

Part 2A of Form ADV: Firm Brochure

Item 1 – Cover Page

Element Management LP
565 E. Swedesford Road, Suite 207
Wayne, PA 19087
(610) 964-8004
www.elementpartners.com
March 31, 2020

This Form ADV Part 2A (the “Brochure”) provides information about the qualifications and business practices of Element Management LP, also doing business as Element Partners (“Element” or the “Firm”). If you have questions about the contents of this Brochure, please contact us at (610) 964-8004. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority.

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

Although Element is registered with the SEC as an investment adviser under the Investment Advisers Act of 1940, registration does not imply that Element or its personnel have a certain level of skill or training.

Item 2 – Material Changes

The Material Changes section of the Brochure will be updated annually when material changes occur since our last annual update.

In May 2019, Andrew Maunder was appointed as CFO for Element working as a consultant to the firm on a part-time basis. Phyllis Reid, previously the VP, Finance, has continued to provide some administrative support along with VMS of Princeton, NJ who provide outsourced back-office support including accounting and reporting services.

Other than this change in personnel, there have been no material changes since the last version of this Brochure filed on March 31, 2019.

To obtain a free copy of our Brochure, please contact us at (610) 964-8004.

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Item 4 – Advisory Business

Formed in 2008, Element Management LP, also doing business as Element Partners, (“Element,” or the “Firm”) provides management and advisory services to private investment partnerships that invest in established high growth companies providing innovative products, software, and services to the global energy, industrial, and environmental markets. Element strives to become a long-term partner with passionate business leaders who have built pioneering companies in its targeted markets. Element works to provide its portfolio companies with the financial resources, industry contacts, and strategic insights in the effort to maximize growth and shareholder return.

Please refer to Item 8 - Methods of Analysis, Investment Strategies, and Risk of Loss – for more information regarding Element’s investment strategy.

Element has teamed with a number of experienced executives (“Operating Partners”) with expertise and contacts that enhance the Firm’s ability to identify industry trends, find portfolio companies, provide strategic guidance and alliances. The Operating Partners work to support portfolio company growth and may act as board representatives and/or interim management. Operating Partners may be compensated by the portfolio company and/or Element. Additionally, they may receive compensation from the fund for due diligence work prior to the investment in the portfolio company and/or a fee for finding portfolio companies in which the fund invests.

Principal Ownership

Element is a Delaware limited partnership. Through the entity Element Venture Partners, LLC and Element II GP, LLC, Element’s owners are David Lincoln, Michael Bevan and Michael DeRosa.

Advisory Services

Element is a private funds manager whose clients are private funds. Element’s clients do not include fund of funds or separate accounts. The investment strategies and restrictions relating to the Firm’s funds, which includes co-investment vehicles, are set forth in each fund’s private placement memorandum and/or limited partnership agreement.

Assets Under Management

As of December 31, 2019, Element had \$530,129,489 in assets under management on a discretionary basis.

Item 5 – Fees and Compensation

Management Fees

Information with respect to fees, redemptions and termination are set forth in the respective fund’s offering documents.

Element is a private equity funds manager. For the funds that pay a management fee, the fees are typically due quarterly in advance, on the first day of each calendar quarter, based on the fund’s aggregate capital commitments during the investment period. In accordance with the relevant limited

partnerships and the private placement memorandums, there are two funds that do not pay a management fee or carried interest. Post investment period, management fees are based on a percentage of invested capital at cost and capital reserved for follow-on investments in existing portfolio companies. The percentage ranges from 1% to 2% based on the respective fund's limited partnership agreement. Element deducts the management fee from each fund quarterly. If there are insufficient assets in the fund account, Element issues a capital call notice to the fund's investors. Management fees are generally not refundable absent certain circumstances described in each fund's limited partnership agreement.

Performance-based Fees

See Item 6 below for information with respect to performance-based fees.

Additional Fees and Expenses

Our management fees are exclusive of other costs and expenses the funds may incur, which are borne by and payable out of the assets of the funds and not by Element and are more fully described in each fund's operating documents. Such fees may include but are not limited to transaction costs, due diligence costs, broken deal expenses, legal fees, accounting fees, custodial fees, taxes, certain fund organizational and operating expenses and other industry fees and expenses. To the extent that expenses are directly attributable to a single fund, the expense is borne directly by that fund; to the extent the expense is attributable to a family of funds, the expense is borne by the relevant funds and in accordance with an applicable investment ratio.

Fees (e.g., director's, consulting, break-up, financial advisory or other), commissions, and other compensation (in whatever form, including stocks and options) from portfolio companies (excluding compensation issued to directors in the form of stock or options pursuant to an entity's standard plan for its directors) that are received by the principals of Element, and the fund's general partner, are offset 100% against Element's management fee. Operating Partners' fees and compensation that they receive from portfolio companies, if any, are not part of or offset against the fees paid to Element.

Please see Item 12 for information on brokerage practices.

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

Carried Interest

In addition to the management fee described above, Element typically charges a performance fee, referred to as "carried interest," on profits (net of fees and expenses) after the investment portfolio has achieved certain return hurdles. Performance-based fee structures are more fully described in the private placement memorandum, limited partnership agreement or investment management agreement, as applicable; please refer to these documents for the more complete description including percentages. Each primary fund has the same performance based fee structure. Please see Item 11 for more information on allocation and aggregation; generally, Element does not have more than one fund family in its investment stage at one time, and the investments are allocated among the funds based on the approved investment ratio.

Item 7 – Types of Clients

Element is a private equity manager whose clients are private funds. Investors in the funds may include public and private pension plans (both U.S. and non-U.S.), insurance companies, banks, endowments and foundations, as well as high net worth individuals.

Conditions for Managing Accounts

Private funds managed by Element typically require investors to make a minimum commitment of \$5 million. The minimum may be waived at the discretion of the general partner of the fund.

Element's private funds are neither registered under the Investment Company Act of 1940, nor are their interests registered under the Securities Act of 1933. Accordingly, interests in these funds are offered exclusively to investors satisfying the applicable eligibility and suitability requirements either in private placement transactions within the United States or in similar offshore transactions.

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

Strategy Overview

Element's team of investment professionals pursues an investment strategy for its private fund clients that combines their understanding of current opportunities and challenges specific to the energy, environmental and industrial resource efficiency sectors with their historical investment experience in these markets.

Element's strategy for each of its private funds includes:

- (i) focusing its investments on technology-based solutions to resource problems that are economically important to end-users;
- (ii) providing sufficient breadth and diversification in its portfolios, by sector, stage, and technology, to produce superior returns;
- (iii) emphasizing capital-efficient businesses with the potential to address multiple target markets;
- (iv) leveraging Element's leadership position in its targeted sectors to access the most select deal flow, lead investments, and attract high-caliber co-investors; and
- (v) targeting investments where Element can build companies of significant value to strategic buyers and the public markets.

More specifically, in its selection of investment opportunities for the funds, Element focuses on businesses that Element believes provide innovative and cost-effective products, services, and solutions to the energy, power, water, wastewater, emissions, materials, chemicals, manufacturing, and industrial markets. Element endeavors to invest fund assets in a diversified portfolio of businesses that address key resource problems, and other economically important needs, of end users in these markets. Investments chosen by Element on behalf of the funds apply enabling technologies such as advanced materials, power electronics, information technology, biotechnology, communications, and sensing equipment to solve the critical business needs of end users in the Firm's targeted investment sectors.

Risk of Loss

Investments in private equity funds managed by Element involve risks that investors should be prepared to bear.

The Firm cannot guarantee any level of performance or that fund investors will not experience a loss. An investment should only be considered by investors who can afford to lose their entire investment. There can be no assurance that projected or targeted returns for a fund will be achieved or that past performance will be indicative of future results.

Element's investment strategies may be deemed to be highly speculative and are not intended to provide a complete investment program. Investments in the funds are only for institutional and sophisticated investors who are able to bear the economic risk of the loss of their investment and who have a limited need for liquidity in their investment.

Generally, there is no public market for the funds' private equity portfolio holdings. In addition, investors may redeem their interest in a fund under limited specific circumstances as outlined in the respective fund documents. Accordingly, fund investors may not be able to withdraw or transfer their investment when desired.

The risk of loss described herein should not be considered to be an exhaustive list of all the risks which investors in the funds should consider.

Investing in the funds involves a wide range of risks which investors should understand prior to investing. These risks are more fully explained in the fund documents, which investors should carefully review. Such material risks include, but are not limited to, the following:

- General macroeconomic risk;
- Technological risk; i.e. failure to develop or scale the technology
- Financial markets risk; e.g. changes to valuations or prospective exit opportunities due to market or currency shifts
- Competitive risk; i.e. other products or services out-competing on price or performance
- Tax and regulatory risk; i.e. changes to current taxes or to incentives or subsidies
- Fund execution risk; and
- Portfolio company performance risk.

In addition, there is concentration risk associated with investments in a single set of potentially related sectors. The funds managed by Element concentrate their investments in the energy, environmental and industrial resource sectors. Some of these sectors are inter-related, and investment in the funds managed by Element may involve greater risk than investing in a diversified portfolio of investments across a broader category of sectors. Thus, if the energy, environmental and industrial resource sectors decline, returns to the limited partners of the partnerships would be adversely affected.

Although certain of the sectors targeted by Element have recently benefited from a growth in demand for clean energy, public and governmental awareness of energy security, and a shift toward sustainability within many large corporations, a shift in focus by the public, governments or large corporations in these areas could adversely affect the viability of the portfolio companies in which

the partnerships invest. Further, many of these portfolio companies are subject to meaningful government regulation, and there can be no assurance that the business of these companies will not be adversely affected by future legislation, new regulation or deregulation.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the investment adviser or the integrity of the investment adviser's management.

There are no applicable legal or disciplinary events relating to Element or its investment professionals.

Item 10 – Other Financial Industry Activities and Affiliations

Element is not registered, nor does it have an application pending to register, as a broker-dealer, a futures commission merchant, a commodity pool operator, or a commodity trading advisor.

Please refer to Item 4 and 5 above with respect to Operating Partners and Form ADV Part 1, Schedule D, with respect to the funds and Element's related entities, including the general partners of the funds.

Generally, the general partners or managing members of the funds are related persons to Element, often employees or principals of Element.

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

Code of Ethics

Element has adopted a Code of Ethics (the "Code") that is designed to reinforce its institutional integrity. All Element employees are deemed "access persons" subject to the Code. The Code sets forth standards for business conduct and addresses Element's policies and procedures on topics including:

- Conflicts of interest
- Confidentiality
- Insider trading
- Personal trading
- Outside business activities
- Gifts and entertainment
- Pay to play / political contributions

Personal Trading

Among other things, the Code limits and monitors the personal trading activity of Element's access persons. Specifically, the Code requires access persons and certain members of their households to "pre-clear" certain personal securities transactions with Element's Compliance Department prior to execution. Element limits its access persons' participation in initial public offerings and private placements.

Additionally, Element limits its access persons' ability to trade in the same securities at the same time that the Firm's clients are trading in those securities. All access persons must provide Element with a listing of their securities holdings, as well as transaction information for certain types of securities. These restrictions and requirements of the Code apply to all accounts over which access persons have investment discretion, or in which they have a direct or indirect beneficial ownership interest, unless exempted.

Participation or Interest in Client Transactions

As discussed in "Item 4 – Advisory Business," Element is a private investment manager whose clients are private funds. Private funds managed by Element are typically structured as limited partnerships where Element serves as the general partner or owns the general partner, and the general partner may make a capital commitment to the limited partnership.

While the general partner may have a financial interest in the fund, we believe that its interest is aligned with those of the fund's investors because the general partner makes capital contributions and receives distributions from the fund on the same terms as the other investors, as more fully described in the relevant limited partnership agreement. Fund investors should refer to the limited partnership agreement and other related fund offering documents with respect to the general partner's financial interest.

Insider Trading/Material Non-Public Information

All Element access persons are subject to Element's Insider Trading Policy and Procedures. The Element Insider Trading Policy broadly prohibits the use of material, non-public information. Further, Element's Code also includes policies and procedures prohibiting the use of material non-public information that are designed to prevent insider trading by Element access persons.

Gifts and Business Entertainment

Element's Code includes policies and procedures regarding giving or receiving gifts and business entertainment to mitigate the potential for conflicts of interest surrounding these practices. In general, Element limits the value of gifts that may be given or received by access persons.

Political Contributions

Element maintains policies and procedures that set forth specific limitations as to whom access persons may make contributions and the amounts of such contributions, as well as pre-clearance requirements for political contributions.

Distribution of Code

Element is firmly committed to making the Firm's employees aware of the Code requirements. All of the Firm's employees are provided with a copy of the Code at the time of hire and annually thereafter, and they must affirm that they have received a copy of the Code, and that they have read and understand its provisions. Additionally, we conduct periodic compliance training that addresses the requirements of the Code.

Employees who violate the Code of Ethics and our Compliance policies are subject to disciplinary action including, but not limited to, written warnings, and termination of employment.

A copy of Element's Code is also available to investors or prospective investors in a fund upon request by contacting:

Element Partners
Attention: Compliance Department
565 E. Swedesford Road, Suite 207
Wayne, PA 19087
(610) 964-8004

Item 12 – Brokerage Practices

Element typically does not utilize broker-dealers to effect private investments. However, if in the future, we receive portfolio company securities as part of a portfolio company's general distribution, Element may utilize a broker-dealer to affect these transactions. If this were to occur, the Firm would select broker-dealers through which to effect transactions on the basis of best execution. "Best execution" does not mean effecting transactions at the lowest possible commission rate, transaction costs and best price, but includes a number of factors (e.g., price, commission, experience of the broker-dealers in liquidating distributions from private equity funds, etc.).

Brokerage for Client Referrals

The Firm does not currently receive investor referrals from broker-dealers or others. If this were to occur, the referral fee would be paid out of the management fee and would not increase the charge to the specific investor(s).

Research and Other Soft Dollar Benefits

Element does not obtain proprietary and third-party research services or products with the funds' commissions or "soft dollars."

Directed Brokerage

Element does not accept instructions to effect some or all of their transactions with certain broker-dealers.

Principal and Agency Cross-Transactions

“Principal transactions” are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. Element does not engage in such principal transactions.

An “agency cross transaction” is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. Element is neither registered as, nor is affiliated with, a broker-dealer. Accordingly, it does not expect to engage in any such agency cross transactions.

Element has not had an instance where one Element fund bought a portfolio company from another Element fund (generally, a “cross-transaction”). If such were to occur, which Element does not anticipate, Element would first seek approval from each fund’s limited partner advisory committee. Similarly, where more than 1 fund invests in a portfolio company, the cross-over investment would be first presented to and approved by each fund’s limited partner advisory committee, and only conducted in conformance with each fund’s limited partnership agreement and offering documents.

Aggregation and Allocation

Generally, aggregations of the purchase or sale of securities for the funds do not apply as investments are primarily in private securities. Further, generally, and as prescribed in the fund documents, Element has only one fund family in the investment stage at a time. The PPMs provide when Element may organize a new fund with similar investment objectives.

Item 13 – Review of Accounts

Account Reviews

Element has an Investment Committee which meets regularly. Element’s investment professionals monitor fund investments on a regular basis. These reviews include, but are not limited to, reviewing the operational and financial performance as well as strategic direction of each portfolio company in which the funds have invested. Typically, once an investment has been made, a senior investment professional (usually a Principal or Partner) is assigned primary responsibility for overseeing the relationship with and activities of the portfolio company.

Investor Reports

Unless otherwise negotiated, investors in Element’s private funds receive written quarterly reports, which typically includes:

1. Portfolio performance
2. New investments made since the last report
3. Schedule of investments and portfolio company valuations
4. Updates on each portfolio company

5. Statement of Net Assets
6. Statement of Operations
7. Statement of changes in Partners' Capital
8. General firm updates

Investors receive annual audited financials.

Item 14 – Client Referrals and other Compensation

Element has not entered into any arrangements in which persons assist in the capital-raising efforts of the funds for a fee.

Element does not receive any monetary compensation or any other economic benefit from a non-client for Element's provision of investment advisory services to a client. Please see Item 5 for fees and compensation; monetary compensation received from portfolio companies is 100% offset against the management fees otherwise paid by the fund to Element.

Item 15 – Custody

Element is deemed to have custody over client assets by virtue of the Firm's role as an affiliate of the general partner of our private funds. Assets of Element-managed funds are held in the name of the fund by an independent qualified custodian, or are private, uncertificated securities recorded on the books of the issuers in the name of the fund. Element distributes unaudited quarterly reports to fund investors. Each of the Firm's managed funds is audited annually in accordance with U.S. Generally Accepted Accounting Principles ("GAAP") by an independent auditing firm registered with and subject to regular inspection by the Public Company Accounting Oversight Board. The audited financial statements are distributed to the respective fund's investors as required. Investors should carefully review and compare all statements sent to them.

In addition, upon the final liquidation of a fund, the Firm will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP to all fund investors promptly after completion of the audit.

Item 16 – Investment Discretion

Element (or its affiliates) has investment discretion over its clients' assets. This authority is detailed in the respective fund's offering documents.

Item 17 – Voting Client Securities

Due to the nature of the portfolio companies in which Element's private funds invest, the funds are seldom asked to cast votes at corporate issuers' shareholder meetings. In such cases, Element has policies and procedures governing how proxies should be voted, including how to handle any conflicts of interest.

Certain members of Element may occupy Board seats in the funds' portfolio companies. In such cases, the Firm representatives on the portfolio company boards will vote the funds' shares in a

manner that Element believes is in the best interest of fund investors but generally recommended by the portfolio company's management.

Element will provide, at no cost, a copy of its proxy voting policies and will provide investors in the funds with information regarding how proxies were voted by contacting:

Element Partners
Attention: Compliance Department
565 E. Swedesford Road, Suite 207
Wayne, PA 19087
(610) 964-8004

Item 18 – Financial Information

Registered investment advisers are required to provide you with certain financial information or disclosures about their financial condition.

Element has no financial condition that impairs the Firm's ability to meet its contractual and fiduciary commitments to our clients, and Element has not been the subject of a bankruptcy proceeding.