

**MARBLE CAPITAL, LP**

Form ADV Part 2A

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**March 30, 2020**

This brochure provides information about the qualifications and business practices of Marble Capital, LP (“Marble” or the “Firm”). If you have any questions about the contents of this brochure, please contact David Stockton, Marble’s Chief Compliance Officer at (713) 814-4992 or [dstockton@marblecapitallp.com](mailto:dstockton@marblecapitallp.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Any reference to Marble as a registered investment advisor does not imply a certain level of skill or training.

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

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***Item 2: Material Changes***

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This is an annual amendment for the year ended December 31, 2019. There have been no material changes to this brochure since the initial filing. In the future, a summary of any material changes will be listed here, as applicable.

Nevertheless, investors are encouraged to review this brochure in its entirety. The information set forth in this brochure is qualified in its entirety by the applicable offering and governing documents. In the event of a conflict between the information set forth herein and the applicable offering and governing documents, the information set forth in the applicable offering and governing documents shall control.

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**Item 4: Advisory Business**

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**Item 4.A: General Description of Advisory Firm**

Marble Capital, LP is an investment advisory firm with its principal place of business located in Houston, Texas. Marble Capital, LP will be referred to in this brochure as “Marble”, “Adviser,” or the “Firm”

Marble Capital LP, a Texas limited partnership, was formed in 2016 by David Oelfke, Adam Allen and Matthew Rotan. The firm is wholly owned by the founding members.

**Item 4.B: Description of Advisory Services**

Marble is a real estate investment advisory firm that provides advice on a discretionary basis to private pooled investment vehicles (“Funds”). The primary focus of Marble’s Funds is to provide flexible capital solutions for multifamily developers and operators nationwide. Marble focuses on preferred equity investments based on the investment objectives and strategies described in the Funds Confidential offering memorandum and governing documents (referred to collectively as the “Offering Documents”)

**Item 4.C: Tailoring Advisory Services**

The Firm’s advisory services will be provided to each Fund pursuant to the terms of its formation and offering documents and will be based on the specific investment objectives, strategies or restrictions described therein. The Advisers do not tailor their advisory services to the individual needs of the investors in any Fund.

**Item 4.D: Wrap Fee Program**

Marble does not participate in a wrap fee program.

**Item 4.E: Regulatory Assets Under Management**

As of 12/31/2019, Marble managed approximately \$437 million on a discretionary basis. Currently, Marble does not manage any client assets on a non-discretionary basis.

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**Item 5: Fees and Compensation**

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**Item 5.A: Description of Compensation Arrangements****Management Fees**

The Funds, the General Partner and the Adviser will enter into a management services agreement pursuant to which the Adviser will provide certain management and administrative services to the Funds in exchange for a management fee. The management fees will be set forth in detail in each fund’s offering documents. Generally, the Adviser will charge an annual management fee in the range of 1.0% to 1.5% and the fee will commence on the date of the initial closing based on total Commitments, regardless of when an investor is actually admitted.

While management fees are not generally negotiable, the general partners of the Funds, have entered into, and may in the future, enter into side letters or similar arrangements that reduce fees with respect to certain investors.

#### **Carried Interest**

The Managing Member of each Fund is entitled to receive an incentive distribution or “carried interest” in an amount equal to a specified percentage for each Fund; generally 20%. The specific percentage and amount of the incentive distribution or “carried interest” will vary depending on the terms arranged for each Fund. Generally, Fund investors will receive a stated “preferred return” as described in each Funds offering documents.

#### **Item 5.B: *Manner of Fee Payment***

Management Fees as described in Item 5.A. are included in each Funds’ expenses and are allocated against the capital account of each investor with all other Fund expenses.

#### **Item 5.C: *Other Fees Clients May Be Charged***

Marble will be entitled to receive fees from their development partners attributable to the acquisition, refinancing, and disposition of Portfolio Investments. These fees are not paid by the Fund investors, but rather are paid by the development partner to Marble. In addition, Marble may charge other transaction fees, such as origination fees, servicing fees, administrative and documentation fees, and other fees.

Marble will be entitled to reimbursement from each Fund for any expenses which are incurred by the Firm on behalf of the Fund, consistent with the terms of the Fund’s governing documents. For example, each Fund will pay all costs and expenses relating to the Fund’s activities, including the management fee, legal, auditing, consulting, compliance, and accounting expenses (including expenses associated with the preparation of Fund financial statements, tax returns and Schedule K-1s), and limited partner annual meetings (if any), insurance and other expenses associated with the acquisition, holding and disposition of its investments, all third-party expenses in connection with transactions not consummated, and extraordinary expenses (such as litigation).

#### **Item 5.D: *Timing of Fee Payments***

The management fee will be payable in advance, in quarterly installments.

#### **Item 5.E: *Receipt of Compensation for Sales***

Not applicable. Neither Marble nor its supervised persons are compensated for the sale of securities or other investment products.

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#### **Item 6: *Performance-Based Fees and Side-by-Side Management***

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Marble may earn performance-based fees from or receive “carried interest” in its private funds. Under these payment structures, Marble generally would participate in the property or portfolio return once the fund receives a total return in excess of a specified threshold, which is usually based on an internal rate of return.

The existence of the general partner's carried interest may create an incentive for the general partner to make more speculative investments on behalf of the Fund than it would otherwise make in the absence of such performance-based compensation. In addition, the method of calculating the carried interest may result in conflicts of interest between the general partner and the investors with respect to the management and disposition of investments, as well as the determination of the timing and amount of distributions by the Fund.

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***Item 7: Types of Clients***

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Marble serves as the investment manager to the Funds. The Funds advised by Marble are exempt from registration under the Investment Company Act of 1940, as amended (the "Investment Company Act") pursuant to Section 3(c)(1), Section 3(c)(7), or Section 3(c)(5) of such act. Investors in the Funds are required to represent that they meet the requirements of an "accredited investor" as such term is defined in Rule 501 of Regulation D of the Securities Act of 1933, as amended and, if applicable, that they meet the requirements of a "qualified client" or a "qualified purchaser" as such terms are defined in the Investment Company Act.

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

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***Item 8.A: Methods of Analysis and Investment Strategies Generally***

Generally, Marble identifies opportunities to provide solutions for multifamily construction projects facing capital deficiencies due to loan-to-cost restrictions created by government regulations. Marble focuses on preferred equity investments intended to deliver superior risk adjusted returns. The Firm targets compelling supply/demand imbalances where a lack of capital or physical space creates a unique investment opportunity. Marble utilizes a data driven underwriting process and relies on decades of industry relationships to secure compelling investment opportunities.

***Item 8.B. and 8.C. Material Risks Involved for Marble's Strategies******Volatility in capital markets, or other unfavorable changes in economic conditions.***

The capital markets are subject to volatility and disruptions, as particularly experienced in the latter half of 2008 through most of 2010, during which time spreads on prospective debt financings fluctuated and made it more expensive to borrow money. In the event of renewed market disruption or volatility, project companies may not be able to obtain new debt financing or refinance existing debt on favorable terms or at all. Similarly, prospective buyers of project companies' assets may not be able to secure financing on favorable terms or at all. Any such occurrences would adversely affect the liquidity of project companies and prospective counterparties, as well as their ability to acquire and dispose of assets and continue their development pipeline, which could, in turn, cause investments in such project companies to suffer.

Other weakened economic conditions, including job losses and high unemployment rates, could adversely affect rental rates and occupancy levels. Additional key economic risks, which may adversely affect the conditions in the markets in which project companies operate, include—but are not limited to—the following:

- local conditions, such as an oversupply of multifamily properties available for rent, or a reduction in demand for multifamily properties in a given area;
- declines in the financial conditions of tenants, which may make it more difficult to collect rents;
- declines in market rental rates;
- low mortgage interest rates and home pricing, making alternative housing more affordable;
- low interest rates in respect of debt financing, strengthening competition by other developers and real estate investors;
- government or builder incentives which enable home buyers to put little or no money down, making alternative housing options more attractive;
- inflation that outpaces increases in rent;
- a slow recovery from ongoing adverse economic conditions affecting disposable consumer income, such as employment levels, interest rates, tax rates, and fuel and energy costs, all or any of which may reduce consumer spending or cause consumers to shift their spending habits; and
- regional economic downturns or other adverse developments.

Furthermore, periods of economic slowdown or recession, rising interest rates or declining demand for real estate, or the public perception that any of these events may occur, could result in a general decline in rents or an increased incidence of defaults under existing leases and other contracts of project companies, which would adversely affect their revenues and the Fund's ability to make distributions. Any continued disruptions in the financial markets could also have other unknown adverse effects on investments or the economy generally.

#### **The ability to identify qualified developer partners.**

Marble intends to make preferred equity investments in multifamily assets alongside respected developers and operators. Adviser, however, may be unable to identify developer partners with the requisite credentials, or such individuals may be unwilling to agree to financing on the terms that Adviser offers. Adviser may face significant competition from financial institutions and other companies active in the commercial real estate industry. If Adviser is unable to identify and retain a sufficient number of developer partners, then the ability of the Fund to execute its investment strategy could be materially adversely affected, and Adviser may not be able to invest fully the Fund's available commitments.

#### **Marble depends on key personnel.**

Marble depends to a significant degree upon the continued contributions of certain key personnel including, but not limited to, its principals, each of whom would be difficult to replace. If any of our key personnel were to cease employment with Adviser then operating results, financial condition and cash flows could suffer. Adviser's ability to retain key personnel, attract suitable replacements in the event of departures, or to attract new hires as needed, is dependent on the competitive nature of the employment market. In the event of the loss of key management personnel to competitors, or upon unexpected death, disability or retirement, Adviser may not be able to find replacements with comparable skill, ability and industry expertise, and the loss of key personnel, or the inability to replace them, could be negatively perceived in the financial markets.

**Project companies' acquisition, development and construction activities may not produce the cash flows that Adviser expects.**

The project companies will seek to acquire, develop and construct properties only to the extent that suitable opportunities are available on advantageous terms. The acquisition and development of commercial properties entails risks, including without limitation:

- that the applicable project company cannot obtain the zoning, occupancy and other required governmental permits and authorizations necessary to complete the development;
- that there are construction delays and cost overruns which may increase project costs;
- that defects in design or construction result in delays and additional costs to remedy the defect or require a portion of a property to be closed during the period required to rectify the defect;
- that estimated occupancy and rental rates differ from actual conditions;
- that the property is or becomes subject to environmental liabilities that the applicable project company was unaware of at the time the subject property was acquired; and
- that the applicable project company has difficulty obtaining financing on acceptable terms or paying the operating expenses and debt service associated with acquired properties prior to sufficient occupancy.

Any of the above factors could affect adversely a project company's ability to complete projects on schedule and within the agreed budget, or to achieve the intended value of these projects. For these reasons, there can be no assurances as to the value to be realized by any project company from any such transactions.

In addition, the development activities of our project companies can include long planning and entitlement timelines and can involve complex and costly activities, including significant environmental remediation or construction work in high-density urban areas. Adviser may abandon financing opportunities that Adviser has already begun to explore for a number of reasons, including changes in local market conditions or increases in construction or financing costs, and, as a result, Adviser may fail to recover expenses already incurred in exploring those opportunities.

**Project companies will be dependent on tenants for their operating revenues.**

Lease payment or performance defaults by tenants could adversely affect the financial condition of a project company and cause the Fund to reduce the amount of distributions. A tenant's ability to pay its lease obligations may be affected by, among other things, business conditions and interest rates. A default by a tenant on its lease payments could force the applicable project company to find an alternative source of revenues to pay any mortgage loan on the property. In the event of a tenant default, the project company may experience delays in enforcing its rights as landlord and may incur substantial costs, including litigation and related expenses, in protecting its investment and re-leasing the property.

If a lease expires or is terminated, the project company may be unable to lease the property for the rent previously received or sell the property without incurring a loss, which could result in extended periods where there is a significant decline in revenues or no revenues generated by a property. If the applicable project company is unable to re-let or renew leases for all or substantially all of the spaces where vacancies arise, if the rental rates upon such renewal or re-letting are significantly lower than expected, if the applicable project company's reserves for these purposes prove inadequate, or if the applicable project company is required to make significant renovations or concessions to tenants as part of the



renewal or re-letting process, the applicable project company's financial condition and results of operations could suffer. If residents do not experience increases in their income, our project companies may be unable to increase rent and/or delinquencies may increase. In addition, various state and local municipalities are considering and may continue to consider rent control legislation or take other actions which could limit a project company's ability to raise rents. Finally, the federal government's policies, many of which may encourage home ownership, can increase competition and possibly limit the ability to raise rents. Consequently, project companies' cash flow and ability to service debt and make distributions could be reduced, which in turn would cause the investments in such project companies to suffer.

**Rising operating expenses could reduce cash flow and funds available for future distributions.**

The properties of each project company will be subject to operating risks common to real estate in general, any or all of which may negatively affect the Fund. These properties are subject to increases in operating expenses such as real estate and other taxes, personnel costs including the cost of providing specific medical coverage to employees, utilities, insurance, administrative expenses, and costs for repairs and maintenance. Also, the expenses of owning and operating a property are not necessarily reduced when circumstances such as market factors and competition cause a reduction in income from the property. If operating expenses increase without a corresponding increase in revenues, the profitability of project companies could diminish and limit the Fund's ability to make distributions.

**Real estate investments are not as liquid as other types of assets, which may diminish returns.**

Real estate investments are not as liquid as other types of investments. As a result, the ability of project companies to sell under-performing assets or respond to changes in economic and other conditions may be relatively limited. The project companies may be unable to consummate dispositions in a timely manner, on attractive terms, or at all. This inability to reallocate capital promptly could adversely affect the financial condition and the ability to make distributions to the investors.

**Project companies may obtain and/or guaranty construction loans to finance their developments.**

Adviser expects project companies to obtain construction loans to finance the construction of their developments. In such cases, the construction loan lender will typically require the project company to provide a guaranty that the project will be completed or a full recourse payment guaranty. If the project company fails to complete the project, if the project is delayed, or if the completed project fails to generate the expected cash flow, the project company may be liable under the applicable loan guaranty. If Adviser causes a project company to abandon an unfinished project, the project may be liquidated on the "as-is" value as opposed to a valuation based on the ability to complete the project. In addition, if the project company lacks the resources to provide the requisite guaranty, then it may not be able to obtain financing on favorable terms or at all, in which event the applicable project may need to be abandoned. The occurrence of any of the foregoing events may have a negative impact on the project company's results of operations and, in turn, the Fund's ability to pay distributions.

**The use of leverage to potentially enhance the returns of its investments in certain project companies will increase the risk profile of such investments and potentially create certain conflicts of interest.**

While the use of debt may increase the number of investments that can be made and the potential returns on equity, it also increases the risk of loss since borrowings require fixed payments, regardless of

the profitability of the particular investments encumbered by such borrowing. Leveraged capital structures are more sensitive to recessions, rising interest rates, increases and decreases in revenues and expenses and other general business and economic risks. The manifestation of any of these risks could render the Fund unable to service its debt obligations, which could cause the Fund to suffer a partial or total loss of capital invested in the applicable project company. Consequently, leveraged investments in project companies involve a higher degree of risk. Interest payments and fees incurred in connection with borrowings may also reduce the amount of distributions available to the investors. Moreover, the general partner and its affiliates may have conflicts of interest because the potential leverage would enhance returns to the general partner in a disproportionate manner relative to the investors.

In addition, the lender group under the credit facility will include an affiliate, and as a result, there could be various conflicts of interest among the Fund, the general partner and investors. The general partner and its affiliates could have conflicts of interest in operating the Fund in compliance with the credit agreement, including in determining when to liquidate certain portfolio investments and whether to consider a different lender. In addition, as a result of the credit facility, the Fund and the affiliate may have economic or business interests or goals that are, or that may become, inconsistent. Notwithstanding the potential conflicts described in this paragraph, the general partner believes the interest of the affiliate in the lender group is actually a benefit to the Fund. First, such affiliate, in the capacity of the lender, are more aligned with the Fund (and the other investors) than a commercial lender would be, by virtue of such affiliate's material equity commitment to the Fund. Further, as a result of the affiliate's interest in the Fund, the general partner anticipates that it will be able to obtain more borrower-friendly terms under the credit facility than it would have otherwise been able to obtain from a commercial lender.

**Adviser will face competition for investment opportunities.**

The activity of identifying, completing and realizing on attractive investments is highly competitive and involves a high degree of uncertainty. The availability of investment opportunities generally will be subject to market conditions as well as the prevailing regulatory or political climate. Adviser faces competition from other real estate investors, including insurance companies, pension and investment funds, REITs, and other well-capitalized investors active in the multifamily business. As a result, there can be no assurance that Adviser will be able to identify and complete investments that satisfy its investment objective or realize the value of such investments.

**Insurance policies can be costly and may not cover all losses, which may adversely affect our financial condition or results of operations.**

Marble and its project companies may rely on third-party insurance providers for property, general liability, worker's compensation, natural disaster, terrorism, cyber, and other insurance coverage. These insurance programs will also likely be subject to deductibles and self-insured retentions which may vary in amount. There may be certain types of losses which may not be covered or could exceed coverage limits. Increased severe weather, hurricanes, or the potential impact of climate change could cause a significant increase in insurance premiums and deductibles, or a decrease in the availability of coverage, either of which could expose the Fund and our project companies to even greater uninsured losses which may adversely affect our financial condition or results of operations.

Although our project companies may carry insurance for potential losses associated with their communities, employees, residents, and compliance with applicable laws, they may still incur losses due to uninsured risks, deductibles, copayments or losses in excess of applicable insurance coverage and

those losses may be material. In the event of a substantial loss, insurance coverage may not be able to cover the full replacement cost of a project company's lost investment, or the insurance carrier may become insolvent and not be able to cover the full amount of the insured losses. Changes in building codes and ordinances, environmental considerations and other factors might also affect a project company's ability to replace or renovate a residential community after it has been damaged or destroyed.

**Environmental liability may impact the value of project companies' properties.**

Under various U.S. federal, state, and local environmental and public health laws, regulations, and ordinances, an owner or operator of real property may become liable for the costs of removal of certain hazardous substances released on its property. Additionally, federal, state and local laws and regulations relating to the protection of the environment may require a current or previous owner or operator of real estate to investigate and clean up hazardous or toxic substances or petroleum product releases at such property. These laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release of such hazardous substances. Even if more than one person may have been responsible for the contamination, each person covered by the environmental laws may be held responsible for all of the clean-up costs incurred. In addition, third parties may sue the owner or operator of a site for damages and costs resulting from environmental contamination emanating from that site.

Thus, if a project company fails to disclose environmental issues, that project company could also be liable to a buyer or lessee of the applicable property.

There may be environmental problems associated with a project company's properties, which Adviser and the project company was unaware of at the time of acquisition. The presence of hazardous substances may adversely affect the applicable project company's ability to sell real estate, including the affected property, or borrow using real estate as collateral. The presence of hazardous substances on a project company's property could cause the project company to incur substantial remediation costs, thus harming its financial condition and the Fund's ability to make distributions. Although project company leases will generally require tenants to operate in compliance with all applicable laws and to indemnify the project company against any environmental liabilities arising from a tenant's activities on the property, the project company nonetheless would be subject to strict liability by virtue of its ownership interest for environmental liabilities created by such tenants, and there can be no assurances that any such tenants would satisfy their indemnification obligations under the applicable lease. The discovery of material environmental liabilities attached to such properties could have a material adverse effect on a project company's results of operations and financial condition, as well as the Fund's ability to make distributions.

**A project company may become subject to litigation or threatened litigation, which may divert its management's time and attention, require the project company to pay damages and expenses or restrict the operation of its business.**

Any project company could become subject to disputes with commercial parties with which it maintains relationships or other parties with which it does business. Any such dispute could result in litigation between the applicable project company and the other parties. Whether or not any dispute actually proceeds to litigation, the project company may be required to devote significant management time and

attention to its successful resolution (through litigation, settlement, or otherwise), which would detract from its management's ability to focus on the project company's business. Any such resolution could involve the payment of damages or expenses by the project company, which may be significant. In addition, any such resolution could involve an agreement with terms that restrict the operation of the project company's business.

Any of our project companies also could be sued for personal injuries and/or property damage occurring on their respective properties. Adviser expects that its project companies will maintain liability insurance with limits that should be adequate to provide for the defense and/or payment of any damages arising from such lawsuits. But there can be no assurance that such coverage will cover all costs and expenses from such suits.

**Inflation/Deflation may affect rental rates and operating expenses.**

Substantial inflationary or deflationary pressures could have a negative effect on rental rates and property operating expenses.

**Changes in laws could affect our business.**

The Fund's investment strategy largely centers upon capitalizing upon the market dislocation that appears to be caused by the banking regulations. Any amendment, extension, repeal, or other modification of these banking regulations may adversely affect our investment strategy, financial condition, or both, and may limit our ability to make distributions to investors. Furthermore, potential reforms to Fannie Mae and Freddie Mac could adversely affect a Fund's performance. Any changes to their mandates, expansions in their size or the scale of their activities or loss of key personnel could heighten competition experienced by project companies and may, among other things, lead to lower values for a project company's assets and higher interest rates on a project company's borrowings, which in turn would adversely impact the Fund's revenues and ability to make distributions.

**Actual or threatened terrorist attacks may adversely affect project companies' ability to generate revenues and the value of their properties.**

Project companies may have significant investments in large metropolitan markets that may be the targets of actual or threatened terrorism attacks in the future. As a result, some 24 tenants in these markets may choose to relocate their businesses to other markets or to lower-profile properties within these markets that may be perceived to be less likely targets of future terrorist activity. This could result in an overall decrease in the demand in these markets generally or in a project company's properties in particular, which could increase vacancies in their respective properties or necessitate that they lease their properties on less favorable terms or both. In addition, future terrorist attacks in these markets could directly or indirectly damage a project company's properties, both physically and financially, or cause losses that materially exceed a project company's insurance coverage. As a result of the foregoing, a project company's ability to generate revenues and the value of their properties could decline materially.

**Project companies face possible risks associated with the physical effects of climate change.**

Adviser cannot assert with certainty whether climate change is occurring and, if so, at what rate. However, the physical effects of climate change could have a material adverse effect on the Fund's and a project company's properties, operations, and businesses. To the extent climate change causes changes in weather patterns, markets where project companies are located could experience increases

in storm intensity and rising sea levels. Over time, these conditions could result in declining demand for a project company's properties or its inability to operate the properties at all. Climate change also may have indirect effects on the business of a project company by increasing the cost of (or making unavailable) property insurance on acceptable terms, increasing the cost of energy, and increasing the cost of seasonal maintenance. Further, changes in federal and state legislation and regulation on climate change might require increased capital expenditures to improve the energy efficiency of a project company's properties and could also require our project companies to spend more on new development properties without a corresponding increase in revenue. There can be no assurance that climate change will not have a material adverse effect on a project company's properties, operations or business.

**The occurrence of cyber incidents, or a deficiency in cybersecurity, could negatively impact business by causing a disruption to operations, a compromise or corruption of confidential information, and/or damage to reputation and business relationships, all of which could negatively impact the Adviser's financial results.**

A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of our information resources. More specifically, a cyber incident is an intentional attack or an unintentional event that can include gaining unauthorized access to systems to disrupt operations, corrupt data or steal confidential information, including information regarding investors, clients, employees and a project company's residents. As the Adviser's reliance on technology has increased, so have the risks posed to its systems, both internal and those the Adviser has outsourced to third party service providers. In addition, information security risks have generally increased in recent years due to the rise in new technologies and the increased sophistication and activities of perpetrators of cyber-attacks. The primary risks that could directly result from the occurrence of a cyber incident include operational interruption, damage to reputation, damage to business relationships, and private data exposure. Adviser has implemented processes, procedures, and controls to help mitigate these risks, but these measures, as well as increased awareness of a risk of a cyber incident, do not guarantee that financial results will not be negatively impacted by such an incident.

**Each investor is required to pay taxes on its share of the Fund's income even if an investor does not receive cash distributions from the Fund equal to the investor's share of the Fund's taxable income.**

Because the Fund's allocation of taxable income could be different in amount than the cash that the Fund distributes, each investor may be required to pay any federal income taxes and, in some cases, state and local income taxes on the investor's share of the Fund's taxable income even if an investor does not receive cash distributions from the Fund equal to the investor's share of the Fund's taxable income or even equal to the actual tax liability that results from that income.

**Operations may be adversely affected if Adviser becomes subject to the Investment Company Act.**

Adviser intends to advise the Funds in a manner that permits the Funds to not become regulated as investment companies under the Investment Company Act of 1940, as amended (the "Investment Company Act"). Accordingly, Adviser does not expect the investors to be afforded the protections thereunder. A failure to qualify for an exemption from registration under the Investment Company Act could have a material adverse effect on a Fund's financial condition and results of operations.

THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE DESCRIPTION OF ALL OF THE RISKS AND CONFLICTS THAT MAY BE ASSOCIATED WITH THE ADVISER'S INVESTMENT STRATEGY OR THAT ARE APPLICABLE TO THE FUNDS. PROSPECTIVE INVESTORS SHOULD READ THIS BROCHURE AND ALL OTHER APPLICABLE DISCLOSURE MATERIALS IN THEIR ENTIRETY BEFORE MAKING ANY INVESTMENT DECISIONS.

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***Item 9: Disciplinary Information***

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Marble and its supervised persons have no reportable disciplinary events to disclose.

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***Item 10: Other Financial Industry Activities and Affiliations***

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***Item 10.A: Broker-Dealer Activities***

Not applicable. Marble is currently not applying to register as a broker-dealer and does not intend to do so.

***Item 10.B: Commodity or Futures Industry Affiliations***

Not applicable. Neither Marble nor any of its management persons are registered, or have an application to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

***Item 10.C: Affiliate Relationships***

Marble Capital Fund I GP, Marble Capital Fund II GP and Marble Capital - GatesCo GP (the general partners of the Marble Funds) are all "related persons" of one another because they are under the common ownership of Marble Capital, LP.

Each Fund's general partner receives incentive compensation and is an affiliate of Marble. This relationship creates an incentive for Marble to make investment decisions that are riskier or more speculative than would be the case if the general partners did not receive incentive compensation from the Funds.

Although it does not do so at this time, the Adviser could enter into fee-sharing arrangements in the future with administrative service providers or placement agents.

***Item 10.D: Investment Adviser Recommendations***

Not Applicable. Marble does not recommend or select other investment advisers for its clients.

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

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***Item 11.A: Code of Ethics Generally***

Marble has adopted a written Code of Ethics designed to address and avoid potential conflicts of interest as required under Rule 204A-1 of the Advisers Act (the “Code”). The Code sets forth a standard of business conduct and compliance with federal securities laws by all of the Advisers’ employees. The Code contains policies and procedures that ensure that all personal securities trading by access persons of the Firm is conducted in such a manner as to avoid actual or potential conflicts of interest or any abuse of an individual’s position of trust and responsibility. Marble requires pre-clearance for purchases of IPOs and private placements. Marble requires periodic reporting of employees’ personal securities transactions and holdings; and requires prompt reporting of Code violations.

While the Firm very rarely has access to non-public information relating to public companies, as part of its Code, Marble has established procedures to prevent the misuse of material, non-public information.

Marble will provide a copy of the Code to any Fund investor or prospective Fund investor upon request.

#### **Item 11.B through Item 11.D.: *Related Person Transactions***

Principals and employees of Marble may directly or indirectly own an interest in one or more of the Funds. In addition, Marble and its eligible personnel may also invest in Funds of their choosing but are not required to invest in the Funds.

Marble as a fiduciary, endeavors to always make decisions in the best interest of the Funds if a conflict of interest arises between the securities transactions on behalf of the Funds and the Firm’s employees. Employees must disclose on an initial and annual basis the holdings of all personal accounts, as well as all transactions on a quarterly basis.

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#### **Item 12: *Brokerage Practices***

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Marble currently does not engage in securities trading transactions on behalf of its Funds or utilize the services of broker-dealers for transaction related services.

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#### **Item 13: *Review of Accounts***

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##### **Item 13.A and 13.B.: *Review of Accounts***

All Fund assets are periodically monitored and reviewed by the Adviser’s investment team. The investment team reviews each Fund in the context of its stated investment guidelines. More frequent reviews may be triggered by material changes in variables such as the market, political or economic environment.

In addition, certain of the Funds have their own Limited Partner Advisory Committee (“LPAC”) which will approve or deny investments submitted to the LPAC by the Fund’s general partner. If a potential investment is approved, then the Fund can proceed. If not, then the Fund is obligated to not pursue the deal.

**Item 13.C: Client Reports**

Investors in the Funds are provided periodic financial reports such as audited financial statements, capital call statements and distribution statements. Investors also receive on a quarterly basis an update on the performance of the assets in the Funds.

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**Item 14: Client Referrals and Other Compensation**

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**Item 14.A: Other Compensation**

Not applicable. Marble does not receive a direct economic benefit from any third party for providing investment advice or other advisory services to any Client.

**Item 14.B: Client Referrals**

Marble does not currently compensate any person, directly or indirectly, for Client referrals.

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**Item 15: Custody**

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The Advisers maintain compliance with Rule 206(4)-2 of the Investment Advisers Act of 1940 by ensuring that the funds are audited on an annual basis by an independent accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board in accordance with its rules.

Marble will provide audited financial statements prepared in accordance with generally accepted accounting principles to all investors (or other beneficial owners) of the Funds within 120 days of the end of its fiscal year.

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**Item 16: Investment Discretion**

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Marble manages the Funds on a discretionary basis in accordance with the terms and conditions of each Fund's offering and organizational documents. Despite this broad authority, Marble is committed to adhering to the investment strategy set forth in the offering materials of each Fund.

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**Item 17: Voting Client Securities**

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Marble does not generally invest in listed securities. Therefore, it is not anticipated that Marble will be in a position to vote a proxy.



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**Item 18: Financial Information**

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**Item 18.A: Balance Sheet**

Not applicable. Marble does not require nor solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance.

**Item 18.B: Financial Condition**

Marble is not aware of any financial condition that is reasonably likely to impact its ability to meet its contractual commitments to clients.

**Item 18.C: Bankruptcy Petitions**

Not applicable. Marble has not been the subject of a bankruptcy petition at any time during the past ten years.