

Aligned Intermediary, Inc.

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This Form ADV Part 2A (the “**Brochure**”) provides information about the qualifications and business practices of Aligned Intermediary, Inc. (“**Aligned Intermediary**” or the “**Firm**”). If you have any questions about the contents of this Brochure, please contact us at (646) 202-2459. 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 Aligned Intermediary is also available on the SEC’s website at www.adviserinfo.sec.gov.

Registration of an investment adviser does not imply that Aligned Intermediary or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Item 2: Material Changes

This brochure discloses the addition of a new fee and expense structure as highlighted in Items 5 and 6 as well as a new custody arrangement in Item 15; these changes are related to Aligned Intermediary's advisory relationship to a private fund as further described in Item 4.

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Item 4: Advisory Business

Aligned Intermediary, Inc. (“**Aligned Intermediary**” or the “**Firm**”) is an investment adviser based in New York, NY. Aligned Intermediary commenced operations in 2016. Terms such as “we” or “us” or other similar terms used herein refer to the Firm.

The Firm’s principal strategy is to advise long-term institutional investors on investments in climate infrastructure projects, primarily in the areas of clean energy, water infrastructure, and waste-to-value. Aligned Intermediary is focused on advising on direct debt and equity investment opportunities in clean energy deployment, high growth-equity opportunities in emerging markets, and new technology companies. The Firm also offers asset-monitoring services.

Additionally, the Firm advises a pooled investment vehicle (the “**Fund**”), for which an affiliate of the Fund serves as managing member (the “**Managing Member**”), that is invested in a U.S. based solar development company (the “**Portfolio Investment**”).

Aligned Intermediary is a Delaware public benefit corporation. The Firm is controlled by the Planet Heritage Foundation. Planet Heritage Foundation, is a not-for-profit corporation whose mission is to protect the environment by leading and supporting highly leveraged and strategic collaborations and has a primary focus on marine conservation, climate change and biodiversity conservation.

The Firm provides non-discretionary advice to institutional clients and discretionary advice to a pooled investment vehicle.

As of December 31, 2017, Aligned Intermediary advised clients on approximately \$41,942,000 of investments.

Item 5: Fees and Compensation

As compensation for its investment advisory services, Aligned Intermediary will be paid by its clients a mutually agreed upon fixed annual fee for advisory services utilized for expenses associated with running the business.

In addition, the Fund pays the Firm a fixed advisory services fee derived from the cost of services provided to the Fund by the Firm.

Expenses

Fees are designed to cover the costs and expenses associated with the Firm’s normal operating overhead activities including, but not limited to, expenses for compensation of its employees and the cost of providing relevant support and general services (e.g., office rental, secretarial, clerical and bookkeeping expenses).

Further, the Fund will pay all expenses related to the organization of the Fund and certain entities affiliated with Aligned Intermediary formed for the purpose of the Fund, such as the Managing Member (including filing fees and legal fees). The Fund will also pay all expenses relating to the business and operation of the Fund including, but not limited to: (i) all expenses incurred in connection with the investigation, research, diligence, acquisition, development, financing,

management, operation and disposition of the Portfolio Investment, including without limitation, all travel expenses, data and market research expenses, accounting expenses, legal fees and disbursements, transfer agent fees and expenses, and expenses of other service providers, advisers and consultants; (ii) all out-of-pocket expenses incurred in connection with the preparation or delivery of or otherwise relating to reports made to investors in the Fund (including, without limitation, audit costs); (iii) the Fund's pro rata share of all costs incurred in connection with the preparation of or relating to reports required to be filed in connection with the business of the Fund with any governmental authority (including, without limitation, tax and securities law filings); (iv) all costs related to litigation involving the Fund or the Portfolio Investment (including, without limitation, attorneys' fees incurred); (v) all costs related to the Fund's indemnification or contribution obligations set forth in the Fund's constitutional documents; (vi) interest on and fees and expenses arising out of any permitted borrowings made by the Fund; (vii) the costs of any litigation, director and officer liability or other insurance (including allocated costs thereof incurred by the Managing Member) and indemnification or extraordinary expense or liability relating to the affairs of the Fund; (viii) 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; (ix) all unreimbursed out-of-pocket expenses relating to transactions that are not consummated, including legal, accounting, investment banking, advisory, financing and consulting fees; (x) all extraordinary professional fees incurred in connection with the business or management of the Fund; (xi) the Fund's allocable share of all reasonable fees and expenses incurred in connection with any meeting of the Fund's investors; and (xii) all expenses of liquidating and winding-up the Fund.

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

Aligned Intermediary and/or its affiliate(s) are generally entitled to receive performance-based compensation from the Fund. The Firm does not currently receive performance-based compensation from any other clients.

Aligned Intermediary, its affiliates, and their investment personnel have a greater incentive to favor the Fund over its other clients since the Fund pays the Firm or its affiliates higher performance-based compensation. In addition, principals and certain employees of the Firm may have personal investments in the Fund. Accordingly, Aligned Intermediary may have an incentive to favor the Fund.

Aligned Intermediary has adopted and has implemented policies and procedures intended to address conflicts of interest relating to the management of the Fund and the Firm's other clients.

Item 7: Types of Clients

Aligned Intermediary's clients are large, institutional long-term investors, and include pension funds, endowments, and financial institutions. Additionally, the Fund is a pooled investment vehicle which has relied on certain exclusions from the definition of "investment company" in the Investment Company Act of 1940, as amended.

Aligned Intermediary's clients enter into an agreement with the Firm, which details the terms and conditions of the client relationship. The Firm provides advice to the Fund pursuant to a services agreement with the Fund's Managing Member.

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

Methods of Analysis and Investment Strategies

Aligned Intermediary sources, screens, conducts due diligence, and structures transactions that satisfy specific goals related to risk-adjusted financial rates of return for its clients. The Firm also assists in deal monitoring and can facilitate post-close value-creation through the duration of the investment. The Firm provides advice on private corporate investments as well as project investments in equity and debt. The Firm's project investment strategy is focused on infrastructure-like clean energy, water, and waste-to value investments with long term contracted revenue from creditworthy counter-parties, and qualified construction and operating partners.

The Firm provides advice about investments from around the world that generally would not be available to its clients by utilizing the Firm's network of companies, developers, banks, government programs, and other co-investors. To mitigate risk for clients, Aligned Intermediary often seeks to pursue investment opportunities for its clients that either (1) have other established institutional investors participating as co-investors or (2) participation from strategic non-institutional investors.

Aligned Intermediary collaborates with a broad range of other parties involved in climate infrastructure, including:

- Privately-owned companies looking for investor capital
- Project developers
- Commercial and investment banks
- Multilateral banks and development institutions such as the World Bank
- Government officials and policymakers
- Investor-owned and municipal utilities in both water and electric power
- Independent power producers and publicly-traded "Yieldcos"
- Private equity and infrastructure funds
- Non-governmental organizations

In addition, the Fund has invested in a U.S. based solar development company.

Risk of Loss Factors

Project investing involves significant risks that clients should be prepared to bear. The following summary does not purport to include every risk; rather it focuses on those risks that generally are associated with the Firm's investment strategy and philosophy. Project investing may be speculative and involves a high degree of risk, including the risk that the entire amount invested may be lost.

Risks Associated With Climate Infrastructure and Clean Energy

Aligned Intermediary targets investments in climate infrastructure and clean energy. Generally, investments in this area are subject to a number of risks (including, without limitation, changing regulations, governmental oversight and high levels of competition), uncertainties, assumptions

and other factors, some of which will be beyond the control of the sponsor of the investment. These risks will be difficult or impossible to predict and could cause actual results of the investment to differ materially from the Firm's expectations at the time of investment.

No Assurance of Projected Results

Aligned Intermediary generally seeks to advise on the capital structure for each investment based upon the financial projections for that investment, which are based on a variety of assumptions, estimates, judgments and other considerations of the Firm's management team. In all cases, projections are only estimates of future results based upon assumptions made at the time the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projection. General economic conditions, which are not predictable, can have a material adverse impact on the accuracy of projections.

Risk of Private Company Investments

Client investments consist of investments in privately held entities, and results in a specified period will be difficult to predict. While private investments offer the opportunity for significant gains, such investments also involve a high degree of business and financial risk and can result in substantial losses. Among these risks are the general risks associated with investing at an early, middle or late-stage of development or with the need for substantial additional capital to support expansion or to achieve or maintain a competitive position. Such companies may face intense competition, including competition from entities with greater financial resources, more extensive development, manufacturing, marketing and service capabilities and a larger number of qualified managerial and technical personnel.

Illiquidity of Investments; Long Term Investment

Project and company/corporate investments are generally expected to be illiquid. It is uncertain as to when profits, if any, will be realized or when the return of capital, if any, will occur. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, may occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it generally is not expected that this will occur for a number of years after the initial investment. Prior to such time, there may be no current return on the investment. Even if the investment or project proves successful, it may not produce a realized return to investors for a number of years.

Restricted Nature of Investment Positions

In some cases, there will be no readily available market for the investments that the Firm recommends, and hence, most of those investments will be difficult to value. Disposition of such investments may require a lengthy time period or may result in distributions in kind to investors.

Leverage

Project or company/corporate investments may make use of leverage by incurring debt directly. Leverage generally magnifies opportunities for gain and its risk of loss. The use of leverage also will result in interest expense and other costs to a project. Leverage often imposes restrictive financial and operating covenants on a project or company, in addition to the burden of debt service, and may impair the ability to finance future operations and capital needs. In the event any

investment does not generate adequate cash flow to satisfy its debt obligations, the investment may suffer a partial or total loss of capital. Furthermore, some investments recommended by the Firm will not be rated by a credit rating agency.

Investment in Troubled Assets

The Firm may recommend investments in non-performing, undercapitalized or other troubled assets, which may involve a high degree of financial risk. For instance, under certain circumstances, lenders who have inappropriately exercised control of the management and policies of a debtor may have their claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions.

Non-U.S. Investments

The Firm may recommend investments in projects or companies located outside of the United States. Such investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the investment), the application of complex United States and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on the investment and/or the investors with respect to the investment's income, possible non-U.S. tax return filing requirements for the investment and/or the investors, and other local economic and geopolitical events in the region.

Certain recommended investments may be made in currencies other than U.S. dollars. The value of an investment may fall substantially as a result of fluctuations in the currency of the country in which the investment is made as against the value of the U.S. dollar.

Changes in Business Environment

Recommended investments may extend over a period of years, during which the business, economic, political, regulatory, and technology environment of the investments may undergo substantial changes, some of which may be adverse to investors. Furthermore, in recent years, significant economic, regulatory, and political changes have had a significant impact on the market as a whole.

Item 9: Disciplinary Information

Neither Aligned Intermediary nor its affiliates have been subject to any disciplinary action, whether criminal, civil, administrative, or regulatory, required to be disclosed in this Item. Likewise, no persons involved in the management of Aligned Intermediary have been subject to such action.

Item 10: Other Financial Industry Activities and Affiliations

Neither the Firm nor any of its affiliates are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Neither Aligned Intermediary nor any of its affiliates are registered or have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

The Managing Member of the Fund is a wholly-owned subsidiary of the Firm and is operated by the same personnel as the Firm.

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

Code of Ethics

Pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, as amended, we have adopted a Code of Ethics (the “**Code**”) that establishes various procedures with respect to investment transactions in accounts (“**Covered Accounts**”) in which any of our employees has discretionary investment authority or exercises effective influence or control. Aligned Intermediary will provide a copy of the Code to any client upon request.

Covered Account transactions in certain types of securities are monitored by the CCO. Employees also must obtain pre-approval from the CCO before participating in an initial public offering or private placement.

Covered Account transactions are subject to review by Aligned Intermediary’s CCO. These records are used to monitor compliance with the foregoing policies.

Participation or Interest in Client Transactions

Employees, affiliates of the employees, and relatives of the employees may make investments in the Fund. The Firm may or may not receive any compensation from such investments from employees.

The Firm and its affiliates may have a financial interest in the Fund through a performance allocation or a direct investment interest in the Fund. As such, the Firm could be considered to have recommended to investors that they buy or sell securities or investments in which the applicant or a related person has some financial interest.

Item 12: Brokerage Practices

As an adviser on private investments, Aligned Intermediary is unlikely to make recommendations to clients to invest in publicly traded securities. However, if required to select a broker-dealer for a client transaction, we will seek “best execution” and make the selection based on a combination of cost, execution capability, and trading expertise consistent with the transaction.

Aligned Intermediary does not have any formal or informal soft dollar arrangements nor do we receive any soft dollar benefits from any broker, dealer or other counterparty. The Firm does not currently expect to use soft dollars or maintain any soft dollar arrangements with brokers but may determine to do so in the future. Any such arrangements would fall within the safe harbor to

investment advisers who use soft dollars in accordance with Section 28(e) of the Securities Exchange Act of 1934.

Item 13: Review of Accounts

Review of Accounts

Client recommendations are reviewed periodically to assure conformity with the investment objectives and guidelines set forth in each client's membership agreement. Such reviews are conducted periodically or upon a client's request.

Aligned Intermediary also endeavors to treat all clients fairly and not prefer one client over another in the transactions it recommends to clients. The Firm will continually monitor its process for recommending investments to clients to assure that all clients are treated fairly.

Item 14: Client Referrals and Other Compensation

Compensation for Client Referrals

The Firm does not presently compensate, directly or indirectly, any person for client referrals.

Item 15: Custody

The Firm complies with the requirements of Rule 206(4)-2 of the Advisers Act (the "**Custody Rule**") with regard to the Firm's custody of the assets of the Fund, the only client for which the Firm has custody of assets.

Therefore, in order to comply with the Custody Rule, the Firm will comply with the pooled vehicle annual audit provision. Annually, upon completion of the annual audit of the Fund, the Firm shall use its best efforts to ensure that the audited financial statements are delivered to investors in the Fund within 120 days of its fiscal year end. The audited financial statements will be prepared by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles. Investors should carefully review these audited financial statements.

Item 16: Investment Discretion

Aligned Intermediary's institutional clients have the ultimate discretion whether to invest in any project or other investment opportunity recommended by the Firm.

The Firm has full investment discretion in managing the investments of the Fund. The terms of these investments as well as the investment strategy and guidelines around the use of this discretion is described in detail in the Fund's offering documents.

Item 17: Voting Client Securities

Aligned Intermediary does not anticipate that it will be in a position to vote either by proxy or directly on any corporate actions relating to an investment.

The Firm, however, may be asked to make recommendations on how to vote on a corporate action. If asked to recommend a vote, the Firm would identify and address any conflicts of interest that might present themselves between the Firm's interests and those of its clients. Specifically, Aligned Intermediary will monitor the potential for conflicts that might arise from personal relationships that the Firm or its employees may have with parties involved in the vote, and other special circumstances.

If the Firm determines that a conflict of interest exists as to a particular issuer, the CCO will determine whether the conflict is material to the vote. If it is determined not to be material, Aligned Intermediary will make a voting recommendation without further procedures. If it is determined to be material, the Firm will address the conflict in good faith.

Item 18: Financial Information

Registered investment advisers are required in this Item to provide investors with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet our contractual and fiduciary commitments to clients, and have not been the subject of a bankruptcy proceeding.

The Firm does not require or solicit prepayment of more than \$1,200 in fees for the Fund, six months or more in advance, and therefore has not included a balance sheet.