

## **ITEM 1 COVER PAGE**

# **RK Capital Management, LLC**

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## **FORM ADV PART 2A FIRM BROCHURE**

April 12, 2024

This Brochure provides information about the qualifications, business practices and nature of advisory services of RK Capital Management, LLC and its registered investment adviser representatives. Registration of an investment adviser with any state or federal regulatory division does not imply any level of skill or training. The oral and written communications of an investment adviser provide you with information to enable you to determine whether to hire or retain an investment adviser.

If you have any questions about the contents of this Brochure, please contact us at (561) 408-1711 or [jabisch@rkcapl.com](mailto:jabisch@rkcapl.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Additional information about RK Capital Management, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number known as a CRD number. RK Capital Management, LLC's CRD number is 314175.

## ITEM 2 MATERIAL CHANGES

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This Part 2A of our Form ADV (“Firm Brochure”) and Part 2B of Form ADV (“Supplement Brochure”) serves as our initial disclosure document and has been prepared in accordance with requirements specified by the SEC. The Firm expects to update this brochure no less than annually.

### **Full Brochure Available**

We will provide a new version of the Brochure as necessary when updates or new information are added, at any time, without charge. To request a complete copy of our Brochure, please contact us by telephone at (561) 408-1711 or [jabisch@rkcapl.com](mailto:jabisch@rkcapl.com).

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## **ITEM 4    ADVISORY BUSINESS**

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### **A. FIRM DESCRIPTION**

RK Capital Management, LLC (“RKCM” or the “Firm”) is applying for SEC-registration as an investment adviser with its principal place of business located in Weston, Florida. RKCM is organized as a Florida limited liability company that was founded in 2016. Jordan Abisch is the sole Managing Partner and Chief Compliance Officer (“CCO”) of the Firm.

### **TYPES OF ADVISORY SERVICES**

RKCM provides investment portfolio management on a discretionary basis to private pooled investment vehicles, the securities of which are offered to investors on a private placement basis (each a “Fund” or “Client” and collectively, the “Funds” or “Clients”) consistent with the Fund’s investment strategies objectives and/or parameters set forth in their respective governing documents and confidential private placement memoranda (collectively the “Offering Documents”). The Funds include RK Capital Partners LP, a Delaware limited partnership (“RKCP Fund”), RK TAAF LP (“RKT Fund”), a Delaware limited partnership, and North Commerce Parkway Capital LP, a Delaware limited partnership (“NCPC Fund”).

The Funds are not registered under the Investment Company Act of 1940, and interests are not publicly offered under the Securities Act of 1933 (“Securities Act”). All relevant information pertaining to the Funds, including but not limited to, compensation, other fees and expenses paid by the Funds, withdrawal rights, minimum investments, qualification requirements, investment strategies and/or parameters, risk factors and potential conflicts of interest are set forth in the relevant Offering Documents. In many instances a more detailed discussion of the Items discussed in this Brochure is available in the respective Fund Offering Documents. Each investor is required to receive, review and execute (as applicable) the Offering Documents prior to being accepted as a limited partner (“Limited Partner”) in the Fund.

RKCM serves as the general partner of RKCP Fund and RKT Fund and NCPC GP LLC, an affiliate of the Firm serves as the general partner of NCPC Fund (each a “General Partner” and collectively the “General Partners”). Jordan Abisch is the sole member of the General Partners. The General Partners has ultimate responsibility for the management, operations and the investment decisions made on behalf of the Funds in accordance with the Offering Documents.

RKCM also serves as sub-advisor to a private fund managed by a registered investment adviser unaffiliated with RKCM. The expenses and incentive fee with respect to the sub-advisory services are set forth in the agreement between RKCM and the investment adviser of the private fund.

### **B. TAILORED RELATIONSHIPS**

RKCM provides investment advisory services to the Funds based on the investment objectives of the Funds. The detailed terms, strategies and risks applicable to the Funds may be found in the respective Fund's Offering Document and such investments are not tailored to the individual needs of any particular Limited Partner in the Funds. RKCP Fund's investment objective is to achieve risk-adjusted investment returns as a systematic trader in U.S. and foreign equity and derivative markets seeking mispricings in financial markets through the use of statistical arbitrage and relative value strategies. RKT Fund's investment objective is to achieve attractive after-tax returns for taxable investors through trading strategies involving securities and derivative products. NCPC Fund's investment objective is to capitalize on trading opportunities in equity and derivatives markets.

The Funds' investments may include: common stock; preferred stock; ("market-basket options"), structured and other synthetic securities and related derivative instruments, such as swaps (including, but not limited to, credit default swaps and total return swaps), forwards, options, caps and floors; futures; other derivatives, including those relating to equity securities, equity indices and exchange-traded funds ("ETFs"); corporate and government securities, money market instruments, foreign currencies and interests in currencies, such as options, spot, swap and forward contracts; and any other securities, instruments, derivatives and investments deemed appropriate by RKCM. The Funds may invest in the securities of foreign issuers, including both those traded overseas as well as those traded in the United States (such as American Depositary Receipts ("ADRs")).

### **C. WRAP FEE PROGRAMS**

Wrap Fee Programs are arrangements between broker-dealers, investment advisers, banks and other financial institutions and affiliated and unaffiliated investment advisers through which the clients of such firms receive discretionary investment advisory, execution, clearing and custodial services in a "bundled" form. In exchange for these "bundled" services, the clients pay an all-inclusive (or "wrap") fee determined as a percentage of the assets held in the wrap account.

Due to the nature of its advisory services, RKCM does not participate in and is not a sponsor of wrap fee programs.

### **D. ASSETS UNDER MANAGEMENT**

When calculating regulatory assets under management, an investment adviser must include the value of any advisory account over which it exercises continuous and regular advisory or management services.

As of December 31, 2023, RKCM had approximately \$691,755,741 of regulatory assets under management on a discretionary basis. RKCM does not manage assets on a non-discretionary basis.

## **ITEM 5 FEES AND COMPENSATION**

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### **A. DESCRIPTION AND BILLING**

RKCM receives compensation in the form of management fees (the “Management Fee”), payable quarterly in advance of the net asset value of each capital account of such limited partner interest as of the first business day of such calendar quarter. RKCM deducts its fees automatically from each Limited Partner’s capital account balance pursuant to the fee structure agreed upon between the Limited Partner and the Funds as detailed in the Fund’s Offering Documents.

For RKT Fund, the Firm receives a 3% management fee on an annualized basis. This fee is in excess of the industry norm and similar advisory services can be obtained for less.

A *pro rata* portion of the Management Fee will be paid out of any subscriptions made by new or existing Limited Partners on any date that does not fall on the first day of a calendar quarter, based on the actual number of days remaining in such partial quarter. Management Fees paid in advance are not refundable. Notwithstanding, RKCM may also in its sole discretion elect to waive or reduce any accrued Management Fee with respect to certain Limited Partners.

For RKCP Fund and NCPC Fund, the Firm receives a 0% management fee.

### **B. OTHER FEES AND PAYMENTS**

The Funds shall pay for all ordinary operating and other expenses, including, but not limited to, legal, accounting, auditing and other professional expenses, fees paid to an administrator and other administration expenses, the Management Fee, research expenses including expenses relating to external consultants, insurance and bonding costs, fees or assessments in connection with any regulatory registrations, qualifications and/or approvals of the Fund, the General Partner or the Firm, related compliance fees and expenses, research and portfolio management expenses, and any extraordinary expenses, such as indemnification and litigation expenses, investment expenses such as commissions, interest on margin accounts and other indebtedness, custodial fees, bank service fees and other expenses related to the purchase, sale or transmittal of Fund assets, and other similar expenses related to the Fund, as the General Partner determines in its sole discretion. The Fund also bears the cost of each related or unrelated sub-advisor to the Fund pursuant to agreements the General Partner has entered with each sub-advisor.

Please see the respective Offering Documents for a complete description of fees and expenses.

### **C. REFUND AND TERMINATION POLICY**

For RKCP Fund, Limited Partners may not request redemption of their investment for a period of at least 12 months from the date of their capital contribution. A redemption fee of 15.00% will be applied to shares redeemed within first 6 months of purchase and a redemption fee of 10.00% will be applied to shares redeemed within 12 months of purchase. The Initial Lock-Up Period shall be calculated separately for each capital contribution made by a Limited Partner. For these purposes, withdrawals of capital will be processed on a "first-in, first-out" basis, with each withdrawal being made from the earliest available capital contribution. The value of a Limited Partner's Interest upon a withdrawal is equal to the amount in such Limited Partner's Closing Capital Account as of the last day of the month of determination or other applicable period.

For NCPC Fund, each Limited Partner may withdraw all or a portion of his capital account in the Fund as of the last business day of any calendar quarter (the "Withdrawal Date") upon not less than 30 days' prior written notice to the Fund's administrator. The General Partner may, in its discretion, permit withdrawals on a date other than a regular Withdrawal Date; however, in such event the Fund reserves the right to charge a withdrawal fee in connection therewith.

For RKT Fund, each Limited Partner may withdraw all or a portion of his capital account in the Fund on the Withdrawal Date upon not less than 15 days' prior written notice to the Fund's administrator. However, if a Limited Partner withdraws all or a portion of his capital account on the Withdrawal Date occurring prior to December 31, then the withdrawal will be subject to a withdrawal fee payable to the Firm equal to the Management Fee that would be due if the Limited Partner had remained invested until December 31. A partial withdrawal by a Limited Partner will only be permitted if immediately after such withdrawal, the remaining balance of the Limited Partner's capital account is at least equal to the lesser of the initial investment of the Limited Partner in the Fund or \$500,000.

#### **D. OTHER COMPENSATION**

Neither RKCM nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

RKCM does not charge a fee to the recipients of published research reports shared with the broader investment public on its affiliated site.

Payments for Syndication of Research: RKCM has agreed to publish (on a delayed basis) on a professional research platform its research reports on certain investments in which the Funds will participate. As compensation for these services, RKCM will receive royalties per views by paid subscribers to the platform. The Funds will not be entitled to any portion of the fees received by RKCM in connection with such syndication of its research.

## ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

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### A. PERFORMANCE-BASED COMPENSATION

The General Partner of the Funds will receive performance-based fees ("Performance Fees") in an amount equal to the net capital appreciation allocated to each Limited Partner's capital account during each period. Depending on the relevant Fund as detailed in the Fund's Offering Documents, the Performance Fee varies.

For RKCP Fund, the General Partner receives a 40% Performance Fee paid monthly of the aggregate net gain in excess of a high-water mark and an 8% annualized hurdle rate. The high-water mark shall be re-set on an annual basis.

In connection with RKCP Fund, the General Partner receives an additional 24% Performance Fee for certain strategies, in excess of a high water mark with no annualized hurdle rate.

For NCPC Fund, the General Partner receives a 50% Performance Fee of the aggregate net gain in excess of a high-water mark each quarter.

For RKT Fund, the Firm receives a 50% Performance Fee on the aggregate net gain equal to or less than 2% and a 20% Performance Fee of the aggregate net gain greater than 2%, subject to a high-water mark that is reset annually.

The Performance Fee is subject to a high-water mark so that the Performance Fee will only be deducted from a Limited Partner's capital account to the extent that such Limited Partner's *pro rata* share of such appreciation causes its capital account balance to exceed the Limited Partner's highest historic capital account balance as of the end of any prior period, reset annually. Performance Fees are based on a share of the capital gains or capital appreciation of the assets of the Fund. Fees based on performance means that the General Partner participates directly in the account's results. In addition, for RKCP Fund, a limited partner must achieve a return above the hurdle rate for that period before Performance Fees can be collected by the General Partner.

The performance fees charged to the Funds are in excess of the industry norm and similar advisory services can be obtained for less.

The Performance Fee may, indirectly, create an incentive for the Firm to make investments on behalf of the Client that are riskier or more speculative than would be the case in the absence of such a fee. This conflict is heightened when RKCM's performance compensation is payable only upon exceeding a high-water mark and/or hurdle rate the value of a Limited Partner's investment in the Fund is below such high-water mark and/or hurdle rate. .

The amount of prior period net losses that must be recouped before a Performance Fee is made shall be adjusted to take into account any distributions to or withdrawals by a Limited Partner, with the amount of such prior net losses being reduced in proportion to the distribution or withdrawal. The General Partner may waive all or part of the Performance Allocation with respect to one or more Limited Partners from time to time in its sole



discretion. The General Partner may also pay over a portion of the Performance Allocation to one or more third parties who introduce investors or perform other services for the Firm or the General Partner.

Performance fees may only be charged to the accounts of qualified clients. The term qualified client means:

- (i) A natural person who, or a company that immediately after entering into the contract has at least \$1,100,000 under the management of the investment adviser;
- (ii) A natural person who, or a company that, the investment adviser entering into the contract (and any person acting on his behalf) reasonably believes, immediately prior to entering into the contract, either:
  - a. Has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than \$2,200,000. For purposes of calculating a natural person's net worth:
    - i. The person's primary residence must not be included as an asset;
    - ii. Indebtedness secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time the investment advisory contract is entered into may not be included as a liability (except that if the amount of such indebtedness outstanding at the time of calculation exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess must be included as a liability); and
    - iii. Indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the residence must be included as a liability; or
  - b. Is a qualified purchaser as defined in section 2(a)(51)(A) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)(51)(A)) at the time the contract is entered into; or
- (iii) A natural person who immediately prior to entering into the contract is:
  - a. An executive officer, director, trustee, general partner, or person serving in a similar capacity, of the investment adviser; or
  - b. An employee of the investment adviser (other than an employee performing solely clerical, secretarial or administrative functions with regard to the investment adviser) who, in connection with his or her regular functions or duties, participates in the investment activities of such investment adviser, provided that such employee has been performing such functions and duties for or on behalf of the investment adviser, or substantially similar functions or duties for or on behalf of another company for at least 12 months.

#### **SIDE-BY-SIDE MANAGEMENT**

"Side-by-Side Management" refers to a situation in which the same adviser manages accounts that are billed based only on a percentage of assets under management and at the

same time manages other accounts for which fees are assessed on a performance fee basis. Because RKCM does not assess the same management and performance fees for the Funds, it does conduct side-by-side management of dissimilar advisory accounts.

The Firm faces a conflict of interest since it manages an account for which it receives a performance-based compensation at the same time as it manages one or more accounts for which it either does not receive a performance-based compensation or receives a different level of performance-based compensation. The Firm has the potential to receive higher compensation from an account for which it is paid a performance-based compensation than for an account that is not charged a performance-based compensation or is charged a lower performance-based compensation. The Firm may have an incentive to favor accounts or take increased investment risk on behalf of accounts for which it receives a performance-based compensation or a larger performance-based compensation because it could receive greater compensation from such accounts. For example, the Firm may have an incentive to trade in non-performance compensation-based accounts to benefit performance-fee-based accounts. The Firm has put into place policies and procedures to address these conflicts of interest, including policies designed to ensure allocation of trades and securities to Fund accounts on a fair and equitable basis and policies regarding brokerage commission as well as monitoring of trading positions that are held in both performance and non-performance-fee-based accounts. These policies are designed to ensure that the Firm will not unfairly favor certain accounts (such as accounts paying performance fees) over others when allocating investment opportunities. Please see Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading for further details.

## **ITEM 7 TYPES OF CLIENTS**

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### **A. TYPES OF CLIENTS**

RKCM's advisory clients include domestic funds that are exempt from registration under the Investment Company Act of 1940, as amended. Interests in the Funds are being offered under the 3(c)(1) exemption of the Investment Company Act.

Interests in the Fund that are being offered under the 3(c)(1) exemption of the Investment Company Act are for investment by up to one hundred (100) persons who are "accredited investors" as defined in Rule 501(a) of Regulation D under the Securities Act.

The Interests will not be registered under the Securities Act or the securities laws of any state.

### **B. CONDITIONS FOR ACCOUNT MANAGEMENT**

For NCPC Fund, the minimum investment amount is \$1,000,000 and a Limited Partner may make additional capital contributions to the Funds in amounts of at least \$500,000. For

RKCP Fund, the minimum investment amount is \$500,000. For RKT Fund the minimum investment amount is \$500,000 and a Limited Partner may make additional capital contributions to the Funds in amounts of at least \$100,000.

This is subject to the General Partner's sole discretion to accept subscriptions for lesser amounts.

## **ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

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### **A. METHODS OF ANALYSIS**

The Firm utilizes a quantitative, systematic investment approach using statistical and probabilistic models to create trading strategies among diversified sectors and industries. The Firm uses quantitative models based on relative value, historical correlations, and volatility to calculate anticipated risk-adjusted returns and determine the extent to which a trading or investment opportunity exists in a particular security, and whether the Fund will take a long or short position in the security.

**Statistical Modeling** – Statistical modeling is a quantitative modeling style that uses a statistical measures (such as mean, standard deviation, variance, correlation, and relative strength) to model the probability of various developments in an underlying security's price movement. This type of modeling is most well-known for pricing equity options and other derivatives. The Firm uses statistical modelling to identify securities that are mispriced with respect to one another (relative value arbitrage) or securities whose pricing has deviated significantly from what is 'normal' due to a number of non-fundamental factors. This type of modelling allows the Firm to assess the probability of various price movements based on historical data and implied future data in order to find profitable trading opportunities.

**Data Mining** – Data Mining is the practice of examining large databases in order to generate new information. Using powerful computers and advanced data sorting techniques, the fund is able to navigate data and identify trends in certain markets using models built on various blended investment variables.

**Machine Learning** – Machine Learning provides computers with the ability to learn without being explicitly programmed. Machine Learning focuses on the development of computer programs that can teach themselves to grow and change when exposed to new data. Machine learning explores financial data through the study and construction of algorithms that can learn from and make predictions on data. Such algorithms operate by building a model from various inputs in order to make data-driven predictions or decisions, rather than following strictly static program instructions. In the course of our investment activities, machine learning is used to locate trading opportunities, create and optimize trading models, and re-balance our portfolio allocation in real-time.

**Sharpe Ratio** – A cornerstone of the Firm’s investment selection process relies on a prospective trading strategy’s ability to deliver substantial risk-adjusted returns. Risk-adjusted returns are most commonly measured with the Sharpe Ratio. The Sharpe Ratio is calculated by taking a portfolio’s expected return less the risk free rate (for which the 1-year T-Bill is commonly used as a proxy), and dividing it by the projected standard deviation of that portfolio. The Sharpe Ratio provides guidance that dictates a potential investment’s unit of return per unit of risk incurred. This metric ensures that the fund enters only into trading strategies that are perceived to be risk-efficient.

**Sortino Ratio** – A measure of the risk-adjusted return of an investment asset, portfolio, or strategy. It is a modification of the Sharpe ratio but penalizes only those returns falling below 0 (negative volatility), while the Sharpe Ratio penalizes both upside and downside volatility equally. The fund uses the Sortino Ratio to more accurately depict the risk efficiency of strategies that have large upward mobility.

**Diversification** – It is the Firm’s belief that the truest measure of a portfolio’s diversification lies not in the number of assets in the portfolio, but rather in the correlation between those assets. The Firm works to create strategies that give the fund exposure to commodities and global indices that are uncorrelated with one another, allowing the funds to increase their true level of portfolio diversification.

**Leverage** – Once the Firm has determined that a prospective strategy meets the risk-adjusted return and diversification requirements, it examines if such a strategy can withstand both substantial increases in leverage and in capital allocation. Because the fund’s strategies are predicated on positive expected value, leverage will be employed to the extent of the perceived advantage of the trading strategy. For this reason, assessing a strategy’s ability to withstand leverage is key in its implementation.

**Scalability** - Prospective trading strategies must be scalable relative to the capital allocated to them. The Firm will determine the extent to which each strategy is scalable and make capital allocations accordingly.

## **B. INVESTMENT STRATEGIES**

For RKCP Fund, the Firm is primarily a systematic trader in U.S. and foreign equity and derivatives markets. Its strategies seek to profit from mispricings in financial markets through the use of statistical arbitrage and relative value strategies. The Firm focuses primarily on short-term trading based on quantitative modelling, quantitative analysis, and statistical and probabilistic models. Its primary investment vehicles will be ETFs, securities of small to large capitalized companies, and derivative products. The Firm expects to make investments in ETFs, securities, derivatives, and other funds. The Firm uses a combination of technology and quantitative research across multiple industry sectors and asset classes in order to generate quantitative or qualitative insight as to movements in the price of a security. Depending on market conditions, the Fund’s portfolio may be hedged using short

sales of stocks and other derivative securities.

For NCPC Fund, the Firm employs trading strategies to identify and capitalize on market inefficiencies by identifying trading opportunities with a particular focus on statistical arbitrage opportunities in Equity Indices, ETFs, securities of small to large capitalized companies, and derivative products. The Firm uses proprietary signals to assess when a mispricing arises and to quantify the relative favorability of each trading opportunity. Based on this favorability rating, the Firm will dynamically size trades in proportion to the quantified favorability (e.g. conditions with higher favorability will be more fully allocated relative to conditions with lower favorability).

The Firm will utilize a trading system architecture to achieve a competitive latency time for its order flow. These hardware and software systems are integral to the ability of the Fund to seek best execution for its orders and to quickly respond to changing market conditions. The Firm will employ a risk management framework with a focus on minimizing the risks of slippage, adverse selection, and systems outages. The Firm seeks to minimize information leakage with randomization techniques to protect the integrity of trading signals.

For RKT Fund, the Firm will utilize a proprietary trading approach to identify and capitalize on market inefficiencies by identifying trading opportunities with compelling after-tax returns. The Firm intends to maintain an attractive risk/reward profile at all times using rigorous quantitative risk constraints. The investment strategy targets low correlation with traditional investments and implements an absolute return investment approach with a goal of maximizing after-tax returns for taxable investors at both the federal and state levels.

Please review the relevant Fund Offering Documents carefully for more information regarding the Fund's investment strategy.

### **C. RISK OF LOSS**

RKCM believes that returns can be achieved by investing in the Funds; however, such investment involves a high degree of risk.

While this information provides a synopsis of the events that may affect your investments in the Funds, this listing is not exhaustive. RKCM urges investors to review carefully the risk factors and other material aspects of the Funds set forth in the Offering Documents before any decision whether to invest is made. We want you to understand that there are inherent risks associated with investing in the Funds; **YOU COULD LOSE ALL OR A SUBSTANTIAL AMOUNT OF YOUR INVESTMENT.**

Alternative investment products often engage in leveraging and other speculative investment practices that may increase the risk of investment loss. The Fund's success depends on RKCM's strategies and the ability to implement its investment strategies. There can be no assurance that the Fund will achieve its investment objectives or avoid substantial losses under all or any market conditions.

An investment in the Fund should form only a part of a complete investment program, and an investor must be able to bear the loss of his or her entire investment. Prospective investors are urged to consult with their own financial, tax and legal advisors before investing in the Fund.

Notwithstanding the method of analysis or investment strategy employed by the Firm, the assets within the Funds are subject to risk of devaluation or loss. An investor should not make an investment in the Funds with the expectation of sheltering income or receiving cash distributions.

In addition to the risk factors listed in the Offering Documents in great detail, an investor also should carefully consider the following risks prior to making an investment in the Fund:

### ***Strategy Risks***

- *General Investment Risks.* The Fund's investments will consist of securities identified by the Firm's methodology. Since such strategy involves identifying securities which are generally undervalued (or, in the case of short positions, overvalued) by the marketplace, success of such strategy necessarily depends upon the market eventually recognizing such value in the price of the security, which may not necessarily occur. The Fund's portfolio positions may undergo significant short term declines and experience considerable price volatility. Since the General Partner's methodology does not require any minimum market capitalization, the Fund may take positions in smaller capitalization companies or other issuers which may involve an increased level of general investment risk. Equity positions may include speculative securities. Accordingly, investors in the Fund must be prepared to assume the risks inherent in such speculative investments. An investment in the Fund should not be regarded as a complete investment program and should be considered solely by investors prepared to experience possible short term volatility and fluctuations in value in the interest of seeking superior long-term capital appreciation.
- *Dependence on Key Personnel.* The success of the Fund is dependent upon the talents and efforts of highly skilled individuals employed by RKCM and RKCM's ability to identify and willingness to provide acceptable compensation to attract, retain and motivate talented investment professionals and other employees. There can be no assurance that RKCM's investment professionals will continue to be associated with RKCM throughout the life of the Fund, and the failure to attract or retain such investment professionals could have a material adverse effect on the Fund and the Limited Partners' investments therein. Competition in the financial services industry for qualified employees is intense and there is no guarantee that, if lost, the talents of RKCM's investment professionals could be replaced.
- *Dependence on Service Providers.* The Fund is dependent upon counterparties and the service providers, including RKCM and its affiliates, the Administrator, legal counsel, the auditor, prime brokers, custodians and other service providers utilized by the Fund and/or its respective affiliates from time to time (the "Service Providers"). Errors are inherent in the operations of any business and although RKCM will adopt measures to prevent and detect errors by, and misconduct of, counterparties and Service Providers and

transact with counterparties and Service Providers they believe to be reliable, such measures may not be effective in all cases. Errors or misconduct could have a material adverse effect on the Fund and the Limited Partners' investments therein.

The Funds are reliant on the performance of the Service Providers and accordingly, any business interruptions or errors caused by such Service Providers could have an adverse effect on the Fund. Each Limited Partner's relationship in respect of its Interest is with the Fund only. Accordingly, absent a direct contractual relationship between the Limited Partner and the relevant Service Provider, no Limited Partner will have any contractual claim against any Service Provider for any reason related to its services to the Funds. Instead, the proper plaintiff in an action in respect of which a wrongdoing is alleged to have been committed against the Fund by the relevant Service Provider is, *prima facie*, the Funds.

- *Execution of Orders.* The Fund's trading strategies depend on the ability to establish and maintain an overall market position in a combination of financial instruments selected by RKCM. The Fund's trading orders may not be executed in a timely and efficient manner due to various circumstances, including, without limitation, systems failures or human error attributable to employees, brokers, agents or other service providers.

- *Institutional Risk.* The institutions, including brokerage firms, banks, and custodians with which the Fund does business, or to which securities have been entrusted for custodial and prime brokerage purposes, may encounter financial difficulties that impair the operational capabilities or the capital position of the Firm (including, but not limited to, impairment resulting out of the loss of, or delay in the recovery of, the portfolio securities or other assets of the Fund). Brokers may trade with an exchange as a principal on behalf of the Fund in a "debtor-creditor" relationship, unlike other clearing broker relationships where the broker is merely a facilitator of the transaction. Such brokers could, therefore, have title to all of the assets of the Fund (for example, the transactions which the broker has entered into on behalf of the Fund as principal as well as the margin payments which the Fund provides). In the event of such a broker's insolvency, the transactions which the broker has entered into as principal could default and the Fund's assets could become part of the insolvent broker's assets, to the detriment of the Fund. Because securities owned directly by the Fund will generally not be held in the Fund's name and may not be held on a fiduciary basis or segregated from other assets of the prime broker or other broker dealers, a failure of a prime broker or another broker-dealer may put such securities at risk and is likely to have a greater adverse impact on the Fund than if such securities were registered in the Fund's name. In this regard, assets may be held in "street name" such that a default by the broker may cause the Fund's rights to be limited to that of an unsecured creditor.

- *Financial System Disruption.* RKCM and the Funds, and the Fund's investments are dependent on unaffiliated financial industry participants, including banks, broker-dealers, clearing houses, securities firms, exchanges and other financial institutions, to conduct their business. A disruption or shock in the financial industry or markets (as last occurred in the first quarter of 2023 with multiple banks entering receivership or otherwise seeking assistance; such a disruption or shock being a "Financial Disruption Event") could adversely affect any of these financial institutions, which in turn could have material adverse consequences for RKCM, the Fund or the Fund's investments. The severity of this risk could

be increased by any exclusive arrangements entered into with these financial institutions.

A Financial Disruption Event affecting a bank or financial institution that has custody of Fund assets could adversely impact the value or integrity of those assets and the ability to retrieve and secure such assets. The Fund may experience delayed access to deposits or other financial assets or an uninsured loss of those deposits or other financial assets. In particular, if RKCM or an affiliate has a banking relationship (for example, a payroll account) with a bank or other financial institution that experiences a Financial Disruption Event, RKCM's ability to manage or operate consistent with past business practices could be negatively impacted, potentially resulting in a disruption in operations. Such situations could result in losses and other disruptions to the Fund.

The Fund's investments typically have their own banking or other relationships with banks and other financial institutions that present many of the same risks described above. Moreover, if a letter of credit or other form of credit support was being provided to an investment of the Fund by a financial institution that experiences a Financial Disruption Event, such investment may be in default of other obligations it may have requiring such letter of credit or credit support to be maintained.

- *Alternative Investing Generally.* The Fund is designed for investors seeking potential long-term growth from alternative investments, who do not require regular current income and who can accept a high degree of risk in their investments. In view of, among other things, the Fund's ability to invest in a wide range of securities and instruments and to use a broad variety of investment techniques, the Fund may be deemed speculative in nature and is not intended to be a comprehensive investment program. The Fund is intended for investment solely by sophisticated investors who are accustomed to and fully understand the risks of such investments.
- *Lack of Diversification.* The Fund is likely to have a non-diversified portfolio and may have large amounts of Fund assets invested in a small number of investments. Such lack of diversification substantially increases market risks and the risk of loss associated with an investment in the Fund.
- *Short Selling.* Short selling involves selling securities that are not owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Fund of buying those securities to cover the short position. There can be no assurance that the Fund will be able to maintain the ability to borrow securities sold short. There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Lastly, even though the Fund will 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 Fund 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 Fund.
- *Investments With Limited or No Liquidity.* The Fund may take significant positions



in particular securities which are relatively large as compared to their trading volume or overall market capitalization. Such positions may at times prove more difficult to sell in a timely or efficient manner and could thus impair to some extent the Fund's ability to fully realize portfolio gains or limit losses. The Firm does not intend to generally limit investments to issues of any particular minimum capitalization and may, in fact, focus upon smaller capitalization stocks when such securities appear to afford greater appreciation potential. Such stocks often have less liquidity than large capitalization issues.

- *Political, Economic, and Social Risks.* The political environments in many countries, including in the United States, those constituting the European Union and otherwise located in Europe and in others around the world, continue to evolve and over the last couple of years seem to be experiencing more and faster change than has been experienced since World War II. In particular, recent events, including the invasion of Ukraine by Russia and the imposition of sanctions on Russia and businesses affiliated with that country by a number of countries including the United States, have interjected uncertainty and volatility into global financial markets. It is possible that any fallout from the Ukrainian conflict will have effects on other European countries as such countries address cross-border refugee movements and other potential threats. The long-term impact of these sanctions remains unclear, although they may prove to limit potential investment opportunities and may impair cash flow that is material to an investment if third parties doing business with a company underlying an investment are sanctioned parties. The regulatory framework of sanctions is often complex and at times counter-intuitive. It is possible that the Fund might have exposure to transactions that directly or indirectly involve sanctioned parties and may pose liability and compliance risks to the Fund. Investment themes, economic analysis and assumptions, asset valuation and underwriting for many institutional investors and asset classes tend to be premised on, and include data and assumptions which are, largely historical and backward looking. Because of this and political instability with heightened tension and potential social unrest, fundamental changes in international relations, treaties and alliances, trade, tariffs, sanctions, export controls, import controls/customs, taxes, governmental reviews and discretion (e.g., by the U.S. Committee on Foreign Investment in the United States (CFIUS)) individually or in the aggregate can have a material effect on the opportunities, asset values, ability to finance assets, ability to dispose of assets and overall performance and financial condition of the Fund and individual investors' investment performance.

In addition to regional tensions, armed and unarmed conflicts, hostilities, terrorist attacks or threats of terrorist attacks and political unrest may also create an unstable geopolitical climate that could have a material effect on general economic conditions, market conditions and market liquidity. The Fund could therefore be adversely affected by social instability, changes in government administrations and policies or economic, political, legal or regulatory developments that are not within WCA's control. For example, continuing conflicts and recent developments in the Korean Peninsula, the East China Sea, the Middle East, including Iraq, Egypt and North Africa, and the presence of armed forces in the Middle East, including the ongoing armed conflict between Israel and Hamas, may contribute to further economic instability in the global financial markets. This could have an adverse impact on the economy as a whole, specific industries and/or the investments of the Fund.

The economic, political and social risks described above may also adversely impact the value of derivative instruments and securities that are linked to the performance of emerging markets.

- *Epidemics, Pandemics and Market Disruption.* There are innumerable external factors that could impact the Fund's investment program and the markets in which it invests, including, without limitation, changes in economic conditions (such as changing interest rates, inflation rates, availability of credit, governmental trade and supply and demand relationships), industry conditions, changes in laws and governmental regulation (including changes in U.S. federal or state tax laws, U.S. federal or state securities laws, bank regulatory policies, accounting standards and fiscal, monetary and exchange control programs and policies), competition in the investment industry, technological developments, economic uncertainty, slowdown in global growth, natural disasters, diseases, pandemics (such as the COVID-19 pandemic) or other severe public health events, trade barriers, commodity prices, currency exchange rates and controls and national and international political circumstances (including government shutdowns, wars, terrorist acts or security operations), and other factors. In addition, if RKCM's personnel are permitted to work remotely for extended periods of time as a result of events, such as the outbreak of infectious disease or other adverse public health developments (such as the COVID-19 pandemic), natural disasters or other force majeure events, there are increased risks relating to RKCM's reliance on computer programs and systems. For example, there is an increased risk of cyber-attacks and unauthorized access to RKCM's computer systems, which risks may also apply to RKCM's and the Fund's counterparties. Further, many businesses, including RKCM, may also permit their personnel to continue to work from home following the COVID-19 pandemic or in response to future public health emergencies.

- *Cybersecurity Risk.* With the increased use of technologies, such as the Internet, to conduct business, the Firm, its Clients, and companies the Clients' invest in are susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting the Firm and other service providers (including, but not limited to, accountants, custodians, transfer agents and financial intermediaries) have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with the ability to calculate a Client's new asset value, impediments to trading, the inability of investors to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting companies the Clients invest in, counterparties with which the Firm engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial

intermediaries and service providers for investors) and other parties. In addition, substantial costs may be incurred by the companies the Client invest in or the Client itself in order to prevent any cyber incidents in the future. While the Client's service providers, including the Firm, have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, the Firm and the Clients cannot control the cyber security plans and systems put in place by its service providers or any other third parties whose operations may affect the Clients. The Clients and its investors could be negatively impacted as a result.

### **Risks Associated with Instruments Traded**

- *Equity Securities.* The value of the equity securities held by the Fund are subject to market risk, including changes in economic conditions, growth rates, profits, interest rates and the market's perception of these securities. While offering greater potential for long-term growth, equity securities are more volatile and riskier than some other forms of investment.
- *Debt and Other Income Securities.* The Fund may invest in fixed-income and adjustable rate securities. Income securities are subject to interest rate, market and credit risk. Interest rate risk relates to changes in a security's value as a result of changes in interest rates generally. Even though such instruments are investments that may promise a stable stream of income, the prices of such securities are inversely affected by changes in interest rates and, therefore, are subject to the risk of market price fluctuations. In general, the values of fixed income securities increase when prevailing interest rates fall and decrease when interest rates rise. Because of the resetting of interest rates, adjustable rate securities are less likely than nonadjustable rate securities of comparable quality and maturity to increase or decrease significantly in value when market interest rates fall or rise, respectively. The debt securities in which the Fund may invest are not required to satisfy any minimum credit rating standard and may include instruments that are considered to be of relatively poor standing and have predominantly speculative characteristics with respect to capacity to pay interest and repay principal.
- *Small- and Medium-Capitalization Stocks.* The Fund may invest its assets in stocks of companies with smaller market capitalizations. Small- and medium-capitalization companies may be of a less seasoned nature or have securities that may be traded in the over-the-counter market. These "secondary" securities often involve significantly greater risks than the securities of larger, better-known companies. In addition to being subject to the general market risk that stock prices may decline over short or even extended periods, such companies may not be well-known to the investing public, may not have significant institutional ownership and may have cyclical, static or only moderate growth prospects. Additionally, stocks of such companies may be more volatile in price and have lower trading volumes than larger capitalized companies, which results in greater sensitivity of the market price to individual transactions.
- *New Issues.* The Fund may invest in "New Issues" as that term is defined in the New Issues Rule. Such investments offer the opportunity for significant appreciation; however,

they are speculative and involve a high degree of risk. It is characteristic of the initial public offerings market that certain companies may be extremely successful, while a much higher percentage of new public companies fail. Thus, the risk of investing in initial public offerings is substantially greater than investing in the stock market as a whole.

- *Exchange Traded Funds.* The Fund may invest in a type of investment company called an exchange-traded fund. ETFs are a type of investment security, generally representing an interest in a passively managed portfolio of securities selected to replicate a securities index, such as the S&P 500 Index or the Dow Jones Industrial Average, or to represent exposure to a particular industry or sector. Because ETF and closed-end fund shares are traded on an exchange, they may trade at a discount from or a premium to the net asset value per share of the underlying portfolio of securities. Investors in ETFs, closed-end funds and other investment companies bear a proportionate share of the expenses of those funds, including management fees, custodial and accounting costs, and other expenses.

- *Derivative Investments.* Derivatives are financial contracts whose value depends on, or is derived from, an underlying product, such as the value of a securities index. The risks generally associated with derivatives include the risks that: (1) the value of the derivative will change in a manner detrimental to the Fund; (2) before purchasing the derivative, the Fund will not have the opportunity to observe its performance under all market conditions; (3) another party to the derivative may fail to comply with the terms of the derivative contract; (4) the derivative may be difficult to purchase or sell; and (5) the derivative may involve indebtedness or economic leverage, such that adverse changes in the value of the underlying asset could result in a loss substantially greater than the amount invested in the derivative itself or in heightened price sensitivity to market fluctuations. Derivatives markets can be highly volatile. The profitability of investments by the Fund in the derivatives markets depends on the ability of the Firm to analyze correctly these markets, which are influenced by, among other things, changing supply and demand relationships, governmental, commercial and trade programs and policies designed to influence world political and economic events, and changes in interest rates.

- *Option Transactions.* The purchase or sale of an option by the Fund involves the payment or receipt of a premium payment and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying investment for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying investment does not change in price in the manner expected, so that the option expires worthless and the investor loses its premium. Selling options, on the other hand, involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying investment in excess of the premium payment received.

The seller ("writer") of a call option which is covered assumes the risk of a decline in the market price of the underlying security or other instrument below the purchase price of the underlying instrument, less the amount of premium received by the seller, and forgoes the opportunity for gain on the underlying instrument above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment (the premium paid) in the call option. If the buyer of a call option sells short the underlying security or other instrument, a loss on the call option itself may be offset, in whole or in

part, by any gain on the short sale of the underlying position.

The seller ("writer") of a put option which is covered assumes the risk of an increase in the market price of the underlying security or other instrument above the sales price (in establishing the short position) of the underlying instrument, plus the premium received by the seller, and forgoes the opportunity for gain on the underlying instrument below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment (the premium paid) in the put option. If the buyer of a put option holds a long position in the underlying security or other instrument, a loss on the put option itself may be offset, in whole or in part, by any gain on the underlying position.

- *Futures Contracts and Options on Futures Contracts.* In entering into futures contracts and options on futures contracts, there is a credit risk that a counterparty will not be able to meet its obligations to the Fund. The counterparty for futures contracts and options on futures contracts traded in the United States exchanges is the clearinghouse associated with such exchange. In general, clearinghouses are backed by the corporate members of the clearinghouse who are required to share any financial burden resulting from the non-performance by one of its members and, as such, should significantly reduce this credit risk. In cases where the clearinghouse is not backed by the clearing members, it is normally backed by a consortium of banks or other financial institutions. There can be no assurance that any counterparty, clearing members or clearinghouse will be able to meet its obligations to the Fund. Gains and losses on futures contracts are marked-to-market daily for purposes of determining margin requirements. Option positions generally are not, although short option positions will require additional margin if the market moves against the position. Due to these differences in margin treatment between futures and options, there may be periods in which positions on both sides must be closed down prematurely due to short-term cash flow needs. Were this to occur during an adverse move in the spread or straddle relationships, a substantial loss could occur. Futures markets are highly volatile. Futures contracts are influenced by, among other things, the following: changing supply and demand relationships and trends, governmental actions, agricultural and commercial trade programs and policies, national and international political events, national and international economic events, weather and other naturally occurring phenomena, and prevailing psychological characteristics of the marketplace. There is no assurance that the Firm will engage in profitable futures trades for the Fund or that the Fund will not incur substantial losses in connection with such futures trades.

- *Stops.* The Funds may use stops as part of its futures trading investment strategy. Buy stops are orders for futures contracts that are placed at a predetermined price over the current price of the market. The order becomes a "buy at the market" order if the market is at or above to the price of the stop order. Sell stops are orders for futures contracts that are placed with a predetermined price below the current price of the market. Sell-stop orders become "sell at the market" orders if the market trades at or below the price of the stop order. Though stops are generally a risk-mitigating mechanism, if the Firm were to place an initial stop too close to the entry point of a trade, the stop may minimize the effectiveness of the trade. In addition, the Firm may not execute stops at the same stop loss or stop limit that the Firm initially intended. Also, the Firm may elect not to use stops at all.

- *Leverage; Interest Rates; Margin.* As discussed above, the Firm expects to utilize leverage, on behalf of the Fund, on a moderate basis, as the Firm considers appropriate, primarily for investment purposes to increase investment positions or to make additional investments. Leverage may be employed by means of conventional margin arrangements, or through options, swaps, forwards and other derivative instruments (i.e., so called “synthetic” leverage). While leverage (including the use of derivatives) presents opportunities for increasing the Fund’s total return, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment, either directly or indirectly, could be magnified to the extent that leverage is employed. The effect of the use of leverage by the Fund in a market that moves adversely to the investments of the entity employing the leverage, could result in a loss to the Fund that would be greater than if leverage were not employed by the Fund. In addition, to the extent that the Fund borrows funds, the interest cost at which the Fund can borrow will affect the operating results of the Fund.

The use of short-term margin borrowings by the Fund may result in certain additional risks to the Fund. For example, should the securities that are pledged to brokers to secure the Fund’s margin accounts decline in value, or should brokers from which the Fund has borrowed increase their maintenance margin requirements (i.e., reduce the percentage of a position that can be financed), then the Fund could be subject to a “margin call,” pursuant to which the Fund must either deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. The broker will typically have the right to liquidate the Fund’s portfolio in certain circumstances. In the event of a precipitous drop in the value of the assets of the Fund, the Fund might not be able to liquidate assets quickly enough to pay off the margin debt and might suffer mandatory liquidation of positions in a declining market at relatively low prices. Similar risks may arise in connection with longer-term borrowings and certain derivative transactions.

- *Limitations on Shorting and Hedging Strategies.* The Firm may employ certain hedging techniques. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions, or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the overall portfolio value. Such hedge transactions, however, also limit the opportunity for gain if the value of the portfolio position should increase. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary. Insufficient correlation between hedged and hedging positions may not only result in failing to protect the Fund against the risks sought to be hedged but may actually increase the magnitude of overall loss in the event of losses in the hedging positions.
- *Currency trading.* Currency prices are highly volatile. Price movements for currencies are influenced by, among other things: changing supply-demand relationships; trade, fiscal, monetary, exchange control programs and policies of governments; United States and foreign political and economic events and policies; changes in national and

international interest rates and inflation; currency devaluation; and sentiment of the market place. Further, in currency markets specifically, fiscal, monetary, and exchange control programs and policies of governments play a large role in the fluctuation of prices between currency pairs. In addition, governments may from time to time intervene, directly and by regulation, in certain markets, particularly in the market for currencies. Such intervention is often intended to influence prices directly. Currency trading can be highly leveraged.

*Foreign Investments.* A portion of the Fund's assets may consist of foreign investments, which may include foreign or domestic equity securities denominated in foreign currencies and/or traded outside of the United States. Such investments require consideration of certain risks typically not associated with investing in U.S. securities or property. Such risks include, among other things, trade balances and imbalances and related economic policies, unfavorable currency exchange rate fluctuations, imposition of exchange control regulation by the United States or foreign governments, United States and foreign withholding taxes, limitations on the removal of funds or other assets, policies of governments with respect to possible nationalization of their industries, political difficulties, including expropriation of assets, confiscatory taxation and economic or political instability in foreign nations.

#### **D. RECOMMENDATION OF SPECIFIC TYPES OF SECURITIES**

RKCM does not recommend particular securities in the Funds. Fund investments may include, but are not limited to, equity securities, debt and other income securities, exchange traded funds, derivative instruments including options transactions, futures and emerging markets securities.

## **ITEM 9     DISCIPLINARY INFORMATION**

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Neither RKCM nor any of its management persons have been involved in any legal or disciplinary events that are related to past or present investment clients or are material to a client's or prospective client's evaluation of RKCM's advisory business or the integrity of RKCM's management.

## **ITEM 10   OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

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#### **A. FINANCIAL INDUSTRY ACTIVITIES**

RKCM is not a registered broker-dealer and does not have an application pending to register as a broker-dealer. Furthermore, none of RKCM's management or supervised persons is a

registered representative of, nor has an application pending to register as a representative of, a broker-dealer.

## **B. FINANCIAL INDUSTRY AFFILIATIONS**

RKCM is registered as a Commodity Pool Operator and Commodity Trading Advisor with the CFTC. RKCM is also a member of the NFA. Furthermore, Jordan Abisch is registered as an associated person of RKCM.

## **C. OTHER MATERIAL RELATIONSHIPS**

As noted above, RKCM is related by common ownership to NCPC GP, LLC, as both entities are owned and controlled by Jordan Abisch. The Firm has a fiduciary duty to its Clients and its affiliate General Partner intends to manage the conflicts of interest described above in accordance with this fiduciary duty.

Mr. Abisch is the majority shareholder of XD Trading LLC, a proprietary trading group. XD specializes in the development and implementation of quantitative trading strategies. XD does not have outside clients but can trade with the Funds. RKCM and XD Trading LLC share certain management persons. Please see Item 11 for further detail on related party transactions.

Mr. Abisch is the majority shareholder of Convexity Trading LLC, a private investment company.

## **D. OTHER INVESTMENT ADVISERS**

RKCM does not have arrangements with other investment advisers that are material to its clients or advisory business.

# **ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

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## **A. DESCRIPTION OF CODE OF ETHICS**

RKCM has an ethical, professional and legal duty to act at all times as a fiduciary to its Clients. This means that RKCM puts the interests of its Clients ahead of its own, and carefully manages for any potential or actual conflict of interest that may arise in relation to its advisory services. In view of the foregoing and applicable provisions of relevant law, RKCM has adopted a Code of Ethics ("Code") in its Employee Policies and Procedures Manual ("Manual") designed to ensure compliance with Rule 204A-1 under the Advisers Act, to specify and prohibit certain



types of transactions deemed to create conflicts of interest (or the potential for or the appearance of such conflicts), and to establish reporting requirements and enforcement procedures relating to personal trading by RKCM personnel. RKCM's Code includes general requirements that all employees comply with their fiduciary obligations to Clients and applicable securities laws, and specific requirements relating to, among other things, insider trading, personal trading, conflicts of interest, and confidentiality of Client information.

The following are the principal elements of the Code:

- Pre-clearance on IPO participation;
- Prohibition on personal trades for employees in the same securities as Clients without pre-clearance;
- Prohibition on trading in securities based on material, non-public information obtained through their position with RKCM;
- Restriction on trading on securities on the Restricted List;
- Pre-clearance of all outside business activities;
- Pre-clearance on all political contributions per policy;
- Reporting requirements to Compliance including:
  - Initial and quarterly holdings disclosure
  - Initial and annual Code of Ethics certification
  - Quarterly trading disclosure
  - Initial and quarterly brokerage account disclosure
  - Initial and annual outside business affiliations disclosure
  - Initial and annual political contribution disclosure
  - Initial and annual compliance 'Bad Actor' attestation

A full copy of the aforementioned Code of Ethics (and any amendments) is available to any client or prospective client upon request. Please call the Firm's CCO at (561) 408-1711 for a copy of our Code of Ethics.

RKCM's CCO is responsible for the implementation and administration of the Code. The CCO has the following monitoring responsibilities, including but not limited to monitoring of employee activity and maintenance of records in accordance with applicable laws and regulations. Any violation of the Code, including engaging in a prohibited transaction or failing to meet reporting requirements, may result in disciplinary action, including, suspension or termination of employment.

## **B. PARTICIPATION IN CLIENT ACCOUNTS**

RKCM or a related person do recommend or effect transactions in securities for Clients in

which RKCM or a related person may have a material financial interest.

In certain circumstances, RKCM effectuates purchases and sales between the Funds (“cross trades”), if RKCM believe such transactions are appropriate based on each party’s investment objectives and guidelines, subject to each client’s governing documents, applicable law and regulation (but are not required to effect such cross-trades). In such cases, RKCM and such affiliate may have a potentially conflicting division of loyalties and responsibilities regarding both parties to the transaction.

In certain circumstances, RKCM may effect purchases and sales between RKCM’s related persons and the Funds (“principal trades”). This means that the Firm can buy investments from the Fund or sell them to the Fund from a related person’s account, including securities purchases in bulk. The Firm trades on a principal basis, the Firm’s related persons earn compensation by marking up the price of securities sold to the Fund or by marking down the price of the securities purchased from the Fund. This creates an incentive to offer securities that the Firm’s related person has an inventory and to execute the Fund’s trade against the related person’s account. The types of securities commonly traded on a principal basis include ETFs, securities of small to large capitalized companies, and derivative products including options, futures, and futures options. However, these transactions occur on public organized national securities exchanges at market rates, interact with the market on organized securities exchange, and are part of the price discovery process. Such trades will not occur outside of the National Best Bid and Offer (“NBBO”).

Conflicts of interest arise regarding the decision of whether or not to transfer such investments and the timing of such transfers. Investors should be aware that conflicts will not necessarily be resolved in favor of their interests. There can be no assurance that any actual or potential conflicts of interest will not result in a particular Fund or Funds receiving less favorable investment terms in certain investments than if such conflicts of interest did not exist.

Sections 206(1) and (2) of the Advisers Act impose a fiduciary duty on advisers with respect to their clients and a duty of full and fair disclosure of all material facts. The Firm established written policies and procedures for principal and cross trades to ensure consistency with the Advisers Act and the rules promulgated thereunder. The Firm maintains a record of all principal trades along with the NBBO at the time of such trade to ensure adherence to this policy.

From time to time, the Firm takes an investment position or action for one or more accounts that is different from, or inconsistent with, an action or position taken for one or more other accounts having similar or differing investment objectives, resulting in potential adverse impact, or in some instances benefit, to one or more affected Clients. For example, a Fund may buy a security and another Fund may establish a short position in that same security. The subsequent short sale could result in a decrease in the price of the security which the first Fund holds. Conversely, the Firm may establish a short position in a security for a Fund and the Firm may buy that same security for a different Fund. The subsequent purchase may result in an increase of the price of the underlying position in the short sale exposure to a

Fund's detriment. Similarly, transactions in investments by one or more Funds may have the effect of diluting or otherwise disadvantaging the values, prices or investment strategies of another Fund, particularly, but not limited to, in small capitalization, emerging market, or less liquid strategies. When the Firm implements a portfolio decision or strategy ahead of, or contemporaneously with, similar portfolio decisions or strategies, market impact, liquidity constraints, or other factors could result in one or more Funds receiving less favorable trading results, the costs of implementing such portfolio decisions or strategies could be increased or such Funds could otherwise be disadvantaged. On the other hand, potential conflicts also arise when portfolio decisions regarding a Fund benefit other Fund, for example, where the sale of a long position or establishment of a short position for a Fund decreases the price of the same security sold short by (and therefore benefit) a Related Person of the Firm or other Fund, or the purchase of a security or covering of a short position in a security for a Fund results in an increase in the price of the same security held by (and therefore benefit) a related person of the Firm or other Funds.

Under certain circumstances, if a Fund or Funds invests in a transaction in which one or more other Funds are expected to participate, or already have made or will seek to make, an investment, such Fund or Funds may have conflicting interests and objectives in connection with such investments, including with respect to views on the operations or activities of the portfolio company involved, the targeted returns from the investment and the timeframe for, and method of, exiting the investment. For example, the Firm's decision on behalf of other client accounts to sell, redeem from, or otherwise liquidate a security in which a Fund is invested may adversely affect such other Fund, including by causing such investment to be less liquid or more concentrated, or by causing such other Fund to lose the benefit of certain negotiated terms. In addition, different Funds investing in securities of an issuer that have different voting rights, dividend or repayment priorities or other features that could be in conflict with one another. In negotiating the terms and conditions of any such investments, or any subsequent amendments or waivers, the Firm's interests and the Fund or Funds interests could conflict. If an issuer in which a Fund and one or more other Funds hold different classes of securities (or other assets, instruments or obligations issued by such issuer) encounters financial problems, decisions over the terms of any workout will raise conflicts of interest (including, for example, conflicts over proposed waivers and amendments to debt covenants). For example, a debt holder who could be paid in full likely will be better served by a liquidation of the issuer, whereas an equity holder or junior debt holder would be better served by a reorganization that holds the potential to create value for the equity holders. Any of the foregoing conflicts of interest will be discussed and resolved on a case-by case basis.

### **C. PROPRIETARY /SIMULTANEOUS TRADING**

RKCM or a related person has in the past and may in the future invest in the same securities that RKCM or a related person recommends to Clients.

RKCM's employees and/or related persons may invest in securities recommended by RKCM. As a result, certain trades on behalf of Clients in the same security may receive more or less

favorable prices or terms based upon prevailing market prices at the time of the trade. RKCM's Code governs the monitoring of personal trading and addresses potential conflicts of interests. It is RKCM's express policy that all employees must place clients' interests ahead of their own when implementing personal investments and may not effectuate personal transactions at or about the same time as Client transactions.

## **ITEM 12 BROKERAGE PRACTICES**

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### **A. SELECTION AND RECOMMENDATION**

As a discretionary investment adviser, RKCM has a duty to select brokers, dealers and other trading venues that provide best execution for the Funds. Generally speaking, the duty of best execution requires an investment adviser to seek to execute securities transactions for clients in such a manner that the client's total cost or proceeds in each transaction is the most favorable under the circumstances, considering all relevant factors. The lowest possible commission, while very important, is not the only consideration.

It is the Firm's policy to seek best execution in all portfolio trading activities for all investment disciplines and products, regardless of whether commissions are charged. This applies to trading in any instrument, security or contract including equities, bonds, options and forward or derivative contracts. At least annually, RKCM evaluates the execution, performance and risk profile of the broker-dealers it uses.

Generally, to achieve best execution, we consider the following factors, without limitation, in selecting brokers and intermediaries: (1) the broker dealer's ability to maintain confidentiality of RKCM's trading activity and intentions; (2) execution capability; (3) order size and market depth; (4) commission rate charged; (5) availability of competing markets and liquidity; (6) availability of accurate information comparing markets; (7) quantity and quality of research received from the broker dealer; (8) financial responsibility of the broker-dealer; (9) reputation and integrity; (10) responsiveness; (11) recordkeeping; (12) ability and willingness to commit capital; (13) available technology; and (14) ability to address current market conditions.

If RKCM decides, based on the factors set forth above, to execute over-the-counter transactions on an agency basis through Electronic Communications Networks ("ECNs"), it will also consider the following factors when choosing to use one ECN over another: the ease of use; the flexibility of the ECN compared to other ECNs; and the level of care and attention that will be given to smaller orders.

Brokerage fees paid by the Funds to its broker will vary and may be greater than those typical for other investment funds similar to the Funds if the Firm has determined that the research, execution and other services rendered by a particular broker merit greater than typical fees.

## **B. RESEARCH AND OTHER SOFT DOLLAR BENEFITS**

The term “soft dollars” refers to the receipt by an investment adviser of products and services provided by brokers (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties (such as quotation equipment), without any cash payment by the investment adviser, based on the volume of revenues generated from brokerage commissions for transactions executed for clients of the investment adviser. These soft dollar benefits are attributed to the investment adviser by reducing its expenses; however, the amount of the fee paid to the investment adviser by the client would not be reduced. Making allocations to brokerage businesses with soft dollar arrangements could enhance the ability to obtain research, optimal execution and other benefits on behalf of clients.

RKCM does not currently have any formal or informal arrangements or commitments to utilize research, research-related products and other services obtained from broker-dealers, or third parties, on a soft dollar commission basis.

## **C. BROKERAGE FOR CLIENT REFERRALS**

RKCM does not currently receive client referrals from third parties for recommending the use of specific broker-dealer brokerage services.

## **D. DIRECTED BROKERAGE**

RKCM investment advisory services involve managing Funds. Due to the structure of pooled investment vehicles, directed brokerage arrangements are not applicable to nor affect the investment management policies of RKCM.

## **E. ORDER AGGREGATION**

When the Firm deems the purchase and sale of securities to be in the best interest of a particular Fund and any other Funds or accounts, it may aggregate the securities to be purchased or sold in order to obtain superior execution and/or lower brokerage expenses. In particular, execution prices for identical securities purchased or sold on behalf of multiple investment vehicles or accounts in any one business day may be averaged. In such event, the Firm will allocate the securities purchased or sold, as well as expenses incurred in the transaction, among the Funds and any other participating investment vehicles or accounts by applying such considerations as they deem appropriate, including relative account size of such investment vehicles and accounts, amount of available capital, size of existing positions in the same or similar securities, impact of leverage, tax considerations and other factors. As a result of such considerations, allocations among the Funds and such other entities and accounts will not necessarily be pro rata. The Funds will not be entitled to investment priority over other managed investment vehicles or accounts and may not necessarily participate in every investment opportunity. The Firm will endeavor to make all investment

allocations in a manner that it considers to be the most equitable to all managed entities and accounts.

## **ITEM 13 REVIEW OF ACCOUNTS**

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### **A. PERIODIC REVIEWS**

RKCM reviews each Fund's investment program, including current holdings, on a continual basis. The Firm reviews each Fund's investment program to analyze rates of return, allocation of assets and to verify that the Fund's portfolio is consistent with its investment objective. Such review is conducted by Jordan Abisch, the Managing Partner of RKCM.

### **B. INTERMITTENT REVIEW FACTORS**

Intermittent reviews may be triggered by substantial market fluctuation, economic or political events, or by changes in the Fund's objectives.

### **C. REPORTS**

For RKCP Fund and NCPC Fund, Limited Partners will receive monthly reports from the Fund's administrator. For RKT Fund, Limited Partners will receive quarterly reports from the Fund's administrator.

The administrator serves as an interface between the Fund and its Limited Partners. The administrator will provide to Limited Partners reports via the administrator's portal.

Audited financial statements are provided to Limited Partners within 120 days following the Funds' fiscal year end.

## **ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION**

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### **A. ECONOMIC BENEFITS FROM OTHERS**

RKCM or its related persons do not receive an economic benefit (such as sales awards or other prizes) from any third party for providing investment advice or other advisory services to its Clients.

### **B. COMPENSATION TO UNAFFILIATED THIRD PARTIES**

The Firm historically entered into agreements whereby RKCM provides compensation to unaffiliated third parties for referrals of investors in the Funds. Specifically, the Firm entered into a placement agency agreement with Stonehaven, LLC in 2021. The Firm compensates for referrals based upon a percentage of the Management Fee and Performance Fee paid to RKCM and/or the General Partner by referred investors. RKCM does not pay referral fees to prime brokers but may direct brokerage to firms who refer investors to the Firm as part of its prime brokerage services.

## **ITEM 15 CUSTODY**

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### **A. CUSTODIAN OF ASSETS**

Custody means holding, directly or indirectly, client funds or securities, or having any authority to obtain possession of them.

RKCM is deemed to have custody of the assets of the Fund, because it or one of its affiliates, either (i) acts as a general partner of the Fund, with the authority to dispose of funds and securities in the Fund's account or (ii) is deemed to have custody because of its ability to withdraw its fees directly from the Fund. Therefore, RKCM is subject to Rule 206(4)-2 of the Advisers Act (the "Custody Rule") with respect to the custody of Fund assets. RKCM adheres to the applicable requirements of the Custody Rule. All Fund assets are custodied with a "qualified custodian" as required under the Custody Rule. The funds and securities of the Fund are held in qualified custodian accounts with Marex Capital Markets, Inc., Interactive Brokers, LLC, and Northern Trust Company. RKCM arranges for each Fund's financial statements to be prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and audited at least annually by an independent public accountant that is registered with, and subject to regular inspection as of the commencement of the professional engagement period, and as of each calendar year-end, by the Public Company Accounting Oversight Board in accordance with its rules.

### **B. ACCOUNT STATEMENTS**

Marex Capital Markets, Inc., Interactive Brokers, LLC, and Northern Trust Company, and other approved broker dealers, will each deliver account statements to RKCM. Please be advised that RKCM is not required to provide information about specific investment transactions of the Fund to the Limited Partners. Nonetheless, for RKCP Fund and NCPC Fund, Limited Partners will receive monthly unaudited performance reports from the Fund's administrator. For RKT Fund, Limited Partners will receive quarterly unaudited performance reports from the Fund's administrator.

Additionally, the Funds' audited financial statements are distributed to Limited Partners within 120 days following the Funds' fiscal year end.

## **ITEM 16 INVESTMENT DISCRETION**

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RKCM has full discretion and authority to make all investment decisions with respect to the types of securities to be bought or sold or the amount of securities to be bought or sold for the Fund.

## **ITEM 17 VOTING CLIENT SECURITIES**

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As required by Rule 206(4)-6 under the Advisers Act, RKCM has adopted written policies and procedures for voting proxies with respect to securities owned by the Funds for which RKCM exercises voting authority and discretion.

RKCM will fulfill its obligations by voting in a manner that is in the best interest of the Funds, considering its intention to promote the Funds' investment objective, to maximize investment returns, following the investment restrictions and policies of the Funds. It is RKCM's general policy to vote or give consent on all matters presented to security holders in any vote. However, RKCM may abstain from voting, but only if, in the judgment of RKCM, the costs associated with voting outweigh the benefits to the relevant Funds or if the circumstances make such an abstention or withholding otherwise advisable and in the best interests of the relevant Funds. The factors RKCM considers will vary according to the security, and may include market information, the company's financial situation, the industry, and the Funds' investment restrictions.

RKCM believes that its interests are generally aligned with the Funds' and investors' interests and have identified no conflicts of interest within its proxy voting process. Nevertheless, if we determine that we are facing a material conflict of interest in voting a proxy, the matter will be referred to the CCO, who will review the circumstances and provide for a course of action believed to be in the best interests of the Funds; all conflicts will be resolved in favor of the Funds.

RKCM maintains proxy voting policies and procedures and its voting records, which are available upon written request to the CCO.

## **ITEM 18 FINANCIAL INFORMATION**

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### **A. BALANCE SHEET REQUIREMENT**

RKCM is not the qualified custodian for Client funds or securities and does not require prepayment of fees of more than \$500 per Client, six (6) months or more in advance.

### **B. FINANCIAL CONDITION**

RKCM does not have any financial impairment that would preclude the Firm from meeting contractual commitments to Clients.



**C. BANKRUPTCY PETITION**

RKCM has not been the subject of a bankruptcy petition at any time during the last 10 years.

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## PRIVACY POLICY

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### FACTS

#### WHAT DOES RK CAPITAL MANAGEMENT, LLC DO WITH YOUR PERSONAL INFORMATION?

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##### Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

##### What?

The types of personal information we collect, and share depend on the product or service you have with us. This information can include:

- Social Security number and income
- Capital account balances

When you are no longer an investor, we continue to share your information as described in this notice.

##### How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons RK Capital Management, LLC chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does RK Capital Management, LLC share:	Can you limit this sharing?
<b>For our everyday business purposes —</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes —</b> to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	No	N/A

<b>For our affiliates' everyday business purposes — information about your transactions and experiences</b>	Yes	No
<b>For our affiliates' everyday business purposes — information about your creditworthiness</b>	No	N/A
<b>For our affiliates to market to you</b>	No	N/A
<b>For non-affiliates to market to you</b>	No	N/A

<b>Questions?</b>	If you have any questions concerning this privacy policy, please contact Investor Relations (email: <a href="mailto:IR@rkcapl.com">IR@rkcapl.com</a> or telephone: (561) 408-1711).
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<b>Who we are</b>	
<b>Who is providing this notice?</b>	<b>RK Capital Management, LLC</b>

<b>What we do</b>	
<b>How does RK Capital Management, LLC protect my personal information?</b>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
<b>How does RK Capital Management, LLC collect my personal information?</b>	We collect your personal information, for example, when you complete and return to us executed subscription documents and related documentation.
<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>■ sharing for affiliates' everyday business purposes— information about your creditworthiness</li> <li>■ affiliates from using your information to market to you</li> <li>■ sharing for non-affiliates to market to you</li> </ul>

	State laws and individual companies may give you additional rights to limit sharing.
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Definitions	
<b>Affiliates</b>	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>■ <b><i>NCPC GP, LLC</i></b></li> </ul>
<b>Non-affiliates</b>	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>■ <b><i>RK Capital Management, LLC does not share information with non-affiliates so they can market to you.</i></b></li> </ul>
<b>Joint marketing</b>	A formal agreement between non-affiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> <li>■ <b><i>RK Capital Management, LLC does not engage in joint marketing.</i></b></li> </ul>