

Form ADV Part 2A Firm Brochure

**THE ROCK CREEK GROUP, LP**

1133 Connecticut Avenue, NW

Washington, DC 20036

(202) 331-3400

[www.therockcreekgroup.com](http://www.therockcreekgroup.com)

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

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

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

**Updated September 2018**

## **Item 2. Material Changes**

We wish to bring to your attention the following summary of the material changes to this Brochure since our last Amendment filed to reflect the buyback of the ownership interests previously held by an affiliate of Wells Fargo & Company (“Wells Fargo”) by deleting references that are no longer applicable:

- Item 4 (Advisory Business) – Ownership of The Rock Creek Group, LP (the “Adviser”) has been updated to indicate that the Adviser is owned by the Adviser’s Founder and CEO (and by the Adviser’s management equity plan for employees).
- Item 5 (Fees and Compensation) – Updated to reflect the termination of the non-exclusive distribution and solicitation agreements with Wells Fargo.
- Item 10 (Other Financial Industry Activities and Affiliations) – Updated to remove references to Wells Fargo affiliations.

If you have any questions about the contents of this Brochure please contact our Chief Compliance Officer at (202) 331-3425 or [sherri.rossoff@therockcreekgroup.com](mailto:sherri.rossoff@therockcreekgroup.com) or our Director, Compliance, at (202) 370-3362 or [roderick.cruz@therockcreekgroup.com](mailto:roderick.cruz@therockcreekgroup.com). RockCreek, at any time, may update this Brochure and either send you a copy or offer to send you a copy (either by electronic means (email) or in hard copy form). If you would like another copy of this Brochure, please download it from the SEC website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov); or contact Client Services at RockCreek.

### **Important Note about this Brochure**

**This Brochure is not:**

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

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

investors by the Adviser. To the extent that there is any conflict between discussions herein and similar or related discussions in any offering materials, the relevant offering materials shall govern and control.

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

Afsaneh Beschloss founded The Rock Creek Group, LP (also doing business as “RockCreek”), a Delaware limited partnership that has been in the investment management business since 2002. Ms. Beschloss is the Founder and CEO of the Adviser and the managing member of the Adviser’s general partner.

The Adviser is 100% owned by the Adviser’s Founder and CEO and her family trusts that were formed for estate planning purposes and other RockCreek management team members (through the Adviser’s management equity plan) following the buyback of ownership interest previously held by an affiliate of Wells Fargo & Company.

As further described below, the Adviser primarily invests in securities directly or, indirectly (through Portfolio Funds (as defined below) and Sub Advisers (as defined below)), across a range of strategies, including without limitation, multi-strategy; small/emerging managers; non-U.S., emerging, and frontier markets; diversified; long/short equity; credit long-only; short-biased equity; activist relative value; market neutral; equity-hedged; global event-driven macro/commodities; opportunistic; and real estate.

***Commingled Funds.*** The Adviser provides investment advisory services to multi-investor private investment vehicles (“Commingled Funds”) that are structured as limited partnerships, limited liability companies, corporations, or other investment vehicles. Certain Commingled Funds invest in other investment vehicles or investment funds managed by third-party asset managers, including alternative investment funds investing in marketable securities and other investments and private funds investing in illiquid securities such as private credit and other less liquid and illiquid investments or directly investing in publicly traded securities, including but not limited to, U.S. and non-U.S. equity securities (both on the long and short side), debt securities, money market instruments, non-U.S. dollar currencies, options and futures contracts, forward contracts and other derivatives, and other asset classes (“Portfolio Funds”). Portfolio Funds may also invest in private credit and other private investments, including without limitation, private equity, venture capital, and real estate or invest directly in publicly traded securities and other financial instruments.

Assets of Commingled Funds may also be allocated to Sub Advisers (as defined herein). The Adviser’s services to the Commingled Funds include investment management and portfolio services, including portfolio construction; the identification, selection, monitoring, and evaluation of the Portfolio Funds, portfolio managers (“Portfolio Managers”), and Sub Advisers with which the Commingled Funds invest; and risk management. The term “Sub Advisers” refers to certain portfolio managers that have entered into sub-advisory agreements with the Adviser that are discretionary (*i.e.*, a Sub Adviser has authority to purchase or sell securities) or non-discretionary (*i.e.*, the Adviser pre-approves a Sub Adviser’s proposed transaction) and opening managed accounts with such Sub Advisers rather than by investing in their investment funds.

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

Separate Accounts, Funds of One, Segregated Portfolios and Advisory Clients may invest in certain Commingled Funds

***Fund of One.*** The Adviser also provides investment advisory services to customized private investment vehicles (“Funds of One”) that are structured as limited partnerships, limited liability companies, corporations, or other investment vehicles that have been organized for a single investor (or a group of affiliated investors) seeking a customized portfolio tailored to an investor’s unique investment needs, risk tolerances, reporting, and other requirements. Additionally, the Adviser may disclose different information about a particular Fund of One portfolio to a Fund of One investor relative to another Fund of One investor depending upon the single investor’s agreement with the Adviser and the particular strategy utilized.

Assets of Funds of One may be invested in Portfolio Funds, with Sub Advisers (including through the emerging markets platform described below) and in Intermediate Vehicles. Although not the primary objective or purpose, a Fund of One’s portfolio may include direct investments in other investment products, futures and derivatives. Certain Funds of One also invest directly in publicly listed securities that are issued by U.S. and non-U.S. issuers and that are traded on exchanges in the U.S. market and in non-U.S. exchanges, including emerging and frontier markets.

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

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

***Separate Accounts.*** In addition to providing services to the Funds, the Adviser provides investment management services to separate accounts (“Separate Accounts”) for a single investor (or a group of affiliated investors). The Adviser may allow an investor who meets certain criteria to open a Separate Account, which may have terms (*e.g.*, regarding transparency and liquidity) that are different from those of the Funds. Such accounts may adhere to unique risk guidelines, operating guidelines, and investment or other restrictions or requirements of the respective investor. Accordingly, these arrangements, including the fees and expenses charged to Separate Accounts, are set forth on a case-by-case basis depending upon such factors as the size and scope of mandate, type of strategy, and unique features and requirements of the account. Separate Accounts may invest in different combinations of the strategies described herein or others. Additionally, the Adviser may disclose different information about a particular Separate Account portfolio to a Separate Account client relative to another Separate Account client depending upon the client’s agreement with the Adviser and the particular strategy utilized.

The Adviser may invest assets of a Separate Account in certain Funds, the emerging markets platform, and Intermediate Vehicles (as described below) in accordance with such Separate Account’s investment guidelines. The Separate Account, in such cases, purchases a share class or special interest of the relevant Fund, or the Separate Account is structured, such

that the Separate Account does not incur management fees or such fees are offset so as to avoid the duplication of fees. Assets of Separate Accounts may be invested in Portfolio Funds, invested with Sub Advisers, or invested directly in securities, futures, derivatives, and other investment products.

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

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

***Segregated Portfolios.*** The Adviser serves as the investment adviser to each segregated portfolio of certain Cayman Islands segregated portfolio companies (each a “Segregated Portfolio”). The investment activities of each Segregated Portfolio are generally conducted by third-party unaffiliated sub-advisers, trading advisors, or by non-discretionary trading advisors (“Trading Advisors”), some of which may be locally based teams in certain emerging market countries, that engage in investment activities pursuant to written advisory agreements with the Adviser. The Adviser has investment discretion, subject to applicable portfolio guidelines and parameters, to allocate assets of applicable Separate Accounts, Funds of One, Commingled Funds and Advisory Clients (as defined below) under its management to the Segregated Portfolios that comprise the Adviser’s emerging markets platform or a managed account platform to access particular investment funds, Trading Advisors, and markets. In certain cases, the Adviser may directly engage in investment activities on behalf of a Segregated Portfolio. Each Segregated Portfolio operates with the benefit of statutory segregation under Cayman Islands law of assets and liabilities between each Segregated Portfolio. Although not judicially

tested, the principal advantage of a Cayman Islands segregated portfolio company is that it protects the assets of one Segregated Portfolio from the liabilities of other Segregated Portfolios. It is uncertain, however, whether such segregation of assets and liabilities would be enforced in other jurisdictions.

***Advisory Services.*** The Adviser may provide non-discretionary advisory services relating to investments in Portfolio Funds, asset allocation, and manager selection to endowments and foundations, pension or profit-sharing plans, or other institutional clients (“Advisory Clients”), possibly using investment strategies similar to those employed for the Funds or Separate Accounts. Among other customized services, Advisory Client services may include assistance with the performance of due diligence on underlying funds and managers of such funds as well as portfolio construction, portfolio risk analysis, and risk management. Furthermore, in certain cases where the Adviser has been granted discretionary investment authority over particular fund and accounts, the investors in such funds and accounts may have certain rights with regard to approval or disapproval of the investments for those funds and accounts.

***Transition Management Services.*** The Adviser may assist Clients and Advisory Clients in managing the liquidation or transfer of their portfolios of underlying investment funds and other investments previously managed by other investment managers. The Adviser may transfer at fair value certain investments from the transition portfolios to Funds or Separate Accounts it manages and will notify the transition portfolio of such transfer. Pursuant to specific mandates if requested by a Client the Adviser may assist in managing and monitoring such Client’s portfolio as the management of its portfolio is transitioned.

***Trading and Administrative Services.*** Pursuant to an administrative service level agreement, the Adviser provides certain non-investment services to an unaffiliated third-party adviser in connection with back and middle office operations, providing, among other things, performance calculations, portfolio accounting, trade settlement, and other services.

***Registered Fund.*** The Adviser acts as a sub-adviser to the Wells Fargo Advantage Alternative Strategies Fund (the “Registered Fund”) managed by Wells Fargo Funds Management, LLC, (“WFFM”). The Registered Fund is in liquidation and the Adviser’s services to the Registered Fund will be completed by October 17, 2018.

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

As of December 31, 2017, the Adviser had a total of approximately \$14.2 billion in regulatory assets under management (approximately \$13.2 billion on a discretionary basis and \$1 billion on a non-discretionary basis). Please see Item 7 for a list of the types of the Adviser’s Clients.



## Item 5. Fees and Compensation

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

With respect to the Funds (Commingled Funds and Funds of One), the Adviser's fees are set forth in each Fund's offering documents or constituent documents, as applicable with details regarding management and/or incentive fees usually provided in the applicable share class supplement. Funds generally will pay the Adviser a management fee equal to a percentage of net assets, quarterly, in advance or arrears (as the case may be) as set forth in the applicable Fund's offering documents. In general, for Funds, the Adviser's standard range of management fees is 0.70% to 1.50% (annually) of assets under management, and for the management fee and incentive fee option, incentive (performance-based) fees or allocations may be up to 10% (annually) of realized and unrealized capital appreciation, with a high water mark or certain hurdle rates. With regard to the Direct Funds (as defined below), the Adviser's management fees range from 1.25% to 1.75% (annually) of assets under management. Certain share classes for investments over a certain size or for a founder's share class for founders or initial investors or other circumstances as determined on a case-by-case basis may have lower fees as set forth in the applicable private placement memorandum and/or supplement. Certain Funds may also enter into side letter agreements with certain investors that may offer such investors preferential fees based on factors such as the size of investment, overall relationship with the Adviser, and lock up period.

As described above, certain Clients may also pay the Adviser or its affiliates an incentive fee or allocation based upon an annual percentage of the net capital appreciation at the end of each calendar year (generally for Funds, after completion of the annual audit for such Fund). Such incentive fees and allocations may also be subject to a hurdle rate of the Client's advised assets for the year and/or a high water mark (as the case may be) as set forth in the applicable Client's offering documents. All incentive fees or allocations charged by the Adviser are in compliance with Rule 205-3 under the Advisers Act. For further information regarding the particular fee schedules for the Funds, please refer to the applicable private placement memorandum and supplements.

With respect to Separate Accounts and Advisory Clients, the Adviser's fees (including management and incentive fees or allocations, as applicable) are negotiated on a case-by-case basis with the investor. The fees are generally assessed depending upon the size of the mandate, the scope of the services, the scope of the investor relationship, the type of strategy, the extent of reporting or other deliverables and administrative services required, the types of assets invested, liquidity requirements, and any unique features of the arrangement. There may be breakpoints

for lower management fees for investors that exceed specific assets under management thresholds, and a flat fee option may also be available. The Adviser or its affiliates may also be entitled to receive incentive fees with regard to certain Separate Accounts, and such fees may range from 5.00% to 15.00% (annually), varying depending upon a particular customized arrangement.

The Adviser may invest assets of a Separate Account or a Fund of One in certain Funds (as described herein) in accordance with applicable law and guidelines. In such cases, the fees are structured so as to avoid duplication of fees through a separate share class or an offset, as the case may be.

In certain cases, investors may receive fee reductions of all or a portion of the management fee (and/or incentive fee or allocation) attributable to an investor's interest in the pooled investment vehicle, or invest fee free in pooled investment vehicles and pay negotiated fees outside of the pooled investment vehicle, which may be based on a separate fee schedule agreed upon by the Adviser and the applicable investor. Certain investors that are invested in pooled investment vehicles may pay higher or lower fees or may be subject to higher or lower incentive allocations or fees than similarly situated investors that are invested in the same pooled investment vehicle. Amounts may vary as a result of negotiations, discussions and/or factors that may include the particular circumstances of the investor, the size and scope of the overall relationship, or as may be otherwise agreed with specific investors. Fees and allocations charged to investors may differ depending on the class of shares or other interests purchased.

With respect to certain non-discretionary services provided by the Adviser to Advisory Clients, such Advisory Clients may pay negotiated fixed dollar amounts based on the type of services provided (*e.g.*, manager due diligence, portfolio risk analysis). With respect to the Adviser's transition management services, the Adviser may charge a fee for such transition management services, or in its sole discretion, perform such services as an accommodation for existing Clients and waive any applicable fees.

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

The Adviser receives an ongoing revenue share generated from asset management fees paid to a third-party asset manager whose founders had previously been portfolio managers for the Adviser. The Adviser also receives from such third-party asset manager a fee for providing administrative services, including, but not limited to middle- and back-office services.

***Additional Fees and Expenses.*** Additional fees and expenses that may apply vary based upon the nature and extent of the mandate and whether the investment is being made into a Commingled Fund, Fund of One, or Separate Account or as part of an advisory relationship, including fees associated with transition monitoring and management services. Advisory Clients are charged fees and expenses as agreed upon with each such client for such matters as legal, audit, brokerage, administrative, and custody services. With regard to investments in the

emerging markets platform or separate account platform, the applicable Fund or Separate Account will generally bear its pro rata share of such fees and expenses, except as otherwise provided in this section or as otherwise agreed with such applicable Fund or Separate Account. Some Funds pay the Adviser an annual administration fee, in advance, on a quarterly basis, in an amount equal to 0.25% of the investment account's average monthly net assets per annum. This fee may be more or less than the actual cost incurred by the Adviser in this regard. In such cases where the administration fee is applicable, the Adviser pays or absorbs the ordinary operating expenses of each Fund (*e.g.*, legal fees and disbursements; fees of the administrator; fees of the custodian, if any; accounting, audit, and tax preparation fees and expenses; organizational expenses; and any expenses relating to the offer and sale of a Fund's shares or interests, as applicable), excluding the management fee and the incentive fee, if any. Separate Accounts may also pay the Adviser an administration fee annually in the range of 0.10% to 0.15% of monthly net assets per annum or may pay certain actual expenses. Certain expenses may be capped at a fixed amount per annum. Additionally, to the extent that a particular investor does not agree to bear its share of a particular expense, the Adviser will bear such portion of the cost and will not charge other investors for such borne costs. Fund of fund investors will indirectly incur fees and expenses applicable to the underlying Portfolio Funds, including asset-based, performance-based, carried interest, incentive allocation, and other compensation payable to the Portfolio Managers or their affiliates and brokerage and other transaction costs incurred by the Portfolio Funds as well as expenses incurred by such Portfolio Funds. (See "Layering of Fees" below). The Adviser may engage Sub Advisers or Trading Advisors in connection with the management of certain portfolios, including in emerging and frontier markets, and fees and expenses of such Sub Advisers or Trading Advisors may be borne by the applicable portfolio. Fee arrangements with some Clients may be structured so that they are inclusive of fees paid to Sub Advisers or Trading Advisors. Sub Advisers' fees can differ from one another and the fee earned by the Adviser will vary depending upon actual fees paid to Sub Advisers (see below). The Adviser does not consider the fees earned when making investment decisions. Please see Item 12 for more information about the Adviser's practices as well as potential conflicts of interest.

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

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

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

### **Fees and Allocations**

As discussed above, the Adviser charges Funds and Separate Accounts a management fee, and, in certain cases, an incentive fee or allocation. Management fees charged by the Funds to a particular investor share class may be based on the level of liquidity offered such share class so that generally if a longer lock up is elected by the investor, the management fee charged would be lower than had a shorter lock up been elected. Once the lock up expires, unless a new

lock up is entered into with the investor, the fee generally would increase to reflect the more liquid share class the investor has converted to after the lock up has expired. Clients may also pay the Adviser or its affiliates an incentive fee or allocation based upon an annual percentage of the net capital appreciation at the end of each calendar year (generally for Funds, after completion of the annual audit for such Fund). Such incentive fees and allocations may also be subject to a hurdle rate of the Client's advised assets for the year and/or a high water mark (as the case may be) as set forth in the applicable Client's offering documents. All incentive fees and allocations charged by the Adviser or its affiliates are in compliance with Rule 205-3 under the Advisers Act. For further information regarding the particular fee schedules for the Funds, please refer to the applicable private placement memorandum and supplements.

The Adviser, however, in its discretion, may manage other Funds or Separate Accounts with higher or lower fees, and different fee structures. Funds and Separate Accounts that pay the Adviser a higher fee could create an incentive for the Adviser to favor those Funds or Separate Accounts or to recommend riskier investments; however, those Funds or Separate Accounts are subject to their respective investment objectives and guidelines.

For certain portfolios, management fees of the Sub Advisers, Trading Advisors, or Portfolio Managers (*i.e.*, fees based on the value of assets under management) are paid by the Adviser from its management fee. The fee rate applicable to each Sub Adviser, Trading Advisor, or Portfolio Manager may be different and is subject to negotiation between the Adviser and each Sub Adviser, Trading Advisor, or Portfolio Manager. In the event that a Sub Adviser, Trading Advisor, or Portfolio Manager charges an incentive fee or allocation, such fee or allocation will generally be borne by investors and not by the Adviser. Sub Advisers, Trading Advisors, or Portfolio Managers that the Adviser pays a lower fee rate could create a potential for conflict of interest with an incentive for the Adviser or its affiliates to favor those Sub Advisers, Trading Advisors, or Portfolio Managers; however, the decision to invest with such Sub Advisers, Trading Advisors, and Portfolio Managers is approved by the Investment Committee based upon the applicable client investment objectives and guidelines that relate to among other things, authorized investment vehicles, strategy, country allocations, and types of permitted investments, that could serve to mitigate to a certain extent such potential conflicts of interest.

As the management fees, performance-based fees and allocations made to the Adviser are based directly on the net asset value of the Client accounts, there is a potential conflict of interest with regard to asset valuation. Therefore, the Adviser has developed policies and procedures regarding valuation, including the use of third-party administrator valuations. In general, with respect to investments in Portfolio Funds, the Adviser relies on the valuations provided by a Portfolio Manager. The Adviser also performs due diligence on the underlying Portfolio Managers with respect to such managers' own valuation policies and procedures as well as a review of the applicable Portfolio Funds' audited financial statements where available.

## **Investment Allocations**

The Adviser manages assets for Funds and Separate Account with similar investment objectives and strategies, and may manage accounts with different objectives or strategies that

may trade in the same types of investments. Despite these similarities, RockCreek's decisions about each Client's investments and the performance resulting from those decisions may differ from those of other Clients. It is the Adviser's policy to:

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

## **Trading and Administrative Support**

The Adviser has entered into a service-level agreement with an unaffiliated investment adviser for which it provides trading and certain other administrative support. The Adviser may provide advisory services to Funds and Separate Accounts pursuing a similar investment strategy (or trading the same securities) as the funds or separate accounts managed by this third-party investment adviser. For purposes of trading and allocation, the Adviser will seek to treat such Funds and Separate Accounts independently of accounts to which the Adviser provides only trading and administrative support that are managed by the third-party investment adviser.

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

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

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

In general, a minimum investment of approximately \$50 million-\$100 million is generally imposed on an investor that wishes to invest in a Fund of One, depending on strategy, scope of mandate, and other factors, including other investment mandates such investor has with the Adviser. This minimum investment may be waived at the discretion of the Adviser.

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

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

***Qualifying Employee Investments.*** Certain qualifying employees are able to invest in certain Funds alongside Clients; investments may consist of closed-end private equity, private credit, hybrid, or other opportunistic investments and funds offered by Portfolio Managers. All participants in such investment vehicle are required to be a qualified purchaser as defined in Section 2(a)(51)(A) of the Company Act or a “knowledgeable employee” as defined in Rule 3c-5 under the Company Act. In each case, such qualifying employees are required to be directly engaged in providing investment advisory, commodity trading advisory, or other services to the respective Fund in which they invest.

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

### **General Considerations**

**General Risk of Loss.** Clients and investors in pooled investment vehicles should understand that all investment strategies and the investments made pursuant to such strategies involve risk of loss, including the potential loss of the entire investment, which clients and investors should be prepared to bear. The investment performance and the success of any investment strategy or particular investment can never be predicted or guaranteed, and the value of a client's or an investor's investments will fluctuate due to market conditions and other factors. The investment decisions made and the actions taken will be subject to various market, liquidity, currency, economic, political, and other risks, and investments may lose value.

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

The strategies may be adversely affected by deteriorations in the financial markets and economic conditions throughout the world, some of which may magnify the risks described herein and have other adverse effects. Such conditions may cause certain instruments, including historically liquid instruments, to become less liquid and more difficult to value, and thus harder to dispose of. These issues may be exacerbated by, among other things, uncertainty regarding the potential duration and scope of the problem and the degree of exposure of financial institutions and other market participants. While such conditions persist, the strategies will also be subject to heightened risks associated with the potential failure of custodians, futures clearers, brokers, clearinghouses, exchanges and counterparties, as well as increased systemic risks associated with the potential failure of one or more systemically important institutions.

**Systemic Risk.** Credit risk may arise through a default by or because of one of several large institutions that are dependent on one another to meet their liquidity or operational needs. A default by or because of one institution may cause a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing houses, banks, securities firms and exchanges with which a

Client and the Portfolio Funds interact. A systemic failure could have material adverse consequences on Clients and the Portfolio Funds and on the markets for the securities in which the Portfolio Funds seek to invest.

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

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

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

***Intermediate Vehicles to Facilitate Investments.*** To structure or facilitate an investment with a particular Portfolio Fund by the Funds or Separate Accounts for multiple investors, the Adviser may form a separate vehicle or segregated portfolio (*i.e.*, an Intermediate Vehicle) through which such investments into a Portfolio Fund may be made by multiple Funds and Separate Accounts for purposes of obtaining access to a particular Portfolio Manager or Portfolio



Fund. The Funds and Separate Accounts may also utilize such vehicles to make managed account allocations to limit their potential liability. Such Funds and Separate Accounts will bear their proportionate share of the costs and expenses associated with the establishment and ongoing operation of such vehicles. Each shareholder and prospective investor in the Intermediate Vehicle will not directly own any interests or shares in the Portfolio Funds to which it has indirect exposure through its investment in the Intermediate Vehicle. In the event of the removal or termination of the Adviser, with respect to any Intermediate Vehicle in which the Client is invested, each shareholder will be entitled to receive its pro rata share of redemption proceeds equal to the net asset value of the Client's interest in such Intermediate Vehicle as of the effective date of redemption. Redemptions from the Intermediate Vehicles in which the Client is invested will generally be subject to the terms imposed by such Intermediate Vehicles, including without limitation, restrictions on the timing or amount of liquidity. An Intermediate Vehicle will generally have the liquidity that is associated with the underlying Portfolio Funds in which such Intermediate Vehicle is invested, but in some cases it may differ depending upon the number of investors in the vehicle and such vehicle's size and strategy.

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

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

***Creditworthiness of Prime Brokers and Other Service Providers.*** The Adviser and the Portfolio Managers have established relationships with broker-dealers, banks, and their affiliates (both in the United States and outside the United States) for the provision of services, including holding and maintaining the funds, securities, commodity interests, and other property and the

clearance of their securities transactions. These arrangements can cover securities, loans, derivatives, swaps, options, futures, foreign exchange, and securities lending transactions and usually involve the provision of financing to the applicable Fund and Portfolio Fund. A Fund's and Portfolio Fund's assets held by a prime broker that is providing financing generally will be secured in favor of that prime broker and its affiliates.

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

Even in countries where applicable law provides protection to client assets, such protections may not adequately protect a Portfolio Fund (and, indirectly, a Client's portfolio) from risk of loss. For example, although U.S. rules and regulations applicable to broker-dealers are designed to protect client assets (including a Portfolio Fund's assets), it is possible that, if one of the Portfolio Fund's brokers were to become insolvent, the assets of the Portfolio Fund held at such broker could be at risk. Although U.S. broker-dealers are required to segregate client assets from their proprietary assets and are required to hold specified amounts of capital in reserve, client assets are normally held in pooled client accounts for the benefit of all clients. Additionally, the broker may be able to transfer client assets out of such client accounts or use such assets (including cash) in the ordinary course of its business. A Portfolio Fund could experience losses if the clients' claims exceed the amount of client assets such brokers actually held at the time of the insolvency. With respect to U.S. broker-dealers, in the event client claims are greater than client property, the clients' remaining claims may be satisfied, along with all

general unsecured claims, from the broker's non-customer assets (including its regulatory capital). In addition, while the return of client property is designed to occur on an expedited basis (usually by transfer of the accounts to a solvent broker), there exists the risk of delay in, or inability to make, such a return or transfer, in whole or in part, by the insolvent broker. Furthermore, a Portfolio Fund may be unable to trade such securities or other property held by the insolvent broker during this transfer period or during a pending insolvency proceeding. Such a situation would create the possibility of a substantial loss to a Portfolio Fund (and, indirectly, a Client) with respect to its assets held at such broker. Since the amount and type of property ultimately received by a Portfolio Fund may remain indeterminate until actually returned, or upon resolution of any insolvency proceeding, as applicable, such Portfolio Fund may be unable to adequately hedge its positions in such property.

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

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

If there is a default by the counterparty to such a transaction, the Adviser and the applicable Portfolio Manager will under most normal circumstances have contractual remedies pursuant to the agreements related to the transaction. Exercising such contractual rights, however, may involve delays or costs that could result in the net asset value of a particular Fund or a Portfolio Fund being less than if such Fund or Portfolio Fund had not entered into the transaction. Furthermore, there is a risk that any of such counterparties could become insolvent. If one or more of the Funds', Separate Accounts', or the Portfolio Funds' counterparties were to become insolvent or the subject of liquidation proceedings in the United States (either under the

Securities Investor Protection Act or the United States Bankruptcy Code), there exists the risk that the recovery of the Funds', Separate Accounts', or the Portfolio Funds' securities and other assets from such prime broker or broker-dealer will be delayed or be of a value less than the value of the securities or assets originally entrusted to such prime broker or broker-dealer.

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

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

The price of stock index futures contracts may not correlate perfectly with the movement in the underlying stock index because of certain market distortions. First, all participants in the futures market are subject to margin deposit and maintenance requirements. Rather than meeting

additional margin deposit requirements, investors may close futures contracts through offsetting transactions that would distort the normal relationship between the index and futures markets. Second, from the point of view of speculators, the deposit requirements in the futures market are less onerous than margin requirements in the securities market. Therefore, increased participation by speculators in the futures market also may cause temporary price distortions. Successful use of stock index futures contracts is subject to the Adviser's and the Portfolio Managers' ability to correctly predict movements in the direction of the market.

***Derivatives.*** A Client's portfolio may include direct investments in derivatives or indirect exposure to derivative instruments through investing in Portfolio Funds that enter into derivative transactions. Derivative financial instruments include, without limitation, futures, options, interest rate swaps, forward currency contracts, and credit derivatives such as credit default swaps. Derivatives are based on the performance of an underlying asset, index, interest rate or other investment. Derivatives may be volatile and involve various risks, depending upon the derivative and its function in a portfolio. Portfolio Funds or a Client may take positions in derivatives either to increase or to decrease the level of risk, or to change the types of risks to which the portfolio is exposed. Swaps, options and other derivative instruments may be subject to various types of risks, including market risk; liquidity risk; risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty; legal risk; and operations risk.

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

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

***Identity of Beneficial Ownership and Withholding on Certain Payments.*** In order to avoid a U.S. withholding tax of 30% on certain payments (including payments of gross proceeds)

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

A non-U.S. investor in the Adviser's Fund that is a foreign financial institution will generally be required to provide to the Fund information that identifies its direct and indirect U.S. ownership. Under the US IGA, any such information provided to the Fund and certain financial information related to such investor's investment in the Fund will be shared with the Cayman Islands Tax Information Authority or its delegate (the "Cayman TIA"). The Cayman TIA will exchange the information reported to it with the Service annually on an automatic basis. A non-U.S. investor that is a "foreign financial institution" within the meaning of Section 1471(d)(4) of the IRC will generally be required to timely register with the Service and agree to identify, and report information with respect to, certain of its own direct and indirect U.S. account holders (including debtholders and equityholders). A non-U.S. investor who fails to provide such information to the Fund or timely register and agree to identify, and report information with respect to, such account holders (as applicable) may be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Fund, and the Fund's Board of Directors may take any action in relation to an investor's shares or redemption proceeds to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or comply with such requirements gave rise to the withholding. Affected shareholders should consult their own tax advisors regarding the possible implications of these rules on their investments in the applicable Fund.

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

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

***Application of Law Regarding Segregated Portfolio Companies.*** With regard to Funds structured as a segregated portfolio company in the Cayman Islands, although the segregated portfolio legislation as a matter of Cayman Islands law is intended to insulate the various segregated portfolios from the liabilities of any other segregated portfolio in a segregated portfolio company, a shareholder or creditor may challenge such segregation and there is little

guidance on how a court in the Cayman Islands would address such a claim. Further, individual classes of shares issued within each segregated portfolio are not segregated. Accordingly, if the assets attributed to one class of shares in a segregated portfolio were completely depleted by losses and a deficit remained, a creditor could enforce a claim against the assets of the other classes of the segregated portfolio. In addition, to the extent that underlying assets of a segregated portfolio are located in other jurisdictions, such jurisdictions may not recognize the segregation provided for by the Cayman Islands legislation.

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

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

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

***Cybersecurity – the Adviser, the Funds, the Portfolio Managers, and the Portfolios Funds.*** As part of its business, the Adviser processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Fund or a Portfolio Fund. Similarly, service providers of the Adviser, the Funds, a Portfolio Manager or a Portfolio Fund, especially the Administrator, may process, store and transmit such information. The Adviser has procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches. Such measures, however, cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect

for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to the Adviser or a Portfolio Manager may be susceptible to compromise, leading to a breach of the Adviser's or a Portfolio Manager's network. The Adviser's or a Portfolio Manager's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services that may be provided by the Adviser to the investors may also be susceptible to compromise. Breach of the Adviser's or a Portfolio Manager's information systems may cause information relating to the transactions of the Fund or a Portfolio Fund to be lost or improperly accessed, used or disclosed.

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

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

### **Fund of Fund Considerations**

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

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



and individual Portfolio Managers, and proprietary tools for monitoring the portfolios of underlying hedge funds and other Portfolio Managers.

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

***Investment Strategies.*** The Adviser primarily invests, directly or indirectly (through Portfolio Funds (as defined below) and Sub Advisers (as defined below)), across a range of strategies, including multi-strategy; small/emerging managers; non-U.S., emerging, and frontier markets; diversified; long/short equity; credit long-only; short-biased equity; activist relative value; market neutral; equity-hedged; global event-driven macro/commodities; opportunistic; and real estate. Assigning strategy classifications requires the Adviser's subjective judgement. The Adviser may create and assign new strategy and sub-strategy classifications to reflect the Adviser's judgement of available strategies and Portfolio Managers. The Portfolio Managers' strategies are also flexible. Therefore, assigned strategy classifications may change over time. In addition, multi-strategy Portfolio Managers may employ any of the aforementioned strategies, as well as any other strategy that such Portfolio Managers determine presents the opportunity for profit in light of then-current market conditions. The Adviser may utilize local access products, derivatives, exchange traded funds, and futures, including index futures, in certain portfolios.

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

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

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

investment objectives, diversification strategies, or risk monitoring goals, will be successful, and investment results may vary substantially over time.

No assurance can be given that the investment strategies to be used will be successful under all or any market conditions. Past investment results are not necessarily indicative of their future performance. No assurances can be made that profits will be achieved or that substantial losses will not be incurred.

Although the Adviser conducts due diligence and monitors portfolio performance, there is no assurance that the Adviser's oversight will permit a Client to avoid losses.

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

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

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

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

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

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

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

***Leverage.*** Portfolio Funds may utilize leverage in their investment programs. Leverage may take the form of trading on margin, derivative instruments that are inherently leveraged, and

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

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

The Portfolio Funds may from time to time incur contingent liabilities in connection with an investment. For example, the financing used by the Portfolio Funds to leverage their portfolios will be extended by securities brokers and dealers in the marketplace in which they invest. While the Portfolio Funds will attempt to negotiate the terms of these financing arrangements with such brokers and dealers, their ability to do so will be limited. The Portfolio Funds are therefore subject to changes in the value that the broker-dealers ascribe to a given security or position, the amount of margin required to support such security or position, the borrowing rate to finance such security or position and/or such broker-dealer's willingness to continue to provide any such credit to the Portfolio Funds. There can be no assurance that a Portfolio Fund will be able to secure or maintain adequate financing, without which the Portfolio Fund may not continue to be viable. Changes by banks and dealers in any of the foregoing policies, or the imposition of other credit limitations or restrictions, whether due to market circumstances or government, regulatory or judicial action, if a Portfolio Fund has no alternative credit facility that could be used to finance its portfolios in the absence of financing from broker-dealers, could result in large margin calls, loss of financing, forced liquidations of positions at disadvantageous prices, termination of swap and repurchase agreements, and cross-defaults to agreements with other broker-dealers. The forced liquidation of all or a portion of a Portfolio Fund's portfolio at distressed prices could result in significant losses to such Portfolio Fund to the detriment of Clients.

***Forward Trading.*** Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets and negotiate each transaction on an individual basis. Forward and "cash" trading are substantially unregulated. There is no limitation on daily price movements, and speculative position limits are not applicable. The primary risks associated with entering into such transactions include the risk that there will not be a market for such instruments; that trading will

be disrupted because of unusually high trading volume, government intervention, or other factors; that there is counterparty credit risk; and that the counterparty may not be able to perform on its obligation under the contract. Market illiquidity, trading disruption, or failure of the counterparty to perform could result in major losses to the portfolios. To the extent possible, the Adviser endeavors to select Portfolio Managers that it believes will deal only with counterparties that are creditworthy and reputable institutions, but such counterparties need not be rated investment grade.

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

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

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

Portfolio Manager could be prevented from promptly liquidating unfavorable positions and thus be subjected to substantial losses.

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

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

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

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

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

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

Portfolio Funds could adversely affect a Client and performance information that is reported to the client.

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

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

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

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

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

***Indemnification.*** The Funds or Separate Accounts may agree to indemnify certain of the Portfolio Funds and their Portfolio Managers from any liability, damage, cost or expense arising

out of, among other things, certain acts or omissions relating to the offer or sale of the interests in such Fund or Separate Account. Such agreement may differ depending upon the Portfolio Fund.

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

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

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



redemption requests, the next regularly scheduled redemption dates of such Portfolio Funds, the imposition of “gates” or suspensions, the decision by a Portfolio Fund to satisfy redemptions in kind, and the satisfaction of other conditions. Additionally, in some cases Portfolio Managers may also suspend the determination of the net asset value of all or a portion of their portfolios. The absence of such valuations would make it more difficult for the Adviser to accurately value the portfolio.

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

Portfolio Funds may be permitted to satisfy redemption requests by distributing their interests in kind. Thus, upon the withdrawal of all or a portion of its interest in a Portfolio Fund, a Client may receive securities that are illiquid or difficult to value. Similarly, although the Adviser expects to distribute cash to redeeming investors and to separate account clients liquidating their accounts, there can be no assurance that the Portfolio Funds will have sufficient cash to satisfy redemption or liquidation requests, or that the Adviser will be able to liquidate a Client’s investments at the time of such redemption or liquidation requests. An in kind distribution may not be readily marketable or saleable and may have to be held by the recipient (e.g., a Client, investor, or advisory client) for an indefinite period of time.

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

***Misconduct or Bad Judgment of Portfolio Managers and Their Service Providers.*** The success or failure of an investment in a Portfolio Fund will depend to a significant extent on the Portfolio Manager’s management team and employees. Misconduct by management and employees of the Portfolio Managers or by their third-party service providers could cause losses. Management and employee misconduct could include binding a Portfolio Fund to transactions that exceed authorized limits or present unacceptable risks and unauthorized trading activities or concealing unsuccessful trading activities (which, in either case, may result in unknown and unmanaged risks or losses) or other fraud. Losses could also result from actions by third-party

service providers, including, without limitation, failing to recognize trades and misappropriating assets. Although the Adviser will seek to monitor Portfolio Managers, their Portfolio Funds, and their service providers, such measures may not be effective in all cases in detecting fraud or misconduct.

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

### **Emerging Markets and Frontier Markets Considerations**

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

Other risks of investing in non-U.S. securities include changes in currency exchange rates (in the case of securities that are not denominated in U.S. dollars) and currency exchange control regulations or other non-U.S. or U.S. laws or restrictions, or devaluations of non-U.S. currencies. A decline in the value of a non-U.S. currency versus the U.S. dollar would reduce the U.S. dollar value of an applicable Client's, a Portfolio Fund's, or a Sub Adviser's portfolio securities denominated in such non-U.S. currency, all other things being equal. In addition, an applicable Client, a Portfolio Fund, Sub Adviser, or Trading Advisor may incur costs in connection with conversion between various currencies. It may also be difficult to enforce a Client's or Portfolio

Fund's rights in such markets. For example, securities traded on non-U.S. exchanges and the non-U.S. persons that trade these instruments are not subject to the jurisdiction of the SEC or the CFTC or the securities and commodities laws and regulations of the United States. Accordingly, the protections accorded to the applicable Client and to the Portfolio Fund under such laws and regulations are unavailable for transactions on non-U.S. exchanges and with non-U.S. counterparties. The foregoing risks may be greater in emerging and less developed countries.

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

***General Economic Conditions and Inflation.*** Many emerging market and frontier market countries have experienced prolonged periods of economic stagnation due to poor policy decisions and high levels of inflation. Rising inflation could dampen the general level of economic activity. Levels of economic growth and inflation can change materially from period to period within emerging markets and frontier markets and often differ significantly between countries.

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

emerging markets and frontier markets can increase this risk. Significant volatility in the pricing of the underlying securities may occur.

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

***Non-U.S. Issuers and Non-U.S. Securities Markets.*** Investments that are made by the Adviser with respect to certain Funds, Portfolio Funds, Sub Advisers, and Trading Advisors include investing in non-U.S. issuers. There may be less publicly available information about non-U.S. issuers than about U.S. issuers, and certain non-U.S. issuers are not subject to uniform accounting, auditing and financial reporting standards and requirements comparable to those for U.S. issuers. In the case of securities that are listed or traded on organized exchanges or other markets, there may be less market liquidity than would typically be available for companies of comparable size that are traded in the securities markets of developed countries. This reduced liquidity may diminish the Adviser’s, a Portfolio Manager’s, Sub Adviser’s, or Trading Advisor’s ability to act on investment information and research in both buying and selling securities. In addition, it may limit the size of investments and increase the cost of transacting in such markets. There also is generally less governmental supervision and regulation of non-U.S. securities markets, brokers, and securities issuers than in the United States. Furthermore, non-U.S. brokerage commissions are generally higher than in the United States.

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

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

***Share Blocking.*** Investing in emerging markets and frontier markets includes the risk of share blocking. Share blocking refers to a practice, in certain foreign markets, where voting

rights related to an issuer's securities are predicated on these securities being blocked from trading at the custodian or sub-custodian level for a period of time around a shareholder meeting. These restrictions have the effect of prohibiting securities to potentially be voted (or having been voted) at such shareholder meeting from trading within a specified number of days before and, in certain instances, after the shareholder meeting. Share blocking may prevent certain Funds and Separate Accounts, Portfolios Funds, Sub Advisers, or Trading Advisors from buying or selling securities for a period of time. During the time that shares are blocked, trades in such securities will not settle. The specific practices may vary by market, and the blocking period can last from a day to several weeks, typically terminating on a date established at the discretion of the issuer. Once blocked, the only manner in which to remove the block would be to withdraw a previously cast vote, or to abstain from voting all together. The process for having a blocking restriction lifted can be very difficult, with the particular requirements varying widely by country. Additionally, in certain countries, the block cannot be removed.

***Sub-Custodian Risk.*** The applicable Client's custodian will be responsible for the safekeeping of the investments and other assets delivered to it in accordance with general brokerage laws applicable to the custodian. If securities are purchased in emerging markets or frontier markets, such custodian may transfer funds to sub-custodians located in such emerging markets and frontier markets as the case may be. Assets held in emerging markets and frontier markets through emerging market or frontier market sub-custodians may be subject to different and/or diminished protection in the event of a counterparty failure located in such jurisdiction. Because the Adviser has limited control over the sub-custodians selected by the custodian, a Client may be exposed to additional counterparty risks as a result of purchasing securities in emerging markets or frontier markets. Any default by a sub-custodian on its obligations to a Client could result in material losses to such Client.

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

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

***Political and Legal Factors in Emerging and Frontier Markets.*** Certain Funds and Separate Accounts, a Portfolio Fund, or Sub Adviser may invest in emerging and frontier markets where there is a high potential return on invested capital but also a high degree of either political or economic risk, or both, or where existing regulations may impede repatriation of

investment capital or earnings. In such cases, the potential return may be offset, or more than offset, as a result of adverse political or other developments to the detriment of a Client's portfolio. In that regard, it is generally the case that investments in any emerging and frontier country could be affected by factors not present in the United States, including nationalization; expropriation without just compensation; exchange controls; confiscatory taxation; political changes; governmental regulation; social, political, or diplomatic instability (including military or other internal political coups, insurrections, and wars); and potential difficulties in enforcing contractual obligations.

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

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

Increased terrorist activities and a heightened threat of terrorism may have a negative impact on the assets and performance of a Fund, Separate Account, Portfolio Fund, Sub Adviser, or Trading Advisor. The increase in acts of terrorism in general, and the targeting of popular destinations and hotels for their concentration of foreigners in particular, have had an adverse impact on, among other things, business and leisure travel and hotel occupancy rates. The uncertainty associated with the continuing "war on terrorism" and the possibility of future attacks, terrorism alerts or outbreaks of hostilities may continue to have a negative impact on performance of a Fund, Separate Account, Portfolio Fund, Sub Adviser, or Trading Advisor.

***Infrastructure.*** The current infrastructure in some emerging market and frontier market countries is not as sophisticated as that of the United States and other developed market economies, which may impair the Adviser's ability to communicate directly with local professionals working on specific investment projects. In addition, the operations of a company in which certain Funds and Separate Accounts, Portfolio Funds, Sub Advisers, or Trading Advisors may invest may be affected by the lack of infrastructure, including the ability to import, transport and export goods, effectively conduct international operations and coordinate activities in different regions.

***Import/Export Tariffs and Restrictions.*** The flow of goods into, out of and within various emerging market and frontier Market countries is often affected by import and export regimes, quotas and restrictions, and the imposition of customs duties and assessments. These laws and regulations may significantly increase the cost of obtaining needed goods, limit their availability and reduce the amount that is realized upon sale. In addition, delays in obtaining licenses, approvals and authorizations are common and may adversely affect the operations of a company in which certain Funds and Separate Accounts, Portfolio Funds, Sub Advisers, or Trading Advisors may invest.

***General Investment Risks of Trading Advisors.*** The investment activities of each Segregated Portfolio are generally conducted by Trading Advisors, some of which may be locally based teams in certain emerging market countries, that engage in investment activities pursuant to written advisory agreements with the Adviser. In general, the success of a Segregated Portfolio depends in part on the Adviser's ability to select and invest assets with Trading Advisors, and largely on the Trading Advisor's portfolio construction and risk management expertise. Such Trading Advisors may use investment techniques such as margin transactions, short sales, option transactions, forward and futures contracts, or the purchase or sale of exchange traded funds. In certain circumstances, these practices can maximize adverse investment impacts. No guarantee or representation is made that the investment program including, without limitation, the investment objectives, diversification strategies, or risk monitoring goals, will be successful, and investment results may vary substantially over time.

No assurance can be given that the investment strategies to be used by such Trading Advisors will be successful under all or any market conditions. Past investment results are not necessarily indicative of their future performance. No assurances can be made that profits will be achieved or that substantial losses will not be incurred.

Although the Adviser conducts due diligence and monitors portfolio performance, there is no assurance that the Adviser's oversight of such Trading Advisors will permit a Client to avoid losses.

### **Direct Trading Considerations**

***General Risks.*** The RockCreek Funds with direct trading strategies (the "Direct Funds") may take long and short positions in common stocks of U.S. and non-U.S. issuers traded on national or regional securities exchanges, OTC markets. The Direct Funds strategies may also purchase equity-related securities and instruments, such as convertible securities, warrants, stock options, and individual stock futures, ADRs and GDRs. The value of equity securities varies in response to many factors. Factors specific to an issuer, such as certain decisions by management, lower demand for its products or services, or even the loss of a key executive, among other things, could result in a decrease in the value of the issuer's securities. Factors specific to the industry in which the issuer participates, such as increased competition or costs of production or consumer or investor perception, can have a similar effect. The value of an issuer's stock can also be adversely affected by changes in financial markets generally, such as an increase in interest rates or a decrease in consumer confidence, that are unrelated to the issuer itself or its industry. Stock which the strategies have sold short may be favorably impacted (to

the detriment of the strategies) by the same factors (*e.g.*, decreased competition or costs or a decrease in interest rates). In addition, certain options and other equity-related instruments, if traded, may be subject to additional risks, including liquidity risk, counterparty credit risk, legal risk, and operations risk, and may involve significant economic leverage and, in some cases, be subject to significant risks of loss. These factors and others can cause significant fluctuations in the prices of the securities in which the strategies invest and can result in significant losses.

***Equity Securities.*** The Direct Funds will invest in equity and equity-related securities. Equity securities fluctuate in value in response to many factors, including the activities, results of operations and financial condition of individual companies, the business market in which individual companies compete, industry market conditions, interest rates and general economic environments, and movements in the equity markets in general. As a result, the Direct Funds may suffer losses if the applicable Fund invests in equity instruments of issuers whose performance diverges from the Adviser's expectations or if equity markets generally move in a single direction and the Direct Fund has not hedged against such a general move. In addition, the Direct Funds will invest in equity securities of companies that the applicable Fund do not control. Such securities will be subject to the risk that the issuer may make business, financial or management decisions with which the Direct Funds do not agree or that the majority stakeholders or the management of the issuer may take risks or otherwise act in a manner that does not serve the Direct Funds' respective interests, which could have a material adverse effect on the Direct Funds. In addition, events such as U.S. or international political instability, terrorism, and/or natural disasters may be unforeseeable and contribute to market volatility in ways that may adversely affect investments made by a Direct Fund.

***Accuracy of Public Information.*** The Adviser selects investments for the Direct Funds, in part, on the basis of information and data filed by issuers with various government regulators or, subject to applicable legal requirements, made directly available to the Adviser by the issuers or through sources other than the issuers. Although the Adviser generally evaluates such information and data and sometimes seeks independent corroboration when the Adviser considers it is appropriate and reasonably available, the Adviser is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available.

For certain portfolios, the Adviser will rely particularly on information regarding portfolio holdings of institutional investment managers, including filings under Sections 13 and 16 of the Securities Exchange Act of 1934, as amended. There are risks in placing significant reliance on these types of government filings in implementing an investment strategy. These risks include the risks that the information when obtained by the Adviser is inaccurate, incomplete or stale, that the Adviser misinterprets the information or gives undue weight to certain information over other information, and that sources of publicly available information may disclose this information in a manner that they believe will influence the manner of its use by recipients.

Reliance on governmental filings made by investment managers (such as Forms 13D, 13F, 13G and 16) can present unique risks. For example, significant time can pass before the manager's holdings are disclosed publicly. Some filings require a manager to disclose only



portfolio holdings held at a particular “snapshot” date (for example calendar quarter end). In certain instances, a manager might conceivably alter the manager’s portfolio holdings as of the snapshot date in order to provide less clarity to other market participants regarding the manager’s investment ideas and strategies. Government filings do not include a manager’s entire investment portfolio, particularly short positions and derivatives, and so they may give an incomplete picture of the manager’s investment thinking. In certain cases, filing parties can request confidential treatment of information included in their government filings, preventing public access to the information that is given confidential treatment. Failure of the Adviser to take account of these risks could lead to the applicable portfolio experiencing underperformance or even significant losses.

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

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

Non-U.S. markets may also have different clearance and settlement procedures, and in certain markets there have been times when settlements have failed to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. Delays in settlement could result in periods when assets of the strategies are uninvested and no return is earned thereon. The inability of the strategies to make intended security purchases due to settlement problems or the risk of intermediary counterparty failures could cause the strategies to miss investment opportunities. The inability to dispose of a security due to settlement problems could result in (i) losses to the strategies due to subsequent declines in the value of such security or (ii) possible liability to the purchaser if the strategies have entered into a contract to sell the security. Transaction costs of buying and selling non-U.S. securities, including brokerage, tax and custody costs, may be higher than those involved in U.S. transactions. Furthermore, many non-U.S. financial markets, while generally growing in volume, have, for the most part, substantially less volume than U.S. markets, and securities of many non-U.S. companies are historically less liquid and their prices historically more volatile than securities of comparable U.S. companies.

The economies of individual non-U.S. countries may also differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rate of inflation, volatility of currency exchange rates, depreciation, capital reinvestment, interest rates, resources self-sufficiency and balance of payments position.

***Portfolio Investment in Companies that Experience Distress.*** A Direct Fund may invest in companies that while held in the applicable Fund's portfolio becomes distressed or underperforming companies trading at substantial discounts to their historic stock prices. Such companies often involve higher risks because of fundamental problems with their business or industry. For example, they may lack the management experience, financial resources, product diversification, and competitive strength of other competitors in the same industry.

***Suspensions or Interruptions of Trading.*** A public securities exchange typically has the right to suspend or limit trading in all securities that it lists. Additionally, trading could be suspended or interrupted due to extraordinary events outside of the control of a Direct Fund, including natural disasters (e.g., fire, flood, earthquake, storm, hurricane or other natural disaster), acts of war (e.g., war, invasion, acts of foreign enemies, hostilities, insurrection, or terrorist activities, whether war is declared or not) or financial system disruption (e.g., bankruptcy filing or operational failure by a major financial institution, including a bank, broker-dealer, clearing agent, administrator, investment manager, securities or derivatives exchange). Such a suspension or interruption could render it impossible to liquidate the applicable Direct Fund's positions and thereby expose such Fund to losses while restricting the Fund's ability to limit such losses through trading. In addition, there is no guarantee that non-exchange markets will remain liquid enough to close out positions.

***Execution of Orders.*** A Direct Fund's trading strategy depends on its ability to establish and maintain an overall market position in a combination of financial instruments and other assets selected by the Adviser. A Direct Fund's trading orders may not be executed in a timely and efficient manner due to various circumstances, including, systems failures or human error attributable to the Fund, its brokers, agents or other service providers. In such event, the applicable Direct Fund might only be able to acquire some, but not all, of the components of such position, or if the overall position were to need adjustment, the Fund might not be able to make such adjustment. As a result, such Direct Fund would not be able to achieve the market position selected by the Adviser and might incur a loss in liquidating its position. In addition, the Direct Funds rely on electronic execution systems, and such systems may be subject to failure, causing the interruption of trading orders made by the applicable Direct Fund.

***Electronic Trading and Order Routing Systems.*** The Adviser affects trades on electronic trading and order routing systems. Transactions using an electronic system are subject to the rules and regulations of the respective exchanges offering the system. Characteristics of electronic trading and order routing systems vary widely among the different electronic systems with respect to order matching procedures, opening and closing procedures and prices, error trade policies and trading limitations or requirements. These systems also differ with respect to qualifications for access and grounds for termination and limitations on the types of orders that may be entered into the system. Each of the aforementioned differences may present risks with

respect to trading on or using a particular system. Each system may also present risks related to system access, varying response times and security. In the case of internet-based systems, there may be additional risks related to service providers and the receipt and monitoring of email.

Trading through an electronic trading or order routing system is also subject to risks associated with system or component disruption or failure. In the event of system or component disruption or failure, it is possible that for a certain time period, it might not be possible to enter new orders, execute existing orders or modify or cancel orders that were previously entered. System or component disruption or failure may also result in loss of orders or order priority.

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

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

Side pocket investments will generally be carried on the books of the applicable Direct Funds at fair value (which may be cost) as determined by the Portfolio Managers. There is no guarantee that fair value will represent the value that will be realized by the applicable Direct Fund on the eventual disposition of the side pocket investment or that would, in fact, be realized upon its immediate disposition. If an investor were to redeem its interest in a Direct Fund that makes side pocket investments, such investor would typically remain exposed to the risk of loss on its indirect interest in any side pocket until such investments were realized or deemed

realized. Management fees, incentive fees or allocations, and other expenses of the Direct Fund would typically continue to accrue until the side pocket investment is realized or deemed realized. If the proceeds from the disposition of a side pocket investment were insufficient to cover any accrued expenses, such accrued expenses might be borne disproportionately by other investors in such Direct Fund.

### **Private Equity and Illiquid Assets Considerations**

***Investment Risks, Generally, as to Various Private Equity Sub-Strategies.*** Certain Funds and Separate Accounts will invest in various private funds that focus on relatively illiquid assets (such as private equity, private real estate, natural resources, private equity buy-out and special situations, private equity growth capital and venture capital, and illiquid credit and distressed debt opportunities) within the private equity/illiquid strategies general asset class (collectively “PE Portfolio Funds”). While investments in any of these sub-strategies may offer potentially the opportunity for significant gains, such investments also involve a high degree of business and financial risk unique (and usually inherent) to each particular sub-strategy, which can result in substantial losses to any of the PE Portfolio Funds, directly, as well as to any RockCreek Fund or Separate Account investing in such PE Portfolio Fund.

***Illiquid Investments.*** Certain Funds and Separate Accounts that invest in closed-end private equity, private credit, hybrid, or other opportunistic PE Portfolio Funds that may invest in financial instruments and assets for which no market exists, that are subject to contractual restrictions on transfer and/or that are otherwise illiquid by their nature (unlike publicly traded securities). Indications of prices, if any, for illiquid investments (and relatively illiquid investments) tend to be volatile and may not be readily attainable, and the Portfolio Manager may not be able to sell them when it desires to do so or to realize what such Portfolio Manager perceives to be their fair value upon a sale. The sale of illiquid assets often requires more time and results in higher transaction costs and related expenses than does the sale of securities eligible for trading on national securities exchanges or in the over the counter markets.

***Valuation of Assets.*** The Adviser and/or an administrator relies primarily on information provided by the sponsors of the PE Portfolio Funds in valuing their investments. Interests in the PE Portfolio Funds will generally be valued in accordance with the valuations provided by such PE Portfolio Funds. These valuations will generally be provided by the administrator of a PE Portfolio Fund in which a RockCreek Fund or Separate Account is invested based on the interim unaudited financial records of such PE Portfolio Fund, and, therefore, will be subject to adjustment (upward or downward) upon the auditing of such financial records.

In addition, generally, none of the Adviser or administrator will have access to detailed information regarding the underlying portfolios of the PE Portfolio Funds; each relies on the limited information provided to them by the PE Portfolio or their administrators. The failure of the PE Portfolio Funds or their administrators to appropriately value the net assets of the PE Portfolio Funds could adversely affect the Adviser. The Adviser, an administrator and its delegates may rely upon estimates provided by the PE Portfolio Funds or their administrators in calculating the value of the applicable RockCreek Fund or Separate Account.

***Leverage.*** The PE Portfolio Funds held directly or indirectly by a RockCreek Fund or Separate Account may use debt financing or other indebtedness. As a result, the applicable Fund or Separate Account may be subject to indirect leverage, which will increase the risk of loss on such investments. For example, highly leveraged companies are inherently more sensitive to declines in revenues, increases in expenses and interest rates and adverse economic, market and industry developments.

The use of leverage to acquire portfolio assets will subject the applicable RockCreek Fund or Separate Account or applicable PE Portfolio Funds to additional levels of risk, including (i) greater losses from portfolio assets than would otherwise have been the case had borrowing not been used to acquire these portfolio assets, (ii) margin calls or interim margin requirements which may force premature liquidations of portfolio assets and (iii) losses where the portfolio assets fail to earn a return that equals or exceeds the cost of borrowing the funds used to acquire such portfolio assets. In the event of a sudden, precipitous drop in value of a RockCreek Fund's or Separate Account's or a PE Portfolio Fund's portfolio assets, such Fund or Separate Account or PE Portfolio Fund might not be able to liquidate positions quickly enough to repay its borrowings, further magnifying its losses and exposing such Fund or Separate Account or PE Portfolio Fund to claims of financial intermediaries that extended margin loans. Such claims could exceed the value of the portfolio assets of such Fund or Separate Account or PE Portfolio Fund. Likewise, any leverage obtained, if terminated on short notice by the lender, could result in the Adviser or the sponsor of the PE Portfolio Fund being forced to unwind positions quickly and at prices below what the Adviser or the PE Portfolio Fund sponsor deems to be fair value for the positions. The failure to satisfy a margin call, or the occurrence of other material defaults under margin or other financing agreements, could trigger cross-defaults with other brokers, lenders, clearing firms or other counterparties, multiplying the adverse impact to the RockCreek Fund or Separate Account or PE Portfolio Fund.

A Fund or Separate Account or the PE Portfolio Funds may also make investments in certain types of financial instruments with inherent leverage, such as puts, calls and warrants, which may be purchased for a fraction of the price of the underlying securities while giving the purchaser the full benefit of movement in the market price of those underlying securities. Although such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the volatility of such investments and the risk of loss. The use of leverage—whether direct borrowing or indirect leverage—is inherently more speculative, with a greater potential for losses, than a program that does not utilize leverage.

A Fund or Separate Account may establish one or more credit facilities to facilitate credit support for such Fund or Separate Account. A Fund or Separate Account may also hold options, swaps and other instruments with implied leverage.

***Special Financing Risks Relating to Joint Venture Investments.*** Joint ventures or similar structures through which a PE Portfolio Fund may invest may borrow money to help finance their activities. In certain circumstances, the joint venture participants, including a PE Portfolio Fund, may be required to provide guarantees of certain obligations relating to the joint ventures or additional collateral to secure those obligations. Some of these joint ventures or their participants may become unable or unwilling to fulfill their respective obligations. The PE

Portfolio Fund may not have a controlling interest in these joint ventures and, as a result, it may not be able to require these joint ventures or their participants to fulfill their obligations or renegotiate them on acceptable terms. If a joint venture or its participants do not fulfill their obligations, the PE Portfolio Fund may be required to honor guarantees or may forfeit collateral used to secure joint venture loans.

***Reliance on Projections.*** Investments may be made in reliance on projections developed by a PE Portfolio Fund sponsor, a co-investor, joint venture partner or the sponsors or principals of a potential investment concerning the future performance and cash flow of the potential investment. Projections are inherently uncertain and subject to factors beyond the control of the Adviser and the potential investment in question. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of unforeseen events could impair the ability of an investment to realize projected values and/or cash flow.

***Non-alignment of Interests with Co-Investors.*** A PE Portfolio Fund's co-investment or joint venture partners in certain investments may take actions contrary to the instructions or requests of the PE Portfolio Fund or contrary to the PE Portfolio Fund's policies, objectives or organizational documents. Some co-investment or joint venture partners represent other financial investors whose interests may conflict with those of the PE Portfolio Fund. Some investors could experience financial difficulties or otherwise be unable or unwilling to fulfill their obligations under, or comply with the requirements of, the governing documents of the investment vehicle. The occurrence of any such problems may affect management decisions and distribution and exit strategies in a manner adverse to the PE Portfolio Fund's interests. The PE Portfolio Fund's ability to seek redress against a co-investment or joint venture partner (or a manager of the investment vehicle) which acts in a manner contrary to its obligations under the governing documents of the investment vehicle or the interests of the joint venture, co-investment vehicle or the PE Portfolio Fund may be limited by the absence or ineffectiveness of laws regarding fiduciary responsibilities and the protection of investors. In addition, depending on the structure and terms of an investment, the PE Portfolio Fund may be liable for actions of its co-investment or joint venture partners.

***Uncertain and Delayed Returns.*** Although certain PE Portfolio Funds and assets held directly or indirectly by a RockCreek Fund or Separate Account may have the potential to generate current income, realization on many of portfolio assets of such applicable RockCreek Fund or Separate Account may not occur for a number of years after an investment is made. Also, investments may be made in under-performing assets, such as issuers that have experienced or continue to experience financial difficulties. Accordingly, an investment in a RockCreek Fund or Separate Account investing in PE Portfolio Funds and illiquid assets requires a long-term commitment, with no certainty of return.

***Indemnification Arrangements May Result in Contingent Liabilities.*** In connection with the acquisition, financing or disposition of portfolio assets, a PE Portfolio Fund may be required to make representations and warranties about the business and financial affairs of such PE Portfolio Fund and/or such investment typical of those made in connection with the acquisition, financing or sale of similar assets. The PE Portfolio Fund also may be required to indemnify the sellers or purchasers of, or lenders, to such portfolio assets to the extent that any

such representations and warranties are inaccurate or undertake certain other obligations in connection with such transactions. These arrangements or other circumstances may result in contingent liabilities. In that regard, investors in a PE Portfolio Fund, including the applicable RockCreek Fund or Separate Account, may be required to contribute capital and/or return amounts distributed to them to fund such indemnity obligations.

***PE Portfolio Fund Sponsors May Not be Registered Investment Advisers.*** PE Portfolio Funds may be structured in a manner that allows the PE Portfolio Fund sponsors to be exempt from registration with the SEC or any state or foreign governmental authority. In such a case, the applicable RockCreek Fund or Separate Account will not have the benefits otherwise available to the investors with a registered investment advisor, namely periodic government inspections of the PE Portfolio Fund sponsors' operations and publicly available disclosures about the PE Portfolio Fund sponsors' financial and criminal background, conflicts of interest and investment policies.

***PE Portfolio Funds May Incur Liabilities in Excess of Available Insurance Coverage.*** It is expected that each PE Portfolio Fund sponsor that the applicable RockCreek Fund or Separate Account invests in will obtain insurance against certain liabilities and other losses, but the insurance obtained will not cover all amounts or types of loss. There is no assurance that any liability that may occur will be insured or that, if insured, the insurance proceeds will be sufficient to cover the loss. There are certain categories of loss that may be or may become uninsurable or not economically insurable, such as earthquakes, floods and hazardous waste.

***Distributions In-Kind.*** There may be cases in which a RockCreek Fund or Separate Account or the PE Portfolio Funds make in kind distributions of portfolio assets. Private sales of these distributed portfolio assets may not be permitted due to contractual restrictions on transfer. Even if permitted, private sales of such distributed portfolio assets would occur at a discount from the value they would command were they publicly marketable. If these distributed portfolio assets are retained by a RockCreek Fund or Separate Account or PE Portfolio Fund pending the development of a public market or an acquisition, investors and clients may not receive returns on their investment as promptly as would otherwise be the case. In addition, investors and clients will be exposed to loss of value of these distributed portfolio assets until they are liquidated.

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

## **Item 9. Disciplinary Information**

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

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

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

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

The Adviser is registered with the Securities Exchange Board of India as a Foreign Portfolio Investor.

The Adviser is registered with the Capital Market Authority of the Kingdom of Saudi Arabia as a Qualified Foreign Investor.

The Adviser is a sub adviser to the Registered Fund.

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

Additionally, the Adviser may from time to time cause a Commingled Fund, Fund of One, a Separate Account, or Advisory Client to invest (or recommend to a Client that the Adviser advises that it invest) any portion of its assets in another privately offered fund that the Adviser manages. The Adviser may have a potential incentive to select or recommend third-party Portfolio Funds because of fees or other considerations; however, there could also be potential countervailing considerations to select a Fund managed by the Adviser. To mitigate potential conflicts, the Adviser would make any such investments if such investments are consistent with applicable investment objectives and guidelines, including without limitation, authorizations and limitations on investments in affiliates of the Adviser as set forth in the applicable agreements and guidelines and the interests of the portfolios.

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



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

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

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

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

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

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

- Officers, directors, and employees are prohibited from trading, either personally or on behalf of others, in securities while in possession of material non-public information regarding these securities or communicating material non-public information to others.
- Employees are required to place the interest of clients above the interests of the Adviser or other employees whenever a conflict may be present.
- Certain employees are required to submit annual securities holdings reports and quarterly securities transaction reports for their own accounts or any account in which they have a direct or indirect beneficial interest. In addition, such employees are required to report the establishments of new trading accounts on a quarterly basis.

- Reports, however, are not submitted for transactions in money market instruments, direct obligations of the United States government, and shares of U.S. registered open-ended mutual funds.
- Employees are required to certify annually that they have complied with the Adviser's Code of Ethics.
- Employees may not give or accept gifts or entertainment that are inappropriate or could be seen as overly generous or which could influence employee decision-making.
- Certain employees are required to obtain advance approval to serve as a director or trustee of for-profit organizations and to disclose any service on the board of any organization, including non-profit organizations.
- Certain employees are required to pre-clear any transactions in privately offered securities and initial public offerings.
- Employees that become aware of any violation of the Code of Ethics are required to report such violation to the Chief Compliance Officer.

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

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

The Adviser may affect transactions, generally for rebalancing purposes or based upon Client specific portfolio guidelines, whereby one account will sell an interest in an underlying Portfolio Fund or Segregated Portfolio and another Client account is purchasing such an interest. Generally, such transactions are structured as separate redemptions and subscriptions for the respective Clients; in certain circumstances, the underlying Portfolio Fund may not agree to that structure and require a transfer; in addition, it may be in the best interests of such Clients to structure these transactions with the Portfolio Fund as a transfer (*e.g.*, to retain the benefit of an underlying Portfolio Fund high-water mark or credit for an existing lock up) if the Portfolio Fund so permits.

RockCreek has and may form other investment vehicles that are made available to qualifying RockCreek employees and other individuals to participate in a closed-end private equity, private credit, hybrid, or other investments offered by third-party Portfolio Managers. Generally, no advisory fees are charged to such investors. The employees invested may be individuals responsible for allocating investment opportunities among client accounts and may

have an interest in fund allocations. The employee fund could be allocated limited investment opportunities. All such investment decisions are approved by the Investment Committee and reviewed for compliance with RockCreek policies regarding fair and equitable allocation of investment opportunities. Generally, where there may be limitations on capacity no more than 10% of an investment opportunity available to the Adviser and its Clients may be allocated to qualifying RockCreek employees and other participants collectively.

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

As noted above, to protect the interests of Clients, Advisory Clients, and investors, the Adviser, among other things, maintains internal policies and procedures, including a Code of Ethics, along with controls and a compliance program that aid in the detection and prevention of breaches of any fiduciary duties; address and/or monitor conflicts of interests, insider trading, certain disallowed political activities, violations of the securities laws and regulations, improper allocations of investment opportunities, breaches of confidentiality, and violations of security and privacy policies; and promote the proper valuation and reporting of investment activities and holdings. Further, several of the Funds currently have independent directors. Third-party administrators are also utilized to provide independent valuation and administration services for the Funds and Separate Account. As part of the due diligence process on Portfolio Funds, the Adviser conducts reviews and ongoing monitoring of Portfolio Funds, Portfolio Fund Managers, Trading Advisors, and Sub Advisors.

## **Item 12. Brokerage Practices**

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

The Adviser generally has authority to determine the broker or dealer that would be used to conduct securities transactions. The Adviser may enter into securities transactions including futures contracts, foreign currency contracts, exchange traded funds, and other securities for certain Clients if specified in their investment guidelines. In such instances, the risks discussed under Item 8 above regarding derivatives, futures, foreign currency trading, and exchange traded funds, among others, would be applicable. As such, the Adviser has adopted policies designed to ensure that the selection of brokers or dealers, derivative counterparties, and custodians would be done appropriately.

Subject to each Client's investment objectives, policies, and strategies, the Adviser generally has authority to determine, without obtaining specific client consent, the securities to be bought and sold, the amount of the securities to be bought or sold, the broker or dealer to be

used, and the commission rates paid, if applicable. With respect to investments in securities, futures, derivatives, and other financial products, the Adviser will select brokers or counterparties based on, among other factors, competitive commission rates, expertise, and the capacity and willingness to execute the given transactions. Moreover, when brokerage services are required, the Adviser will seek “best execution” in selecting brokers to execute transactions by evaluating factors such as price, size of order, difficulty of execution (including unique aspects related to emerging markets trading), operational facilities of the brokerage firm, the scope and quality of brokerage services provided, and the brokerage firm’s risk in positioning a block of securities. The Adviser will have no obligation to deal with any broker or group of brokers in executing transactions.

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

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

***Cross and Agency Cross Transactions.*** Cross transactions involve the purchase or sale of a security between two accounts managed by the Adviser. For example, in some instances a security to be sold by one client account may independently be considered appropriate for purchase by another client account. With respect to Commingled Funds that invest directly in publicly traded equity securities, the Adviser may, but is not required, to cause the security to be “crossed” or transferred directly between the relevant accounts at an independently determined market price and without incurring brokerage commissions, although customary custodian fees and transfer fees may be incurred, no part of which will be received by the Adviser. The Adviser will generally not engage in cross transactions between an ERISA plan account and any other account managed by the Adviser, unless an exception is satisfied. Prices for cross trades will generally be at the average day price or a price set by some other fair and equitable methodology. As the Adviser has no affiliated broker dealer engaged in the trading of securities, RockCreek does not engage in agency cross transactions.

In certain cases with respect to Segregated Portfolios and the Adviser’s emerging markets platform, where permitted by applicable law or regulation and when the Adviser believes that doing so will minimize transaction costs, the Adviser may transfer the assets of one Segregated

Portfolio to another Segregated Portfolio. In such instances, the underlying assets of such Segregated Portfolios typically do not technically “cross” the exchange, but are reflected either as a change in the beneficial owner of such assets or not as a change in beneficial owner (and in which case would be reflected as a change in the books and records of the Platform’s custodian). Depending on the applicable market regulation, such transfers may incur customary custodian and transfer fees, and in certain cases, additional brokerage commissions but no part of which will be received by the Adviser. The Adviser will generally follow the same policies regarding ERISA plan accounts as described in the preceding paragraph.

Additionally, in certain cases the Adviser may be subscribing for interests in an Intermediate Vehicle on behalf of one Client and redeeming from the same Intermediate Vehicle for a separate Client. Where the amount of such subscription equals or exceeds the value of the redemption, the Adviser generally will not submit a redemption request to the Intermediate Vehicle’s underlying Portfolio Fund. In such instances, the liquidity constraints of the underlying Portfolio Fund may not be imposed on the redeeming Client, subject to the discretion of the Intermediate Vehicle’s board of directors. Although these simultaneous subscriptions or redemptions are not considered “cross” trades, the Adviser generally follows the same policies regarding ERISA plan accounts as described above when the Intermediate Vehicle or a participating Client are subject to ERISA.

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

The Adviser’s Investment Committee oversees the entire investment process, including asset allocation, portfolio construction, and portfolio monitoring and regularly reviews the accounts. In addition to periodic reviews, the Adviser may perform reviews as it deems appropriate or as otherwise required. The Investment Committee, headed by Ms. Beschloss, has the final authority to make all investment decisions.

Generally, Clients receive monthly, quarterly, or other periodic reports that may include market updates, investment commentary, and performance reviews. To the extent practicable, the Adviser will provide investors and Separate Account clients with a preliminary estimate on the monthly performance of their investments within 15 business days after the end of each month. Generally, investors and Separate Account clients will receive a final monthly performance statement after the end of the following month. The Adviser and its Clients may also agree that the Adviser will provide certain other reports that may be customized to a Client’s specifications. With regard to portfolios investing in underlying Portfolio Funds, RockCreek will rely on information provided by such underlying funds.

Audited financial statements and tax forms (if applicable) will be completed within a reasonable time after the end of the calendar year for investors. Annual financial statements for the Funds’ are audited by an independent certified public accounting firm and distributed within 180 days in the case of Funds that are fund of funds and 120 days in the case of the Direct Funds.

The Adviser provides the Separate Account clients with periodic unaudited reports at such times as mutually agreed upon. In addition, since a Separate Account client directly owns the positions in its account, such client may have full, real-time transparency as to all

transactions and holdings in such account, and may be better able to assess the future prospects of a portfolio that is substantially similar to that of a Fund. The clients in such Separate Accounts may have the right to withdraw all or a portion of their capital from such accounts on shorter notice and/or with more frequency than the terms applicable to an investment in the Funds.

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

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

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

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

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

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

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

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

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

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

Additionally, with respect to the Direct Funds, the Adviser will seek to vote in the best interest of Clients. The Adviser may engage an independent third-party vendor to assist with the administrative functions of receiving and processing proxy votes.

It is the responsibility of the custodian appointed by the Client to ensure that RockCreek receives notice of the relevant vote sufficiently in advance.

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

- Consistent with its fiduciary duty, the Adviser is responsible for exercising voting authority on behalf of each Client if/when any Portfolio Fund holds a vote on any issue affecting its investors. Pursuant to the investment management agreements between the Adviser and each Fund and Separate Account client, the Adviser is granted voting authority unless there is a non-discretionary account or an advisory only mandate.
- The Adviser will evaluate each voting issue solely in light of the Client's best interests, including any written requirements specific to a Fund or Separate Account and vote accordingly. In carrying out this responsibility, the Adviser is obligated to (i) review any written materials provided regarding the issue subject to a vote, and (ii) determine what vote represents each voting Client's best interests.
- In the event a specific voting issue arises in which the Adviser or one or more Adviser personnel has a material conflict, the Adviser will (a) in the case of a Fund, contact the relevant Fund and each investor in such Fund and follow the voting recommendations of a majority of such investors or in the case of a Separate Account, contact Separate Account client and follow the voting recommendations of such Separate Account client; or (b) require recusal of the conflicted person from the deliberation and decision-making process.

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

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

**Item 18. Financial Information**

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

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

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