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**PART 2A OF FORM ADV: FIRM BROCHURE**  
**EVERSTREAM ENERGY CAPITAL MANAGEMENT LLC**  
**JANUARY 27, 2014**

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**Item 1: Cover Page**

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**Disclaimers:**

This brochure provides information about the qualifications and business practices of EverStream Energy Capital Management LLC (the “Firm”). If you have any questions about the contents of this brochure, please contact us at (651) 271-7658 or [emily.dalager@everstreamcapital.com](mailto:emily.dalager@everstreamcapital.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about the Firm is also available on the website of the SEC at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The SEC or any state regulatory authority has not passed upon the merits or level of skill of the Firm as an investment adviser nor the adequacy or accuracy of this brochure.

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## **Item 2: Material Changes**

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There is nothing to report in this section.

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## **Item 4: Advisory Business**

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### **4.1 Introduction**

EverStream Energy Capital Management LLC (“the Firm”) was formed in 2011 in the State of Delaware. The principals of the firm are Bruce Pflaum, Co-Founder and Managing Partner, and Peter (PJ) Lee, Co-Founder and Managing Partner (together, the “Principals”). At the direction of the Principals, the Firm’s senior management and staff manage day-to-day operations, including making all investment decisions and providing all services to the Funds and the Managed Accounts (each as defined below).

The Firm is registered with the State of California as an investment adviser, and may register with the U.S. Commodity Futures Trading Commission (the “CFTC”) as a commodities trading adviser. Each Principal is registered with the State of California as an investment adviser representative of the Firm, and has successfully completed the Series 65 Examination of the Financial Industry Regulatory Authority, Inc. (“FINRA”) in connection therewith.

The Firm has two current areas of focus: (1) solar power plants, and (2) new markets for natural gas (liquefied natural gas (LNG) and compressed natural gas (CNG) sales/storage/related equipment). The Firm advises institutional, energy infrastructure focused private equity funds (the “Funds”) and semi- and non-discretionary separately managed accounts (the “Managed Accounts”). Typically, the Funds and Managed Accounts acquire an equity/control interest in project companies that own solar power plants with contract off-take for power production. Funds that focus on this strategy are referred to herein as “Solar Funds”. In the case of natural gas, the Funds and Managed Accounts acquire an equity/control interest in project companies that own LNG- or CNG-related equipment and provide services to facilitate the leasing of this equipment. Funds that focus on this strategy are referred to herein as “Natural Gas Funds”.

### **4.2 Description of Advisory Services**

A Fund or Managed Account is referred to herein as a “Client” and, collectively, the “Clients”). The Firm, as investment advisor, provides investment advisory services directly to its Clients, which employ the aforementioned investment strategies. In its capacity as investment advisor, the Firm generally has discretion to identify and execute investments on behalf of the Clients. The Firm allocates the assets of each Client in accordance with the Client’s specific investment objectives and strategy.

Acting as investment advisor, the Firm (i) identifies and negotiates investment opportunities for the Clients, and (ii) participates in the management, monitoring and disposal of the Clients’ investments. With respect to investors in the Funds, except for an initial determination of an investor’s suitability to invest in a Fund, the Firm does not base its investment decisions on the individual needs of investors, and provides analyses of investments directly to the Funds. The Firm does base investment decisions with respect to Managed Accounts on the individual needs of the holders of the Managed Accounts, and provides analyses of investments directly to them.

### **4.3     *Structure of Pooled Investment Vehicle Clients***

Each Fund is organized as a limited partnership under the laws of the State of Delaware. An affiliate of the Firm is formed to act as the General Partner of each Fund. Limited partnership interests in the Funds are offered privately to investors in reliance on the exemption provided by Regulation D of the Securities Act of 1933, as amended (the “Securities Act”), and similar provisions under state securities laws. In addition, the Funds are not registered with the SEC as an investment company under the Investment Company Act of 1940, as amended (the “Company Act”) in reliance on an exemption therefrom. Accordingly, interests in the Funds are sold exclusively to investors who satisfy applicable eligibility and suitability requirements.

### **4.4     *Discretionary Authority***

The Firm has discretionary authority over the investments made by each of the Funds and some of the Managed Accounts. This discretionary authority allows the Firm to execute investment transactions on each Fund’s behalf, determining which assets and the amount of assets to buy or sell.

The Firm also has the authorization to automatically deduct its advisory fee from the Funds’ and accounts, as well as to deduct amounts from the Funds’ bank accounts to reimburse the Firm for expenses that were incurred by the Firm or its affiliates in the management of the Funds.

### **4.5     *Wrap Fee Programs***

As of the date of this brochure, the Firm does not participate in any “wrap programs” (i.e., programs that bundle brokerage and advisory services under a single comprehensive fee).

### **4.6     *Assets under Management***

As of December 31, 2013, the Firm had aggregate assets under management of approximately \$107.4 million, \$106.0 million of which was managed on a discretionary basis and \$1.4 million of which was managed on a non-discretionary basis.

## **Item 5: Fees and Compensation**

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### **5.1     *Advisory Fees and Compensation***

In consideration for the Firm serving as the investment manager of the Solar Funds and bearing certain overhead expenses, each Solar Fund pays the Firm an advisory fee of up to 2% of the capital commitments of the Fund, payable in arrears at the end of each quarter. The Firm has the same arrangement with the Natural Gas Funds, except that the advisory fee is assessed on aggregate invested capital and not committed capital. For a Managed Account, the advisory fee is equal to 2% of the net asset value of the account. The Firm collects advisory fees by causing the applicable amount to be transferred from a Client’s bank account to the Firm’s bank account. Clients also pay the Firm a performance-based fee as described below under “Item 6—Performance-Based Fees and Side-by-Side Management”.

## **5.2     *Reimbursement of Fund Expenses***

The Firm (or an entity designated by the Firm) is responsible for overhead expenses incurred in connection with providing advisory services to the Clients, including office rent; furniture and fixtures; secretarial/administrative services; salaries; and employee insurance and payroll taxes. These costs are not borne by the Clients, and are not reimbursable to the Firm. All other expenses are paid by the Clients. The Firm is reimbursed by the Client for any expenses that are advanced by the Firm on behalf of the Client. In cases where expenses are allocable to one or more Clients, the Clients seeks to apportion the expenses among Clients in good faith based on the relative amounts invested by the Clients and other reasonable factors.

## **5.3     *Prepayment of Fees***

Clients' advisory fees are generally paid in arrears at the end of each quarter. As such, Clients do not prepay advisory fees.

## **Item 6: Performance-Based Fees and Side-By-Side Management**

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In addition to the advisory fees received by the Firm, the Firm and/or an affiliate of the Firm, receives a share of profits (referred to as a “carried interest”) from the Clients of up to 20% of net profits. For Funds, this performance fee is allocable and payable generally at the end of each fiscal year through a reallocation of the Funds’ net profits (which reflect the deduction of advisory fees and expenses) directly to the capital accounts of the performance fee recipient(s) after all capital has been returned to the investors. Such persons only receive performance-based fees directly from the Funds themselves, and not any investors in the Funds. For Managed Accounts, performance fees are deducted directly from the Managed Account on at the end of each fiscal year based on net profits for the fiscal year or, if agreed to by the investor, are paid separately by the investor in lieu of being deducted from the Managed Account. Generally, performance-based fees are subject to a preferred return (currently 6% per annum) such that a performance fee is not allocated until the investor has received the requisite fixed internal rate of return.

Because the Firm and its affiliates, including the Principals, may receive a performance fee from Clients, the Firm may have an incentive to cause Clients to invest in an asset which is riskier than might be the case in the absence of such an incentive. The Firm seeks to mitigate this risk by limiting the proportion of capital invested in a particular asset and by seeking to achieve broad diversification of assets. In addition, the Firm has an internal process of analysis, due diligence and monitoring review prior to investment.

## **Item 7: Types of Clients**

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The Firm’s Clients include both Funds and investors with Managed Accounts.

The Firm’s target investor base generally includes institutional investors such as corporations, insurance companies, pension fund, endowments, foundations, multi-family investment offices, family offices and family trusts, as well as high-net-worth individuals.

Generally, investors must be “accredited investors” as that term is defined in Rule 501 of Regulation D under the Securities Act and, if they are charged a performance fee, “qualified clients” for purposes of the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Because the Funds are not registered under the Company Act, investors must meet certain qualifications to permit reliance by the relevant Fund on an exemption from such registration. To permit compliance with these laws and regulations, investors are required to make representations and warranties regarding their suitability. Funds and Managed Accounts have designated minimum investment amounts, which may be waived by the Firm.

## **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

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### **8.1 *Methods of Analysis***

The Firm primarily targets investments in (1) solar power plants, and (2) new markets for natural gas (liquefied natural gas (LNG) and compressed natural gas (CNG) sales/storage/related equipment). The Firm draws upon the complementary strengths, experience and investment performance of its entire management team. In addition, the Firm draws upon the experience of its Board of Directors.

Investment decisions are reviewed at multiple levels for each Client. The Firm's Investment Committee, which is comprised of the Principals, must approve each investment of a Client.

### **8.2 *Investment Strategies***

The Firm's primary objectives are to generate significant returns for Clients by investing in (1) solar power plants, and (2) new markets for natural gas (liquefied natural gas (LNG) and compressed natural gas (CNG) sales/storage/related equipment). Each Client's investment strategy is discussed in greater detail in its respective private placement memorandum (in the case of Funds) or investment advisory agreement (in the case of Managed Accounts).

### **8.3 *Risk of Loss***

Investments in any of the Funds or via a Managed Account platform involve a certain degree of risk. There is no assurance that a Client's investment objectives will be achieved and investment results may vary from year to year. All Client investments risk the complete loss of capital. In the case of Clients that are Funds, in addition to the risks discussed below, each Fund's private placement memorandum includes a discussion of the risk applicable to the Fund and its particular investment program. Certain of the more significant risks shared by most Clients are discussed briefly below:

- *Illiquidity and Long Holding Period.* Investors in the Funds have no redemption rights, and their ability to sell their partnership interests to third parties might be limited. The Funds typically have terms exceeding ten years. Investors, therefore, should be financially able to hold their investments for the long term. Also, the Firm's investments generally lack liquidity and long holding periods, which will limit the ability of the Firm to make distributions on the investments for substantial periods of time.
- *Lack of Diversification.* The portfolios of the Funds typically hold fewer discrete investments than managed public securities portfolios such as mutual funds. Furthermore, the Funds have focused investment objectives and, accordingly, have concentrated exposure to particular sectors. The ability of a Fund to make direct investments further increases its portfolio concentration.
- *Lack of Ability to Participate; Key Personnel.* Investors have no right or power to participate in the Firm's investment decisions and thus must depend solely upon the ability of the Firm to make investments and otherwise manage the enterprise. Investors

must rely on the abilities and background of the Firm's management team and personnel; accordingly, the loss of key personnel could have an adverse impact on a Client's returns.

- *Unspecified Use of Proceeds; Limited Recourse.* Investors generally will not know what specific investments will be made at the inception of the relationship. Fund investors have limited rights to withdraw their capital from a Fund, cease to make further capital contributions or terminate the Firm as investment adviser, even if they are dissatisfied with the investments made or investment results. The governing documents of the Funds (and investment managed agreements for the Managed Accounts) contain provisions limiting the Firm's and its affiliates' liability, and provide for broad indemnification of the Firm and its affiliates against liability, all subject to the requirements of applicable law, including the federal securities laws.
- *Investments outside the United States.* Investments in companies based outside the United States involve additional risks, including: currency fluctuation; less robust banking and other financial systems; less reliable financial reporting; less developed judicial and regulatory regimes; potential for restrictions on repatriation of investments or confiscatory taxation; and potential political or economic instability.
- *Management Fees and Expenses.* Clients bear management fees and expenses. The investment return on the underlying investments therefore must be sufficient to offset both levels of fees and expenses before investors will earn a positive investment return. In addition, to the extent a management fee is based on committed rather than invested capital, investors pay management fees on both called and uncalled capital, resulting in high effective fee rates (i.e., fees on invested capital) at the beginning of an investment when little capital has been called and invested. Because of the extensive due diligence and ongoing management activity required for many private equity investments, expenses aside from management fees are generally higher than those of portfolios invested in public markets.
- *Certain Conflicts of Interest.* The Firm provides advisory services to a number of Clients, which may give rise to conflicts of interest. The investment objectives of existing or new Clients could overlap. To the extent an investment opportunity is appropriate for multiple Clients, the Firm will allocate opportunities to each Client for which the investment is suitable in a fair and equitable manner in accordance with its then existing allocation policies and applicable governing documents. The Firm's policy regarding allocation of opportunities may result in a Client participating in an investment to a lesser extent than would otherwise have been the case.
- *Risks Related to the Energy Industry.* The companies in the energy industry in which the funds invest are inherently subject to numerous risks arising from their operations. For example, companies in the solar sector face various risks including, without limitation: (i) price fluctuations in traditional energy sources, such as coal, natural gas and hydropower; (ii) changes in government policies toward the solar power industry and alternative energy industry generally, including decreases in, or termination of, tax subsidy programs; (iii) project construction risk; (iv) adverse changes in input prices, particularly for PVP cells; (v) natural disasters and accidents that could damage facilities; and (vi)

technological obsolescence. Companies involved in the production of natural gas face risks that include, without limitation: (i) the uncertainty of estimating hydrocarbon reserves and their value; (ii) the risks of conducting drilling operations (including risks of substantial losses to properties, bodily injury and environmental damage arising from operations that do not proceed as planned and the risk of failing to find commercially productive reserves); (iii) risks associated with the marketing of hydrocarbon production; (iv) risks of compliance with increasingly burdensome environmental regulations and other regulations governing the production of natural resources; (v) geopolitical risks associated with governments who play significant roles in the production and distribution of natural resources; and (vi) risks of catastrophic and other force majeure events.

- *Use of Pooled Investment Vehicles.* Investors in a pooled investment vehicle that is structured as a partnership for U.S. federal income tax purposes (like the Funds) should be aware that their investment in such a partnership might create taxable income or tax liabilities (so-called “phantom income”) in excess of cash distributions that are available from the partnership to pay such liabilities. Also, investors in one Fund may have divergent interests vis-à-vis investors in another Fund due to variations in terms among the Fund. For example, investors in one Fund may pay different fees and other charges, and may not have the same liquidity or redemption options as investors in other investment vehicles. Funds may also have different investment restrictions that make some investments available to one Fund when it is not available to another Fund. In addition, investors who hold their interests in investments via pooled investment vehicles may receive less information and have less favorable liquidity and termination rights compared to those who invest through direct, managed account arrangements. Each Fund is likely to have a diverse range of investors that may have conflicting interests that stem from differences in investment preferences, domicile, tax status and regulatory status.

## **Item 9: Disciplinary Information**

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There is nothing to report in this section.

## **Item 10: Other Financial Industry Activities and Affiliations**

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### ***10.1 Broker-Dealer Registration***

The Principals are not registered with the SEC as broker-dealers or registered representatives.

### ***10.2 Commodity Pool Operator, Commodity Trading Adviser, Futures Commission Merchant Registration***

The Firm is not presently registered with the Commodity Futures Trading Commission (“CFTC”) as a commodity pool operator (“CPO”), a commodity trading adviser (“CTA”) or a futures commission merchant (“FCM”), although it may register as a CPO and/or CTA in the future.

### **10.3 Other Material Relationships**

Generally, the Firm establishes a separate Delaware limited liability company to serve as the general partner of each Fund that it sponsors. In all cases, these general partner entities are controlled by the Principals. The Firm does not believe that any material conflicts of interest result from its relationships with these general partner entities.

SunEdison LLC (“SunEdison”), a subsidiary of SunEdison, Inc., a publicly-listed company, holds a 49% equity ownership interest in the Firm. Carlos Domenech, President of SunEdison Capital LLC (which is also a subsidiary of SunEdison, Inc.) and an Executive Vice President of SunEdison, Inc., is a Co-Founder and Managing Partner of the Firm and serves on the Firm’s Board of Directors (the “Board”), although he does not serve on the Firm’s Investment Committee. Under the Firm’s organizational documents, SunEdison must approve certain major decisions relating to the Firm, such as the liquidation of the Firm and changes in key management personnel, including the Principals. However, SunEdison does not participate in the Firm’s day-to-day operations or the selection and approval of investments for Clients, and does not provide investment advice to Clients. SunEdison has the right to appoint representatives to the Board, which is responsible for certain significant decisions relating to the Firm but not for the Firm’s day-to-day operations or the selection and approval of investments for Clients. The Principals believe the Firm’s relationship with SunEdison is beneficial to the Firm and its Clients, and does not present a material conflict of interest.

### **10.4 Other Financial Industry Activities or Affiliations**

The Firm does not recommend or select other investment advisers for Clients. In addition, the Firm does not receive compensation directly or indirectly from other investment advisers and does not have other business relationships with other investment advisers.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions, Personal Trading**

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The Firm has adopted a Code of Ethics for all supervised persons, as defined for Advisers Act purposes, of the firm describing its high standard of business conduct, and fiduciary duty to its Clients. The Firm’s Code of Ethics includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, reporting of certain gifts and business entertainment items, personal securities trading procedures, the allocation of investment opportunities among Clients, trading by personnel in securities also held by Clients, and cross-trades between Clients, among other things. All Firm employees must acknowledge the terms of the Code of Ethics annually, or when it is amended. Investors may request a copy of the firm’s Code of Ethics by contacting the Firm’s Chief Compliance Officer, Emily Dalager, [emily.dalager@everstreamcapital.com](mailto:emily.dalager@everstreamcapital.com).

### **11.1 Conflicts of Interest**

In certain cases, during the course of identifying investment opportunities for Clients, the Firm may encounter what it considers an attractive investment with limited capacity available. If such

an investment opportunity satisfies the investment criteria of, and is permissible for, more than one Client, the Firm will seek to allocate the investment opportunity among Clients in a manner which is fair and equitable under the circumstances and in accordance with its Code of Ethics. The Firm manages other actual and potential conflicts of interest, including co-investments, participation by Principals and other related persons in Client transactions, trading by such persons for their own accounts and cross-trades among Clients, in accordance with the Firm's Code of Ethics.

Officers, employees and other affiliates of the Firm may serve as directors (or in a similar capacity) of certain portfolio companies and, in that capacity, will be required to make decisions that they consider to be in the best interests of such portfolio companies and their equity holders. In certain circumstances, for example in situations involving an extraordinary transaction such as a merger or acquisition, or a bankruptcy or near-insolvency of a portfolio company, actions that may be in the best interest of the portfolio company may not be in the best interests of the funds, and vice versa. Accordingly, in these situations, there will be conflicts of interests between such individual's duties as an officer, employee or affiliate of the Firm and such individual's duties as a director of the portfolio company. Any such relationships are also subject to the Firm's Code of Ethics.

### ***11.2 Limited Partner Advisory Committee ("LPAC") Approvals***

An LPAC is generally established for each Fund. The Firm is in the process of doing so for its first Fund. Each LPAC will include representatives of investors that are not affiliated with the Firm. While the LPAC will not have a direct role in management of the Funds, it may be called upon to resolve potential conflicts of interest presented to it by a Fund's general partner, such as a cross-fund investment, described below. The Firm prepares materials and presentations for the LPAC with respect to any matters requiring their approval and the consents of members required to be received are generally documented via written or email communications.

### ***11.3 Privacy Policy***

The Firm is committed to protecting investors' privacy and maintaining the confidentiality and security of Fund investors' personal information. In accordance with its legal obligations, the Firm is required to inform investors how it treats certain information concerning investors to aid their understanding in how it handles investors' personal information and how such information is used to service investors.

Protecting investors' personal information is an important priority for the Firm. Accordingly, it uses the personal information collected about investors in order to provide better service. The Firm may collect nonpublic personal information about investors from the following sources: (i) Fund subscription materials (for example, name, address, Social Security number, birth date, assets and income, sources of income and assets); and (ii) other interactions within the Firm or the Firm and its affiliates.

The Firm only discloses nonpublic personal information about investors or former investors (including information regarding transactions or experiences with investors or former investors) to affiliates in the areas of financial, advisory and securities services and nonaffiliated third

parties who assist the Firm in providing services to clients (for example, administrators, prime brokers, accountants and attorneys), each as permitted by law or as otherwise required by law.

The Firm considers the protection of sensitive information to be a sound business practice and a foundation of client trust and protects investors' personal information by maintaining physical, electronic and procedural safeguards that meet or exceed applicable legal requirements. The Firm restricts inter-company access to investors' or former investors' nonpublic personal information to those employees who need to know that information to provide products or services.

## **Item 12: Brokerage Practices**

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### ***12.1 Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions***

The Firm, by nature of its private equity focus, invests primarily in private companies. On occasion, however, the Firm may take a portfolio company public or merges a portfolio company into a public company for cash and/or publicly-traded securities. As part of an exit strategy, any publicly-traded securities acquired on behalf of a fund may be sold in the public markets.

When the Firm decides to transact in publicly-traded securities in the open market as part of a portfolio company acquisition or exit strategy, investment professionals will evaluate strategies for trading in such public securities. Strategies may include holding securities over the short or long term, selling securities over the short or long term, or distributing securities to investors, among other things. The investment professionals will seek "best execution" for any open market purchase or sale of securities in connection with the implementation of these strategies.

"Best execution" is not synonymous with lowest brokerage commissions or other transaction costs. In determining whether a particular broker-dealer is likely to provide best execution in a particular transaction, the Firm takes into account all factors that it deems relevant to the broker-dealer's execution capability, which may include, but not be limited to the following: listed bids and asks; market making activities of the broker-dealer in the securities; the opportunity for price improvement; transaction costs; anonymity; liquidity; speed of execution; expertise with difficult securities; trading style and strategy; geographic location; and frequency of errors.

Section 28(e) of the Securities Exchange Act of 1934 provides a safe harbor that allows an investment adviser to pay more than the lowest available transaction cost in order to obtain brokerage and research services (commonly referred to as a "soft dollar" arrangement). While it does not currently do so, in the future the Firm may receive products or services from broker-dealers and other counterparties that to the company's knowledge are generally made available to all institutional clients doing business with these counterparties, provided that these products and services are made available to the Firm on an unsolicited basis and without regard to transaction costs paid by the funds or the volume of business the company directs to these counterparties.

## **12.2 Order Aggregation**

Order aggregation is not currently an issue for the Firm, as on the rare occasion it executes a trade in publicly traded securities, it only do so for one Client at a time. In general and in accordance with the Firms' Order Aggregation Policy, should two or more Clients need to engage in a transaction for the same security based on their investment objectives, the Firm will aggregate the order where doing so provides for best execution and more favorable commission rates or other brokerage costs than if the transaction were entered separately for each Client.

## **Item 13: Review of Accounts**

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### **13.1 Review of Accounts**

Fund investments are reviewed on a continuous basis by the Firm's investment team. These reviews are designed to monitor and analyze the transactions, positions, and investment levels. Particular attention is given to changes in the condition of a company, fundamentals, industry outlook, market outlook, and price levels. Generally, these reviews are performed by the Principals.

### **13.2 Factors Triggering a Review**

The Firm also performs reviews of the Fund's investments as appropriate based on, among other things, changes in market conditions, changes in security positions or changes in a Fund's investment objectives or policies.

### **13.3 Client Reports**

The Firm provides Fund investors with audited annual financial statements and unaudited interim financial information in accordance with the terms set forth in each Fund's private placement memorandum and organizational documents. Managed Account investors are provided with account statements directly by the custodian they have appointed.

## **Item 14: Client Referrals and Other Compensation**

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### **14.1 Other Compensation**

No person who is not a client of the Firm provides an economic benefit to the Firm for providing investment advice or other advisory services to the Firm's clients.

### **14.2 Compensation for Client Referrals**

The Firm currently does not have an arrangement for receiving compensation for referring clients to other advisers or other investments not under the Firm's supervision.

Certain persons who assist the Firm with the offering of limited partnership or membership interests in the Funds may be paid sales charges and other compensation, which may, in the discretion of the Firm, be borne by specific investors in the Fund, by the Fund itself or by the Firm and its affiliates. Investors will be informed of any such compensation arrangements prior

to their admission to the Fund. The Firm will only compensate financial professionals that are licensed as broker-dealers, broker-dealer representatives or licensed agents, or demonstrate some exemption from licensing. Currently, the Firm offers interests in the Funds through Cherry Tree & Associates, LLC, a FINRA-licensed broker-dealer that is not related to the Firm. The Firm may also offer interests in the Funds through other third-party FINRA-licensed broker-dealers or broker-dealer representatives.

### **Item 15: Custody**

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The Firm conducts all business operations in such a way that each Fund's cash and securities, other than privately offered non-certificated securities, will be preserved in the safekeeping of independent qualified custodians. An independent public accountant audits the Funds annually, and the audited financial statements are distributed to the investors of Funds. With Managed Accounts, all cash and securities in the Managed Account are held with independent qualified custodians.

### **Item 16: Investment Discretion**

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By executing a Fund's organizational documents or a Managed Account's discretionary investment management agreement, Clients grant the Firm power of attorney and discretionary authority to act on the investor's behalf in managing the Fund's or Managed Accounts investments, subject to any limitations in such documents.

### **Item 17: Voting Client Securities**

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For any security held by a Client that entails a voting right in the underlying company, the Firm will have authority to vote securities. All voting issues, proxies, and solicitations will be decided by the Firm in its capacity as investment advisor.

### **Item 18: Financial Information**

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No management fees are payable to the Firm by Clients more than six months in advance. As such, the Firm is not required to include herein its balance sheet for the most recent fiscal year or disclose information about its financial position. Nonetheless, the Firm is not aware of any financial conditions that are reasonably likely to impair its ability to meet its contractual obligations to its Clients. The Firm has never been the subject of a bankruptcy petition.