

SCP Investment, LP Part 2A of Form ADV Brochure

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This brochure provides information about the qualifications and business practices of SCP Investment, LP (“SCP”). If you have any questions about the contents of this brochure, please contact us at (925) 253-1809. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

SCP is registered with the SEC as an investment adviser. Registration as an investment adviser does not imply any level of skill or training.

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

Item 2. Material Changes

This brochure dated March 26, 2020, contains material changes since the last update of the Brochure dated March 28, 2019. Since the last update, the Firm:

- Item 1: Updated the address of its principal place of business;
- Item 5: Updated the *Incentive Fee* section to state that beginning January 1, 2020, SCP Core Equity, LP will charge an incentive fee;
- Item 10: Updated to state that Isaac Souede, Chairman and Chief Global Strategist of SCP, no longer serves as a principal of Arrowsmith, LLC, an investment adviser to private funds. Mr. Souede did not participate in the operation of Arrowsmith, LLC and did not provide investment advice to any of its clients, however, SCP provided certain operational support to the entity.

SCP has revised the language in other sections of this Brochure but has not materially altered any of its responses in this Brochure. Please note that this summary of material changes discusses only those material changes that have occurred since the last update of SCP's Form ADV Part 2A. We encourage you to read this brochure in its entirety and to call us with any questions you may have.

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Item 4. Advisory Business

Firm History and Principal Owners

SCP Investment, LP (“SCP”) is a Delaware limited partnership that was founded in 2016 by Sanford J. Colen and Kara S. Dille.

Mr. Colen is an owner of SCP and is the Chief Investment Officer and portfolio manager of SCP. Isaac Souede is an owner of SCP and is the Chairman and Chief Global Strategist of SCP and Ms. Dille is the Chief Operating Officer and Chief Compliance Officer of SCP. As of December 31, 2019, SCP managed approximately \$1,690,929,011 of regulatory assets under management on a discretionary basis on behalf of 12 private investment funds, (the “Funds”) including:

- SCP Investment Fund, LP, a Delaware limited partnership;
- SCP Legacy, LP, a California limited partnership;
- SCP Investment Offshore, Ltd., a Cayman Islands exempted company;
- SCP Core Equity, LP, a Delaware limited partnership;
- SCP Core Equity, Ltd., a Cayman Islands exempted company;
- SCP Ann Arbor Fund, LP, a Delaware limited partnership;
- RxR Waterfall, LP, a Delaware limited partnership;
- RxR Rocksolid, LP, a Delaware limited partnership;
- SCP Global Opportunities, LP, a Delaware limited partnership;
- SCP Global Opportunities, Ltd., a Cayman Islands exempted company;
- SCP Co-Invest Fund (Madison), LP, a Delaware limited partnership; and
- SCP Co-Invest Fund (Sutton), LP, a Delaware limited partnership.

SCP Legacy, LP and SCP Investment Offshore, Ltd. are feeder funds that invest substantially all of their assets in SCP Investment Fund, LP as the master fund. SCP Core Equity, Ltd. is a feeder fund that invests substantially all of its assets in SCP Core Equity, LP as the master fund. SCP Global Opportunities, Ltd. is a feeder fund that invests substantially all of its assets in SCP Global Opportunities, LP as the master fund.

SCP Investment Fund, LP, SCP Legacy, LP, SCP Core Equity, LP, SCP Ann Arbor Fund, LP, RxR Waterfall, LP, RxR Rocksolid, LP, SCP Co-Invest Fund (Madison), LP and SCP Co-Invest Fund (Sutton), LP are referred to herein as the Onshore Funds. SCP Investment Offshore, Ltd., SCP Core Equity, Ltd. and SCP Global Opportunities, Ltd. are referred to herein as the Offshore Funds.

Services Provided

SCP only manages assets on a discretionary basis.

Each Fund is governed by a limited partnership agreement, or similar document (the “Governing Documents”) that sets forth the specific investment guidelines and restrictions applicable to each Fund. In addition, each Fund’s investment objective and strategy is set forth in a confidential private offering memorandum (each, a “CPOM”) provided to each investor in the relevant Fund.

Each CPOM contains important information regarding the intended investment program of each Fund and should be carefully reviewed prior to investing.

Depending on the Fund, the Funds either invest primarily in securities, or, in limited partnerships and other investment vehicles and accounts (“Investee Funds”) managed by professional investment managers (“Managers”) selected and monitored by SCP. The Funds are authorized to enter into any type of investment transaction that SCP deems appropriate under the terms of the Funds’ governing documents. SCP Investment Fund, LP, RxR Waterfall, LP, RxR Rocksolid, LP and SCP Global Opportunities, LP also have Managers selected by SCP and the investors to manage a portion of the assets on these Funds’ behalf. These arrangements are made pursuant to an investment management agreement or similar document between these Funds and the Manager.

The investors in the Funds have no opportunity to select or evaluate any Fund investments or strategies. SCP selects all Fund investments and strategies.

SCP does not participate in wrap fee programs.

Item 5. Fees and Compensation

Compensation to SCP is negotiable and varies but typically consists of the following:

Investment Management Fee

SCP typically charges an annual management fee of between 0.03% to 1.3% of each Fund’s net assets under management.

The management fee is generally payable quarterly in advance at the beginning of the quarter based on the net asset value of each investor’s account on the first day of each quarter. The management fee for SCP Core Equity, LP, SCP Core Equity, Ltd. and RxR Waterfall, LP is payable monthly in advance based on the net asset value of each investor’s account on the first day of each month. The management fee for RxR Rocksolid, LP is payable semi-annually in advance based on the net asset value of each investor’s account on the first day of each semi-annual period. The management fee for SCP Co-Invest Fund (Sutton), LP and SCP Co-Invest Fund (Madison), LP is payable at the beginning of the quarter based on the investor’s pro rata portion of the value of the total committed capital of the Fund on that date.

Incentive Fee

SCP receives an incentive fee from the Offshore Funds of 6% of profits that exceed a high water mark. In addition, if an investor’s profits above the high water mark exceed 15% of the net asset value of the investor’s account, SCP receives an additional incentive fee of 4% of the amount by which those profits exceed such 15%. SCP complies with Rule 205-3 under the Investment Advisers Act. Such incentive fees are only applied to the portion of profits that exceed the cumulative losses previously allocated or incurred by the investor.

Beginning January 1, 2020, SCP receives an incentive fee from SCP Core Equity, LP equal to 10% of the amount by which the profits exceed the cumulative losses previously allocated or incurred by the investor.

The incentive fee is typically assessed in arrears on an annual basis.

Fees are subject to waiver or reduction by SCP in its sole discretion and have been reduced for certain investors and reduced or eliminated for certain affiliates and employees of SCP and their family members.

General Information on Fees

SCP deducts its fees directly from client accounts.

The investors in SCP Investment Fund, LP, SCP Legacy, LP, SCP Investment Offshore, Ltd., SCP Ann Arbor Fund, LP, RxR Waterfall, LP, RxR Rocksolid, LP, SCP Global Opportunities, LP, SCP Global Opportunities, Ltd., SCP Co-Invest Fund (Madison), LP and SCP Co-Invest Fund (Sutton), LP also pay, indirectly, investment management fees and incentive fees to the managers (“Managers”) of the Investee Funds in which these SCP Funds invest. SCP Investment Fund, LP, RxR Waterfall, LP, RxR Rocksolid, LP and SCP Global Opportunities, LP also pay, directly, investment management fees to Managers that invest a portion of the assets on the Funds’ behalf.

Fees charged by the master funds are waived with respect to the feeder funds so that the feeder funds’ investors do not pay two layers of fees.

SCP believes that its fees are competitive with fees charged by other investment advisers for comparable services. Comparable services may be available, however, from other sources for lower fees.

Investors should review the Funds’ CPOMs and Governing Documents for a more detailed description of any applicable fees, incentive fees and expenses.

The disclosure in this Item 5, together with the disclosure in Item 12, allow a plan that is subject to the Employee Retirement Income Security Act of 1974 and that invests in a Fund of which SCP is the general partner, to use the “alternative reporting option” to report SCP’s compensation as “eligible indirect compensation” on the Schedule C of the plan’s Form 5500 Annual Return/Report of Employee Benefit Plan.

As disclosed in Item 14, SCP has agreements with solicitors to whom it pays a portion of the management fees and incentive fees paid by an investor that that solicitor referred.

Termination

SCP’s relationship with the Onshore Funds is generally terminable only on expiration of the term of the Fund(s), dissolution of the Fund(s) or SCP, SCP’s withdrawal as a general partner, or certain bankruptcy or reorganization events of SCP. The limited partners of SCP Ann Arbor Fund, LP may also remove SCP as the general partner of that fund under certain circumstances. SCP’s investment management agreements with the Offshore Funds are terminable by either party at any time on written notice. In general, investors in the Funds are able to withdraw from a Fund on the

last day of each fiscal quarter on 65 days' prior written notice, subject to a 2% withdrawal fee on withdrawals during the first 12 months after the investor's initial investment in the Fund and, for certain Funds, a minimum withdrawal amount. Withdrawals from the SCP Ann Arbor Fund, LP, RxR Waterfall, LP, and RxR Rocksolid, LP are not subject to the 2% withdrawal fee but are subject to a 10% limit on aggregate withdrawals in any quarter or month, depending on the applicable Fund. Investors in SCP Co-Invest Fund (Sutton), LP and SCP Co-Invest Fund (Madison), LP may only withdraw from the liquid part of their account on the last day of each month on 65 days' prior written notice. Withdrawal terms are subject to waiver by SCP in its sole discretion and have been reduced or eliminated for certain funds and investors.

In all cases, the pro rata portion of the management fee and incentive fee through the date of termination are charged to the investor. With the exception of the fees paid in advance by investors in SCP Co-Invest Fund (Sutton), LP and SCP Co-Invest Fund (Madison), LP, all prepaid but unearned advisory fees are refunded on termination of an account, but an investor who withdraws from a Fund on a date other than the last day of a specified period (e.g. quarterly, semi-annual) does not receive a refund of management fees previously paid.

SCP or a Fund may enter into side letters with certain investors that grant them rights that other investors do not have, such as: reductions of management fees and/or performance-based fees or allocations; special withdrawal rights; rights to receive reports that are more frequent or that include more information than those provided to other investors; special rights to make future investments in SCP Funds; and certain notice and consent rights.

Expenses

Each Fund is responsible for its own costs, which may include the following:

- (i) third-party legal and accounting fees and expenses associated with subsequent offerings and sales of interests in the Fund (including costs and expenses associated with creating any new class of interests, or otherwise changing the structure or any term of the Fund to accommodate any investor);
- (ii) trading costs and expenses (such as, for example, brokerage commissions and charges, expenses related to short sales, option premiums, clearing and settlement charges, custodial and service fees, and higher commission charges related to outsourced trading services);
- (iii) interest and commitment fees on loans and debit balances (on margin or otherwise) and other obligations of the Fund;
- (iv) due diligence costs and expenses (including research conference fees) associated with investigating securities markets or issuers of securities;
- (v) costs and expenses of negotiating and entering into contracts and arrangements and making investments (such as brokerage, legal, accounting, investment banking, appraisal and other professional and consulting fees and expenses arising from particular

investments and potential investments) and similar expenses in terminating those contracts and arrangements and disposing of the Fund's investments;

- (vi) costs and expenses incurred in attempting to protect or enhance the value of the Fund's investments (including the costs and expenses of instituting and defending lawsuits or engaging in proxy contests or tender offers);
- (vii) income taxes, withholding taxes, transfer taxes and other governmental and self-regulatory agency charges and duties;
- (viii) fees and charges of custodians, clearing agencies and banks;
- (ix) third-party bookkeeping, recordkeeping, legal, accounting, auditing, tax preparation and other professional, expert and consulting fees and expenses arising in connection with the Fund's activities (including (1) fees and expenses of counsel for the Fund, SCP or one or more officers or partners of SCP arising in connection with the Fund's activities, and (2) research and legal costs and expenses related to investigative due diligence on prospective portfolio holdings);
- (x) fees and expenses related to regulatory reporting for the Fund, SCP or their affiliates relating to the Fund (including, but not limited to, filings under sections 13 and 16 of the Securities Exchange Act of 1934, as amended, and Form PF), such as consulting and legal fees, software, license, data production and implementation fees, and related charges;
- (xi) costs of contracts related to on-line research, trade order management systems, risk reporting, portfolio management, and quotation services and equipment (including computer hardware and software related thereto, such as is provided by Bloomberg, Reuters or similar providers);
- (xii) fees and expenses of the Fund's administrator or any similar service provider;
- (xiii) fees, costs and expenses of communicating with investors (including, without limitation, the costs of establishing and maintaining a website for such communications);
- (xiv) costs and expenses of investing the Fund's assets indirectly through Investee Funds, including all management fees and performance-based compensation charged by their Managers, and all other costs and expenses of such investments;
- (xv) if the Fund invests through a master fund, the costs and expenses of investing the Fund's assets through such master fund, including the Fund's proportionate share of the costs and expenses of organizing and operating such a master fund;
- (xvi) to the extent permitted by applicable law, premiums and other costs and expenses of insurance policies as SCP considers appropriate, insuring the Fund, SCP and their

affiliates against liabilities that may arise in connection with the business or management of the Fund;

- (xvii) costs and expenses of proxy voting and class action services;
- (xviii) for the Offshore Funds, costs of maintaining its registered office in the Cayman Islands and the costs of having its management shares held by a third party;
- (xix) costs of maintaining any appropriate registrations of the Fund;
- (xx) for the Offshore Funds, fees and reimbursement for out-of-pocket expenses of the unaffiliated directors, registrar, transfer agent and corporate secretary;
- (xxi) any contingencies for which SCP determines reserves are required; and
- (xxii) any extraordinary expenses (such as litigation expenses).

SCP bears its own operating, general, administrative and overhead expenses, other than the expenses described above. Certain expenses may be paid by securities brokerage firms to which SCP directs securities trades, as discussed in Item 12 below.

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

SCP provides investment management services to accounts that do pay performance-based compensation as described in Item 5 and also to accounts that do not pay performance-based compensation.

The possibility that SCP may receive performance-based compensation creates a potential conflict of interest in that it may create an incentive to make investments that are riskier or more speculative than in the absence of such compensation. Investors are provided with clear disclosure as to how such compensation is charged with respect to a particular Fund and the risks associated with such compensation prior to making an investment.

SCP has an incentive to favor higher fee-paying accounts over other accounts. SCP has a conflict of interest if, in any time period, one fee structure would cause higher fees to accrue to SCP than the other fee structure, because SCP would have an incentive to favor the account that pays the higher fees. To address this conflict, SCP allocates investment opportunities that are appropriate for multiple accounts on a pro rata basis based on each account's assets.

Item 7. Types of Clients

SCP provides investment supervisory services to Funds.

SCP generally requires a minimum initial investment of \$1,000,000 for investors in each Fund, with the exception of SCP Core Equity, LP and SCP Core Equity, Ltd. which have a \$5,000,000 minimum initial investment, and SCP Ann Arbor Fund, LP, RxR Waterfall, LP, RxR Rocksolid,

LP, SCP Co-Invest Fund (Sutton), LP and SCP Co-Invest Fund (Madison), LP which do not have a minimum initial investment requirement. Each investor is required to meet certain suitability qualifications, such as being an “accredited investor” and “qualified purchaser” within the meaning set forth under the United States federal securities laws.

The minimum initial investment requirement may be waived by SCP in its discretion.

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

For SCP Investment Fund, LP, SCP Ann Arbor Fund, LP, SCP Global Opportunities, LP, RxR Waterfall, LP, RxR Rocksolid, LP, SCP Co-Invest Fund (Sutton), LP and SCP Co-Invest Fund (Madison), LP (the “SCP Multi-Manager Funds”), the investment strategy is as follows:

The SCP Multi-Manager Funds invest primarily in Investee Funds managed by Managers selected and monitored by SCP. The Investee Funds invest in securities, which may include publicly traded common and preferred stocks (and equity-like financial instruments), swaps, options (including covered and uncovered puts and calls), other derivatives, rights, warrants, private securities, non-U.S. securities, bonds, notes, bills, participating and convertible debt instruments, money market instruments, units, ETFs and other instruments. The Investee Funds may engage in short selling, margin trading, hedging and other investment strategies. The SCP Multi-Manager Funds may also invest directly in securities and may engage in short selling, margin trading, hedging and other strategies. The Investee Funds and the SCP Multi-Manager Funds may hold part of their assets in cash or in money market or similar instruments.

RxR Rocksolid, LP, SCP Co-Invest Fund (Sutton), LP and SCP Co-Invest Fund (Madison), LP invests primarily in Investee Funds focused primarily on private equity and venture capital investments, as well as real estate and other illiquid assets. The Funds may also make similar investments directly. The Fund and the Investee Funds may occasionally invest in other types of securities and typically hold excess cash in money market and other short term fixed income instruments.

SCP Multi-Manager Funds:

Investment Objective. SCP’s investment objective for the SCP Multi-Manager Funds is to structure a diversified and balanced portfolio that provides consistent alpha and below market volatility for the investors. SCP seeks to accomplish such investment objective by constructing a multi-manager, multi-strategy investment portfolio of diversified Investee Funds. Direct equity overlays may also complement SCP’s hedged and long-only equity and fixed-income fund investments.

Investment Selection Process. SCP’s Investee Fund selection and monitoring process hinges on its goal of concentrating the portfolio with low volatility, alpha generating funds. SCP aims to engage in extensive investment and operational due diligence prior to investment in each Investee Fund. After initial investment, SCP engages in ongoing risk assessment and dialogue with the Investee Funds’ Managers.

Investment Philosophy. The SCP Multi-Manager Funds are organized around the belief that comprehensive Investee Fund screening and monitoring along with portfolio balance and diversification will yield superior investment results. SCP seeks to make investment decisions based on a thorough understanding of the financial, strategic, and competitive dynamics of the investment landscape as well as the qualitative and quantitative attributes that characterize a superior portfolio.

SCP Core Equity, LP (“SCP Core Equity”):

Investment Objective. SCP Core Equity invests in and trades securities, consisting principally, but not solely, of publicly traded U.S. and non-U.S. equities and equity-related securities and all types of exchange traded funds (ETFs). In addition to common stocks and ETFs, it may invest in preferred stocks, convertible securities, warrants, rights, options (including covered and uncovered puts and calls and over-the-counter options), swaps and other derivative instruments, futures, options on futures, other commodity interests, and private securities, as well as bonds and other fixed income securities, non-U.S. currencies, limited partnerships and other investment vehicles, and money market instruments, cash and cash equivalents. It may engage in short selling, margin trading, hedging and other investment strategies, and may invest part of its excess cash (if any) in money market funds. SCP Core Equity believes that a bottom-up research driven investment approach will provide above-average long-term returns. While the primary goal is to be investment-oriented, SCP Core Equity intends to exploit certain trading opportunities presented by the volatility in individual Securities, particularly in connection with short selling.

Investment Selection Process. SCP Core Equity engages in long purchases and short sales of securities and may also engage in hedging, option trading, leverage (including, but not limited to, margin trading and investing in derivatives) and other strategies. It may invest in securities with relatively low prices, which may be subject to greater percentage price fluctuations than higher priced securities. SCP Core Equity may have high portfolio turnover. Its brokerage commissions and other transaction costs generally may be higher than those incurred by funds with a lower portfolio turnover rate.

Investment Philosophy. SCP Core Equity is organized around the belief that comprehensive securities analysis will yield superior investment results. This discipline, and the ability to hedge its portfolio, makes SCP Core Equity’s investment opportunity one that is less dependent on the direction of the overall market. SCP Core Equity seeks to (i) initiate fundamental long and short positions, which results in a portfolio that reflects its investment opinions on specific securities, and to achieve capital appreciation principally through purchasing and selling common stocks, both long and short.

An investment in any Fund should be considered a long-term investment. The Funds are not intended to meet investors’ short-term financial needs or to provide a complete or balanced investment program.

Risk Factors

Investing in securities involves risk of loss that investors should be prepared to bear. Below are some of the risks that investors should consider before investing in any Fund SCP manages. Any

or all of such risks could materially and adversely affect investment performance and the value of any account or any security held in an account and could cause investors to lose substantial amounts of money. All prospective investors should consult with their professional advisers before deciding to invest. A potential investor should discuss with SCP's representatives any questions that such person may have before investing in a Fund. Some of the risks that an investor should consider before investing in a Fund are:

- A Fund may not achieve its investment objectives. Its strategy may not be successful and investors may lose some or all of their investment.
- Investor sentiment on the market, an industry or an individual stock, fixed income or other security is not predictable and can adversely affect the Funds' and Investee Funds' investments.
- The Funds and Investee Funds may hold stocks that disappoint earnings expectations and decline and may short stocks that beat earnings expectations and rise.
- SCP and any Investee Fund Manager may not be able to obtain complete or accurate information about an investment and may misinterpret the information that it does receive. They may receive material, non-public information about an issuer that prevents them from trading securities of that issuer for the Funds when the Funds could make a profit or avoid losses.
- SCP and Investee Funds may take positions in securities of small or unseasoned companies that are less actively traded and more volatile than those of larger companies.
- SCP and Managers of Investee Funds may engage in hedging in certain strategies, which may reduce profits, increase expenses and cause losses. Price movement in a hedging instrument and the security hedged does not always correlate, resulting in losses on both the hedged security and the hedging instrument. SCP and the Investee Fund Managers are not obligated to hedge their portfolio positions, and they frequently may not do so.
- The Funds and Investee Funds may have higher portfolio turnover and transaction costs than similar accounts managed by other investment advisers. These costs reduce investments and potential profit or increase loss.
- Management and stockholders of an issuer may sue short sellers to prevent short sales of the issuer's securities. SCP and Managers of Investee Funds could be subject to such actions, even if they are baseless, and the Funds could incur substantial costs defending them.
- SCP and Managers of Investee Funds may use leverage by borrowing on margin, selling securities short in certain strategies and trading derivatives, which increases volatility and risk of loss.
- Derivative instruments can be difficult to value. An incorrect valuation could result in losses.

- There is no exchange-based market on which to close many open swap position or other derivative transaction. The Funds and Investee Funds could experience delays in settling such transactions, including due to credit or liquidity problems with the counterparty, which could result in losses.
- SCP and the Investee Fund Managers may invest in futures and other commodity interests. Trading in these instruments is highly speculative and may entail risks greater than those of investing in other securities. Price movement in these instruments is hard to predict and they may be particularly volatile.
- SCP and the Investee Fund Managers may sell covered and uncovered options on securities. The sale of uncovered options could result in unlimited losses.
- The Funds and Investee Funds may invest in debt instruments, whose values may vary unpredictably with shifts in interest rates, issuers' ability to pay principal and interest and issuers' defaults.
- Counterparties such as brokers, dealers, custodians, administrators, and service providers with which SCP does business on behalf of the Fund may default on their obligations. For example, the Fund may lose its assets on deposit with a broker if the broker, its clearing broker or an exchange clearing house becomes bankrupt. Similar risks apply to Investee Funds.
- The Funds and Investee Funds may enter into repurchase agreements or reverse repurchase agreements. These instruments can have effects similar to margin trading and leveraging strategies.
- The Fund and Investee Funds may invest in securities of non-U.S. issuers. The risks of these investments include political risks, economic conditions of the country in which the issuer is located, limitations on foreign investment in any such country, currency exchange risks, withholding taxes, limited information about the issuer, limited liquidity and limited regulatory oversight.
- The Fund and Investee Funds may invest in securities of private companies. Private equity and venture capital investing involves an extraordinarily high degree of business and financial risk and can result in substantial or complete losses. Many portfolio companies of the Investee Funds will operate at a loss, will experience substantial variations in operating results from period to period, and may need substantial additional capital to support expansion or to achieve or maintain competitive positions. These companies may face intense competition, including competition from companies with much greater financial resources, much more extensive development, production, marketing and service capabilities, and a much larger number of qualified managerial and technical personnel. A high percentage of venture capital and private equity investments result in partial or total losses.
- The Fund and Investee Funds may invest in real estate. Investments in real property are subject to specific risks. These include changes in general economic and local market

conditions, fluctuations in interest rates and the availability of capital for borrowings, changes in supply of or demand for similar or competing properties, and changes in taxes or governmental regulations. Competition with new and existing properties for tenants and the general difficulties of maintaining rental rates and occupancy levels in a highly competitive market, along with various factors that increase operating expenses, may cause rental income to be insufficient to meet operating expenses. Any property that cannot be operated at a profit may have to be sold, potentially at a substantial loss.

- Changes in economic conditions can adversely affect investment performance. At times, economic conditions in the U.S. and elsewhere have deteriorated significantly, resulting in volatile securities markets and large investment losses. Government actions responding to these conditions could lead to inflation and other negative consequences to investors.
- Some positions may be or become illiquid, in which case SCP or the Investee fund Manager may not be able to sell such positions.
- An Investee Fund's investments may be concentrated in a few positions and may not be diversified across industries or sectors. Therefore, a loss in any one position, industry or sector may cause significant losses.
- SCP determines the value of securities held in the Funds, whether or not a public market exists for such instruments. If SCP's valuation is inaccurate, it might receive more compensation than that to which it is entitled, a new investor in a Fund might receive an interest that is worth less than it paid, and an investor that is withdrawing assets might receive more than the amount to which it is entitled, to the detriment of other investors.
- SCP and its affiliates and agents generally are not responsible to any Fund or investor for losses incurred in an account unless the conduct resulting in such loss breached SCP's fiduciary duty to the Fund.
- There is not and will not be an active market for Fund interests. It may be impossible to transfer any such interests, even in an emergency.
- A Fund may not be able to generate the cash necessary to satisfy investor withdrawals and redemptions. Substantial withdrawals and redemptions in a short period could force SCP to liquidate investments too rapidly and may so reduce the size of a Fund that it cannot generate returns or reduce losses.
- A Fund or Investee Fund may limit or suspend withdrawals or redemptions of an investor's assets.
- A Fund may establish a reserve for contingencies if SCP considers it appropriate. Investors may not withdraw or redeem assets covered by that reserve until it is lifted.
- If the assets that SCP manages grow too large, it may adversely affect performance because it is more difficult for SCP to find attractive investments as the amount of assets that it must invest increases.

- The attorneys who represent SCP do not represent individual investors. Investors must hire their own counsel for legal advice and representation.
- A Fund may dissolve or expel any investor at any time, even if such actions adversely affect one or more investors.
- SCP, a Fund administrator or any government agency may freeze assets that any of them believes a Fund holds in violation of anti-money laundering laws or rules or on behalf of a suspected terrorist and may transfer such assets to a government agency. None of SCP, a Fund or an administrator will be liable for losses related to actions taken in an effort to comply with anti-money laundering regulations.
- The Funds do not intend to make distributions but intend instead to reinvest substantially all income and gain. Therefore, an investor may have taxable income from a Fund without a cash distribution to pay the related taxes.
- Federal, state and international governments may increase regulation of investment advisers, private investment funds and derivative securities, which may increase the time and resources that SCP must devote to regulatory compliance to the detriment of investment activities.
- SCP is not registered with the SEC as a broker-dealer or with the Commodity Futures Trading Commission as a commodity pool operator or commodity trading adviser. The equity interests in the Funds are not registered under the Securities Act of 1933, and the Funds are not registered investment companies under the Investment Company Act of 1940. SCP believes that none of these registrations is required because exemptions are available under applicable law. If a regulatory authority deems that any of these registrations is required, SCP and any Fund could be subject to expensive legal action and potential termination. In addition, investors in the Funds do not have certain regulatory protection that they would have if these registrations were in place.
- SCP's activities could cause adverse tax consequences to the Fund and investors, including liability for interest and penalties.
- SCP's activities may cause an account that is subject to the Employee Retirement Income Security Act of 1974 to engage in a prohibited transaction under that act.
- A Fund may permit an investment by an investor located in an EU country. It is not possible to determine presently the full impact that the AIFM Directive will have on a Fund or SCP. Regulatory changes impairing the ability of SCP to manage investments may have a material adverse effect on a Fund's ability to carry out its investment approach, achieve its investment objective, or attract new capital from European Union sources.
- If an investor fails to provide a Fund with any information it requests, in violation of FATCA, the Fund may exercise its right to compel the redemption of such shareholder.

The above is only a brief summary of some of the important risks that an investor may encounter. Before deciding to invest in a Fund that SCP manages, potential clients should consider carefully all of the risk factors and other information in the Fund's offering documents.

Item 9. Disciplinary Information

Not applicable.

Item 10. Other Financial Industry Activities and Affiliations

Kara S. Dille, Chief Compliance Officer and Chief Operating Officer of SCP and Willis J. Koo, Chief Financial Officer of SCP, are co-founders of outsourced accounting firm Dille & Koo, LLP ("D&K"). D&K provides administrative and accounting services to other investment advisers and pooled investment vehicles unrelated to SCP and the Funds. This activity creates potential conflicts of interest related to the sharing of proprietary nonpublic information and the use of their time.

D&K and SCP operate independently of one another. SCP does not conduct any business with D&K. The Investee Funds are not clients of D&K. However, D&K provides certain administrative and accounting services to SCP's partners and investors in SCP's Funds. Where D&K provides its services to investors in a Fund, D&K's service fees are paid for by the Fund as an expense. This is disclosed in the applicable Fund's offering documents. The Firm's policy requires a written disclosure provided to principals of SCP for review and approval. Ms. Dille and Mr. Koo's responsibilities at SCP are unrelated to portfolio management, and the services that D&K provides to its clients are limited to accounting matters and do not relate to portfolio management.

Ms. Dille and Mr. Koo commit the majority of their time and activity to SCP. Their relationship with D&K is disclosed to all investors in the Funds.

In their capacity as supervised persons of SCP, Ms. Dille and Mr. Koo are subject to SCP's compliance policies, which among other things require them to discharge their fiduciary duties to SCP's clients and maintain the confidentiality of SCP's portfolio holdings and recommendations and SCP's investors' nonpublic personal information. In addition, as certified public accountants ("CPAs"), they are subject to the rules of professional conduct applicable to licensed CPAs, which include obligations to maintain the confidentiality of D&K's client information.

Investors and prospective investors may obtain additional information about the other financial industry activities and affiliations described above by contacting SCP's Chief Compliance Officer, at (925) 253-1800.

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

SCP has adopted a Code of Ethics in compliance with Rule 204A-1 under the Investment Advisers Act of 1940 and Rule 17j-1 under the Investment Company Act of 1940, which establishes standards of conduct for its employees. The Code of Ethics includes general requirements that SCP employees comply with their fiduciary obligations to the Funds and applicable securities laws and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires employees to report most of their personal securities transactions and holdings quarterly to the Chief Compliance Officer or her designee. Employees must also report their outside business activities. Each employee receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received the materials. Annually, each employee must certify that he or she complied with the Code of Ethics during that year.

Investors and prospective investors may obtain a copy of the Code of Ethics by contacting SCP's Chief Compliance Officer, at (925) 253-1800.

Under SCP's Code of Ethics, SCP and its officers and employees can personally invest in securities of the same classes as are purchased for the Funds, and they can own securities of classes that are subsequently purchased for the Funds. This practice creates a conflict of interest in that any of such persons can use his or her knowledge about actual or proposed securities transactions and recommendations for a Fund to profit personally by the market effect of such transactions and recommendations. To address this conflict, SCP and its officers and employees are required to pre-clear transactions in securities designated as "Reportable Securities," and SCP will only grant approval to trade if the security is not owned by a Fund or being contemplated for purchase for a Fund, or has otherwise been restricted. Further, SCP has implemented a blackout period during which employees are prohibited from purchasing or selling any "Reportable Securities" of an issuer during the seven business days before and after the day any security in that issuer has been traded for a Fund.

Subject to SCP's policies and procedures, SCP and its officers and employees are able to buy or sell a specific security for their own accounts based on personal investment considerations, which SCP does not deem appropriate to buy or sell for a Fund. The performance of the personal accounts of SCP and its officers and employees may be more favorable at times than that of the Funds' accounts.

Because SCP manages more than one client account, there can be conflicts of interest over its time devoted to managing any one account and selecting and allocating investment opportunities among accounts. For example, SCP selects investments for each Fund based solely on investment considerations for that Fund. The Funds have different investment strategies and expected levels of trading. Therefore, SCP can buy or sell a security for one Fund but not for another, or can buy (or sell) a security for one Fund while simultaneously selling (or buying) the same security for another Fund. SCP attempts to address such situations in a manner that is generally fair to the Funds. SCP can take action on behalf of the Funds that differs from the timing or nature of action it takes on behalf of any other Fund as long as it is SCP's policy, to the extent practicable, to allocate investment opportunities to clients fairly and equitably over time.

Item 12. Brokerage Practices

For direct purchases of securities by the Funds, SCP has complete discretion over the selection of the broker to be used and the commission rates to be paid. In selecting a broker for any transaction or series of transactions, SCP may consider a number of factors, including, for example,

- opportunity for price improvement,
- transaction costs,
- anonymity,
- liquidity,
- expertise with difficult securities (i.e., illiquid trades),
- speed of execution,
- trading style and strategy (taking market conditions into consideration),
- frequency of errors,
- access to new issues,
- financial strength and stability,
- special execution capabilities,
- willingness to execute related or unrelated difficult transactions in the future,
- order of call (refers to the order in which the broker calls a client vs. its other clients to share information),
- information accuracy and timeliness,
- ability to minimize market impact,
- availability of derivative securities,
- capital commitment,
- perceived integrity and reputation,
- morning/intraday flow call, and
- quality of and access to research (including sales coverage, investment ideas, research seminars and ability to facilitate meetings with corporate executives).

SCP may also purchase from a broker or allow a broker to pay for certain goods and services, (“soft dollar relationships”), including

- certain research services, including economic and market information, portfolio strategy advice, industry and company comments, technical data, recommendations, research conferences, general reports, periodical subscription fees and consultants’ fees;
- performance, risk and exposure measurement data;
- trade execution analytics;
- on-line pricing;
- news wire charges and certain data processing charges;
- quotation services; and
- computer software (such as trade order management systems and software that facilitates the analyzing of the availability and rates for stock borrows from different brokers and related matters) or aggregated performance, risk and exposure measurement across the Funds and stock portfolios within one or more of the Funds.

SCP may direct a brokerage firm that executes transactions to share some of its commissions with a brokerage firm that provides soft dollar benefits to SCP. With respect to certain computer software used for both research/brokerage and non-research/brokerage purposes, SCP may (but is not required to) allocate the costs of such products between their research/brokerage and non-research/brokerage uses and will use soft dollars to pay only for the portion allocated to research/brokerage uses.

SCP may cause a Fund to pay a brokerage commission in excess of that which another broker might charge for effecting the same transaction in recognition of the value of the brokerage, research and other services and soft dollar relationships. Although SCP believes the Funds benefit from services obtained with soft dollars generated by their accounts’ trading, SCP and its affiliates also derive direct or indirect benefits from some or all of these services, particularly to the extent that SCP uses “soft” or commission dollars to pay expenses that it would otherwise be required to pay itself.

Section 28(e) of the 1934 Act provides a “safe harbor” to investment advisers who use commission dollars of their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the manager in performing investment decision-making responsibilities. Conduct outside of the safe harbor of section 28(e) is subject to the traditional standards of fiduciary duty under state and federal law. If SCP uses commission dollars to pay for products or services that provide administrative or other non-research assistance to them or their affiliates, such payments may not fall within the safe harbor of section 28(e). In addition, SCP may receive soft dollar credits on principal, as well as agency, securities transactions with brokers.

SCP generally considers the amount and nature of research, execution and other services provided by brokers as well as the extent to which the Funds rely on such services, and attempts to allocate a portion of the brokerage transactions of the Funds on the basis of that consideration. SCP may use the investment information and other services received from brokers, however, in servicing all of the Funds, but it may not use all such information for any particular Fund. SCP believes that

allocating brokerage transactions in this manner helps the Funds obtain research and execution capabilities and provides other benefits to the Funds.

The relationships with brokerage firms that provide soft dollar services to SCP and its affiliates influence SCP's judgment in allocating brokerage transactions and create a conflict of interest in using the services of those brokers to execute the Funds' brokerage transactions. The brokerage fees paid by the Funds benefit SCP at the expense of the Funds, to the extent that soft dollars are used to pay SCP's expenses that are not otherwise reimbursable by the Funds. SCP believes that these relationships benefit the Funds, but Fund trades executed through these firms or any other brokerage firm may or may not be at the best price otherwise available.

SCP retains a prime broker and custodians for the Funds. The services that these parties provide may include cash sweep and other cash management services, custody, margin financing, clearing, settlement and stock borrowing in accordance with the terms of the prime brokerage and custody agreements. SCP also receives other services from those parties, which may include capital introduction services, client portfolio reporting, and information management, trade execution analytics and business and information technology consulting and related services. The Funds pay for some of these services, such as stock borrowing, but many of the services are provided without charge. While a number of the services provided by the prime broker and custodians benefit both the Funds and SCP, some of the services, such as capital introduction services and client portfolio reporting used by SCP for marketing purposes, primarily benefit SCP. SCP believes the services it receives from the prime broker and custodians are generally comparable to services provided by many prime brokers and custodians to other similarly situated investment advisers. If SCP did not receive these services from the prime broker and custodians, however, it would be required to pay for all or some portion of them. SCP expects to direct most of the Funds' securities transactions to these parties and their affiliates, but is not required to direct a particular number of trades to them or to continue to use their services; however, it has an incentive to do so based on their prior and continued services.

The obligations to the custodians and their affiliates are secured by way of a first priority perfected security interest over the assets held in custody by those entities. A custodian may transfer to itself all rights, title and interest in and to those assets as collateral and may deal with, lend, dispose of, pledge or otherwise use all such collateral for its own purposes. If any such transfer occurs, the Funds will rank as such custodian's (or its affiliate's) unsecured creditors. If such custodian or affiliate becomes insolvent, the Funds may not be able to recover such equivalent securities in full. In addition, a Fund's cash held by a custodian may not be segregated from such custodian's own cash and, if not so segregated, may be used by such custodian or affiliate in the course of its business and the Fund will rank as unsecured creditors in relation thereto.

If any of a Fund's investments are registered in the name of a custodian or its affiliate due to the nature of the law or market practice of a particular jurisdiction, such investments will not be segregated from the custodian's or affiliate's own investments and if such custodian or affiliate becomes insolvent, the Fund may not be able to recover such equivalent investments in full.

SCP may aggregate sale and purchase orders of securities held by a Fund with similar orders being made simultaneously for other Funds if, in its judgment, such aggregation is reasonably likely to result in an overall economic benefit to all such accounts, in the aggregate, based on an evaluation

that such accounts will benefit from relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions or a combination of these and other factors. Such transactions may be made at slightly different prices, because of the volume of securities purchased or sold. In such event, each Fund may be charged or credited, as the case may be, the average transaction price of all securities purchased or sold in such transactions. As a result, the price may be less favorable to any Fund than it would be if similar transactions were not being executed concurrently for other Funds.

This section describes only the brokerage practices of SCP. Managers of Investee Funds may have similar or different policies and practices concerning such matters as selection of brokers, prime brokers and custodians, allocation of portfolio transactions, use of soft dollars, trade aggregation, etc., all of which may affect the trading, expenses, investment returns and risk profiles of the Investee Funds and thus of the Funds.

Item 13. Review of Accounts

The CIO, Chief Global Strategist, and/or other SCP personnel review each portfolio's performance and activity at least weekly. Those reviews take into account such matters as asset allocation, cash management, the prospects of individual securities, changes in issuer earnings, industry outlook, market outlook and price levels. Additionally, each Fund's portfolio is monitored on an ongoing basis to assure conformity with the objectives and guidelines in the Fund documents.

Investors in each Fund have access to monthly reporting from the Fund administrator. All investors in Funds receive at least quarterly performance results from SCP. Investors also receive a general quarterly newsletter and their Fund's annual audited financial statements.

Item 14. Client Referrals and Other Compensation

The prime broker and custodians for the Funds provide a variety of services in addition to custody services. These include capital introduction services. SCP is not required to direct any volume of business in return for these services. However, it has an incentive to maintain relationships with these firms based on their prior and continued services.

SCP has agreements with solicitors to whom it pays a portion of the management fees and incentive fees paid by an investor that solicitor referred. The agreements require the solicitors to comply with all applicable laws, including any licensing requirements applicable to it. SCP complies with the requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940 to the extent required by applicable law.

Item 15. Custody

All Fund assets are held in custody by unaffiliated broker-dealers or banks. The Funds are subject to an annual audit and the audited financial statements are distributed to each investor. The Funds' audited financial statements are prepared in accordance with generally accepted accounting principles and distributed within 120 days after the end of the fiscal year for SCP Core Equity, LP and SCP Core Equity, Ltd., and within 180 days after the end of the fiscal year for SCP Investment

Fund, LP, SCP Legacy, LP, SCP Investment Offshore, Ltd., SCP Ann Arbor Fund, LP, SCP Global Opportunities, LP, SCP Global Opportunities, Ltd., RxR Rocksolid, LP and RxR Waterfall, LP, SCP Co-Invest Fund (Sutton), LP and SCP Co-Invest Fund (Madison), LP. In addition, the Managers that manage a portion of SCP Investment Fund, LP, RxR Waterfall, LP, RxR Rocksolid, LP, SCP Global Opportunities, LP, SCP Co-Invest Fund (Sutton), LP and SCP Co-Invest Fund (Madison), LP assets have discretionary authority pursuant to an investment management agreement between the Fund and the Manager.

Item 16. Investment Discretion

SCP has discretionary authority to manage investment accounts on behalf of the Funds pursuant to a grant of authority through each Fund's agreement of limited partnership or limited power of attorney in its investment management agreement with the Fund.

Item 17. Voting Client Securities

SCP has adopted proxy voting policies and procedures with respect to voting proxies on behalf of its Clients. SCP utilizes Institutional Shareholder Services ("ISS"), a third-party proxy voting service, to assist it in analyzing and voting proxies with respect to publicly-traded securities for the SCP Funds.

If SCP becomes aware of any potential conflict of interest arising with respect to a proxy voting matter, including with respect to any such matter referred to SCP's attention by ISS, then SCP's Chief Compliance Officer and the relevant portfolio manager for the SCP Fund entitled to vote on the matter will review the relevant matters in advance to seek to ensure that SCP's proposed votes are in the best interests of its Clients, and are not prompted by any conflict of interest. The Chief Compliance Officer may, in her discretion, elect to elevate any such proxy voting matter to SCP's Chief Executive Officer and/or SCP's Operations Committee for review.

A holder of any interest in a SCP Fund may request a copy of ISS's Proxy Voting Policies and SCP's Proxy Voting Policies and Procedures, as well as information about how SCP voted any SCP Fund's proxies, by contacting the Chief Compliance Officer by calling (925) 253-6195 or emailing kd@scpinvestment.com.

Item 18. Financial Information

Not applicable.

Item 19. Requirements for State-Registered Advisers

Not applicable.