

# Ultra Capital Firm Brochure

(PART 2A OF FORM ADV)

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This brochure provides information about the qualifications and business practices of Ultra Capital, LLC ("Ultra Capital"). If you have any questions about the contents of this brochure, please contact us at: (215) 278-9862, or by email at: [sdavis@ultracapital.com](mailto:sdavis@ultracapital.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. Registration with the SEC or a state securities authority does not imply a certain level of skill or training.

Additional information about Ultra Capital is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## ITEM 2: MATERIAL CHANGES

### ***Material Changes since the Last Update***

Item 2 is not applicable as this is the first brochure of Ultra Capital, LLC.

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## **ITEM 4: ADVISORY BUSINESS**

### ***Firm Description***

Ultra Capital, LLC (“Ultra Capital,” the “Firm,” “we,” or “us”) is a Delaware limited liability company founded in December 2014. Ultra Capital is a new asset management company which provides investment advisory and management services to a series of private investment vehicles, referred to as real asset vehicles (the “RAVs”), which are generally established as Delaware limited liability companies targeting investment in small and mid-size (\$5 to \$50 million) sustainable infrastructure and real asset projects.

### ***Principal Owners***

Ultra Capital is owned by its employees, board members and certain third party investors. Roland A. Van der Meer, Andrew D. Klein and Senja Holdings LLC are principal owners of the Firm.

### ***Types of Advisory Services***

Ultra Capital provides management and advisory services to the RAVs, which are closed-end private investment vehicles that are exempt from registration under the Investment Company Act of 1940, as amended (the “Investment Company Act”). The Firm provides investment advice based on each RAV’s purposes and objectives as described in detail in the RAV’s private placement memorandum.

Each RAV will invest in a portfolio of diversified and uncorrelated sustainable infrastructure and real asset projects valued at between \$150 million to \$300 million per portfolio of projects. Ultra Capital follows a disciplined investment strategy and management style with respect to each RAV. The Firm seeks to find investments in successful projects for each RAV by facilitating its network of consultants, engineers, technology vendors, service providers and contractors who assist with the identification and assessment of suitable investment projects for each RAV.

### ***Tailored Relationships***

Ultra Capital provides its advisory services to the RAVs in accordance with the investment objectives, investment guidelines and restrictions set forth in the relevant RAV’s private placement memorandum, limited liability company agreement, investment management agreement and other formation and operating documents pertaining to the RAV (collectively, the “Governing Documents”). Ultra Capital’s advisory services for each RAV are detailed in the RAV’s Governing Documents and are further described below under Item 8.

### ***Wrap Fee Programs***

Ultra Capital does not participate in or advise any wrap fee programs.

### ***Assets Under Discretionary and Non-Discretionary Management***

As of the date of this Brochure, Ultra Capital does not have any client assets under management.

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## **ITEM 5: FEES AND COMPENSATION**

### ***RAV Fees***

For services provided to each RAV, Ultra Capital charges a management fee, which is generally computed at a rate of 1.5% per annum of the investors' aggregate commitments until the end of the commitment period (as described in the RAV's Governing Documents), and, thereafter, 1.5% per annum of the cost basis of all investments then held by the RAV which were funded by investor capital contributions, provided that the cost basis will be reduced by investments written off or permanently written down by such RAV. Management fees are payable by each RAV quarterly, in advance. If Ultra Capital ceases to provide services to a RAV, the unearned portion of the management fee (computed on the basis of the number of days elapsed) will be refunded to the RAV.

The management fee payable by each RAV is deducted from its assets as an expense. The management fees paid by each RAV, and any capital contributions called to pay such expenses, are allocated to the investors in the RAV in proportion to their respective capital commitments. Ultra Capital may agree with any investor in a RAV to waive or reduce these management fees at its discretion, and the allocation of the management fee expense of the RAV will reflect any such reductions or waivers.

The management fee for each RAV is reduced and offset by the full amount of any advisory, monitoring, commitment, director's, financial consulting, transaction, break-up or similar fees Ultra Capital or its affiliates receive from existing or prospective projects of such RAV. The management fee is also reduced by any placement agent fees paid by a RAV.

The managing member of each RAV (each of which is a wholly owned subsidiary of Ultra Capital) is also entitled to receive an incentive allocation which is tied to the performance of the RAV as described below under "Item 6. Performance-Based Fees and Side-By-Side Management."

### ***Other Fees or Expenses***

Each RAV is responsible for all expenses (other than ordinary overhead expenses of its managing member and Ultra Capital) attributable to the RAV's operations and its investments as set forth in its Governing Documents, including, but not limited to, expenses related to the acquisition, holding, restructuring, recapitalization and disposition of investments and expenses related to investments that are not consummated. Each RAV is also responsible for the offering, organizational and start-up expenses of the RAV.

Ultra Capital and each RAV's managing member is responsible for its own day-to-day operating expenses including office, employee and other overhead costs and expenses.

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

Neither Ultra Capital nor any of its supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

Ultra Capital does not receive performance based fees. However, the managing member of each RAV (each of which is a wholly-owned subsidiary and affiliate of Ultra Capital) is entitled to receive an incentive allocation, which is tied to the performance of such RAV. Incentive allocations will be made in compliance with Rule 205-3 of the Investment Advisers Act of 1940, as amended (the "Advisers Act"). The receipt by an affiliate of Ultra Capital of an incentive-based allocation raises certain conflicts of interest, which are described below.

The incentive allocation to the managing member of each RAV is equal to 15% of profits in excess of capital contributions to such RAV, provided that a 7% preferred return is achieved. A managing member may waive or reduce this incentive allocation with respect to any investor at its discretion.

Investors should be aware that an incentive-based allocation arrangement may create an incentive for Ultra Capital to make riskier or more speculative investments than would be the case in the absence of such arrangement.

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## **ITEM 7: TYPES OF CLIENTS**

As stated in Item 4 above, Ultra Capital currently intends to provide investment advisory services only to a limited number of RAVs it establishes. Each RAV is a pooled investment vehicle exempt from registration under the Investment Company Act. The RAVs will typically be organized as Delaware limited liability companies. RAVs may also be organized under the laws of jurisdictions outside the United States. Ultra Capital generally expects each RAV to be funded in amounts of between \$150 million to \$300 million with a minimum investment of \$3 million required to be made by each investor in a RAV, subject to reduction at the discretion of the RAV's managing member.

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

### ***Target Segment***

Ultra Capital focuses on investments in small and mid-size (\$5 to \$50 million) sustainable infrastructure and real asset projects in the water, waste, energy and agriculture sectors.

### ***Methods of Analysis and Investment Strategy***

Ultra Capital's investment strategy contemplates a disciplined investment and management process that encompasses all phases of a project's life -- starting with a robust and persistent origination approach, to a comprehensive underwriting and scoring system, through to execution and management of the final stages of development, construction and operation of all investments. The Firm is building proprietary data driven systems that initially will manage tens of projects but are designed to scale to hundreds and ultimately will be useable by developers as well as its internal teams. Ultra Capital's goal is to enable its developers to succeed so that it can help deliver expected and consistent returns as well as a successful pipeline of projects that are replicable and predictable – with the goal of ensuring even more attractive and consistent returns for investors.

The Ultra Capital management team has defined several investment theses with executable strategies based on deep domain and project finance experience. The Firm maintains an extensive network of consultants, engineers, technology vendors, contractors, service firms and writers that refer us to projects consistent with our strategies. The expansive network also brings us constantly into contact with emerging trends and new opportunities. When needed, we are also able to compensate referral sources with fees that are aligned with the success of the projects.



With a detailed understanding of the investment sectors, product categories, supply chains, logistics, competitors and innovators, Ultra Capital is able to target regional developers and identify those project opportunities with the potential to expand to multiple projects across multiple years. We enable a developer to scale and focus on building a pipeline of projects. We assist with the streamlining of its processes from contracting to engineering to construction and of course financing.

## **Underwriting Process**

Ultra Capital's three-step underwriting process described below is critical to the successful execution of our investment strategy. The process is highly quantified as we look to evaluate not only the credit worthiness of individual projects but also of each specific project input and output. The process is also carefully monitored by an Investment Committee charged to continually assess our discipline and consistency and to look for deviations from the norm.

### **Initial Screening Stage**

Potential developers and their projects meeting our threshold sustainability standards and benchmarks are tracked and logged in our systems and new projects are initially assessed by how well they meet our basic investment criteria in key areas, including sector, thesis, geography, technology, management background, record of accomplishment and expected returns. Unsuitable projects are quickly identified and removed from consideration based on these criteria.

Projects that pass this first step are then subject to a more subjective initial screening by members of the origination and execution team. For projects judged viable based on this initial screening, a plan for detailed due diligence is developed. The output from this process is a preliminary investment memorandum and an initial scoring of the developer and the project. The preliminary investment memorandum and scoring are reviewed and approved by the entire origination and execution team as well as at least one Co-Chief Investment Officer.

### **Due Diligence Stage**

Once a project passes the initial screen, Ultra Capital conducts financial modeling and critical variable analyses of the investment. This includes assessing the project's inputs and offtake potential, projecting operating income, calculating the return profile and timeline, and determining costs and fees to ensure that the project meets our return requirements. We then conduct developer background checks, evaluate input and offtake contracts, assess the technology and its prior applications, and review all third-party vendors, contractors and consultants. We investigate the possibility of establishing performance guarantees and insurable agreements to manage risk.

During due diligence, Ultra Capital conducts a comprehensive risk assessment including portfolio risk analysis. Evaluating all of the project's critical variables, we determine what capital structure will enhance investor returns, whether it will generate tax benefits for the portfolio, and its optimal position in a RAV to ensure a low correlation with other projects and a well-diversified asset pool. At this stage, we secure complete internal agreement on the project metrics and risk potential and complete a formal investment memorandum. The project is then presented to the Investment Committee for approval.

### **Contracting and Risk Management Stage**

With a total consensus and green light to proceed from the Investment Committee, we finalize financial and legal structures by negotiating all required contracts and financial instruments as well as all assurances, guarantees, insurance policies and hedges if possible. If any of the finalized terms and conditions would change key variables or outcomes of the investment model, we adjust it accordingly and re-evaluate. Once the Investment Committee gives final approval, contracts are signed and the project commences.

### **Developer and Project Scoring**

Ultra Capital's rigorous investment scoring methodology enables rapid project screening, evaluation and underwriting. This approach seeks to ensure a consistent process and a complete understanding of the risk and financial outcomes of particular project investments.

### **Project Execution and Risk Management**

Ultra Capital seeks to manage risk before a project begins with thorough research and analysis to identify and understand the potential sources of problems. We try to limit and minimize the volatility of unexpected outcomes at every step by managing with systems that measure, monitor and engage the daily progress of each project. We believe that this approach increases project success and improves investment returns.

We have created a customized set of tools designed to efficiently streamline the management of multiple projects, reduce costs and increase project efficiency. Each tool has a specific purpose, and the tools are integrated to maximize their effectiveness. Covering budgeting, modeling, risk assessment, contract management, project workflow management, construction and operations, these tools are designed to effectively drive the delivery of successful projects on time and on budget. They enable real-time reporting, which builds transparency between project developers, operators and investors.

The holistic view provided by this toolset is designed to allow for the early identification of risks and project-specific bottlenecks before they become problems. Issues are

escalated to the appropriate managers, who can then make corrections or enhancements when and where they are necessary. This early identification system allows for faster response times and remedial actions, which reduces the time and expense consumed by addressing problems and reducing their consequences before they grow exponentially.

Ultra Capital's tools are designed to be used both internally as well as by developers, empowering them with enterprise systems that they might not otherwise be able to access. All project stakeholders using the same management system optimizes efficiency and allows more time for each to focus on the critical aspects of their roles.

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

Investing in sustainable infrastructure and real asset projects involves risk of loss that investors in a RAV should be prepared to bear. An investment in a RAV may be deemed to be a speculative investment and is not intended as a complete investment program. Investment in a RAV is suitable only for persons who can bear the economic risk of the loss of their entire investment, who have no need for liquidity in their investments and who meet the conditions set forth in the RAV's Governing Documents. There can be no assurances that a RAV will achieve its investment objective. Investment in a RAV involves significant risks. While the following summary of certain of these risks should be carefully evaluated before making an investment in a RAV, the following does not intend to describe all possible risks of such an investment:

***Regulatory Risk.*** As a general matter, real asset and infrastructure sectors can be subject to comprehensive regulations. Present, as well as future, statutes and regulations could cause additional expenditures, decreased revenues, restrictions and delays that could materially and adversely affect the investments and the prospects of a RAV. There can be no assurance that (i) existing regulations applicable to investments will not be revised or reinterpreted; (ii) new laws and regulations will not be adopted or become applicable to such investments; (iii) the technology and equipment selected by investments to comply with current and future regulatory requirements will meet such requirements; (iv) such investments' business and financial conditions will not be materially and adversely affected by such future changes in, or reinterpretation of, laws and regulations (including the possible loss of exemptions from laws and regulations) or any failure to comply with such current and future laws and regulations; or (v) regulatory authorities or other third parties will not bring enforcement actions in which they disagree with regulatory decisions made by other regulatory authorities.

***Sustainable Infrastructure Policy Risk.*** Investments in sustainable infrastructure projects, related businesses and assets currently enjoy wide support from national, state and local governments and regulatory agencies designed to finance development thereof, including, but not limited to, U.S. federal investment tax credits, U.S. Department of the Treasury and U.S. Environmental Protection Agency grants, various "socially responsible" portfolio standard requirements enacted by several states,

renewable energy credits and state-level utility programs and state water conservation mandates. Similar support, initiatives and arrangements exist in non-U.S. jurisdictions as well, in particular in the European Union. Non-U.S. jurisdictions may have more variable views on policies regarding sustainable infrastructure (and, for example, may be more willing or likely to abandon initiatives regarding sustainable infrastructure in favor of less sustainable energy generation, water management, waste management and/or agricultural processes). The combined effect of these programs is to subsidize in part the development, ownership and operation of sustainable infrastructure projects.

The operation and financial performance of certain sustainable infrastructure investments may be significantly dependent on governmental policies and regulatory frameworks that support the development of sustainable infrastructure. There can be no assurance that such government support exists with respect to investments in which a RAV will invest or whether any such current support will continue. The non-existence, or elimination of, or reduction in, such government policies that support sustainable infrastructure could have a material adverse effect on a sustainable infrastructure investment's financial condition or results of operation. Reduction in or elimination of these programs will have an adverse effect on the development of sustainable infrastructure. To the extent any favorable tax treatment or other forms of support for sustainable infrastructure are changed, a RAV's investments may be negatively impacted.

***Siting and Permitting Challenges.*** Real asset and infrastructure projects may be subject to siting requirements. Siting of projects is also frequently subject to regulation by applicable state, county and local authorities. For example, proposals to site a project may be challenged by a number of parties, including non-governmental organizations and special interest groups based on alleged security concerns, disturbances to natural habitats for wildlife and adverse aesthetic impacts, including the common "not in my backyard" phenomenon. The failure of any investment or project to receive, renew or maintain any required permits or approvals or any inability to satisfy any requirement of any permits or approvals may result in increased compliance costs, the need for additional capital expenditures or a suspension of project operations.

***Reliance on Third-Party Developers.*** The day-to-day operations of each investment a RAV makes will be the responsibility of the project developer. Although Ultra Capital will be responsible for monitoring the performance of each investment and intends to attempt to identify strong project developers, there can be no assurance that the developers will be able to manage the investment successfully. Additionally, the developer may need to attract, retain and develop executives and members of their management teams. The market for executive talent can be extremely competitive. There can be no assurance that developers will be able to attract, develop, integrate and retain suitable members of their management teams. As a result, the applicable RAV may be adversely affected.

***Volatility of Commodity Prices.*** The performance of certain of a RAV's sustainable infrastructure and sustainable-related infrastructure investments may be substantially dependent upon prevailing prices of corn, timber, oil, natural gas, coal and other commodities (such as metals). Commodity prices have been, and are likely to continue to be, volatile and subject to wide fluctuations in response to any of the following factors: (i) relatively minor changes in the supply of and demand for each commodity; (ii) market uncertainty; (iii) political conditions in international commodity producing regions; (iv) the extent of domestic production and importation of each commodity; (v) the foreign supply of each commodity; (vi) the price of foreign imports; (vii) the level of consumer demand; (viii) weather conditions (including the future occurrence of drought); (ix) the competitive position of oil, gas or coal as a source of energy as compared with other energy sources; (x) the industry-wide refining or processing capacity for oil, gas or coal; (xi) the effect of United States and non-U.S. federal, state and local regulation on the production, transportation and sale of commodities; (xii) with respect to the price of certain commodities, the actions production organizations, such as the Organization of Petroleum Exporting Countries; (xiii) overall economic conditions; and (xiv) a variety of additional factors that are beyond the control of a RAV.

***Uncertainty of Estimates.*** Estimates of natural resources reserves (e.g., timber or mineral reserves) and of factors such as solar energy intensity and movement of wind and water flow (for solar, wind and hydroelectric power, respectively) by qualified engineers are often key factors in valuing certain projects. The process of making these estimates is complex, requiring significant decisions and assumptions in the evaluation of available geological, geophysical, engineering and economic data for each reservoir or reserve. These estimates are subject to wide variances based on changes in commodity prices and certain technical assumptions. Accordingly, it is possible for such estimates to be significantly revised from time to time, creating significant changes in the value of the company owning such reserves.

***Environmental Matters.*** Environmental laws, regulations and regulatory initiatives play a significant role in the sustainable infrastructure and sustainable-related infrastructure sectors and can have a substantial impact on investments in these industries. For example, global initiatives to minimize pollution have played a major role in the increase in demand for natural gas and alternative energy sources, creating numerous new investment opportunities. Conversely, required expenditures for environmental compliance have adversely impacted investment returns in a number of segments of the industry.

The sustainable infrastructure and sustainable-related infrastructure sectors will continue to face considerable oversight from environmental regulatory authorities and significant influence from non-governmental organizations and special interest groups. A RAV may make investments that are subject to changing and increasingly stringent

environmental and health and safety laws, regulations and permit requirements. New and more stringent environmental and health and safety laws, regulations and permit requirements or stricter interpretations of current laws or regulations could materially impact a RAV's investments.

***Natural Disaster and Force Majeure Events; Adequacy and Availability of Insurance.***

The operations of sustainable infrastructure projects are subject to many hazards inherent in the production, transporting, processing, storing, distributing, or marketing of a wide range of commodities, electricity, and natural resources, such as damage to production facilities, transmission lines, substations, storage facilities, port terminal facilities or related equipment and surrounding properties caused by hurricanes, tornadoes, floods, fires and other natural disasters or by acts of terrorism, inadvertent damage from construction and timber harvest or farm equipment, and forest fires, ice storms, floods and explosions. These risks could result in substantial losses due to personal injury or loss of life, severe damage to and destruction of property and equipment and pollution or other environmental damage and may result in the curtailment or suspension of their related operations. In addition, a RAV may invest in projects that may be particularly sensitive to weather and climate conditions. The occurrence of a significant accident or event, or an adverse change in weather or climate conditions, may adversely affect the operations and financial condition of one or more investments.

While a RAV will seek to make investments where insurance and other risk management products (to the extent available on commercially reasonable terms) are utilized to mitigate the potential loss resulting from such events and other risks customarily covered by insurance, this may not always be practicable or feasible. Moreover, it will not be possible to insure against all such events and risks, and such insurance proceeds as may be derived in a timely manner from covered risks may be inadequate to completely or even partially cover a loss of revenues, an increase in operating and maintenance expenses or a replacement or rehabilitation. In addition, certain catastrophic loss events may be either uninsurable or insurable at such high rates as to adversely impact an investment's, and hence a RAV's, returns. For example, in general, losses related to terrorism are becoming harder and more expensive to insure against, and most insurers are excluding terrorism coverage from their all-risk policies. In some cases, insurers are offering significantly limited coverage against terrorist acts for additional premiums, which can greatly increase the total cost of casualty insurance. As a result, it is unlikely that any of a RAV's investments will be insured against damages attributable to acts of terrorism. If a major uninsured loss were to occur with respect to an investment, a RAV could lose its capital invested in, and anticipated profits related to such investment.



***Operations and Maintenance Risk.*** In connection with the development of any project and the operation and maintenance of any completed project, an investment may also face development and operations and maintenance risks, including, without limitation, the following:

- Development Risk: Investments under development or investments acquired for development may receive little or no cash flow from the date of acquisition through the date of completion of development and may experience operating deficits after the date of completion. In addition, market conditions may change during the course of development that make such development less attractive than at the time it was commenced.
- Post-Development Operations and Maintenance Risks: Severe weather, such as floods, earthquakes, hurricanes or other catastrophes, or climatic phenomena, such as drought, may impact the operations of projects and investments by causing weather-related damage to facilities and equipment and may impact the ability of customers to take delivery of the products of projects. Such severe weather may also adversely affect the ability of feedstock suppliers to provide RAV investments with required raw materials or the ability of vessels to load, transport and unload project output. Any breach of contractual obligations to off-takers as a result of downtime or reduced production periods may have a material adverse effect on an investment's business, results of operations, cash flows and ability to make cash distributions.
- Technical Risks. Investments in the sustainable infrastructure industry may be subject to technical risks, including the risk of mechanical breakdown, spare parts shortages, failure to perform according to design specifications, the failure of the technology to perform as anticipated or other unanticipated events that adversely affect operations. While a RAV intends to employ strategies to mitigate risk, there can be no assurance that any or all such risk can be mitigated.
- Construction Risks. In connection with any new development project (e.g., a "greenfield" project) or an expansion of a facility or acquisition of a facility in late-stage development, an investment may also face construction risks, including, without limitation, (i) labor disputes, shortages of material and skilled labor or work stoppages, (ii) delays in the projected construction schedule and the unavailability or late delivery of necessary equipment, (iii) less than optimal coordination with public utilities in the relocation of their facilities, (iv) adverse weather conditions and unexpected construction conditions, (v) accidents or the breakdown or failure of construction equipment or processes, and (vi) catastrophic events such as explosions, fires and terrorist activities and other similar events beyond a RAV's control. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of construction activities once undertaken, any of which

could have an adverse effect on a RAV. Construction costs may exceed estimates for various reasons, including inaccurate engineering and planning, labor and building material costs in excess of expectations and unanticipated problems with project start-up. Delays in project completion can result in an increase in total project construction costs and, potentially, insufficient funds to complete construction. Delays may also result in an adverse effect on the scheduled flow of project revenues and lost opportunities, increased operations and maintenance expenses and damage payments for late delivery. In addition, there are risks inherent in the construction work that may give rise to claims or demands against an investment from time to time.

- **Insurance Risks.** Portfolio projects may not be fully insured against all risks including the risk of operations being interrupted due to severe weather and natural disasters. Furthermore, projects may be unable to obtain or maintain desired types and amounts of insurance at reasonable rates. Market conditions can cause premiums and deductibles for certain types of insurance to escalate, and in certain instances, may cause insurance coverage to become unavailable or available only in reduced amounts. If an investment were to incur a significant liability for which it was not fully insured, the liability could have a material adverse effect on the company's financial condition, results of operations and ability to make distributions.

**Power Purchase Agreement Risk.** Projects may enter into power purchase agreements ("PPAs") providing for the purchase of power by third parties from such investments or projects. Payments by power purchasers to such companies or projects pursuant to their respective PPAs may provide the majority of such companies' or projects' cash flows. There can be no assurance that any or all of the power purchasers will fulfill their obligations under their PPAs or that a power purchaser will not become bankrupt or that upon any such bankruptcy its obligations under its respective PPA will not be terminated. There are additional risks relating to the PPAs, including the occurrence of events beyond the control of a power purchaser that may excuse it from its obligation to accept and pay for delivery of energy generated by a company or project. The failure of a power purchaser to fulfill its obligations under any PPA or the termination of any PPA may have a material adverse effect on an investment or project.

In addition, there is no assurance that regulatory authorities in jurisdictions in which one or more investments are located will not take steps to unilaterally reduce or terminate the term of any PPAs, mandate a reduction in the price of power to be supplied by an investment under a PPA or take such other action to adversely impact an investment under a PPA.

In certain circumstances, a RAV (or a project in which it holds an interest) may be required to provide a guarantee, a letter of credit, or other form of performance assurance to backstop the seller's "supply or pay" obligations under a PPA. If the seller



(or project that makes such pledge) is unable to meet its obligations under such supply agreement, the RAV (or project that makes such pledge of performance assurance) could suffer losses that may have a material impact on the performance of the RAV.

THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE ENUMERATION OR EXPLANATION OF THE RISKS INVOLVED IN AN INVESTMENT IN A RAV. PROSPECTIVE INVESTORS SHOULD READ THE APPLICABLE RAV'S GOVERNING DOCUMENTS WHICH MAY LIST ADDITIONAL RISK FACTORS AND CONSULT WITH THEIR OWN LEGAL, TAX AND FINANCIAL ADVISERS BEFORE DECIDING TO INVEST IN A RAV.

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## **ITEM 9: DISCIPLINARY INFORMATION**

Ultra Capital has no legal or disciplinary events to report under this Item 9.

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## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

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

Neither Ultra Capital nor any of its management persons is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

### ***Futures, Commodity Pool Operator, Commodity Trading Advisor***

Neither Ultra Capital nor any of its management persons is registered, or has an application pending to register, as a futures commission merchant ("FCM"), commodity pool operator ("CPO") or commodity trading advisor ("CTA"). In addition, neither Ultra Capital nor any of its management persons is an associated person of an FCM, CPO or CTA.

### ***Related Person Arrangements***

Neither Ultra Capital nor any of its management persons have any relationship or arrangement with a related person that is material to Ultra Capital's advisory business or to its clients it has not otherwise disclosed in this Brochure.

### ***Arrangements With Other Investment Advisers***

Ultra Capital does not have any arrangement through which it is compensated for recommending or selecting other investment advisers for its clients, nor does Ultra Capital have any other business relationship with an investment adviser that would

create a material conflict of interest with respect to Ultra Capital's management of a RAV.

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

### ***Code of Ethics***

Ultra Capital has adopted a comprehensive Code of Ethics pursuant to Rule 204A-1 under the Advisers Act. The Code sets forth standards of conduct for Ultra Capital's employees and addresses conflicts of interest that may arise. The Code subjects employees to appropriate restrictions on certain activities and securities trading, provides information on certain prohibited transactions, sets forth Ultra Capital's internal review and compliance procedures, including employee securities trading pre-clearance requirements, employee quarterly and annual securities trading reporting requirements, and describes rules of business conduct, which are all intended to prevent or detect potential conflicts of interest. The Code also addresses conflicts related to political contributions, gifts or entertainment, and outside business activities.

The Code of Ethics is based on the principle that Ultra Capital is committed to the highest standards of ethical conduct and that each of its employees owe a fiduciary duty to its clients and a duty to comply with federal and state securities laws and all other applicable laws.

Ultra Capital has also adopted a Compliance Manual, which addresses, among other things, record retention, communication with the media, an information security program intended to protect the confidentiality of the information retained by Ultra Capital and other policies and procedures designed to ensure compliance with applicable laws and regulations.

Ultra Capital will provide any investor or potential investor with a copy of its Code of Ethics upon request by contacting Stephanie Davis at [sdavis@ultracapital.com](mailto:sdavis@ultracapital.com), or by telephone at (215) 278-9845.

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

Ultra Capital and its related persons do not recommend to clients, or buy or sell for client accounts, securities in which Ultra Capital or a related person has a material financial interest.

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## **ITEM 12: BROKERAGE PRACTICES**

### ***Selecting Brokerage Firms***

While Ultra Capital will have discretionary authority to select brokers, due to its investment strategy it does not intend to select, utilize or recommend broker-dealers for client transactions.

### ***Research and Other Soft Dollar Benefits***

Ultra Capital does not intend to receive research or other products or services from a broker-dealer or a third party in connection with client securities transactions.

### ***Brokerage for Client Referrals***

Ultra Capital does not intend to utilize broker-dealers for client transactions and thus will not consider whether it receives client referrals from a broker in selecting broker-dealers.

### ***Directed Brokerage***

Ultra Capital does not intend to utilize broker-dealers for client transactions and thus does not recommend, request or require that a client direct the Firm to execute transactions through a specified broker-dealer.

### ***Aggregation of Client Accounts***

Ultra Capital does not aggregate orders for the purchase or sale of securities for client accounts since each RAV invests in different projects.

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## **ITEM 13: REVIEW OF ACCOUNTS**

### ***Portfolio Reviews***

Ultra Capital will conduct periodic reviews of each RAV's portfolio of projects. Reviews will be conducted at least monthly by senior members of the Firm's investment team. In addition to such periodic reviews, members of the management team including the VP of Finance, the COO as well as the Firm's co-CIOs, from time to time will conduct reviews of each RAV's portfolio of projects.

## ***Regular Reports***

Each investor in a RAV will receive (i) annual audited financial statements of the RAV within 120 days after December 31st of each year (for the annual period ending on each December 31st), (ii) quarterly reports as soon as practicable after the end of each calendar quarter and (iii) annual tax information necessary for completion of tax returns.

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## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

Ultra Capital may enter into solicitation agreements with third party firms. Under these agreements, Ultra Capital may compensate the firms for investor referrals that result in an investment in one or more of the RAVs. Ultra Capital may pay the firm from its own resources, which may include fees earned by Ultra Capital with respect to its management of the RAVs. Ultra Capital may also reimburse the firm for certain expenses incurred by the firm for services performed on Ultra Capital's behalf.

Any compensation or expense reimbursement paid to a third party firm will not result in additional costs to any RAV or to the investors in any RAV. Where applicable, all payments will comply with Rule 206(4)-3 under the Advisers Act.

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## **ITEM 15: CUSTODY**

The RAVs that Ultra Capital advises maintain custody arrangements through independent qualified custodians. However, Ultra Capital is deemed to have "custody" (as defined in Rule 206(4)-2 under the Advisers Act (the "Custody Rule")) of each of the RAV's assets because one of its affiliates serve as the managing member of each RAV. To comply with the Custody Rule, the managing member of each RAV will deliver to the investors in such RAV annual audited financial statements of the RAV within 120 days of the end of each fiscal year.

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## **ITEM 16: INVESTMENT DISCRETION**

The Firm has entered into a separate investment management agreement with respect to each RAV. Pursuant to such investment management agreements, Ultra Capital assists the managing member of each RAV with the management of the RAV's investments. Ultra Capital is responsible for, among other things, developing, investigating and securing information with respect to prospective investments by the RAV and monitoring the RAV's investments.

Each of managing members is a special purpose vehicle of Ultra Capital, as defined in the Securities and Exchange Commission's Division of Investment Management American Bar Association no action letter dated as of January 18, 2012.

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## **ITEM 17: VOTING CLIENT SECURITIES**

Ultra Capital has adopted written proxy voting policies and procedures pursuant to Rule 206(4)-6 under the Advisers Act, which are reasonably designed to ensure that it votes each RAV's securities in the best interests of the RAV, and which address material conflicts of interest that may arise between Ultra Capital and a RAV.

Ultra Capital reviews each situation and votes in the way that it believes will be most beneficial to the RAV and its investors. Ultra Capital will generally vote to promote the long-term economic value of an underlying security. Generally, Ultra Capital will not allow investors in a RAV to direct the Firm's vote in a particular situation. If Ultra Capital believes that it has a material conflict of interest with respect to any proxy vote, it will vote the proxy in the best interests of the RAV. Ultra Capital may have a conflict of interest in voting a particular proxy, for example, as a result of a business relationship with a company. Whether a relationship creates a material conflict of interest will depend upon the facts and circumstances of the situation. Any investor in a RAV may request to see how proxies were voted for the RAV and such information will be made available to them upon request. Inquiries should be directed to Ultra Capital at the number listed on the front of this Brochure.

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## **ITEM 18: FINANCIAL INFORMATION**

Ultra Capital does not solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, so this item is not applicable. Please refer to the Firm's fee disclosure at Item 5 of this Brochure. There is no financial condition affecting Ultra Capital that is reasonably likely to impair the Firm's ability to meet its contractual commitments to its clients.

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## **ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

This item is not required as Ultra Capital is a federally registered investment adviser.

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