

VANTERRA CAPITAL LLC
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BROCHURE
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This brochure provides information about the qualifications and business practices of Vanterra Capital LLC the “Registrant”. If you have any questions about the contents of this brochure, please contact us at (212) 231-3914. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

References herein to Vanterra Capital LLC as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Item 2 Material Changes

This is Vanterra Capital LLC's initial Brochure.

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Item 4 Advisory Business

- A. Vanterra Capital LLC (the “Registrant”) is a limited liability company formed on July 31, 2008 in the State of Delaware. The Registrant became registered as an Investment Adviser Firm in May 2013. The Registrant is principally owned by Shad Azimi. Mr. Azimi is the Registrant’s Managing Member.
- B. This Brochure generally includes information about Vanterra Capital LLC and its relationships with its clients, which are its Funds. This Brochure does not constitute an offer to sell or solicitation of an offer to buy any securities. The Registrant may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, it considers appropriate, subject to each Fund’s investment objectives and guidelines.

The Registrant provides discretionary investment management services to, Vanterra Advantage Master Investments, L.P., Vanterra Advantage Investments, L.P., Vanterra Advantage Offshore Investments, L.P., Transformative Energy & Materials, L.P. and non-discretionary investment management services to Vanterra Flex Investments, L.P. (the “*affiliated private funds*”). The *affiliated private funds* are offered to qualified investors in accordance with the terms and conditions of the *affiliated private funds*’ offering documents. The Registrant does not provide investment supervisory services to individual investors. Rather, the Registrant’s investment supervisory services are limited to its management of the *affiliated private funds*.

The Registrant does not provide financial planning, estate planning, insurance planning or any other related or unrelated financial planning or consulting services. The Registrant makes the *affiliated private funds* available to investors through introductions from investor’s adviser. As such, other than confirming that the prospective investor qualifies for either of the *affiliated private funds* per the responses set forth on the *affiliated private funds*’ subscription documents, the individual’s investment advisor (not the Registrant) maintains initial and ongoing responsibility to counsel its investor client as to the suitability of the *affiliated private fund(s)* and any of its (their) underlying investment strategies.

MISCELLANEOUS

Affiliated Private Funds. As discussed above, the Registrant serves as the investment advisor to the *affiliated private funds* and provides discretionary investment management services to the *affiliated private funds*. The terms and conditions for participation in the *affiliated private funds* including management and incentive fees, conflicts of interest, and risk factors, are set forth in the fund’s offering documents.

Please Note: Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund’s offering documents, which will be provided to each investor for review and consideration. Unlike liquid investments that an investor may maintain, private investment funds do not provide

daily liquidity or pricing. Each prospective investor will be required to complete a Subscription Agreement, pursuant to which the investor shall establish that he/she/it is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

Please Also Note: Conflict Of Interest. Because the Registrant earns compensation from the *affiliated private funds* the recommendation that an individual or institution become an investor in the *affiliated private funds* presents a conflict of interest. The Registrant's Chief Compliance Officer remains available to address any questions regarding this conflict of interest.

Investor Obligations. In performing its services, Registrant shall not be required to verify any information received from an investor or from the investor's other professionals, and is expressly authorized to rely thereon. Moreover, each investor is advised that it remains his/her/its responsibility to promptly notify their investment adviser if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising previous recommendations made by their investment adviser.

Please Note: The advisor of each participant in the *affiliated private funds* (not the Registrant) maintains initial an ongoing responsibility to counsel its client as to the suitability of the *affiliated private fund(s)* and any of its underlying investment strategies.

- C. The Registrant only provides investment management services to the *affiliated private funds*. The Registrant provides investment advisory services that are specific to the needs of each of the *affiliated private funds*. The Registrant shall allocate investment assets consistent with the designated investment objective of the *affiliated private funds*.
- D. The Registrant does not participate in a wrap fee program.
- E. As of April 2, 2013, the Registrant had \$200,860,000 in assets under management on a discretionary basis and \$101,000,000 on a non-discretionary basis.

Item 5 Fees and Compensation

A. INVESTMENT ADVISORY SERVICES

The Registrant does not provide investment advisory services to individual investors. Rather, the Registrant's investment services are limited to its management of the *affiliated private funds*. As the investment adviser to the *affiliated private funds*, the Registrant shall receive compensation in the form of management fee and/or incentive fees.

As reimbursement for the management and administration of the *affiliated private funds*, the *affiliated private funds* will pay the Registrant a 1% management fee on a semi-annual basis, based on commitment levels. The Registrant, as the investment advisor for each of the *affiliated private funds*, may also receive a special allocation based upon the return of each limited partner's capital account. Each limited partner will be charged for the special allocation attributable to their capital account. Vanterra Capital, Ltd, an affiliated entity and the General Partner to the *affiliated private funds* receives a

performance fee, after return of capital and all preferred returns, of 5% on fund investments and 15% on direct investments (co-investments).

Please Note: For further information pertaining to the calculation of the Registrant's management fee and/or any incentive fees please review the *affiliated private funds'* subscription documents and private placement memorandum.

- B. The *affiliated private funds* allow for the Registrant to deduct its fees directly from fund assets in compliance with regulatory procedures. In the limited event that the Registrant bills the *affiliated private funds* directly, payment is due upon receipt of the Registrant's invoice. The Registrant shall deduct fees and/or bill the *affiliated private funds* semi-annually in advance, based upon the commitment amount of each limited partner.

In the event that an *affiliated private fund* does not have sufficient liquid assets to pay the Registrant's fee, the fee shall accrue until such time that the *affiliated private fund* has sufficient liquid assets, at which time the Registrant shall collect the full amount of its fee.

- C. The Registrant does not provide investment supervisory services to individual investors. Rather, the Registrant's investment supervisory services are limited to its management of the *affiliated private funds*. As such, the Registrant does not select and/or recommend broker-dealers to the *affiliated private funds*.

The Registrant pays all normal operating expenses incidental to the provision of the day-to-day administrative services to the *affiliated private fund*, including its own overhead. To the extent that the Registrant pays expenses that should be borne by an *affiliated private fund*, (i.e. insurance premiums; taxes; fees and expenses of accountants, counsel and consultants; costs and expenses of the Fund's board and annual meeting of limited partners; litigation expenses; and other extraordinary expenses) it is entitled to reimbursement by such *affiliated private fund*. Each *affiliated private fund* also bears all legal and other expenses incurred in the formation of the *affiliated private fund* and the offering of the limited partnership interests (other than any placement fees).

- D. Registrant's annual investment advisory fee shall be prorated and paid semi-annually, in advance, based upon the commitment amount of each limited partner, as described above in Item 5.A. The Registrant does not generally require an annual minimum fee or asset level for investment advisory services. The Registrant, in its sole discretion, may charge a lesser investment management fee based upon certain criteria (i.e. anticipated future additional assets, dollar amount of assets to be managed, etc.).

The *Investment Advisory Agreement* between the Registrant and the *affiliated private funds* will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, the Registrant shall refund a prorated portion of the advance advisory fee, based upon the number of days remaining in the billing period.

- E. Neither the Registrant, nor its representatives accept compensation from the sale of securities or other investment products.

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

Rule 205-3 of the Investment Advisers Act of 1940 permits a registered investment adviser to enter into a performance fee agreement with certain sophisticated clients who have the capacity to bear the potential additional risks of such a fee arrangement. An adviser can rely on Rule 205-3 only if the performance fee agreement is with "eligible" clients. Eligible clients are defined in the Rule as natural persons and companies that have *either* at least \$1,000,000.00 under management with the Registrant immediately after entering into a performance fee agreement *or* a net worth at the time the agreement is entered into in excess of \$2,000,000.00 (i.e. a natural person's net worth may include assets held jointly with a spouse).

Consistent with the parameters of Rule 205-3 of the Investment Advisers Act of 1940 (to the extent Rule 205-3 is applicable), the Registrant (and/or Registrant's affiliated entities) may also receive, from its *affiliated private funds*, incentive or performance fee compensation on a fully disclosed written basis. The Registrant and its representatives manage the *affiliated private funds* that charge both a management fee and/or a performance based fee, this arrangement creates a conflict of interest. Because a portion of the Registrant compensation is dependent upon the *affiliated private funds'* performance, the Registrant and its representatives have an incentive to favor investments with a greater potential for higher returns. Investments with a greater potential for higher returns also often have a higher level of inherent risk. The Registrant's Chief Compliance Officer remains available to address any questions regarding this conflict of interest.

Item 7 Types of Clients

The Registrant only provides investment management services to the *affiliated private funds*.

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

- A. The Registrant shall utilize the following methods of security analysis:
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)

The Registrant shall utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (investments held at least a year)

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s).

- B. The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks.

The description set forth in this brochure of specific advisory services that the Registrant offers to the affiliated private funds, and investment strategies pursued and investments made by the Registrant on behalf of the affiliated private funds and should not be understood to limit the Registrant's investment activities. Subject to the investment strategies and limitations set forth in the limited partnership agreements of the affiliated private funds, the Registrant may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this brochure, that it considers appropriate. The investment strategies that the Registrant pursues are speculative and entail substantial risks. Limited partners to the affiliated private funds bear the risk of a substantial loss of capital. There can be no assurance that the investment objectives of any Fund will be achieved.

The Registrant's investment objective is to provide investors with long-term compound annual returns that are superior to broader market averages and other alternative investment products. The managers of the Registrant (the "Principals") will seek to construct a globally diversified private equity portfolio providing investors with long-term capital appreciation through:

Fund Investments: Investments in a diversified portfolio of private equity investment funds (the "Fund Investments") comprised of mostly of lower-middle-market private equity funds ("SEM Funds").

Direct Investments: Direct investments in securities of portfolio companies ("Direct Investments"), including (i) co-investments offered by Fund Investments and (ii) investments originated from the proprietary network of the Registrant and its affiliates.

Investment Process

The Registrant's strategy is based on identifying and performing due diligence on top-performing emerging managers who have a demonstrated expertise within a targeted sub-sector and a distinct value-creation ability. The Registrant believes that its integrated model of investing in funds within identified target sectors and regions creates a network of key relationships and partners that will facilitate attractive direct investment opportunities. The Registrant is seeking to establish longstanding relationships with top-performing fund partners who will be able to act both as a source of high quality deal flow and as part of a unique due diligence network.

Fund Investments - The Registrant utilizes a thesis-driven macroeconomic "top-down" analysis to determine which geographic regions and industry sectors have the greatest potential to produce superior returns. After identifying these attractive sectors, Fund Investments will be selected on a fundamental "bottom's-up" basis following extensive manager due diligence and assessment of the prospects for the Fund Investments' strategy within an identified market. The Registrant will seek to make Fund Investments in Funds where it believes that it will have the ability to become a strategic limited partner and exert influence. The Registrant will focus on funds that can demonstrate a distinct competitive advantage over peer funds and serve as a resource to The Registrant for market intelligence.

Direct Investments - Direct Investments will be identified using a similar approach and will ultimately be selected based on conclusions derived from extensive due diligence

and in-depth assessment, including discussions with the target company's management team and a detailed review of the target company's financial information and growth prospects. The Registrant will also seek to make Direct Investments. The Registrant will make two types of Direct Investments. It intends to co-invest alongside some of the managers with whom it is making Fund Investments. In addition, The Registrant anticipates that it will source and potentially lead transactions through its network of proprietary relationships, limited partners, and other private equity funds. The Fund will only pursue situations when it believes it has a significant competitive advantage and will seek to partner with other funds or financial partners who can add value by means of their relevant sector expertise.

In order to effectively manage political, currency and market risks, The Registrant's investment approach seeks both geographic and investment diversification. Diversification will be achieved across industries, geographies, vintages, and strategies.

RISKS

Identification and Availability of Investment Opportunities. The success of Fund Investments and Direct Investments and, in turn, the success of the Fund as a whole depends on the identification and availability of suitable investment opportunities. The availability of investment opportunities will be subject to market conditions and other factors outside the control of the Fund and the fund investments. There can be no assurance that the Fund or the fund investments will be able to identify sufficient attractive investment opportunities to meet their investment objectives. An investment in the Fund should only be considered by persons who can afford a loss of their entire investment.

Competition for Access to Investments. The General Partner, the Investment Manager and their affiliates seek to maintain excellent relationships with the general partners and managers of investment funds with which they have previously invested. However, because of the number of investors seeking to gain access to top-performing investment funds and other vehicles, there can be no assurance that the General Partner or the Investment Manager will be able to secure interests on behalf of the Fund in all of the investment opportunities that it identifies or in the expected number of fund investments in which the General Partner intends to invest pursuant to its investment strategy, or that the size of the interests available to the General Partner or the Investment Manager will be as large as it would desire.

Risks of Investing in SEM Funds. The fund will be investing in SEM Funds and due diligence on small and emerging managers often requires a more comprehensive investor perspective to evaluate issues more commonly associated with emerging groups than with more established managers. As compared to more established managers these managers have a more limited track record, institutional experience and experience as working as team. Furthermore, these managers can be difficult to evaluate as a manager's actual contribution to various investment activities may often be difficult to determine.

Political Risks in Emerging Markets. The value of the Fund's assets may be adversely affected by political, economic and social factors in the emerging markets, including changes in law or regulations and the status of relations with other countries. In addition, the economies of the emerging markets may differ favorably or unfavorably from the

economy of an investor's home country in such aspects as the rate of growth of GDP, the rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments position. The General Partners does not intend to obtain political risk insurance. Actions of the government of one of the emerging market countries in the future could have a significant effect on the its economy, which could affect private sector companies and the Fund, market conditions, and prices and yields of securities in the Fund's investments. The occurrence of circumstances which may give rise to political and economic instability in an emerging market country could adversely affect the political and economic stability of this emerging market country in which the Fund invests, and could consequently adversely affect the Fund.

Legal Risks in Emerging Markets. In general, the countries of the emerging markets lack fully developed legal systems and the bodies of law and practice normally found in countries with more sophisticated market economies. Laws affecting international investment and business continue to evolve, although at times in an uncertain and even arbitrary manner that may not coincide with local or accepted international practices. Laws and regulations, particularly those concerning foreign investment and taxation, can change quickly and unpredictably. Inconsistencies and discrepancies among the vast number of local, regional and national laws, the lack of judicial or legislative guidance on unclear or conflicting laws and broad discretion on the part of government authorities implementing the laws produce additional legal uncertainties. There can be no assurance that the regulatory environment in which the Fund will be operating will become stable in the future. The burden of complying with conflicting and capricious laws may have a material adverse impact on the operations of the Fund. The laws of the emerging market countries regulating ownership, control and corporate governance of companies are still evolving. In many emerging market countries, existing laws offer limited protection, at best, to minority shareholders. Management or controlling shareholders may be able to take actions against the interests of minority shareholders, which could result in share dilution. Further, insufficient regulation of the securities markets in certain of these countries poses risks to the operations of the Fund.

Crime and Corruption in Emerging Markets. Organized crime and corruption, including extortion and fraud, do occur in many emerging market countries. Property and employees of the Fund and its portfolio companies may be targeted as potential victims of theft, violence or extortion. Threats or incidents of crime may cause or force the Fund to cease or alter certain activities or liquidate certain investments, which may cause losses or otherwise have a material adverse effect on the Fund. Moreover, in most emerging market countries, there historically have existed ties between government, agencies or officials and private economic sectors that have resulted—and could in the future result—in preferential treatment, inefficient resource allocation, arbitrary decisions and other practices or policies that could have a material and adverse effect on the Fund's investments.

Environmental Risks in Emerging Markets. The Fund may face significant environmental liability in connection with its investments in the emerging markets. The historical lack of environmental regulation in the emerging markets has led to widespread pollution of air, ground and water resources. The legislative framework for environmental liability has not been fully established or implemented. The extent of the responsibility, if any, for the costs of abating environmental hazards may be unclear when the Fund is considering any particular investment.

Restrictions on Trade. Compliance with trade restrictions, including but not limited to quotas, tariffs, customs duties and other assessments may significantly increase the cost of obtaining needed goods and ultimately reduce the amount that is realized upon the sale of investments. In addition, delays in obtaining licenses, approvals and authorizations are common and may adversely affect the operations of investments.

Reliance on Fund Investment Sponsors. The Fund will be investing primarily in Fund Investments sponsored by third parties. The Fund will not have an active role in the management of the assets of the fund investments including the valuation by the fund investments of their assets, and the Fund's ability to withdraw from or transfer its interests in such funds will be limited. As a result, the performance of the Fund will depend significantly on the investment and other decisions made by third parties, which could have a material adverse effect on the returns achieved by investors in the Fund. In addition, certain sponsors of fund investments may have additional relationships with Quadrant holdings and/or Quadrant and its affiliates that may create conflicts of interests between the Fund and such Quadrant affiliates.

Potential Lack of Diversification. Although the Fund expects to invest in a diverse group of investments across a three-year fund cycle and a range of investment categories, sectors and regions, the Fund may invest in investments that could potentially be concentrated in one investment category or in relatively few sectors or regions. As a consequence, the aggregate return on the Fund's investments may be adversely affected by the unfavorable performance of a particular investment category, industry or region and could be at a greater risk to overall changes in the economy or interest rates than if the Fund were less concentrated in a particular investment type. There can be no assurance that the Fund will be able to achieve its targeted allocations by investment category or diversify across vintage years or a broad range of investment categories, sectors and regions.

Illiquid Investments. The Fund's investments are highly illiquid, long-term investments. The Fund does not expect to be able to transfer its interests in, or to withdraw from, the investments. In addition, the investments generally will be investments for which no liquid market exists or will be subject to legal or other restrictions on transfer. The Fund and the fund investments may face reduced opportunities to exit and realize value from their investment in the event of a general market downturn or a specific market dislocation. As a consequence, the Fund or a fund investment may not be able to sell its investments when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. Furthermore, under certain circumstances, distributions may be made by the Fund to Limited Partners in kind and could consist of securities for which there is no readily available market.

Restrictions on Transfer and Withdrawal. The Interests have not been registered under the Securities Act or any other applicable securities law. The Limited Partners may not sell, transfer, or pledge their Interests except with the consent of the General Partner, which may be withheld in its sole discretion. The Interests will not be redeemable, and voluntary withdrawals of the Limited Partners generally will not be permitted. There is no public market for the Interests and none is expected to develop. Consequently, the Limited Partners may be unable to liquidate their Interests before the end of the Fund's term.

Foreign Investment Risks. Because non-U.S. entities are not subject to uniform accounting, auditing and financial reporting standards and practices comparable with those applicable in the United States, there may be different types of, and lower quality, information available about non-U.S. portfolio companies. Foreign economies may unfavorably differ from the U.S. economy in such respects as growth of gross national product, rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments positions. In addition, in certain countries there may be the possibility of expropriation or confiscatory taxation, political or social instability, limitation on the removal of funds or other assets or the repatriation of profits, U.S. and non-U.S. withholding taxes, import duties or other protectionist measures, or political or diplomatic developments that could adversely affect the Fund's investments in non-U.S. portfolio companies, fund investments or the non-U.S. portfolio companies of fund investments.

Foreign Currency Risks. The Fund is expected to invest a portion of its capital in investments based outside of the United States for which the currency is the Euro or another non-U.S. dollar currency. In addition, these investments, as well as fund investments for which the fund currency is the U.S. dollar, may make investments denominated in currencies other than the U.S. dollar. Fluctuations in the exchange rate between the U.S. dollar and these other currencies will result in changes to the values, in U.S. dollar terms, of the Fund's Capital Commitments as well as the Fund's investments. The General Partner may, where it deems prudent and practicable, seek to mitigate the effect of such currency fluctuations by engaging in currency hedging activities, but it does not expect to eliminate the Fund's exposure to exchange rate fluctuations.

Co-Investment with Third Parties. A Fund may co-invest with third parties through joint ventures or other entities. Such investments may involve risks in connection with such third-party involvement, including the possibility that a third-party co-venturer may have financial difficulties, resulting in a negative impact on such investment, may have economic or business interests or goals that are inconsistent with those of such Fund, or may be in a position to take (or block) action in a manner contrary to such Fund's investment objectives. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements.

Legal, Tax and Regulatory Rules. Legal, tax and regulatory changes could occur during the term of a Fund that may adversely affect a Fund.

Certain Tax Issues. There may be changes in tax laws or interpretations of tax laws adverse to a Fund or its general and limited partners. There can be no assurance that the structure of a Fund or of any investment will be tax-efficient to any particular partner. In addition, there can be no assurance that a Fund will have sufficient cash flow to permit it to make annual distributions to the partners in amounts necessary to permit the partners to pay all tax liabilities resulting from their ownership of interests. Prospective investors are urged to consult their own tax advisers with reference to their specific tax situations, including any applicable U.S. state or local or non-U.S. taxes and, in the case of U.S. tax-exempt and non-U.S. investors, with reference to any special issues that investment in the Fund may raise for such investors.

General Economic Conditions. General economic conditions may affect a Fund's activities. Interest rates, general levels of economic activity, the price of securities and

participation by other investors in the financial markets may affect the value and number of investments made by the Fund or considered for prospective investment. The Registrant may determine to delay realization events to the limited partners as a result of general economic conditions, illiquidity of portfolio investments, contractual prohibitions or other reasons mentioned herein.

Competitive Nature of a Fund's Business. The business of a Fund is highly competitive. Other investors may make competing offers for investment opportunities that are identified, and even after an agreement in principle has been reached with the board of directors or owners of an acquisition target, consummating the transaction is subject to a myriad of uncertainties, only some of which are foreseeable or within the control of the Registrant. To the extent that a Fund encounters competition for investments, yields to limited partners may be reduced.

Risks Upon Disposition of Investments. In connection with the disposition of an investment in a portfolio company, a Fund may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business, or may be responsible for the contents of disclosure documents under applicable securities laws. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the Fund's limited partners.

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

Other Activities. The investment professionals who are involved in a Fund's activities are responsible for the portfolios of other Funds and devote time to the management of such investments and to other businesses of the Registrant.

Lack of Management Rights; Approval Process. Limited partners of the Funds have no opportunity to control the day-to-day operations, including investment and disposition decisions, of the Funds. The Registrant or its affiliates have ultimate authority to approve or disapprove acquisitions and dispositions made by the Funds.

Reliance on Management of Portfolio Companies. Although the Registrant will monitor the performance of each investment, Funds rely upon management to operate their portfolio companies on a day-to-day basis.

Effect of Performance Fees - Carried Interest. The existence of each General Partner's Carried Interest may create an incentive for such General Partner to make riskier or more speculative investments on behalf of their respective Fund than would be the case in the absence of this arrangement.

- C. The Registrant does not provide investment supervisory services to individual investors. Rather, the Registrant's investment supervisory services are limited to its management of the *affiliated private funds*. Currently, the Registrant primarily allocates the *affiliated*

private funds' assets among various private funds on a discretionary basis in accordance with the *affiliated private funds'* designated investment objectives.

Item 9 Disciplinary Information

The Registrant has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. The Registrant has no other relationship or arrangement with a related person that is material to its advisory business.
- D. The Registrant may receive compensation in connection with its role with Transformative Energy & Materials. L.P. The Registrant may recommend that other *affiliated private funds* invest a portion of their assets in Transformative Energy & Materials. L.P. As an adviser to Transformative Energy & Materials. L.P., the Registrant may receive additional compensation, directly or indirectly, from its relationships.

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

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

- B. The Registrant's Principals may have a financial interest in which the Registrant or any related person of Registrant has a material financial interest.
- C. As disclosed above, the Registrant has a financial interest in the *affiliated private funds*. The terms and conditions for participation in the *affiliated private funds*, including management and incentive fees, conflicts of interest, and risk factors, are set forth in the fund's offering documents. Because the *affiliated investment funds* invest directly in other funds, neither the Registrant nor its representatives will be in a position to materially benefit from the sale or purchase of securities.

- D. As indicated above in Item 11.C, because the *affiliated investment funds* invest directly in other funds, neither the Registrant nor its representatives will be in a position to materially benefit from the sale or purchase of securities.

Item 12 Brokerage Practices

The Registrant does not provide investment supervisory services to individual investors. Rather, the Registrant's investment supervisory services are limited to its management of the *affiliated private funds*. As such, the Registrant does not select and/or recommend broker-dealers to its clients.

Item 13 Review of Accounts

The Registrant does not provide investment supervisory services to individual investors. Rather, the Registrant's investment supervisory services are limited to its management of the *affiliated private funds*. An independent public accountant audits the affiliated private funds annually and audited financial statements are distributed to the individual investors of the *affiliated private funds*.

Item 14 Client Referrals and Other Compensation

- A. The Registrant does not receive any economic benefit from any non-client for providing investment advisory services.
- B. Neither the Registrant nor its Representatives compensate non-supervised persons for client referrals.

Item 15 Custody

The Registrant is deemed to have custody of the *affiliated private funds*' cash and securities because, as the investment advisor to the *affiliated private funds*, it has the authority to transact on behalf of the *funds*. An independent public accountant audits the affiliated private funds annually and audited financial statements are distributed to the individual investors of the *affiliated private funds*.

Item 16 Investment Discretion

The Registrant provides investment advisory services to the *affiliated private funds* on a discretionary basis. As defined in the *affiliated private funds*' operating agreement, the Registrant has full authority to buy, sell, or otherwise effect investment transactions involving the assets in the *affiliated private funds* discretionary account.

Item 17 Voting Client Securities

The Registrant does not provide investment supervisory services to individual investors. Rather, the Registrant's investment supervisory services are limited to its management of

the *affiliated private funds*. The *affiliated private funds* are primarily invested in private companies which generally do not issue proxies. Therefore, the Registrant does not vote proxies on behalf of the *affiliated private funds*, nor will proxy solicitations need to be directed to the General Partners of the *affiliated private funds*. To the extent that the Registrant is required to vote proxies in the future, it will exercise such authority in a manner which it believes is in the best interests of the *affiliated private funds*.

Item 18 Financial Information

- A. The Registrant does not solicit fees of more than \$1,200 per client, more than six months in advance.
- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has not been the subject of a bankruptcy petition.

ANY QUESTIONS: The Registrant's Chief Compliance Officer, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.