

Unterberg Capital, LLC

Part 2A of Form ADV

The Brochure

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This brochure provides information about the qualifications and business practices of Unterberg Capital, LLC (“Unterberg” or the “Company”). If you have any questions about the contents of this brochure, please contact us at (212) 745-1138. 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 with any state securities authority does not imply a certain level of skill or training.

Additional information about Unterberg is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Item 2. Material Changes

Since Unterberg’s initial filing on December 7, 2015 Ross A. Koller has departed Unterberg.

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Item 4. Advisory Business

Unterberg, founded in 2009, is an investment adviser to pooled investment vehicles focused on micro-capitalization and small-capitalization technology or technology-related companies. The pooled investment vehicles include Unterberg Technology Partners LP (“UTP”) and Unterberg Koller Capital Fund LP (“UKC”). UTP and UKC are collectively referred to herein as the “Funds” or each a “Fund.” The Company is primarily owned by Thomas Unterberg.

In providing services to each Fund, Unterberg formulates the investment objective for each Fund, directs and manages the investment and reinvestment of each Fund’s assets, and provides periodic reports to limited partners in each Fund. Investment advice is provided directly to each Fund and not individually to the limited partners of the Funds. The Company does not tailor advisory services to the individual needs of limited partners. Unterberg manages the assets of each Fund in accordance with the terms of the governing documents applicable to each Fund.

As of December 31, 2016, Unterberg’s discretionary regulatory assets under management were \$117,940,685.

Item 5. Fees and Compensation

The Funds pay a management fee to the Company at an annual rate of two percent (2.0%) of the capital account balance of each limited partner, which will be calculated and payable quarterly in advance.

An affiliate of Unterberg serves as the general partner to the Funds and receives an annual incentive allocation that is equal to 20% of the net capital appreciation, realized and unrealized, allocated to each limited partner in each Fund for a fiscal year; provided, however, that an incentive allocation will only be made with respect to the excess of the net capital appreciation after recovery of any prior years' losses attributable to such limited partner and a hurdle calculation for limited partners in UTP.

Management fees and performance fees are waived, reduced, or calculated differently with respect to certain limited partners, including, without limitation, limited partners that are officers, directors, members, partners, or employees of Unterberg, members of the immediate families of such persons, and trusts or other entities for their benefit, in each case in Unterberg's sole discretion.

The Funds separately incur costs associated with custody, brokerage and trading activities. Unterberg's brokerage practices are described further in Item 12. In addition to the fees and costs discussed above, the Funds are generally responsible for the organizational and operating expenses described in their governing documents. The types of fees and expenses for the Funds generally include the following non-exhaustive list: investment expenses related to portfolio investments or prospective investments (whether or not consummated) including but not limited to brokerage commissions, clearing and settlement charges, custodial fees, bank service fees and interest expenses; research-related travel and entertainment expenses; research expenses (including Bloomberg terminals); legal expenses; professional fees relating to investments (including, without limitation, expenses of consultants and experts); accounting expenses; audit and tax preparation expenses; costs of printing and mailing reports and notices; taxes; corporate licensing; regulatory expenses (including filing fees); organizational expenses; and expenses incurred in connection with the offering and sale of interests in the Funds.

Please refer to the governing documents for a full description of Fund expenses.

Item 6. Performance Based Fees and Side-by-Side Management

As stated in Item 5 above, Unterberg's affiliated general partner charges performance based fees to the Funds, which are fees based on a share of capital gains on or capital appreciation of the Funds' assets.

The fact that Unterberg is compensated based on trading profits may create an incentive for the Company to make investments on behalf of the Funds that are riskier or more speculative than would be the case in the absence of such compensation. In addition, the performance based fee received by Unterberg is based primarily on realized and unrealized gains and losses. As a result,

the performance based fee earned could be based on unrealized gains that the Funds may never realize. However, the incentive fee allocation will only be made to the extent there is no unrecoverable balance remaining in such limited partner's loss recovery account or in excess of the hurdle calculation for UTP limited partners.

Unterberg does not allocate investments to the Funds based on the fees paid by such Fund. The Company aims to allocate investments to the Funds in a fair and equitable manner taking into account each respective Fund's investment strategy and any relevant investment limitations.

Item 7. Types of Clients

The Company provides discretionary investment advice to the Funds, which are structured as Delaware limited partnerships.

The Company generally requires a minimum of \$500,000 for an investment in the Funds. However, Unterberg reserves the right to waive this minimum.

Interests in the Funds are not registered under the Securities Act of 1933, as amended, and such Funds are not registered under the Investment Company Act of 1940. Accordingly, interests in the Funds are offered and sold exclusively to limited partners satisfying the applicable eligibility and suitability requirements either in private transactions within the United States or in offshore transactions.

Unterberg may enter into side letter agreements with one or more limited partners which provide such limited partners with additional and/or different rights (including, without limitation, with respect to management fees, the performance allocations, access to information, and liquidity terms) than such limited partners have pursuant to general terms of a Fund.

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

Investment Strategy

The Funds are long-only investment funds primarily focused on micro-capitalization and small-capitalization technology or technology-related companies, with UKC focused more on companies with a market capitalization of less than \$150 million and UTP focused more on companies with a market capitalization of more than \$150 million. The Funds generally make investments directly in common stock, convertible debentures or equity-linked debt securities, private investments in public equity (PIPEs), and registered directs.

Research Process

The Company predominantly sources investment opportunities through proprietary research derived from annual reports, prospectuses, filings with the SEC, corporate press releases, inspections of corporate activities, conversations with the firm and/or its competitors, financial newspapers, magazines, and other sources. Once the Company identifies a particular investment opportunity, the Company uses its own evaluation techniques, which place emphasis on the

presence of public information and the Company's own research which can include calls with management, customers, and other industry participants.

Risks

An investment in the Funds entails a certain degree of risk and therefore should be undertaken only by limited partners capable of evaluating and bearing the risks that are present. Below is a non-exhaustive list of relevant risks. Prospective limited partners should review the applicable Fund governing documents for a more extensive description of the risks of investing in the Funds.

- Identifying undervalued securities and other assets is difficult, and there are no assurances that such a strategy will succeed.
- The Fund may invest a portion of assets in securities for which there is no public market and for which valuations may be difficult. These investments may be more difficult to dispose of and, even if the investments of the Funds are successful, they may not produce a realized return to the limited partners for a period of several years.
- Because some of the Fund's investments may be held for a substantial period of time, the Funds face the risks of changes in long-term interest rates and adverse changes in the relevant markets.
- The value of small-capitalization and micro-capitalization company securities may be subject to wider price fluctuations and may be difficult or impossible to sell.
- Small- capitalization and micro-capitalization companies may generate less information on which to base investment decisions.
- Small-capitalization and micro-capitalization companies are often subject to risks related to lack the management experience, lack of financial resources, reliance on a single product and the inability to compete with better capitalized companies with more experienced managers.
- Low trading volume in a company's securities means that Unterberg may have to sell holdings at a discount from quoted prices or make a series of small sales over an extended period of time.

Item 9. Disciplinary Information

Unterberg and its employees have not been involved in any legal or disciplinary events in the past 10 years that would require disclosure in this item.

Item 10. Other Financial Industry Activities and Affiliations

The Company provides investment advice to the Funds. The general partner of the Funds is affiliated with Unterberg by common ownership. Otherwise, Unterberg and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

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

Unterberg has adopted a written Code of Ethics that is applicable to all employees. Among other things, the code requires Unterberg and its employees to act in the Funds' best interests, abide by all applicable regulations, avoid even the appearance of insider trading, pre-clear many types of personal securities transactions, and provide periodic reports of holdings and transactions. Unterberg's restrictions on personal securities trading apply to employees, as well as employees' immediate family members living in the same household. A copy of Unterberg's Code of Ethics is available upon request by contacting the Chief Compliance Officer ("CCO") at (212) 745-1138.

The Company and its related persons, including its employees, may invest in the Funds, and, therefore, such persons may hold the same securities as other limited partners in the Funds. In addition, Unterberg and its related persons may own securities in their personal accounts that are also recommended by the Company to the Funds. The Company has adopted certain policies to help ensure that such trading by its personnel does not adversely affect the interests of the Funds.

Item 12. Brokerage Practices

Unterberg has full discretion in deciding which instruments and securities are bought and sold, the amount and price of those instruments and securities, the broker-dealers to be used for a particular transaction, and commissions or markups and markdowns paid on behalf of the Funds.

Best Execution

The Company seeks to obtain best execution for securities transactions on behalf of the Funds. In selecting brokers to effect portfolio transactions for the Funds, the Company considers the following factors, among others: the ability of the brokers to effect the transactions, the brokers' facilities, reliability and financial responsibility, and the brokers' provision of research products or other products or services. The Funds may pay, or Unterberg may authorize the payment and reimbursement of, brokerage commissions that may be in excess of the lowest rates available that are paid to brokers who execute transactions for the Funds and who supply research products or services that are of benefit to the Funds. Unterberg does not direct brokerage business to broker-dealers based on referrals of limited partners from such broker-dealers.

Investment personnel meet periodically to evaluate the execution quality of broker-dealers, which covers a number of factors such as commission rates and the broker-dealer's services, including research and execution.

Soft Dollar Benefits

As of the date of this filing, Unterberg has not entered into any formal soft dollar arrangements with broker-dealers. The Company accepts only proprietary research from broker-dealers which is supplemental to its own research efforts. To the best of Unterberg's knowledge, these services are generally made available to all institutional investors doing business with such broker-dealers. Unterberg may have an incentive to select or recommend a broker-dealer based on the interest of receiving research products and services, rather than on the Fund's interest in receiving the most favorable execution. Unterberg does not separately compensate such broker-dealers for the research and does not believe that it "pays-up" for such broker-dealers' services due to the difficulty associated with the broker-dealers not breaking out the costs for such services. Unterberg's acceptance of research from broker-dealers is done in accordance with the provisions of Section 28(e) of the Securities Exchange Act of 1934, as amended.

In addition to using brokers as "agents" and paying commissions, the Company buys or sells securities directly from or to dealers which are acting as principals at prices that include markups or markdowns, and may buy securities from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers.

Aggregation and Allocation of Trades

Unterberg will seek to allocate trades in a manner that is fair to all Funds and does not allocate trades based on a Fund's performance or fee structure. The Funds are managed according to the investment criteria of each respective Fund. Certain investments, such as direct investments in small-capitalization or micro-capitalization companies, may be purchased for both Funds. Unterberg generally aggregates trades for the Funds to the extent the Company intends to purchase the same security in both Funds at the same time. Funds that participate in a block trade generally receive a pro-rata allocation based on the ending net asset values as of the prior day. Exceptions to the pro-rata allocation may occur in light of tax considerations, weightings in the Funds, and available cash, among other things. Funds participating in a block trade receive the average price and pay a proportional share of any commission, subject to minimum ticket charges.

Trade Errors

In the event that a trade error occurs, the error will be addressed and corrected as soon as possible. The Company allocates all gains and losses resulting from operational and trading errors to the applicable Fund, unless they are the result of conduct on the part of Unterberg which constitutes willful misconduct, gross negligence, or bad faith.

Item 13. Review of Accounts

The Funds are managed and reviewed by the Chief Investment Officer, Thomas Unterberg on a daily basis. These reviews include an assessment of the valuations of the individual investments, market conditions, risk exposure, and other factors.

Limited partners in the Funds receive monthly unaudited capital statements from an independent third party administrator, Conifer Securities LLC, that include the most current monthly market

value and year-to-date performance, a monthly letter from the Company, as well as annual audited financial statements prepared by independent public accountants within 120 days of the Fund's fiscal year end.

Item 14. Client Referrals and Other Compensation

Unterberg does not directly or indirectly compensate any third-party for client or limited partner referrals.

Other than the previously described products and services that the Company receives from counterparties in the ordinary course of business, Unterberg does not receive any other economic benefits from non-clients in connection with the provision of investment advice to the Funds.

Item 15. Custody

In its role as general partner and/or manager to the Funds, Unterberg is deemed to have custody of the Fund assets. Limited partners of the Funds will not receive statements from the Funds' custodian(s). Instead, the Funds are subject to an annual audit and the audited financial statements are distributed to each limited partner. The audited financial statements will be prepared in accordance with generally accepted accounting principles and distributed within 120 days of the Funds' respective fiscal year ends.

Item 16. Investment Discretion

Unterberg has been granted the authority by the Funds to determine, without specific consent, the securities to be bought or sold and the amounts of those securities in accordance with the governing documents for the Funds.

Item 17. Voting Client Securities

Unterberg maintains full discretion over all proxy voting decisions involving the Funds. In accordance with its fiduciary duty to clients and Rule 206(4)-6 under the Investment Advisers Act of 1940, as amended, Unterberg has adopted formal proxy voting policies and procedures. The general policy is to vote proxies in the best interests of the Funds, as determined by the Company in its discretion, taking into account the impact on the value of the investments, the anticipated associated costs and benefits, and customary industry and business practices. In limited circumstances, the Company may refrain from voting proxies where the Company believes that voting would be inappropriate taking into consideration the cost of voting the proxy and the anticipated benefit to the Funds.

From time to time Unterberg may participate in class actions on behalf of the Funds after evaluating the cost/benefit to the Funds.

A copy of Unterberg's proxy voting policies and procedures, as well as specific information about how Unterberg has voted in the past, is available by contacting the CCO at (212) 745-1138.

Item 18. Financial Information

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