

Yield Capital Partners LLC

Form ADV Part 2A

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This brochure provides information about the qualifications and business practices of Yield Capital Partners LLC (“YCP” or the “Adviser”). If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer, John Chung (the “CCO”), at 212-883-3331 or john.chung@ycpllc.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about YCP is also available on the SEC’s website at www.adviserinfo.sec.gov (click on the link “Investment Adviser Search”, select “Firm” and type in “Yield Capital Partners LLC”). The search results will provide you with both Parts 1 and 2A of our Form ADV.

REGISTRATION WITH THE SEC AS AN INVESTMENT ADVISER DOES NOT IMPLY THAT YCP OR ANY OF THE PRINCIPALS OR EMPLOYEES OF YCP POSSESS A PARTICULAR LEVEL OF SKILL OR TRAINING IN THE INVESTMENT ADVISORY BUSINESS OR ANY OTHER BUSINESS.

ITEM 2: MATERIAL CHANGES

As this is the first version of the Form ADV Part 2 brochure filed by Yield Capital Partners, this section is not applicable.

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ITEM 4: ADVISORY BUSINESS

YCP is an investment management company which, directly and through its affiliates and subsidiaries provides investment management and advisory services to private funds (each a “Fund” and collectively, including any future pooled investment vehicle for which YCP may serve as an investment adviser, the “Funds”) focusing on private equity investments primarily in the energy, real estate and telecommunications sectors both in the U.S. and abroad.

YCP follows the investment objectives, strategies and guidelines of each Fund as specified in respective Offering Materials but does not tailor its investment advice to match the needs of any investor in a Fund.

As of October 3, 2018, YCP has approximately \$ 261,935,842 in regulatory assets under management on a discretionary basis.

ITEM 5: FEES AND COMPENSATION

YCP generally charges management fees of 1%-1.5% of the aggregated cost of all portfolio investments. Management fees are charged either quarterly or annually and are generally paid through capital calls issued to Fund investors. Fund investors are generally not eligible for partial refunds in the case of early withdrawals or redemptions, but specific details are set forth in each respective Fund’s limited partnership agreement, and/or other agreements governing the terms and conditions investments in the Funds (collectively, “Offering Materials”).

YCP may also charge performance-based fees based on a percentage of net profits set forth in the Offering Materials. Performance-based fees (sometimes referred to as “Carried Interest”) are drawn from the Funds’ accounts in the form of a profit allocation and are generally paid either to a YCP affiliate or subsidiary. Specific details regarding any performance-based Carried Interest is set forth in each respective Fund’s Offering Materials.

Upon completion of a Fund’s initial drawdown, each Fund shall reimburse its respective General Partner and its affiliates for, with respect to any fiscal year, all organizational expenses for such fiscal year that are attributable to the organization of the Fund but excluding fees payable to any placement agent or marketing consultant engaged by the Fund’s General Partner or YCP in connection with the offering and sale of interests in the Fund to investors.

YCP shall assume the routine, recurring operating expenses attributable to a Fund’s investment activities on the terms and conditions set forth in the Offering Materials. Such operating expenses consist of compensation and expenses of the employees of YCP, including salaries of the partners of the Fund’s General Partner in their capacity as employees of YCP; and fees and expenses for administrative, clerical and related support services, maintenance of books and records for a Fund, office space and facilities, utilities and equipment rental insofar as they relate to the investment activities of a Fund.

The operating expenses set forth above exclude, without limitation, the management fee and the organizational expenses; all costs and expenses incurred in investigating, developing, negotiating, structuring, acquiring, closing, holding, monitoring and disposing of a Fund’s investments and other

assets (whether or not consummated), including, without limitation, travel expenses in connection therewith; commissions or brokerage fees or similar charges incurred in connection with the purchase or sale (or proposed purchase or sale) of securities and other instruments (whether or not any such purchase or sale is consummated); expenses attributable to normal and extraordinary investment banking, commercial banking, accounting, auditing, appraisal, legal, consulting, custodial and registration services provided to a Fund, including in each case services with respect to the proposed purchase or sale of securities by a Fund that are not reimbursed by the issuer of such securities (whether or not any such purchase or sale is consummated); premiums for liability insurance to protect a Fund, a Fund's General Partner (including without limitation the General Partner acting as Tax Matters Partner or as liquidator), its partners, its principal, YCP, and each partner, member, stockholder, officer, director, manager, trustee, employee, agent, or advisor, or affiliate of any of the foregoing in connection with the activities of a Fund; indemnification obligations; any sales taxes or other taxes of any kind, fees or government charges that may be assessed against a Fund; all expenses relating to litigation and threatened litigation involving a Fund, including indemnification expenses; any extraordinary expense of a Fund, including fees and expenses associated with any tax or other audit, investigation, settlement or review of a Fund; liquidation expenses of a Fund; the costs and expenses (including travel-related expenses) of hosting meetings of a Fund's investors, whether individually or in a group; costs and expenses associated with preparation of a Fund's financial statements and tax returns and a Fund's reports to its investors; and all other expenses properly chargeable to the activities of a Fund.

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

As discussed in **Fees and Compensation** above, YCP may charge performance-based Carried Interest.

Other Costs

The Funds generally incur third-party costs primarily related to audit, compliance, legal advice, tax advice and preparation, banking services, and research and consulting. Funds will also bear any third-party costs related to fair value appraisal of account assets, as applicable.

In addition, clients are billed to reimburse YCP for certain expenses, including: travel related to Fund diligence and marketing; travel related to the investigation and monitoring of client investments; reasonable costs for meetings with Fund investors and investments, including meals; research related to the investigation, evaluation and monitoring of client investments, including data services; and consulting and advisory services related to the investigation, evaluation and monitoring of client investments.

YCP has adopted an expense allocation policy establishing guidelines for determining such reimbursements from client accounts, as well as for the allocation of costs and expenses among multiple client accounts, when applicable. A copy of YCP's expense allocation policy is available by contacting the CCO at the number or address listed on the cover of this brochure. In all cases, details concerning applicable fees and expenses are set forth in each respective client's Offering Materials.

Side-by-Side Management and Allocation Policy

YCP has a fiduciary obligation to treat Clients fairly and must ensure that investment opportunities are allocated among Clients in a fair and equitable manner.

In general, investment opportunities are not allocated among the Funds. The respective Fund's limited partnership agreements set forth terms with respect to the allocation of investment opportunities. In general, based on such agreements, from the date of closing of a Fund, until the expiration of an initial commitment period, YCP will allocate investment opportunities (other than follow-on investment opportunities related to investments of a prior Fund) that are within the scope of a Fund's investment objectives and are in a specified amount solely to such Fund. In the event that a closing on behalf of a new Fund occurs prior to the expiration of such commitment period of an existing Fund, YCP will allocate those investment opportunities that meet the investment objectives of both Funds on a basis which it believes is fair and equitable.

YCP will maintain a record of those instances in which it allocates investment opportunities between or among Funds and the methodology of such allocation.

For a copy of YCP's investment allocation policy, please contact the CCO at the number or address listed on the cover of this brochure.

ITEM 7: TYPES OF CLIENTS

As discussed in the **Advisory Business** section above, YCP provides investment management services to private fund clients, which in turn are offered exclusively to sophisticated investors. Although YCP generally seeks minimum account commitments from its clients of US\$1,000,000, it can waive such minimums in its discretion.

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

YCP provides investment management services to Fund clients. The objective of YCP is to generate investment returns from equity investments for its clients, principally through long-term capital appreciation, active and/or passive management, and buying, holding and disposing of investments. YCP's strategy is to target real asset businesses and to actively and/or passively participate in board of director level decisions with the intention to create value by the real asset related investment expertise at YCP for management teams, shareholders and, most importantly, Fund investors.

In evaluating an investment in the Partnerships advised by YCP, potential investors should consider carefully the following risk factors relating to the Partnerships and their proposed direct and indirect investments in portfolio companies and joint ventures:

High risk investment. An investment in the Partnerships advised by YCP involves a high degree of risk, and is suitable only for investors of substantial means who have no immediate need for liquidity of the amount invested and who can afford a risk of loss of all or a substantial part of such investment.

Risks associated with investments in the Partnerships. There is no assurance that the Funds' investment will be profitable and there is a risk that the Funds' losses and expenses will exceed their respective income and gains. Any return on investment to the Funds' limited partners will ultimately depend upon the success of the investments made by the Partnerships.

Investments made by the Partnerships are, and will remain, difficult to value. There is no readily available market for the securities held by the Partnerships. The marketability and value of the Funds' investments will depend upon many factors beyond the control of YCP or the Funds' general partners.

Portfolio companies held as investments by the Partnerships will be managed by their own respective officers who will not be affiliated with the Partnerships or the Funds' general partners. The Partnerships will hold a minority position in the portfolio companies and may directly or indirectly own securities that are subordinated vis-à-vis other securities as to economic, control or other attributes. There will be no collateral to protect the investments once made. The portfolio companies may have substantial variations in operating results from period to period, face intense competition, and experience failures or substantial declines in value at any stage.

The receptiveness of potential acquirers to the portfolio companies will vary over time and, even if the Funds' investments in the portfolio companies are disposed of via a merger, consolidation or similar transaction, the Funds' stock, security or other interests in the surviving entity may not be marketable. There can be no guarantee that the Funds' investments in the portfolio companies will result in a liquidity event via a public offering, merger, acquisition or otherwise, and there is a risk that the Funds' investments will yield little or no return.

Concentrated investment. The Funds' portfolios typically consist of a single company, which in turn may be directly or indirectly invested in another single company, increasing the vulnerability of the portfolio as compared with a portfolio that is more diversified.

Reliance on management team. The Funds' respective general partners will have the exclusive right and power to manage the Funds' business and affairs. The Partnerships will be particularly dependent upon the efforts, experience, contacts and skills of the individual controlling the Funds' respective general partners. The loss of this person could have a material, adverse effect on the Partnerships, and such loss could occur at any time due to death, disability, resignation or other reasons. Similarly, the portfolio companies will be dependent on their own management teams, and such entities could lose one or more of their key managers at any time.

Long-term investment. An investment in the Partnerships is a long-term commitment and there is no assurance of any distributions to the respective Funds' Limited Partners.

Limited transferability of interests; Withdrawals. The respective limited partnership agreements and applicable securities laws will impose substantial restrictions upon the transferability of the limited partners' interests. There is no public or other market for such interests and it is not expected that such a market will develop. Withdrawal of limited partners from the Partnerships generally will not be permitted. Similarly, the Fund's right to transfer, sell or distribute its shares in a portfolio company is very limited.

Reserves; Follow-on investments. The Partnerships will not have sufficient reserves to continue to make follow-on investments in the portfolio companies, which may result in the Funds' ownership percentage in the portfolio companies being substantially diluted in subsequent rounds of financing, which may be at a lower price per share than is paid by the Partnerships for their interests in shares of the portfolio companies. The portfolio companies may need substantial additional capital. Such capital may not be available on attractive terms. The terms of the portfolio companies are perpetual while the terms of the partnerships are either five or seven years, subject to extension as provided for in the respective limited partnership agreements. If applicable, a particular Fund may not be able to fund capital calls by a portfolio company after the relevant Fund's term expires, including with respect to the administrative fee payable to the portfolio company. In such event, the Fund may be subject to default penalties with respect to its investment in the portfolio company.

Economic interest of General Partner. Because the percentage of profits allocated to the Funds' respective general partners will exceed the capital contribution percentage of those general partners, the YCP, by virtue of its affiliation with the general partners, may have an incentive to recommend investments that are riskier or more speculative than if the general partners received allocations on a basis identical to that of the limited partners or were compensated on a basis not tied to the performance of the Partnerships.

Capital calls. Each limited partner's obligation to satisfy capital calls will be unconditional. Without limitation on the preceding sentence, a limited partner's obligation to satisfy capital calls will not in any manner be contingent upon the performance or prospects of the Partnerships or upon any assessment thereof provided by the respective general partners.

Failure of Limited Partners to contribute. Limited partners that fail to satisfy capital calls in a timely manner generally will be subject to significant penalties as set forth in the relevant limited partnership agreement. Nevertheless, limited partners may default upon capital calls for a variety of reasons including their own insolvency, bankruptcy or subjective determination that default is more attractive than compliance. Any failure by limited partners to make timely capital contributions may damage the Partnerships.

If a limited partner fails to satisfy any capital call on a timely basis, the relevant Fund's general partner may elect to cause the defaulting partner to forfeit a significant portion of any future profits (but not losses) that otherwise would have been allocable to the defaulting limited partner as well as a significant portion of the defaulting limited partner's then existing capital account balance. The relevant Fund's general partner may pursue any available legal or equitable remedies, with the expenses of collection of the unpaid amount, including attorneys' fees, to be paid by the defaulting limited partner. The relevant Fund's general partner will be granted additional powers to deal with defaulting limited partners in the applicable limited partnership agreement. Accordingly, a limited partner that fails to satisfy a substantial number of capital calls, or that remains in default for a substantial period of time, may effectively be required to forfeit its entire interest in the relevant Fund.

Distributions in kind. It is anticipated that the Partnerships may distribute securities of portfolio companies to the Partners. Such distributions will be made solely at the discretion of the relevant Fund's general partner. Distributed securities may be subject to a variety of legal or practical limitations on sale. In particular, immediately following a distribution of securities, trading volume may be insufficient to support sales by the partners without such sales triggering a price decline which makes it difficult or impossible for all partners to sell such securities at the distribution price. Nevertheless, the distribution price of such securities will be established under the provisions of the applicable limited partnership agreement and will not be adjusted to reflect actual sale prices obtained by the partners.

Limited access to information. The rights of limited partners to information regarding the Partnerships and the portfolio companies (if any) will be specified, and strictly limited, in the applicable limited partnership agreement. In particular, it is anticipated that the Funds' general partners will obtain certain types of material information that may not be disclosed to limited partners. For example, the Funds' general partners may obtain information regarding portfolio companies that is material to determining the value of the portfolio companies' securities. Such information may be withheld from limited partners in order to comply with duties to the portfolio companies or otherwise to protect the interests of the portfolio companies or the Funds.

Decisions by the Funds' general partners to withhold information may have adverse consequences for limited partners in a variety of circumstances. For example, a limited partner that seeks to sell its interest in a Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for limited partners to subject the Funds' general partners to rigorous oversight.

Exculpation and Indemnification. The respective limited partnership agreements will contain provisions that relieve the Funds' general partners and their members of liability for certain improper acts or omissions. For example, the Funds' general partners and their members generally will not be liable to the limited partners or the Partnerships for acts or omissions that constitute ordinary negligence. Under certain circumstances, the Partnerships may indemnify the Funds' general partners and their members against liability to third parties resulting from improper acts or omissions. Such indemnification obligation may require the limited partners to make capital contributions to the Partnerships and return to the Partnerships distributions previously received by them.

Furthermore, the Funds' general partners will be structured as a limited liability companies and the members of the Funds' general partners generally will not be personally liable for the Funds' general partners' debts and obligations. In consequence, limited partners may have little or no recourse to the personal assets of the members of the Funds' general partners even in the event that the Funds' general partners breach a duty to the limited partners or the Partnerships.

Investment Price. The price per share at which a Fund may be investing in a portfolio company may be higher than the price per share at which existing or first round investors invested in the portfolio company.

Call Option. The majority shareholder of a portfolio company may require a Fund to sell its shares in the portfolio company to such majority shareholder in certain situations.

Limitation on Damages. Under a Fund's subscription agreement with a portfolio company, many types of potential claims that the Fund could bring against the portfolio company for breach of representations and warranties may have an aggregate limitation on liability equal to 40% of the amount invested by the Fund in the portfolio company.

Drag-Along. If the holders of at least 66% of the voting shares of a portfolio company elect to sell their shares, they may be able to require a Fund to participate in such sale.

Lack of Board Representation. A Fund may not have a representative on the board of directors of the portfolio company and, hence, limited ability to influence its operations.

Risks associated with a Joint Venture, Operating Company, Portfolio Company. Risks associated with a Fund's indirect investment in a joint venture, operating company and/or portfolio company include, without limitation, the following:

- potential decreases in demand for a joint venture's, operating companies, or portfolio companies assets and/or services;
- risks of investing in a foreign country generally;
- the pace of technological changes;
- governmental regulation;
- increasing competition, including mergers and consolidations;

- governmental licensing;
- downturns in the economy generally;
- the risks inherent in leverage and debt service obligations; and
- the risks natural disasters pose to a joint venture's physical assets.

ITEM 9: DISCIPLINARY INFORMATION

YCP does not believe that any of YCP, its subsidiaries or its affiliates, or any of the members, partners, officers or employees of YCP, its subsidiaries or affiliates have been involved in any legal or regulatory action, or other disciplinary event that is material to an investor's or prospective investor's evaluation of the advisory business or management of YCP, its subsidiaries or affiliates.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

YCP has no existing or pending affiliations with a broker-dealer or a registered representative of a broker-dealer. YCP has no existing or pending affiliations with a Futures Commission Merchant (FCM), Commodity Pool Operator (CPO), or Commodity Trading Advisor (CTA).

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

YCP maintains a code of ethics which includes policies regarding the trading of securities in personal brokerage or similar accounts beneficially owned by its principals and employees. The code does not restrict YCP principals, members and employees from maintaining such accounts, but establishes that any activity that either abuses confidential knowledge about client accounts or attempts to profit at their expense is considered an abuse of the foundation of trust upon which YCP's business is built and is strictly prohibited. The code restricts YCP employees from trading in securities of issuers listed on the Restricted List maintained by YCP. Additionally, the code requires that all YCP employees designated as "access persons" must receive written clearance for all securities transactions involving either initial public offerings or private placements.

All YCP access persons and employees are required to submit annual reports on all securities holdings and quarterly reports on all security transactions in accounts beneficially owner either directly or indirectly (although certain exceptions apply). Submitted reports are reviewed by the CCO, or his delegate. Violations of the code of ethics policy are punishable by sanctions including fines and termination of employment.

A copy of YCP's code of ethics is available by contacting the CCO at the number or address listed on the cover of this brochure.

ITEM 12: BROKERAGE PRACTICES

YCP does not utilize brokers for its investment strategy.

ITEM 13: REVIEW OF ACCOUNTS

The Funds are reviewed by the firm's managing member and the Chief Financial Officer on a monthly, quarterly or annual basis, depending on activity in the particular Fund and the frequency of reporting to

investors. Investors in the Funds can access written statements containing individual net asset values generally on an annual basis (in all cases, as set forth in the terms of the relevant Offering Materials).

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

YCP may enter into arrangements with unaffiliated third parties whereby compensation is paid for referring investors to the Funds. Generally, these payments are based on a percentage of management fees, performance-based fees, or some combination thereof, earned by YCP with respect to such investor. Because such arrangements contain inherent conflicts of interests between the referring party, on the one hand, and the Fund investors, on the other, YCP requires documentation that these conflicts have been disclosed and consented to by clients.

ITEM 15: CUSTODY

YCP may be considered to have custody of client assets as a result of fee payments or the service of its affiliates as general partner to the Funds. Unless otherwise permitted by the SEC, actual custody of client assets is at a qualified custodian. YCP provides audited financial statements of the Funds, prepared in accordance with US GAAP, to all investors in its Funds within 120 after such Fund's fiscal year end.

ITEM 16: INVESTMENT DISCRETION

As an investment adviser, YCP generally has discretionary authority over the Funds' investment activities to determine when investments are bought or sold. The specific terms of the scope of such investment discretion is detailed in the Offering Materials.

ITEM 17: VOTING CLIENT SECURITIES

YCP serves as an investment adviser to Funds which invest primarily in privately placed equity Securities. While such non-publicly traded Securities are not typically the subject of proxies there could be instances in which YCP, having discretionary authority over the accounts of its Clients, would be asked to vote the Securities of such Clients on restructuring or other corporate matters. Therefore, these policies and procedures are primarily applicable to those limited instances in which YCP may be in a position to vote the Securities of such Clients.

Proxy votes are reviewed by the CCO or his delegate for adherence to this policy, and a copy of both the policy and proxy voting record is available by contacting the CCO at the number or address listed on the cover of this brochure.

ITEM 18: FINANCIAL INFORMATION

YCP has no financial condition to disclose that is reasonably likely to impair its ability to meet contractual commitments to its clients. Additionally, YCP has not been the subject of a bankruptcy petition during the past ten years.