

ROCK SPRINGS CAPITAL

Form ADV Part 2A: Firm Brochure **Rock Springs Capital Management LP**

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This brochure provides information about the qualifications and business practices of Rock Springs Capital Management LP (“Rock Springs”). If you have any questions about the contents of this brochure, please contact Rock Springs at (410) 220-0130 or by email at information@rockspringscapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

Rock Springs is registered as an investment adviser with the United States Securities and Exchange Commission (the “SEC”) under the Investment Advisers Act of 1940 (as amended, the “Advisers Act”). Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

Item 2: Material Changes

There have been no material changes since the last filed version of this brochure. Certain non-material changes were made to this brochure. Consequently, we encourage you to read the brochure in its entirety.

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Item 4: Advisory Business

Rock Springs is organized as a limited partnership under the laws of the State of Delaware. Rock Springs is owned and controlled by Graham McPhail, Kris Jenner, and Gordon Margraf (“Mark”) Bussard (collectively, the “Principals”). The Principals own and control the general partners of the Funds (defined below) (collectively and as applicable in each case, the “General Partner”); unless and only to the extent that the context otherwise requires, references to “Rock Springs” include the General Partner. The investment activities of Rock Springs are led by the Principals along with a number of other investment professionals who work with the Principals to execute Rock Springs’ investment strategies.

The Funds and the General Partner

Rock Springs provides discretionary investment advice to private investment funds organized as domestic or foreign private pooled investment vehicles (the “Funds”). The Funds are organized as master-feeder structures whereby each domestic fund (“Domestic Fund”) and offshore fund (“Offshore Fund”) and together with the applicable Domestic Fund, the “Feeder Funds”) invests substantially all of its assets in a master fund (“Master Fund”). All trading occurs at the Master Fund level. Rock Springs began providing investment advisory services in October 2013.

The Funds have been established to pursue investment strategies that focus primarily on investing in companies in healthcare and healthcare-related industries, with an emphasis on companies and/or products that Rock Springs believes serve critical unmet needs. The Funds’ investment objective is to generate capital appreciation, primarily through investments in publicly traded and privately placed securities of companies in these industries. Rock Springs manages the Funds in accordance with the investment strategies, objectives, restrictions and guidelines set forth in their respective confidential offering documents, limited partnership agreements and/or investment management agreements (the “Governing Fund Documents”), as applicable, and does not provide investment advice individually to the limited partners of the Funds (each, an “Investor” and together, “Investors”).

Rock Springs does not require, and does not seek, approval from the Funds or the Investors in the Funds with respect to its trading. Rock Springs generally does not permit Investors to impose restrictions on investments made by the Funds.

Client Assets Under Management

As of the close of business on December 31, 2023, Rock Springs managed approximately \$3.7103 billion of client assets on a discretionary basis. Rock Springs does not currently manage any assets on a non-discretionary basis.

Item 5: Fees and Compensation

Compensation Payable to Rock Springs

Rock Springs’ compensation for the investment advisory services it provides to the Funds is comprised of, in each case, an asset-based management fee (which is calculated as of the first day of each calendar quarter) and incentive compensation (which is allocated/paid annually in arrears and upon withdrawals and distributions) that is based on the performance achieved for the account of each Investor, subject to a benchmark or a hurdle and high water mark (as applicable), which amounts are deducted from the

Funds. The fees and expenses applicable to each Fund are set forth in detail in each of the Fund's Governing Fund Documents.

Rock Springs' fee schedule is omitted because this brochure is only being delivered to qualified purchasers as defined in the Investment Company Act of 1940, as amended (the "Investment Company Act").

Rock Springs' compensation is negotiable and Rock Springs may, in its sole discretion, elect to waive, reduce or calculate differently any compensation with respect to any person, including partners or employees of Rock Springs or its affiliates, such persons' family members and trusts or other entities established for the benefit of such persons or their family members (collectively, and together with Rock Springs and its affiliates, "Related Persons").

Organizational, Operating and Other Expenses

As a general matter, Expenses borne by the Feeder Funds are set forth in the relevant Governing Fund Documents. The Feeder Funds bear all of their organizational, operating and other costs and expenses, as well as indirectly bear their *pro rata* share of the applicable Master Fund's organizational, operating and other expenses, including investment-related expenses (*e.g.*, costs and expenses associated with the investigation of investment opportunities (whether or not consummated) (which also includes expenses relating to attendance at medical and industry conferences), research, negotiating, financing, sourcing, acquiring, holding, hedging, settling and disposing of its investments) or other transaction costs, including travel expenses (including, for the avoidance of doubt, research and investigation-related travel (which includes first-class airfare in accordance with Rock Springs' travel policy)), transaction fees, consulting (*e.g.*, expert network fees), fees and reasonable out-of-pocket expenses incurred by an independent investor representative, advisory, investment banking, legal and other professional fees relating to investments or contemplated investments, the Master Fund's brokerage commissions, information-related expenses (including costs and expenses associated with Bloomberg, FactSet, market data and market data feeds, vendors of portfolio analytics software (*e.g.*, best execution analytical software) and tools and other similar costs and expenses), clearing and settlement charges, custodial fees, interest expenses, appraisal fees and expenses, expenses, interest charges and costs incurred in connection with any credit facilities, expenses incurred in collection of monies owed to the applicable Fund, legal, auditing and accounting expenses (including, but not limited to, expenses associated with the preparation of the applicable Fund's financial statements, any tax returns and with respect to Schedules K-1), out-of-pocket costs incurred by Rock Springs (including its counsel) relating to the preparation of regulatory filings or the determination of whether such regulatory filings are necessary, and any other costs associated with such regulatory filings related to the Funds or Rock Springs with respect to the Funds (including, but not limited to Schedules D, F, G and/or 13H filings, Section 16 filings, Form PF filings, Form N-PX and Hart-Scott-Rodino), insurance expenses (including directors' and officers' insurance, errors and omissions insurance, cybersecurity insurance and other similar policies), fees and expenses of the Funds' administrators, organizational expenses, expenses relating to the ongoing offer and sale of interests and withdrawals and transfers thereof, including, but not limited to legal expenses incurred by the Feeder Funds and Rock Springs in amending the Feeder Funds' confidential offering documents, printing and mailing costs, management fees, any entity-level taxes, fees or other governmental charges levied against the Funds or any special purpose vehicle, all litigation-related and indemnification expenses, wind-up and liquidation expenses, extraordinary expenses and expenses comparable to any of the foregoing. The Feeder Funds also bear their *pro rata* share of the third-party expenses incurred by the applicable Master Fund in relation to its compliance obligations with respect to applicable anti-money laundering laws or the laws, regulations, and executive orders

administered by the Treasury Department's Office of Foreign Assets Control or other laws or regulations by any person in any relevant jurisdiction, including expenses incurred with respect to the preparation of compliance manuals and ongoing training.

The Feeder Funds share all items of profit, loss, income and expense of the applicable Master Fund on a *pro rata* basis in accordance with their respective capital account balances in the Master Fund, unless, in the judgment of Rock Springs, tax, regulatory, legal or other considerations make such *pro rata* arrangements inappropriate; *provided* that costs, fees and expenses incurred for the benefit of only a Domestic Fund or an Offshore Fund will be allocated solely to such Domestic Fund or Offshore Fund, respectively.

Rock Springs Personnel Compensation

All remuneration paid to Rock Springs, the General Partner and their respective principals, officers, partners or employees (collectively, "Rock Springs Personnel") in connection with service by Rock Springs Personnel on the board of directors of a company in which a Fund invests (collectively, "Director's Compensation") shall reduce (but not below zero) the management fee that Rock Springs receives from the Funds by the amount of such Director's Compensation following receipt or realization of such Director's Compensation. Director's Compensation received by Rock Springs in the form of warrants, options or securities shall be exercisable or disposable, as the case may be, in Rock Springs' sole discretion, and shall reduce the management fee by the amount received. Any Director's Compensation received by Rock Springs that is attributable to more than one Fund shall be prorated on a fair and equitable basis among all Funds as determined in good faith by Rock Springs.

Allocation of Expenses

Costs and expenses borne by more than one Fund will be allocated in accordance with Rock Springs' expense allocation policy, which seeks to allocate expenses *pro rata* based on respective net asset values (which may be based on single investments or overall net asset value of the relevant Funds) and/or based on other equitable considerations that may be appropriate under the circumstances as determined by Rock Springs. As such, Rock Springs has determined that the Funds will share equally (*i.e.*, 50/50) in certain expenses. Rock Springs will allocate all research- and investigation-related costs and expenses (including, but not limited to, attendance at or participation in broker-sponsored, industry- or sector-specific or other conferences, expenses incurred in relation to meetings with industry or corporate spokespersons, physicians, government representatives and/or other key opinion leaders, expert network fees and expenses, and travel (which includes first-class airfare in accordance with the Rock Springs travel policy), lodging and other incidental costs, fees and expenses related to any of the foregoing) (collectively, "Research Expenses") *pro rata* to the Funds based on their respective net asset values at the time such allocation is made; *provided*, however, that Research Expenses that relate directly to investment opportunities which are exclusive to a strategy implemented by one or more Funds will be allocated solely to such Fund(s), as applicable, based on its/their respective net asset value(s) at the time such allocation is made; and *provided further* that the allocation of Research Expenses to any special investment accounts of the Funds will be as provided in the expense allocation policy and the applicable Governing Fund Documents.

As referenced above, the Funds will share equally (*i.e.*, 50/50) in certain expenses, including any out-of-pocket expenses related to any amendment to Governing Fund Documents except to the extent the amendment pertains to solely one Fund. With respect to filings submitted by Rock Springs on Form PF, Form 13F, Form 13H, Form 13D, Form 13G or pursuant to Section 16 of the U.S. Securities Exchange

Act of 1934, as amended, (the “Exchange Act”) such fees and expenses shall be divided between the Funds based on their respective net asset values at the time such allocation is made regardless of the relative amount invested in any issuer by the Fund (unless in connection with Form 13D, Form 13G or Section 16 filings, only the Fund participating in the investment in the issuer giving rise to the filing, in which case, such expense shall be attributable solely to the Fund holding such investment).

The allocation of expenses involves subjective determinations by Rock Springs which may involve conflicts of interest. For example, although some expenses will be allocated *pro rata* among the Funds (e.g., based on respective net asset values or another methodology determined by Rock Springs to be appropriate), other expenses may be allocated on a non-*pro rata* basis. In some instances, allocations may result in one or more Funds paying a disproportionate portion of an expense relative to the benefits actually received. Moreover, allocations of expenses will generally be based on information available at the time such allocations are made, on estimates (rather than exact figures) and on assumptions which Rock Springs believes are reasonable and appropriate but which may be imprecise. While Rock Springs believes that its expense allocation policy is reasonably designed, other reasonably designed allocation methodologies exist that will yield different results.

To the extent that expenses of the Funds are paid by Rock Springs or its affiliates (in excess of its ratable share), the Funds will reimburse such party for such expenses.

For more information regarding Rock Springs’ brokerage expenses, please see Item 12 herein entitled “Brokerage Practices.”

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

As referenced in Item 5 above, Rock Springs may receive annual performance-based compensation in the form of incentive allocations/fees from the Funds. These performance-based compensation arrangements may create an incentive for Rock Springs to make more speculative investments than would otherwise be made, or make decisions regarding the timing and manner of realization of investments differently than if such allocations were not received.

In measuring a Fund’s net profits for the purpose of calculating performance-based compensation, Rock Springs includes unrealized capital gains and losses and, as a result, the performance-based compensation may be based on gains that Investors never ultimately realize. In addition, as the Funds are subject to different performance-based compensation structures, Rock Springs may have an incentive to favor certain Funds over others. Please see Item 11 and Item 12 for additional information about the Allocation Procedures (as defined below), which are reasonably designed to mitigate such conflicts of interest.

Item 7: Types of Clients

Rock Springs provides investment advisory services to the Funds. Investment advice is provided directly to the Funds, subject to the direction and control of the General Partner, and not individually to the Investors. Investors in the Funds may include, but are not limited to, high net worth individuals, family offices, funds of hedge funds, endowments, foundations, trusts, charitable organizations, pension plans, and corporate or business entities.

Details concerning applicable Investor suitability criteria are set forth in the respective Fund’s Governing Fund Documents. The minimum commitment for an Investor is outlined in the respective

Fund's Governing Fund Documents, but is generally \$10 million. However, Rock Springs and/or its affiliates maintain discretion to accept less than the minimum investment threshold. Each Investor is required to meet certain suitability qualifications, such as being an "accredited investor" within the meaning set forth in Regulation D under the Securities Act of 1933, as amended, and a "qualified purchaser" as defined in Section 2(a)(51) of the Investment Company Act.

Rock Springs has adopted a code of ethics to enforce a standard of conduct for its employees and to address potential conflicts of interest, including conflicts of interest between Rock Springs and its clients that may arise as a result of performance-based compensation arrangements. Please see Item 11 below for a discussion of Rock Springs' code of ethics.

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

The investment objective of the Funds is to generate capital appreciation through investments in a combination of public and private securities of companies in healthcare and healthcare-related industries. The Funds focus mostly on public equities, utilizing a long-term, research-intensive approach to investing in healthcare and healthcare-related industries, with a particular emphasis on those companies and/or products that Rock Springs believes serve critical unmet needs. The Funds may invest in private companies and may make investments in companies outside of healthcare-related industries, as Rock Springs determines to be appropriate for the given Fund's long-term investment strategy. In addition, the Funds may invest in securities which are illiquid, have limited liquidity or for which there is no ready market, including without limitation securities issued by private companies, restricted securities and privately-placed debt. There can be no assurance that the Funds will achieve their investment objectives.

The Funds seek to achieve the compounding of gains in long term, secular winners in an industry prone to extreme outcomes and/or in companies that are innovative in discovering and developing therapeutic solutions to critical unmet healthcare needs. Rock Springs' investment process leverages a long-term horizon, seeking to take advantage of the healthcare sector's inherent volatility to increase position sizes over time.

There can be no assurance that Rock Springs will achieve the objectives of the Funds. Investors may lose all or substantially all of their investment in the Funds.

Summary of Principal Investment Risks

Investing involves substantial risks, including the risk of total loss of capital, and may not be suitable for all Investors. No guarantee or representation is made that the Funds' investment programs, including, without limitation, the Funds' investment objectives, diversification strategies or risk monitoring goals, are or will be successful. Investment results may vary substantially over time. No assurance can be made that profits will be achieved or that substantial or complete losses will be avoided. Past results of investments made by the investment professionals of Rock Springs are not necessarily indicative of the Funds' or Rock Springs' future performance.

The following are certain of the principal risks associated with the investment activities of the Funds, the structure of the Funds, and investing in the Funds in general. Some of the below risks apply to some but not all of the Funds. Investors should refer to the applicable Governing Fund Documents for a more comprehensive description of the various risks applicable to each Fund.

General Investment Risk. Investments in securities are subject to the general risks associated with the underlying businesses, including general economic and market conditions, changes in regulatory requirements and laws (including laws relating to taxation of the Funds' investments), reliance on management at the company level, interest rate and currency fluctuations, general economic downturns, domestic and foreign political situations, and other factors. All of the Funds' investments risk the loss of capital. The Funds could incur material losses even if Rock Springs reacts quickly to difficult market conditions, and there can be no assurance that the Funds will not suffer material losses and other adverse effects from broad and rapid changes in market conditions in the future. Thus, there can be no assurance that the Funds' program will be successful or that an Investor will not lose some or all of its investment in the Funds.

Cybersecurity Breaches. The Funds are subject to risks associated with a breach in their cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from "hacking" by other computer users, other unauthorized access and the resulting damage and disruption of hardware and software systems, loss or corruption of data as well as misappropriation of confidential information. In recent years, cybersecurity attacks on companies, including companies in the financial services industry, have become increasingly prevalent. If a cybersecurity breach occurs, the Funds may incur substantial costs, including those associated with: forensic analysis of the origin and scope of the breach; increased and upgraded cybersecurity; investment losses from sabotaged trading systems; identity theft; unauthorized use of proprietary information; litigation; adverse investor reaction; the dissemination of confidential and proprietary information; and reputational damage. Any such breach could expose Rock Springs and/or the Funds to civil liability as well as regulatory inquiry and/or action.

Financial Institution Risk/Distress Events. An investment in the Funds are subject to the risk that one of the Funds' banks, brokers, hedging counterparties, lenders or other custodians of some or all of the Fund's assets (each, a "Financial Institution") fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficult, similar to events that occurred in the United States banking sector in March 2023 (each, a "Distress Event"). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, the Funds and/or their portfolio companies may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation ("FDIC"), in the case of banks, or the Securities Investor Protection Corporation ("SIPC"), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of Rock Springs to manage the Funds and their investments, and on the ability of Rock Springs, the Funds and/or portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Such losses have the potential to include the Funds to pay fees and expenses in the event the Funds are not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the

inability of investors to make capital contributions or otherwise), as well the inability of the Funds to acquire or dispose of investments at prices that the relevant General Partner believes reflect the fair value of such investments and/or the inability of portfolio companies to make payroll, fulfill obligations and maintain operations. Although Rock Springs expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays.

Many Financial Institutions require, as a condition to using their services or otherwise, that Rock Springs and/or the Funds maintain all or a set amount or percentage of their respective accounts or assets with the custodian, which heightens the risks associated with a Distress Event with respect to such custodians. Although Rock Springs seeks to do business with custodians that it believes are creditworthy and capable of fulfilling their respective obligations to the Funds, Rock Springs is under no obligation to use a minimum number of custodians with respect to any Fund, or to maintain account balances at or below the relevant insured amounts.

Leverage and Borrowing Risks. The Funds have the power to borrow funds and will do so when deemed appropriate, including enhancing the Funds' returns and satisfying withdrawal requests that would otherwise result in the premature liquidation of investments. The Funds may borrow funds from broker-dealers, banks and other lenders to finance trading operations, which borrowings may be secured by assets of the Funds. The use of such leverage can, in certain circumstances, increase the losses to which the Funds' investment portfolios may be subject. Any event that adversely affects the value of an investment would be magnified to the extent that an asset or the Funds are leveraged. The cumulative effect of the use of leverage by the Funds in a market that moves adversely to the Funds' investments could result in a substantial loss to the Funds, which would be greater than if the Funds were not leveraged. Leverage may be achieved through, among other methods, direct borrowing, purchases of securities on margin and the use of options, futures, forward contracts, repurchase and reverse repurchase agreements, swaps and other derivative instruments. The access to capital could be impaired by many factors, including market forces or regulatory changes.

Illiquid Investments. The Funds invest in securities that are illiquid, that are not publicly traded and/or for which no market is currently available. The General Partner reserves the authority (but is not required) to designate investments in such securities as special investments. Such non-publicly traded securities and financial instruments may not be readily disposable and, in some cases, may be subject to contractual, statutory or regulatory prohibitions on disposition for a specified period of time. The market value of the Funds' investments will fluctuate with, among other things, changes in prevailing interest rates, general economic conditions, the condition of financial markets, developments or trends in any particular industry and the financial condition of the issuers of the securities in which the Funds invest. During periods of limited liquidity and higher price volatility, the Funds' ability to acquire or dispose of investments at a price and time that is advantageous may be impaired. As a result, in periods of rising market prices, the Funds may be unable to participate in price increases fully to the extent that the Funds are unable to acquire desired positions quickly. Conversely, the Funds' inability to dispose fully and promptly of positions in declining markets will cause net asset value to decline as the value of unsold positions is marked to lower prices.

Special Investments. The Funds may commit capital to special investments in which only Investors at the time of designation will participate. These special investments may be highly illiquid, and the assets, liabilities, profits and losses attributable to such special investments will be reflected only in Investors' special investment accounts, and Investors will not receive any proceeds from special investments until they are undesignated. Investors may, however, be subject to tax on their participation in special

investments prior to their undesignation. Any capital allocated to a special investment will not be available for withdrawal until such special investment is undesignated, if at all. Thus, each Investor is likely to encounter a substantial delay after its requested withdrawal date in receiving withdrawal proceeds relating to special investments, and the risk of loss associated with such special investments will remain with the Investor.

Although only a subset of the Investors may participate economically in a particular special investment—*i.e.*, only those who were Investors in the Fund at the time of designation—for state law purposes, all the assets of the Fund will be subject to any losses or liabilities, such as those resulting from litigation, relating to any such special investment.

Once a Fund has committed capital to a special investment, it may have little, if any, ability to reduce the Fund's exposure to such special investment for a substantial period of time, even if the Fund's overall portfolio has become over-concentrated in the applicable market sector.

Trading and Allocation Risks. The Allocation Procedures described in Item 12 under "Allocation of Investment Opportunities" involve complex and sometimes subjective judgments; although Rock Springs seeks to make such judgments in good faith and consistent with its obligations to the Funds, no assurance can be provided that Rock Springs' judgments will prove correct or that trading and allocation decisions will result in the Funds achieving their investment objectives. Furthermore, while Rock Springs seeks to invest according to each Fund's target portfolio parameters in specified sub-sectors (*i.e.*, the desired investment in a particular security, in relation to total assets, that Rock Springs determines to be appropriate), the ultimate allocation to each security is subject to adjustment pursuant to the Allocation Procedures. Accordingly, on any particular day, an investment in a security could be allocated to a Fund such that, after the allocation on that day, such Fund's holdings of the security would fall above or below such Fund's target portfolio parameter for that security.

When making trading and allocation decisions, Rock Springs relies on its available resources, which in some cases could be limited, particularly in challenging or uncertain markets. While Rock Springs performs trading and allocation functions consistently with the Allocation Procedures and its agreements with the Funds, there can be no assurance that Rock Springs' available resources or its personnel responsible for allocation and trading decisions will ultimately result in the most favorable trades, allocations or returns to the Funds or Investors therein.

Investments in Undervalued Assets. The Funds may seek to invest in undervalued securities. The identification of investment opportunities in undervalued assets is a difficult task, and there is no assurance that such opportunities will be successfully recognized or acquired. Returns generated from the Funds' investments may not adequately compensate Investors for the business and financial risks assumed. An Investor should be aware that it may lose all or part of its investment in the applicable Feeder Fund. The Funds may be forced to sell, at a substantial loss, assets believed to be undervalued, if they are not in fact undervalued. In addition, the Funds may be required to hold such assets for a substantial period of time before realizing their anticipated value. During this period, a portion of the Funds' funds would be committed to the assets purchased, thus preventing the Funds from investing in other opportunities. In addition, the Funds may finance such purchases with borrowed funds and thus will have to pay interest on such funds during such waiting period.

Short Selling. The Funds' investment portfolios generally include short positions. Short selling involves selling securities which are usually not owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling

allows the investor to profit from a decline in the price of a particular security to the extent that such decline exceeds the transaction costs and the costs of borrowing the securities. 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 Funds of buying those securities to cover the short position. There can be no assurance that the securities necessary to cover a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Call Options. There are risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (*e.g.*, the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The securities necessary to satisfy the exercise of an uncovered call option may be unavailable for purchase, except at much higher prices, thereby reducing or eliminating the value of the premium. Purchasing securities to cover the exercise of an uncovered call option can cause the price of the securities to increase, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire premium investment in the call option.

Put Options. There are risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (*e.g.*, the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security if the market price falls below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

Derivatives. The Funds may use derivative financial instruments, including, without limitation, warrants, options, swaps, convertible securities, notional principal contracts, contracts for differences, forward contracts, futures contracts and options thereon, and may use derivative techniques for hedging and for other trading purposes. The use of derivative instruments involves a variety of material risks, including the extremely high degree of leverage often embedded in such instruments and the possibility of counterparty non-performance as well as of material and prolonged deviations between the actual and the theoretical value of a derivative, due to, for example, nonconformance to anticipated or historical correlation patterns. In addition, the markets for certain derivatives are frequently characterized by limited liquidity, which can make it difficult and costly to the Funds to close out positions in order either to realize gains or to limit losses.

Equity Securities. The Funds invest in equity securities. Numerous inter-related and difficult-to-quantify economic factors, as well as market sentiment, subjective and extraneous political, climate-related and terrorist factors, influence the performance of equities. There can be no assurance that Rock Springs will be able to anticipate future performance correctly. The Funds' equity positions may be leveraged, and even comparatively minor adverse market movements can result in substantial losses. The value of a stock in which the Funds invest may decline due to general weakness in the stock market or because of factors that affect a company or a particular industry.

The Small Capitalization Biotechnology Sector. The speculative nature of small capitalization biotechnology companies creates a high degree of risk. The Funds invest in small biotechnology issuers which are subject to significant scientific, financial, regulatory and marketing risks, among others. In addition, the prices of small capitalization biotechnology securities are subject to significant fluctuation and are often more volatile than the prices of the securities of larger capitalization companies. Although Rock Springs may succeed in identifying undervalued securities, there can be no assurance that stock prices will reflect the actual value identified by Rock Springs over the time frame during which the Funds hold investments.

Binary Events. The Funds invest in therapeutics, biotechnology and other companies that may be subject to anticipated “binary events” in the form of anticipated clinical trial results or regulatory agency news or decisions. The market value of the securities of certain of these companies may be particularly sensitive to such binary events. Often, the success or failure of a therapeutics, biotechnology or other company in which the Funds invest will be dependent on the outcome of a binary event such as the approval of the company’s single major drug.

Benchmark Could Decline Substantially. The markets or groups of securities that are included in the benchmark index used by some of the Funds with respect to calculating performance-based compensation may experience declines in values and remain subject to such reduced values for a substantial period. Because, with respect to such Funds, Rock Springs is compensated for outperformance relative to such benchmark, an Investor may be subject to performance-based compensation in periods where both the Investor and the benchmark have suffered losses because the Investor’s capital account has outperformed the benchmark by suffering a lower amount of losses.

Investments May Be Volatile. The prices of the Funds’ investments can be highly volatile. Price movements of the instruments in which the Funds’ assets are invested may be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies, financial instruments, futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Funds also will be subject to the risk of the failure of any exchanges on which their respective positions trade or of the clearinghouses of such exchanges.

Industry Risk. A fund that focuses its investments in specific industries or sectors is more susceptible to developments affecting those industries and sectors than a more broadly diversified fund. Because the Funds invest significantly in healthcare companies, the Funds may perform poorly during a downturn in that industry. Healthcare companies can be adversely affected by, among other things, legislative or regulatory changes, competitive challenges, government approval of products and services, and product obsolescence.

The securities of companies in the healthcare sector, especially those of smaller, research-oriented companies, tend to be more volatile than the overall market. The success of investments in the healthcare sector is often based upon expectations about future products, research progress, and/or new product filings and approval with regulatory authorities. In addition, a number of these companies may have limited operating histories. As a result, these companies may face undeveloped or limited markets, have limited products, have no revenue or profit-making history, operate at a loss, have limited access to capital and/or be in the developmental stages of their business.

Epidemics and Pandemics. Since 2003, the world has seen a number of outbreaks of new viral illnesses of varying severity, including Severe Acute Respiratory Syndrome (SARS), Middle East Respiratory Syndrome (MERS), the H1N1 Flu (Swine Flu) and COVID-19 caused by the novel Coronavirus known as SARS-CoV-2. The responses to these outbreaks have varied as has their impact on human health, local economies and the global economy, and it is impossible at the outset of any such outbreak to estimate accurately what the ultimate impact of any such outbreak will be.

Countries and regions in which the Funds invest or Rock Springs does business are susceptible to epidemics, pandemics and other outbreaks of serious contagious diseases. The occurrence of any such outbreak could adversely affect and severely disrupt the business operations, economies and financial markets of many countries (even beyond the site of the epidemic or pandemic). Protective measures taken by governments and the private sector, including Rock Springs, to mitigate the spread of such illness, including travel restrictions and outright bans, quarantines and work-from-home arrangements, and the spread of any such illness within the offices of Rock Springs and/or the Funds' service providers, could seriously impair such service providers' operational capabilities, potentially harming the Funds' investment program and performance and/or Rock Springs' business. The COVID-19 pandemic has caused significant volatility in the credit and equity markets, which, in turn, has resulted in significant losses to many private investment funds.

Political Uncertainty. Some of the results of recent elections and referenda around the world have been unexpected and resulted in material market changes and increases in market uncertainty. The future of current regulations, or the adoption of new regulations, is also uncertain. These uncertainties may have adverse impacts on, or alternatively create investment opportunities for the Funds.

Risks Specific to the Healthcare Industry

A fund that focuses its investments in specific industries or sectors is more susceptible to developments affecting those industries and sectors than a more broadly diversified fund. Because the Funds invest in the securities of companies in the healthcare, life sciences and related industries (including biotechnology companies), the Funds may perform poorly during a downturn in such industries. Such industries can be adversely affected by, among other things, uncertainty with respect to legal and regulatory requirements, legislative or regulatory changes, government enforcement activity (including lawsuits initiated by whistleblowers), competitive challenges, requirements for government approval and ongoing marketing of products and services, coverage of and/or reimbursement for products and services by third-party payors (including, for example, government healthcare programs), consumer demand for products and services, and product obsolescence.

The securities of companies in the healthcare, life sciences and related industries and sectors, especially those of smaller, research-oriented companies, tend to be more volatile than the overall market. The success of investments in the healthcare and life sciences sectors is often based upon expectations about future products and services, research progress, and/or new product filings, product approval by regulatory authorities, and adequate coverage and reimbursement by third-party payors (including, for example, government healthcare programs). In addition, a number of these companies may have limited operating histories. As a result, these companies may face undeveloped or limited markets, have limited products or services, have no revenue or profit-making history, operate at a loss, have limited access to

capital and/or be in the developmental stages of their businesses, with high risks of not being able to launch their products or services and of not becoming profitable.

Affordable Care Act Risks; Health Care Reform. In March 2010, the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act (collectively known as the “ACA”) became federal law in the United States. This law substantially changed the way healthcare is financed by both governmental and private third-party payors, and significantly affected the healthcare industry. The ACA included provisions that, among other things, changed numerous aspects of the federal healthcare programs, reduced and/or limited Medicare reimbursement to healthcare providers, required all individuals to have health insurance (with limited exceptions) and imposed new and/or increased taxes.

There is substantial uncertainty regarding the ACA’s future in light of recent and potential future judicial challenges and legislative amendments. Other legislative changes have been proposed and adopted in the United States since the ACA was enacted. Future federal healthcare reform measures have been proposed and will likely be adopted, in some form, in the future. Congress and the current Biden Administration have advocated for potential healthcare reforms with a purported focus on reducing prescription drug prices. Moreover, certain elected U.S. officials have proposed and are advocating for broader reform measures that would expand the role of government in providing healthcare coverage, including, for example, proposals for a single-payer system commonly referred to as “Medicare for All”.

It is difficult to predict the impact of the ACA and any future healthcare reform measures or proposals on the Funds and the healthcare and healthcare-related industries in which they invest. Certain of these proposals, if enacted, could have far-reaching implications for the healthcare and healthcare-related industries and the companies in which the Funds invest, including without limitation placing downward pressure on prices and potentially reducing revenues. Moreover, even if broader healthcare reform legislation is not enacted in the near term, continued advocacy for an expanded government role in healthcare and continued introduction of legislation promoting such changes by members of Congress could result in increasing uncertainty regarding the future direction of the healthcare, healthcare-related, and life sciences industries, which uncertainty could itself have material adverse effects on companies in which the Funds invest and, thereby, the Funds.

Various healthcare reform proposals have also emerged at the state level. Rock Springs cannot predict the impact that these federal and state healthcare reforms will have on the Funds or the companies in which the Funds invest. The ACA and other reforms may lower reimbursements for the products approved for sale in the United States, reduce medical procedure volumes relating to such approved products, impact demand for such products or the prices at which such products may be sold, which could have a material adverse effect on a company’s business, financial condition and results of operations, which may, in turn, negatively impact the Funds’ returns.

Technological Obsolescence. Certain healthcare and medical technology-related businesses are characterized by single-product focus and rapidly changing technologies. Success in a business with a single-product focus is particularly sensitive to technological changes and the development of alternative competing products. These changes and developments may render existing products and technologies obsolete.

Volatility in Market Value. The market value of healthcare and healthcare-related companies in general has been highly volatile, with significant price fluctuations that are often unrelated to the operating performance of particular companies.

Unanticipated Delays and Uncertainty of Product Development. Unanticipated problems may arise in connection with the development of new products or technologies, and many of such efforts could ultimately be unsuccessful. For example, in the United States, the Food and Drug Administration (“FDA”) is responsible for the approval of new drugs, the licensure of biological products, and the clearance or approval of medical devices (including some health-related software), under the Federal Food, Drug, and Cosmetic Act, the Public Health Service Act, and implementing FDA regulations. The FDA also regulates, and in some cases must grant prior approval for, clinical use in human subjects of investigational products. The FDA’s clearance, licensure, and approval processes are inherently unpredictable and in many cases the success or failure of the companies in which the Funds invest will depend on the outcome of these processes. The approval process for obtaining marketing authorization typically takes many years, and is extremely expensive and uncertain. In addition, as part of the process for obtaining marketing authorization, companies may need to conduct in vitro and in vivo preclinical studies involving animals, and may need to obtain FDA approval for, and conduct, clinical trials involving humans. Clinical trials may require submission, and FDA approval, of an investigational new drug application or an investigational device exemption prior to commencement of any clinical trials. In addition, clinical trials are subject to continuing oversight, including by the FDA, institutional review boards, and data safety monitoring boards. At any time, the FDA may place a clinical trial on partial or full clinical hold if, among other things, it believes that a clinical trial either is not being conducted in accordance with FDA requirements or presents an unacceptable and significant risk to clinical trial patients, including as a result of a serious adverse event, concerns with a class of product candidates or after an inspection of the clinical trial operations, trial sites or manufacturing facilities. Even if results from preclinical studies are favorable, the results in clinical trials on humans may differ, and results from initial clinical trials may not reflect those obtained in later stage trials. Preclinical studies and clinical trials are costly and lengthy and the results of these studies and trials are highly uncertain.

Notifications or applications to market a drug, biological product, or medical device may require different types of scientific data, which may include performance testing, in vitro and in vivo preclinical studies, and clinical studies. Even if a sponsor conducts all required scientific investigations to support a notification or application to market a drug, biological product, or device, the sponsor may nonetheless be unable to obtain marketing authorization for a candidate drug, biological product, or medical device for a number of reasons. If a company in which a Fund invests is unable to obtain these approvals in a timely fashion, or if after approval for marketing, a product is later determined to be ineffective or to have unacceptable side effects not discovered during testing, the company may experience significant adverse effects, which in turn, could negatively affect the performance of the Fund.

Delays in commercializing products may therefore result in the need to seek additional capital, potentially diluting the interests of investors. These various factors may result in abrupt advances and declines in the securities prices and/or valuation of particular companies in the healthcare industry and, in some cases, may have a broad effect on the prices of securities of companies in particular segments of the healthcare industry generally.

Investing in Pharmaceutical and Medical Device Manufacturers; Costs and Risks Associated with Regulatory Approval Over Products. The development, testing, manufacturing and marketing of products by pharmaceutical, biotechnology and medical device manufacturers are subject to extensive regulation by numerous governmental authorities in the United States and other countries. The process of obtaining marketing authorization for products from the FDA is typically costly and time consuming for pharmaceutical and medical device companies, and the success of certain of the Fund’s investments may be dependent upon obtaining such government approvals, licenses, or clearances. Even if the regulatory approval, licensure or clearance of a product is granted, the approval may be subject to

limitations on the uses for which the product may be marketed, or the conditions of approval may require costly post-marketing testing and surveillance to monitor the safety, purity, potency or efficacy of the product. Any adverse effects observed after the approval and marketing of the product could cause the withdrawal of the product from the marketplace. If a company in which the Funds invest is unable to obtain necessary regulatory approvals in a timely fashion, or if after approval for marketing, a product is later determined to be ineffective or to have unacceptable side effects not discovered during testing, such company may experience significant adverse effects, which in turn, could negatively affect the performance of the Funds.

Dependence on Single Products. Certain companies in which the Funds invest may only have one product under development. There can be no assurance that any such product will be approved, cleared, or licensed for marketing by the FDA or any other U.S. or non-U.S. regulatory agency. Further, competition to such product may develop from other new and existing products. In either case, if a company is dependent on one product, the consequences of such failure could be devastating to the prospects of such company, which in turn could negatively affect the performance of the Funds.

Third-Party Coverage and Reimbursement. The ability of certain companies in the healthcare, healthcare-related, and life sciences industries to commercialize certain of their products and product candidates and/or provide services depends, in part, upon the availability of reimbursement from third-party payors, such as federal and state government healthcare programs, private health insurers, managed care organizations, and other payors. Government and other third-party payors increasingly attempt to contain costs by limiting both coverage and level of reimbursement for certain products and services. If government and third-party payors do not provide adequate coverage and reimbursement levels for certain products and services, the market acceptance of those products and services may be drastically limited, with such limitation resulting in harm to the companies' businesses.

Investment in Companies Dependent Upon Scientific Developments and Technologies. The Funds invest in biopharmaceutical companies. Biopharmaceutical companies are subject to a unique set of risks, including: (i) rapidly changing science and technologies; (ii) new competing products and improvements in existing products which may quickly render existing products or technologies obsolete; (iii) exposure, in certain circumstances, to a high degree of government regulation, making these companies susceptible to changes in government policy and failures to secure, or unanticipated delays in securing, regulatory approvals, licensures, or clearances; (iv) exposure related to the outcome of clinical trials; (v) scarcity of management, technical, scientific, research and marketing personnel with appropriate training; (vi) actual or perceived safety and efficacy issues of their products; (vii) the possibility of lawsuits related to intellectual property rights; and (viii) rapidly changing investor sentiments and preferences with regard to healthcare sector investments (which are generally perceived as risky).

Risks Related to the Funds

Past Performance. The past investment performance of the Funds and the Principals should not be construed as an indication of the future results of an investment in any Fund. The Funds' investment programs should be evaluated on the basis that there can be no assurance that Rock Springs' assessment of the short-term or long-term prospects of investments will prove accurate or that the Funds will achieve their investment objectives. No assurance can be given with respect to the performance of any investment recommendations made by Rock Springs.

“Master-Feeder” Structure. The Feeder Funds generally will invest through a “master-feeder” structure. Although a common hedge fund structure, the “master-feeder” fund structure presents certain unique risks to Investors. For example, a smaller Feeder Fund investing in a Master Fund may be materially affected by the actions of a larger Feeder Fund investing in the Master Fund. If a larger Feeder Fund withdraws from a Master Fund, the remaining Feeder Funds may experience higher *pro rata* operating expenses, thereby producing lower returns. A Master Fund may become less diverse due to a redemption by a larger Feeder Fund, resulting in increased portfolio risk. The “master-feeder” fund structure and in particular the existence of multiple investment vehicles investing in the same portfolio may result in increased costs associated specifically with investing through a Master Fund (which are generally borne on a *pro rata* basis by the various entities investing in the Master Fund). In addition, to the extent the Feeder Funds’ assets are invested in a Master Fund, certain conflicts of interest may exist due to different tax considerations applicable to the various Feeder Funds.

Limited Liability; Obligation to Contribute. Subject to applicable law, an Investor will be liable for debts and obligations of the applicable Feeder Fund only to the extent of its capital account to which such debts and obligations are attributable. An Investor who receives a payment representing a return of any part of its capital contribution to the applicable Feeder Fund within six months before an insolvency of the applicable Feeder Fund will be liable to repay such payment to the extent that such capital contribution or part thereof is necessary to discharge a debt or obligation of the applicable Feeder Fund incurred during the period that the capital contribution represented an asset of the applicable Feeder Fund.

Risk Mitigation

Rock Springs seeks to mitigate these risks through a variety of mechanisms, including diversification, disciplined capital allocation, and limits on individual positions. The descriptions of risk factors contained above are a brief overview of different risks related to Rock Springs investment strategies; however, they are not intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise in connection with the management and operations of the Funds. In addition, key risk areas inherent to investing also include risks related to the operations and investment activities of the Funds, risks related to specific investments, and risks related to investing in non-U.S. jurisdictions.

In addition, certain of the Feeder Funds’ terms possess inherent conflicts of interest for Rock Springs, including without limitation in respect of incentive compensation (which may incentivize Rock Springs to take greater risks in investing the Funds’ assets due to its potential to share in the increased profits that might result) and the withdrawal provisions (which may incentivize Rock Springs to delay withdrawals to maximize the net asset value of the Funds in order to increase the amount of management fees or potential for incentive compensation). In addition, Funds and Investors may have conflicting tax and other interests with respect to their investments. As a consequence, conflicts of interest may arise in connection with decisions made by Rock Springs with respect to the nature or structuring of investments, that may be more beneficial for one Investor than for another, especially with respect to Investors’ individual tax situations.

It is recommended that Investors review the applicable Governing Fund Documents for a more complete discussion of the risk factors associated with the Funds.

Item 9: Disciplinary Information

Neither Rock Springs nor any of its officers, directors, or employees or other management persons, has been involved in any legal or disciplinary events that would require disclosure in response to this Item 9.

Item 10: Other Financial Industry Activities and Affiliations

The General Partner is the general partner of the Funds. While the General Partner is not separately registered as an investment adviser with the SEC, all of its investment advisory activities are subject to the Advisers Act and the rules thereunder. In addition, employees and persons acting on behalf of the General Partner, if any, are subject to the supervision and control of Rock Springs. The General Partner is also an “exempt commodity pool operator” under the rules of the Commodity Futures Trading Commission.

Rock Springs and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

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

Code of Ethics

Rock Springs has adopted a written Code of Ethics (the “Code”) that is applicable to all employees. Among other things, the Code requires Rock Springs and its employees to act in the clients’ best interests, abide by all applicable regulations, avoid even the appearance of insider trading, and pre-clear and report on many types of personal securities transactions. Rock Springs’ restrictions on personal securities trading apply to employees, as well as employees’ family members living in the same household and are designed to prevent personnel who have information regarding Rock Springs’ transactions or proposed transactions on behalf of the Funds from trading for their own accounts on the basis of such information.

Participation or Interest in Client Transactions

Related Persons have investments in the Funds and/or other accounts managed by Rock Springs. In addition, Rock Springs directs the Feeder Funds’ investments into the applicable Master Fund, for which the General Partner serves as general partner. As a result, Related Persons have interests in investments that may also be recommended to clients.

Personal Trading

Except for investment in the Funds or accounts (including any proprietary accounts) managed by Rock Springs, employees must pre-clear certain personal securities transactions, including listed equity transactions and securities obtained through a private placement, before completing the transactions. Rock Springs may deny any proposed transaction, particularly if the transaction poses a conflict of interest or if Rock Springs is planning on transacting in the same security at or about the same time on behalf of the Funds or any other account managed by Rock Springs. Employees are generally prohibited from trading healthcare-related securities (as determined by Rock Springs) as well as non-healthcare securities held by the Funds in their personal accounts (other than accounts managed by Rock Springs);

provided, however, any healthcare-related securities held by a Related Person at the time he or she became a Related Person may be sold pursuant to the pre-approval procedures set forth in the Code.

Employees are also required to provide annual reports of holdings and quarterly reports of securities transactions in “Reportable Securities” as defined in the Advisers Act. Employees must disclose all personal trading accounts initially upon commencement of employment and annually thereafter.

Rock Springs will provide a copy of the Code to any client, Investor or qualified prospective client or Investor upon request. To review a copy of the Code, please contact Rock Springs by telephone at (410) 220-0130.

Item 12: Brokerage Practices

Selection of Brokers and Dealers

Rock Springs has discretion in deciding which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid. See Item 16 below regarding investment discretion.

In selecting broker-dealers to effect portfolio transactions for the Funds, Rock Springs considers such factors as: the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected and the speed of error resolution, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of the broker-dealer; the quality, comprehensiveness and frequency of research and other related services considered to be of value; the state of the broker-dealer’s facilities and computer trading systems; the quality of a broker-dealer’s confidentiality program; and the competitiveness of commission rates in comparison with other broker-dealers satisfying Rock Springs’ selection criteria. Accordingly, if Rock Springs determines in good faith that the amount of commissions charged by a broker-dealer is reasonable in relation to the value of the brokerage and products or services provided by such broker-dealer, the Funds may pay commissions to such broker-dealer in an amount greater than the amount another broker-dealer might charge for effecting the same transaction. Rock Springs has a “best execution” committee which meets to evaluate the Funds’ brokerage arrangements.

It should be noted that when Rock Springs uses client brokerage commissions to obtain research and related services, Rock Springs receives a benefit because it does not need to produce or pay for the research or other products or services. In addition, Rock Springs has an incentive to select or recommend a broker or dealer based on its interest in receiving the research or other products and services, rather than on the Funds’ interests in receiving best execution.

Soft Dollar Benefits

Section 28(e) of the Exchange Act provides a safe harbor that allows an investment adviser to pay more than the lowest available commission in order to obtain brokerage and research services (commonly referred to as a “soft dollar” arrangement). This practice involves a conflict of interest, but Section 28(e) of the Exchange Act provides that it will not constitute a breach of Rock Springs’ fiduciary duty to the Funds if the services and products consist of “research” and “brokerage” services and products and certain other conditions are met. Rock Springs will only use soft dollars to obtain products and services that fall within the safe harbor provided by Section 28(e) of the Exchange Act (provided, that from time

to time, broker-dealers provide without being requested to do so, research or other products or services to most or all of their customers and Rock Springs accepts such products or services rather than producing or paying for the same from another provider). Where a product or service provided has both “eligible” uses under Section 28(e) (*i.e.*, uses related to Rock Springs’ investment decision-making process) and other uses, Rock Springs will allocate the cost of any such product or service between the eligible and non-eligible uses in good faith. Only the percentage of the product/service that is used for brokerage/research may be paid with soft dollars.

Research and brokerage services obtained by the use of commissions arising from the Funds’ portfolio transactions may be used by Rock Springs in its other investment activities. The Funds may not necessarily, in any particular instance, be the direct or indirect beneficiaries of such research or brokerage services. Because the Feeder Funds invest in Master Funds and all trading occurs at the Master Fund level, any soft dollar benefits that arise from client brokerage commissions paid by a Master Fund will benefit the Master Fund as the trading entity. To the extent that Rock Springs advises more than one entity that generates soft dollar benefits, Rock Springs will not necessarily allocate such benefits to the entities in proportion to the soft dollar benefits each entity generates. Rock Springs will allocate soft dollar benefits in a fair and equitable manner.

The types of products and services that Rock Springs received with client brokerage commissions in the past year included: research reports on companies, industries and securities; economic, market and financial data; access to broker-dealer analysts and corporate executives; and attendance at industry seminars and broker-dealer organized conferences.

Investor Introductions

Rock Springs may receive introductions to Investors through broker-dealers that execute trades on behalf of Rock Springs. Rock Springs does not believe that it pays any additional fees or higher commissions as a result of these introductions. Rock Springs seeks best execution on all transactions. However, Rock Springs has an incentive to select or use a broker-dealer based on receiving Investor referrals from that counterparty, rather than the Funds’ interest in receiving best execution. Rock Springs will only utilize a broker-dealer if the “best execution committee” has determined that the arrangement would be in the Funds’ best interest, including considering the factors set forth above in this Item 12.

Allocation of Investment Opportunities

Rock Springs has established and maintains policies and procedures, which it will amend from time to time, that it believes are reasonably designed to assure that investment opportunities which are suitable and determined by Rock Springs to be appropriate for more than one Fund are allocated among such Funds fairly and equitably over time and in a manner that is consistent with applicable law and contractual obligations (the “Allocation Procedures”). The Allocation Procedures do not guarantee that any Fund will invest in each opportunity that would be permissible or that it will invest any particular amount of its assets in an investment opportunity. Rather, Rock Springs evaluates the appropriateness of each investment opportunity that is potentially suitable for more than one Fund (including the relative amount to be allocated among participating Funds) based on Funds’ objectives, policies and restrictions, as well as a number of other factors specified in the Allocation Procedures and Fund Governing Documents.

Allocation decisions sometimes involve subjective determinations by Rock Springs.

Trade Aggregation

If Rock Springs determines to buy or sell the same security using the same trading parameters (*i.e.*, market vs. limit order, price, etc.) on behalf of more than one Fund at the same time, Rock Springs will generally, but is not obligated to, place an aggregated order for such accounts consistent with the duty to seek best execution. Where Rock Springs determines to implement a new investment or trading decision for a Fund on a contemporaneous basis, it expects to place such orders on an aggregated basis. Aggregated orders that result in partial fills will be allocated between participating Funds according to the Allocation Procedures.

Trade Errors

Trade errors may occur as a result of mistakes made on the part of broker-dealers, or mistakes on the part of Rock Springs' personnel including portfolio managers and traders. Trade errors are an intrinsic factor in any complex investment process, and will occur notwithstanding the exercise of due care and special procedures designed to prevent trade errors. Trade errors are, therefore, distinguishable from errors in judgment, due diligence or other factors leading to a specific trading instruction being generated, as well as from unauthorized trading or other improper conduct by personnel. Trade errors might include, for example, keystroke errors that occur when entering trades into an electronic trading system, failures of oral communication between the portfolio managers and traders or typographical or drafting errors related to derivatives contracts or similar agreements. Rock Springs maintains trade error policies and procedures. In accordance with such policies and procedures, to the extent any trade errors occur, they will be (i) corrected by Rock Springs as soon as practicable after their discovery and (ii) corrected in a manner such that any profit and loss as a result of such trade errors are minimized. Rock Springs will strive to correct all trade errors prior to settlement. Trade errors are considered to be one of the costs of the Funds doing business. Thus, any profit or loss that results from a trade error is left in the account of the applicable Fund. Broker-dealers that cause trade errors as a result of their own mistakes may be responsible for any losses that result from such errors. The applicable Fund shall be responsible for any losses resulting from trade errors and similar human errors (to the extent not borne by the relevant broker-dealer), absent Rock Springs' bad faith, gross negligence, willful misconduct or fraud.

Item 13: Review of Accounts

The Funds' portfolios are reviewed on a continuous basis. Rock Springs' investment personnel under the supervision of the Principals hold regular investment discussions regarding investment ideas, investment strategies, economic developments, current events, and other issues related to current portfolio holdings and potential investment opportunities.

In addition, Rock Springs reviews the accounts of the Funds on a monthly basis. During the month-end reconciliation process with the administrator, the finance team is primarily responsible for reviewing the accounts of the Funds. As part of that process, the finance team and the administrator reconcile the portfolios and profits and losses prior to the distribution of net asset value statements to Investors.

Subject to a Fund's Governing Fund Documents, Investors generally receive (i) monthly performance summaries; (ii) annual audited financial reports; and (iii) annual tax information necessary to complete any applicable U.S. tax returns. Investors in certain Funds may be provided commentary on such Funds' quarterly performance in quarterly investor letters.

Item 14: Client Referrals and Other Compensation

Rock Springs does not receive any economic benefits from non-clients in connection with the provision of investment advice to clients. Rock Springs may enter into arrangements with placement agents providing for payments to such agents of a one-time or ongoing fee, including fees based on a percentage of the management fee and/or the incentive compensation. If an Investor is introduced to the Funds through a placement agent, the arrangement, if any, with such placement agent will be disclosed to the Investor prior to any investment by such Investor.

Item 15: Custody

Rock Springs is deemed to have custody of the Funds' assets because of the authority that Rock Springs and/or its affiliated entities have over those assets. The Funds' financial statements are subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and the audited financial statements are distributed to each Investor. The audited financial statements are prepared in accordance with generally accepted accounting principles and distributed within 120 days of the Funds' fiscal year end.

Item 16: Investment Discretion

Rock Springs generally has discretionary authority to determine, without obtaining specific consent from the Funds or its Investors, the securities and the amounts to be bought or sold on behalf of the Funds. Any limitations on such authority are included in the respective Fund's Governing Fund Documents.

Item 17: Voting Client Securities

Rock Springs has voting authority and responsibility with respect to securities held by the Funds. Rock Springs' proxy voting policy is overseen and implemented by the Chief Compliance Officer and such other persons as may be appointed from time to time. Institutional Shareholder Services, Inc. ("ISS") has been retained to assist in the proxy voting process. Specifically, ISS (1) populates each vote based either on ISS' recommendation or on Rock Springs' voting instructions and/or (2) automatically submits Fund votes to be counted. Rock Springs has determined that in light of the resources necessary in connection with proxy voting, it is in the Funds' best interests to rely on the analysis and recommendations of ISS. Accordingly, ISS will generally vote proxies on behalf of the Funds in favor of management proposals, in accordance with ISS' Proxy Voting Guidelines, available at <https://www.issgovernance.com/>. In cases where ISS recommends a vote against a management proposal, ISS will notify Rock Springs of the upcoming vote and of the proposal(s) for which ISS is recommending a vote against management. Rock Springs will then request ISS' research report detailing the reasons for such recommendation(s). Rock Springs evaluates the report to determine whether to accept ISS' recommendation(s). In the event that Rock Springs decides to vote a proxy (or particular proposals within a proxy) in a manner different from ISS' recommendation, Rock Springs will document the reasons supporting the decision.

Rock Springs retains ultimate authority with regard to voting client securities and may override ISS' recommendation or choose to abstain from voting if it determines, in its discretion, that the vote is not in the best interests of the Funds. Rock Springs retains all required documentation associated with proxy voting. Rock Springs has the authority to vote a proxy (or particular proposals within a proxy) contrary

to ISS' recommendation, including in the event of a material conflict of interest. In the event of a material conflict of interest where Rock Springs does not intend to accept ISS' recommendation with regard to a proxy vote (or one or more proposals within a proxy), Rock Springs' Proxy Committee (as defined in Rock Springs' proxy voting policy) will review the particular proxy to determine whether a particular intended vote is in the Funds' best interests. In addition, Rock Springs requires ISS to notify it if ISS experiences a material conflict of interest in the voting of the Funds' proxies. If such material conflict of interest occurs, ISS procures independent research relating to such proxy vote and Rock Springs determines the appropriate vote.

Rock Springs may abstain from voting client securities if exercising voting authority would impose costs on the Funds, including opportunity costs resulting from restricting the use of securities for lending in order to preserve the right to vote. In general, Rock Springs believes it is in the Funds' best interests to abstain from voting client securities that have been lent to third parties, rather than to incur the cost of recalling those securities in order to vote the accompanying proxy.

A copy of Rock Springs' proxy voting policies and procedures and information about how Rock Springs voted proxies may be obtained by contacting Rock Springs at (410) 220-0130.

Item 18: Financial Information

Not applicable.