

VERTO MANAGEMENT, LLC

73 Arrowwood Drive
Scituate, MA 02066

March 21, 2018

PART 2A OF FORM ADV: FIRM BROCHURE

This brochure provides information about the qualifications and business practices of Verto Management, LLC. If you have any questions about the contents of this brochure, please contact us at 73 Arrowwood Drive, Scituate, MA 02066, or by email at gsmith@vertomgmt.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Verto Management, LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

Verto Management, LLC has applied with the SEC as a newly formed adviser that expects to be eligible for SEC registration within 120 Days. Registration as investment adviser does not imply a certain level of skill or training.

Item 2 – Material Changes

This Firm Brochure, dated March 21, 2018, has been updated to provide information that is different from or supplemental to information that Verto provided in its initial Firm Brochure, dated February 9, 2018.

This update reflects the commencement of a new investment management agreement entered into by and between Verto and a client. All information in this brochure is given as of the date set forth on the cover page.

We encourage all recipients of this brochure to read it carefully in its entirety and to contact us should you have any questions.

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Item 4 – Advisory Business

Verto Management, LLC (“Verto”), a State of Delaware limited liability company, is a SEC-registered investment adviser with its principal place of business in the greater metropolitan area of Boston, Massachusetts. The founder and sole owner of Verto is Glenn Smith (the “Principal”). It is anticipated that Verto, or an entity that controls Verto, will admit during 2018 one or more industry professionals as members to directly or indirectly manage and control the operations of Verto alongside the Principal. Verto may also admit one or more non-control members that will have economic, but not governance, rights in Verto. In addition, Verto may organize a senior advisory board (“Advisory Board”) comprised of industry professionals to provide guidance, advice and/or deal sourcing to Verto from time to time. However, the Advisory Board’s role shall be advisory only and Verto shall not be bound to follow any advice or recommendation provided by the Advisory Board. The costs and expenses related to the Advisory Board shall be borne solely by Verto unless otherwise expressly disclosed in the offering documents of one or more Pooled Project Vehicles (as defined below).

Verto began operations in 2018 and was formed to provide investment advisory services to (i) one or more series platform vehicles (each, a “Platform Vehicle”) that will generally raise capital and source investment opportunities for investors to participate on an investment-by-investment basis (ii) one or more separate series that is to be organized for each separate investment (each such series, a “Project Vehicle”), and (iii) provide investment advisory services on both a discretionary and non-discretionary basis to certain institutional clients (“Clients”). Verto may also form and manage one or more feeder vehicles (“Feeder Vehicles”) that will invest in one or more Project Vehicles. The Platform Vehicles, Project Vehicles and Feeder Vehicles are collectively referred to herein as the “Pooled Project Vehicles”)

Verto specializes in investing in the renewable energy industry.

Verto does not provide investment advisory services individually to investors in its Pooled Project Vehicles. None of the Pooled Project Vehicles will be registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”), and their securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”). Verto’s investment decisions and advice with respect to each Pooled Project Vehicle will be subject to each investment’s objective and guidelines, as set forth in such Pooled Project Vehicle’s offering documents.

Verto generally expects to provide investment advisory services to the Pooled Project Vehicles and Clients through separate advisory agreements (each, an “Advisory Agreement”) tailored to the specific needs of each Pooled Project Vehicle or Client as may be necessary, appropriate or negotiated on a case-by-case basis. Services to the Pooled Project Vehicles or Clients will include one or more of identifying, evaluating, structuring and/or negotiating prospective investments, managing and monitoring projects and advising the Pooled Project Vehicles or Clients with respect to disposition opportunities.

It is anticipated that Verto will serve as the investment adviser to Verto Partners, LLC, a Delaware series limited liability company (“Verto Partners”), which will be a newly formed Platform Vehicle that is exempt from registration under the Investment Company Act and the Securities Act. Verto Partners will be Verto’s first Pooled Project Vehicle under management. In addition, it is anticipated that Verto will enter into an advisory contract with one or more Clients and Pooled Project Vehicles.

The descriptions set forth in this brochure of specific advisory services that Verto offers to its clients should not be understood to limit in any way Verto's investment activities. Verto may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this brochure, that Verto considers appropriate, subject to each client's investment objectives and guidelines. The investment strategies Verto pursues are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any client will be achieved.

As of the date of this brochure, Verto does not have any discretionary or non-discretionary assets under management. Verto does not currently participate in any Wrap Fee Programs.

Item 5 – Fees and Compensation

Verto's fee and compensation arrangements as well as the expenses that a Pooled Project Vehicle or Client may be responsible for may vary among the Pooled Project Vehicles and/or Clients it advises. The specific terms of such arrangements with a Pooled Project Vehicle or a Client will be set forth in the applicable written agreement with Verto (or an affiliate, as applicable) and the Pooled Project Vehicle or Client. The current anticipated fixed fee structure for investors in the Pooled Project Vehicles or Clients is described below.

Participation Fee. It is anticipated that members of the Platform Vehicles or Feeder Vehicles will pay Verto an annual participation fee ("Participation Fee") in an amount equal to one half percent (0.50%) of each such member's uncommitted pledge amount (*i.e.*, the amount that such member has pledged to the Platform Vehicle that has yet to be invested in a Project Vehicle). Verto may also be entitled to a similar type participating fee under its advisory contracts with one or more Clients, as set forth in the operative documents between Verto and a Client.

Management Fee. As compensation for its ongoing management services in respect of portfolio investments made by the Project Vehicles, Verto typically expects to receive an annual management fee (the "Management Fee") in the range of 0.50% to 1.50% of the aggregate invested capital of a Pooled Project Vehicles' investors. The Management Fee will typically be paid quarterly in advance (*i.e.*, typically within 15 days of the start of the applicable quarter) directly from the applicable Pooled Project Vehicles. In the event the investment objective of a Pooled Project Vehicle is to invest in another Pooled Project Vehicle (for example, a Feeder Vehicle is organized to invest directly in one or more Project Vehicles), it will generally be the case that Verto will charge a Management Fee at either the Feeder Vehicle level or the Project Vehicle level, but not both.

Management fees in advisory contracts with other Clients will be negotiated on a deal-by-deal basis and may be based on (i) an hourly services rate, (ii) the amount of capital invested in (or committed to) a specific project or projects and/or (iii) any combination of the foregoing.

Success Fees. It is anticipated that Verto will be entitled to a success fee ("Success Fee") upon the closing of an investment by a Pooled Project Vehicle in an amount equal 1.0% of the acquisition cost of such investment. Verto may also be entitled to a similar type success fee under its advisory contracts with one or more Clients, as set forth in the operative documents between Verto and a Client.

In addition, Verto or an affiliate will be entitled to receive a carried interest distribution from Pooled Project Vehicles, as further discussed below in Item 6.

Item 6 – Performance-Based Fees

As mentioned above in Item 5, in addition to a Participation Fee, Management Fee and/or Success Fee that may apply, the Pooled Project Vehicles are generally expected to allocate a portion of their investment profits to Verto or an affiliate as “carried interest distributions.” The carried interest distributions will generally be an amount equal to a percentage of the net realized profits from the project (or projects) in which a Pooled Project Vehicle invests, calculated pursuant to the offering documents of each such Pooled Project Vehicle. Similar to the Management Fee, in the event the investment objective of a Pooled Project Vehicle is to invest in another Pooled Project Vehicle (for example, a Feeder Vehicle is organized to invest in one or more Project Vehicles), it will generally be the case that Verto will be entitled to receive carried interest distributions at either the Feeder Vehicle level or the Project Vehicle level, but not both.

Verto or an affiliate may also receive carried interest distributions or similar incentive allocations with respect to one or more projects Verto advises on behalf of its other Clients.

The carried interest distribution arrangements are structured subject to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In accordance with Rule 205-3, investors in a Pooled Project Vehicle that is assessed carried interest must meet the qualifications set forth in Rule 205-3, and are advised of the terms of such performance-based fees and the associated risks.

In situations where Verto retains discretion to invest client assets in one or more projects or investments, the carried interest distributions may create an incentive for Verto to make riskier or more speculative investments than would be the case in the absence of this arrangement. The code of ethics adopted by Verto, which is described in more detail in Item 11 below, sets forth policies and procedures to address conflicts of interest. Such policies and procedures require Verto and its personnel to act in the respective best interests of the Pooled Project Vehicles and other Clients.

Item 7 – Types of Clients

Upon the initial closing of Verto Partners, Verto Partners will be Verto’s only Pooled Project Vehicle client (although Verto expects to launch one or more Project Vehicles after the formation of Verto Partners). As Verto’s Pooled Project Vehicle complex grows, Verto expects its clients will generally be Pooled Project Vehicles (including any alternative investment vehicles and/or special purpose vehicles) that are exempt from registration under the Investment Company Act. The investors in such Pooled Project Vehicles are generally required to meet certain suitability and net worth qualifications, *e.g.*, the investors must be (i) “accredited investors” within the meaning of Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended, and (ii) “qualified clients” within the meaning of the Advisers Act. Investors are also generally expected to be “qualified purchasers,” as defined in the Investment Company Act of 1940, as amended. Investors in Verto’s Pooled Project Vehicles may include, among others, high net worth investors, family offices, pension plans, endowments, trusts, sovereign

wealth Pooled Project Vehicles, Pooled Project Vehicles-of-Pooled Project Vehicles, financial institutions and other U.S. and non-U.S. institutional investors. Generally, the minimum initial pledge of an investor to a Platform Vehicle will be \$200 million, although lesser amounts may be accepted at the discretion of Verto. Investors participating in a Platform Vehicle will generally be permitted to select in which Project Vehicles it desires to invest and no investor will be required to invest in any specific Project Vehicle. Conditions for investing in each Pooled Project Vehicle are stated in each Pooled Project Vehicle's applicable offering documents.

As noted above, it is anticipated that Verto will provide investment advisory services directly to one or more institutional Clients.

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

Methods of Analysis and Investment Strategy

Verto seeks to make significant investments in operating companies and/or projects at various stages through acquisitions, recapitalizations and company expansion programs, generally in conjunction with the management of target projects and/or companies. Target investments will include, but not necessarily be limited to, new assets transitioning from the development to construction or construction to the operational phases and seeking financing or refinancing, the acquisition of mature contracted assets and new capacity additions.

Verto intends to target equity investments in existing and greenfield bioenergy projects and privately held companies, focused on biomass-to-pellets, biomass-to-power, biomass fuel, waste-to-energy assets, and renewable energy infrastructure primarily in North America, Western Europe, and the Asia-Pacific region. In evaluating potential portfolio companies and/or projects, Verto's analysis typically focuses on the target company's or project's (i) business model and competitive environment, (ii) financial structure and performance, (iii) business plan and opportunities for long-term contracted cash flow and/or value creation, (iv) the existence of strategic co-investment partners, (iv) management team capabilities and/or (v) potential for attractive exit opportunities.

Verto may, from time to time, utilize legal, industry, financial and other advisors to complement its due diligence process.

Investment Risks

The items set forth below are a brief overview of the risks associated with Verto's investment strategy; they are not intended to serve as a comprehensive exposition of all risks and conflicts that may arise in connection with the management and operation of the Pooled Project Vehicles.

Pooled Project Vehicle and Management Related Risks

Lack of Operating History; New Ventures. Verto, Verto Partners and each Pooled Project Vehicle that is subsequently formed will be new entities with limited to no operating histories. They are subject to the risks involved with any speculative new venture. No assurance can be given that any Pooled Project Vehicle will be profitable.

Reliance on Management. While investors may have an opportunity to perform due diligence and select the Project Vehicles in which they would like to invest, it is anticipated that all decisions regarding management of the such Project Vehicles will be made solely by Verto and not by any of the Project Vehicle's investors. Accordingly, investors should not invest in any Project Vehicle or other Pooled Project Vehicles unless they are willing to entrust all aspects of management to Verto. Investors should carefully evaluate the personal experience and business performance of Verto and the Principal. The ability of Verto to discharge its duties is dependent on the services of the Principal. The loss of the Principal could have a significant adverse effect on a Pooled Project Vehicle.

Illiquidity of Investor Interests; Consequences of Default. Interests in a Pooled Project Vehicle are highly illiquid, have no public market and generally are not transferable. Accordingly, an investor in a Pooled Project Vehicle may not be able to liquidate its investment and must be prepared to bear the risks of owning its Pooled Project Vehicle interest for an extended period of time. A default by an investor in making a required capital contribution or any other payment to a Pooled Project Vehicle may result in loss of all or a substantial part of the investor's investment in the Pooled Project Vehicle, as well as in the application of other remedies as set forth in the particular Pooled Project Vehicle's offering documents.

Risks Related to the Energy Industry

Volatility of Commodity Prices. The performance of certain investments may be substantially dependent upon prevailing prices of oil, natural gas, coal and other commodities (such as metals). Commodity prices are 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 oil, gas, coal or metals in certain relevant markets; (v) the foreign supply of oil, natural gas and metals; (vi) the price of foreign imports; (vii) the price and availability of alternative fuels including biomass; (viii) the level of consumer demand; (ix) weather conditions; (x) the competitive position of oil, gas, biomass or coal as a source of energy; (xi) the industry-wide refining or processing capacity for gas or coal; (xii) the effect of U.S. and non-U.S. federal, state and local regulation on the production, transportation and sale of commodities; (xiii) the amount and character of excess electric generating capacity in a market area; (xiv) overall economic conditions; and (xv) a variety of additional factors that are beyond the control of Verto.

Cyclicalities of Energy Markets. The markets for energy and entities whose businesses are dependent on energy and related activities are cyclical and, in many circumstances, dependent upon a variety of macroeconomic and political factors, some or all of which, including recessionary or inflationary economies and inflationary expectations in the United States and other countries, will be beyond the control of the management of the energy-related portfolio companies in which the Pooled Project Vehicles may invest. The values of energy and energy-related businesses are affected by changes in the supply and demand of oil, natural gas and other energy fuels. Supply and demand can fluctuate significantly over a short period of time due to changes in, for example, weather, international politics, policies of the Organization of Petroleum Exporting Countries ("OPEC"), relationships between OPEC member nations, the rate of economic growth in the Asia-Pacific region, conservation, the regulatory environment, governmental tax policies and the economic growth and stability of countries that consume

or produce large amounts of energy resources. Interest rates, currency fluctuations, real or perceived market shortages, global conflicts, acts of terrorism, overproduction and overcapacity are additional factors that may affect prices. Such effects may last for extended periods, thereby limiting investment opportunities as well as opportunities to exit previously consummated investments at reasonable valuations.

Historically, increases in the prices of energy have often corresponded to periods of high inflation. Under some circumstances, the value of investments in the energy industry may increase in response to appreciation in the price of the underlying energy products relevant to such companies. To the extent that the underlying investments of an energy-related portfolio company participate in this appreciation, such investments can provide a measure of inflation protection during inflationary periods. However, there can be no assurance that any such rise in energy price levels will correspond to increases in general price levels, or that the value of any of a Pooled Project Vehicle's energy-related portfolio company investments will appreciate during inflationary periods.

Uncertainty of Resource Estimates and Financial Projections. Estimates by qualified engineers of the quantity and quality of natural resources (such as hydrocarbon reserves, geothermal reserves, wood baskets, solar irradiation, and wind and water flows) that are available to fuel the production of electric power or other energy products are often key factors in valuing certain energy companies. 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 resource or reserve. The estimates may be subject to wide variances based on changes in commodity prices and certain technical assumptions. The capital structure of a portfolio company will generally be structured on the basis of financial projections for such portfolio company. Projected operating results will often be based on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse impact on the reliability of such projections.

Environmental Matters. Environmental laws, regulations and regulatory initiatives play a significant role in the energy sector and can have a substantial impact on investments in the energy industry. For example, global initiatives to minimize pollution have played a major role in the increase in demand for 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 energy sector will continue to face considerable oversight from environmental regulatory authorities and significant influence from non-governmental organizations and special interest groups. A Pooled Project Vehicle may invest in portfolio companies or projects 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 impose substantial additional costs on investments or potential investments. Compliance with such current or future requirements does not

ensure that the operations of a Pooled Project Vehicle's investments will not cause injury to the environment or to people under all circumstances or that a Pooled Project Vehicle's investments will not be required to incur additional unforeseen expenditures. Moreover, failure to comply with any such requirements could have a material adverse effect on a portfolio company or project, and there can be no assurance that portfolio companies will at all times comply with all applicable laws, regulations and permit requirements. Past practices or future operations of portfolio companies could also result in material personal injury or property damage claims.

Under certain circumstances, environmental authorities and other parties may seek to impose personal liability on the limited partners of a partnership or members of a limited liability company for violations of environmental laws or regulations.

Power Purchase Agreements; Supply Agreements. Portfolio companies or projects may enter into power purchase agreements (“PPAs”) providing for the purchase of power by third parties from such portfolio companies or projects and/or or power supply agreements (“PSAs”) whereby a portfolio company or project agrees to supply energy-related materials (e.g., wood pellets) on a long-term basis to one or more third parties. Payments by power purchasers or material purchasers to such companies or projects pursuant to their respective PPAs or PSAs may provide the majority of such companies' or projects' cash flows. There can be no assurance that any or all of the power or material purchasers will fulfill their obligations under their PPAs or PSAs, as applicable, that any such counter-party will not become bankrupt or that upon any such bankruptcy its obligations under its respective PPA or PSA will not be terminated. There are additional risks relating to the PPAs and PSAs, 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 or material purchaser to fulfill its obligations under any PPA or PSA, as applicable, or the termination of any PPA or PSA may have a material adverse effect on a portfolio company or project.

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

In certain circumstances, a Pooled Project Vehicle (or a company or 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 or PSA. If the seller (or the company or project that makes such pledge) is unable to meet its obligations under such supply agreement, a Pooled Project Vehicle (or the company or project that makes such pledge of performance assurance) could suffer losses that may have a material impact on the performance of the Pooled Project Vehicle.

Catastrophe and Weather Risks. The operations of energy companies are subject to many hazards inherent in the production, transporting, processing, storing, distributing, or marketing a wide range of commodities, electricity, and natural resources, such as damage to production facilities, transmission lines, substations, storage facilities, port terminaling 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 Pooled Project Vehicle may invest in companies and/or 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 portfolio companies and/or projects.

Construction, Operations and Maintenance Risk. In connection with the development of any greenfield 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: Bioenergy and other energy projects can be adversely affected by unanticipated events such as explosions, fires, natural disasters or severe weather conditions. Severe weather, such as floods, earthquakes, hurricanes or other catastrophes, or climatic phenomena, such as drought, may impact the operations of portfolio companies by causing weather-related damage to facilities and equipment and may impact the ability of customers to take delivery of the products of portfolio companies. Such severe weather may also adversely affect the ability of feedstock suppliers to provide portfolio companies with required raw materials or the ability of vessels to load, transport and unload project output. In addition, bioenergy facilities are subject to the risk of unexpected equipment failures. Production plant manufacturing processes are dependent upon critical pieces of equipment, and such equipment may, on occasion, be forced out of service as a result of such failures. As a consequence, plants may experience material plant shutdowns or periods of reduced production. Any interference with or curtailment of plant operations could result in a loss of productivity, an increase in operating costs or a breach of obligations to deliver contracted volumes to customers. Any breach of contractual obligations to off-takers as a result of downtime or reduced production periods may have a material adverse effect on a portfolio company's business, results of operations, cash flows and ability to make cash distributions.
- Technical Risks. Investments in the energy 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 Pooled Project Vehicle 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 (*i.e.*, 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 Verto’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 the Pooled Project Vehicle. 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 a portfolio company from time to time.
- Insurance Risks. Portfolio companies may not be fully insured against all risks incident to their business, 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 a portfolio company 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.

Risks Relating to Foreign and Emerging Markets Investments.

Investments by a Pooled Project Vehicle in foreign securities may involve greater risks than investing in domestic securities because the Pooled Project Vehicle’s performance may depend on factors other than just the performance of a particular company.

Non-U.S. and Non-OECD Investments. It is anticipated that one or more Pooled Project Vehicles will invest a portion of its aggregate commitments outside of the United States and outside of OECD countries. Investments in non-U.S. and non-OECD securities involve certain factors not typically associated with investing in U.S. securities, including risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which the Partnership’s non-U.S. investments are denominated, and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the U.S. and non-U.S. securities markets, including potential price volatility in and relative illiquidity of some non-U.S. securities markets; (iii) the absence of uniform accounting, auditing, and financial reporting standards, practices and disclosure requirements, and less government supervision and regulation; (iv)

certain economic and political risks, including potential exchange control regulations and restrictions on non-U.S. investment and repatriation of capital, the risks of political, economic, or social instability and the possibility of expropriation or confiscatory taxation; and (v) the possible imposition of non-U.S. taxes on income and gains recognized with respect to such securities.

Additionally, certain countries in which a Pooled Project Vehicle may invest (such as emerging market countries) have in the past, and may in the future, experience political and social instability that could adversely affect the Pooled Project Vehicle's investments in such countries. Such instability could result from, among other things, popular unrest associated with demands for improved political, economic and social conditions and popular unrest in opposition to government policies that facilitate direct foreign investment. As a result of such unrest, there is a heightened possibility of expropriation or confiscatory taxation, imposition of withholding taxes on interest payments, or other similar developments that could affect investments in those countries. There can be no assurance that adverse political changes will not have a significant impact on an investment held by a Pooled Project Vehicle.

While Verto intends, where deemed appropriate, to manage each Pooled Project Vehicle in a manner that will minimize exposure to the foregoing risks, there can be no assurance that adverse developments with respect to such risks will not adversely affect the investments that are held in certain countries.

Foreign Market Financial Disclosure Risks. As compared to U.S. companies, foreign issuers generally disclose less financial and other information publicly and are subject to less stringent and less uniform accounting, auditing and financial reporting standards. Some foreign countries impose less thorough regulations on brokers, dealers, stock exchanges, corporate insiders and listed companies than does the United States, and foreign securities markets may be less liquid and more volatile than domestic markets. Investment in foreign securities may also involve higher costs than investment in U.S. securities, including higher transaction and custody costs as well as the imposition of additional taxes by foreign governments. In addition, political or social instability, civil unrest, acts of terrorism and regional economic volatility are other potential risks described herein could impact an investment in a foreign security. Moreover, individual foreign economies may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross national product, reinvestment of capital, rate of inflation, capital reinvestment, resource self-sufficiency, and balance of payments position. Certain economies may rely heavily on particular industries or foreign capital and are more vulnerable to diplomatic developments, the imposition of economic sanctions against a particular country or countries, changes in international trading patterns, trade barriers, and other protectionist or retaliatory measures.

Ability to Enforce Legal Rights. Pooled Project Vehicles may make investments in countries where the legal systems vary substantially from those in the United States and other developed countries. As a result, a Pooled Project Vehicle may have difficulty in successfully pursuing claims in the courts of such countries, including claims to enforce certain management rights that are obtained by a Pooled Project Vehicle in connection with an investment in a portfolio company or project. There is no assurance that a Pooled Project Vehicle will be able to effectively enforce its rights or obtain appropriate judgments in connection with any claims. Furthermore, to the extent that a Pooled Project Vehicle may obtain a judgment, but is required to seek its enforcement in the courts of one of these countries, there can

be no assurance that such a court will enforce such a judgment. Such circumstances could adversely impact the performance of such portfolio company or project and, as a result, materially impact the performance of the Pooled Project Vehicle of such investment.

Emerging Market Currencies. Currencies of emerging market countries have experienced devaluations relative to the U.S. dollar, and major devaluations have historically occurred in certain countries. A devaluation of the currency in which investments are denominated will negatively impact the value of those investments in U.S. dollar terms. Emerging market countries have and may in the future impose foreign currency controls and repatriation controls. Depositary receipts are subject to many risks associated with investing directly in foreign securities including political and economic risks.

Hedging Policies/Risks. Verto may choose to protect the economic value of the investments held by a Pooled Project Vehicle through currency hedging to mitigate the impact of potential currency fluctuations. Thus, while a Pooled Project Vehicle may benefit from the use of these hedging mechanisms, unanticipated changes in currency exchange rates may result in a poorer overall performance for a Pooled Project Vehicle than if it had not entered into such hedging transactions.

Other General Operating and Investment Risks

Operating, Financial and Regulatory Risks affecting Portfolio Companies. The performance of the operating companies in which a Pooled Project Vehicle invests could deteriorate as a result of, among other factors, an adverse development in their business, a change in the competitive environment, an economic downturn, changes in weather and weather patterns, changes in laws, regulations, fiscal policies or political conditions, including the risks of war and the effects of terrorist attacks. Regulation generally, including tax laws and regulation, whether in the United States or abroad, also could increase the cost of acquiring, holding or divesting portfolio investments, the profitability of enterprises and the cost of operating a Pooled Project Vehicle. As a result, a Pooled Project Vehicle's investment may experience significant variations in operating results, may require substantial additional capital to support their operations or to maintain their competitive position, or may otherwise have a weak financial condition or experience financial distress.

Controlling Interests. Because of its equity ownership, representation on the board of directors and/or contractual rights, a Pooled Project Vehicle may often be considered to control, participate in the management of or influence the conduct of a portfolio company. Under certain circumstances such ownership or roles could be used by third parties as the basis for such parties to assert claims against the Pooled Project Vehicle whether or not there is any actual liability on such basis. If these liabilities were to arise, a Pooled Project Vehicle may suffer a significant loss.

Illiquid and Long-Term Investments. Investment in a Pooled Project Vehicle may require a long-term commitment with no certainty of return. Although investments may occasionally generate some current income, the return of capital and the realization of gains, if any, from an investment generally will occur only upon the partial or complete disposition or refinancing of such investment.

Minority Investments. Although Verto's typical investment approach is to acquire controlling interests or positions of significant influence, a Pooled Project Vehicle may invest in securities where it is

not a lead or organizing investor. In such cases, a Pooled Project Vehicle may not be able to exert significant influence or protect its position. A Pooled Project Vehicle will be significantly reliant on the existing management and board of directors of such companies and may be exposed to risks related to third party co-investors. For example, the board and/or third party co-investors may include representation of other financial investors with whom a Pooled Project Vehicle is not affiliated or other third parties whose interests may be contrary to a Pooled Project Vehicle's investment objectives and may conflict with such Pooled Project Vehicle's interests.

Market Conditions. A Pooled Project Vehicle may be materially affected by conditions in the financial markets and economic conditions throughout the world, including interest rates, availability and terms of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, commodity prices, currency exchange rates and controls and national and international political circumstances, and such conditions may adversely affect its performance.

Cyber Security Breaches and Identity Theft. Information and technology systems of Verto and the Pooled Project Vehicles' portfolio companies may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If any systems designed to manage such risks are compromised, become inoperable for extended periods of time or cease to function properly, Verto, a Pooled Project Vehicle and/or a portfolio company may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions to Verto, a Pooled Project Vehicle and/or a portfolio company's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm Verto, a Pooled Project Vehicle or a portfolio company's reputation, subject them and their respective affiliates to legal claims and otherwise affect their business and financial performance.

ERISA. A Pooled Project Vehicle may hold "plan assets" subject to the Employee Retirement Income Security Act of 1974 ("ERISA"). ERISA imposes certain general and specific responsibilities and restrictions on fiduciaries with respect to plan assets. Verto endeavors to structure the Pooled Project Vehicles so that Verto or related entities are not classified as "fiduciaries" under ERISA as a result of holding such plan assets. If Verto or a related entity were to be considered a "fiduciary" with respect to plan assets in a Pooled Project Vehicle, such Pooled Project Vehicle may be prohibited from entering into certain transactions if the investment would violate ERISA with respect to such Pooled Project Vehicle, or may be obligated to take certain actions or refrain from taking certain actions in order to avoid a violation of ERISA with respect to such Pooled Project Vehicle.

Item 9 – Disciplinary Information

There are no legal or disciplinary events required to be disclosed pursuant to this Item 9.

Item 10 – Other Financial Industry Activities and Affiliations

Neither Verto nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer; or as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities. Verto intends to organize and sponsor the Platform Vehicle, the Project Vehicles and/or Feeder Pooled Project Vehicles. The Pooled Project Vehicles managed by Verto may be controlled by entities affiliated with Verto (“GP entities”). The GP entities delegate the management of the Pooled Project Vehicles to Verto through a management agreement for each Pooled Project Vehicle. No other relationship or arrangement exists between Verto and any related person that is material to Verto’s advisory business or the Pooled Project Vehicles.

Item 11 – Code of Ethics, Participation or Interests in Client Transactions and Personal Trading

Code of Ethics

Verto has adopted a comprehensive Code of Ethics (the “Code”) intended to ensure that it fulfills its role as a fiduciary to the Pooled Project Vehicles. The Code requires that Verto personnel and certain associated persons act in the best interests of the Pooled Project Vehicles to the exclusion of contrary interests, act in good faith and in an ethical manner, avoid conflicts of interest with the Pooled Project Vehicles to the extent reasonably possible, and identify and manage conflicts of interest to the extent they arise. Personnel are also required to comply with applicable provisions of the federal securities laws and make prompt reports of any actual or suspected violations of such laws by Verto or its personnel. In addition, the Code sets forth formal policies and procedures with respect to the personal securities trading activities of Verto’s personnel. The Code requires that personnel pre-clear certain public and all non-exempted private personal securities transactions, report all personal securities transactions to the Chief Compliance Officer on at least a quarterly basis and provide Verto with a summary of personal securities holdings at least annually. The Code also addresses confidentiality and insider trading, and expressly prohibits personnel from disseminating material nonpublic information or using such information to inappropriately benefit any party through securities trading activities. Personnel are required to provide a written certification as to their compliance with the Code on an annual basis.

Copies of Verto’s Code are available to investors upon request by contacting us at wyoung@vertomgmt.com or gsmith@vertomgmt.com.

Participation or Interest in Client Transactions; Related Person Investments

As a matter of general practice, neither Verto nor any of its related persons acquire or sell securities that are also recommended to the Pooled Project Vehicles other than through direct participation in the Pooled Project Vehicles.

In connection with the Pooled Project Vehicles’ investments, Verto, from time to time, expects to allow affiliates of the Pooled Project Vehicles’ investors and financing sources to co-invest in a Pooled Project Vehicle investment on a side-by side basis with the Pooled Project Vehicles. From time to time, in appropriate circumstances and subject to satisfaction of the policies and procedures set forth in the Code

and the Pooled Project Vehicle's offering documents, Verto personnel and other related persons may also co-invest in a Pooled Project Vehicle investment. Verto does not believe that this common industry practice gives rise to a material conflict of interest. Verto believes that any potential conflicts of interest are addressed by the Code and the Pooled Project Vehicles' offering documents.

Potential Conflicts of Interest

It is expected that most or all of the personnel responsible for managing a Pooled Project Vehicle will have responsibilities with respect to other Pooled Project Vehicles or accounts or Clients managed by Verto, including Pooled Project Vehicles and accounts that may be raised in the future. Conflicts of interest may arise in allocating time, services or functions of such personnel.

Verto and certain of its professionals will typically perform management, advisory, financial advisory and other services for, and may receive fees from, actual or prospective portfolio companies, which fees will be in addition to any Participation Fees, Management Fee, Success Fees and/or carried interest paid to Verto or its affiliates by the Pooled Project Vehicles. Subject to the terms of the relevant operating agreements and management agreements for the Pooled Project Vehicles, Verto may be required to reduce its fees by all or a portion of such fees, and the Pooled Project Vehicles will benefit from these fees only to the extent set forth in such limited partnership and management agreements.

Certain of Verto's professionals, in connection with the monitoring of portfolio company investments, also may serve on the board of directors of certain portfolio companies. In these circumstances, such professionals may receive director's fees, stock options and/or other equity compensation in connection with such service. While such compensation may initially be received by the applicable professionals, such compensation may be transferred to Verto and if so transferred all or a portion of such fees and other compensation typically offsets the Management Fee received by Verto from the applicable Pooled Project Vehicle.

The Pooled Project Vehicles may have tax-exempt, taxable, foreign and other investors, whereas most members of the general partners of the Pooled Project Vehicles are taxable at individual U.S. rates. Potential conflicts exist with respect to various structuring, investment and other decisions because of divergent tax, economic or other interests, including conflicts among the interests of taxable and tax-exempt investors, conflicts among the interests of domestic and foreign investors, and conflicts between the interests of investors and management. For these reasons, among others, decisions may be more beneficial for one investor than for another investor, particularly with respect to investors' individual tax situations.

Item 12 – Brokerage Practices

Because Verto primarily invests in private securities, Verto does not typically select or recommend broker-dealers for Client transactions. In the event that a broker-dealer is selected or recommended, Verto expects to employ a review process to ensure that any such transaction is executed in the best interest of the Pooled Project Vehicle taking into account factors such as a broker's execution capability and trading and industry expertise in addition to pricing.

Item 13 – Review of Accounts

Verto intends to regularly supervise and monitor the investment activities of each Pooled Project Vehicle. Additionally, Verto's investment professionals and senior management will monitor and review the Pooled Project Vehicles' portfolio investments on an ongoing basis, including, for example, by participating in board meetings and management calls, reviewing financial statements, and making on-site visits. Verto expects to review the valuation of a Pooled Project Vehicle's investment with such frequency as required by such Pooled Project Vehicle's offering documents.

Verto will provide written reports describing the status of the investment held by each Pooled Project Vehicle to such Pooled Project Vehicle's investors on at least an annual basis. Verto may also hold investor update calls from time to time in appropriate circumstances.

Verto provides to investors in each Pooled Project Vehicle audited annual financial statements as well as unaudited financial statements and investor-specific account statements, in accordance with such Pooled Project Vehicle's offering documents.

Item 14 – Client Referrals and Other Compensation

In connection with the affairs of a Pooled Project Vehicle, Verto may receive, from prospective portfolio companies, actual portfolio companies or their respective affiliates, (i) monitoring fees, financial consultation fees, advisory fees, directors' fees and other similar fees, and (ii) transaction fees and break-up fees.

Neither Verto nor any of its related persons compensates any person for Client referrals. However, from time to time, in the context of organizing a Pooled Project Vehicle, Verto may compensate one or more placement agents for referrals of Pooled Project Vehicle investors. A prospective investor solicited by a placement agent or other third party will be advised of any such arrangement, including the receipt of fees. Commissions and fees due to a placement agent in respect of such services are generally borne by Verto, whether by directly paying such placement fees or providing an offset in full against the management fees payable by the applicable Pooled Project Vehicle(s) to Verto.

Item 15 – Custody

In connection with the management of Pooled Project Vehicle investments, Verto may have, or may be deemed to have, custody of Client assets. Rule 206(4)-2 (the "Custody Rule") of the Advisers Act defines custody as holding client securities or assets or having any authority to obtain possession of them, including the authority to withdraw Pooled Project Vehicles or securities from a client's accounts or ownership of or access to client Pooled Project Vehicles or securities (such as through fee deductions). With the exception of certain assets that qualify as "privately offered securities" under Rule 206(4)-2 of the Advisers Act (the "Custody Rule"), all Pooled Project Vehicle assets will be held in custody by unaffiliated broker/dealers or banks that are qualified custodians.

Investors in the Pooled Project Vehicles will not receive statements from the custodian. Instead, Verto will arrange for annual independent audits of the Pooled Project Vehicles by a major accounting firm and obtain and deliver to investors in the Pooled Project Vehicles audited financial statements prepared in

accordance with U.S. Generally Accepted Accounting Principles (“GAAP”) within 120 days of the Pooled Project Vehicle’s fiscal year end.

Item 16 – Investment Discretion

Verto may have discretionary authority to determine the securities or other investments and the amounts thereof to be bought or sold by its Pooled Project Vehicles. In other cases, the investors will be entitled to elect to participate in individual investments through a Pooled Project Vehicle and, upon sufficient investors electing to participate, Verto will be responsible for all phases of acquisition, operation and disposition of such investment. Such authority is subject to the limitations set forth in the offering documents of the applicable Pooled Project Vehicle.

Item 17 – Voting Client Securities

Since Verto will invest primarily in private securities, it generally will not have occasion to vote proxies on publicly traded securities. However, in the event that Verto were to obtain securities with voting authority, Verto would vote proxies for companies in which Pooled Project Vehicles have investments in the best interest of the Pooled Project Vehicles under applicable client governance principles. In all instances, the reason for the decision as to how to vote a proxy and a record of the vote will be retained by Verto.

Item 18 – Financial Information

Verto does not solicit prepayment of fees six months or more in advance, has never been the subject of a bankruptcy petition and is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.