



**Resource Capital Investment Corporation**  
**PART 2A OF FORM ADV**

1910 Palomar Point Way, Suite 200  
Carlsbad, CA 92008

September 2014

This brochure provides information about the qualifications and business practices of Resource Capital Investment Corporation. If you have any questions about the contents of this brochure, please contact us at 866-531-8746. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about Resource Capital Investment Corporation is also available on the SEC's website at: <http://www.adviserinfo.sec.gov>.

**Item 2. Material Changes**

Asset under management numbers have been updated as of the end of August 2014. Exploration Capital Partners 2014 Limited Partnership is announced. The Adviser determines that there were no further material changes.

### Item 3. Table Of Contents

Item 2. Material Changes .....	2
Item 3. Table Of Contents.....	3
Item 4. Advisory Business .....	4
Item 5. Fees and Compensation .....	4
Item 6. Performance Based Fees and Side-by-Side Management.....	5
Item 7. Types of Clients.....	5
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss.....	5
Item 9. Disciplinary Information.....	9
Item 10. Other Financial Industry Activities and Affiliations.....	9
Item 11. Code of Ethics, Interest in Client Transactions and Personal Trading .....	10
Item 12. Brokerage Practices .....	11
Item 13. Review of Accounts.....	13
Item 15. Custody .....	13
Item 16. Investment Discretion.....	13
Item 17. Voting Client Securities.....	14
Item 18 Financial Information .....	14

---

#### **Item 4. Advisory Business**

Resource Capital Investment Corporation (hereinafter referred to as “RCIC” or the “Adviser”) were previously under the auspices of Sprott Asset Management USA Inc., is an investment advisory firm with its principal place of business in Carlsbad, California and was founded in 1998. RCIC is owned by Sprott U.S. Holdings, Inc., a subsidiary of Sprott Inc., a Canadian public company. RCIC was registered with the U.S. Securities and Exchange Commission as an investment adviser on May 17, 2013.

RCIC, a Nevada corporation, serves as the General Partner of various investment partnerships intended for sophisticated investors (such sophisticated investors are known hereinafter as “Limited Partners”) that invest in companies engaged in natural resources and related industries. The various partnerships are as follows: Exploration Capital Partners 1998-B Limited Partnership, Exploration Capital Partners 2000 Limited Partnership, Exploration Capital Partners 2005 Limited Partnership, Exploration Capital Partners 2006 Limited Partnership, Exploration Capital Partners 2008 Limited Partnership, Exploration Capital Partners 2009 Limited Partnership, Resource Income Partners Limited Partnership, Exploration Capital Partners 2012 Limited Partnership and Natural Resource Income Investing Limited Partnership (hereinafter referred to each, a “Client” or “Partnership”). Exploration Capital Partners 2014 Limited Partnership was launched in September 2014 and will close in December 2014.

As of August 31st, 2014 RCIC managed \$355,389,071 in Partnership assets.

#### **Item 5. Fees and Compensation**

##### **Partnerships**

The Clients each pay RCIC a monthly management fee in arrears in an amount equal to 2.0% per annum based on the value of net assets on the last day of the month (the “Management Fee”) with the exception of the Natural Resource Income Investing Limited Partnership which pays 1.75%. All Clients except Exploration Capital Partners 2000 Limited Partnership have their respective Management Fees deducted on a monthly basis. Exploration Capital Partners 2000 Limited Partnership has its Management Fee deducted on a quarterly basis.

RCIC will also be paid a performance-based allocation, which is compensation that is based on a share of capital appreciation of the assets of each Partnership. This allocation will be paid to RCIC and to the special limited partner as outlined in the various partnership agreements. The specific percentages are defined in each partnership agreement.

In addition to paying management fees and, if applicable, performance fees or allocations, the Clients are also subject to other investment expenses such as custodial charges, brokerage fees, commissions and related costs; interest expenses; taxes, duties and other governmental charges; transfer and registration fees or similar expenses; costs associated with foreign exchange transactions; other portfolio expenses; and costs, expenses and fees associated with products or services that may be necessary or incidental to such investments or accounts. Client assets may be invested in money market mutual funds, ETFs or other registered investment

companies. In these cases, the client will bear its pro rata share of the investment management fee and other fees of the fund, which are in addition to the investment management fee paid to the Adviser. Please refer to Item 12 of this brochure for a discussion of brokerage practices.

### **Referrals**

RCIC does not currently pay for referrals.

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

RCIC provides investment management services to multiple portfolios for multiple clients and is paid performance-based compensation by the Clients. When RCIC and their investment personnel manage more than one client account, a potential exists for one client account to be favored over another.

RCIC has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts, including accounts with multiple fee arrangements, and the allocation of investment opportunities. RCIC reviews investment decisions for the purpose of ensuring that all accounts with substantially similar investment mandates are treated equitably. The performance of similarly managed accounts is also regularly compared to determine whether there are any unexplained significant discrepancies. In addition, RCIC's procedures relating to the allocation of investment opportunities require that similarly managed accounts participate in investment opportunities generally based on available cash as a percentage of total assets under management in the account, subject to tax considerations, odd lots, and other applicable investment guidelines and restrictions and require that, to the extent orders are aggregated, the orders are generally price-averaged. These areas are monitored by RCIC's Chief Compliance Officer.

### **Item 7. Types of Clients**

RCIC's clients consist of Limited Partnerships. With respect to the Partnerships, the subscription minimums are disclosed in each Partnership's respective offering memorandum.

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

RCIC utilizes a variety of methods and strategies to make investment decisions and recommendations. The methods of analysis include fundamental analysis and cyclical analysis, as well as use of quantitative tools and investment approaches. The analysis generally includes a review of:

- The issuer's management;
- The amount and volatility of past profits or losses of the issuer;
- The issuer's assets and liabilities, as well as any material changes from historical norms;

- Prospects for the issuer's industry, as well as the issuer's competitive position within that industry; and
- Any other factors considered relevant.

RCIC employs the following investment strategies:

*Equity.* RCIC's equity strategies focus on a broad range of equity investment styles, including growth, core, and value, as well as blended portfolios. Most Partnership accounts focus on investment opportunities in more than one capitalization category or across all capitalization levels. In addition, RCIC manages Partnership accounts respectively that are multi-national.

*Buy and Hold.* RCIC engages in buy and hold investment strategies wherein RCIC buys securities and holds them for a relatively longer period of time, regardless of short-term factors such as fluctuations in the market or volatility of the stock price.

*Fundamental Value.* RCIC engages in fundamental value investment strategies wherein RCIC attempts to invest in asset-oriented securities RCIC believes are undervalued by the market.

*Growth.* RCIC engages in growth investment strategies wherein RCIC attempts to select securities of a company whose earnings are expected to grow at an above-average rate compared to the company's specific industry or the overall market.

*Option Trading.* RCIC engages in option trading investment strategies. Options are investments whose ultimate value is determined from the value of the underlying investment. The Adviser engages in the following types of option trading strategies: call and put writing, covered calls.

These methods, strategies and investments involve risk of loss to Clients and Clients must be prepared to bear the loss of their entire investment.

The following are certain risks of investment:

*Natural Resources and Related Industries.* Investments in natural resources and related industries are affected by business, financial market, political risk or legal uncertainties. There can be no assurance that RCIC will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on underlying natural resource investments. Prices of natural resource investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of RCIC's respective portfolios and the value of their investments. In addition, the value of RCIC's portfolios may fluctuate as the general level of interest rates fluctuate.

*Lack of Diversification.* Client accounts will not be diversified among a wide range of types of securities, countries or industry sectors. Accordingly, the portfolios are subject to more rapid change in value than would be the case if RCIC were required to maintain a wider diversification among types of securities and other instruments.

*Natural Resource Assets.* The production and marketing of natural resource assets may be

affected by actions and changes in governments. In addition, natural resource assets and natural resource asset securities may be cyclical in nature. During periods of economic or financial instability, securities of companies with natural resource assets may be subject to broad price fluctuations, reflecting volatility of energy and basic materials prices and possible instability of supply of various natural resource assets. In addition, these companies may also be subject to the risks associated with extraction of natural resources as well as the risks of the hazards associated with natural resources, such as fire, drought, and increased regulatory and environmental costs. These securities may also experience greater price fluctuations than the relevant natural resource asset.

*Emerging Markets.* The risks of foreign investments typically are greater in less developed countries, sometimes referred to as emerging markets. For example, political and economic structures in these countries may be less established and may change rapidly. These countries also are more likely to experience high levels of inflation, deflation, or currency devaluation, which can harm their economies and securities markets and increase volatility. Restrictions on currency trading that may be imposed by emerging market countries will have an adverse effect on the value of the securities of companies that trade or operate in such countries.

*Equity Securities.* The value of equity securities fluctuates in response to issuer, political, market, and economic developments. Fluctuations can be dramatic over the short as well as long term, and different parts of the market and different types of equity securities can react differently to these developments. For example, large cap stocks can react differently from small cap stocks, and "growth" stocks can react differently from "value" stocks. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. Changes in the financial condition of a single issuer can impact the market as a whole. Terrorism and related geopolitical risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.

*Fixed-Income and Debt Securities.* Generally, the value of fixed-income securities changes inversely with changes in interest rates. As interest rates rise, the market value of fixed-income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed-income securities tends to increase. This risk is greater for long-term securities than for short-term securities. Similarly, portfolios that hold such securities are subject to the risk that the portfolio's income will decline because of falling interest rates. Investments in these types of securities will also be subject to the credit risk created when a debt issuer fails to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that debt to decline. Investments in low-rated or unrated debt securities will also subject the investments to the risk that the securities may fluctuate more in price, and are less liquid than higher-rated securities because issuers of such lower-rated debt securities are not as strong financially, and are more likely to encounter financial difficulties and be more vulnerable to adverse changes in the economy.

*Non-U.S. Securities.* Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial, and other

operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. All of these factors can make foreign investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

*Options Risk.* The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

*Short Selling Risk.* Short selling transactions involve the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a “short squeeze” can occur, wherein a portfolio might be compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

The various partnerships current being managed by the Adviser can be summed in one sentence descriptions identifying the thrust of the investment thesis. They are listed below:

Explo 1998B: Longstanding Relationships

Explo 2000: De-risked development

Explo 2005: Prospect generator

Explo 2006: Drill hold plays with binary outcomes

Explo 2008: Value

Explo 2009: Development/discover (w/uranium, energy and industrial minerals subtheme)

RIPLP: Will Not Include Public Debt

Explo 2012: Private, pre-public

NRILP: Will Include Public Debt and ownership interest in oil wells

Explo 2014: Primarily Listed or Domiciled outside of North America

For a more complete description of each partnership’s investment strategy or an overall allocation strategy for RCIC please contact us at (866) 531-8746.



## **Item 9. Disciplinary Information**

This item is inapplicable.

## **Item 10. Other Financial Industry Activities and Affiliations**

RCIC is affiliated with Sprott Global Resource Investments, Ltd. (“SGRIL”), a registered broker/dealer with the SEC and member firm of the Financial Industry Regulatory Authority, Inc. (“FINRA”). SGRIL is under common ownership and control with RCIC. Certain of RCIC’s management persons are principals or registered representatives of SGRIL.

RCIC has entered into a relationship with SGRIL whereby it has engaged SGRIL to effect securities transactions on behalf of the Clients, respectively. SGRIL serves as an introducing broker on behalf of the Clients and routes securities transactions to various third-party executing brokers. SGRIL receives normal and ordinary commission compensation for effecting such transactions as outlined in their commission schedule. This relationship is disclosed to the Clients.

Interests in the Partnerships are offered privately in the United States through SGRIL. As compensation for selling Interests in the Partnership, registered representatives of Sprott Global who qualify as accredited investors are offered an ownership interest in the Special Limited Partner of each partnership (and thus, the right to receive a portion of the Carried Interest Distributions), a cash-only payment from Sprott Global (but not from the Partnership) or a combination of such ownership interest and cash payment. In the case of a cash-only payment, Sprott Global (but not the Partnership) will pay each registered representative a cash payment of 3% of the total amount raised for the Partnership. Any full or partial cash payment effectively will replace the corresponding ownership interest in the Special Limited Partner offered to such registered representative, and Sprott Global will receive such corresponding ownership interest in the Special Limited Partner (and such portion of the Carried Interest Distributions).

Trades for SGRIL client accounts may be aggregated with trades for RCIC client accounts. This practice may limit the amount of stock allotted to RCIC clients if there is insufficient liquidity in the security.

Arthur Richards Rule IV, Chairman of Sprott USA is a non-managing member of Buttonwood Tree Management, LLC, the general partner of Buttonwood Tree Value Partners, L.P., a private investment fund in which Mr. Rule is also a limited partner. SGRIL, and indirectly Mr. Rule, may receive compensation from Buttonwood Tree Value Partners, L.P. in respect of introducing investors. Buttonwood Tree Management, LLC is entitled to receive management fees and incentive allocations from Buttonwood Tree Value Partners, L.P., and as a member Mr. Rule may indirectly share in such fees and allocations.

Mr. Rule provides investment advice to Casey Capital Advisors, LLC (“CCA”) and Vancouver Venture Reports, Inc. (“VVR”) with respect to KCR Fund, LLC (“KCR”). CCA will pay Mr. Rule 10% of any payment of a performance allocation actually received by CCA from KCR, and VVR will pay Mr. Rule 10% of any payment of a performance allocation actually received by VVR from the Nevis subsidiary of KCR.

The above relationship with KCR creates a potential conflict of interest, in that Mr. Rule and may determine to make recommendations to KCR which are the same as recommendations made to RCIC's clients. In order to address any potential conflicts of interests, Mr. Rule will inform a committee consisting of RCIC's Chief Compliance Officer and Chief Financial Officer of any recommendation to KCR. The committee will approve dissemination of such a recommendation if the recommendation is not suitable for any of RCIC's clients. In the event that the recommendation is suitable for any of RCIC's clients, the recommendation will be implemented in the account of any such client as well, as the case may be.

## **Item 11. Code of Ethics, Interest in Client Transactions and Personal Trading**

### **Code of Ethics**

RCIC has adopted a Code of Ethics to ensure that securities transactions by RCIC employees are consistent with RCIC's respective fiduciary duties to their clients and to ensure compliance with legal requirements and RCIC's standards of business conduct. The Code of Ethics requires that employees disclose quarterly reporting of personal security transactions. Written copies of the Code of Ethics are available upon request.

### **Client Transactions in Securities where Adviser has a Material Financial Interest**

Clients may subscribe to certain privately placed securities where SGRIL is compensated as a finder by the issuing company. This creates a potential conflict of interest, in that this compensation may create an incentive for RCIC to purchase such securities on behalf of the Clients, additionally based on its own financial interests rather than solely the interests of a client. In order to address such potential conflicts of interest, RCIC's Chief Compliance Officer and Chief Financial Officer will monitor and advise as needed.

### **Investing in Securities Recommended to Clients**

All RCIC principal and employee trades will be reviewed by the Chief Compliance Officer ("CCO") or an employee designated by the CCO. RCIC principals and employees may purchase or sell the same securities for their personal accounts and accounts of their families on the same day that those securities are being purchased or sold by Partnership accounts that they manage. Trades for principals and employee personal accounts may be aggregated with trades for other clients. If an order is partially filled, Clients will have their orders fully filled prior to employees.

To prevent conflicts of interest, all employees of RCIC must comply with the Code of Ethics, which imposes certain restrictions on the purchase or sale of securities for their own accounts and the accounts of certain affiliated persons.

Employees involved in the RCIC investment recommendation process or their related persons will be required to pre-clear their personal securities transactions (except for transactions in registered open-end investment company securities and/or other exempt transactions) with the Chief Compliance Officer. RCIC will also maintain quarterly reports on all personal securities transactions, except exempt transactions. Further, the firm's Code of Ethics imposes certain policies and procedures to prohibit unlawful use of material non-public information and is designed to prevent insider trading by any officer, partner, or

associated person of RCIC.

### **Conflict of Interest Created By Contemporaneous Trading**

RCIC or a related person from time to time may recommend securities to clients, or buy or sells securities for client accounts, at or about the same time that such related person buys or sells the same securities for its own account, in accordance with the procedures described above designed to seek to minimize the conflicts stemming from situations where the contemporaneous trading results in an economic benefit for such related person to the detriment of the client. In addition, the Adviser has adopted the aggregation policies and procedures discussed in Item 12.

## **Item 12. Brokerage Practices**

### **Factors Considered in Selecting Broker-Dealers for Client Transactions**

As set forth above, RCIC may utilize SGRIL as introducing broker; however RCIC selects the executing brokers to which SGRIL routes trade orders. RCIC considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include net price, reputation, financial strength and stability, efficiency of execution and error resolution, and offering to the Adviser on-line access to computerized data regarding a client's accounts. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Adviser's practice to negotiate "execution only" commission rates, thus a client may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. The Adviser's Best Execution Oversight Committee meets periodically to evaluate the broker-dealers used by the Adviser to execute client trades using the foregoing factors.

### **Research and Other Soft Dollar Benefits**

RCIC may receive research or other products or services other than execution from a broker-dealer in connection with Client securities transactions. This is known as a "soft dollar" relationship. RCIC will limit the use of "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory

organization such as comparison services, electronic confirms or trade affirmations.

When RCIC uses Client commissions to obtain Section 28(e) eligible research and brokerage products and services, RCIC's Best Execution Oversight Committee meets periodically to review and evaluate its soft dollar practices and to determine in good faith whether, with respect to any research or other products or services received from a broker-dealer, the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer. This determination will be viewed in terms of either the specific transaction or RCIC's overall responsibilities to the accounts or portfolios over which RCIC exercises investment discretion.

The use of Client commissions (or markups or markdowns) to obtain research and brokerage products and services raises conflicts of interest. For example, RCIC will not have to pay for the products and services themselves. This creates an incentive for RCIC to select a broker-dealer based on its interest in receiving those products and services.

RCIC may cause the Clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), resulting in higher transaction costs for such Clients.

Research and brokerage services obtained by the use of commissions arising from a Client's portfolio transactions may be used by RCIC, respectively, in its other investment activities, including, and for the benefit of other Client accounts. RCIC does not seek to allocate soft dollar benefits to Client accounts proportionately to the soft dollar credits the accounts generate.

During RCIC's last fiscal year, as a result of Managed Account Client brokerage commissions (or markups or markdowns), RCIC and/or its related persons acquired broker-dealer generated research reports and services related to connectivity between affiliated entities and a broker-dealer to route orders to the broker-dealer.

### **Order Aggregation**

RCIC typically aggregate Client trades in an effort to treat all of the Clients equitably. Clients participating in a bunched order receive the same average price and incur trading costs that are the same as would be paid if they were trading individually. Employees may be included side-by-side in bunched client trades. If an order is partially filled, Clients will have their orders fully filled based on cash available, i.e., the Clients with the highest percentage of cash will be filled on buys first; the Clients with the lowest percentage of cash will be filled on sells first.

When trading accounts through one or more broker/dealers, RCIC's trader may choose to place smaller trades ahead of larger trades when the smaller trades are not expected to materially affect the price or liquidity of the security in question. This practice may result in certain Client accounts trading after other accounts with disproportionate frequency. It is possible that, over time, this practice could result in certain Client clients experiencing a benefit at the expense of other Client accounts.

### **Item 13. Review of Accounts**

Each Client is reviewed at least every ninety days to determine if those security holdings in such account should be adjusted. Criteria include performance of the account, operational developments, management changes, financial condition, and the price outlook for various commodities that might affect the future cash flow of those companies. The reviews are conducted by Rick Rule.

Limited Partners receive reports from the Partnerships pursuant to the terms of each Partnership's offering memoranda or as otherwise described in the offering document of each Partnership.

### **Item 14. Client Referrals and Other Compensation**

The Adviser may receive certain research or other products or services from broker-dealers through "soft-dollar" arrangements. These "soft-dollar" arrangements create an incentive for the Adviser to select or recommend broker-dealers based on the Adviser's interest in receiving the research or other products or services and may result in the selection of a broker-dealer on the basis of considerations that are not limited to the lowest commission rates and may result in higher transaction costs than would otherwise be obtainable by the Adviser on behalf of its clients. Please see Item 12 for further information on the Adviser's "soft-dollar" practices.

### **Item 15. Custody**

The Partnerships receive account statements from RBC on at least a quarterly basis. Limited Partners receive reports from the Partnerships pursuant to the terms of each Partnership's offering memoranda or as otherwise described in the offering document of each Partnership. Audited financials are sent out or made available on the secured website by RCIC annually and unaudited financials quarterly to each Limited Partner.

### **Item 16. Investment Discretion**

RCIC as general partner of the Partnerships has the authority to determine (i) the securities to be purchased and sold for the relevant account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) and (ii) the amount of securities to be purchased or sold for the account. Because of the differences in investment objectives and strategies and other criteria, there may be differences among the accounts in invested positions and securities held. RCIC submits an allocation statement to SGRIL for trades to be entered in the accounts. RCIC may consider the following factors, among others, in allocating securities among accounts: (i) investment objectives and strategies; (ii) risk profiles; (iii) tax status and restrictions placed on a portfolio; (iv) size of the account; (v) nature and liquidity of the security to be allocated; (vi) size of available position; (vii) current market conditions; and (viii) account liquidity, account requirements for liquidity and timing of cash flows.

## **Item 17. Voting Client Securities**

RCIC (as the general partner of the Partnerships) exercises voting authority over securities held by the Clients. Generally speaking, RCIC will vote in favor of the following proxy proposals:

- Electing and fixing the number of directors
- Appointing Auditors
- Authorizing directors to fix remuneration of auditors
- Approving private placements to insiders exceeding 10% threshold
- Ratifying director actions
- Changing registered address
- Approving special resolutions to change the authorized capital of the company to an unlimited number of common shares without par value

RCIC will vote against any proposal relating to stock option plans that: (i) exceed 10% of the common shares issued and outstanding at the time of grant over a three year period (on a non-diluted basis); (ii) provide that the maximum number of common shares issuable pursuant to such plan be a "rolling" maximum equal to 10% of the outstanding common shares at the date of the grant of applicable options; or (iii) re-prices the stock option.

RCIC will vote against any proposal giving directors discretion to exceed 25% or more dilution annually without shareholder approval.

In certain cases, proxy votes may not be cast when RCIC determines that it is not in the best interests of the Client to vote such proxies. In the event a proxy raises a potential material conflict of interest between the interests of a Client and RCIC, the conflict will be resolved by RCIC in favor of that Client.

RCIC retains the discretion to depart from these policies on any particular proxy vote depending upon the facts and circumstances.

The proxy voting guidelines are available on request, free of charge, by contacting RCIC at 1-800-611-0827 and are available on the websites at [www.resourcecapital.net](http://www.resourcecapital.net), respectively. RCIC will maintain and prepare an annual proxy voting record for each Partnership. The proxy voting record for the annual period ending December 31 each year for each Partnership will be available free of charge to the Limited Partner of that Partnership upon request at any time after January 31 of the following year, or at any time by contacting RCIC at the above telephone numbers.

## **Item 18 Financial Information**

This item is not applicable.

**RESOURCE CAPITAL INVESTMENT  
CORPORATION  
PART 2B OF FORM ADV  
(Brochure Supplement)**

1910 Palomar Point Way, Suite 200  
Carlsbad, CA 92008

Updated: September 2014

This brochure supplement provides information about Arthur Richards Rule IV. It supplements Resource Capital Investment Corporation (“RCIC”) accompanying Form ADV brochure. You should have received a copy of that brochure. Please contact RCIC’s Chief Compliance Officer, Thomas W. Ulrich, at (760) 444-5297 if you have any questions about the Form ADV brochure or this supplement, or if you would like to request additional or updated copies of either document.

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

## Item 2 – Educational Background and Business Experience

### **Arthur Richards Rule IV**

Born: 1953

#### Educational Background:

1971 to 1974 - Attended University of British Columbia

#### Business Background for preceding five (5) years:

12/2005 to present: Sprott Asset Management USA Inc. Chairman, Founder, Director, President

02/1998 to present: Resource Capital Investment Corp. (“RCIC”), Chairman, Director, President

09/1993 to present: Rule Investments, Inc., Director

10/1993 to present: Sprott Global Resource Investments, Ltd., Chairman, Founder,

02/2011 to present: Sprott U.S. Holdings Inc., Director, President

02/2011 to present: Sprott Inc., Director

02/2013 to present: Sprott Resource Corp., Managing Director

## Item 3 - Disciplinary Information

None

## Item 4 & 5 - Other Business Activities; Additional Compensation

Mr. Rule is a principal of Sprott Global Resource Investments, Ltd. (“SGRIL”), a FINRA member broker/dealer under common control with Sprott USA. Clients of RCIC may subscribe to certain privately placed securities where SGRIL is compensated as a finder by the issuing company. SGRIL in turn will pay a portion of such compensation to Mr. Rule. This creates a conflict of interest, in that this compensation may create an incentive for RCIC to purchase such securities on behalf of its managed partnerships, additionally based on its own financial interests rather than solely the interests of a client. In order to address such conflicts of interest, Paul Meehl, CEO of SGRIL, who does not have a direct pecuniary interest in such transactions, must independently approve of such transaction before it is purchased, as the case may be. Mr. Meehl will review the commission payouts as a result of any finder fees.

Mr. Rule is a non-managing member of Buttonwood Tree Management, LLC, the general partner of Buttonwood Tree Value Partners, L.P., a private investment fund in which Mr. Rule is a limited partner. SGRIL, and indirectly Mr. Rule, may receive compensation from Buttonwood Tree Value Partners, L.P. in respect of introducing investors. Buttonwood Tree Management, LLC is entitled to receive management fees and incentive allocations from Buttonwood Tree Value Partners, L.P., and as a member Mr. Rule may indirectly share in such fees and allocations.



Mr. Rule provides investment advice to Casey Capital Advisors, LLC (“CCA”) and Vancouver Venture Reports, Inc. (“VVR”) with respect to KCR Fund, LLC (“KCR”). CCA will pay Mr. Rule 10% of any payment of a performance allocation actually received by CCA from KCR, and VVR will pay Mr. Rule 10% of any payment of a performance allocation actually received by VVR from the Nevis subsidiary of KCR.

The above relationship with KCR creates a potential conflict of interest, in that Mr. Rule may determine to make recommendations to KCR which are the same as recommendations made to RCIC’s clients. In order to address such potential conflict of interest, Mr. Rule will inform a committee consisting of RCIC’s Chief Compliance Officer and Chief Financial Officer, prior to making any recommendation to KCR. The committee will approve dissemination of such a recommendation if the recommendation is not suitable for any of RCIC’s clients. In the event that the recommendation is suitable for any of RCIC’s clients, the recommendation will be implemented in the account of any such client prior to the recommendation being made KCR.

#### Item 6 - Supervision

Mr. Rule has authority over portfolio positions and personnel. The investment advice that Mr. Rule provides to clients is not subject to supervision. The activities of all supervised persons, including Mr. Rule, are subject to the Adviser’s compliance policies and procedures, which are administered by Thomas W. Ulrich, In-House Counsel & Chief Compliance Officer of the Adviser. Mr. Ulrich can be reached by telephone at (760) 444-5297.