whether and how to vote proxies and submit proxies; and (iii) describe Hudson's approach to addressing material conflicts of interest that may arise in connection with the consideration of a proxy. Investors in any Partnership managed by Hudson can obtain a copy of Hudson's proxy voting policies and procedures or information on how Hudson voted proxies for any fund in which an investor has an investment by contacting

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ITEM 18: FINANCIAL INFORMATION

Not applicable.

ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Not applicable.