

## **FIRM BROCHURE**

**March 28, 2024**

### **NEW REPUBLIC CAPITAL, LLC**

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**This Brochure provides information about the qualifications and business practices of New Republic Capital, LLC (“New Republic” or “Firm” or “Adviser”). If you have any questions about the information contained in this brochure, please contact us at (704) 626-1526. 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.**

**New Republic is a registered investment adviser with the SEC. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.**

**This brochure does not constitute an offer, solicitation, or recommendation to sell or an offer to buy any securities, investment products or investment advisory services. Such an offer may only be made to eligible persons by means of delivery of governing documents that contain a description of the material terms relating to such investments, products, or services.**

**Additional information about New Republic Capital, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2: Material Changes**

This current annual amendment brochure is dated March 28, 2024, and replaces the 2023 annual amendment dated March 31, 2023. The 2023 annual amendment was filed on March 31, 2023. Material changes since the 2023 annual amendment are as follows:

Item 4: Updated Firm Description and Overview.

Item 4: Updated Regulatory Assets Under Management.

Item 4: Revised language regarding Investment Restrictions for the Funds and added that the Firm does not participate in wrap-fee programs.

Item 5: Updated fee schedule for Advisory Accounts and added language about fixed fees.

Item 6: Added language about fixed fees.

Item 7: Updated Types of Clients.

Item 8: Updated language about Risk Factors and Risk of Loss.

Item 11: Updated language describing Code of Ethics.

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## **Item 4: Advisory Business**

### **FIRM DESCRIPTION AND OVERVIEW**

New Republic Capital, LLC, a Delaware limited liability company and private investment management firm (“New Republic,” “NRC,” “we,” “our,” “us”, or “Firm”), was formed in 2020. We provide and/or perform investment management, advisory, consulting, and other services to affiliated pooled investment vehicles, high net worth individuals and families, separately managed accounts of various advisory clients and other persons and entities.

Our investment advice, investment advisory, management and other services is provided to each applicable client in accordance with the investment objectives, strategies, guidelines, restrictions, and limitations set forth in the applicable offering, governing and/or account documents, and the information and disclosures in this brochure are qualified in their entirety by the information and disclosures set forth in such other documents.

### **PRINCIPAL OWNERS**

We are a wholly owned subsidiary of NRP, LLC. For more information regarding our executive officers and ownership, please refer to Schedules A and B of Part 1 of Form ADV.

### **TYPES OF ADVISORY SERVICES**

#### **Funds**

We provide investment management, advisory and other services to affiliated pooled investment vehicles (the “Funds”) and other vehicles with respect to investments in securities, financial instruments, private investments and other assets, including co-investments and investments in other pooled investment vehicles (“Underlying Funds”), and separately managed accounts (“Underlying Accounts”), sponsored and operated by third-party or investment advisers or managers (“Underlying Managers”). We are responsible for investing and re-investing the assets of each Fund (and for the selection of Underlying Funds, Underlying Accounts and Underlying Managers) in accordance with the investment objectives, policies, limitations, and guidelines set forth in its offering and governing documents. Information about each Fund is set forth in its offering and governing documents. **See Item 8 below.**

#### **Advisory Accounts**

We provide investment advisory services to separately managed advisory accounts (“Advisory Accounts”) of various advisory clients with respect to investments in securities, financial instruments, private investments, and other assets, including investments in the Funds, Underlying Funds and Underlying Accounts. Our investment advisory services are provided in accordance with the terms, conditions, guidelines, and limitations set forth in the investment advisory agreement or other agreement between each Advisory Account client and us, and such agreements are on a discretionary or non-discretionary basis (or a combination thereof). We also provide consulting, administrative, financial planning, family office and/or other types of non-advisory services to certain advisory clients and/or other persons and entities. **See Item 8 below.**

#### **Other Services**

In addition to investment advisory management, and other services, we provide or perform cash management, estate planning, financial planning, philanthropy and charitable giving and other services to high-net-worth Advisory Account clients. **See Item 10 below.**

## **INVESTMENT RESTRICTIONS**

### **Funds**

We provide investment advice and investment management services to each Fund in accordance with the investment objectives, policies, guidelines, and limitations set forth in the applicable offering and governing documents, and not in accordance with the individual needs or objectives of any particular investor in that Fund. Investors generally will not be permitted to impose restrictions or limitations on the management of the Funds. However, the general partner of a Fund may enter into side letter agreements or similar arrangements with one or more investors in a Fund that have the effect of establishing terms and conditions that are more favorable to these particular investors than the terms and conditions included in the governing documents of the Fund. For example, these agreements may entitle an investor in a Fund to lower fees, information or transparency rights, most favored nations status, notification rights, or terms necessary or advisable in light of particular legal, regulatory, or public policy considerations of or related to an investor and/or other preferential rights and terms.

Interests in the Funds are privately offered only to eligible investors pursuant to exemptions under the Securities Act of 1933, as amended, and the regulations stemming from the Securities Act of 1933, as amended. The Funds rely on the exclusions to the definition of “Investment Company” provided by Section 3(c)(1) and Section 3(c)(7) of the Investment Company Act of 1940, as amended.

### **Advisory Accounts**

NRC provides investment advisory services to clients on an individual basis, taking into consideration each client’s investment objectives, goals, circumstances, and investment needs. We assist clients in understanding their individual risk tolerances and establish investment guidelines and objectives appropriate for each client. Clients may impose reasonable restrictions and limitations to NRC’s investment advisory services.

### **Wrap-Fee Programs**

NRC does not participate in wrap-fee programs.

## **REGULATORY ASSETS UNDER MANAGEMENT**

As of 12/31/2023, NRC managed \$794,962,681 in non-discretionary assets and \$1,492,508,481 in discretionary assets, totaling \$2,287,471,162 in assets under management.

## Item 5: Fees and Compensation

### SUMMARY OF FEE SCHEDULE

In consideration of our investment advisory, management, and other services, we and some of our affiliates generally are entitled to receive advisory and/or management fees and incentive distributions (or other performance-based compensation) from our clients. While the specific fees and expenses applicable to each client are disclosed and described in detail in the applicable offering, account and/or governing documents of such clients, a brief overview of our general fee schedule is set forth below.

#### Funds

Management fees differ or vary depending upon the class of interests acquired by investors:

- Class A Interests (Advisory Account Clients): Except as otherwise set forth in the applicable governing documents, no management fee generally is charged to Class A Interests at the Fund level. Upon termination of an investment advisory agreement, an Advisory Account client may become subject to management fees at the Fund level.
- Class B Interests (Non-Advisory Account Clients): We are entitled to receive a management fee, payable quarterly in advance ranging from 0.25% (1.0% per annum) to 0.375% (1.5% per annum) of the net asset value of a Class B investor's capital account, the aggregate capital commitment of that investor or the total invested capital of that investor (as applicable).

Our philosophy is that performance fees generally are charged at the investment level only; there is not a separate fee charged at the Fund level. Consistent with this philosophy, we or our affiliate may be entitled to receive carried interest from certain direct investment or co-investments (with respect to direct investments and co-investments only when no separate fee is charged by an Underlying Manager) where we or our affiliate act as an Underlying Manager, which may be borne by the Funds in connection with their investments therein.

While our fees generally are not negotiable, the general partner of a Fund may enter into side letters or similar arrangements that reduce or eliminate fees or carried interest amounts in certain circumstances (including with respect to certain investments made by the Funds) in accordance with the terms set forth in the applicable offering and governing documents of each Fund.

#### Advisory Accounts

In general, our advisory fees are 0.70% per annum of the asset value of each Advisory Account, although depending on the total assets under management may be as high as 1.25% per annum. Fee structures may also be grandfathered in according to previous arrangements with onboarded advisors. Fees are negotiable. We may agree to reduce, waive, or change fees with respect to all or part of an Advisory Account or enter into different fee arrangements with respect to certain clients (including employees). Fees generally are payable quarterly in arrears based upon the average daily asset value of the Advisory Account during the preceding calendar quarter. The fees payable with respect to each client generally are based upon various relevant factors including, without limitation, the size of an Advisory Account and the type and amount of services provided to an Advisory Account (or based on a client's prior agreement with us).

Subject to the terms and conditions set forth in the applicable advisory agreement of each Advisory Account, investors generally are subject to carried interest with respect to certain co-investments and direct investments to the extent such fees are not charged by an Underlying Manager, in which case such fees are paid to NRC for acting as the Underlying Manager. Such carried interest generally ranges from 10% to 20% of profits on distributions on a deal-by-deal basis (after expenses, a preferred rate of return to investors, and the return of contributed capital related to a specific investment if the investment is disposed or liquidated), provided that we may waive such carried interest for all investors with respect to certain investments. **See Item 6, Item 10 and Item 11 below.**

### DEDUCTION OF MANAGEMENT, ADVISORY AND OTHER FEES

#### Funds

With respect to each applicable investor, management fees may be charged (as applicable based upon the terms of the Fund) by deducting such fees directly from that investor's capital account, with capital contributions called from that

investor or by reducing distributions which would otherwise be made to that investor. In the event of a withdrawal by an investor other than as of the last calendar day of a calendar quarter, a *pro rata* portion of the management fee, based upon the actual number of days remaining in such quarter as of the date of withdrawal, are refunded by us to the applicable Fund for credit to such investor's capital account.

### **Advisory Accounts**

Advisory Account clients generally direct us to deduct (or otherwise instruct the applicable custodians of their accounts to deduct or pay) our fees directly from their custodial accounts. In certain cases, Advisory Account clients may be billed on a periodic basis for applicable fees and responsible for paying such fees directly to us by the applicable due date. Clients are generally billed on a quarterly or other periodic basis.

Our advisory and other agreements with clients typically do not have set expiration or termination dates. Such agreements may be terminated by us or the clients at any time upon at least sixty (60) days' advance written notice, or as set forth in the applicable agreements with each client. Fees may be prorated (i) with respect to withdrawals, on any date other than as of the end of a calendar quarter and (ii) with respect to contributions, on any date other than as of the beginning of a calendar quarter. In the event of termination of an advisory agreement, any unearned fees paid in advance are refunded to the client (minus any account expenses and reserves for expenses). Any Advisory Account clients investing in the Funds are required to comply with the fees, expenses and other terms and conditions set forth in the applicable Fund documents.

### **OTHER FEES AND EXPENSES**

#### **General**

In addition to the fees described above, clients generally bear and are responsible for all fees, costs and expenses incurred in connection with their Advisory Accounts and investments, including Sub-Advisory fees, which are outlined below. We also may charge fixed fees for cash management, estate planning, financial planning, philanthropy, charitable giving, and other services to high-net-worth advisory account clients.

We and our personnel can receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of clients that are not subject to any management or advisory fee offset or otherwise shared with clients, investors and/or portfolio investments. For example, airline travel or hotel stays incurred as client expenses typically result in "miles" or "points" or credit in loyalty/status programs, and such benefits and/or amounts, whether or not *de minimis* or difficult to value, are received exclusively by us and/or such personnel even though the cost of the underlying service is borne by clients, investors and/or portfolio companies.

#### **Underlying Manager Fees**

In addition to our fees, each Underlying Manager generally imposes or charges management or advisory fees and imposes or receives performance-based fees or allocations based upon realized and unrealized appreciation in the value of the assets managed or advised by that Underlying Manager. Underlying Managers and affiliates thereof may be entitled to receive certain additional fees and compensation with respect to Underlying Funds or underlying portfolio investments of Underlying Funds (such as operating partner fees and expenses or director fees), which may or may not result in an offset of or reduction to the management or advisory fees payable by a Fund or client. These fees generally are borne, directly or indirectly, by our clients (including the applicable Funds). **See Item 6 below.**

#### **Fund Expenses**

Subject to the terms set forth in its governing documents, each Fund generally bears or may bear, as applicable, (and reimburse us and our affiliates for) its allocable share (as determined by the applicable general partner in its discretion) of all costs, fees and expenses incurred in connection with or relating to the business, activities and operations of such Fund (and/or those of any special purpose, feeder or parallel investment vehicle). By way of a non-exhaustive list of examples, this may include expenses incurred in connection with the formation and organization of the Fund; legal and recording fees and expenses; professional fees (including, without limitation, expenses of consultants and experts) related to investments; accounting, auditing, and tax preparation expenses; custodial expenses; taxes; insurance; printing and mailing costs; investment expenses; communication and reporting expenses; expenses and costs of any meetings of the investors and the advisory committee; any and all fees and expenses related to third party research, publications, data and data services; costs relating to regulatory filings; the fees and expenses of the administrator; all fees and expenses associated with investments in the Underlying Funds, including, but not limited to, performance-based fees or allocations (or carried interests), management or advisory fees, investment-related expenses of the Underlying Funds, brokerage commissions, transaction expenses and other applicable fees and expenses charged by the Underlying Funds and Underlying Managers (including the Fund's allocable share of the fund expenses of any Underlying Fund); travel expenses and other expenses or costs incurred in connection with the business or investment activities of the Fund and

the investment due diligence process (which may include the cost of first or business class travel, meals, car services, lodging (including luxury class accommodations), international data and roaming, entertainment and incidentals); all expenses incurred in connection with any borrowing, indebtedness or credit facility utilized or incurred by such Fund; and other expenses associated with the operation of the Fund.

Expenses may be incurred by or relate to more than one of our advisory clients. We endeavor to allocate aggregate costs among the applicable clients (and, in certain cases, among us, our affiliates and applicable clients) in accordance with allocation policies and procedures which are reasonably designed to allocate expenses in a fair and equitable manner over time among such applicable clients. However, expense allocation determinations can involve potential conflicts of interest (e.g., an incentive to favor advisory clients that pay higher incentive fees or conflicts relating to different expense arrangements with certain clients). In general, we allocate expenses among applicable advisory clients on a *pro rata* basis based on assets under management or total amount invested or committed to invest (or the size of the investment made by each applicable client in the activity, entity, or investment to which the expenses relate). We may, however, use other methods to allocate certain expenses among applicable clients if we deem another method to be more appropriate based upon the relative use of a product or service, the nature or source of the product or service, the relative benefits derived by applicable advisory clients from the product or service, or other relevant factors.

Investors in Funds generally are required to bear out-of-pocket expenses and costs incurred in connection with investments and deals considered for such Funds that are not ultimately completed or consummated. These expenses could include (i) legal, accounting, advisory, consulting or other third-party expenses in connection with making an investment that is not ultimately consummated, and any related travel and accommodation expenses (whether incurred by us or third parties), (ii) all fees, costs and expenses of lenders, investment banks and other financing sources in connection with arranging financing for a proposed investment that is not ultimately made, and (iii) any break-up fees, deposits, or down payments of cash or other property which are forfeited in connection with a proposed investment that is not ultimately made. Co-investors typically bear their *pro rata* share of fees, costs and expenses related to the discovery, investigation, development, acquisition, due diligence or consummation, ownership, monitoring and disposition of their co-investments and may be required to pay their allocable share of fees, costs and expenses related to potential investments that are not consummated, such as break-up fees or broken deal expenses.

Please see applicable Fund documents for a complete list of expenses. Investors generally do not receive detailed information regarding specific expenses paid by the Funds.

#### **Custodial and Administration Fees.**

With respect to the Funds, custody, and administration fees, if any, are charged separately by the custodian or administrator and are in addition to the fees payable to us or an affiliate pursuant to the applicable governing, account and/or offering documents. Advisory Account clients generally are responsible for their share of any fees or expenses charged by third-party administrators or custodians. These fees and expenses are in addition to the fees payable to us.

As described in **Item 10**, the Bank is available to our clients to provide certain custodial and other services. There may be fees associated with such services applicable with respect to some or all clients.

As described in **Item 12** below, we generally recommend that Advisory Account clients utilize the custodial, brokerage, clearing and other services of one or more custodians (each, a “Custodian” and collectively, the “Custodians”). As compensation for its services, a Custodian may charge Advisory Account clients a flat rate custody-based fee (each, a “Custody Fee”) on assets held in their custodial account(s) at such Custodian. A Custody Fee may include trades executed through a Custodian either directly or indirectly but is not expected to include foreign currency

trades and certain other items that are charged directly to clients on a per execution basis. A Custody Fee would be in lieu of transaction-based brokerage commissions, would not vary based on the number or size of trades in client accounts, and would not include fees for trade away execution and services in connection with transactions effected through broker-dealers other than the applicable Custodian or its agents/affiliates. Each Custody Fee is charged quarterly in advance and calculated based on the average value of the custodial account on the last day of the past three calendar month ends. A Custody Fee is deducted by the Custodian directly from the custodial account of each applicable client and is in addition to the advisory fee charged by us. Additional fees and expenses are incurred for transactions executed by a broker-dealer other than the Custodians or their agents/affiliates, or if a custodian other than the Custodians or their agents/ affiliates is used. **See Item 12 below.**

### **Brokerage**

Clients generally are responsible for and pay all brokerage and counterparty fees and expenses. For Advisory Account clients who open custodial account(s) at a Custodian, each Custody Fee generally includes all U.S. trades executed through the applicable Custodian either directly or using Underlying Managers. Additional fees and expenses are incurred for transactions executed by a broker-dealer other than the Custodians or their agents/ affiliates. **See Item 12 below.**

### **COMPENSATION FOR THE SALE OF SECURITIES OR OTHER INVESTMENT PRODUCTS**

Except as otherwise disclosed herein, neither we nor any of our supervised persons accept compensation for the sale of securities or other investment products.

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

As disclosed in Item 5 above, we earn and receive performance or incentive-based fees and compensation from certain of our clients. However, we generally do not charge multiple levels of incentive-based fees. To the extent that any such fees are charged by an Underlying Manager other than NRC such fees are paid to the Underlying Manager only. However, we or an affiliate may be entitled to receive carried interest distributions when we act as the Underlying Manager and to the extent such fees are not charged by any other Underlying Manager. Any such performance-based fees are generally determined on an investment-by-investment basis and may be based on realized returns and/or meeting a pre-specified return or high-watermark.

Although the performance fee structure is the same for all clients, the amount of the performance fee is dependent on the applicable facts and circumstances with respect to each client's investments. As a result, some clients may have higher total performance fees than others. Carried interest distributions and performance-based fees and compensation could motivate us and/or the Underlying Managers, as applicable, to make investment decisions that are riskier or more speculative. The method of calculating the carried interest or performance allocations raises potential conflicts of interest with respect to the management and disposition of investments, including the sequence of dispositions. In addition, to the extent that performance-based fees and allocations are calculated on a basis that includes both realized and unrealized appreciation in portfolios based upon values assigned by us or an Underlying Manager (or an affiliate thereof), we or such Underlying Manager may face a conflict of interest in valuing those portfolios. Certain of our individual employees, agents, and affiliates (and employees, agents and affiliates of Underlying Managers) may be compensated to some extent based upon investment profits for which they are responsible and, accordingly, may face the same potential conflict. We attempt to address these conflicts through full and fair disclosure in the applicable governing, account and/or offering documents and/or this brochure and by monitoring Underlying Managers to detect any abuses.

We also may charge fixed fees for cash management, estate planning, financial planning, philanthropy, charitable giving, and other services to high-net-worth advisory account clients.

In an attempt to mitigate such material conflicts, we have developed, implemented and adopted written policies and procedures by which we aim to allocate investment opportunities that may be appropriate for more than one client in an equitable manner. This is based upon the applicable facts and circumstances of the client including, but not limited to, the size, investment objectives, focus, mandate or policies, risk tolerance, return targets, projected hold or investment periods, diversification requirements or considerations, permissible and preferred asset classes, and liquidity needs and requirements of each applicable client. Our policies generally seek to provide consistent treatment of our clients with similar investment objectives and guidelines to the extent practicable or appropriate. We prohibit the allocation of investment opportunities based solely on anticipated compensation or profits to us or our affiliates or their professionals. Investment recommendations and allocations also generally require the review and approval of the applicable investment committee of the Firm for allocations of opportunities that may be appropriate or suitable for multiple clients. Each client typically has its own investment guidelines, governing agreements and investment objective and strategy that must be taken into account when making investment allocation determinations.

## **Item 7: Types of Clients**

### **TYPES OF CLIENTS**

We provide advisory services to various types of clients including, without limitation, the Funds, individuals, high net worth individuals and families, charitable organizations, foundations, endowments, family offices, employees and other entities.

### **ACCOUNT REQUIREMENTS**

#### **Funds**

Each investor in a Fund must satisfy the eligibility and other requirements outlined in the applicable governing documents (including subscription documents and offering materials) or otherwise required by applicable laws. Investments in the Funds may also be subject to minimum initial investment amounts per investor, which may be waived by us or an affiliate. Any minimum investment amounts are set forth or disclosed in the applicable offering documents.

To invest in a Fund, each investor generally must be, among other things, an “accredited investor” (as such term is defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended, and a “qualified client” and may be required to also be a “qualified purchaser” (as such term is defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended, depending on the Fund.

#### **Advisory Accounts**

In general, our goal is for each client and/or its affiliates (other than employees) to ultimately have, in the aggregate, at least \$10 million in assets under our management, advisement or supervision, with exceptions made as the firm sees fit. Advisory Account clients are required to, among other things, enter into advisory agreements with us which set forth the nature and scope of our authority and the investment objectives, guidelines, limitations, and restrictions applicable to the management or advisement of their accounts. In addition, Advisory Account clients generally must meet various net worth, net asset and/or other eligibility requirements imposed by or applicable because of various securities and other laws.

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

### **METHODS OF ANALYSIS AND INVESTMENT STRATEGIES**

We achieve the investment objectives of the Funds and Advisory Accounts primarily by investing in, and/or allocating client assets to, Underlying Funds, Underlying Accounts, co-investments, and other financial instruments. We also generally recommend that Advisory Account clients invest and/or allocate assets to one or more of the Funds and certain Underlying Funds and/or Underlying Accounts.

We believe that in order to generate superior long-term investment returns and achieve client objectives, investment portfolios need to be globally diversified, contain exposures to private markets that complement public market investments, and include sources of return that are less correlated to traditional asset classes. Our investment team possesses the experience to evaluate investment opportunities and make capital allocation decisions across public and private market asset classes globally. To achieve this level of diversification and to lower overall portfolio costs, we favor utilization of both passive and active strategies. We generally favor utilizing active management within assets classes with the greatest level of inefficiency. Those inefficient asset classes are often characterized by high levels of manager performance dispersion. Successful manager selection requires a high level of skill and experience in order to select and access top investment talent.

NRC utilizes the existing manager and company relationships of the Firm across a wide range of asset types and sectors in order to: gain access to fund managers that have historically been oversubscribed and hard to access; find attractive co-invest opportunities; and source proprietary deals. NRC leverages the partners' reach to other large family offices globally, CIOs of sophisticated endowments and foundations, and leading private equity firms to generate original idea flow and thoroughly vet fund managers and management teams.

Our underwriting centers on four pillars: People, Philosophy, Process, and Performance. The Underlying Managers and Underlying Funds in which we invest often possess the following: unique competitive advantage that allows for consistent generation of alpha over time; proven ability to generate alpha in a specific area of expertise; strong, robust track record that we believe is sustainable over time; robust team and infrastructure to support the strategy over the long run; and a genuine relationship between the Underlying Manager and NRC.

We also consider various factors including, but not limited to, current market conditions and opportunities, the Underlying Manager's historical performance across various time periods and market cycles, the Underlying Manager's reputation, experience and training, the amount of leverage employed by the Underlying Manager, the correlation of an Underlying Account or Underlying Fund with existing Underlying Accounts and/or Underlying Funds, the investment and risk management philosophy and policies of the Underlying Manager, the stability of the Underlying Manager, the composition of the investor base of an Underlying Fund and the service providers and/or consultants used by the Underlying Manager. The Underlying Managers also may be involved in a variety of strategies, including but not limited to, long/short equity, credit relative value, distressed investing, managed futures, arbitrage, short-biased, long only or long-biased, quantitative, volatility, global macro, reinsurance, private equity, private credit, venture capital, and fixed income. We and the Underlying Managers may invest through both long and short positions in an unlimited range of securities, other financial instruments, private investments, and other assets throughout the world including, without limitation, equity, private equity, debt, bonds and other fixed-income securities, loans and loan participations, asset-backed securities, currencies, commodities, futures, forward contracts, warrants, options, swaps and other instruments and other derivative instruments. We and the Underlying Managers also may employ leverage and engage in various hedging strategies.

We also may invest directly in securities, financial instruments, private investments, and other assets. Our direct investments in private companies typically involve a partnership with a strong management team that needs capital to grow. We often work with management to develop an appropriate solution for the company's capital needs and endeavor to impact the company's success by using our experience and/or network. Our direct investments in private companies are concentrated in sectors in which our partners have prior investment and/or operating experience. We avoid competitive auction processes which enables us to invest at attractive prices. Direct investments may also be made to, among other things, express our views regarding an attractive investment opportunity or to affect a desired hedge.

We consider various factors when making investment decisions including, without limitation, appropriate diversification and correlation among current and prospective investments, liquidity terms that are appropriate for the

strategy, appropriate fee structures and appropriate alignment of interests between our client, us and/or Underlying Managers.

Investing in securities involves risk of loss that clients should be prepared to bear.

\* \* \* \*

The investment strategies and methods of analysis outlined above are not intended to be comprehensive or exclusive with respect to all clients or any particular client. The applicable methods of analysis and investment strategies generally may vary or differ with respect to each client. With respect to each Fund, the disclosures set forth above will depend on the governing documents of such Fund. For more information regarding the investment strategies, objectives, and guidelines applicable to any Fund, please see the applicable offering and governing documents of such Fund.

## **CERTAIN RISK FACTORS; RISK OF LOSS**

***There can be no assurance that clients achieve their respective investment objectives or that any investments made or recommended by us or our affiliates are profitable or successful.. An investment in any of the vehicles used by NRC, including the Funds, involves significant risk (including risk of complete loss) that each client should consider and be prepared to bear. The following non-exhaustive list highlights certain of these risks:***

***General Economic and Market Conditions.*** Our success is affected by and subject to general economic and market conditions, such as changes in interest rates, availability of credit and debt-related issues, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Funds' and the Underlying Funds' investments), trade barriers, unemployment rates, release of economic data, trade wars, tariffs, protectionist regulatory policies, currency exchange controls and national and international political circumstances and developments and other circumstances (including wars, epidemics and pandemics, terrorist acts, security operations and natural disasters), as well as changes in government policy precipitated by the foregoing. United States and global financial markets will, from time to time, experience turmoil, uncertainty, volatility and instability, potentially for protracted periods of time (such as was experienced in 2021-2023). These factors and others could cause volatility in securities prices, liquidity, the Underlying Accounts', and the Underlying Funds' investments. Volatility and/or illiquidity could impair our clients', the Underlying Accounts' and the Underlying Funds' profitability or result in losses. Unpredictable or unstable market conditions such as those experienced during the COVID-19 global pandemic and during the 2008 and 2009 recession) may also result in reduced opportunities to find suitable investments to deploy capital or make it more difficult to exit and realize value from our clients', the Underlying Accounts', and the Underlying Funds' investments. Such an event could also reduce the number of attractive investment opportunities, which could have an adverse effect on our clients, the Underlying Accounts, and the Underlying Funds.

Our clients, the Underlying Accounts and Underlying Funds could incur material losses even if we and Underlying Managers react quickly to difficult market conditions. There can be no assurance that our clients, the Underlying Accounts, and the Underlying Funds will not suffer material losses and other adverse effects from broad and rapid changes in economic and market conditions in the future.

***Force Majeure Risks.*** Force majeure is the term generally used to refer to an event beyond the control of the party claiming that the event has occurred, including acts of God, fire, flood, weather, earthquakes, war, terrorism, labor strikes, outbreaks of disease and other similar events. Force majeure events in the United States and elsewhere in the world may adversely affect our ability or the ability of parties with whom we do business to perform our or their respective obligations, under a contract or otherwise. In addition, the losses to NRC resulting from such force majeure events could be considerable. Repeated or prolonged service interruptions may result in permanent loss of customers, substantial litigation, or penalties for regulatory or contractual non-compliance. Force majeure events that are impossible or costly to cure may also have a permanent adverse effect on our clients, the Underlying Accounts and the Underlying Funds or their investments, and our clients', the Underlying Accounts' and the Underlying Funds' potential returns would be diminished as a result.

***Potential for Fraud.*** Although we conduct due diligence evaluations and investigations on all prospective Underlying Funds, Underlying Managers and other investments, there is a risk that we will be subject to fraud. Fraud is often difficult to detect and prevent. There is no assurance we will be able to prevent all types of fraud by parties with whom we and our clients transact business. The risk of fraud may be heightened or increased as a result of the current and ongoing COVID-19 global pandemic.

**Multiple Levels of Expense.** We and the Underlying Managers impose management/advisory fees and other administrative fees and expenses. In addition, many Underlying Managers impose performance-based fees or allocations on realized and unrealized appreciation in the value of client assets. This results in greater expense and less return on investment than if such fees and expenses were not charged. In addition, performance-based allocations or fees could give Underlying Managers an incentive to make investment decisions that are more risky or speculative, which poses a risk. The multiple levels of fees and expenses reduce overall profitability.

**Valuation Risks.** We generally value investments and assets in Advisory Accounts based upon valuations of underlying investments and other information provided by Underlying Managers, custodians and other third parties. We may not have sufficient information in order to be able to confirm or review the accuracy of valuation information and data provided by Underlying Managers and other third parties, which makes valuation difficult. Furthermore, valuation information received from Underlying Managers and other third parties may be estimates only that may be adjusted later as additional information becomes available. Such valuation estimates generally are used to calculate the net asset value and management fee accruals (to the extent applicable) in respect of client accounts to the extent that current audited information is not available.

We generally rely on the valuation information most recently provided by an Underlying Manager or other third party to us and any other factors deemed relevant by us at the time of such valuation. Such information may be materially inaccurate, including because the information available to us was insufficient, inaccurate, or out of date. We do not make adjustments to correct such determinations to reflect information that becomes available to us at a later date, although we may make such adjustments in our sole discretion.

In certain situations, we may value assets internally instead of relying on one or more third parties as described above. To the extent that we value securities and assets directly, we generally attempt to determine or estimate the value of such investments at their fair value in accordance with our valuation policies and procedures. We may face actual or potential conflicts of interest with respect to such valuations as they may affect our compensation. We may obtain independent appraisals and valuations of certain assets and investments at a client's expense.

**Unlimited Range of Strategies.** Our investment activities are not limited to the strategies or types of strategies described herein. Rather, we may pursue any investment strategy determined by us to be appropriate from time to time, in our sole discretion, without any notice to investors or clients (in accordance with the applicable offering and governing documents). This unlimited range of potential investments may include substantial investments in strategies not previously pursued by us and with which we and our personnel have limited experience. New strategies, assets and markets are likely to involve material and as-yet unanticipated risks. There can be no assurance that any of the investment strategies pursued by or on behalf of our clients will be successful.

**Equity Risks.** The value of equity and equity-linked securities varies with the performance of issuers and movements in the equity markets generally and for specific sectors. Not all positions can or are hedged by us and/or the Underlying Managers.

**Private Equity Investments.** Investments in private portfolio companies and other private equity assets are generally illiquid and involve a significant degree of financial and/or business risk. Portfolio companies may be highly leveraged and therefore may be more sensitive to adverse business or financial developments or economic factors. The profitability and survival of portfolio companies may depend on various factors including: their ability to access sufficient sources of debt and/or financing at attractive rates, competition, changing business or economic conditions or other developments, stage of development, management team, ability to generate cash flow to meet expenses and working capital requirements, make principal and interest payments on indebtedness, or make other required payments on commitments.

**Distressed Securities.** We and the Underlying Managers may invest in obligations of issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems and "below investment-grade" debt securities, including companies involved in covenant or payment default or in bankruptcy or other reorganization and liquidation proceedings. It may be difficult to obtain information as to the true condition of such issuers, and adverse interest rate movements and changes in the general economic climate or particular industries may have an inordinate impact on distressed securities. Additionally, such investments also may be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate, or disenfranchise particular claims.

**Derivatives.** We and the Underlying Managers use and may in the future use derivative instruments, including , options (including speculative positions such as buying and writing call options and put options on either a covered or an uncovered basis), futures, forward contracts, repurchase agreements, reverse repurchase agreements and many different types of swaps involving payments based on a wide range of risks.

In many cases, derivatives provide the economic equivalent of leverage by magnifying the potential gain or loss from an investment in much the same way that incurring indebtedness would. Many derivatives provide exposure to potential gain or loss from a change in the market price of a financial instrument (or a basket or index) that greatly exceeds the amount of cash or assets required to establish or maintain the derivative contract. As a result, relatively small price movements in the underlying financial instruments or other events or circumstances may result in immediate and substantial losses. Derivatives contracts may be written in a way that make it difficult or impossible to determine the fair value of our clients' or an Underlying Account's or Underlying Fund's interest in such contracts. Many derivative contracts involve exposure to the credit risk of the counterparty because our clients, the Underlying Accounts and the Underlying Funds acquire no direct interest in the underlying financial instrument, but instead depend on the counterparty's ability to perform under the contract. Derivative contracts do not convey any voting rights, which may make not possible to pursue legal remedies that would be available if an investment was made directly in the underlying financial instrument.

Many derivatives also involve substantial legal risk and uncertainty because the terms of the contract may be difficult to draft, apply, interpret and enforce, particularly in the context of unforeseen market conditions or events. In many cases, the counterparty has discretion (either pursuant to the express terms of the contract or in practice) to interpret the contract, make required calculations and demand or withhold payments in the manner most favorable to the counterparty and most unfavorable to our clients, the Underlying Accounts, or the Underlying Funds. An adverse interpretation or calculation under one derivative contract could trigger cross-defaults with other contracts and could have a materially adverse effect on our clients', Underlying Accounts' or Underlying Funds' liquidity and performance. Any dispute concerning a derivative contract could be expensive and time consuming to resolve, particularly given the potential for complex and novel legal issues and the involvement of multiple legal jurisdictions. Even a favorable resolution could come too late to prevent cross-defaults, trading losses and material liquidity problems.

**High-Yield Instruments.** High yield instruments are generally not exchange-traded and, as a result, these instruments trade in the over-the-counter marketplace, which is less transparent than the exchange-traded marketplace. High- yield instruments face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt instruments tend to be more sensitive to economic conditions than are higher-rated instruments. Companies that issue such instruments are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could disrupt severely the market for such instruments and may have an adverse impact on the value of such instruments. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such instruments to repay principal and pay interest thereon and increase the incidence of default of such instruments.

**Futures Contracts and Related Options.** Futures (i.e., commodity futures) and options transactions involve costs and may result in losses. Certain risks arise because of the possibility of imperfect correlations between movements in the prices of futures and options and movements in the prices of the underlying securities, securities index, currencies, or other commodities or of the securities or currencies in a portfolio which are the subject of the hedge (to the extent the client or an Underlying Manager uses futures and options for hedging purposes). The successful use of futures and options further depends on our and the Underlying Managers' ability to forecast market or interest rate movements correctly. Other risks arise from potential inability to close out futures or options positions, and there can be no assurance that a liquid secondary market exists for any futures contract or option at a particular time. The use of futures and options for purposes other than hedging is regarded as speculative. Certain regulatory requirements may also limit our or the Underlying Managers' ability to engage in futures and options transactions.

**Forward Contracts.** Forward contracts and options thereon, unlike futures contracts, generally are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade, and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices

with an unusually widespread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in forward markets due to unusually high trading volume, political intervention, or other factors. The imposition of controls by governmental authorities might also limit such forward (and futures) trading to less than that which we would otherwise recommend, to the possible detriment of our clients, the Underlying Accounts, and the Underlying Funds. Market illiquidity or disruption could result in significant losses.

**Options.** We and/or the Underlying Managers utilize options. Purchasing put and call options, as well as writing such options, entail greater than ordinary investment risks. Although an option buyer's risk is limited to the amount of the original investment for the purchase of the option, an investment in an option may be subject to greater fluctuation than is an investment in the underlying securities. In theory, an uncovered call writer's loss is potentially unlimited, but in practice the loss is limited by the term of existence of the call. The risk for a writer of a put option is that the price of the underlying securities may fall below the exercise price. The ability to trade in or exercise options may be restricted in the event that trading in the underlying securities interest becomes restricted.

Unlike exchange-traded options, which are standardized with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of over-the-counter options (options not traded on exchanges) are generally established through negotiation with the other party to the option contract. While this type of arrangement allows greater flexibility to tailor an option to certain needs, over-the-counter options generally involve greater credit risk than exchange-traded options, which are guaranteed by the clearing organization of the exchanges where they are traded.

**Swap Agreements.** Swap agreements and options on swap agreements are individually negotiated and can be structured to include exposure to a variety of different types of investments, asset classes or market factors. Depending on their structure, swap agreements may increase or decrease such Underlying Fund's exposure to, for example, long-term or short-term interest rates (in the United States or abroad), non-U.S. currency values, credit spreads, corporate borrowing rates, or other factors such as security prices, baskets of equity securities or inflation rates. Swap agreements can take many different forms and are known by a variety of names.

Swap agreements tend to shift our clients', the Underlying Accounts', and the Underlying Funds' investment exposures from one type of investment to another. For example, if an Underlying Fund agrees to exchange payments in dollars for payments in non-U.S. currency, the swap agreement would tend to decrease such Underlying Fund's exposure to U.S. interest rates and increase its exposure to non-U.S. currency and interest rates. Depending on how they are used, swap agreements may increase or decrease the overall volatility of our clients', the Underlying Accounts', and the Underlying Funds' portfolios. The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency, individual equity values or other factors that determine the amounts of payments due to and from our clients, the Underlying Accounts, and the Underlying Funds. If a swap agreement calls for payments by a client, an Underlying Account or an Underlying Fund, the client, Underlying Account or Underlying Fund must be prepared to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses by our clients, the Underlying Accounts, and the Underlying Funds.

Whether our clients', the Underlying Accounts', and the Underlying Funds' use of swap agreements or swaptions is successful depends on our and Underlying Managers' ability to select appropriate transactions for our clients, the Underlying Accounts, and the Underlying Funds. Swap transactions may be highly illiquid and may increase or decrease the volatility of our clients', the Underlying Accounts', and the Underlying Funds' portfolios. Moreover, our clients', the Underlying Accounts' and the Underlying Funds' bear the risk of loss of the amount expected to be received under a swap agreement in the event of the default or insolvency of its counterparty. Our clients, the Underlying Accounts and the Underlying Funds also bear the risk of loss related to swap agreements, for example, for breaches of such agreements or the failure of our clients, the Underlying Accounts, and the Underlying Funds to post or maintain required collateral. Many swap markets are relatively new and still developing. It is possible that developments in the swap markets, including potential government regulation, could adversely affect our clients', the Underlying Accounts', and the Underlying Funds' ability to terminate existing swap transactions or to realize amounts to be received under such transactions.

**Repurchase and Reverse Repurchase Agreements.** When a client, an Underlying Account or an Underlying Fund enters into a repurchase agreement, it "sells" securities to a broker-dealer or financial institution and agrees to repurchase such securities on a mutually agreed date for the price paid by the broker-dealer or financial institution, plus interest at a negotiated rate. In a reverse repurchase transaction, a client, an Underlying Account, or an Underlying Fund "buys" securities issued from a broker-dealer or financial institution, subject to the obligation of the broker-dealer or financial institution to repurchase such securities at the price paid by the client, Underlying Account or Underlying

Fund, plus interest at a negotiated rate. The use of repurchase and reverse repurchase agreements involves certain risks. For example, if the seller of securities to the client, Underlying Account or Underlying Fund under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the client, Underlying Account or Underlying Fund seeks to dispose of such securities, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganization under applicable bankruptcy or other laws, the client's, the Underlying Fund's, or the Underlying Manager's ability to dispose of the underlying securities may be restricted. It is possible, in a bankruptcy or liquidation scenario, that the client, Underlying Account or Underlying Fund may not be able to substantiate its interest in the underlying securities. Finally, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, the client, Underlying Account or Underlying Fund may suffer a loss to the extent that it is forced to liquidate its position in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller. Similar elements of risk arise in the event of the bankruptcy or insolvency of the buyer.

**Hedging Transactions.** We and the Underlying Managers utilize financial instruments both for investment purposes and for risk management (hedging) purposes. The success of the Underlying Accounts' and the Underlying Funds' hedging strategies depends, in part, upon our and the Underlying Managers' ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of our clients', the Underlying Accounts' and the Underlying Funds' hedging strategies is subject to our and Underlying Managers' ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While we and/or the Underlying Managers may enter into hedging transactions in an attempt to reduce risk, such transactions may result in a poorer overall performance for our clients, the Underlying Accounts and the Underlying Funds than if they had not engaged in such hedging transactions. For a variety of reasons, we or Underlying Managers may not seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent our clients, the Underlying Accounts and the Underlying Funds from achieving the intended hedge or expose the clients, the Underlying Accounts and the Underlying Funds to risk of loss.

**Non-U.S. Investments.** Investing in the financial instruments of companies (and, from time to time, governments) outside of the United States involves certain considerations not usually associated with investing in financial instruments of U.S. companies or the U.S. government, including political and economic considerations, such as greater risks of expropriation, nationalization, confiscatory taxation, imposition of withholding or other taxes on interest, dividends, capital gains or other income, limitations on the removal of assets and general social, political and economic instability; the relatively small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; the evolving and unsophisticated laws and regulations applicable to the securities and financial services industries of certain countries; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict investment opportunities. Non-U.S. jurisdictions also may impose taxes on a client and/or the partners in a Fund. If a Fund invests in a private foreign investment company ("PFIC") for U.S. income tax purposes and does not make a qualifying electing fund election with respect to such PFIC, such Fund and its partners may be subject to certain adverse tax consequences.

**Currency Exposure.** We and the Underlying Managers invest and may in the future invest in the securities of non-U.S. issuers and other instruments denominated in non-U.S. currencies, the prices of which are determined with reference to currencies other than U.S. dollars and engage in speculative trading in currencies themselves. In many cases, investments in currencies are made through financial instruments that involve embedded leverage, magnifying the risks associated with such investments. Fluctuations in the relative values of currencies could cause material losses for our clients.

**Currency Hedging.** While interests in the Funds and interests in many of the Underlying Funds are denominated in U.S. dollars, the underlying transactions of the Funds or the Underlying Funds may be denominated in various non-U.S. currencies. Accordingly, the value of a Fund's or an Underlying Fund's investments are affected favorably or unfavorably by fluctuations in currency exchange rates. We and/or the Underlying Managers may seek to hedge the foreign currency exposure of our clients and/or the Underlying Funds. There can be no assurance that any currency hedging or investment activities is effective or successful, and fluctuations in the relative values of currencies could cause material losses for our clients and/or the Underlying Funds. Furthermore, there can be no assurance that we or the Underlying Funds' attempt to hedge any overall currency exposures.

To the extent that we and the Underlying Funds enter into currency forward contracts (agreements to exchange one

currency for another at a future date), these contracts involve a risk of loss if a Fund or an Underlying Fund fails to predict accurately the direction of currency exchange rates. In addition, forward contracts are not guaranteed by an exchange or clearinghouse. There can be no assurance that investments suitable for currency shifts are available at the time we or an Underlying Manager wishes to use them or are able to be liquidated when we or the Underlying Manager wishes to do so.

**Corporate Debt.** We and the Underlying Managers may invest in bonds, notes, debentures, or other debt instruments issued by corporations. These instruments may pay fixed, variable, or floating rates of interest, and may include zero coupon obligations. We and the Underlying Managers may invest in corporate debt instruments that have experienced or are contemplated to experience ratings downgrades. Other instruments may have the lowest quality ratings or may be unrated. Credit ratings evaluate the safety of the principal and interest payments, not the market value risk of lower-rated instruments. Such ratings also do not reflect macroeconomic or systemic risk, including the risk of increased illiquidity in the credit markets. It is also possible that a rating agency might not change its rating of a particular issue on a timely basis and, as a result, outstanding ratings may not reflect the issuer's current credit standing. Conversely, rating agencies may re-rate an instrument which could cause substantial loss as the ratings are downgraded. Our clients', the Underlying Accounts' and the Underlying Funds' investments may experience significant credit rating volatility. In addition, our clients, Underlying Accounts and Underlying Funds may be paid interest in kind in connection with their investments in corporate debt and related financial instruments (e.g., the principal owed to a client, an Underlying Account, or an Underlying Fund in connection with a debt investment may be increased by the amount of interest due on such debt investment). Such investments may experience greater market value volatility than debt obligations that provide for regular payments of interest in cash and, in the event of a default, our clients, the Underlying Accounts and the Underlying Funds may experience substantial losses.

**Short Selling.** Short selling involves selling securities which may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows clients 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. The extent to which our clients, the Underlying Accounts and the Underlying Funds engage in short sales depends upon our and the Underlying Managers' investment strategies and opportunities. 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 our clients, the Underlying Accounts or the Underlying Funds of buying those securities to cover the short position. There can be no assurance that our clients, the Underlying Accounts, and the Underlying Funds are able to maintain the ability to borrow securities sold short. In such cases, a client, an Underlying Account, or an Underlying Fund can be "bought in" (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the security necessary to cover a short position is available for purchase at or near prices quoted in the market. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

**Illiquid Instruments.** Many investments made or recommended by us and the Underlying Managers (including interests in Underlying Funds) are illiquid and do not provide current income. Investments may be restricted and we and/or the Underlying Managers may be prohibited by contract from selling certain investments, as applicable, for a period of time or otherwise be restricted from disposing of such investments. In some cases, a substantial length of time may be required in order to liquidate investments. As a result, we and/or the Underlying Managers may be unable to sell or dispose of these investments at attractive prices, or otherwise unable to completely exit the investment. These risks can be further exacerbated by changes in national or international economic or market conditions and changes in laws, regulations, fiscal policies or political conditions of the United States and other jurisdictions, as well as decreased liquidity.

**Default and Credit Risks.** Debt obligations of corporate and government issuers involve the risk that the obligor either cannot or will not fulfill its obligations under the terms of the financial instrument. We, the Underlying Managers, our clients, the Underlying Accounts, and the Underlying Funds assume credit risk to their brokers, custodians, and other counterparties in connection with brokerage arrangements, derivatives and other contractual relationships. In evaluating credit risk, we, the Underlying Managers, our clients, the Underlying Accounts, and the Underlying Funds are often dependent upon information provided by the obligor, which may be materially inaccurate or fraudulent. Any actual default, or any circumstance that increases the possibility of such a default, could have a material adverse effect on our clients, the Underlying Accounts, and the Underlying Funds.

**Interest Rate Risks.** Debt securities and various other assets, as well as our clients', the Underlying Accounts', and the Underlying Funds' borrowings, subject such persons to risks associated with movements in interest rates.

**Leverage Risks.** The Funds and the Underlying Funds generally have the power to borrow funds and employ leverage as and when they deem appropriate, including, without limitation, entering into credit facilities with respect to the Funds. The use of such leverage can, in certain circumstances, increase the volatility of client performance and the risk of loss.

**Counterparty Risks.** Our clients may be exposed to the credit risk of counterparties with which, or the brokers, dealers, custodians, and exchanges through which, we or they deal in connection with the investment of assets, whether engaged in exchange-traded or privately negotiated transactions.

**Co-Investments.** Our clients may co-invest (directly or indirectly) with third parties through joint ventures or other arrangements. Such investments may include risks in connection with such third - party involvement resulting in negative impact on such investment, including the possibility that a third - party co-venturer may have financial difficulties, may have economic or business interests or goals that are inconsistent with those of our clients or may be in a position to take (or block) action in a manner contrary to the investment objectives of our clients. We may permit certain Advisory Accounts to co-invest alongside one or more of the Funds in Underlying Funds, which may present actual or potential conflicts of interest.

**Investments in Technology-Related Companies.** We and/or Underlying Managers may acquire positions in the securities of technology-related companies. “Technology-related companies” generally means companies engaged in offering, using, producing, selling, distributing, or developing products, processes or services that are expected to provide or benefit significantly from technological advances and improvements. Investments in technology-related companies are subject to a number of risks. For example, competition among technology companies may result in increasingly aggressive pricing of their products and services, which may affect the profitability of such companies. In addition, technology-related companies (i) generally have limited operating histories, narrower product lines and smaller market shares than other businesses, which may render them more vulnerable to competitors’ actions and market conditions, as well as general economic downturns; (ii) are more likely to depend on the management talents and efforts of a small group of people, and as a result, the death, disability, resignation or termination of one or more of these people could have an adverse impact on the operations of any technology-related company; (iii) generally have less predictable operating results; (iv) may from time to time be parties to litigation; (v) may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence; (vi) may require substantial additional capital to support their operations, finance expansion or maintain their competitive position; and (vii) can be significantly affected by short product cycles, falling prices and profits, competition from market entrants and general economic conditions.

**Healthcare – Industry Risks.** We and/or the Underlying Managers invest and may invest in healthcare-related companies and in companies operating in the healthcare industry. Many healthcare-related companies are smaller and less seasoned than companies in other sectors. Healthcare-related companies may also be strongly affected by scientific or technological developments and their products may quickly become obsolete. Healthcare-related companies offer products and services that are subject to governmental regulation and may be adversely affected by changes in governmental policies or laws. A number of legislative proposals concerning healthcare have been considered and/or enacted by the U.S. Congress in recent years. We cannot predict what proposals will be enacted or what effect such proposals may have on healthcare-related companies. In addition, the Affordable Care Act (“ACA”) has helped to reshape the healthcare industry. Court decisions regarding the ACA could also positively or negatively affect the healthcare industry at large.

#### Other General Risks

**Cyber Security Breaches and Identity Theft.** With the increased use of information technology system to conduct business, we, our clients, and the funds may be susceptible to operational, information security and related risks. Cyberattacks 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. Cyberattacks 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). Despite the diligence that we may perform on our or our clients’ service providers, we may not be in a position to verify the risks or reliability of such information technology systems. We, our clients, the Funds, and our service providers are subject to risks associated with a breach in cybersecurity. Although we have implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time, or cease to function properly, we may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in our operations and result in a failure to maintain the security, confidentiality, or privacy of sensitive data, including personal information

relating to investors (and the beneficial owners of investors). Such a failure could harm NRC, give rise to legal claims, and may cause losses to our clients or individual investors by interfering with our operations and/or the operations of the Funds. Cybersecurity issues and risks are currently a major focus area of the SEC and other regulatory authorities. We utilize and rely on the services of the Fairview Cyber team; we do not have our own independent IT team or personnel.

***Transactions with Investors and Co-Investors.*** We and our affiliates from time to time engage in transactions with actual or prospective investors in a Fund, advisory clients and co-investors that entail business benefits to such investors or clients. Such transactions may be entered into prior to, or coincident with, an investor's admission to a Fund (or commitment to co-invest) or during the term of their investment. The nature of such transactions can be diverse and may include benefits relating to one or more advisory clients and their respective investments or portfolio companies. Examples include the ability to co-invest alongside advisory clients, sales of companies or assets to investors or clients, loans to co-investors or joint venture partners by us or our affiliates. An advisory client may sell investments to any third party, including investors in a Fund or any advisory clients. Any such transaction is disclosed to our clients and made in accordance with any approval requirements contained in the Fund documents.

***Tax Law Developments.*** In December 2017, a significant reform of the U.S. Internal Revenue Code of 1986, as amended (the "Tax Code"), was signed into law (the "Tax Act"). There are significant uncertainties regarding the interpretation and application of the Tax Act. Among the numerous changes included in the Tax Act are (i) a reduction to the corporate income tax rate, (ii) new limitations on the utilization of net operating losses, (iii) partial limitations on the deductibility of business interest expense, (iv) a partial shift of the U.S. taxation of multinational corporations from a tax on worldwide income to a territorial system (along with a transitional rule which taxes certain historic accumulated earnings and rules which prevent tax planning strategies which shift profits to low tax jurisdictions), and (v) a suspension of certain miscellaneous itemized deductions, including deductions for investment fees and expenses, until 2026. While additional guidance on the Tax Act is expected, the timing, scope and content of such guidance are not known. Changes to the Tax Code made by the Tax Act and any further changes in tax laws or interpretation of such laws may be adverse to advisory clients and/or investors in a Fund.

***Presentation of Performance.*** For most clients, especially those that are pooled investment vehicles, net performance is calculated on an aggregate basis after taking into account all fees and expenses actually borne by investors in the client as a group but does not take into account any taxes borne or deemed to be borne by investors (such as taxes applicable to an investor because of its domicile). With respect to any particular investment vehicle, differences in timing of an investor's investment to the vehicle and the economic and other terms applicable to certain investors therein may increase or decrease the net performance information realized by such investors and, accordingly, the actual net performance information of a particular investor may differ from the net performance information disclosed to such investors.

***Public Health Risks, Epidemics, and Pandemics.*** Countries have been susceptible to public health risks, such as the recent COVID-19 pandemic. In response to the spread of COVID-19, maybe businesses encouraged or mandated that their personnel work from home at times in an effort to help slow the spread of the COVID-19 pandemic and other susceptible diseases. Notwithstanding such precautionary measures, NRC cannot guarantee that it will not experience a significant increase in illness of its personnel, and thus a negative impact on its business operations, due to a pandemic variant in the future.

***Government Intervention.*** Government interventions (such as those during the COVID-19 global pandemic and the 2008 recession) have been and may be implemented on an "emergency" basis, with little advance notice, thereby substantially reducing or eliminating market participants' ability to anticipate or react to such interventions, to implement certain investment strategies or to manage the risk of outstanding positions. In addition, these interventions have been and may be unclear in scope and application, resulting in confusion and uncertainty, which in itself can be materially detrimental to the efficient functioning of the markets or the economy or the Funds' investment strategies. If governmental intervention programs or actions are unwound, there could likewise be uncertainty and adverse effects on the markets and economy and the Funds', the Underlying Funds', and the Underlying Accounts' investment strategies. Future government interventions are impossible to predict. For all of the foregoing reasons, among others, governmental interventions and other actions could have a material adverse effect on the Funds, the Underlying Funds, and the Underlying Account'.

***Privacy Law Compliance Risk.*** Compliance with current and future privacy data protection and information security laws and regulations ("Privacy Laws") could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention, and safeguarding of personal data and current and planned

business activities of the Funds, the Underlying Funds, the Underlying Accounts and their respective investments, and as such could increase costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws could result in liabilities, fines, sanctions, or other penalties and orders, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Fund performance. As Privacy Laws continue to develop and are implemented, compliance costs for the Funds are likely to increase.

**THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE DESCRIPTION OF ALL OF THE RISKS THAT ARE OR MAY BE ASSOCIATED WITH A FUND'S INVESTMENT STRATEGIES OR AN INVESTMENT IN THE FUND.**

## **Item 9: Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of New Republic or the integrity of New Republic's management.

New Republic has no disciplinary history to report for the firm, its owners, or its employees.

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

### **BROKER-DEALER REGISTRATION**

Some of our management persons and associates are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

### **COMMODITY POOL OPERATOR AND COMMODITY TRADING ADVISOR REGISTRATION**

Neither we nor any of our management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of any of the foregoing entities.

### **RELATED GENERAL PARTNERS/MANAGING MEMBERS**

We are affiliated with or under common control with various general partners/managing members of the Funds. We directly or indirectly enter into investment management agreements with the Funds pursuant to which each Fund engages and retains us to serve as investment manager with respect to such Fund and the general partner or managing member of such Fund delegates exclusive discretionary investment management authority to us. Any such general partner, managing member or similar entity with respect to a Fund generally is under common control with us and subject to our compliance policies and procedures.

### **AFFILIATED BANK**

We are affiliated with New Republic Bank (“Bank”), a North Carolina State-Chartered Bank, through common ownership. The Bank is a wholly owned subsidiary of New Republic Partners, Inc., which is a “bank holding company” and is registered as such with the Board of Governors of the Federal Reserve System pursuant to 12 U.S.C. §1842 and the regulations of the Board of Governors of the Federal Reserve System thereunder. Clients are under no obligation to open accounts with, or become clients of, the Bank. However, a client who is or becomes a customer of the Bank may be able to access various products and services of the Bank and such products and services may be provided on terms that are more than or less favorable than would otherwise be available. Conflicts of interest may exist with respect to clients who maintain an account with the Bank. In particular, the Bank encounters conflicts in the event a defaulting client also has assets in the Bank. Clients who use the Bank consent to such conflicts in advance. In addition, the Bank conducts any transactions with us or any other affiliate in accordance with the standards set forth in Regulation W, which provides safeguards with respect to affiliated transactions including requirements that transactions between banks and their affiliates be on comparable terms and conditions as transactions with non-affiliates (for instance, market terms).

### **OTHER ACTIVITIES OF PRINCIPALS, OFFICERS, AND AFFILIATES**

Certain of our officers, principals, management persons and other affiliated persons and entities hold or may hold direct and/or indirect personal investments in various entities, companies, investments and assets/properties, including public companies, private investment partnerships, limited liability companies, trust companies and family investment vehicles/offices, and serve or may serve on boards of directors, investment committees and advisory boards for certain companies or businesses (including publicly traded companies, trust companies and family investment vehicles or offices). We do not believe that these investments and positions raise material conflicts of interest with clients or otherwise result in relationships or arrangements by such persons with any related person that would be material to our advisory business or our clients.

### **SERVICE PROVIDERS**

Certain vendors, advisors, and other service providers of or to us and our clients may also have business, personal, and/or financial relationships with NRC and our affiliates (including their employees and agents). Such advisors, vendors and service providers may include accountants, administrators, lenders, bankers, brokers, attorneys, consultants, and/or

investment or commercial banking firms (“Service Providers”). Such Service Providers may be investors in, or co-investors with, one or more Funds or clients, sources of investment opportunities to any Fund or client, or commercial counterparties of us or any Fund or client. Additionally, NRC, its affiliates, and their employees may have family members or relatives that are employees of, investors in, consultants to, or otherwise have business relationships with, a Service Provider or an affiliate thereof. Service Providers may be asked to, and may, support charitable causes which we, our affiliates and their employees also support or with which they are otherwise affiliated. These relationships may influence us in deciding whether to select or recommend such a Service Provider to perform services for a Fund or client. Notwithstanding the foregoing, we only select a Service Provider to perform services for a Fund or client to the extent we determine that doing so is appropriate for such Fund or client given all surrounding facts and circumstances and is consistent with our responsibilities under applicable law and the offering and governing documents of such Fund or client, provided, however, we do not necessarily seek out the lowest-cost option when engaging such Service Providers as other factors or considerations may prevail over cost.

In certain circumstances, Service Providers or their affiliates may charge different rates or have different arrangements for services provided to us or our affiliates as compared to similar services provided to a Fund or client. In certain circumstances, such different arrangements result in us or our affiliates’ paying more favorable rates, or being subject to more favorable arrangements, than those to which the Funds or other clients are subject. NRC has no obligation to obtain similar benefits (*e.g.*, rate reductions or discounts) for the Funds or other clients.

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

### **CODE OF ETHICS**

We have adopted and implemented a Code of Ethics that sets forth standards of ethical conduct for personnel and is designed to address and avoid potential conflicts of interest in accordance with the requirements set forth in Rule 204A-1 under the Advisers Act. Among other things, the Code of Ethics prescribes standards for dealing with clients ethically, addresses conflicts of interest issues, and supplements personal trading and operating procedures, including our insider trading policies and procedures (including policies with respect to material, non-public information). The Code places restrictions on personal trades by Employees, including that they disclose their personal securities holdings and transactions to NRC on a periodic basis, and requires that Employees pre-clear certain types of personal securities transactions. NRC and its Employees may invest on behalf of themselves in securities that would be appropriate for, held by, or may fall within the investment guidelines of Clients, subject to a pre-clearance process for certain types of transactions. The Code of Ethics provides guidance in specific areas, including but not limited to, confidentiality of NRC information, personal investments, gifts and entertainment, protection of persons who engage in “whistle blowing” activities from retaliation and personal political activities. All our supervised persons must annually confirm that they have read and understand the Code of Ethics and the policies and procedures therein, including the personal securities trading policy. This Code of Ethics is available to clients, investors or prospective clients or investors by writing to New Republic Capital, LLC, 521 East Morehead Street, Suite 100, Charlotte, North Carolina 28202.

In addition to the Code of Ethics, we have prepared and adopted a compliance manual which sets forth various additional compliance policies and procedures with respect to NRC and its business including various procedures and policies that are reasonably designed to ensure compliance by NRC and its personnel with the Advisers Act and other applicable securities laws.

### **CROSS TRANSACTIONS**

A cross transaction occurs when one client of an adviser sells an investment directly to, or purchases an asset directly from, another client of the adviser.

From time to time, subject to the terms and disclosures set forth in the applicable governing and account documents of the applicable clients, we may engage in transactions between or among two or more clients (each, a “Cross Trade”), or may otherwise cause two or more clients to engage in a Cross Trade (including Funds in which we and our affiliates and their respective employees are investors or in which we may have a financial interest due to performance-based compensation allocable or payable to us or an affiliate by such Fund or client). Cross Trades may be effected for various reasons including, without limitation, for tax or regulatory related purposes, liquidity purposes, to rebalance the portfolios of the applicable Funds or other clients or reduce transaction costs that would otherwise be incurred in open-market transactions. Cross Trades may benefit or be beneficial to such Funds or other clients because, among other things, they can eliminate or reduce certain transaction costs and/or facilitate the efficient rebalancing of the portfolios of such Funds or other clients. However, they also create conflicts of interest because, by not exposing buy and sell transactions to market forces, such Funds or other clients may not receive the benefits of best price or, an adviser might seek to increase the performance of one Fund or client by selling its under-performing assets to another Fund or client in order, for example, to earn higher fees.

A Cross Trade may not end up being beneficial or favorable to one or more of the applicable Funds or clients who participated in such Cross Trade.

When entering into, or causing Funds or other clients to enter into, a Cross Trade, we generally seek to execute such transactions at the current market price of the applicable security using current sales data (generally the closing price on a securities exchange), or a mid-market price, in each case, as determined by us in our discretion (and in accordance with our applicable valuation policies and procedures). We do not charge or receive any commission or transaction-based fees or similar compensation directly in connection with any Cross Trade (other than any management fees and performance-based fees or allocations applicable to the relevant Funds or clients), but the applicable Funds or clients that are parties to such Cross Trade may pay, or be subject to, fees and expenses charged by third parties, such as executing brokers, in connection with any Cross Trades executed through the market. No brokerage commission, fee (except for any third - party customary transfer fees), or other remuneration generally is paid in connection with Cross Trades between or among the Funds or other clients that are not executed through the market (such as an “internal cross trade”). Notwithstanding the foregoing, we utilize commercially reasonable efforts to ensure that any Cross Trade entered into are in compliance with the terms and conditions set forth in the applicable governing and account documents of the participating clients.

## **PRINCIPAL TRANSACTIONS**

We, as investment adviser or manager, or an affiliate, may in certain limited circumstances engage in principal transactions with clients (i.e., transactions in which we or an affiliate is deemed to be acting for our or its own account by buying a security from, or selling a security to, a client). These transactions involve and raise conflicts of interest between our own interests and those of the applicable client(s).

We establish and implement policies and procedures reasonably designed to comply with the Advisers Act when engaging in principal transactions with clients. Additionally, investment guidelines and a client's governing or account documents may limit or restrict or prohibit principal transactions (including terms and restrictions that are more restrictive than what is required pursuant to the Advisers Act).

In the event that we desire to engage in such a principal transaction, we comply with our internal policies and procedures relating to principal transactions and the terms, conditions and guidelines set forth in the applicable governing, account and/or offering documents of the applicable clients.

In certain cases, a principal transaction may arise or occur prior to the initial closing of a client (for example, where an affiliate warehouses an investment prior to selling it to a client after its closing). Details of any such transaction typically are disclosed in the offering documents of such client and the consent of all investors in such client is obtained in connection with their subscriptions for interests in such client. In other cases, principal transactions may occur after a client has held its initial closing. In those cases, either the client or an independent representative of the client must receive notice of the transaction and consent to the transaction prior to us or an affiliate entering into the transaction. A limited partner advisory committee may be established by a Fund to, among other things, receive notice of, advise on and provide consent on behalf of such Fund to certain conflicts of interest matters, including principal transactions. With respect to Advisory Account clients (other than the Funds), we typically notify such clients or duly appointed, independent representatives of such clients to obtain their consent to any principal transactions.

## **MATERIAL, NON-PUBLIC INFORMATION**

From time to time, we or an affiliate may come into possession of material non-public information. This may occur, for example, where an employee or other representative of us or an affiliate is a director or officer of a company or such affiliated person becomes otherwise aware of material non-public information. In the event that we or our affiliates are in (or deemed to be in) possession of material non-public information, we place the issuer or security on our restricted list and we are unable to use such information for the benefit of any of the Funds or other clients. Our possession of such material non-public information may, therefore, cause the Funds and other clients to be prohibited from trading the securities of the issuer until such time as the information is made public.

## **OTHER POTENTIAL CONFLICTS**

The legal, account, organizational and governing documents of a Fund, an advisory agreement between us and a client or the agreements in respect of investments establish complex arrangements among the applicable parties, including between us and our clients and the investors and the Funds. Questions may arise from time to time under these agreements regarding the parties' rights and obligations in various circumstances, many of which may not have been contemplated or known at the time of the agreements' drafting and execution. In these instances, the operative provisions of the agreements, if any, may be broad, general, ambiguous or conflicting, and may permit more than one reasonable interpretation. At times there may not be a provision directly applicable to the situation. While we construe the relevant agreements in good faith and in a manner consistent with its legal obligations, the interpretations adopted may not be, and need not be, the interpretations that are the most favorable to a Fund or client.

## Item 12: Brokerage Practices

### BROKERAGE SELECTION

We have discretion to select brokers-dealers and other counterparties to execute transactions in securities and other instruments for clients. We are obligated by law and under our agreements with clients to seek to obtain the best prices and executions for orders executed for our clients. In doing so, we take into account quantitative and qualitative factors affecting the execution quality of portfolio transactions and other considerations deemed relevant or appropriate by us. In particular, we review or consider various factors and considerations, such as the experience of the broker or the dealer, its ability to handle the order to the best advantage of the client, the nature of the investments to be bought or sold, special circumstances affecting the instrument (e.g., redemption features), and the overall price of the order. As a result, although we seek competitive commissions and spreads, we may not necessarily obtain the most competitive price/ commission/spread for securities transactions. From time to time, brokerage firms may provide services to us or an affiliate in addition to order execution. Certain large investment banks that may act as service providers to us and our affiliates, clients and other persons may also invest in a Fund or other client (directly, or by sponsoring a feeder fund). From time to time, we may select brokers and dealers who are owned in part by a client to execute transactions in securities and other instruments for another client. In addition, as disclosed in **Item 10** above, we may utilize the Broker-Dealer in connection with transactions with respect to our clients.

In general, we recommend that Advisory Account clients establish accounts at, and receive custody, clearing, brokerage and other services from, the Custodians. Nevertheless, clients are ultimately responsible for deciding whether or not to open custodial accounts at a Custodian. We are independently owned and operated and are not affiliated with any Custodian.

As compensation for its services, a Custodian may charge Advisory Account clients a flat rate custody-based fee (each, a “Custody Fee”) on assets held in their custodial account(s) at any such Custodian. A Custody Fee may include U.S. trades executed through the applicable Custodian either directly or indirectly but may not include foreign currency trades and certain other items that are charged directly to clients on a per execution basis. A Custody Fee is in lieu of transaction-based brokerage commissions, does not vary based on the number or size of trades in client accounts, and does not include fees for trade away execution and services in connection with transactions effected through broker-dealers other than the applicable Custodian or its agents/affiliates. Additional fees and expenses may be incurred for transactions executed by a broker-dealer other than the Custodian or their agents/affiliates. See **Item 5** above for details about how a Custody Fee would be calculated and debited from accounts.

The appropriateness of a Custody Fee for any client may depend on a number of factors including, among others, the client’s investment objectives and financial situation, our investment strategies and trading patterns, including the frequency of trading and the number and size of transactions. If the number of transactions in an Advisory Account is low enough in any particular period, any applicable Custody Fee may exceed the commissions that would otherwise have been charged for transactions effected in such period.

The Custodians also make available other products and services that benefit us but may not directly benefit our clients. Some of these other products and services assist us in managing and administering Advisory Accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution; provide pricing information and other market data; facilitate payment of our advisory fees from Advisory Accounts; and assist with back-office functions, recordkeeping and client reporting. Some of these services generally may be used to service all or a substantial number of our clients, including accounts not maintained at a Custodian. The Custodians also make available to us other services intended to help us manage and further develop our business enterprise, including publications on information technology, regulatory compliance and marketing.

While we endeavor to act in the best interests of our clients, our recommendation that clients maintain their assets in accounts at a Custodian may be based in part on the benefit to us of the availability of some of the foregoing products, services and arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by the Custodians, which may create a conflict of interest.

NRC urges you to compare the balances reported by the third-party custodian to those reported by NRC.

Brokerage practice descriptions apply to Schwab, Fidelity, Fiduciary Trust, Pershing, UBS, Goldman Sachs, and Bank of America.

## **SOFT DOLLARS**

In addition to execution, the firm can receive research and research-related services from brokers who execute portfolio transactions for or on behalf of our clients in the future. This research is generally used to service all client accounts (to the extent such research is applicable thereto). We do not formally commit to invest any particular level of commissions to brokers who provide research services and we have not currently entered into any formal soft dollar arrangements. Research or brokerage services by brokers through which portfolio transactions for us are executed may include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, online quotations, news and research services, access to an electronic communication network for order entry and account information, participation in broker-dealer sponsored research and capital introduction conferences and other services providing lawful and appropriate assistance to us in the performance of investment decision-making responsibilities on behalf of clients (including both internally generated items (such as research reports prepared by a broker's employees), as well as items acquired by the brokers from third parties). We may benefit by not having to produce or pay for research, and receipt of such research or other products or services may create an incentive for us to select or direct more business to particular brokers. We understand that the benefits received through our relationship with broker-dealers generally does not depend upon the amount of transactions directed to, or the amount of assets custodied by, the broker-dealers. All research reports received in connection with client-related matters are within the limitations set forth in Section 28(e) of the Securities Exchange Act of 1934, as amended. In addition to the foregoing, we may purchase research reports and other information from brokers that do not execute portfolio transactions for our clients. Although available, the firm does not currently participate in this form of arrangement.

## **BROKERAGE FOR CLIENT OR INVESTOR REFERRALS**

From time to time, we may engage in transactions (or cause our clients to utilize or engage in transactions) with broker-dealers that also have other dealings with us or our affiliates, including investor or client referrals and investments in Funds. In particular, third-party brokerage firms and other firms may from time to time provide us with the opportunity to be introduced to potential new clients and investors. While these third-party firms are not compensated by us with respect to such "capital introduction" opportunities, they may directly or indirectly influence us to select or retain such brokerage firms to execute transactions on behalf of clients, rather than selecting such brokers solely based on the interests of the clients in receiving most favorable execution under the applicable circumstances.

## **DIRECTED BROKERAGE**

We may from time to time permit our Advisory Account clients to direct the brokers to be used in executing transactions for their accounts. Advisory Account clients should be aware that directing brokerage may prevent us from achieving best execution which may end up costing those clients more money. Not all advisers require their clients to directed brokerage.

## **AGGREGATING TRADES**

We have discretion to aggregate client trades if we believe or determine that aggregation benefits such clients and is consistent with our obligation to seek best execution. We are not obligated to aggregate client trades, however, and there may be reasons, such as client instructions or specifications or logistics of the trade itself, where aggregation is not possible or practicable. In such situations, the inability to aggregate the trade could result in an increase in transaction costs for applicable clients. Aggregation of trades may not benefit all of the applicable clients with regard to the price or quantity of the trades executed.

To the extent we elect to aggregate trade orders, the proposed allocation of any order placed on behalf of more than one client is ordinarily determined prior to placing the order. If all such orders are not filled at the same price, then we generally cause each applicable client to pay or receive the average of the prices at which the orders were filled for all applicable clients. If all orders placed cannot be fully executed under prevailing market conditions, then the securities traded may be allocated among the applicable clients in a fair and equitable manner, taking into account the size of the order placed for each Fund or client account and any other relevant factors (as we determine in our discretion).

In general, if orders for an investment cannot be completely filled, the orders are allocated either *pro rata* among the clients participating in an aggregated transaction, or on a basis other than *pro rata* if such other method of

allocation is reasonable and does not result in an improper disadvantage or advantage to one participating client as compared to another client over time, taking into account all facts and criteria deemed relevant by us.

#### **ALLOCATION OF INVESTMENT OPPORTUNITIES**

We can face actual and potential conflicts of interest in allocating investment opportunities among our various applicable clients and other persons (including conflicts as a result of differences in the financial or fee structure of advisory accounts that would potentially participate in any such opportunity). We buy and sell securities conforming to the specific objectives, terms, limitations and guidelines of each client pursuant to its applicable governing and account agreements and/or offering documents, and determines the appropriate size and amount of each security held or to be held. Our general policy is to attempt to allocate investment opportunities between or among our applicable clients in an equitable manner under the circumstances and in accordance with the applicable governing, account and offering documents of such clients. We determine whether a particular investment is within the investment strategy of a client and make investment decisions (including the decision to acquire or dispose of investments) with respect to such client in our discretion, taking into account such factors or considerations we deem relevant or appropriate under the circumstances.

Except as otherwise set forth in the applicable governing and/or offering documents of a Fund, we generally do not accord exclusivity or priority to any client with respect to any particular investment opportunities, and we do not reserve or hold back investments for certain clients. In general, we allocate investment opportunities that fall within the particular strategy of a Fund to such Fund. Because most of our Advisory Account clients are also investors in the Funds, they indirectly participate in any such opportunities through the Funds, however, to the extent such opportunity is not suitable for a particular Fund, it is allocated among our clients in a fair and equitable manner in accordance with our general allocation principles and procedures, which are based on factors that we and our affiliates reasonably determine in good faith to be fair and reasonable including, without limitation, the terms and requirements set forth in the applicable governing and account documents, the relative amount of assets dedicated to such opportunity set or the amount of cash then available for investment in each account relative to other anticipated investment opportunities, the types of investments being offered and/or the investment objectives, guidelines and restrictions and risk profiles of each applicable client, with the result being that certain opportunities may not be allocated to certain clients or among such clients on a *pro rata* basis.

We may make decisions or take actions (including decisions of when and at what price to purchase or dispose of investments) for one or more of our clients that may be different from those decisions made or actions taken by us on behalf of or with respect to one or more of our other clients (including, for example, as a result of capital inflows and outflows in respect of a client or to the extent necessary to fund withdrawal or redemption payments). Unless otherwise specified in the applicable governing documents and account agreements, we may make all decisions, including all investment decisions (purchase or sale), for such client in our complete discretion and independently of all other clients, any other vehicle that we or our affiliates manage or control, and their respective members, affiliates and employees. As a result, and by way of example only, we may simultaneously be seeking to purchase (or sell) investments for a client and sell (or purchase or hold) such investments for one or more of our other advisory clients.

#### **TRADE ERRORS**

We detect and correct applicable trade errors. Should a trade error occur and be detected by us before the trade has been settled in a client's account, we attempt to reverse the trade or reallocate, as necessary or appropriate or practicable. In any event, the Advisory Account is made whole (put in a position as if the error had not been made), with us absorbing any loss, where our conduct does not meet the standard for exculpation set forth in the governing documentation of the applicable client, and not in other cases.

## Item 13: Review of Accounts

### REVIEWS OF ACCOUNTS

#### Funds

Our investment committee approves new Underlying Funds and new Underlying Managers for the Funds. Appropriate records, research and due diligence files are maintained with respect to Underlying Funds and Underlying Managers. Our investment team reviews performance of the Funds, including applicable Underlying Funds and Underlying Managers through periodic meetings, using risk reports, market analysis and market updates.

With respect to accounting matters, we generally engage an independent public accounting firm to conduct an annual audit of each of the Funds.

#### Advisory Accounts

Our investment committee approves Underlying Funds, Underlying Managers and other investments that may be offered and/or recommended to Advisory Account clients (subject to applicable qualification, suitability, and eligibility requirements).

We regularly review and monitor client holdings and investments on at least an annual basis. We hold formal and informal meetings with clients on a periodic basis to discuss investment ideas, economic developments, current events, investment strategies, and issues related to client investments. We generally conduct reasonable and appropriate due diligence of Underlying Funds and Underlying Managers on a periodic basis as deemed necessary or appropriate.

### REPORTS

#### Funds

We provide investors in the Funds with periodic net asset value statements, annual financial statements audited by the Fund's independent auditors, Schedule K-1s and any other tax information reasonably requested by an investor. We may provide other reports to investors from time to time. In response to questions and requests and in connection with due diligence meetings and other communications, we may provide additional information to certain investors that is not distributed to other investors. Such investors may make investment or withdrawal decisions with respect to their investment in the Funds based upon such information.

#### Advisory Accounts

Custodians generally provide each Advisory Account client with monthly or quarterly account statements that include, among other things, a summary of all activity in that client's account, including all purchases and sales of securities, and any debits and credits to the account, a summary of holdings including a portfolio valuation and the change in the value of the account during the reporting period. Custodians and service providers may also provide other reports, statements, and information to clients from time to time. In addition, we provide to Advisory Account clients (on a periodic basis) various written statements, reports, letters and other correspondence regarding their Advisory Accounts and recent market and other developments, as we determine in our sole discretion and subject to the terms and conditions set forth in the applicable advisory agreements with clients. **Clients are urged to compare any statements they receive from us or our agents with the statements they receive from qualified custodians.**

Advisory account descriptions apply to Schwab, Fidelity, Fiduciary Trust, Pershing, UBS, Goldman Sachs, and Bank of America.

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

### **THIRD-PARTY COMPENSATION**

Except as otherwise disclosed in this brochure or in the applicable offering or governing documents, we currently do not receive any economic benefit from a non-client for providing investment advice or other advisory services with respect to clients.

### **REFERRALS**

The Firm engages referral sources for potential clients and investors to us as needed, to include the Bank, the Firm's banking affiliate to introduce potential relationships to the Firm.

### **CUSTODIAL INCENTIVES**

Although the Firm does not currently qualify, we may receive an economic benefit from custodians in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at the Firm. In addition, the custodian may also agree to pay for certain products and services for which we would otherwise have to pay once the value of our clients' assets in accounts at the custodian reaches a certain size. In some cases, a recipient of such payments is an affiliate of ours or another party which has some pecuniary, financial, or other interests in us (or in which we have such an interest). We do not pay more for assets maintained at our custodians as a result of these arrangements. However, we benefit from the arrangement because the cost of these services would otherwise be borne directly by us. These conflicts of interest are considered when selecting a custodian. The products and services provided by Schwab, how they benefit us, and the related conflicts of interest are described above (see **Item 12 – Brokerage Practices**).

## Item 15: Custody

### Funds

The general partner or managing member of each Fund is an affiliate of NRC. We custody each Fund's cash and securities. To the extent required by Rule 206(4)-2 under the Advisers Act, each Fund's cash, and securities (subject to certain exceptions) is held in accounts at one or more qualified custodians. We or an affiliate may change custodians of the Funds at any time and from time to time without the consent of, or notice to, applicable investors. An independent public accounting firm selected by the firm or an affiliate generally is engaged to conduct annual audits of the financial statements of each Fund and audited financial statements (prepared in accordance with U.S. generally accepted accounting principles) that are provided to investors in such Funds on an annual basis. We provide or furnish such statements to investors in a Fund within 120, 180 or 260 days, as applicable, after the end of each fiscal year, but there can be no assurance that we are successful in this regard. Qualified custodians typically do not provide statements directly to investors in the Funds.

### Advisory Accounts

From time to time the firm is deemed to have custody of Advisory Account cash and securities. In general, we use commercially reasonable efforts to ensure that all Advisory Account cash and securities are maintained with one or more qualified custodians that are appointed or engaged by such clients pursuant to separate custody or other agreements. **Advisory Account clients generally receive account statements directly from their qualified custodians and should carefully review those statements. We urge Advisory Account clients to compare the account statements they receive from their qualified custodian(s) with any statements that they receive from us.**

If we have, or are deemed to have, custody of Advisory Account cash and securities, such cash and securities may (to the extent required by Rule 206(4)-2 under the Advisers Act) be verified by a surprise examination at least once each calendar year by a PCAOB-registered independent public accountant.

Certain Advisory Account clients may grant us the limited power in standing letters of authorization (SLOAs) to disburse funds from their custodial accounts to one or more persons specifically designated by such clients, as well as to fund capital calls to affiliated Funds. Pursuant to SEC guidance, we generally deem to have custody of any such client's cash and securities and are required to comply with the applicable requirements of Rule 206(4)-2 under the Advisers Act. To the extent that we do not qualify for the relief from the surprise examination requirement set forth in the applicable SEC no-action letter, we cause such client's Advisory Account assets to be included within the scope of the annual surprise exam.

## **Item 16: Investment Discretion**

### **DISCRETIONARY AUTHORITY**

#### **Funds**

Subject to the terms of the applicable offering and governing documents, we generally have discretionary power and authority over the types of investments to be bought and sold, as well as the amount to be bought and sold, on behalf of each of the Funds.

In addition, we generally have authority to determine the broker-dealer or other counterparty (or other service providers or vendors) to be used for Fund transactions and the negotiation of commission rates and other consideration to be paid to such counterparties by the Funds, but do not determine those final costs.

#### **Advisory Accounts**

In most instances, we have discretionary power and authority to invest and reinvest all or a portion of the funds and assets held in Advisory Accounts (subject to the terms and conditions and limitations set forth in the applicable advisory agreements). In such instances, we generally have authority to determine the instruments to be bought and sold without having to obtain client consent or approval to specific transactions. We are also authorized to determine the broker-dealer or other counterparty to be used for Advisory Account transactions and compensation payable by clients with respect thereto. The nature and extent of our discretion and authority is set forth in the applicable advisory agreements with clients. Our discretionary authority is limited by the terms of the investment advisory or other agreements and the investment guidelines, restrictions and limitations imposed on the management of Advisory Accounts. We may be required to obtain a client's consent or approval in order to make or sell certain investments or types of investments.

We also provide services to Advisory Account clients on a non-discretionary or limited discretionary basis (with respect to all or a portion of the assets in their Advisory Accounts). In such instances, we generally are not authorized to make any investment decision or implement any transaction with respect to such Advisory Account without the prior approval of the advisory client in each instance. To the extent approved and authorized by such client, we may be authorized to make or implement a transaction or an investment and select the broker, dealer, bank or other counterparty by or through which such transaction is effected.

### **LIMITED POWER OF ATTORNEY**

Each investor in a Fund generally grants the general partner or managing member of such Fund a limited power of attorney to enable the general partner to take various ministerial actions with respect to the Fund on its behalf. We or the general partner or managing member of a Fund has the authority to act on behalf of such Fund in connection with the acquisition and disposition of investments.

With respect to Advisory Account clients, they may grant a limited power of attorney to us in order to authorize us to transact on their behalf, subject to the terms set forth in their applicable advisory agreements.

### **Item 17: Voting Client Securities**

Rule 206(4)-6 under the Advisers Act requires every investment adviser who exercises voting authority with respect to client securities to adopt and implement written policies and procedures, reasonably designed to ensure that the adviser votes proxies in the best interest of its clients. Rule 206(4)-6 further requires an adviser to provide a concise summary of its proxy voting process and offer to provide copies of the complete proxy voting policy and procedures to clients upon request. Lastly, Rule 206(4)-6 requires that each adviser disclose to clients how they may obtain information on how the adviser voted their proxies.

As a policy and in accordance with NRC's client agreement, NRC does not vote proxies related to securities held in client accounts. The custodian of the account will normally provide proxy materials directly to the client. Clients may choose to have proxy materials forwarded to NRC. This is only as a convenience to Clients, Clients cannot "opt out" of receiving proxy materials from their custodian. NRC will not vote proxies forwarded by clients to NRC. Clients may contact NRC with questions relating to proxies and the Client's desire to vote them.

### **Item 18: Financial Information**

Registered investment advisers are required in this Item to provide certain financial information or disclosures about NRC's financial condition. NRC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding. NRC does not require or solicit prepayment of more than \$1,200 in fees per client, six or more months in advance.