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MissionPoint Partners LLC  
Part 2A of Form ADV  
The Brochure

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This brochure provides information about the qualifications and business practices of MissionPoint Partners LLC. If you have any questions about the contents of this brochure, please contact Leonard Nero at 203-604-1955. 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 MissionPoint Partners LLC is also available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

MissionPoint Partners LLC ("MissionPoint") is registered as an investment adviser with the United States Securities and Exchange Commission ("SEC") under the Investment Advisers Act of 1940 (the "Advisers Act"). Registration as an investment adviser with the SEC does not imply a certain level of skill or training. In addition, the information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

## Item 2: Material Changes

Not applicable.

## Item 3: Table of Contents

|  |    |
|--|----|
| Item 1: Cover Page .....   | 1  |
| Item 2: Material Changes .....   | 2  |
| Item 3: Table of Contents .....  | 2  |
| Item 4: Advisory Business .....  | 2  |
| Item 5: Fees and Compensation .....  | 4  |
| Item 6: Performance Based Fees and Side-by-Side Management .....                                     | 6  |
| Item 7: Types of Clients .....   | 7  |
| Item 8: Methods of Analysis, Investment Strategies and Risk of Loss .....                            | 8  |
| Item 9: Disciplinary Information .....   | 15 |
| Item 10: Other Financial Industry Activities and Affiliations .....                                  | 15 |
| Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading ..... | 15 |
| Item 12: Brokerage Practices .....   | 17 |
| Item 13: Review of Accounts .....  | 17 |
| Item 14: Client Referrals and Other Compensation .....   | 18 |
| Item 15: Custody .....   | 18 |
| Item 16: Investment Discretion .....   | 18 |
| Item 17: Voting Client Securities .....  | 19 |
| Item 18: Financial Information .....   | 19 |

## Item 4: Advisory Business

MissionPoint is an independent private equity firm formed under the laws of the state of Delaware as a limited liability company in March 2014. Mr. Jesse Fink (the “Managing Member”) owns 100% of MissionPoint.

MissionPoint and its relying adviser MissionPoint Capital Partners LLC (“MCP”) (collectively “MP” or the “Adviser”) serve as investment adviser and primarily provide discretionary advisory services to private investment vehicles, including MissionPoint Capital Partners Fund I, L.P. (“MCPF”) and other private investment Funds which co-invest in certain private equity/venture capital investments that may also be made by MCPF (each, a “Co-Invest Fund” and, together with MCPF, the “Funds”).

MCP is owned by Mark Cirilli, Jesse Fink, Mark Schwartz, Leonard Nero and Jeffrey Possick, in the percentage ranges noted in Schedule A of MP’s Form ADV Part 1A.

The Funds are generally organized as Delaware limited partnerships. Each Fund is controlled by a General Partner that is an affiliate of MP, and such General Partner is ultimately responsible for the management and conduct of the activities of such Fund.

The General Partners of certain Funds may establish feeder Funds, alternative investment funds, parallel funds or other investment vehicles to address tax, regulatory or other concerns of certain existing or prospective Limited Partners. In addition, if the General Partner of a Fund elects to make co-investment opportunities available to Limited Partners, the General Partner may establish a co-investment fund to facilitate such co-investments, the terms of which may differ from the applicable Fund.

The Funds seek to create a diversified portfolio of high quality, actively managed private equity/venture capital investments in high-growth platform businesses within the clean energy and environmental-related sectors. MP's investment strategy is set forth more fully in the private placement memorandum(s) (as supplemented or amended, the "Private Placement Memorandum(s)"). MP provides services to each Fund in accordance with the limited partnership agreement of each such Fund (the "Fund Agreement") and/or the management agreement between MP, the Fund and the General Partner of such Fund (each, a "Management Agreement"), as applicable. MP's investment advice to the Funds is limited to the type of advice described in this Brochure, as supplemented by the Private Placement Memorandum, Fund Agreement and/or Management Agreement of each Fund.

In providing services to the Funds, MP formulates the investment objective for each Fund, directs and manages the investment and reinvestment of each Fund's assets, and provides periodic reports to investors in each Fund. Investment advice is provided directly to each Fund and not individually to the Limited Partners, members or similar investors in any Fund. MP manages the assets of each Fund in accordance with the terms of the Fund Agreement.

Interests in the Funds are not registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and the Funds are not registered under the Investment Company Act of 1940, as amended (the "Investment Company Act"). Accordingly, interests in the Funds are offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements of private transactions within the United States.

MP may also provide investment advisory services with respect to certain separately managed accounts ("Accounts"), some of which may be owned, in part or in whole, by the Managing Member. Such Accounts and the Funds may have investment objectives or may implement investment strategies that are identical or substantially similar to each other. Accordingly, these Accounts may co-invest in the same investments as the Funds.

MP provides advice to the Accounts based on specific investment objectives and strategies. Under certain limited circumstances, MP may agree to tailor advisory services to the individual needs of clients and in such circumstances, clients may impose restrictions on investing in certain securities or may work with MP to establish risk parameters or impose position limitations on such client's Account.

As of March 2015, MP managed approximately \$174,155,000 in regulatory assets under management on a discretionary basis.

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

### **Management Fees**

The Funds pay MP an annual management fee (the “Management Fee”) in accordance with each such Fund’s Fund Agreement and/or Management Agreement, as negotiated collectively with the investors of each such Fund. The Management Fee is payable to MP in quarterly installments in advance, and will be calculated with respect to (and may be drawn down from) each Limited Partner in accordance with the respective Fund’s Fund Agreement and/or Management Agreement.

The Funds are generally charged a Management Fee of up to 2% per annum of each Limited Partner’s aggregate capital commitment to such Fund during its investment period. And up to 1.25% per year based upon unreturned capital contributions to the Fund thereafter. The Fund Agreements generally permit MP to, in its discretion, waive all or a portion of the Management Fees and Carried Interest (typically for employees and, perhaps, other affiliates of MP), and the recipients of such waivers may achieve higher returns as a result.

Generally, Limited Partners joining a Fund after its initial closing contribute their allocable share of the Management Fee that otherwise would have been payable had all Limited Partners been admitted at the initial closing, plus additional amounts (“Additional Amount”) thereon at the prime rate plus 2% from the date such Management Fees would have been paid. Such Additional Amounts are distributed to the Limited Partners who joined the Fund at the initial closing.

Each Limited Partner’s share of the Management Fee (other than any Additional Amounts) will reduce its unfunded capital commitments to the Fund.

The Management Fee payable by each Fund is subject to 100% offset by the aggregate amount of any fees (net of any related expenses) received by MP, the General Partner, the Managing Member or any of their affiliates from Portfolio Investments or potential portfolio investments, including directors fees, management fees, advisory fees, consulting fees, monitoring fees, brokers' and finders' fees, transaction fees, investment banking fees and net break-up fees and litigation payments, if any, from broken deals (collectively, "Transaction Fees"). The Transaction Fees shall be applied to reduce the amount of future Management Fees.

### **Carried Interest Allocations**

Carried interest is a share of the net profits realized on the disposition of investments, together with current income generated by such investments that is paid to each Fund’s General Partner as an incentive for them to maximize the performance of such Fund. The Funds are generally subject to a carried interest of up to 20% of profits derived from investments, including their disposition, after Limited Partners receive a preferred return of up to 8% per annum. The Funds’ General Partners are also subject to a clawback pursuant to the terms of each Fund Agreement, which requires that the General Partner return, at the termination of the relevant Fund, any

carried interest paid to it in excess of the amount that it is entitled to receive. Notwithstanding the foregoing, the General Partners' receipt of carried interest may create an incentive for them to make investments on behalf of the Funds that are riskier or more speculative than would be the case in the absence of such carried interest.

**Allocation of Fees and Expenses.**

Each Limited Partner will be responsible for its pro rata share of the organizational expenses of the respective Fund.

Each Limited Partner will be solely responsible for its own legal and tax counsel expenses and any out-of-pocket expenses incurred in connection with the organization of, its admission to, or the maintenance of its Interest in, the Fund.

MP will be responsible for all of its own normal day-to-day operating expenses, such as compensation of its professional staff and the cost of office space, office equipment, communications, utilities and other such normal overhead expenses. Each Fund will be responsible for its allocable expenses including, but not limited to, the following:

- (i) All expenses incurred in connection with Fund operations, including the purchase, holding, sale or proposed sale of any Fund investments (including legal and accounting fees unless paid for by the portfolio company which is the subject of the investment);
- (ii) Costs and fees relating to the preparation of financial and tax reports, portfolio valuations and tax returns of the Fund;
- (iii) The costs of prosecuting or defending any legal action for or against the Fund, the General Partner, MP, or their affiliates;
- (iv) All costs related to the Fund's indemnification of the General Partner, MP, the Sponsors, their affiliates and the members of the Investment Committee and the Advisory Committee (See Performance Based Fees and Side-by-Side Management section below);
- (v) Interest on and fees and expenses arising out of all permitted borrowings made by the Fund;
- (vi) The costs of any litigation, director and officer liability or other insurance and indemnification or extraordinary expense or liability relating to the affairs of the Fund;
- (vii) All unreimbursed out-of-pocket costs relating to investment transactions that are not consummated, including legal, accounting and consulting fees, and all extraordinary professional fees incurred in connection with the business or management of the Fund;
- (viii) All expenses of liquidating the Fund;

- (ix) Any taxes, fees or other governmental charges levied against the Fund and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Fund; and
- (x) Expenses incurred in connection with the research and analysis of potential portfolio investments and divestments and the management of the Funds' investment portfolio, including legal, accounting or other specialized consulting or professional services that are necessary and that MP would not normally be expected to render with its own professional staff.

Detailed information regarding the fees charged to the Funds is provided in the Private Placement Memoranda and/or Fund Agreement.

### **Separately Managed Accounts**

As stated under the Advisor Business section above, MP may also provide investment advisory services with respect to certain Accounts. Fees/expenses and terms can vary based on the size of each Account and/or strategy/investment objective and are described in detail in the governing documents applicable to each Account.

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

As described above, the General Partners may receive a carried interest of up to 20% from each Fund, which calculation is based on the profits generated on the sale or disposition of Fund assets, as well as current income generated from such assets. The carried interest may create an incentive for MP to make more speculative investments and make different decisions regarding the timing and manner of the realization of such investments, than would be made if such carried interest was not paid. MP manages this potential conflict of interest by ensuring that no single person makes material investment decisions; instead, investment decisions are made by MP's investment committee. In addition, members of the investment committee generally maintain interests in the Funds on the same basis (except with respect to the payment of Management Fees and Carried Interest) as outside investors; this also helps to alleviate the incentive to engage in riskier or more speculative investments.

Additionally, in order to help mitigate potential conflicts of interest, MCPF has established an independent advisory board (the "Advisory Board") consisting of Limited Partners of MCPF who are unaffiliated with MP and who have been selected by the General Partner as representatives of MCPF's Limited Partners. Generally, the purpose of the Advisory Board is to consult with the General Partner with respect to any matter as to which the General Partner determines in good faith creates a real conflict of interest, approve the valuation procedures, and advise on other matters brought before it by the General Partner.

Finally, the Adviser has adopted and implemented policies and procedures intended to address conflicts of interest that may arise relating to the management of multiple Funds and Accounts. Specifically, the Adviser has adopted a policy pursuant to which it seeks to allocate investment opportunities among the Funds and Accounts in a fair and equitable manner, bearing in mind,

among other things, the size, investment objectives, risk tolerance, return targets, diversification considerations, permissible and preferred asset classes, and liquidity needs of each Fund.

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

MP provides discretionary investment advisory services to the Funds. As stated under the Advisor Business section above, MP may also provide investment advisory services with respect to certain Accounts.

Investors in the Funds consist primarily of high net worth individuals and related trusts, pooled investment vehicles (e.g. funds of funds), LLCs, corporations, and school trusts. Investors in the Co-Invest Funds are typically Limited Partners in MCPF or third parties who have expressed an interest in, and have the ability and resources to, participate in such co-investment opportunities. The minimum commitment for a Limited Partner of a MP Fund is outlined in the applicable Private Placement Memorandum; however, MP maintains discretion to accept less than the minimum investment threshold.

Investors are required to meet certain suitability qualifications, such as being an “accredited investor” within the meaning set forth in Rule 501(a) of Regulation D under the Securities Act and being a “qualified client” as defined in Rule 205-3 under the Advisers Act.

### **Co-Investment**

Where appropriate, MP may provide certain investors in a Fund or third parties the opportunity to co-invest through a Co-Invest Fund organized by MP in specific Portfolio Investments that may or may not also be held by a Fund, taking into account the applicable Fund’s investment limitations, the size of the investment opportunity and the demand among potential co-investors.

MP may arrange for the organization of a new limited partnership or other type of entity to serve as a co-investment entity. MP will allocate the available investment among any applicable Fund, the Co-Invest Fund and any other third parties as it may in its sole discretion determine.

### **Alternative Investment Vehicles**

Alternative investment vehicles may be used whenever the General Partner of a Fund determines in good faith that for legal, tax, regulatory or other reasons it is in the best interests of any or all of its Limited Partners that all or any portion of a particular investment be made through an investment structure outside of such Fund. Participants in such investments are generally required to make all or a portion of their investments through such alternative investment vehicle, which invests on a parallel basis with or in lieu of the applicable Fund, and are required to make capital contributions directly to each such alternative investment vehicle to the same extent, for the same purposes and on the same terms and conditions as Limited Partners are typically required to make capital contributions to such Fund. Each such Limited Partner has the same economic interest in all material respects in the investment made through an alternative investment vehicle as such Limited Partners would have if such investment had been made solely by the applicable Fund, and the other terms of such alternative investment vehicle are generally substantially identical in all material respects to those of such Fund, to the extent applicable.

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

MP seeks to create a diversified portfolio of high quality, actively managed private equity/venture capital investments in high-growth platform businesses within the clean energy and environmental-related sectors. MP will primarily invest in equity securities of private companies that MP believes have experienced management teams and strong fundamentals that offer a “platform” for rapid growth through new product introductions (NPI), add-on acquisitions, joint ventures, or geographic expansion (each a “Portfolio Investment”). MP expects to deploy substantial follow-on capital to support such growth. MP’s investment strategy is set forth more fully in the applicable Private Placement Memorandum.

The investment activities of MP are directed by MP’s Investment Committee. The Investment Committee is supported by MP’s investment professionals. MP’s investment decision-making process generally includes informal, collaborative discussions on an ongoing basis and a formal approval by the Investment Committee for each new investment. The subsequent Portfolio Investment monitoring processes, which are designed to help ensure the timely and successful execution of each investment’s business plan, involve periodic reviews of valuation parameters, investment performance, and disposition opportunities.

As stated in Item 4, above, MP may also provide investment advisory services with respect to certain Accounts. The Accounts may have an investment strategy/objective that is different from the Funds.

All investing involves a risk of loss and the investment strategy offered by MP could lose money over short or even long periods of time. An investment in the Funds may be deemed a speculative investment and is not intended as a complete investment program. It is designed for sophisticated investors who fully understand and are capable of bearing the risk of an investment in the Funds. No guarantee or representation is made that a Fund will achieve its investment objective or that Limited Partners will receive a return of their capital. Investors should review in detail the governing documents relating to each Fund prior to making an investment in the Funds.

Risks and potential conflicts of interest include, but are not limited to, the following:

**Past Performance Not Indicative of Future Results.** The past performance of MP’s Portfolio Investments is not necessarily indicative of future results. Among other factors, many of MP’s current Portfolio Investments are unrealized. The actual realized proceeds on these unrealized investments will depend on each company’s future operating results, the value of the assets and market conditions at the time of any realization, the amount of any related transaction costs and the timing and manner of realization. The investment returns realized from these unrealized investments may differ materially from the returns generated by realized investments. There can be no assurance that the Funds will generate investment returns commensurate with MP’s historical performance.



**No Assurance of Investment Return.** There is no assurance that MP will be able to choose, make and realize investments in any particular company or portfolio of companies. There is no assurance that MP will be able to generate returns for its clients or investors, or that the returns will be commensurate with the risks of investing in the type of companies and transactions targeted by MP. There can be no assurance that projected or targeted returns will be achieved or that investors or clients will receive a return of their capital. An investment should only be considered by persons who can afford a loss of their entire investment.

**Reliance on MP and its Affiliates.** MP and its affiliates generally have exclusive responsibility for investment activities. Investors and clients have no rights or powers to take part in the management of Funds or Accounts or to make investment decisions, including disposition decisions, and will not receive the level of Portfolio Investment financial information that will be available to MP and its affiliates. The success of the Funds and Accounts depends on the skill and ability of the Investment Committee members to identify and consummate suitable investments and to dispose of such investments at a profit. The loss of the services of one or more of the Investment Committee members could have an adverse impact on the Funds' and Accounts' prospects and their ability to realize their investment objectives. There can be no assurance that the Investment Committee members will continue to be affiliated with the Funds and Accounts throughout their anticipated terms.

**Other Activities.** The Managing Member and other employees of MP devote only such portion of their time to the affairs of the Funds and Accounts as they in good faith consider necessary for the proper performance of their duties. Other activities of MP, including managing MP's existing portfolio of investments and working with companies in MP's advisory portfolio, may require those individuals to devote varying amounts of their time to matters unrelated to the business of the Funds and Accounts. In addition, the Managing Member and other employees of MP may take on additional activities in the future. MP's other activities may pose conflicts in the allocation of management resources, including the time and attention of the Managing Member. The Funds and Accounts will have no interest in these other activities.

**Illiquid Investments.** MP will invest in assets that are subject to legal or other restrictions on transfer and which are illiquid. MP may not be able to sell the assets when it desires to do so or to realize what it perceives to be their fair value in the event of a sale.

**Lack of Control.** MP will not have unilateral control of any Portfolio Investment and, accordingly, may be unable to control the timing or occurrence of an exit strategy for any Portfolio Investment.

**Competitive Market.** The market for private equity investment opportunities is competitive and involves a high degree of uncertainty. There can be no assurance that MP will succeed in consistently identifying and securing investments on attractive terms. Some of the competitors may have more market experience and contacts, greater financial capital and resources, and more personnel than the Funds. Certain target companies may operate in extremely competitive markets. New technologies and improved products and services are continually being developed rendering older technologies and products and services obsolete. Moreover,

competitors can result in significant downward pressure on pricing. There can be no assurances that the Portfolio Investments will successfully establish or maintain a competitive advantage.

**General Business and Management Risk.** Investments in Portfolio Investments subject the Funds to the general risks associated with the underlying businesses, including market conditions, changes in regulatory requirements, reliance on management at the company level, interest rate and currency fluctuations, general economic downturns, domestic and foreign political situations and other factors. With respect to management at the Portfolio Investment level, many Portfolio Investments rely on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect the Portfolio Investment's performance. While in all cases MP will monitor Portfolio Investment management, management of each Portfolio Investment will have day-to-day responsibility of such Portfolio Investment.

**Third Party Litigation.** MP's investment activities subject it to relatively increased third-party litigation risk in those instances in which MP exercises control or significant influence over a Portfolio Investment. In connection with such actions, a Fund or Account would be obligated to bear defense, settlement and other costs, and the General Partner would generally be entitled to indemnification by the Fund. Such costs and indemnification could adversely affect the Portfolio Investment's rate of return.

**Bridge Financing.** From time to time, MP may lend to Portfolio Investments on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term securities. Such bridge loans will typically be convertible into a more permanent, long-term security. It is possible, however, for reasons not always in MP's control, that such long-term securities may not be issued and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by a Fund or Account.

**Foreign Investments.** MP intends to invest a portion of the aggregate commitments outside of the United States. Foreign securities involve certain factors not typically associated with investing in U.S. securities, including risks relating to: (1) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various foreign currencies in which the Funds' or Accounts' foreign investments are denominated, and costs associated with conversion of investment principal and income from one currency into another; (2) differences between the U.S. and foreign securities markets, including potential price volatility in and relative liquidity of some foreign securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation; (3) certain economic, social and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital, the risks of political, economic or social instability and the possibility of expropriation or confiscatory taxation; and (4) the possible imposition of foreign taxes on income and gains recognized with respect to such securities.

**Indemnification.** The Funds and Accounts will be required to indemnify the General Partner, MP, and/or their respective affiliates, officers, directors, agents, stockholders, members and

partners for liabilities incurred in connection with the affairs of the Funds and Accounts. Such liabilities may be material and have an adverse effect on the returns to the Limited Partners. The indemnification obligation of the Funds and Accounts will initially be payable from the assets to the Funds and Accounts, including the unpaid commitments of the Limited Partners. If the assets of the Funds are insufficient, the Funds may recall distributions previously made to the Limited Partners.

**Government Regulation.** The regulatory framework in which energy and environmental markets operate is driven by political processes that can be unpredictable. Support for clean energy and market-based environmental policy has ebbed and flowed over the last few decades. There can be no assurance that future changes in policy, legislation, regulation or deregulation will not adversely affect the Portfolio Investments.

**Environmental Commodity Regulatory Risk.** MP may invest in companies or entities that enter into principal contracts to buy and sell Carbon Credits and other emissions-related contracts and securities that rely heavily on the implementation of ‘cap and trade’ regulatory systems for the emissions of carbon and other pollutants. However, there is no guarantee that these regulatory systems will be uniformly enforced or will continue to exist in the future. Weakening or abandonment of these regulatory systems may adversely affect the performance of the Portfolio Investments. It is also possible that environmental commodities which are currently available for purchase in the market may be superseded at a later date by more sophisticated forms of instruments which may, as a result, lower the market value of any or all of the environmental commodities investments managed by MP.

**Availability of Renewable Resources.** Various factors may contribute to the availability of renewable resources necessary for the successful operation of potential investments in renewable energy projects or environmental commodity offtake agreements. Changing wind speeds and patterns may adversely affect the productivity of wind energy facilities. Changing weather patterns may increase cloud cover and may adversely affect the productivity of solar energy facilities. The availability of raw material may adversely affect biomass and ethanol facilities. Hydrological events may significantly affect hydroelectric projects. Variations in the availability of these renewable resources could reduce the production of environmental commodities such as Renewable Energy Credits or Carbon Credits and thereby negatively impact investment performance.

**Intellectual Property Protection.** The success of Portfolio Investments may depend heavily on their proprietary rights to practice, as articulated and protected by patents. Portfolio Investments may need to take legal action to protect their intellectual property. The patent prosecution process can be complex, expensive, time-consuming, and unpredictable. The performance of the Funds and Accounts could be negatively impacted by the inability of one or more Portfolio Investments to protect its intellectual property. There can be no assurance that Portfolio Investments will not: (i) be adequately protected against their competitors by their patents; (ii) find their existing patents challenged or invalidated; (iii) find that competitors have independently developed similar products or designed around their patents; or (iv) be unable to obtain any additional patents needed to fully execute their respective business plan. Certain confidential and proprietary information held by Portfolio Investments may require protection

through trade secret protection. Despite management practices designed to protect them, Portfolio Investments may be unable to adequately protect these trade secrets, which could lead to under-performance of the Portfolio Investment and Funds and Accounts.

**Financing Risk for Portfolio Investments.** Portfolio Investments may require additional capital after MP has made its investment. There can be no assurance that Portfolio Investments will be able to secure additional financing, in which case they may be unable to fully execute their respective business plans.

**Limited Operating History.** MP will seek to invest in securities of target companies whenever it believes attractive investment opportunities are presented. Many of these companies may have limited operating histories. As a result, these companies may have inexperienced management, face undeveloped or limited markets, have limited products, have no proven profit-making history, operate at a loss or with substantial variations in operating results from period to period, and have limited access to capital. There can be no assurance that these companies will be successful in implementing their business plans.

**High Risk Investments.** MP may invest in companies that may have substantial variation in operating results from period to period. Portfolio Investments can experience failures or substantial declines in value at any stage and may face intense competition. The portfolio may become concentrated in certain sectors of, and to some extent individual companies within, the clean energy and environmental finance sectors, thereby increasing the volatility of the portfolio. Some Portfolio Investments may have the need for additional capital to support expansion or to achieve or maintain a competitive position, and there is no assurance that such capital will be available.

**Material Non-Public Information.** Employees of MP and its affiliates may acquire material non-public information in the ordinary course of their investment activities which may result, in certain circumstances, in restrictions on MP's ability to sell an investment at a time when it might otherwise have done so.

**Performance Fees.** The existence of the General Partner's carried interest may create an incentive for the General Partner to make more speculative investments on behalf of the Funds than it would otherwise make in the absence of such performance-based compensation.

**Reliance on Management.** The success of the Funds and Accounts will depend in substantial part on the skill and expertise of the Managing Directors and other employees of MP. There can be no assurance that investment professionals or other employees of MP will continue to be employed by MP in the future. The loss of key personnel could have a material adverse effect on the Funds and Accounts.

**Conflicts of Interest.** While the officers and employees of MP or its affiliates will devote such time MP in its sole discretion deems necessary to carry out the operation of the Funds and Accounts effectively, such officers and employees will also work on projects for their affiliates. MP may form one or more Co-investment Funds. In addition, MP may form additional investment vehicles with primary objectives and policies that are not substantially the same as

those of the Funds and Accounts. Conflicts of interests may arise in allocating investment opportunities, management time, services and such functions among such affiliates, Funds and Accounts. Moreover, potential conflicts of interest could arise from time to time in view of MP's role as manager of multiple funds with rights to receive management fees and other fees for structuring transactions and its potential for investing other than through the Funds and Accounts.

**Lack of Management Control by Limited Partners.** Under the Fund Agreement, the Limited Partners do not have the right to participate in the management, control or operation of the Fund or to remove the General Partner except under extreme circumstances. The General Partner, on the other hand, may dissolve a Fund upon the occurrence of an Event of Termination (as defined in the Fund Agreement).

**Lack of Transferability of Fund Interest.** The Interests offered have not been registered under the securities laws of any jurisdiction and are subject to restrictions on transfer contained in such laws and the Fund Agreement. Interests are not transferable except with the consent of the General Partner. There will not be any market for the Interests.

**No Right of Withdrawal.** A Limited Partner may make full or partial withdrawals from the Fund only with the consent of the General Partner in its sole discretion.

**Dilution from Subsequent Closings.** Limited Partners subscribing for Interests at subsequent closings will participate in existing investments of a Fund, diluting the interest of existing Limited Partners therein. Although such Limited Partners will contribute their pro rata share of draws previously called by the Fund (plus an additional amount thereon representing interest), there can be no assurance that this payment will reflect the fair value of the Fund's existing investments at the time such additional Limited Partners subscribe for Interests.

**Capital Calls.** The failure of any Limited Partner to contribute any portion of its Commitment on a timely basis may adversely affect a Fund's access to capital and, among other things, the ability of the Fund to enter into or consummate investments.

**Penalty for Failure to Make Capital Contribution.** A Limited Partner who fails to make its capital contributions in a timely manner may suffer substantial penalties with respect to its interest in a Fund, including a total forfeiture of such interest. In addition, the Fund may withhold distributions from such Limited Partner and the Limited Partner may be prohibited from participating in future investments of the Fund.

**Risks Arising From Dispositions of Investments.** In connection with the disposition of an investment in a Portfolio Investment, a Fund or Account may be required to make representations about the business and financial affairs of the Portfolio Investment, or may be responsible as a selling stockholder for the contents of disclosure documents under applicable securities laws. The Fund or Account may also be required to indemnify the purchasers of such investments or underwriters to the extent that any such representations or disclosure documents turn out to be incorrect, inaccurate or misleading.

**Unspecified Investments.** Limited Partners and clients must count on MP and its affiliates to make investments in accordance with the Funds' and Accounts' strategy and policies. Limited Partners and clients may not have the opportunity to directly evaluate the economic, financial and other information used by MP and its affiliates to choose investments. The Funds and Accounts may be unable to find a sufficient number of attractive opportunities to meet their investment objective.

**Investment Concentration.** MP will invest in companies that focus on the clean energy technology and environmental commodity markets. Through initial and follow-on investments, MP will invest sizable portions of assets in a limited number of companies. Because of this concentrated investment strategy, the Funds and Accounts may be materially affected by a single adverse event to a greater degree than a portfolio of investments that is more evenly diversified across a number of industries.

**ERISA Issues.** If for any reason the assets of a Fund are deemed to be "plan assets" that are subject to Title I of ERISA or Section 4975 of the Code, certain transactions that the Fund may have entered into, in the ordinary course of its business, might constitute non-exempt "prohibited transactions" under Section 406 of ERISA or Section 4975 of the Code and might have to be rescinded.

**Diverse Limited Partner Group.** The Limited Partners and Account owners may include taxable and tax-exempt entities and may include persons and entities organized in multiple jurisdictions. The Limited Partners may have conflicting investment, tax and other interests with respect to their investments in the Funds. The conflicting interests of individual Limited Partners may relate to or arise from, among other things, the nature of investments made by the General Partner, the structuring or the acquisition of investments and the timing of disposition of investments. As a result, conflicts of interest may arise in connection with the decisions made by the General Partner, including with respect to the nature or restructuring of investments that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for a Fund, the General Partner will consider the investment and tax objectives of the Fund, not the investment, tax or other objectives of any Limited Partner individually.

**Absence of Regulatory Oversight.** While a Fund 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 and, accordingly, investors in a Fund are not accorded the protections of the Investment Company Act.

**Side Letters.** In connection with a particular investor's investment in a Fund, MP, the General Partner, or similar governing entity may enter into a side letter or other similar agreement (each, a "Side Letter") with such investor with respect to the Fund which has the effect of establishing rights under, or altering or supplementing the terms of, the applicable Fund Agreement with respect to such investor in a manner more favorable to such investor than those applicable to other investors. Such rights or terms in any such Side Letter or other similar agreement may include, without limitation, (i) excuse rights applicable to particular investments; (ii) MP, the General Partner's, or similar governing entity's agreement to extend certain information rights or

additional reporting to such investor; (iii) modification of confidentiality obligations of such investor; (iv) MP, the General Partner's, or similar governing entity's agreement to consent to certain transfers by such investor or other exercises by MP, the General Partner, or similar governing entity of its discretionary authority under the applicable Fund Agreement for the benefit of such investor; (v) restrictions on, or special rights of such investor with respect to, the activities of MP, the General Partner, or similar governing entity; (vi) other rights or terms necessary in light of particular legal, regulatory or public policy characteristics of such investor; (vii) additional obligations and restrictions of the Fund with respect to the structuring of Portfolio Investments (including with respect to alternative investment vehicles); or (viii) adjustments with respect to certain economic provisions. Any rights or terms so established in a Side Letter with an investor generally govern solely with respect to such investor and do not require the approval of any other investors in such Fund.

**Other Activities and Relationships.** Certain employees of MP and its affiliates will serve as members of the boards of directors of various companies and may participate in other activities outside of MP. Conflicts may arise as a result of such activities. The possibility exists that the companies with which one or more of the employees is involved could engage in transactions that would be suitable for the Funds or Accounts, but in which the Funds or Accounts might be unable to invest.

## **Item 9: Disciplinary Information**

MP and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of MP's advisory business or the integrity of our management.

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

Employees of MP provide back office support to Marshall Street LLC, which is a family office owned (in part) and managed by the Managing Member.

Neither MP nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither MP nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser or an associated person of the foregoing entities.

MP does not recommend or select other investment advisers for the Funds.

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

### **Code of Ethics**

MP has adopted a Code of Ethics pursuant to SEC Rule 204A-1 under the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”) for all Supervised Persons of MP. The Code of Ethics describes MP’s standard of business conduct and its fiduciary duty to the Funds under the Advisers Act. “Supervised Persons” include (i) any officer, director (or other person occupying a similar status or performing similar functions) or employee of the Adviser and (ii) any other person who provides investment advice on behalf of MP and is subject to MP’s supervision and control.

The Code of Ethics was adopted in order to establish the standard of conduct expected of MP’s Supervised Persons and to help ensure that MP’s duties under the Advisers Act are met. Supervised Persons must, at all times, act in accordance with MP’s fiduciary duty. Each Supervised Person should (i) at all times place the interests of the Funds and Accounts before his or her own interests, (ii) act with honesty and integrity with respect to the Funds, investors, and Accounts (iii) not take inappropriate advantage of his or her position for his or her personal benefit, (iv) make full and fair disclosure of all material facts, particularly where MP’s or Supervised Person’s interests may conflict with the Funds and Accounts and (v) have a reasonable, independent basis for his or her investment advice.

MP’s Compliance Manual includes provisions relating to the confidentiality of information relating to Limited Partners and Accounts, a prohibition on insider trading, a prohibition on disseminating rumors, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, restrictions and reporting obligations relating to making political contributions and anti-money laundering and sanctions policies, among other matters. All employees of MP must submit an annual certificate of compliance for the Compliance Manual and the Code of Ethics to the Chief Compliance Officer.

In addition, MP has adopted a personal securities transactions policy under its Code of Ethics which forbids any Supervised Person from engaging in any insider trading and from disclosing or using material non-public information in violation of applicable law. “Access Person” includes all directors, officers and partners of MP and any other employee that the Chief Compliance Officer Designates as such. The Code of Ethics also requires preclearance of personal transactions in initial public offerings and limited offerings. Certain classes of securities have been designated as exempt from certain trading restrictions under the Code of Ethics, based upon a determination that exempting such securities would not materially interfere with the best interests of the Funds. Subject to certain limited exceptions, Access Persons are also required by the Code of Ethics policy to report personal investment transactions to the Chief Compliance Officer on a quarterly basis; and report securities holdings to the Chief Compliance Officer on an annual basis.

Employee trading is monitored by the Chief Compliance Officer under the Code of Ethics in order to reasonably prevent and, if necessary, address conflicts of interest between MP, Supervised Persons, the Funds and Accounts.

The Funds, Accounts, Limited Partners and prospective investors in the Funds may request a copy of the Code of Ethics, free of charge, by contacting MP’s Chief Compliance Officer.



### **Participation or Interest in Client Transactions**

MP investigates and structures potential investments as described in Item 16 below. The Managing Member of MP will have a material financial interest in these investments through the applicable General Partner and/or Fund, as described in Item 6 above. MP has adopted written policies to help ensure compliance with the provisions of each Fund and Account Agreement and a Code of Ethics that addresses potential conflicts of interest involving MP and its related persons.

### **Personal Financial Interests**

MP has adopted a conflicts of interest policy in order to address the conflicts of interest that could arise if MP were to recommend that a Fund or Account invest in the same securities or related securities in which MP or a related person currently holds an investment. Under such policy, no Supervised Person may recommend to MP that a Fund or Account make a particular investment without first disclosing his or her interest in the potential transaction (if such an interest represents a conflict of interest) to certain designated parties. In some instances, the Supervised Person must seek prior authorization from the Chief Compliance Officer to conduct a transaction with such designated person, if such an interest exists and represents a conflict of interest.

An Employee may under certain circumstances invest in securities of a Portfolio Investment of a Fund or Account, subject to review (and subsequent approval) by the Chief Compliance Officer for potential conflicts of interest.

## **Item 12: Brokerage Practices**

MP focuses on making investments in private securities, thus it does not ordinarily deal with any financial intermediary such as a broker-dealer, and commissions are not ordinarily payable in connection with such investments. To the limited extent MP transacts in public securities it intends to select brokers based upon the broker's ability to provide best execution.

MP does not receive client referrals from broker-dealers or third parties.

MP does not engage in any directed brokerage practices.

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

MP seeks to create a diversified portfolio of high quality, actively managed private equity/venture capital investments in high-growth platform businesses within the clean energy and environmental-related sectors. All investments are carefully reviewed and approved by the investment committee, as described above. The Portfolio Investments are reviewed on a routine basis and MP's investment professionals meet regularly to discuss investment ideas, economic developments, industry outlook and other issues related to current portfolio holdings and potential investment opportunities.

MP provides investors in the Funds with quarterly reports and capital account statements, capital call/distribution notices, and periodic press releases. Investors also receive annual audited financial statements. Account owners also receive quarterly reports.

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

MP or its affiliates may charge Portfolio Investments origination fees, breakup fees, consulting fees, monitoring fees and other similar fees as described above under “Fees and Compensation”. Also, MP’s investment professionals who serve on the board of directors of Portfolio Investments may receive cash compensation, options and/or restricted stock in their capacity as directors. In accordance with each Fund Agreement, these fees received by MP or any of its affiliates are applied to reduce the Management Fee otherwise payable.

In addition, MP and its affiliates may, in the future, seek to receive fees from entities that are not Funds, Portfolio Investments, or their affiliates for non-investment management services MP may provide to the these entities, such as front office and administrative support. These fees will not be applied to reduce the Management Fees-payable to MP. Rather, MP will retain these fees.

## **Item 15: Custody**

MP is deemed to have custody for purposes of the Advisers Act of each Fund’s cash and securities by virtue of its relationship with such Fund’s General Partner. Except as permitted by the Advisers Act, such cash and securities are maintained in accounts established with qualified custodians, as defined in Rule 206(4)-2 of the Advisers Act (each, a “Qualified Custodian”). Such accounts are in the name of the relevant Fund.

The Funds are subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. Such Fund's audited financial statements are prepared in accordance with generally accepted accounting principles and distributed to each investor within 120 days of such Fund’s fiscal year end. Limited Partners in such Funds will not receive statements from any custodians.

## **Item 16: Investment Discretion**

Except as otherwise described herein, MP generally has discretionary authority to determine, without obtaining specific consent from the Funds, their Limited Partners or Accounts, the securities and amount to be bought or sold. Any limitations on authority are included in the Private Placement Memoranda, Fund Agreements, Management Agreements and other governing documents.

In addition, the Funds may enter into side letters with one or more investors without the approval of any other investor that would have the effect of establishing rights under, or altering or supplementing the terms of the Fund Agreements or any subscription agreement of the Funds. As a result of such side letters, certain investors may receive additional benefits that other investors

will not receive. The other investors will have no recourse against MP or any of its affiliates in the event that certain investors receive additional or different rights or terms as a result of such side letters.

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

MP has adopted written policies and procedures regarding proxy voting (the “Proxy Voting Policies”) as part of the Compliance Manual. In the event that MP is required to vote proxies its MP’s policy to exercise the proxy vote in the best interest of the applicable Fund or Account, taking into consideration all relevant factors, including without limitation, acting in a manner that MP believes will maximize the economic benefits to the Fund or Account and promote sound corporate governance by the issuer. Whenever MP is required to exercise a vote for a privately-held Portfolio Investment, MP applies the standards and procedures described above.

## **Item 18: Financial Information**

MP has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.

