

## **ITEM 1. COVER PAGE**

### **Firm Brochure (Part 2A of Form ADV)**

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**March 30, 2020**

This brochure provides information about the qualifications and business practices of AltaRock Partners, LLC (“AltaRock” or the “Adviser”). If you have any questions about the contents of this brochure, please contact us at 978-922-7701 or by email at [shannon@altarockpartners.com](mailto:shannon@altarockpartners.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration with the SEC or a state securities authority does not imply a certain level of skill or training.

Additional information about AltaRock is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **ITEM 2. MATERIAL CHANGES**

### ***Material Changes since the Last Annual Update***

This brochure dated March 30, 2020 (this “Brochure”) updates the amended brochure filed on March 31, 2019. This Brochure should be reviewed in its entirety as some changes to this Brochure may be considered material to some readers and immaterial to others. There were no material changes from the amended brochure filed March 31, 2019.

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## **ITEM 4. ADVISORY BUSINESS**

### ***Firm Description***

AltaRock Partners, LLC (“AltaRock”) is a Delaware limited liability company that was founded in 2002 and has its office in Beverly, Massachusetts. Mark T. Massey is the founder of AltaRock and is its principal owner and sole controller.

### ***Types of Advisory Services***

AltaRock provides investment advisory services on a discretionary basis to private investment funds (the “Funds” or “Fund”). AltaRock also serves as the general partner to one of the Funds, which is organized as a Delaware limited partnership (the “US Fund”) and an unaffiliated third party serves as such to the other Fund, which is an organized Cayman Islands exempted limited partnership.

The Funds are privately offered pooled investment vehicles, exempt from registration under the Investment Company Act of 1940, as amended.

The primary investment objective of the Adviser is to achieve superior long-term capital growth while seeking to minimize the risk of loss through investment in the equity securities of a limited group of businesses the Adviser judges to be undervalued. Although the Funds are typically invested in equity securities, the Adviser may use other types of investments to achieve its objective, as detailed in each Fund’s offering memoranda.

### ***Client Tailored Services***

The advisory services provided by AltaRock are not tailored to individual investors. The Adviser determines all investments on behalf of the Funds on a fully discretionary basis.

### ***Wrap Fee Programs***

AltaRock does not participate in any wrap fee programs.

### ***Assets Under Management***

As of December 31, 2019, the Adviser had total regulatory assets under management of approximately \$2,062,104,000.

## **ITEM 5. FEES AND COMPENSATION**

### ***Management Fees and Performance Allocations***

Investors in the Funds are typically charged a 1% annual management fee, payable monthly in advance in such amounts as are set forth in the governing documents of each Fund. Management fees are calculated on the net asset value of the Investor's capital account on the first calendar day of the month and deducted directly from Investor capital accounts by the last day of such month. Investors are not billed directly for fees.

Investors are also generally assessed a 10% performance allocation on all net gains in excess of the previous "high-water mark" as of the close of business on December 31<sup>st</sup> of each year, or on the date of any withdrawal by an Investor, as well as on the date of winding up and liquidation of the applicable Fund. At such times, the performance allocation calculated will be equal to 10% of the net gain (realized and unrealized), allocated to the Investor's capital account in excess of the previous high-water mark for the fiscal year or relevant period. In general, a "high-water mark" means that the Adviser will receive a performance allocation only when the aggregate value of the Investor's account, at the time of valuation, is higher than the value as of the date of the most immediately preceding determination of whether a performance allocation was payable, or if none, the value as of the date such account was established. An Investor making a partial withdrawal will be charged a performance allocation on the date of any withdrawal of capital by such Investor on a pro-rata basis. Performance-based allocations are deducted directly from Investor accounts.

The Adviser's compensation and fees are generally not negotiable, although the Adviser typically waives fees for employee accounts and reserves the right to negotiate its fees.

In the event a Fund terminates its investment management agreement with AltaRock or if an Investor withdraws capital from a Fund prior to the last day of a calendar month appropriate treatment will be given to all management fees and other compensation collected in advance (e.g., the management fee would be pro-rated based upon the number of days elapsed in the applicable period prior to termination and the balance of the management fee collected would be refunded to the applicable Investor).

### ***Other Fees and Expenses***

In addition to management fees and, if applicable, performance allocations, the Funds (and hence the Investors) are generally subject to other Fund expenses, including, without limitation, taxes, audit and ongoing legal expenses, investment expenses such as brokerage commissions (please see item 12 for a further discussion of AltaRock's brokerage and trading practices), research fees and expenses, direct fees and expenses such as legal fees, travel and due diligence expenses

related to the analysis, purchase or sale of investments, whether or not a particular investment is consummated, interest on margin accounts and other indebtedness, borrowing charges on securities sold short, custodial fees, and any other expenses reasonably related to the purchase, sale or transmittal of Fund assets. More detailed information about fees and expenses of each Fund is found in such Fund's offering documents.

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

As noted in Item 5 above, the Adviser currently manages the Funds, in which investors are subject to performance-based allocations on all net gains in excess of the previous "high-water" mark.

The Adviser does not manage any funds in which investors do not pay performance compensation on net gains; provided, however, that the Adviser is entitled to different portions (on a percentage basis) of performance allocations attributable to the Funds it manages. As a result of the foregoing arrangement, an incentive may exist for AltaRock to make decisions regarding the timing and manner of investments with respect to each of the Funds differently than if it received the same percentage of the performance allocation attributable to each Fund. Notwithstanding this conflict of interest, AltaRock is required to act in a manner that it considers fair and equitable, depending on the particular facts and circumstances and the needs and financial objectives of AltaRock's various clients, in allocating investment opportunities to the Funds but AltaRock is not otherwise subject to any specific obligations or requirements concerning the allocation of time, effort or investment opportunities, or any restrictions on the nature or timing of investments for the Funds. AltaRock addresses this conflict through the application of its trade allocation procedures that are designed to avoid or minimize such conflicts of interest, including policies designed to ensure that investment opportunities are allocated equitably among Funds with similar investment objectives. AltaRock periodically reviews allocation of investment opportunities and sequencing of transactions to determine whether Funds are treated fairly.

## **ITEM 7. TYPES OF CLIENTS**

The Adviser provides investment advisory services to pooled investment vehicles which accept funds from individuals, family offices, trusts, investment entities, endowments, charitable organizations, corporations, and other business entities. Investors are generally required to invest at least \$5,000,000. The Adviser may choose to waive this minimum under certain circumstances at its discretion. The initial and additional subscription minimums for the Funds are found in their respective offering documents.



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

### *Methods of Analysis and Investment Strategies*

As previously mentioned, AltaRock focuses primarily on investing in the equity securities of a select group of companies we deem to be undervalued and to possess sustainable competitive advantages. The research process is centered on identifying these types of businesses and gaining an in-depth understanding of the source and durability of their advantages through rigorous analysis.

Initially, investment ideas are vetted based on our judgment of the sustainability of the company's business model, its growth prospects, and an analysis of the company's historical cash flows, returns on capital, financial health and valuation. If the investment candidate passes this initial screen, it is then subjected to a more thorough research process, including a detailed analysis and modeling of historic and future income, balance sheet and cash flow statements, profitability, and insider ownership. AltaRock may also analyze the industry and comparable businesses and their financial metrics to provide a further framework for understanding the candidate's virtues and shortcomings. We review pertinent documents on the company and its competitors, including, but not limited to, SEC filings, annual and quarterly reports, conference call transcripts, research reports and management presentations. Additionally, if deemed useful to achieving the in-depth understanding of a company and its competitive space that is essential to making an informed investment decision, we may interview company management, competitors, industry specialists, and analysts.

If, through this process, AltaRock builds strong conviction in an idea, we approach the investment decision with the mindset of a long-term business owner. If we would be unwilling to invest a large percentage of our own net worth into the equity in question for at least ten years, it is an undeniable signal to us that the idea is flawed. We will only invest when we feel we have identified an outstanding business that we thoroughly understand; one that has trustworthy, shareholder-oriented management, and is priced at a significant discount to our estimate of its intrinsic value.

AltaRock's top ideas, by definition, are the ones we believe possess the least amount of risk and the highest expected return over the long-term. Since high return/low risk ideas are rare, we will invest disproportionately in these opportunities when presented. The intent is to hold these companies in the portfolio for the long-term, provided that they are effectively executing on their long-term business goals and continue to represent good value. As a result, it is anticipated that the Funds' portfolios will generally be highly concentrated in a few companies, and may not be diversified among issuers, industries or sectors, geographic areas and/or types of securities.

The investment strategy summarized above represent AltaRock's current intentions, is general in nature and is not exhaustive. There are no limits on the types of securities in which the Adviser may take positions on behalf of its clients, the concentration of its investments or the amount of leverage it may use. AltaRock may use any trading or investment techniques, whether or not contemplated by the investment strategies above, in pursuit of its investment objective. Depending on conditions and trends in securities and commodities markets and the economy generally, the Adviser may pursue any objectives or use any techniques that it considers appropriate and in the interest of its clients.

### ***Risk of Loss***

An investment in a Fund managed by AltaRock involves significant risks and is suitable only for those persons who can bear the economic risk of the loss of their investment. There can be no assurance that the Funds will achieve their investment objectives. An investment in the Funds carries inherent risks associated with investing in securities, including the risk that our assumptions will be proven invalid, and the risk of a general downturn in one or more of the securities markets. Any or all such risks could materially and adversely affect investment performance and the value of any account or any security held in the Funds and could cause Investors to lose substantial amounts of money. Potential Investors should review the relevant offering circular or private offering memorandum carefully in its entirety and consult with their professional advisers before deciding to invest. Below is a summary of potentially material risks AltaRock believes are associated with an investment in the Funds:

- ***Limited Information***

The Adviser is not in a position to obtain all relevant information regarding a company or a security. Further, the Adviser may misinterpret or incorrectly analyze the information that it has about a particular company or security. Incomplete or erroneous information increases risk and may result in losses.

- ***Unspecified Investments***

Investors must rely on the ability of the Adviser and its employees to identify and make investments consistent with a Fund's investment strategy. The Investors neither participate in the making of any investment decisions, nor have the opportunity to evaluate personally the relevant economic, financial and other information used by the Adviser in its selection, monitoring and disposition of investments. Accordingly, no purchase of interests should be made unless prospective Investors are willing to entrust all aspects of the management of their investment to the Adviser.

- ***Economic Conditions***

Changes in economic conditions can affect the Funds' investments and prospects

materially and adversely. None of these conditions are within the Adviser's control, and it may not anticipate these developments. These factors may affect the volatility of securities prices and the liquidity of the Funds' investments. Unexpected volatility or illiquidity could impair the Funds' profitability or result in losses.

- *Lack of Diversification*

There are no specific diversification requirements or constraints on the Funds. In fact, the investment strategy of the Funds is to concentrate their investments into the equity securities of a select group of businesses. The intent is to hold these investments in the portfolio for the long-term. Certain risks result from a concentration of positions; as a result, the Funds will be dependent upon the success of the limited number of investments.

- *Investing in Equity Securities*

The Funds will be subject to the risks associated with any equity investment strategy. Sharp downward market moves may adversely impact the Fund's long positions and result in losses, and sharp upward movements may generate losses on short positions. Losses may also be incurred on individual positions as a result of issuer-specific matters such as unexpectedly disappointing earnings, lawsuits, analyst action or other matters. Equity returns are volatile and may fluctuate substantially over time.

- *Short Sales*

The Funds may engage in short sales by selling equity securities that they do not own at the time of sale. By doing so, the Funds may become obligated to purchase and deliver equity securities against the short position. In the event that the price of an equity security increases between the short sale and the Funds' subsequent purchase of shares of that security, the Funds will suffer a loss on that transaction and the value of the Investors' accounts will decrease accordingly.

- *Use of Borrowed Funds*

The Adviser may cause the Funds to borrow funds from securities broker-dealers, banks, or other in order to make additional investments. Such leverage increases both the possibilities for profit and the risk of loss.

- *Exchange Rate Risk*

Volatility in international exchange rates between the United States Dollar and other currencies may affect pricing and the profit on sales of non-U.S. securities held by the Funds. This, in turn, could adversely affect the Funds' rate of return or an Investor's profit.

The Funds will require that payments be made and will make distributions in United

States Dollars. Consequently, for investors whose local currency is not US Dollars, an investment in a Fund involves a significant exchange rate risk.

- *Options*

The Funds may engage in options trading. Stock or index options that may be purchased or sold by the Funds include options not traded on a securities exchange. Options not traded on an exchange are not issued by the Options Clearing Corporation; therefore, the risk of nonperformance by the obligor on such an option may be greater and the ease with which the Funds can dispose of such an option may be less than in the case of an exchange traded option issued by the Options Clearing Corporation. The trading of options is highly speculative and may entail risks that are greater than those present when investing in other securities.

- *Inside Information*

It is possible that we may come into possession of material, non-public information about an issuer that would limit our ability to transact in that security on behalf of the Funds. The Funds may experience losses if we are unable to buy or sell an investment because we have obtained such information about the investment.

- *Counterparty and Custody Risk*

The Funds may have contractual agreements with various counterparties, including brokers, to perform various functions or affect certain transactions for or on behalf of the Funds. These entities typically are not subject to credit evaluation and may be subject to limited regulatory oversight. Such arrangements expose the respective Fund to the risk that a counterparty will not settle a transaction in accordance with contractual obligations whether due to insolvency, bankruptcy or other causes. In the event an entity holding Fund assets declares bankruptcy or experiences severe financial distress, the Fund may lose all or a portion of its assets at such entity or may be unable to access and manage such assets for a prolonged period. SIPC and FDIC insurance, if available at all, may be subject to limitations that preclude a full recovery by such Fund.

- *Cybersecurity Risk*

With the increased use of technologies such as the internet to conduct business, each Fund is susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks

may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting the General Partner's and other service providers (including, but not limited to, Fund accountants, custodians, transfer agents and financial intermediaries) have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with a Fund's ability to value its securities or other investments, impediments to trading, the inability of Limited Partners to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting issuers of securities in which such Fund invests, counterparties with which such Fund engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and service providers for Limited Partners) and other parties. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future. While each Fund's service providers have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, a Fund cannot control the cyber security plans and systems put in place by its service providers or any other third parties whose operations may affect the Fund or its Limited Partners. Each Fund and its investors could be negatively impacted as a result.

- *Reliance on Key Individuals*

The success of the Funds is dependent on the efforts of Mark Massey. The loss of Mr. Massey would have a material adverse effect on the Funds.

## **ITEM 9. DISCIPLINARY INFORMATION**

None.

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

### ***Broker-Dealer Registration***

None.

### ***Futures, Commodity Pool Operator, Commodity Trading Advisor***

None.

### ***Related Person Arrangements***

None.

### ***Arrangements with Other Investment Advisers***

None.

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

### ***Code of Ethics***

The Adviser has adopted a Code of Ethics in compliance with Rule 204A-1 under the Investment Advisers Act of 1940, as amended. The Code of Ethics applies to AltaRock's "Access Persons," or those employees who are involved in making investment recommendations to clients or have access to confidential information about our clients and their transactions. Currently, all employees of AltaRock are deemed to be Access Persons.

The Code of Ethics includes requirements that Access Persons, as well as certain members of their immediate families, comply with their fiduciary obligations to clients and applicable securities laws, and specific policies relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires Access Persons to report any violations of the Code of Ethics promptly to the Chief Compliance Officer. Each Access Person receives a copy of the Code of Ethics and any amendments to it upon hire and annually thereafter, and must acknowledge in writing that they will conduct themselves in accordance with the policies therein. Investors and prospective investors may obtain a copy of AltaRock's Code of Ethics by contacting the Chief Compliance Officer at 978-922-7701 or [shannon@altarockpartners.com](mailto:shannon@altarockpartners.com).

### ***Personal Trading***

Under AltaRock's Code of Ethics, personal security transactions policies and procedures apply to all Employees, including any account in which the Employee has a beneficial ownership interest. Typically, this includes accounts held by immediate family members in the same household. While AltaRock's Employees may (with pre-clearance) buy or sell for their own accounts securities that AltaRock also recommends to its clients, the fundamental position of AltaRock is that, in effecting personal securities transactions, personnel of AltaRock must place at all times the interests of clients ahead of their own pecuniary interests.

AltaRock's personal trading policy and procedures impose restrictions on its Employees' personal securities investments, including pre-clearance of all transactions by the Chief Compliance Officer and certain quarterly and annual reporting requirements. All requests for pre-clearance are considered by the Chief Compliance Officer on an individual basis, and in light of the potential for any real or perceived conflict of interest. The requirement for pre-clearance does not apply to holdings or transactions, (i) effected pursuant to an automatic investment plan, (ii) with respect to securities held in accounts over which the Employee has no direct influence or control, (iii) in direct obligations of the U.S. Government, (iv) in money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short term debt instruments, (v) in shares of diversified investment vehicles such as mutual funds, index funds, and (vi) in investments in Section 529 qualified tuition plans. Principals of the Adviser are expected to invest a meaningful percentage of their liquid net worth in the Fund to ensure their interests are aligned with the investors.

### ***Participation or Interest in Client Transactions***

AltaRock does not recommend to the Funds, or buy or sell for the Funds, any securities in which we or our related persons have a material financial interest. Our Code of Ethics requires pre-approval of all outside business activities, and requires disclosure of any situation, including situations that may pertain to the employee's family members, which may give rise to a conflict of interest. AltaRock does not engage in cross trades between Funds.

## **ITEM 12. BROKERAGE PRACTICES**

### ***Selecting Brokerage Firms***

AltaRock has full discretionary authority in selecting the broker-dealers it uses for client transactions and the commission rates that clients pay such brokers. It is our policy to seek "best execution", that is, to seek an outcome for a purchase or a sale of a security that is in the best long-term economic interest of the Funds, subject to the circumstances of the individual transaction. Best execution is not measured solely by commission rate or price. We consider a number of factors in selecting appropriate broker-dealers, including confidentiality, quality of

service, financial strength and stability, commission rates, special execution capabilities, trading systems, clearance, settlement and custodial services, and the provision of research and brokerage services as detailed below.

### ***Research and Other Soft Dollar Benefits***

AltaRock may receive research or brokerage services from a broker-dealer and/or third party in connection with client securities transactions. This is defined as a “soft dollar” relationship. AltaRock may use soft dollars generated by its trading activities to purchase research services or products that would otherwise be an expense of, or need to be produced by, the Adviser. Examples of research services or products include research reports, access to research conferences, research software and data services, access to company management and meetings with research analysts. Research may be created or developed by the broker or created or developed by third parties. The provision of such services or products may create a conflict of interest for AltaRock in selecting brokers by giving us an incentive to pick such brokers rather than selecting a broker based on the client’s interest in receiving most favorable execution. In order to mitigate such a conflict, AltaRock conducts periodic (typically quarterly) best execution reviews that include an assessment of the pricing and services received from brokers.

AltaRock complies with Section 28(e) of the Securities Exchange Act of 1934 in its use of soft dollars. Section 28(e) of the U.S. Securities Exchange Act of 1934 provides a “safe harbor” to investment advisers who use commission dollars of their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the adviser in performing investment decision-making responsibilities. In some cases, the Adviser may acquire a research product or service with soft dollars which also has non-research uses. In these cases, AltaRock will make a reasonable allocation of the cost of the product or service according to its use. That portion of the product or service which provides administrative or other non-research services will be paid for in hard dollars.

AltaRock may pay a broker-dealer commissions that exceed what another broker-dealer may charge for the same transaction because of the value of the brokerage and research services that such broker provides. The Adviser must determine in good faith that such compensation is reasonable in relation to the value of such brokerage and research services in terms of either the specific transaction or its overall duties to its clients. Furthermore, in order to address any potential conflict of interests, the Adviser annually evaluates and compares its broker-dealer relationships to ensure its clients’ needs are being adequately met versus other available broker-dealer options.

The Funds managed by AltaRock follow the same strategy and have the same holdings. The soft dollar benefits generated via our brokerage relationships are used collectively to benefit all of the Adviser’s clients as a whole. There is no direct relationship between commissions received by a



broker-dealer from a particular client's transactions and the use of any or all of that broker-dealer's research material in relation to that client's account.

### ***Brokerage for Client Referrals***

AltaRock may participate in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers to Funds or that recommend the Funds as an investment to clients. The Adviser may place client portfolio transactions with firms who have made such recommendations or provided capital introduction opportunities, if we determine that it is otherwise consistent with seeking best execution. In no event will we select a broker-dealer as a means of remuneration for recommending AltaRock or the Funds, or for providing us with the opportunity to participate in capital introduction programs.

### ***Directed Brokerage***

AltaRock does not recommend, request, require or permit clients to direct the execution of transactions through a specified broker-dealer.

### ***Aggregation and Allocation of Client Accounts***

In general, allocations of investments among client accounts must be made in a fair and equitable manner. AltaRock will typically combine orders for shares of the same securities purchased for accounts it manages, which may allow us to obtain better prices and/or lower execution costs. As a general rule, allocations among the Funds are made pro rata, however adjustments or changes may be made under certain circumstances, such as the inception of an investment vehicle, the significant inflow or outflow of capital by a Fund, transaction tax consequences, available buying capacity, or to avoid odd lots or excessively small allocations. If an order is filled at several different prices, via multiple trades, generally all participating accounts will receive the average price and pay the average commission, subject to odd lots, rounding, and market practice. AltaRock will endeavor to distribute partially filled orders among clients so that all clients are treated fairly over the long term.

## **ITEM 13. REVIEW OF ACCOUNTS**

### ***Periodic Reviews***

AltaRock engages in active management of the Funds and, accordingly, reviews its positions, transactions and cash balances on a regular basis. In reviewing the accounts, AltaRock's investment personnel consider asset allocation, economic developments, and any other available information that impacts risk or potential return. Mark Massey is the portfolio manager for the Funds and makes all investment decisions.

### ***Regular Reports***

Investors in the Funds are provided with reports according to the applicable Fund's offering documents, including written (unaudited) monthly account statements and estimated performance updates. Audited year-end financial statements are prepared and distributed on an annual basis.

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

### ***Client Referrals***

AltaRock does not receive economic benefits from non-clients for providing investment advice and/or other advisory services. AltaRock does not currently engage solicitors to whom it pays for client or investor referrals.

### ***Other Compensation***

None.

## **ITEM 15. CUSTODY**

AltaRock is deemed to have custody of the U.S. Fund's funds and securities under Rule 206(4)-2 of the Advisers Act because it has the authority to obtain the U.S. Fund's funds or securities as the general partner of the U.S. Fund.

AltaRock complies with the requirements of the Rule 206(4)-2 of the Advisers Act (the "Custody Act") with regards to custody of assets of the U.S. Fund. All of the U.S. Fund's assets are held with an unaffiliated qualified custodian. However, we are not required to comply with the reporting requirements of the Custody Rule with respect to the U.S. Fund because we comply with the provisions of the so-called "Pooled Vehicle Annual Audit Exception", which, among other things, requires the U.S. Fund to be subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. The U.S. Fund distributes audited financial statements to all investors within 120 days of the end of the fiscal year.

## **ITEM 16. INVESTMENT DISCRETION**

AltaRock has discretionary authority to manage the Funds pursuant to a grant of authority in the limited partnership or investment management agreements of the Funds. There are no limitations on such authority.

## **ITEM 17. VOTING CLIENT SECURITIES**

### ***Proxy Votes***

AltaRock's general policy is to vote all proxy statements. Prior to voting an individual proxy, AltaRock will make a determination as to what vote is in the best interest of the client. We maintain records required by applicable law in connection with our proxy voting activities. Investors in the Funds may not direct AltaRock's proxy voting, but may request a copy of our proxy voting policy and procedures, as well as the records of any proxy vote by making written request to our firm.

If a conflict of interest arises over proxy voting between AltaRock and a client, we will take the necessary steps to resolve the conflict before voting the proxies. In general, AltaRock will seek to determine how to vote the proxy consistent with the best interests of its clients and in a manner not affected by the conflict of interest. In certain cases, we may abstain from voting if we believe it is in the client's best interest.

## **ITEM 18. FINANCIAL INFORMATION**

The Adviser has no financial condition that impairs its ability to meet contractual commitments to clients and has not been the subject of a bankruptcy proceeding.

## **ITEM 19. REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

Not Applicable.