

Form ADV Part 2A Firm Brochure

**THE ROCK CREEK GROUP, LP**

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**This brochure provides information about the qualifications and business practices of The Rock Creek Group, LP. If you have any questions about the contents of this brochure, please contact the Chief Compliance Officer at (202) 331-3425 or [sherri.rossoff@therockcreekgroup.com](mailto:sherri.rossoff@therockcreekgroup.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about The Rock Creek Group, LP is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**The Rock Creek Group, LP is registered as an investment adviser with the SEC. SEC registration does not imply a certain level of skill or training.**

**Updated November 2016**

## **Item 2. Material Changes**

We wish to bring to your attention the following changes to our Brochure dated November 2016:

- Item 5 (Fees and Compensation) has been updated to reflect the expenses borne by Rock Creek investment vehicles formed for qualifying participants to invest collectively with clients in private equity and opportunistic investments that are offered by third-party portfolio managers. Item 5 has also been updated to reflect that a related entity may receive compensation from Rock Creek pursuant to a solicitation agreement.
- Item 6 (Performance-Based Fees and Side-by-Side Management) has been updated to include a general description of Rock Creek's investment allocation policy and a general description of Rock Creek's investment allocation policy with regard to private equity and opportunistic investments that are offered by third-party portfolio managers. Under certain circumstances, Rock Creek may form an investment vehicle for qualifying participants to invest collectively with clients in such private equity and opportunistic investments.
- Item 7 (Types of Clients) has been updated to include the eligibility standards that Rock Creek employees and others are required to satisfy to be able to participate in a Rock Creek investment vehicle that will invest in private equity and opportunistic investments offered by third-party portfolio managers.
- Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss) has been updated to reflect certain risk factors associated with: (i) certain Rock Creek commingled funds investing directly in publicly listed and private securities that are issued by companies located in Latin America; (ii) certain Rock Creek commingled funds and separate accounts investing directly in equity securities; (iii) certain Rock Creek funds and separate accounts investing in opportunistic investments and in private equity portfolio funds; and (iv) Rock Creek investment vehicles formed for qualifying participants to invest collectively with clients in private equity and opportunistic investments that are offered by third-party portfolio managers.
- Item 10 (Other Financial Industry Activities and Affiliations) has been updated to reflect that a related entity may receive compensation from Rock Creek pursuant to a solicitation agreement

If you have any questions about the material changes identified and discussed in this Item 2, please contact our Chief Compliance Officer at (202) 331-3425 or [sherri.rossoff@therockcreekgroup.com](mailto:sherri.rossoff@therockcreekgroup.com) or our Director, Compliance, at (202) 370-3362 or [roderick.cruz@therockcreekgroup.com](mailto:roderick.cruz@therockcreekgroup.com).

## **Important Note about this Brochure**

### **This Brochure is not:**

- **An offer or agreement to provide advisory services to any person;**
- **An offer to sell interests (or a solicitation of an offer to purchase interests) in any Fund;**
- **A complete discussion of the features, risks or conflicts associated with any Fund (as defined herein) or advisory service; or**
- **To be relied on solely in determining whether to invest or establish an advisory relationship.**

Although this publicly available Brochure describes investment advisory services and products of the Adviser, persons who receive this Brochure should be aware that it is designed solely to provide information about the Adviser as necessary to respond to certain disclosure obligations under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). As such, certain information in this Brochure may differ from information provided in relevant offering materials or investment management agreements and related documentation. In addition, more complete information about each Fund, as well as the Adviser’s investment advisory services, is included in relevant offering materials and investment management agreements and related documentation, certain of which may be provided to current and eligible prospective clients or investors by the Adviser. To the extent that there is any conflict between discussions herein and similar or related discussions in any offering materials, the relevant offering materials shall govern and control.

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

Afsaneh Beschloss founded Rock Creek, a Delaware limited partnership that has been in the investment management business since 2002. Ms. Beschloss is the Founder and CEO of the Adviser.

Wells Fargo Investment Group, Inc. (“WFIG”), a wholly owned subsidiary of Wells Fargo & Company (“Wells Fargo”), owns 65% of the equity of the Adviser, including 65% of the equity of the general partner of the Adviser (the “General Partner”). Afsaneh Beschloss is the managing member of the General Partner. Ms. Beschloss, Dr. Sudhir Krishnamurthi, and their respective family trusts that were formed for estate planning purposes and other Rock Creek management team members (through the Adviser’s Management Equity Plan) own the remaining 35% of the equity of the Adviser and 100% of the voting equity interests and have day-to-day control of the business. The Rock Creek team is independent; there have been no changes to the Adviser’s structure, investment philosophy or process, investment committee composition, or location following the Wells Fargo transaction. All day-to-day management resides with the Rock Creek team that is led by Ms. Beschloss. WFIG’s interests do not entitle WFIG to day-to-day management rights, but do provide WFIG with certain investor protections.

***Commingled Funds.*** The Adviser provides investment advisory services to multi-investor private investment vehicles (“Commingled Funds”) that are structured as limited partnerships, limited liability companies, corporations, or other commingled investment vehicles which have been organized to invest in other investment vehicles or investment funds managed by third-party asset managers, including alternative marketable investment funds<sup>1</sup> (“Portfolio Funds”) or invest directly in publicly traded securities and other financial instruments, including local access products.

With respect to Commingled Funds that invest in Portfolio Funds, such Portfolio Funds invest primarily in publicly traded securities, including but not limited to, U.S. and foreign equity securities (both on the long and short side), debt securities, money market instruments, foreign currencies, options and futures contracts, forward contracts, and other derivatives. Assets of Commingled Funds may also be allocated to Sub Advisers (as defined herein). The Adviser’s services to the Commingled Funds include investment management and portfolio services, including portfolio construction; the identification, selection, monitoring, and evaluation of the Portfolio Funds, portfolio managers (“Portfolio Managers”), and Sub Advisers with which the Commingled Funds invest; and risk management. The term “Sub Advisers” refers to certain portfolio managers (referred to herein as “Sub Advisers”) that have entered into sub-advisory management agreements with the Adviser that are discretionary (*i.e.*, a Sub Adviser has authority to purchase or sell securities) or non-discretionary (*i.e.*, the Adviser pre-approves a Sub Adviser’s proposed transaction) and opening managed accounts with such Sub Advisers rather than by investing in their investment funds.

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<sup>1</sup> “Alternative marketable investments” are generally investments in strategies that seek to generate absolute returns by taking advantage of inefficient segments of the market while maintaining low exposure to stock and bond markets.

Certain Commingled Funds invest directly in publicly listed securities that are issued by U.S. and non-U.S. issuers and that are traded on exchanges in the U.S. market and in non-U.S. exchanges, including emerging and frontier markets. Separate Accounts, Funds of One, Segregated Portfolios and Advisory Clients may invest in certain Commingled Funds

***Fund of One.*** The Adviser also provides investment advisory services to customized private investment vehicles (“Funds of One”) that are structured as limited partnerships, limited liability companies, corporations, or other investment vehicles which have been organized for a single investor (or a group of affiliated investors) seeking a customized portfolio tailored to an investor’s unique investment needs, risk tolerances, reporting, and other requirements. Assets of Funds of One may be invested in Portfolio Funds, with Sub Advisers and in Intermediate Vehicles. Although not the primary objective or purpose, a Fund of One’s portfolio may include direct investments in other investment products, futures and derivatives. Certain Funds of One also invest directly in publicly listed securities that are issued by U.S. and non-U.S. issuers and that are traded on exchanges in the U.S. market and in non-U.S. exchanges, including emerging and frontier markets.

The Adviser’s services to the Funds of One include investment management and portfolio services, including portfolio construction; the identification, selection, monitoring, and evaluation of the Portfolio Funds, Portfolio Managers, and Sub Advisers with which the Funds of One invest; and risk management.

Unless otherwise specified herein, the Commingled Funds and the Funds of One may be referred to herein as the “Funds.”

***Separate Accounts.*** In addition to providing services to the Funds, the Adviser provides investment management services to separate accounts (“Separate Accounts”) for a single investor (or a group of affiliated investors). The Adviser may allow an investor who meets certain criteria to open a Separate Account, which may have terms (*e.g.*, regarding transparency and liquidity) that are different from those of the Funds. Such accounts may adhere to unique risk guidelines, operating guidelines, and investment restrictions imposed by the respective investor. These arrangements, including the fees and expenses charged to Separate Accounts, are set forth on a case-by-case basis depending upon such factors as the size and scope of mandate, type of strategy, and unique features and requirements of the account. The Adviser may invest assets of a Separate Account in certain Funds and Intermediate Vehicles (as described below) in accordance with such Separate Account’s investment guidelines. The Separate Account, in such cases, purchases a share class or special interest of the relevant Fund that does not charge management fees to avoid the duplication of fees. Assets of Separate Accounts may be invested in Portfolio Funds, invested with Sub Advisers, or invested directly in securities, futures, derivatives, and other investment products.

Certain Separate Accounts may invest directly in publicly listed securities that are issued by U.S. and non-U.S. issuers and that are traded on exchanges in the U.S. market and in non-U.S. exchanges, including emerging and frontier markets.

With regard to Commingled Funds and Separate Accounts that follow the same direct trading investment strategy, allocations of securities will generally be made pro rata (*i.e.*, pari

passu), though adjusted for capacity limits of participating portfolios, specific portfolio guidelines, cash availability in the account and other factors. Allocations may include numerous considerations including, but not limited to: (i) different liquidity needs (e.g., client inflows, outflows, fund liquidity profile, or other reasons); (ii) investment timeframe; (iii) strategy or client investment needs; and (iv) tax status, client type, and other considerations that the Adviser may deem appropriate in its discretion.

***Intermediate Vehicles.*** A Client may access one or more particular Portfolio Managers or particular Portfolio Fund through an intermediate entity managed by the Adviser (or an affiliate of the Adviser) in which other Funds, Separate Accounts, or assets managed by the Adviser may have an interest (each, an “Intermediate Vehicle”). Intermediate Vehicles may invest into one or into multiple underlying Portfolio Managers or Portfolio Funds. If such an Intermediate Vehicle is utilized for purposes of obtaining access to a particular Portfolio Manager or Portfolio Funds, the Adviser will not charge or apply any additional Adviser management fees or performance-based allocations or fees at the Intermediate Vehicle level, but the applicable Client will bear its pro rata share of the costs and expenses associated with the establishment and ongoing operation of such Intermediate Vehicle. Each shareholder and prospective investor in the Intermediate Vehicle will not directly own any interests or shares in the Portfolio Funds to which it has indirect exposure through its investment in the Intermediate Vehicle. In the event of the removal or termination of the Adviser, with respect to any Intermediate Vehicle in which the Client is invested, each shareholder will be entitled to receive its pro rata share of redemption proceeds equal to the net asset value of the Client’s interest in such Intermediate Vehicle as of the effective date of redemption. Redemptions from the Intermediate Vehicles in which the Client is invested will be subject to the terms imposed by such Intermediate Vehicles, including without limitation, restrictions on the timing or amount of liquidity. An Intermediate Vehicles will generally have the liquidity that is associated with the underlying Portfolio Funds in which such Intermediate Vehicle is invested.

***Segregated Portfolios.*** The Adviser serves as the investment adviser to each segregated portfolio of certain Cayman Islands segregated portfolio companies (each a “Segregated Portfolio”). The investment activities of each Segregated Portfolio are conducted by third-party sub-advisers or by trading advisors that engage in investment activities pursuant to agreements with the Adviser. Generally, Separate Accounts, Funds of One, Commingled Funds and Advisory Clients may invest in the Segregated Portfolios that comprise the emerging markets platform or a managed account platform. Each Segregated Portfolio operates with the benefit of statutory segregation under Cayman Islands law of assets and liabilities between each Segregated Portfolio. Although not judicially tested, the principal advantage of a Cayman Islands segregated portfolio company is that it protects the asses of one Segregated Portfolio from the liabilities of other Segregated Portfolios. It is uncertain, however, whether such segregation of assets and liabilities would be enforced in other jurisdictions.

***Advisory Services.*** The Adviser may provide non-discretionary advisory services relating to investments in Portfolio Funds, asset allocation, and manager selection to endowments and foundations, pension or profit-sharing plans, or other institutional clients (“Advisory Clients”), possibly using investment strategies similar to those employed for the Funds or Separate Accounts. Among other customized services, Advisory Client services may

include assistance with the performance of due diligence on underlying funds and managers of such funds as well as portfolio construction, portfolio risk analysis, and risk management.

***Transition Management Services.*** The Adviser may assist Clients and Advisory Clients in managing the liquidation or transfer of their portfolios of underlying investment funds and other investment products previously managed by other investment managers. The Adviser may transfer at fair value certain investments from the transition portfolios to Funds or Separate Accounts it manages and will notify the transition portfolio of such transfer.

Pursuant to specific mandates if requested by a Client the Adviser may assist in monitoring such Client's portfolio as the Client transitions the management of its portfolio.

***Registered Fund.*** The Adviser serves as a sub-adviser to the Wells Fargo Advantage Alternative Strategies Fund (the "Registered Fund") managed by Wells Fargo Funds Management, LLC, ("WFFM"). The Registered Fund is part of the Wells Fargo Funds Trust in the Wells Fargo Advantage Fund family of registered investment companies; the Wells Fargo Funds Trust is organized as a Delaware statutory trust, which trust has been organized and operates as an open-end investment company registered under the Investment Company Act of 1940, as amended (the "Company Act"). The Registered Fund is structured as a multi-manager fund that allocates its assets among multiple sub-advisors that are unaffiliated with the Adviser. Pursuant to the sub-advisory agreement with the Registered Fund and WFFM, the Adviser is responsible for, among other things, conducting due diligence on sub-advisors and recommending sub-advisors to the Registered Fund's Board of Trustees.

Unless otherwise specified herein, the Funds, Separate Accounts, and the Registered Fund (and not the investors in a Fund) may be referred to as "Clients." References to "Funds," however, do not include the "Registered Fund," unless otherwise noted.

As of October 31, 2016, the Adviser had a total of approximately \$11.2 billion in regulatory assets under management (approximately \$10.2 billion on a discretionary basis and \$1 billion on a non-discretionary basis). Please see Item 7 for a list of the types of the Adviser's Clients.

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

***Management and Incentive Fees.*** The Adviser's fees generally vary depending upon the nature and extent of the mandate and whether the investment is being made into a Commingled Fund, Fund of One, or Separate Account or pursuant to an Advisory Client relationship. The Adviser charges investment management fees to Clients as a percentage of assets under management (*e.g.*, management and/or incentive fees or allocations). Fees are set out within the governing documents, offering documents (including share class supplements, if any), and/or the investment management agreements between the Adviser and the Client, all as applicable. The Adviser does not have one fee schedule that applies to all Clients.

With respect to Funds of One, Separate Accounts, and Advisory Clients, the Adviser's fees are negotiated on a case-by-case basis. The fees are generally assessed depending upon the



size of the mandate, the scope of the services, the scope of the investor relationship, the type of strategy, the extent of reporting or other administrative services required, the type of assets invested, liquidity requirements, and any unique features of the arrangement. There may be breakpoints for lower management fees for investors that exceed specific assets under management thresholds, and a flat fee option may also be available. The Adviser may also be entitled to receive incentive fees with regard to certain Separate Accounts, and such fees may range from 5.00% to 15.00% (annually). The Adviser will structure a management and incentive fee arrangement for Funds of One and Separate Account clients desiring an incentive fee.

With respect to the Funds, the Adviser's fees are set forth in each Fund's offering documents (*e.g.*, the Fund's private offering memorandum and/or supplements) with details regarding management and/or incentive fees usually provided in the applicable share class supplement. Funds generally will pay the Adviser a management fee equal to a percentage of net assets, quarterly, in advance. In general, for Funds, the Adviser's standard range of management fees is .70% to 1.00% (annually) of assets under management, and for the management fee and incentive fee option, incentive (performance-based) fees or allocations may be up to 10% (annually) of realized and unrealized capital appreciation, with a high water mark or certain hurdle rates. With regard to the Commingled Funds (which include investors that are not otherwise Adviser's Clients) that invest solely in equity securities, the Adviser's management fees range from 1.25% to 1.75% (annually) of assets under management. Certain share classes for investments over a certain size or for a founder's share class for founders or initial investors or other circumstances as determined on a case-by-case basis may have lower fees as set forth in the applicable private placement memorandum and/or supplement

Certain Clients may also pay the Adviser an incentive fee or allocation based upon an annual percentage of the net capital appreciation above a hurdle rate of the Client's advised assets for the year, subject to standard high-water provisions, at the end of each calendar year. All incentive fees or allocations charged by the Adviser are in compliance with Rule 205-3 under the Advisers Act. For further information regarding the particular fee schedules for the Funds, please refer to the applicable private placement memorandum and supplements.

With respect to certain non-discretionary services provided by the Adviser to Advisory Clients, such Advisory Clients may pay negotiated fixed dollar amounts based on the type of services provided (*e.g.*, manager due diligence, portfolio risk analysis).

With respect to the Registered Fund, pursuant to the sub-advisory agreement, the Investment Adviser of the Registered Fund, WFFM pays the Adviser and the other sub-advisors a sub-advisory fee from the advisory fee paid to WFFM by the Registered Fund. The Registered Fund's Board of Trustees has approved the sub-advisory fees paid to the Registered Fund sub-advisors, including the Adviser and such sub-advisory fees are described in the Registered Fund's prospectus.

With regard to investment vehicles that Rock Creek forms for participating employees and others to invest collectively with clients in private equity and opportunistic investments offered by Portfolio Managers, such investment vehicles will have a zero fee paying share class for qualifying Rock Creek employees and other individuals. This share class will bear its pro

rata share of expenses related to the investment vehicle. All fees and expenses associated with the investment opportunity are also borne by the investment vehicle.

***Additional Fees and Expenses.*** Additional fees and expenses that may apply vary based upon the nature and extent of the mandate and whether the investment is being made into a Commingled Fund, Fund of One, or Separate Account or as part of an advisory relationship, including fees associated with transition monitoring and management services. Advisory Clients are charged fees and expenses as agreed upon with each such client for such matters as audit, administrative, and custody services. Some Funds pay the Adviser an annual administration fee, in advance, on a quarterly basis, in an amount equal to .25% of the investment account's average monthly net assets. This fee may be more or less than the actual cost to the Adviser in this regard. In such cases, the Adviser generally has agreed to pay or absorb the ordinary operating expenses of each Fund (*e.g.*, legal fees and disbursements; fees of the administrator; fees of the custodian, if any; accounting, audit, and tax preparation fees and expenses; organizational expenses; and any expenses relating to the offer and sale of a Fund's shares or interests, as applicable), excluding the management fee and the incentive fee, if any. Separate Accounts may also pay the Adviser an administration fee annually in the range of .10% to .15% or may pay certain actual expenses. Certain expense fees may be capped at a fixed amount per annum. Fund of fund investors will indirectly incur fees and expenses applicable to the underlying Portfolio Funds, including asset-based, performance-based, carried interest, incentive allocation, and other compensation payable to the Portfolio Managers and brokerage and other transaction costs incurred by the Portfolio Funds. (See "Layering of Fees" below). The Adviser may engage Sub Advisers in connection with the management of certain portfolios, including in emerging and frontier markets. Fee arrangements with Clients may be structured so that they are inclusive of fees due to Sub Advisers. The Sub Advisers fees may differ from one another and the fee earned by the Adviser will vary depending upon actual fees paid to Sub Advisers (See below). The Adviser does not consider the fees earned when making investment decisions. Please see Item 12, for more information about the Adviser's practices.

In relation to Separate Accounts, the Adviser, at the instruction of the Separate Account client, either deducts fees from managed assets or invoices the Separate Account client or its custodian for fees incurred on a quarterly basis.

For the avoidance of doubt, the Adviser does not charge, and the Adviser is not reimbursed for, its own overhead or other internal costs, such as employee payroll and benefits, office space and furnishings, travel, and telecommunications.

In connection with the services that Wells Fargo Fund Distributors, Inc. ("WFFD") and its affiliates may provide in connection with the marketing of the Commingled Funds pursuant to a non-exclusive distribution agreement between WFFD and the Adviser, WFFD may receive compensation from the Adviser.

In connection with the services that Wells Capital Management Incorporated ("Wells Cap") and its affiliates may provide to the Adviser pursuant to a solicitation agreement between Wells Cap and the Adviser, Wells Cap may receive compensation from the Adviser with respect to any separate account client or fund investor that Wells Cap has referred to the Adviser.

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

### **Fees and Allocations**

As discussed above, Clients may also pay the Adviser an incentive fee or allocation based upon an annual percentage of the net capital appreciation above a hurdle rate of the Client's advised assets for the year, subject to standard high-water provisions, at the end of each calendar year. All incentive fees charged by the Adviser are in compliance with Rule 205-3 under the Advisers Act. For further information regarding the particular fee schedules for the Funds, please refer to the applicable private placement memorandum and supplements. Management fees charged by the Funds to a particular investor share class may be based on the level of liquidity offered such share class so that generally if a longer lock up is elected by the investor, the management fee charged would be lower than had a shorter lock up been elected. Once the lock up expires, unless a new lock up is entered into with the investor, the fee generally would increase to reflect the more liquid share class the investor has converted to after the lock up has expired.

The Adviser charges Funds and Separate Accounts a management fee, and, in certain cases, an incentive fee or allocation. The Adviser, however, in its discretion, may manage other Funds or Separate Accounts with higher or lower fees, and different fee structures. Funds and Separate Accounts that pay the Adviser a higher percentage of fees could create an incentive for the Adviser to favor those Funds or Separate Accounts or to recommend riskier investments.

For certain portfolios, management fees of the Sub Advisers or Portfolio Managers (*i.e.*, fees based on the value of assets under management) are paid by the Adviser from its management fee. The fee rate applicable to each Sub Adviser or Portfolio Manager may be different and is subject to negotiation between the Adviser and each Sub Adviser or Portfolio Manager. In the event that a Sub Adviser or Portfolio Manager charges an incentive fee or allocation, such fee or allocation will be borne by investors and not by the Adviser. Sub Advisers or Portfolio Managers that the Adviser pays a lower fee rate could create an incentive for the Adviser to favor those Sub Advisers or Portfolio Managers; however, the portfolios that utilize this arrangement are also subject to specific client guidelines and investment restrictions that relate to among other things, strategy, country allocations, and types of permitted investments, that would serve to mitigate to a certain extent potential conflicts of interest.

As the management fees, performance-based fees and allocations made to the Adviser are based directly on the net asset value of the Client accounts, there is a potential conflict of interest in valuing the assets held in such accounts. The Adviser will follow its valuation policies and utilize the Clients' third-party administrator as appropriate to mitigate this risk. In general, with respect to investments in Portfolio Funds, the Adviser relies on the valuations provided by a Portfolio Manager. The Adviser also performs due diligence on the underlying Portfolio Managers with respect to such managers' own valuation policies and procedures as well as a review of the applicable Portfolio Funds' audited financial statements where provided and where available to mitigate this particular risk.

## **Investment Allocations**

The Adviser manages assets for Funds and Separate Account with similar investment objectives and strategies, and may manage accounts with different objectives or strategies that may trade in the same securities. Despite these similarities, Rock Creek's decisions about each Client's investments and the performance resulting from those decisions may differ from those of other Clients. It is the Adviser's policy to:

- Allocate investment opportunities among each Client (in a manner believed by the Adviser to be fair and equitable to each such Client over time. The allocation of investment opportunities should never favor any Client account to the detriment of another Client;
- Where the strategies are the same, the Adviser will allocate investment opportunities pro rata between the applicable Clients;
- However, pro rata allocations between Clients may not always be possible because of certain differences including ERISA or other legal considerations; specific client objectives, guidelines or other directives; differing liquidity profiles of the account depending on timing of investments in the portfolio; etc.;
- Where pro rata allocation is not possible, the relevant Investment Committee will allocate investment opportunities in a manner believed to be fair and equitable to each Client over time. In making these allocations, the Investment Committee should take into account the following factors:
  - The Client's investment objectives and strategies;
  - The composition, size, and characteristics of the Client;
  - The cash flows and amount of investments available to each Client;
  - The amount already committed by each Client to a specific investment;
  - Each Client's risk tolerance and the relative risk of the investment; and
  - The marketability of the security being considered.

## **Allocations to Private Equity and Opportunistic Investments Offered by Portfolio Managers**

A Portfolio Manager may from time to time make the Adviser aware of the availability of particular private equity and opportunistic investment (*e.g.*, an investment in a Portfolio Manager's private equity fund). These investment opportunities may be allocated at our discretion, including to Clients and to eligible Rock Creek employees and other individuals that will collectively invest in such opportunities through a Rock Creek investment vehicle. In accordance with the Adviser's policies and procedures, Rock Creek will offer the right of first refusal to participate in a private equity and opportunistic investment opportunity to Clients that the Investment Committee has determined the investment opportunity to be appropriate for. In general, allocations in such investment opportunities will be pro rata among Clients; however, no more than 10% of an investment opportunity available to Rock Creek and its Clients may be

allocated to qualifying Rock Creek employees and other participants collectively. Allocations among participating Clients, however, may not always be pro rata as such allocations are subject factors specific to a Client, including, among other things:

- The Client's investment objectives and strategies;
- The composition, size, and characteristics of the Client;
- The liquidity requirements of the Client;
- The capacity in the Client's portfolio;
- The cash flows available to the Client at the time the investment opportunity is made available; and
- The Client's risk tolerance and the relative risk of the investment.

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

The Adviser advises Commingled Funds; Funds of One; Separate Accounts, Segregated Portfolios, foundations; endowments; sovereign wealth funds; and Taft-Hartley, corporate, municipal, state, and foreign pension plans, and is also a sub adviser to the Registered Fund.

***Requirements to Open or Maintain an Account.*** Certain Funds may not be available to all U.S. investors, may limit the number of U.S. investors that they accept, or may require that any U.S. investors certify that they are a "qualified purchaser" as defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended (the "Company Act"), and an "accredited investor" as defined by Regulation D promulgated under the Securities Act of 1933, as amended. Certain Funds' Boards of Directors have sole discretion to decline to accept the subscription of a Fund's interests for any prospective investor. For each Fund, there is a required minimum investment of \$5 million and a required minimum additional subscription amount of \$1 million. A Fund's Board of Directors, in its sole discretion, however, may accept either initial or additional subscriptions of a lesser amount (but in no event less than such amounts as required to comply with section 4(3) of the Mutual Funds Law (2009 Revision) of the Cayman Islands, as amended from time to time.

In general, a minimum investment of \$50 million-\$100 million is generally imposed on each investor that wishes to open a Separate Account, depending on strategy, scope of mandate, and other requirements. This minimum investment may be waived at the discretion of the Adviser.

The Funds or Separate Accounts generally may limit the ability of investors to withdraw capital or redeem or transfer their interests for a period of time after investment. These lock-ups may differ among the Clients and among the classes of interests in the same Fund. Generally, a Fund may waive or alter these requirements.

***Investment Vehicles Formed to Invest in Private Equity and Opportunistic Investments.*** The Adviser may form investment vehicles for qualifying employees and certain individuals to invest collectively with Clients in private equity and opportunistic investments that are offered by Portfolio Managers. All participants in such investment vehicle are required to be a qualified purchaser as defined in Section 2(a)(51) of the Company Act or a “knowledgeable employee” as defined in Rule 3c-5 under the Company Act.

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

***Methods of Analysis.*** In the multi-manager alternative portfolios, the Adviser will engage Portfolio Managers to manage the assets of the Clients primarily by investing such assets in Portfolio Funds managed by such Portfolio Managers, using a wide variety of investment styles, with this arrangement commonly referred to as a “fund of funds.” Portfolio Managers and Sub Advisers use investment strategies covering a wide range of asset classes. The Adviser employs an investment process covering: (a) market review and asset allocation among different investment strategies and asset classes, (b) Portfolio Manager and Sub Adviser identification and due diligence, including legal and operational due diligence, (c) portfolio construction, (d) risk management, and (e) portfolio monitoring. The Adviser invests the assets of Clients with Portfolio Managers and Sub Advisers that use investment strategies and risk management processes consistent with the Clients’ investment objectives and policies. There can be no assurance that the Adviser will always be able to invest in a particular Portfolio Fund or that the investment strategy used by a Portfolio Fund, Sub Adviser, or portfolio will be successful.

The Adviser relies on research produced internally and externally for purposes of manager selection and asset allocation. The Adviser utilizes internal and external quantitative tools for evaluating portfolios of hedge funds and other managers, quantitative tools to assess the cyclicity of various strategies, risk management tools to manage the risk of the overall portfolio and individual Portfolio Managers, and proprietary tools for monitoring the portfolios of underlying hedge funds and other Portfolio Managers.

***The Fund of Funds Concept.*** With regard to hedge fund investments, the Adviser employs a fund of funds investment strategy. The Adviser generally believes that a fund of funds that invests its assets with underlying hedge funds generally offers investors advantages over traditional funds by providing a more diversified portfolio than an investment in a single fund and by providing an absolute return focus. In addition, by investing with multiple Portfolio Managers, a fund of funds may reduce the volatility associated with a direct investment in a single Portfolio Fund. There are material risks associated with a fund of funds and with the investment strategies employed by the Portfolio Managers and the strategies utilized by the Adviser in constructing the portfolios and with the risk management techniques that the Adviser utilizes.

***Investment Strategies.*** The Adviser primarily invests, directly or indirectly (through Portfolio Funds and Sub Advisers), across a range of strategies, including small/emerging managers, non-U.S., emerging and frontier markets, diversified, long/short equity, credit long-only, short-biased equity, activist relative value, market neutral, equity-hedged, global event-driven macro/commodities, and opportunistic. Assigning strategy classifications requires the

Adviser's subjective judgement. The Adviser may create and assign new strategy and sub-strategy classifications to reflect the Adviser's judgement of available strategies and Portfolio Managers. The Portfolio Managers' strategies are also flexible. Therefore, assigned strategy classifications may change over time. In addition, multi-strategy Portfolio Managers may employ any of the aforementioned strategies, as well as any other strategy that such Portfolio Managers determine presents the opportunity for profit in light of then-current market conditions. The Adviser may utilize local access products, derivatives, exchange traded funds, and futures, including index futures, in certain portfolios.

***Significant Risks.*** The Adviser may invest or advise on the allocation of a Client's capital into a wide range of investments and transactions directly or indirectly across global markets, including, but not limited to, Portfolio Funds and Sub Advisers. Investing in Portfolio Funds and investing directly or indirectly in securities, futures, and derivatives involves risk of loss that investors in the Funds and advisory clients should be prepared to bear.

All investments risk the total loss of capital and Clients should be prepared to bear this loss. The following comprise risks associated with the Adviser's asset management practices as well as specific risks associated with Portfolio managers, Portfolio Funds, and Sub Advisers:

***General Investment Risks.*** In general, the success of the Funds and Separate Accounts depends on the Adviser's ability to select and invest assets with individual Portfolio Funds and with Sub Advisers, and the Adviser's portfolio construction and risk management expertise. The Portfolio Managers and Sub Advisers, or in limited cases when permitted, the Adviser on behalf of its Clients, may use investment techniques such as margin transactions, short sales, option transactions, forward and futures contracts, or the purchase or sale of exchange traded funds. In certain circumstances, these practices can maximize adverse investment impacts. No guarantee or representation is made that the investment program including, without limitation, the investment objectives, diversification strategies, or risk monitoring goals, will be successful, and investment results may vary substantially over time.

No assurance can be given that the investment strategies to be used by the Adviser, Commingled Funds, Funds of One, Separate Accounts, the Portfolio Funds, or Sub Adviser will be successful under all or any market conditions. For example, a Portfolio Manager's inability to effectively hedge an investment strategy may cause the assets of a Client invested with such Portfolio Manager to significantly decline in value and could result in substantial losses to the Client. In addition, subjective decisions made by the Adviser or the Portfolio Managers may cause a Client to incur losses or to miss profit opportunities on which it may otherwise have capitalized. Moreover, although the Adviser may invest assets of a Client to Portfolio Managers that use different investment strategies, there can be no assurance that market or other events will not have an adverse impact on the strategies employed by multiple Portfolio Managers. Past investment results of the Adviser, Commingled Funds, Funds of One, Separate Accounts, Portfolio Funds, and Sub Advisers are not necessarily indicative of their future performance. No assurances can be made that profits will be achieved or that substantial losses will not be incurred.

Although the Adviser conducts due diligence and monitors the performance on an ongoing basis of the Portfolio Funds, there is no assurance that the Adviser's oversight will permit a Client to avoid losses. With respect to Sub Advisers, the Adviser will establish contractual relationships that may require that the Sub Adviser, among other things, provides the Adviser with periodic reports permitting the Adviser to monitor the account's holdings and risk profile, be available as part of the Adviser's ongoing due diligence and monitoring process of Sub Advisers, and provides periodic compliance reporting. There is no assurance, however, that these contractual provisions will permit a Client to avoid losses.

***Portfolio Funds in Early Stages of Formation.*** A Client may invest in Portfolio Funds that are in an early stage of formation or operation. Such an investment in a fund managed by an emerging manager can pose a number of operational and other issues. For example, in its early stages a Portfolio Fund may have little capital available to cover expenses and, accordingly, may have difficulty attracting qualified personnel. Portfolio Managers may face competition from other investment funds, which may be more established, have a larger number of qualified management and technical personnel, and benefit from a larger capital base.

***Emerging and Frontier Markets.*** Investing in emerging and frontier markets involves additional risks and special considerations not typically associated with investing in other more established economies or securities markets. In general, such risks may include: (i) increased risk of nationalization or expropriation of assets or confiscatory taxation; (ii) greater social, economic, and political uncertainty including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity, and smaller capitalization of securities markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for U.S. dollars; (viii) increased likelihood of governmental involvement in and control over the economies; (ix) governmental decisions to cease support of economic reform programs or to impose centrally planned economies; (x) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (xi) less extensive regulation of the securities markets; (xii) longer settlement periods for securities transactions and less reliable clearance and custody arrangements; (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; (xiv) certain considerations regarding the maintenance of securities and cash with non-U.S. brokers and securities depositories; and (xv) possible unforeseen changes in local tax laws that make investments or redemptions more costly than anticipated. Certain of these risks are further described below in "Non-U.S. Securities," "Equity Securities in Emerging and Frontier Markets," "Non-U.S. Issuers and Non-U.S. Securities Markets," "Investment and Repatriation Restrictions," and "Political and Legal Factors in Emerging and Frontier Markets."

***Limited Diversification.*** In the normal course of making investments on behalf of a Client, the Adviser may, but depending upon the portfolio may not be obligated to, diversify investments. A Client's portfolio could become significantly concentrated, for example, in any one Portfolio Fund, issuer, industry, sector, strategy, country or geographic region, and such concentration of risk may increase any losses suffered by the Client. In addition, it is possible that the Adviser may select investments that are concentrated in a limited number or type of



financial instruments. This limited diversification could expose a Client to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those financial instruments.

***Evolving Regulatory Oversight; Business and Regulatory Risks of Hedge Funds.*** The regulatory environment for private investment funds continues to evolve, and could limit activities and investment opportunities or change the functioning of capital markets. This document does not address or anticipate every possible current or future domestic or non-U.S. law, rule, or regulation that may affect the Adviser, the Portfolio Managers, the Sub Advisers, or their businesses. These possible changes also may have a significant impact on the owners or the operations of the Adviser, the Commingled Funds, the Funds of One, or the Separate Accounts. These impacts may include, among others, restricting the types of investments that may be made; preventing the exercise of voting rights, if any, with regard to certain financial instruments; or requiring the disclosure of the identity of investors. The Commingled Funds, Funds of One, Separate Accounts, Portfolio Funds, Portfolio Managers, and Sub Advisers may also be subject to non-U.S. regulation in jurisdictions in which each engages in business, which, in turn, could have a material adverse impact on the value of investments. Investors should understand that the Funds', Separate Accounts', the Portfolio Funds', and Sub Advisers' businesses are dynamic and are expected to change over time. Therefore, each may be subject to new or additional regulatory constraints in the future.

Note that the Adviser has filed for exemptive relief from registration as a CPO pursuant to CFTC No-Action Letter 12-38 (November 2012) that is available to operators of fund of funds. Although the Adviser is exempt from registration as a CPO in reliance on CFTC No-Action Letter 12-38 with respect to its Funds that are fund of funds, the Adviser may be required to register with the CFTC as both a CPO and CTA depending on the CFTC's final guidance for operators of fund of funds. With respect to certain Clients that are not fund of funds, however, the Adviser has filed for exemptive relief from registration as a CPO pursuant to CFTC Rule 4.13(a)(3).

***Federal Banking Regulation.*** As described above under Item 4 (Advisory Business), WFIG acquired an ownership interest in the Adviser. As a result of WFIG's interest, the Adviser and its affiliates are deemed to be controlled by Wells Fargo and are therefore considered to be subsidiaries of Wells Fargo for purposes of the U.S. Bank Holding Company Act of 1956 (the "BHC Act"). The BHC Act and relevant federal banking laws and regulations include different thresholds to define control as compared to GAAP or the Advisers Act standards. The Adviser and its affiliates are therefore subject to regulation and supervision by the Board of Governors of the Federal Reserve System (the "Federal Reserve"), and will remain subject to such regulation and supervision until Wells Fargo is no longer deemed to control them for bank regulatory purposes.

For as long as the Adviser and its affiliates are deemed to be controlled by Wells Fargo for bank regulatory purposes, they are subject to regulation, supervision, examination and potential enforcement action by the Federal Reserve. As an affiliate of Wells Fargo, the Adviser is subject to the provisions of the Dodd-Frank Act referred to as the "Volcker Rule." The Volcker Rule became effective on July 21, 2012 and the final regulations implementing the Volcker Rule became effective on April 1, 2014. The Adviser may continue to sponsor and

invest in hedge funds and private equity funds in compliance with the Volcker Rule. The Adviser believes that its Funds (*i.e.*, the Commingled Funds and Funds of One) are structured, managed and operated in a manner that is compliant with the provisions of the Volcker Rule, and are subject to the limitations and restrictions set forth in the final regulations. Additionally, due to the Dodd-Frank Act, certain conditions and/or restrictions are expected to be applicable to the manner in which Rock Creek organizes and offers the Funds and the Adviser and certain of its affiliates will be prohibited from engaging in certain transactions with the applicable Funds. It is also possible that restrictions placed on Wells Fargo or WFIG as a result of any supervisory actions could also restrict the Adviser or its affiliates or any of their activities in certain circumstances, even if these actions are unrelated to the Adviser's conduct or business. Any losses in the applicable Fund will be borne solely by investors in such Fund and not by WFIG or their affiliates; therefore, the losses of WFIG and its affiliates in the Fund will be limited to losses attributable to shares or limited partnership interest, as applicable, held by WFIG and any of its affiliates in their capacity as investors in such Fund or as beneficiaries of a restricted profit interest.

**Cybersecurity.** The Adviser, with the assistance of third-party service providers, endeavors to review and upgrade its Information Technology software and hardware, its electronic network, and its protocols in light of the SEC's release of its "Cybersecurity Risk Alert" (April 2014) to mitigate the chance and/or harm of a breach to its IT network due to attacks by hackers, employee error, or malfeasance or other disruptions. Although the Adviser has implemented security measures, any IT network remains vulnerable to an attempted breach. As cybersecurity is an evolving field, the Adviser follows industry developments to determine where improvements to its cybersecurity policies, procedures, and infrastructure can be made and how to prevent and respond to potential cybersecurity breaches.

**Cybersecurity – the Adviser, the Funds, the Portfolio Managers, and the Portfolios Funds.** As part of its business, the Adviser processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Fund or a Portfolio Fund. Similarly, service providers of the Adviser, the Funds, a Portfolio Manager or a Portfolio Fund, especially the Administrator, may process, store and transmit such information. The Adviser has procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches. Such measures, however, cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to the Adviser or a Portfolio Manager may be susceptible to compromise, leading to a breach of the Adviser's or a Portfolio Manager's network. The Adviser's or a Portfolio Manager's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services that may be provided by the Adviser to the investors may also be susceptible to compromise. Breach of the Adviser's or a Portfolio Manager's information systems may cause information relating to the transactions of the Fund or a Portfolio Fund to be lost or improperly accessed, used or disclosed.

The service providers of the Adviser, the Fund, a Portfolio Manager or a Portfolio Fund are subject to the same electronic information security threats as the Adviser or a Portfolio Manager. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Fund or a Portfolio Fund and personally identifiable information (to the extent applicable in the context of investors that are natural persons) may be lost or improperly accessed, used or disclosed.

The loss or improper access, use or disclosure of the Adviser's, the Fund's, a Portfolio Manager's or a Portfolio Fund's proprietary information may cause the Adviser, the Fund, a Portfolio Manager or a Portfolio Fund to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the Fund or a Portfolio Fund and the shareholders' investments therein.

***Risks Associated with Exchanged Traded Funds ("ETFs").*** Funds or Separate Accounts may invest, either directly or through Portfolio Funds in ETFs, including those that seek to replicate stock indices. ETFs may be used by the Adviser from time to time in certain circumstances where the timing and extent of particular exposure or investment exposures may be efficiently obtained through ETFs, as appropriate in the Adviser's discretion. All ETF products are subject to risk that may result in the loss of principal. Emerging market ETFs involve additional risks, including currency fluctuations and the potential for adverse developments in specific countries or regions.

***Volatile Markets.*** The prices of commodities contracts and various types of derivative instruments are highly volatile. Price movements of forward contracts, futures contracts, and other derivative contracts are influenced by, among other things, interest rates; changing supply and demand relationships; trade, fiscal, monetary, and exchange control programs and policies of governments; and national and international political and economic events and policies. In addition, governments from time to time intervene in certain markets, particularly those in currencies and interest rate-related futures and options, which may cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. When investing in non-U.S. instruments, portfolios are also subject to the risk of failure of the exchanges on which their positions trade or of their clearinghouses resulting from less governmental regulation and intervention, and there may be a higher risk of financial irregularities or lack of appropriate risk monitoring and controls. Risks associated with investing in securities of foreign issuers are more pronounced with respect to investments in securities of issuers in emerging and frontier markets. Certain portfolio assets are invested with Portfolio Managers that invest globally in the U.S. and in other developed markets and in emerging and frontier markets outside the United States.

The strategies may be adversely affected by deteriorations in the financial markets and economic conditions throughout the world, some of which may magnify the risks described herein and have other adverse effects. Such conditions may cause certain instruments, including historically liquid instruments, to become less liquid and more difficult to value, and thus harder to dispose of. These issues may be exacerbated by, among other things, uncertainty regarding the potential duration and scope of the problem and the degree of exposure of financial institutions and other market participants. While such conditions persist, the strategies will also

be subject to heightened risks associated with the potential failure of custodians, futures clearers, brokers, clearinghouses, exchanges and counterparties, as well as increased systemic risks associated with the potential failure of one or more systemically important institutions.

***Systemic Risk.*** Credit risk may arise through a default by or because of one of several large institutions that are dependent on one another to meet their liquidity or operational needs. A default by or because of one institution may cause a series of defaults by the other institutions. This is sometimes referred to as a “systemic risk” and may adversely affect financial intermediaries, such as clearing houses, banks, securities firms and exchanges with which a Client and the Portfolio Funds interact. A systemic failure could have material adverse consequences on Clients and the Portfolio Funds and on the markets for the securities in which the Portfolio Funds seek to invest.

***“Side Pocket” or Special Investments.*** The Portfolio Funds may invest a portion of the value of their total assets in investments that are illiquid, including “side pocket” investments or “special investments.” “Side pockets” may be created by a Portfolio Fund in order to accommodate illiquid investments prior to the time when they are either sold or become readily marketable. If a side pocket is created, an allocable portion of the interests held by investors in the Portfolio Fund typically will be converted at net asset value to a separate class of interest in the Portfolio Fund corresponding to the underlying investment in the side pocket. New investors in the Portfolio Fund generally will not receive any interest issued in connection with pre-existing side pocket investments.

Side pocket investments will generally be carried on the books of the Portfolio Funds (and consequently on the books of the Fund or Separate Accounts) at fair value (which may be cost) as determined by the Portfolio Managers. There is no guarantee that fair value will represent the value that will be realized by the Portfolio Fund on the eventual disposition of the side pocket investment or that would, in fact, be realized upon its immediate disposition. If an investor (e.g., a Fund or Separate Account) were to redeem its interest in a Portfolio Fund that makes side pocket investments, such investor would typically remain exposed to the risk of loss on its indirect interest in any side pocket until such investments were realized or deemed realized. Management fees, performance fees, and other expenses of the Portfolio Fund would typically continue to accrue until the side pocket investment is realized or deemed realized. If the proceeds from the disposition of a side pocket investment were insufficient to cover any accrued expenses, such accrued expenses might be borne disproportionately by other investors in such Portfolio Fund, including the Clients.

***Hedging Transactions.*** The Adviser may for certain Clients when guidelines permit, from time to time, utilize a variety of financial instruments, such as futures, options, swaps, and forward contracts and similar derivatives, both for investment purposes and for hedging purposes. Although the Adviser may enter into hedging transactions to seek to reduce a Client’s risk, such transactions may not be fully effective in mitigating the risks in all market environments or against all types of risk (including unidentified or unanticipated risks), thereby incurring losses to the Client. In addition, such hedging transactions may result in a poorer overall performance for a Client than if the Adviser had not engaged in any such hedging transactions. Moreover, it should be noted that the Adviser may determine not to hedge against,

or may not anticipate, certain risks and that a Client's portfolio will always be exposed to certain risks that cannot be hedged, such as credit risk (relating both to particular securities and counterparties).

***Currency Trading.*** Certain Funds may invest in and a portion of the assets of Clients may be invested by a Portfolio Fund in debt and equity securities denominated in various currencies and in other financial instruments, the price of which is determined with reference to such currencies. The Adviser and the portfolios of Clients, however, value their investments and other assets in U.S. dollars. To the extent not hedged, the value of the net assets will fluctuate with U.S. dollar exchange rates as well as with changes in the prices of investments in the various local markets and currencies. Although forward currency contracts and options may be utilized to hedge against currency fluctuations, the Adviser and the Portfolio Managers are not required to enter into such hedging transactions and there can be no assurance that such hedging transactions, even if undertaken, will be effective.

***Managed Account Allocations.*** The Funds or Separate Accounts may invest with certain portfolio managers (*i.e.*, the Sub Advisers) by opening managed accounts (through the Adviser establishing sub-advisory management agreements with such portfolio managers), rather than by investing in Portfolio Funds. This permits the Adviser to customize the investment guidelines and tailor other features to suit particular portfolios that may not be permissible if investing in a Portfolio Fund. Although there may be certain advantages to managed accounts, such accounts may expose a Client's portfolio to theoretically unlimited liability, and it is possible, given the leverage at which certain of the Sub Advisers trade, that a Client's portfolio could lose more in a managed account with a particular Sub Adviser than with an investment in a Portfolio Fund. To mitigate this risk, the Adviser may structure a separate account investment with a Sub Adviser through a special purpose vehicle.

***Intermediate Vehicles to Facilitate Investments.*** To structure or facilitate an investment with a particular Portfolio Fund by the Funds or Separate Accounts, the Adviser may form a separate vehicle or segregated portfolio (*i.e.*, an Intermediate Vehicle) through which such investments into a Portfolio Fund may be made by certain of the Funds and Separate Accounts for purposes of obtaining access to a particular Portfolio Manager or Portfolio Fund. The Funds and Separate Accounts may also utilize such vehicles to make managed account allocations to limit their potential liability. Such Funds and Separate Accounts will bear their proportionate share of the costs and expenses associated with the establishment and ongoing operation of such vehicles. Each shareholder and prospective investor in the Intermediate Vehicle will not directly own any interests or shares in the Portfolio Funds to which it has indirect exposure through its investment in the Intermediate Vehicle. In the event of the removal or termination of the Adviser, with respect to any Intermediate Vehicle in which the Client is invested, each shareholder will be entitled to receive its pro rata share of redemption proceeds equal to the net asset value of the Client's interest in such Intermediate Vehicle as of the effective date of redemption. Redemptions from the Intermediate Vehicles in which the Client is invested will be subject to the terms imposed by such Intermediate Vehicles, including without limitation, restrictions on the timing or amount of liquidity. An Intermediate Vehicles will generally have the liquidity that is associated with the underlying Portfolio Funds in which such Intermediate Vehicle is invested.

***Side Letters.*** The Adviser (or an affiliated general partner) may enter into side letters or other similar agreements with investors in a Fund connection with their admission to such Fund without the approval of any other investor. The side letters or other similar agreements may have the effect of establishing rights under, altering, or supplementing the terms of the governing documents of such applicable Fund with respect to one or more such investors in a manner more favorable to such investors than those applicable to other investors. Such rights or terms in any such side letter may include, without limitation, reporting obligations or rights or terms necessary in light of particular legal, public policy, or regulatory characteristics of an investor.

***Regulated Investors.*** Certain prospective investors may be subject to Federal and state laws, rules, and regulations that may regulate their participation in the Funds as well as their entering into a Separate Account with the Adviser, or their engaging directly, or indirectly through an investment in the Funds, in investment strategies of the type which the Portfolio Managers may utilize from time to time (*e.g.*, short sales of securities and the use of futures, leverage, and limited diversification). While the investment programs are generally appropriate for tax-exempt organizations for which an investment in the Funds or Separate Accounts would otherwise be suitable, each type of exempt organization may be subject to different laws, rules, and regulations and prospective investors should consult with their own counsel and advisers as to the advisability and tax consequences of any investment. Investment by entities subject to ERISA and other tax-exempt entities requires special consideration. Trustees or administrators of such entities are urged to carefully review all investment information.

***Identity of Beneficial Ownership and Withholding on Certain Payments.*** In order to avoid a U.S. withholding tax of 30% on certain payments (including payments of gross proceeds) made with respect to certain actual and deemed U.S. investments, the Adviser's Funds that are a "foreign financial institution" have registered with the U.S. Internal Revenue Service (the "Service") and generally will be required to identify, and report information with respect to, certain direct and indirect U.S. account holders (including debtholders and equityholders). The Cayman Islands has signed a Model 1B (non-reciprocal) inter-governmental agreement with the United States (the "US IGA") to give effect to the foregoing withholding and reporting rules. If the US IGA is applicable to the Adviser's Funds, so long as such Funds comply with the US IGA and the enabling Cayman Islands legislation, such Funds will not be subject to the related U.S. withholding tax.

A non-U.S. investor in the Adviser's Fund that is a foreign financial institution will generally be required to provide to the Fund information that identifies its direct and indirect U.S. ownership. Under the US IGA, any such information provided to the Fund and certain financial information related to such investor's investment in the Fund will be shared with the Cayman Islands Tax Information Authority or its delegate (the "Cayman TIA"). The Cayman TIA will exchange the information reported to it with the Service annually on an automatic basis. A non-U.S. investor that is a "foreign financial institution" within the meaning of Section 1471(d)(4) of the IRC will generally be required to timely register with the Service and agree to identify, and report information with respect to, certain of its own direct and indirect U.S. account holders (including debtholders and equityholders). A non-U.S. investor who fails to provide such information to the Fund or timely register and agree to identify, and report

information with respect to, such account holders (as applicable) may be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Fund, and the Fund's Board of Directors may take any action in relation to an investor's shares or redemption proceeds to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or comply with such requirements gave rise to the withholding. Affected shareholders should consult their own tax advisors regarding the possible implications of these rules on their investments in the applicable Fund.

Non-U.S. shareholders may also be required to make certain certifications to the applicable Fund as to the beneficial ownership of the Shares and the non-U.S. status of such beneficial owner, in order to be exempt from U.S. information reporting and backup withholding on a redemption of Shares.

***Assumption of Business, Terrorism and Catastrophe Risks.*** The Adviser, Clients, and the Portfolio Funds may be subject to the risk of loss arising from exposure that they may incur, indirectly, due to the occurrence of various events, including, without limitation, hurricanes, earthquakes, and other natural disasters; terrorism; and other catastrophic events. These risks of loss can be substantial and could have a material adverse effect on a Client's portfolio.

***Counterparty Risks; Counterparty and Service Provider Relationships.*** The Adviser with respect to certain Funds and the Portfolio Managers and Sub Advisers establish relationships to obtain brokerage, prime brokerage, custody and banking services, financing, and derivative intermediation and to act as the counterparty to derivative transactions. There can be no assurance, however, that the Adviser, the Portfolio Managers and the Sub Advisers will be able to maintain such relationships or establish others. An inability for the Adviser, a Portfolio Manager or Sub Adviser to establish or maintain such relationships would limit its trading activities and prevent the Adviser, Portfolio Fund or Sub Adviser from trading at optimal rates and terms, could create losses, preclude the Adviser or Portfolio Fund from engaging in certain transactions, concentrate the holdings of the assets of certain Funds, the Portfolio Fund, or Sub Adviser with a limited number of counterparties, and limit the availability of financing, each of which could materially adversely affect the Clients. Moreover, a disruption in the services provided by any such relationships before the Adviser, a Portfolio Manager, or Sub Adviser is able to establish additional relationships (which may not be successful) could have a significant impact on its business due to its reliance on such counterparties.

***Creditworthiness of Prime Brokers and Other Service Providers.*** The Adviser and the Portfolio Managers have established relationships with broker-dealers, banks, and their affiliates (both in the U.S. and outside the U.S.) for the provision of services, including holding and maintaining the funds, securities, commodity interests, and other property and the clearance of their securities transactions. These arrangements can cover securities, loans, derivatives, swaps, options, futures, foreign exchange, and securities lending transactions and usually involve the provision of financing to the applicable Fund and Portfolio Fund. A Fund's and Portfolio Fund's assets held by a prime broker that is providing financing generally will be secured in favor of that prime broker and its affiliates.

The Portfolio Managers generally engage U.S. broker-dealers as their prime brokers. The prime brokerage arrangements, however, will often include contractual relationships within a prime broker's group of affiliates, some of which may be located outside of the United States. A Portfolio Fund's prime brokerage arrangements typically allow for transfer of the Portfolio Fund's assets to the prime broker's affiliates and also to sub-custodians that may be located in various jurisdictions, including jurisdictions outside the United States. These entities may hold securities, commodities, cash, collateral, or other assets of the Portfolio Fund in such jurisdictions as may be necessary to facilitate the provision of the services to the Portfolio Fund. The agreements with the financial institutions are also complex and generally include cross-collateral, netting, and cross-default provisions to protect the financial institution from the failure of the Portfolio Fund to meet its obligations under a variety of agreements. Bankruptcy laws and other laws and regulations relating to the protection of assets of the Portfolio Fund held by the financial institution vary substantially by jurisdiction, type of legal entity, and are very complex and uncertain and can involve the risk of loss or inability to access any or all of the assets of the Portfolio Fund held by a financial institution that becomes subject to the bankruptcy or insolvency regime. Portfolio Fund assets may be held with U.S. broker-dealers or U.S. or non-U.S. banks or their affiliates and the risks associated with assets held at each of these various institutions may differ substantially. Although there are various laws and regulations in various jurisdictions that may provide some protection to customers of brokerage firms and commercial banks in the event of their insolvency, these protections are not uniform across jurisdictions and it is not always clear when such protections may apply. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalize about the effect of their insolvency on the Clients or the Portfolio Funds and their assets. Investors and Separate Account clients should assume that the insolvency of any counterparty would result in a loss to the portfolio (directly or through the Portfolio Funds), which could be material.

Even in countries where applicable law provides protection to client assets, such protections may not adequately protect a Portfolio Fund (and, indirectly, a Client's portfolio) from risk of loss. For example, although U.S. rules and regulations applicable to broker-dealers are designed to protect client assets (including a Portfolio Fund's assets), it is possible that, if one of the Portfolio Fund's brokers were to become insolvent, the assets of the Portfolio Fund held at such broker could be at risk. Although U.S. broker-dealers are required to segregate client assets from their proprietary assets and are required to hold specified amounts of capital in reserve, client assets are normally held in pooled client accounts for the benefit of all clients. Additionally, the broker may be able to transfer client assets out of such client accounts or use such assets (including cash) in the ordinary course of its business. A Portfolio Fund could experience losses if the clients' claims exceed the amount of client assets such brokers actually held at the time of the insolvency. With respect to U.S. broker-dealers, in the event client claims are greater than client property, the clients' remaining claims may be satisfied, along with all general unsecured claims, from the broker's non-customer assets (including its regulatory capital). In addition, while the return of client property is designed to occur on an expedited basis (usually by transfer of the accounts to a solvent broker), there exists the risk of delay in, or inability to make, such a return or transfer, in whole or in part, by the insolvent broker. Furthermore, a Portfolio Fund may be unable to trade such securities or other property held by the insolvent broker during this transfer period or during a pending insolvency proceeding. Such



a situation would create the possibility of a substantial loss to a Portfolio Fund (and, indirectly, a Client) with respect to its assets held at such broker. Since the amount and type of property ultimately received by a Portfolio Fund may remain indeterminate until actually returned, or upon resolution of any insolvency proceeding, as applicable, such Portfolio Fund may be unable to adequately hedge its positions in such property.

Many Portfolio Funds rely on prime brokers to provide financing for many of their investment activities. Financial institutions may re-evaluate their prime brokerage business from time to time, which may impact the availability of credit to a Portfolio Fund and the terms on which it is offered, including the cost thereof, creating a more difficult financing environment for many asset classes and this may potentially adversely affect the Portfolio Fund's returns and investment activity. In addition, the Portfolio Fund may face an increased risk of being subject to significant changes in margin requirements as prime brokers modify their risk models to determine how much to lend to their customers. Furthermore, prime brokers may face additional regulation in the foreseeable future, which may affect their willingness or ability to provide prime brokerage services, and the costs of such services. Financing costs are likely to be significantly higher or assets may become impossible to finance if they cannot be financed by prime brokers.

***Risk of Counterparty Default.*** The stability and liquidity of repurchase agreements, swap transactions, forwards, and other over-the-counter ("OTC") derivative transactions depend in large part on the creditworthiness of the parties to the transactions. The failure of a prime broker could have a material adverse effect on a Portfolio Fund (and a Client's portfolio) and certain Funds. Although the Adviser and the Portfolio Managers evaluate the creditworthiness of their respective Fund's and Portfolio Fund's prime brokers and other service providers, it is often impossible to obtain sufficient information to make fully informed judgments or determinations of the risk that a particular financial institution may fail, particularly given the speed with which a financial institution's creditworthiness may decline when faced with liquidity pressures. Strategies to minimize such risk include moving assets from one prime broker to another prime broker, custodian, or bank or establishing segregated accounts for securities, if possible, which creates additional operational risk.

If there is a default by the counterparty to such a transaction, the Adviser and the applicable Portfolio Manager will under most normal circumstances have contractual remedies pursuant to the agreements related to the transaction. Exercising such contractual rights, however, may involve delays or costs that could result in the net asset value of a particular Fund or a Portfolio Fund being less than if such Fund or Portfolio Fund had not entered into the transaction. Furthermore, there is a risk that any of such counterparties could become insolvent. If one or more of the Funds', Separate Accounts', or the Portfolio Funds' counterparties were to become insolvent or the subject of liquidation proceedings in the United States (either under the Securities Investor Protection Act or the United States Bankruptcy Code), there exists the risk that the recovery of the Funds', Separate Accounts', or the Portfolio Funds' securities and other assets from such prime broker or broker-dealer will be delayed or be of a value less than the value of the securities or assets originally entrusted to such prime broker or broker-dealer.

In light of the extensive, and sometimes complex, financing and trading arrangements that the Portfolio Funds have with their prime brokers, each Portfolio Fund may face the risks, among other things, that the assets of the Portfolio Fund might be transferred out of its accounts or might be in accounts that do not benefit from client asset protection or that a prime broker will have a security interest in the assets of the Portfolio Fund that it holds. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a prime broker or any of its sub-custodians, agents or affiliates, it is impossible to generalize about the effect of their insolvency on the Portfolio Fund and its assets. Investors and Separate Account clients should assume that the insolvency of any of the Portfolio Fund's prime brokers could result in the loss of all or a substantial portion of the Portfolio Fund's assets held by such prime broker. Should the Portfolio Fund be unable to identify, access, or value its assets or establish with any certainty the amount or likelihood of recovery of any claim, such circumstances could cause substantial losses to such Portfolio Fund (and, indirectly, a Client's portfolio). Such losses might not be limited to the assets that were held by that prime broker, including replacement costs of relevant assets and fees and expenses. Moreover, the affected Portfolio Fund might be required to make future payments or deliveries to the insolvent prime broker without set-off of amounts due to it.

***Leverage.*** Portfolio Funds may utilize leverage in their investment programs. Leverage may take the form of trading on margin, derivative instruments that are inherently leveraged, and other forms of direct and indirect borrowings. The use of leverage has the effect of increasing the volatility of the Funds' investments. Trading securities on margin, unlike trading in futures (which also involves margin), results in interest charges. Depending on the amount of trading activity, such charges could be substantial. The low margin deposits normally required in connection with futures and forward trading permit a high degree of leverage. Accordingly, a relatively small price movement in a futures contract may result in immediate and substantial losses to the investor. In the event that the Commingled Funds, Funds of One, or Separate Accounts enter into an investment advisory agreement with a Portfolio Manager that utilizes leverage in its investment program, these Clients may become subject to claims by financial intermediaries that extend "margin" loans in respect of such managed account. Such claims could exceed the value of the assets invested with such Portfolio Manager by the Commingled Funds, Funds of One, or Separate Accounts.

In addition, certain Funds may be permitted to borrow for investment purposes and for the purpose of meeting redemptions that would otherwise require the liquidation of investments; the Adviser, however, limits the total amount of borrowings by the Funds to no more than 10% of the net asset value of the Funds, measured at the time of the borrowing and calculated based on the net asset value of the Funds determined as of the last day of the month preceding the date of the borrowing.

The Portfolio Funds may from time to time incur contingent liabilities in connection with an investment. For example, the financing used by the Portfolio Funds to leverage their portfolios will be extended by securities brokers and dealers in the marketplace in which they invest. While the Portfolio Funds will attempt to negotiate the terms of these financing arrangements with such brokers and dealers, their ability to do so will be limited. The Portfolio Funds are therefore subject to changes in the value that the broker-dealers ascribe to a given

security or position, the amount of margin required to support such security or position, the borrowing rate to finance such security or position and/or such broker-dealer's willingness to continue to provide any such credit to the Portfolio Funds. There can be no assurance that a Portfolio Fund will be able to secure or maintain adequate financing, without which the Portfolio Fund may not continue to be viable. Changes by banks and dealers in any of the foregoing policies, or the imposition of other credit limitations or restrictions, whether due to market circumstances or government, regulatory or judicial action, if a Portfolio Fund has no alternative credit facility that could be used to finance its portfolios in the absence of financing from broker-dealers, could result in large margin calls, loss of financing, forced liquidations of positions at disadvantageous prices, termination of swap and repurchase agreements, and cross-defaults to agreements with other broker-dealers. The forced liquidation of all or a portion of a Portfolio Fund's portfolio at distressed prices could result in significant losses to such Portfolio Fund to the detriment of Clients.

***Forward Trading.*** Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets and negotiate each transaction on an individual basis. Forward and "cash" trading are substantially unregulated. There is no limitation on daily price movements, and speculative position limits are not applicable. The primary risks associated with entering into such transactions include the risk that there will not be a market for such instruments; that trading will be disrupted because of unusually high trading volume, government intervention, or other factors; that there is counterparty credit risk; and that the counterparty may not be able to perform on its obligation under the contract. Market illiquidity, trading disruption, or failure of the counterparty to perform could result in major losses to the portfolios. To the extent possible, the Adviser endeavors to select Portfolio Managers that it believes will deal only with counterparties that are creditworthy and reputable institutions, but such counterparties need not be rated investment grade.

***Short Selling.*** The Portfolio Managers with which the Clients invest may engage in short selling. Short selling involves selling securities, which may or may not be owned, and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows an investor to seek profits from declines in the prices of securities. A short sale creates the risk of a theoretically unlimited loss because the price of the underlying security could theoretically increase without limit and increase the cost of buying those securities to close the short position. There can be no assurance that the securities necessary to close a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Short strategies can also be implemented synthetically through various instruments and be used with respect to indices or in the over-the-counter market and with respect to futures and other instruments. In some cases of synthetic short sales, there is no floating supply of an underlying instrument with which to cover or close out a short position and the Portfolio Funds may be entirely dependent on the willingness of over-the-counter market makers to quote prices at which the synthetic short position may be unwound. There can be no assurance that such market makers will be willing to make such quotes. Short strategies can also be implemented on a leveraged basis. Lastly, even though the Portfolio Funds generally secure a "good borrow" of the security sold short at the time of execution, the lending institution may recall the lent security at any

time, thereby forcing the Portfolio Funds to purchase the security at the then-prevailing market price, which may be higher than the price at which such security was originally sold short by the Portfolio Funds.

**Non-U.S. Securities.** Certain Clients (*i.e.*, Commingled Funds, Funds of One, and Separate Accounts), the Portfolio Funds, and Sub Advisers may invest in securities of, and derivatives of securities of, non-U.S. issuers (both public and private) and in depository receipts, such as American Depositary Receipts (“ADRs”), that represent indirect interests in securities of non-U.S. issuers. Non-U.S. securities that certain Clients, the Portfolio Funds, and Sub Advisers may invest may be listed on non-U.S. exchanges or traded in non-U.S. over-the-counter markets. Investments in non-U.S. securities can be affected by risk factors generally not thought to be present in the U.S. These factors include, but are not limited to, the following: varying custody, brokerage and settlement practices; difficulty in pricing; less public information about issuers of non-U.S. securities; less governmental regulation and supervision over the issuance and trading of securities than in the U.S.; the unavailability of financial information regarding the non-U.S. issuer or the difficulty of interpreting financial information prepared under non-U.S. accounting standards; less liquidity and more volatility in non-U.S. securities markets; the possibility of expropriation or nationalization; the imposition of withholding or other taxes on interest, dividends, capital gains, or other income or gross proceeds from the sale or other disposition thereof; adverse political, social, or diplomatic developments; limitations on the movement of funds or other assets of an applicable Client, a Portfolio Fund, or of a Sub Adviser’s brokerage account between different countries; difficulties in invoking legal process abroad and enforcing contractual obligations; and the difficulty of assessing economic trends in non-U.S. countries. Investment in non-U.S. countries also generally involves higher brokerage and custodian expenses than does investment in U.S. securities.

Other risks of investing in non-U.S. securities include changes in currency exchange rates (in the case of securities that are not denominated in U.S. dollars) and currency exchange control regulations or other non-U.S. or U.S. laws or restrictions, or devaluations of non-U.S. currencies. A decline in the value of a non-U.S. currency versus the U.S. Dollar would reduce the U.S. Dollar value of an applicable Client’s, a Portfolio Fund’s, or a Sub Adviser’s portfolio securities denominated in such non-U.S. currency, all other things being equal. In addition, an applicable Client, a Portfolio Fund, or Sub Adviser may incur costs in connection with conversion between various currencies. It may also be difficult to enforce a Client’s or Portfolio Fund’s rights in such markets. For example, securities traded on non-U.S. exchanges and the non-U.S. persons that trade these instruments are not subject to the jurisdiction of the SEC or the CFTC or the securities and commodities laws and regulations of the U.S. Accordingly, the protections accorded to the applicable Client and to the Portfolio Fund under such laws and regulations are unavailable for transactions on non-U.S. exchanges and with non-U.S. counterparties. The foregoing risks may be greater in emerging and less developed countries.

**Derivatives.** A Client’s portfolio may include direct investments in derivatives or indirect exposure to derivative instruments through investing in Portfolio Funds that enter into derivative transactions. Derivative financial instruments include, without limitation, futures, options, interest rate swaps, forward currency contracts, and credit derivatives such as credit default swaps. Derivatives are based on the performance of an underlying asset, index, interest

rate or other investment. Derivatives may be volatile and involve various risks, depending upon the derivative and its function in a portfolio. Portfolio Funds or a Client may take positions in derivatives either to increase or to decrease the level of risk, or to change the types of risks to which the portfolio is exposed. Swaps, options and other derivative instruments may be subject to various types of risks, including market risk; liquidity risk; risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty; legal risk; and operations risk.

The regulatory regime regarding derivatives is changing. The U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) granted the CFTC and SEC broad rulemaking authority to implement various provisions of the Dodd-Frank Act, including comprehensive regulation of the OTC derivatives market. These regulations include derivative exchange trading and clearing requirements, as well as requiring OTC derivatives dealers and major OTC derivatives market participants to register with the SEC and/or CFTC. The implementation of such regulations could adversely affect financial firms that enter into derivative transactions by increasing transaction costs and imposing restrictions on the investment or other operations of such firms.

***Stock Index Options and Futures.*** The Adviser with respect to certain Funds and the Portfolio Managers may purchase and sell call and put options on stock indices listed on securities exchanges or traded in the over-the-counter market for the purpose of realizing its investment objectives or for the purpose of hedging its portfolio. A stock index fluctuates with changes in the market values of the stocks included in the index. The effectiveness of purchasing or writing stock index options for hedging purposes will depend upon the extent to which price movements in the portfolio correlate with price movements of the stock indices selected. Because the value of an index option depends upon movements in the level of the index rather than the price of a particular stock, whether certain Funds and the Portfolio Managers will realize gains or losses from the purchase or writing of options on indices depends upon movements in the level of stock prices in the stock market generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular stocks. Accordingly, successful use by the Adviser or a Portfolio Manager of options on stock indices will be subject to an ability to correctly predict movements in the direction of the stock market generally or of particular industries or market segments. This requires different skills and techniques than predicting changes in the price of individual stocks. Put and call options are highly specialized activities and entail greater than ordinary investment risks. For example, traders who sell options are subject to the entire loss that occurs in the underlying item (less any premium received).

The price of stock index futures contracts may not correlate perfectly with the movement in the underlying stock index because of certain market distortions. First, all participants in the futures market are subject to margin deposit and maintenance requirements. Rather than meeting additional margin deposit requirements, investors may close futures contracts through offsetting transactions that would distort the normal relationship between the index and futures markets. Second, from the point of view of speculators, the deposit requirements in the futures market are less onerous than margin requirements in the securities market. Therefore, increased participation by speculators in the futures market also may cause temporary price distortions.

Successful use of stock index futures contracts is subject to the Adviser's and the Portfolio Managers' ability to correctly predict movements in the direction of the market.

***Futures Contracts.*** The Portfolio Funds may trade in futures contracts (and options on futures). Futures contracts markets are highly volatile and are influenced by a variety of factors, including national and international political and economic developments. In addition, because of the low margin deposits normally required in futures trading, a high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the trader. Moreover, futures positions are marked to market each day and variation margin payments must be paid to or by a trader.

Positions in futures contracts may be closed out only on the exchange on which they were entered into or through a linked exchange, and no secondary market exists for such contracts. Although the Portfolio Managers typically enter into futures contracts only if an active market exists for the contracts, no assurance can be given that an active market will exist for the contracts at any particular time. Certain futures exchanges do not permit trading in particular futures contracts at prices that represent a fluctuation in price during a single day's trading beyond certain set limits. If prices fluctuate during a single day's trading beyond those limits, a Portfolio Manager could be prevented from promptly liquidating unfavorable positions and thus be subjected to substantial losses.

In addition, the CFTC and various exchanges impose speculative position limits on the number of positions a person or group may hold or control in particular commodities. For purposes of complying with speculative position limits, a Portfolio Manager's outright positions (*i.e.*, those that are not bona fide hedge positions or spread positions specifically exempted from speculative limits) may be aggregated with positions of certain related persons and, as a result, a Portfolio Manager may be unable to take positions in particular futures contracts or may be forced to liquidate positions in particular futures contracts.

Unlike trading on U.S. futures exchanges, trading on non-U.S. futures exchanges is not regulated by the CFTC and may be subject to greater risks than trading on domestic exchanges. For example, some non-U.S. exchanges are principal markets so that no common clearing facility exists and a trader may look only to the broker for performance of the contract. In addition, unless a Portfolio Manager hedges against fluctuations in the exchange rate between the U.S. dollar and the currencies in which trading is done on non-U.S. exchanges, any profits that a Portfolio Manager might realize in trading could be eliminated by adverse changes in the exchange rate, or the Portfolio Manager could incur losses as a result of those changes.

With respect to certain Funds and Separate Accounts, the Adviser may trade directly in futures contracts but only to the extent permitted under applicable statutory exemptions.

***Suspensions of Trading.*** Each securities exchange typically has the right to suspend or limit trading in all securities. Such a suspension would render it impossible for the Adviser with respect to certain Funds, a Portfolio Manager, or Sub Adviser to liquidate positions and, accordingly, could cause losses to the detriment of a Client's portfolio.

**Valuation Risks.** With respect to Funds and Separate Accounts that follow a fund of funds strategy, the valuations of investments in non-registered investment funds are based on the net assets/partner's capital reported by the managers of such Portfolio Funds as a practical expedient in conformity with U.S. GAAP. Accordingly, the Adviser relies primarily on information provided by Portfolio Managers in valuing a Client's investments in their Portfolio Funds and determining the value of the Client's portfolio. A Client's investment in the Portfolio Funds will generally be valued in accordance with the net asset value/partner's capital information provided by the managers and/or fund administrators of such Portfolio Funds as part of their periodic investor statements. These investor statements generally will be provided for such Portfolio Funds based on the interim unaudited financial records of the Portfolio Fund, and, therefore, could be subject to adjustment (upward or downward) based on the annual independent audit of such financial records.

In addition, generally, neither a Client's administrator nor the Adviser will have access to detailed information regarding the underlying portfolios of the Portfolio Funds; each relies on the limited information provided to them by the Portfolio Funds or their administrators. The failure of the Portfolio Funds or their administrators to appropriately value the investment securities of the Portfolio Funds could adversely affect a Client and performance information that is reported to the client.

Investments in securities (other than non-registered investment funds) are valued using publicly available pricing information provided by unaffiliated service providers. A service provider could provide an inaccurate price, and the Fund Administrator and Custodians that serve the Funds and Separate Accounts could fail to accurately record the prices provided by the pricing service providers. The Adviser has a series of controls in place to mitigate such risks of pricing errors by using multiple service providers and price reconciliations for each Valuation date. Additionally, investments in certain securities may be illiquid, requiring the Adviser to estimate the fair value of such securities according to the Adviser's valuation policies.

**Valuation Estimates.** With respect to Funds and Separate Accounts that follow a fund of funds strategy, in most cases, the Adviser has limited or no ability to assess the accuracy of the valuations received from a Portfolio Manager. Furthermore, the monthly net asset values of Portfolio Funds provided to the Adviser from Portfolio Managers are unaudited, subject to revision upon conclusion of such underlying Portfolio Fund's annual audit. Revisions to a Client's gain and loss calculations are an ongoing process, and actual net capital appreciation or net capital depreciation figures may not be final until an annual audit is completed. Further, some Portfolio Funds may include illiquid investments (which may be in side pockets), and the valuations of such securities are subject to significant portfolio manager discretion.

Investments in securities (other than non-registered investment funds) may be (or become) illiquid, requiring the Adviser to estimate the fair values in good faith. The Adviser follows the fair value hierarchy under U.S. GAAP, which requires the applicable portfolio to utilize the most publicly discoverable information available to estimate the fair values of such securities.

***Delayed Tax and Annual Reporting Information.*** For the portfolios to complete their tax reporting requirements and to provide an audited annual report to investors and Separate Account clients, they must receive information on a timely basis from the Portfolio Managers. A Portfolio Manager's delay in providing this information could indirectly delay the portfolios' preparation of tax information for investors and Separate Account clients. As a result, the preparation of the audited annual report of the Funds and Separate Accounts could be delayed, and investors and Separate Account clients might be required to seek extensions on the time to file their tax returns.

***Layering of Fees.*** By investing in the Portfolio Funds indirectly through a Fund or a Separate Account, an investor or advisory client bears a pro rata portion of the management fee and incentive fee or allocation and other expenses of such Fund or Separate Account and also indirectly bears a pro rata portion of the asset-based fees, performance-based compensation and other expenses borne by the Fund or Separate Account as an investor in Portfolio Funds.

***Indemnification.*** The Funds or Separate Accounts may agree to indemnify certain of the Portfolio Funds and their Portfolio Managers from any liability, damage, cost or expense arising out of, among other things, certain acts or omissions relating to the offer or sale of the interests in such Fund or Separate Account. Such agreement may differ depending upon the Portfolio Fund.

***Independent Portfolio Managers and Competition.*** The Portfolio Managers generally invest wholly independently of one another and may at times hold economically offsetting positions. To the extent that the Portfolio Managers do, in fact, hold offsetting positions, the Funds or Separate Accounts may not achieve any gain despite incurring investment expenses, including, without limitation, performance-based compensation.

***"Style Drift."*** The Adviser relies primarily on information provided by Portfolio Managers in assessing a Portfolio Manager's defined investment strategy, the underlying risks of such a strategy and, ultimately, determining whether, and to what extent, it will invest assets with particular Portfolio Managers. "Style drift" is the risk that a Portfolio Manager may deviate from his or her stated or expected investment strategy. Style drift can occur abruptly if a Portfolio Manager believes that it has identified an investment opportunity for higher returns from a different approach (and disposes of an interest quickly to pursue this approach), or it can occur gradually, such as if, for instance, a "value"-oriented Portfolio Manager gradually increases a Portfolio Fund's investments in "growth" stocks. Style drift can also occur if a Portfolio Manager focuses on factors that it had originally deemed immaterial in its offering documents - such as particular statistical information or returns relative to certain benchmarks. Additionally, style drift may result in a Portfolio Manager pursuing investment opportunities in an area in which it has a competitive disadvantage or is outside such manager's area of expertise (*e.g.*, a large-cap manager focusing on small-cap investment opportunities). Moreover, style drift poses a particular risk for multiple-manager structures since, as a consequence, the Funds or Separate Accounts may be exposed to particular markets or strategies to a greater extent than was anticipated by the Adviser when it assessed the portfolio's risk-return characteristics and invested with a Portfolio Manager.



***Redemptions from Portfolio Funds; Limited Liquidity; In-Kind Distributions.*** Clients may have limited rights to redeem, transfer, or otherwise liquidate investments in Portfolio Funds. Investments in Portfolio Funds are not themselves marketable, and therefore Clients are not able to readily dispose of interests in Portfolio Funds. Accordingly, with respect to the Funds that invest in Portfolio Funds, the submission of a duly executed redemption request by an investor in a Fund does not mean that such Fund will necessarily be able to provide liquidity at the time requested in the redemption request as the Fund may be subject to limited liquidity and potential restrictions on redemptions. Under the terms of the governing documents of the Portfolio Funds, the ability to redeem any amount invested therein may be subject to certain restrictions and conditions, including restrictions on the redemption of shares for an initial period (“lock-up”), restrictions on the amount of redemptions and the frequency with which redemptions can be made, and investment minimums that must be maintained. Additionally, the Portfolio Funds typically reserve the right to reduce (“gate”) or suspend redemptions and to satisfy redemptions by making distributions in-kind, under certain circumstances. The ability to redeem all or any portion of shares may be adversely affected to varying degrees by such restrictions depending on, among other things, the length of any restricted periods imposed by the Portfolio Funds, the amount and timing of a requested redemption in relation to the time remaining of any restricted periods imposed by related Portfolio Funds, the aggregate amount of redemption requests, the next regularly scheduled redemption dates of such Portfolio Funds, the imposition of “gates” or suspensions, the decision by a Portfolio Fund to satisfy redemptions in kind, and the satisfaction of other conditions. Additionally, in some cases Portfolio Managers may also suspend the determination of the net asset value of all or a portion of their portfolios. The absence of such valuations would make it more difficult for the Adviser to accurately value the portfolio.

In addition, the Portfolio Funds may invest a portion of their assets in restricted or non-publicly traded securities, securities that are subject to legal or other restrictions on transfer or for which no liquid market exists, securities of distressed issuers, securities traded on foreign exchanges, and futures contracts. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the OTC markets. Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits.” Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. Such investment positions could prevent a Portfolio Manager from liquidating unfavorable positions promptly and subject a Client’s portfolio to substantial losses. (See “Futures Contracts” above). Similar limits may apply to securities traded on a foreign exchange. (See Non-U.S. Issuers and Non-U.S. Securities Markets” below).

Portfolio Funds may be permitted satisfy redemption requests by distributing their interests in kind. Thus, upon the withdrawal of all or a portion of its interest in a Portfolio Fund, a Client may receive securities that are illiquid or difficult to value. Similarly, although the Adviser expects to distribute cash to redeeming investors and to advisory clients liquidating their accounts, there can be no assurance that the portfolios will have sufficient cash to satisfy

redemption or liquidation requests, or that the Adviser will be able to liquidate a Client's investments at the time of such redemption or liquidation requests. An in kind distribution may not be readily marketable or saleable and may have to be held by the recipient (*e.g.*, a Client, investor, or advisory client) for an indefinite period of time.

The Adviser has no control over the liquidity of Portfolio Funds and depends on the Portfolio Manager to provide appropriate valuations as well as liquidity to process investor redemptions. Moreover, restrictions on liquidity that Portfolio Managers impose under certain circumstances may materially restrict or delay investor redemption rights.

***Misconduct or Bad Judgment of Portfolio Managers and Their Service Providers.*** Misconduct by employees of the Portfolio Managers or by their third-party service providers could cause losses. Employee misconduct could include binding a Portfolio Fund to transactions that exceed authorized limits or present unacceptable risks and unauthorized trading activities or concealing unsuccessful trading activities (which, in either case, may result in unknown and unmanaged risks or losses) or other fraud. Losses could also result from actions by third-party service providers, including, without limitation, failing to recognize trades and misappropriating assets. Although the Adviser will seek to monitor Portfolio Managers, their Portfolio Funds, and their service providers, such measures may not be effective in all cases in detecting fraud or misconduct.

In addition, Clients will still face the risk of Portfolio Manager misrepresentation, material strategy alteration, or poor judgment. Although Portfolio Managers are required to adhere to the offering documents for the respective funds, the Adviser cannot control the investments made by a Portfolio Manager. The Adviser's sole remedy in the event of a deviation by a Portfolio Manager from its offering documents (such as in the case of "style drift") may be to withdraw capital or redeem shares from a Portfolio Fund, subject to any applicable withdrawal or redemption restrictions.

***Equity Securities in Emerging and Frontier Markets.*** 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. In emerging and frontier markets, in particular, 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 may impact the market as a whole in less developed countries. 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.

***Non-U.S. Issuers and Non-U.S. Securities Markets.*** Investments that are made by the Adviser with respect to certain Funds, Portfolio Funds, and Sub Advisers include investing in non-U.S. issuers. There may be less publicly available information about non-U.S. issuers than about U.S. issuers, and certain non-U.S. issuers are not subject to uniform accounting, auditing and financial reporting standards and requirements comparable to those for U.S. issuers. In the

case of securities that are listed or traded on organized exchanges or other markets, there may be less market liquidity than would typically be available for companies of comparable size that are traded in the securities markets of developed countries. This reduced liquidity may diminish the Adviser's, a Portfolio Manager's, or Sub Adviser's ability to act on investment information and research in both buying and selling securities. In addition, it may limit the size of investments and increase the cost of transacting in such markets. There also is generally less governmental supervision and regulation of non-U.S. securities markets, brokers, and securities issuers than in the United States. Furthermore, non-U.S. brokerage commissions are generally higher than in the United States.

***Investment and Repatriation Restrictions.*** Some countries in emerging and frontier markets have laws and regulations that preclude direct foreign investment in the securities of their companies. In addition, in some emerging and frontier countries prior governmental approval for foreign investments may be required under certain circumstances. Moreover, the extent of foreign investment in domestic companies may be limited. Foreign ownership limitations also may be imposed by the charters of individual companies in emerging and frontier countries to prevent, among other concerns, violation of foreign investment limitations.

Repatriation of investment income, capital and the proceeds of sales by foreign investors may require governmental registration and/or approval in some emerging and frontier countries. Clients, Portfolio Funds and Sub Advisers could be adversely affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation or by withholding taxes imposed by emerging and frontier countries on interest or dividends paid on securities purchased by the Funds and Accounts and such Portfolio Funds and Sub Advisers or gains from the disposition of such securities.

***Political and Legal Factors in Emerging and Frontier Markets.*** Certain Funds and Separate Accounts, a Portfolio Fund, or Sub Adviser may invest in emerging and frontier markets where there is a high potential return on invested capital but also a high degree of either political or economic risk, or both, or where existing regulations may impede repatriation of investment capital or earnings. In such cases, the potential return may be offset, or more than offset, as a result of adverse political or other developments to the detriment of a Client's portfolio. In that regard, it is generally the case that investments in any emerging and frontier country could be affected by factors not present in the U.S., including nationalization; expropriation without just compensation; exchange controls; confiscatory taxation; political changes; governmental regulation; social, political, or diplomatic instability (including military or other internal political coups, insurrections, and wars); and potential difficulties in enforcing contractual obligations.

In addition, the legal systems in emerging and frontier countries are often not as sophisticated as those in the U.S. or other developed nations, and it may be difficult to predict with any degree of assurance the resolution of legal questions presented in adjudications or other governmental proceedings. In addition, the availability of judicial and other remedies may, as a practical matter as well as a legal matter, be far more restricted than in the U.S. or other developed countries. These factors may adversely affect the companies that certain Funds and Accounts, the Portfolio Funds and Sub Adviser invest as well as the enforceability of the rights

of such Funds and Accounts, the Portfolio Funds, and Sub Advisers, and in some instances the Adviser through its contractual relationship with certain Sub Advisers, as a securityholder in such companies.

***Frontier Africa Specific Risks.*** Certain Funds and Separate Accounts invest directly in publicly listed and private securities that are issued by companies located in Frontier Africa. The risks in Frontier Africa may be more salient than the general risks associated with investing in emerging and frontier markets.

***General Economic Conditions and Inflation.*** While gross domestic product growth in Africa has been strong in recent years, many African countries have experienced prolonged periods of economic stagnation due to poor policy decisions and high levels of inflation. Although inflation has become more moderate it is possible that inflation could rise and dampen the general level of economic activity. Levels of economic growth and inflation can change materially from period to period within Africa and often differ significantly between countries.

***Liquidity.*** Listed African securities often have very low levels of trading volume. In some instances stocks may not trade at all for a prolonged period of time. This can create risks when liquidating positions as an offer to buy stock may not exist. In selling certain positions, the Adviser may adversely impact the price of the stock. Importantly, liquidity conditions can change significantly from time to time, particularly during times of economic strain or financial crisis. Although trading volume may be reasonable when a security is purchased there is no guaranty that this volume will be available when certain Funds and Separate Accounts desire to dispose of the position. Additionally, there may be prolonged periods of time where exchanges are closed due to political and/or economic change and uncertainty. For example, in 2011 the Egyptian Stock Exchange was closed for a few months following the political transition after the Arab Spring. Furthermore, certain Funds and Separate Accounts have the option to invest in unlisted or private companies which may take considerable time to liquidate as a private negotiation would likely be required to determine price and settlement.

***Political Risk.*** Many African countries have a history of political upheaval and uncertainty. Political risk in Africa may be considered to be higher than in other geographic areas. Variables which can negatively impact the current value of investments include but are not limited to: the nationalization of assets, change in government regulation, social unrest, coup d'état, redistribution of foreign owned companies amongst citizens, war (including prolonged civil war) and a shift in political systems (*e.g.*, from democracy to dictatorship). As an example, in recent years Egypt has transitioned from a military dictatorship to a democratically elected government, back to what can be described once again as a military dictatorship. This process has created significant volatility in listed Egyptian equities.

***Currency Risk Including Controls.*** A significant portion of the assets of certain Funds and Separate Accounts will be invested in locally listed African equities, denominated in local currencies. Many African currencies have a history of depreciation over a long-period of time, ultimately eroding returns for U.S. dollar investors. Although some currencies in Africa are pegged to the U.S. dollar, the Euro, other currencies, or a basket of currencies, there is no guarantee that these pegs will be maintained. The Adviser believes that African currencies will

continue to suffer from currency depreciation due to high levels of domestic inflation, poor fiscal management by governments and weak external balances (trade balance and current account balance) driven by the need to import the majority of manufactured goods. Although the Adviser has the ability to hedge currency exposure, it does not intend to do so. Additionally, it is often problematic to repatriate funds back to the U.S. custodian from local African markets. Difficulty in repatriating funds can be a prolonged problem in many African countries. For example, after the sale of equities, certain Funds and Separate Accounts may hold a significant portion of its NAV in domestic currencies of African countries which it wishes to repatriate back to U.S. dollars. Given a shortage of U.S. dollars in the domestic African market, or due to strict capital controls, certain Funds and Separate Accounts, however, may be required to hold the domestic currency for a longer period than desired. This issue will also arise when underlying securities pay dividends which need to be repatriated back to U.S. dollars.

*Unlisted Securities.* Certain Funds and Separate Accounts may make investments in unlisted securities which presents additional risks. Liquidity is likely to be much lower for unlisted securities as it would require the Adviser to privately negotiate purchase and sale agreements. Additionally, issuers of listed securities often have higher reporting standards than non-listed entities, given the regulatory oversight required by stock exchanges and securities regulators. Issuers of non-listed securities may not publish audited financial statements regularly or at all.

*Highly Volatile Markets.* African equity markets can often experience extreme levels of price volatility. The markets that certain Funds and Separate Accounts invest in are subject to significant changes in trading volumes and fund flows as sentiment shifts and countries or industry sectors move in and out of favor. Political changes, social changes, and global investment trends may lead to select countries, markets and stocks becoming in or out of favor. Due to the typically low level of trading volume in these markets, a minor shift in overall market fund flows (e.g., new capital coming into the market, or capital leaving the market) can have a major impact on the bid or ask price of listed entities. “Hot money” coming in and out of African markets can increase this risk. Significant volatility in the pricing of the underlying securities is likely.

*Settlement Risk.* Stock markets in Africa often have settlement processes that are less developed and reliable than other global markets. Many African markets have been open to foreign investors for only a short period of time and thus their settlement processes have not been tested to the same extent as others. Certain Funds and Separate Accounts may experience delays in settling transaction which could limit its ability to transact in new opportunities.

*Financial Fraud at a Portfolio Company.* Instances of fraud and other deceptive practices committed by senior management of certain companies in which certain Funds and Separate Accounts invest may undermine the Adviser’s due diligence efforts with respect to such companies; and, if such fraud were discovered, it would negatively affect the valuation of investments of such Funds and Separate Accounts. In addition, when discovered, financial fraud may contribute to overall market volatility; such volatility can negatively impact the respective investment programs of certain Funds and Separate Accounts.

*Instability and Terrorism.* The population of many African countries is comprised of numerous ethnic groups with diverse religions and languages, sometimes resulting in communal conflict among groups. Certain extremist groups in various African countries have traditionally held anti-Western views and may be opposed to openness to foreign investments. If these movements gain strength they could have a destabilizing effect on the investment activities of certain Funds and Separate Accounts.

Increased terrorist activities and a heightened threat of terrorism may have a negative impact on the assets of certain Funds and Separate Accounts that would result in worse than expected performance. The increase in acts of terrorism in general, and the targeting of popular destinations and hotels for their concentration of foreigners in particular, has had an adverse impact on, among other things, business and leisure travel and hotel occupancy rates. The uncertainty associated with the ongoing War on Terror and the possibility of future attacks, terrorism alerts, or outbreaks of hostilities may continue to have a negative impact on performance of certain Funds and Separate Accounts.

*Latin America Specific Risks.* Certain Funds invest directly in publicly listed and private securities that are issued by companies located in Latin America. The risks in Latin America may be more salient than the general risks associated with investing in emerging markets.

*General Economic Conditions and Inflation.* While gross domestic product growth in Latin America has been strong in recent years, many Latin American countries have experienced prolonged periods of economic stagnation due to poor policy decisions and high levels of inflation. Although inflation has become more moderate it is possible that inflation could rise and dampen the general level of economic activity. Levels of economic growth and inflation can change materially from period to period within Latin America and often differ significantly between countries.

*Liquidity.* Listed Latin American securities in some instances might have low levels of trading volume. Although trading volume may be reasonable when a security is purchased there is no guaranty that this volume will be available when the Adviser desires to dispose of the position.

*Political Risk.* Many Latin American countries have a history of political upheaval and uncertainty. Whilst political risk in Latin America may be considered to be lower than in other geographic areas, volatility has been a trademark of the region over the past three decades. Variables which can negatively impact the current value of investments include but are not limited to: the nationalization of assets, change in government regulation, social unrest, coup d'état, redistribution of foreign owned companies amongst citizens and a shift in political systems (e.g., from democracy to dictatorship).

*Currency Risk Including Controls.* A significant portion of certain Funds will be invested in locally listed Latin American equities, denominated in local currencies. Many Latin American currencies have a history of depreciation over a long-period of time, ultimately eroding returns for U.S. dollar investors. Although some currencies in Latin America are pegged to the U.S. dollar there is no guarantee that these pegs will be maintained.

*Unlisted Securities.* Certain Funds may make investments in unlisted securities which presents additional risks. Liquidity is likely to be much lower for unlisted securities as it would require the Adviser to privately negotiate purchase and sale agreements. Additionally, issuers of listed securities often have higher reporting standards than non-listed entities, given the regulatory oversight required by stock exchanges and securities regulators. Issuers of non-listed securities may not publish audited financial statements regularly or at all.

*Highly Volatile Markets.* Latin American equity markets can often experience extreme levels of price volatility. The markets that certain Funds invest in are subject to significant changes in trading volumes and fund flows as sentiment shifts and countries or industry sectors move in and out of favor. Political changes, social changes, and global investment trends may lead to select countries, markets and stocks becoming in or out of favor. Due to the typically low level of trading volume in these markets, a minor shift in overall market fund flows (new capital coming into the market, or leaving the market) can have a major impact on the bid or ask price of listed entities. “Hot money” coming in and out of Latin American markets can increase this risk.

*Direct Trading Specific Risks (Direct Funds and Separate Accounts).* The Rock Creek Funds and Separate Accounts with direct equity trading strategies (the “Direct Funds and Separate Accounts”) may take long and short positions in common stocks of U.S. and non-U.S. issuers traded on national or regional securities exchanges and OTC markets. The Direct Funds and Separate Accounts strategies may also purchase equity-related securities and instruments, such as convertible securities, warrants, stock options, and individual stock futures. The value of equity securities varies in response to many factors. Factors specific to an issuer, such as certain decisions by management, lower demand for its products or services, or even the loss of a key executive, among other things, could result in a decrease in the value of the issuer’s securities. Factors specific to the industry in which the issuer participates, such as increased competition or costs of production or consumer or investor perception, can have a similar effect. The value of an issuer’s stock can also be adversely affected by changes in financial markets generally, such as an increase in interest rates or a decrease in consumer confidence, that are unrelated to the issuer itself or its industry. Stock which the strategies have sold short may be favorably impacted (to the detriment of the strategies) by the same factors (*e.g.*, decreased competition or costs or a decrease in interest rates). In addition, certain options and other equity-related instruments, if traded, may be subject to additional risks, including liquidity risk, counterparty credit risk, legal risk, and operations risk, and may involve significant economic leverage and, in some cases, be subject to significant risks of loss. These factors and others can cause significant fluctuations in the prices of the securities in which the strategies invest and can result in significant losses.

*Allocation of Direct Trading Opportunities (Direct Funds and Separate Accounts).* With regard to portfolios of certain Direct Funds and Separate Accounts, such Commingled Funds may trade *pari passu* to Separate Accounts. Generally, such Commingled Funds’ governing documents or the applicable Separate Account’s investment management agreement requires the Adviser to act in a manner that it considers fair and equitable in allocating investment opportunities to the Direct Funds and Separate Accounts, taking into account such factors including, but not limited to, available capital, the expected duration of the investment, overall portfolio composition, the liquidity needs of the account, diversification, and tax and regulatory

considerations, but does not otherwise impose any specific obligations or requirements concerning the allocation of time, effort or investment opportunities to the Direct Fund or any restrictions on the nature or timing of investments for the Direct Separate Accounts which the Adviser or its affiliates may manage. The Adviser believes that its activities with respect to managing the Direct Funds and the Direct Separate Accounts are complementary.

When the Adviser determines that it would be appropriate for a Direct Fund and any Direct Separate Account to participate in an investment opportunity, the Adviser will seek to execute orders for all of the participating portfolios in a manner that it considers equitable and as described in its internal trade allocation procedures, as those may change from time to time. Situations, however, may occur where a Direct Fund or Direct Separate Account could be disadvantaged because of the various other investment activities conducted independently by the Adviser, and the Adviser will endeavor to mitigate such situations. As such, the Adviser will aggregate and allocate securities in a manner believed by the Adviser to be fair and equitable to each such Client while taking into account circumstances and certain differences including, but not limited to, ERISA or other legal considerations; specific client objectives, guidelines or other directives; differing liquidity profiles of the account depending on timing of investments in the portfolio.

*International Investing (Direct Funds and Separate Accounts).* Investing outside the United States by certain Direct Funds and Separate Accounts may involve greater risks than investing in the United States. These risks include: (i) less publicly available information; (ii) varying levels of governmental regulation and supervision; and (iii) the difficulty of enforcing legal rights in a non-U.S. jurisdiction and uncertainties as to the status, interpretation and application of laws. Moreover, non-U.S. companies are generally not subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those applicable to United States companies.

Non-U.S. markets may also have different clearance and settlement procedures, and in certain markets there have been times when settlements have failed to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. Delays in settlement could result in periods when assets of the strategies are uninvested and no return is earned thereon. The inability of the strategies to make intended security purchases due to settlement problems or the risk of intermediary counterparty failures could cause the strategies to miss investment opportunities. The inability to dispose of a security due to settlement problems could result in (i) losses to the strategies due to subsequent declines in the value of such security or (ii) possible liability to the purchaser if the strategies have entered into a contract to sell the security. Transaction costs of buying and selling non-U.S. securities, including brokerage, tax and custody costs, may be higher than those involved in U.S. transactions. Furthermore, many non-U.S. financial markets, while generally growing in volume, have, for the most part, substantially less volume than U.S. markets, and securities of many non-U.S. companies are historically less liquid and their prices historically more volatile than securities of comparable U.S. companies. The economies of individual non-U.S. countries may also differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rate of inflation, volatility of currency exchange rates, depreciation, capital reinvestment, interest rates, resources self-sufficiency and balance of payments position.



*Non-U.S. Counterparties (Direct Funds and Separate Accounts).* The strategies of certain Direct Funds and Separate Accounts that focus on investing in non-U.S. markets may utilize custodians, futures clearers, brokers, exchanges or counterparties who are organized outside of, and not subject to the laws of, the United States. No assurance can be given that the laws of the jurisdiction in which a particular custodian, futures clearer, broker, exchange or counterparty is located provide protections to the strategies that are similar to (or as protective as) the laws of the United States. For example, the bankruptcy laws applicable to custodians, futures clearers, brokers, exchanges or counterparties in certain non-U.S. jurisdictions may not require (or, in certain cases, permit) the assets of customers of such custodians, futures clearers, brokers, exchanges or counterparties to be segregated for purposes of determining assets available to creditors. No assurance can be given that the strategies will solely utilize the services of custodians, futures clearers, brokers, exchanges and counterparties governed under the laws of the United States or that the laws of the jurisdiction in which a custodian, futures clearer, broker, exchange or counterparty is based or operates will provide for a level of customer or participant protection that is equivalent to the laws of the United States. The bankruptcy or insolvency of a custodian, futures clearer, broker, exchange or counterparty utilized by the strategies could result in the strategies being unable to recover all or any portion of the strategies' assets or could result in a substantial delay in the strategies receiving all or any portion of their assets.

*Illiquid Investments (Opportunistic Funds and Separate Accounts).* The Funds and Separate Accounts that invest in opportunistic investment and in private equity Portfolio Funds (the "Opportunistic Funds and Separate Accounts") may invest directly or indirectly through a private equity Portfolio Fund in financial instruments and assets for which no market exists, that are subject to contractual restrictions on transfer and/or that are otherwise illiquid by their nature (for example, private securities and certain derivative instruments). Additionally, the Opportunistic Funds and Separate Accounts' portfolios may include other relatively illiquid investments (for example, investments in thinly-traded issuers). At any given time, nearly all of the capital of an investor in an Opportunistic Fund or an Opportunistic Separate Account may be allocated directly or indirectly to illiquid investments. Indications of prices, if any, for illiquid investments (and relatively illiquid investments) tend to be volatile and may not be readily attainable, and the Portfolio Manager may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value upon a sale. The sale of illiquid assets often requires more time and results in higher transaction costs and related expenses than does the sale of securities eligible for trading on national securities exchanges or in the over the counter markets.

*Registered Fund.* With respect to the Adviser's role as a sub adviser of the Registered Fund, the Adviser monitors the other sub-advisors. In seeking to achieve the Registered Fund's investment objectives, each of the underlying sub-advisors employs its own methods of analysis and investment strategies and such methods and strategies are subject to risk of loss and other significant risks. The investment objectives, principal investments and investment strategies used in managing the Registered Fund and the associated principal risks are described in the Registered Fund's prospectus and statement of additional information.

***Investments in the Private Funds of the Registered Fund's Sub-Advisors.*** The Registered Fund is a multi-manager fund that allocates its assets among multiple sub-advisors. Certain Funds that the Adviser manages may invest in certain private funds or hold separate accounts that Registered Fund sub-advisors manage separately and independently from their respective sub-portfolios in the Registered Fund. Decisions to invest in a sub-advisor's private fund for the Adviser's other Clients are made independently from recommending such sub-advisor to the Registered Fund's Board of Trustees. Moreover, the decision to invest in a sub-advisor's private fund (*e.g.*, hedge fund) is subject to, among other things, a Client's investment strategy, the investment mandate, parameters, and restrictions as well as regulatory limits that may apply to the Adviser or a Client.

***Investments Made by Employees with Clients in Private Equity and Opportunistic Investments.*** A Portfolio Manager may from time to time make the Adviser aware of the availability to invest in a particular private equity or opportunistic investment offered by the Portfolio Manager (*e.g.*, an investment in the Portfolio Manager's private equity fund). Rock Creek will allocate such an investment opportunity in accordance with its policies and procedures. Although allocations are to be pro rata among participating Clients (while qualifying Rock Creek employees and other participants are subject to a collective 10% limit on investing in the available opportunity), in certain circumstances, allocations may result in a Client receiving a smaller allocation to a particular investment opportunity.

Rock Creek may form investment vehicles that are made available to qualifying Rock Creek employees and other individuals to participate in a private equity and opportunistic investment offered by a Portfolio Manager. That means that an investment opportunity may be allocated to investors that are not Fund investors and Separate Account clients. Furthermore, the participation by qualifying Rock Creek employees and other participants may result in participating Clients being allocated a small share of an investment opportunity than would otherwise be the case in the absence of such participation by Rock Creek employees and other individuals.

While Rock Creek maintains compliance policies and procedures, including a Code of Ethics that addresses personal trading, which seek to reduce potential conflicts of interest, Rock Creek employees in certain circumstances and subject to pre-clearance may be permitted to invest in alternative investment funds and other investment vehicles, including private equity and opportunistic investment that Clients would invest in and in potential competitors of the Funds. Except in instances when a Client participates collectively with qualifying employees in an investment opportunity, Fund investors and Account clients will not receive any benefits from such investments.

Certain conflicts of interest may arise as a result of qualifying Rock Creek employees investing collectively with Clients in a private equity and opportunistic investment offered by a Portfolio Manager. An opportunity to participate and invest may increase the Adviser's incentive to invest Client assets in such investment opportunity. In addition, the Adviser may also be incentivized to cause Clients to make larger investments in an investment opportunity than originally anticipated and accordingly cause Clients to have a greater exposure to such investment opportunity than the Adviser would have taken absent such participation by

employees. Also, although the Adviser's investment allocation policies and procedures regarding investments in private equity and opportunistic investments offered by Portfolio Managers are intended to allocate such investment opportunities in a fair and equitable manner, there may be an incentive for the Adviser to allocate investment opportunities in a manner that favors employees or a particular Client over others.

The Adviser will generally seek to ensure that participating Clients and qualifying Rock Creek employees and other participants participate in any investment opportunities on comparable economic and liquidity terms to the extent Rock Creek determines appropriate, subject to legal, tax, and regulatory considerations. Accordingly, although participating Rock Creek employees will not be subject to fee and liquidity terms that are better than participating Clients, as a result of such considerations certain Client may invest on different and more favorable terms than other participating Clients.

**The foregoing risk factors are not a complete explanation of all risks involved in investing in a Commingled Fund, a Fund of One, a Separate Account, Segregated Portfolio, an underlying Portfolio Fund, or engaging the assistance of the Adviser or any sub advisers. Prospective investors and Clients should read this entire brochure as well as the Adviser's Form ADV Part 1A; Part 2B; and applicable offering documents, supplements, and subscription documents, and consult with their own counsel and advisers before deciding to obtain the services of the Adviser or to invest.**

#### **Item 9. Disciplinary Information**

Information required by this Item 9 is not applicable to the Adviser.

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

The Adviser is registered with the SEC as an investment adviser; this registration does not constitute an endorsement of the Adviser by the SEC.

The Adviser is registered with the China Securities Regulatory Commission in connection with being a Qualified Foreign Institutional Investor ("QFII") in the People's Republic of China.

The Adviser has claimed registration exemption from certain Canadian provinces in reliance on being an International Adviser.

WFIG owns 65% of the equity interest of the Adviser, including 65% of the general partner of the Adviser. Such equity interest provides WFIG with certain investor protections but will not entitle WFIG to day-to-day management rights. Moreover, the Adviser operates independently of the Wells Fargo group of companies. As such, each of the financial firms that are part of the Wells Fargo group of companies except for WFFD is not deemed to be a "related person" of the Adviser. Accordingly, except for WFFD, the Wells Fargo group of companies is not listed herein or in Schedule D, Section 7.A. of Part 1 of Form ADV.

The Adviser has entered into certain marketing and distribution arrangements with a related entity, WFFD, including with respect to marketing and distribution of the Commingled Funds. WFFD may receive compensation from the Adviser for the services it provides, if any, in connection with the marketing of the Commingled Funds.

The Adviser has entered into a solicitation agreement with a related entity, Wells Cap, with regard to solicitation and referral services. Wells Cap may receive compensation from the Adviser with respect to any separate account client or fund investor that Wells Cap has referred to the Adviser.

The Adviser is a sub adviser to the Registered Fund.

Certain affiliates of the Adviser act as general partners or managing members in certain of the Separate Accounts and other investment vehicles managed by the Adviser. The Adviser may present qualified and suitable clients information about the opportunity to invest in the Funds or Separate Accounts and in turn in the Portfolio Funds. The Adviser and its employees do not receive any compensation in connection with such investments, other than the receipt of ordinary advisory compensation and incentive fees/allocations, if applicable, from the Funds or Separate Accounts in which investors invest.

Additionally, the Adviser may from time to time cause a Commingled Fund, Fund of One, or a Separate Account to invest (or recommend to a Client that the Adviser advises that it invest) any portion of its assets in another privately offered fund that the Adviser manages. To mitigate potential conflicts, the Adviser would make any such investments if such investments are consistent with applicable investment guidelines, including without limitation, restrictions on investments in affiliates of the Adviser.

The Portfolio Managers selected by the Adviser may manage other accounts and may have financial incentives to favor certain of such accounts over the Funds or the Separate Accounts. Any of the Portfolio Managers' proprietary accounts and other client accounts may compete with the Funds or Separate Accounts for specific trades, or may hold positions opposite to positions maintained on behalf of the Funds or Separate Accounts. The Portfolio Managers may give advice and recommend securities to, or buy or sell securities for, the Portfolio Funds in which the Clients' assets are invested, which advice or securities may differ from advice given to, or securities recommended or bought or sold for, other accounts and customers even though their investment objectives may be the same as, or similar to, those of the Clients.

Furthermore, the Portfolio Managers may be engaged in substantial investment activities other than managing the assets of Portfolio Funds and allocate their time and activity among Portfolio Funds, and their other clients. Moreover, each Portfolio Manager and its affiliated companies and their principals, officers, and employees may buy and sell securities or other investments for their own accounts and may have actual or potential conflicts of interest with respect to investments made on behalf of Clients or Portfolio Funds.

To protect the interests of Clients, Advisory Clients, and investors, the Adviser, among other things, maintains internal policies and procedures, including a Code of Ethics, along with

controls and a compliance program that aid in the detection and prevention of breaches of any fiduciary duties; address and/or monitor conflicts of interests, insider trading, certain disallowed political activities, violations of the securities laws and regulations, improper allocations of investment opportunities, breaches of confidentiality, and violations of security and privacy policies; and promote the proper valuation and reporting of investment activities and holdings. Further, several of the Funds currently have independent directors. Third-party administrators are also utilized to provide independent valuation and administration services for the Funds and Separate Accounts. As part of the due diligence process on Portfolio Funds, the Adviser conducts reviews and ongoing monitoring of Portfolio Funds, Portfolio Fund Managers, and Sub Advisers.

The Adviser has an advisory board available for consultation with the Adviser on a variety of topics. Any advisory board recommendations are advisory in nature and non-binding.

#### **Item 11. Code of Ethics, Participation or Interest in Client Transactions & Personal Trading**

The Adviser has adopted a Code of Ethics that is designed to detect and prevent potential conflicts of interest between the Adviser and its clients.

The fundamental position of the Adviser is that, in effecting personal securities transactions, personnel of the Adviser must place at all times the interests of clients ahead of their own pecuniary interests. Certain key elements of the Adviser's Code of Ethics include the following:

- Officers, directors, and employees are prohibited from trading, either personally or on behalf of others, in securities while in possession of material non-public information regarding these securities or communicating material non-public information to others.
- Employees are required to place the interest of clients above the interests of the Adviser or other employees whenever a conflict may be present.
- Certain employees are required to submit annual securities holdings reports and quarterly securities transaction reports for their own accounts or any account in which they have a direct or indirect beneficial interest. In addition, such employees are required to report the establishments of new trading accounts on a quarterly basis.
- Reports, however, are not submitted for transactions in money market instruments, direct obligations of the United States government, and shares of U.S. registered open-ended mutual funds.
- Employees are required to certify annually that they have complied with the Adviser's Code of Ethics.
- Employees may not give or accept gifts or entertainment that are inappropriate or could be seen as overly generous or which could influence employee decision-making.

- Certain employees are required to obtain advance approval to serve as a director or trustee of for-profit organizations and to disclose any service on the board of any organization, including non-profit organizations.
- Certain employees are required to pre-clear any transactions in privately offered securities and initial public offerings.
- Employees that become aware of any violation of the Code of Ethics are required to report such violation to the Chief Compliance Officer.

A copy of the Adviser's Code of Ethics is available to any existing or prospective investor or Client upon request to Sherri Rossoff at (202) 331-3425 or 1133 Connecticut Ave., NW, Washington, DC 20036.

The Adviser, as a manager of fund of funds portfolios with respect to certain Clients, may recommend that prospective clients invest in certain Funds managed by the Adviser. Specifically, the Adviser and its officers, managers and employees, as well as affiliated entities, may have a financial interest, as general partner, investor, managing member, or otherwise, in one or more of the Funds being recommended, subject to the restrictions of the Code of Ethics.

With regard to Separate Accounts, the Adviser may in certain circumstances invest assets of a Separate Account in certain Funds in accordance with such Separate Account's investment guidelines.

The Adviser may affect transactions, generally for rebalancing purposes or based upon Client specific portfolio guidelines, whereby one account will sell an interest in an underlying Portfolio Fund and another Client account is purchasing such an interest. Generally, such transactions are structured as separate redemptions and subscriptions for the respective Clients; in certain circumstances, however, it may be in the best interests of such Clients to structure these transactions with the Portfolio Fund as a transfer (*e.g.*, to retain the benefit of an underlying Portfolio Fund high-water mark or credit for a lock up).

## **Item 12. Brokerage Practices**

***Brokerage Transactions.*** With respect to multi-manager portfolios, the Adviser does not direct brokerage transactions or have any soft dollar arrangements. Funds of hedge fund investments in the Portfolio Funds generally do not involve brokers or dealers. The Adviser does not control or direct which brokers and dealers that the Portfolio Funds and Portfolio Managers use.

The Adviser generally has authority to determine the broker or dealer that would be used to conduct securities transactions. The Adviser may enter into securities transactions including futures contracts, foreign currency contracts, exchange traded funds, and other securities for certain Clients if specified in their investment guidelines. In such instances, the risks discussed under Item 8 above regarding derivatives, futures, foreign currency trading, and exchange traded

funds, among others, would be applicable. As such, the Adviser has adopted policies designed to ensure that the selection of brokers or dealers, derivative counterparties, and custodians would be done appropriately.

Subject to each Client's investment objectives, policies, and strategies, the Adviser generally has authority to determine, without obtaining specific client consent, the securities to be bought and sold, the amount of the securities to be bought or sold, the broker or dealer to be used, and the commission rates paid, if applicable. With respect to direct investments in securities, futures, derivatives, and other financial products, the Adviser will select brokers or counterparties based on competitive commission rates, expertise, and the capacity and willingness to execute the given transactions. Moreover, when brokerage services are required, the Adviser will seek "best execution" in selecting brokers to execute transactions by evaluating factors such as price, size of order, difficulty of execution, operational facilities of the brokerage firm, the scope and quality of brokerage services provided, and the brokerage firm's risk in positioning a block of securities. The Adviser will have no obligation to deal with any broker or group of brokers in executing transactions.

The Adviser has a Broker and Counterparty Review Committee that is responsible for review and approval of all brokers or dealers, derivative counterparties, and custodians retained by the Adviser. Appropriate due diligence is required to be conducted prior to the approval all such service providers. All relevant contracts are reviewed by the Adviser's legal personnel.

The Adviser does not have "soft dollar" arrangements in place with broker-dealers or third parties in connection with client transactions but may utilize research provided by brokers. The Adviser does not suggest broker-dealers to clients. The Adviser has policies and practices with regard to trade aggregation and allocation where it trades securities directly and is purchasing or selling the same security for more than one portfolio at the same time. The Adviser will endeavor to aggregate and allocate securities in a manner believed by the Adviser to be fair and equitable to each such Client while taking into account circumstances and certain differences including, but not limited to, ERISA or other legal considerations; specific client objectives, guidelines or other directives; differing liquidity profiles of the account depending on timing of investments in the portfolio.

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

The Adviser's Investment Committee oversees the entire investment process, including asset allocation, portfolio construction, and portfolio monitoring regularly.

The Investment Committee is responsible for manager selection, portfolio construction, monitoring, and due diligence. The Investment Committee, headed by Ms. Beschloss, has the final authority to make all investment decisions. The Adviser's Risk Committee is responsible for identifying and addressing risks with regard to Portfolio Funds and portfolios.

Generally Clients receive monthly, quarterly, or other periodic reports that may include market updates, investment commentary, and performance reviews. To the extent practicable, the Adviser will provide investors and Separate Account clients with a preliminary estimate on

the monthly performance of their investments within 15 business days after the end of each month. Generally, investors and Separate Account clients will receive a final monthly performance statement after the end of the following month. The Adviser and its Clients may also agree that the Adviser will provide certain other reports that may be customized to a Client's specifications.

Audited financial statements and tax forms (if applicable) will be completed within a reasonable time after the end of the calendar year for investors. Annual financial statements for the Funds' are audited by an independent certified public accounting firm.

The Adviser provides the Separate Account clients with periodic unaudited reports at such times as agreed upon. In addition, since a Separate Account client directly owns the positions in its account, such client may have full, real-time transparency as to all transactions and holdings in such account, and may be better able to assess the future prospects of a portfolio that is substantially similar to that of a Fund. The clients in such Separate Accounts may have the right to withdraw all or a portion of their capital from such accounts on shorter notice and/or with more frequency than the terms applicable to an investment in the Funds.

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

The Adviser does not have any arrangements, oral or in writing, where it is paid cash by or receives some economic benefit (including commissions, equipment, or non-research services) from a non-client in connection with giving advice to clients. The Adviser's Code of Ethics generally prohibits employees from accepting gifts, favors, and other inducements from counterparties or service providers, except certain common business courtesies.

#### **Item 15. Custody**

Under Rule 206(4)-2 under the Advisers Act, the Adviser may be deemed to have custody of funds or securities of Clients even though the Adviser does not have actual physical possession of these assets and they are not registered in the Adviser's name. Generally, the underlying Portfolio Funds' cash and securities are held by banks and/or broker-dealers. The Funds and Separate Accounts, as applicable, are audited in accordance with U.S. generally accepted accounting principles on an annual basis by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. Audited financial statements are distributed by a third-party administrator to Fund investors and Separate Account clients within 120 days (or within 180 days as required for a fund of funds) of the end of each Client's fiscal year. Certain investors also utilize their own custodians and receive statements on a monthly basis directly from such custodians.

**All investors should carefully review financial statements and investors utilizing their own qualified custodian should carefully review custodian statements they receive directly and compare them to any account statements or other information provided by the Adviser.**



## **Item 16. Investment Discretion**

The Adviser generally has discretion to determine the securities and amount thereof to be bought or sold for Funds or Separate Accounts as generally set forth in an investment management agreement, subscription agreement, or similar documentation. An Investor in a Fund of One may have a variety of notice and approval rights requested by such investor. Advisory Clients may be advised on a nondiscretionary basis. The activities engaged in by the Adviser on behalf of the Funds will be subject to the investment objectives, policies, and restrictions of each Fund and the control of the respective Funds' Boards of Directors; activities engaged in by the Adviser on behalf of a Separate Account will be subject to the investment objectives set forth in the respective investment management agreement or similar provisions contained within governing documents.

Investors in the Funds generally may not place any limits on the Adviser's authority beyond the limitations set forth in the offering and governing documents of such Funds. On a case-by-case basis, Separate Accounts clients may negotiate certain risk, investment, and operating guidelines that the Adviser will adhere to when exercising its authority.

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

The Adviser has adopted written proxy voting policies and procedures as required by Rule 206(4)-6 under the Advisers Act. Given the nature of the interests held by the Adviser's fund of funds portfolios (investing primarily in underlying Portfolio Funds), votes cast by the Adviser generally occur in relation to private securities issued by the Portfolio Funds themselves (such as terms and structure changes governing the Portfolio Funds) and not the underlying public or private securities that may be owned by the Portfolio Fund.

With respect to portfolios that invest directly in securities, the Adviser will seek to vote in the best interest of Clients. The Adviser may engage an independent third-party vendor to assist with the administrative functions of receiving and processing proxy votes.

The major provisions of the Adviser's proxy voting policies include:

- Consistent with its fiduciary duty, the Adviser is responsible for exercising voting authority on behalf of each Client if/when any Portfolio Fund holds a vote on any issue affecting its investors. Pursuant to the investment management agreements between the Adviser and each Fund and Separate Account client, the Adviser is granted voting authority unless there is a non-discretionary account or an advisory only mandate.
- The Adviser will evaluate each voting issue solely in light of the Client's best interests, including any written requirements specific to a Fund or Separate Account and vote accordingly. In carrying out this responsibility, the Adviser is obligated to (i) review any written materials provided regarding the issue subject to a vote, and (ii) determine what vote represents each voting Client's best interests.

- In the event a specific voting issue arises in which the Adviser or one or more Adviser personnel has a material conflict, the Adviser will (a) in the case of a Fund, contact the relevant Fund and each investor in the such Fund and follow the voting recommendations of a majority of such investors or in the case of a Separate Account, contact Separate Account client and follow the voting recommendations of such Separate Account client; or (b) require recusal of the conflicted person from the deliberation and decision-making process.

Copies of the Adviser's proxy voting policy and procedures and information about how the Adviser votes the proxies involved may be requested by submitting a written request to the Adviser.

With regard to the Registered Fund, the Adviser does not have the authority to vote securities, which is done by the adviser to the Registered Fund on behalf of the Registered Fund.

#### **Item 18. Financial Information**

Information required by this Item 18 is not applicable to the Adviser.

#### **Item 19. Requirements for State-Registered Advisers**

Information required by this Item 19 is not applicable to the Adviser.