



**Resource Capital Investment Corporation  
PART 2A OF FORM ADV**

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This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Resource Capital Investment Corporation (“RCIC”). If you have any questions about the contents of this brochure, please contact us at 866-531-8746. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

RCIC is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). However, such registration does not imply a certain level of skill or training.

Additional information about RCIC is also available on the SEC’s website at: <http://www.adviserinfo.sec.gov>.

## **Item 2. Material Changes**

RCIC routinely makes changes throughout its Brochure in an effort to improve and clarify the descriptions of its and its affiliates' business practices and compliance policies and procedures or in response to evolving industry and firm practices.

Since the last update of this Brochure dated December 31, 2019, RCIC has amended this Brochure to reflect enhanced risk disclosure.

We encourage all recipients to read this Brochure carefully and in its entirety.

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

Resource Capital Investment Corporation (hereinafter referred to as “RCIC”) is an investment advisory firm with its principal place of business in Carlsbad, California and was founded in 1998. RCIC is owned by Sprott U.S. Holdings, Inc., a subsidiary of Sprott Inc. (“Sprott”), a Canadian public company. RCIC was registered with the U.S. Securities and Exchange Commission (“SEC”) as an investment adviser on May 17, 2013. Sprott Resource Lending Partnership (“SRLP”) and Sprott Private Resource Streaming and Royalty (Management), LP (“SRSP”) are each registered as a relying investment adviser in accordance with SEC guidance under the Advisers Act. RCIC, SRLP and SRSP are collectively referred to as the “Advisers.”

#### ***Partnerships***

RCIC, a Nevada corporation, serves as the general partner of various investment partnerships intended for sophisticated investors (such sophisticated investors are referred to herein as “Limited Partners”) that invest in companies engaged in natural resources and related industries. The various partnerships are as follows: (1) Resource Income Partners Limited Partnership (“RIPLP”), (2) Exploration Capital Partners 2012 Limited Partnership (“Explo 2012”), (3) Natural Resource Income Investing Limited Partnership (“NRIILP”); (4) Exploration Capital Partners 2014 Limited Partnership (“Explo 2014”); and (5) Sprott Rights & Pipes Opportunity I LP (“Rights & PIPES”) (each hereinafter referred to as a “Partnership”).

#### ***Master-Feeder, Lending Funds I and II and Streaming Fund***

RCIC advises seven private funds, all of which are part of a master-feeder fund structure: (1) Sprott Private Resource Lending, LP, a limited partnership established under the laws of the Province of Ontario for Canadian investors (the “Canadian Partnership”); (2) Sprott Private Resource Lending (US), LP, a limited partnership established under the laws of the Province of Ontario for U.S. investors (the “US Partnership”); (3) Sprott Private Resource Lending (International), LP, a limited partnership formed under the laws of the Province of Ontario for U.S. tax-exempt and non-U.S. and non-Canadian investors (the “International Partnership”); (4) Sprott Natural Resource Lending Fund 2016 LP, a Delaware limited partnership for U.S. investors (the “Delaware Feeder”), which will invest a substantial portion of its assets in the US Partnership; (5) Sprott Private Resource Lending (M-Co-Invest), LP, a limited partnership formed under the laws of the State of Delaware for a group of related institutional investors (the “M-Co-investment Partnership”); (6) Sprott Private Resource Lending (C-Co-Invest), LP, a limited partnership formed under the laws of the Province of Ontario for a group of related institutional investors (the “C-Co-investment Partnership”); and (7) Sprott Private Resource Lending (Collector), LP, a limited partnership established under the laws of the Province of Ontario (the “Collector Partnership”). Each of the Canadian Partnership, the US Partnership and the International Partnership invest substantially all of their assets in the Collector Partnership. These entities are closed-ended private funds and were closed for investment on April 5, 2017. The Delaware Feeder closed for investment on October 31, 2016.

The investors in the M-Co-investment Partnership and C-Co-investment Partnership (collectively, the “Co-investment Partnerships”) also invest concurrently with the US Partnership on a non-discretionary basis. These investors are permitted to invest up to \$30 million in the respective Co-investment Partnership, and the Co-investment Partnership invest in loans and the same types of other securities as does the Collector Partnership and the Delaware Feeder.

The Canadian Partnership, the US Partnership, the International Partnership and the Collector Partnership are collectively referred to as the “Lending Fund I.”

SLRP advises four private funds, all of which are part of a master-feeder structure: (1) Sprott Private Resource Lending II, LP, a limited partnership established under the laws of the Province of Ontario for Canadian investors (the “Canadian Partnership (II)”); (2) Sprott Private Resource Lending II (US), LP, a limited partnership established under the laws of the Province of Ontario for U.S. investors (the “US Partnership (II)”); (3) Sprott Private Resource Lending II (International), LP, a limited partnership formed under the laws of the Province of Ontario for U.S. tax-exempt and non-U.S. and non-Canadian investors (the “International Partnership (II)”); and (4) Sprott Private Resource Lending (Collector), LP, a limited partnership established under the laws of the Province of Ontario (the “Collector Partnership (II)”). Each of the Canadian Partnership (II), the US Partnership (II), and the International Partnership (II) invest as parallel funds and invest in the same loans and securities, and invest substantially all of their assets in the Collector Partnership (II). These entities are closed-ended private funds.

The Canadian Partnership (II), the US Partnership (II), the International Partnership (II), and the Collector Partnership (II) are collectively referred to as the “Lending Fund II.”

With regards to Lending Fund I, the M Fund (as more fully described below), and the Co-investment Partnerships, RCIC and SRLP entered into a sub-management agreement pursuant to which RCIC will delegate to SRLP all aspects of the management of each Lending Fund’s investments, including investigating, analyzing, structuring and negotiating potential investments, monitoring the performance of loan investments and portfolio companies and making determinations as to disposition and other opportunities in respect of the investments. RCIC will be responsible for supervision of SRLP and will provide certain administrative services to Lending Fund I. A similar arrangement exists with respect to the Delaware Feeder. SRLP is a relying adviser in reliance on RCIC’s SEC registration with respect of all funds managed by SRLP.

SRSP advises the following private funds, all of which are part of a master-feeder structure: (1) Sprott Private Resource Streaming (US), LP, a limited partnership established under the laws of the Province of Ontario for U.S. investors (the “US Partnership (Streaming)”); (2) Sprott Private Resource Streaming (Canada), LP, a limited partnership established under the laws of the Province of Ontario for Canadian investors (the “Canadian Partnership (Streaming)”); and (3) Sprott Private Resource Streaming (Collector), LP, a limited partnership established under the laws of the Province of Ontario (the “Collector Partnership (Streaming)”). The US Partnership (Streaming), Canadian Partnership (Streaming), and Collector Partnership (Streaming) are collectively referred to as the “Streaming Fund.” SRSP is a relying adviser in reliance on RCIC’s SEC registration with respect to all funds managed by SRSP.

### ***Other Funds***

SRLP serves as the adviser to Sprott Private Resource Lending (K), LP (the “Korea Fund”), a private lending fund formed as a limited partnership under the laws of the Province of Ontario and exempt from SEC and Ontario Security Commission registration that invests in companies in the mining, resource, and energy production sectors on a global basis.

SRLP also serves as the adviser to the Sprott Private Resource Lending (M), LP (the “M Fund”), a private lending fund formed as a limited partnership under the laws of the State of Delaware that invests in companies in the mining, resource, and energy production sectors on a global basis.

Each of the Canadian Partnership, the US Partnership, the International Partnership, the Delaware Feeder, the M-Co-investment Partnership, the C-Co-investment Partnership, the Collector Partnership, the M Fund, the Korea Fund, the Canadian Partnership (II), the US Partnership (II), the International Partnership (II), the US Partnership (Streaming), the International Partnership (Streaming) and the Canadian Partnership (Streaming), is referred to in this Brochure as a “Client” or “Fund”, along with other funds advised by the Advisers as identified above.

### ***Advisory Services***

The Advisers’ investment advisory services to the Funds include sourcing, evaluating, negotiating, overseeing, managing and disposing of investments in the natural resources industry. The Advisers tailor their advisory services in accordance with each Fund’s investment strategy as disclosed in such Fund’s offering documents. Further specific details of the Advisers’ advisory services are set forth in each Fund’s respective private placement memorandum, management agreement and partnership agreement. Investors in the Funds participate in the overall investment program for the applicable Funds, but may be excused from a particular investment due to legal, regulatory or other applicable constraints.

The Advisers may enter and have entered into side letters or other similar agreements with certain investors that have the effect of establishing rights under, supplementing or altering a Fund’s partnership agreement or an investor’s subscription agreement. Such rights or alterations could be regarding economic terms, fee structures, excuse rights, information rights, co-investment rights (including the provision of priority allocation rights to limited partners who have capital commitments in excess of certain thresholds to one or more Funds), or transfer rights. For the most part, any rights established, or any terms altered or supplemented will govern only the investment of the specific investor and not the terms of a Fund as whole. Certain such additional rights but not all rights, terms or conditions may be elected by certain sizeable investors with “most favored nations” rights pursuant to a Fund’s limited partnership agreement. In addition, the Advisers generally make such side letters relating to a particular Fund available to all limited partners of such Fund that have entered into a side letter with a “most favored nations” clause.

***The information provided above about the investment advisory services provided by the Advisers is qualified in its entirety by reference to the Clients’ offering materials and limited partnership and subscription agreements.***

As of December 31, 2019, the Advisers collectively managed \$420,580,684 in managed Partnership assets, with \$19,453,011 of this number in non-discretionary assets. There was an additional amount of \$1,232,621,262 of uncalled capital for Lending Funds I and II, Streaming Fund, M Fund, and Korea Fund, with an additional amount of \$21,987,500 of uncalled capital in non-discretionary funds. Thus, regulatory assets under management was \$1,675,189,456 as of December 31, 2019.

## **Item 5. Fees and Compensation**

### ***Partnerships and Delaware Feeder***

Each Partnership pays RCIC a monthly management fee in arrears in an amount equal to 2.0% per annum based on the value of net assets on the last day of the month (the “Management Fee”) with the exception of NRIILP’s management fee which was reduced from 1.75% to 1.2% annually in January 2015 and RIPLP’s management fee which was reduced from 2% to 1.2% annually in January 2015. All Partnerships except Explo 2000 have their respective Management Fees deducted on a monthly basis. Explo 2000 has its Management Fee deducted on a quarterly basis. The investors in the Co-investment Partnerships do not pay a management fee or make a carried interest distribution to RCIC or any of its affiliates. Investors who participated in a closing of a Partnership after the initial closing of a Partnership are responsible for payment of the management fee from the initial closing date of such Partnership. RCIC may pay some or all of the management fees it receives to SRLP.

The investors in the Delaware Feeder pay a management fee to RCIC in an amount equal to 1.75% per annum based on the value of net assets on the last day of the month. RCIC may pay some or all of the management fees it receives to SRLP. The Delaware Feeder does not pay a management fee when it invests in the US Partnership. The investors in the Delaware Feeder also bear its offering and organizational expenses.

In addition to paying management fees, the Partnerships are also responsible for other investment expenses as outlined in the respective offering documents, and may include custodial charges, brokerage fees, commissions and related costs; interest expenses; taxes, duties and other governmental charges; transfer and registration fees or similar expenses; costs associated with foreign exchange transactions; other portfolio expenses; and costs, expenses and fees associated with products or services that may be necessary or incidental to such investments or accounts. Partnership assets may be invested in money market mutual funds, ETFs or other registered investment companies. In these cases, the Partnership bear its *pro rata* share of the investment management fee and other fees associated with an investment in such fund, which are in addition to the investment management fee paid to the Adviser. Please refer to Item 12 of this Brochure for a discussion of brokerage practices.

The investors in the Delaware Feeder pay operating and organizational expenses, including the expenses listed below under “Lending Funds I and II, Streaming Fund, Korea Fund, M Fund, and Co-investment Partnerships – Lending Fund I, Lending Fund II, and Streaming Fund.”

### ***Lending Funds I and II, Streaming Fund, Korea Fund, M Fund, and Co-investment Partnerships***

#### ***Lending Fund I, Lending Fund II, and Streaming Fund***

Generally, Lending Fund I, Lending Fund II, and Streaming Fund (each a “Master-Feeder Fund” and together, the “Master-Feeder Funds”) each pay the respective advisers a management fee, in advance, equal to a percentage per annum on aggregate capital contributions used to fund investments that have not been fully realized, determined on the first date of each reference period. A portion of the Lending Fund I management fee is paid to RCIC for certain administrative and compliance costs incurred on behalf of that fund. Lending Fund II and Streaming Fund each also include in such

management fee a percentage per annum of net uninvested capital determined at the beginning of each reference period. Investors who participated in the closing of any Master-Feeder Fund after its initial closing are responsible for funding capital calls to pay the management fee from the initial closing date, as set forth in such Master-Feeder Fund's partnership agreement.

Each of the Master-Feeder Funds pays a performance-based carry interest distribution. In connection with its advisory services to Lending Fund I, SRLP also receives a performance-based carried interest distribution of 15%. In connection with its advisory services to Lending Fund II, an affiliate of SRLP also receives a performance-based carried interest distribution of 20%.

In connection with its advisory services to the Streaming Fund, affiliates of Sprott Resource Streaming and Royalty Corp. ("SRSC"), the general partner of the Streaming Fund, also generally receives a performance-based carried interest distribution of 20% as well as an interim carry partner distribution of 10% of all current income distributed or deemed distributed to the limited partners or that was received by the Streaming Fund. For the US partnership, the carry partner is "Sprott Private Resource Streaming and Royalty (C) Partnership". For the Canadian partnership, the carry partner is "Sprott Private Resource Streaming and Royalty (C) Corp."

Generally, this carried interest represents a share of distributions made after return of invested capital, allocable fees and expenses, and a preferred annualized "hurdle" rate of return of 6%, for Lending Fund I, and 8%, for Lending Fund II and Streaming Fund. Carried interest allocations do not exceed 20% of profits and are generally subject to general partner catch-ups. This allocation is paid as outlined in the applicable partnership agreement.

Generally, the Master-Feeder Funds bear all of the fees, costs, expenses and other liabilities or obligations relating to or arising from their operations, activities, meetings and eventual liquidation (to the extent not reimbursed by a portfolio company). The operating and offering documents of each Master-Feeder Fund set forth the particulars of the expenses that may be borne by such Master-Feeder Fund, but such operating expenses may include (without limitation) the following: (a) management fees, (b) legal, auditing, consulting, administration, custodian and accounting fees and expenses and the costs and expenses of any information technology outsourcing, (c) expenses and costs associated with communications and meetings with the limited partners (but excluding costs incurred by particular limited partners) and expenses of such Master-Feeder Fund's Limited Partner Advisory Committee, (d) all transaction expenses, (e) all amounts paid to an indemnitee under a Master-Feeder Fund's partnership agreement and all expenses relating to litigation, investigations, settlements or reviews of a Master-Feeder Fund or other extraordinary events or to the enforcement and protection of rights relating to a Master-Feeder Fund (other than litigation or the enforcement and protection of rights relating to a Master-Feeder Fund as against the Master-Feeder Fund's general partner for which indemnification of the general partner out of a Master-Feeder Fund's assets is not provided), (f) all debt service obligations, including principal, interest, premium, if any, fees, expenses and other amounts payable in respect of indebtedness of a Master-Feeder Fund and, as applicable, any parallel investment entities, including any fees and expenses incurred as a result of the implementation (including negotiation and documentation), utilizing and refinancing of such indebtedness, (g) all taxes, interest, fees or other governmental charges levied against a Master-Feeder Fund other than any such taxes, interest, fees or other governmental charges for which a Master-Feeder Fund's general partner is expressly responsible under such Master-Feeder Fund's partnership agreement, or, in the case of Lending Fund II and Streaming Fund, the management services agreement with SRLP and SRSC, respectively, (h) the organization of any alternative



investment structure, including documentation related thereto, (i) costs and liabilities incurred in connection with directors' and officers' liability and other insurance expenses, (j) fees incurred in connection with the maintenance of bank or custodian accounts, (k) expenses and costs of liquidating a Master-Feeder Fund and its subsidiaries, (l) all expenses and costs incurred in connection with governmental or regulatory filings, and (m) expenses incurred in connection with any restructuring or amendments to the constituent documents of a Master-Feeder Fund, including such Master-Feeder Fund's general partner, to the extent necessary to implement a restructuring or amendment of a Master-Feeder Fund's documents.

Similar expenses are borne by the investors in the Delaware Feeder, the Co-investment Partnerships, and the Korea Fund.

In the event a Master-Feeder Fund co-invests alongside another fund advised by, or an affiliate of, Sprott (an "Other Sprott Fund") or alongside a co-investment vehicle in an investment, the costs, expenses and indemnification obligations attributable to such investment will be allocated to such Master-Feeder Fund, any such Other Sprott Fund and/or any such co-investment vehicle in proportion to the capital committed by each to such investment, except to the extent that any such costs and expenses for indemnification obligations are specific to the Master-Feeder Fund or an Other Sprott Fund, as applicable.

The limited partners of the Master-Feeder Funds do not bear any placement agent fees. The Streaming Fund will bear up to \$1,150,000 of offering and organizational expenses, and offering and organizational expenses in excess of \$1,150,000 will be borne by the SRSP.

In the event Lending Fund I proposes to co-invest alongside any Other Sprott Fund, any other fund with an investment mandate, objectives and policies substantially the same as those of Lending Fund I ("Subsequent Fund") and/or any co-investment vehicle managed by Sprott Resource Lending Corp. ("SRLC") as the general partner (or an affiliate), and in the event either Lending Fund II or Streaming Fund proposes to co-invest alongside any Subject Fund, and such proposed investment by the Master-Feeder Funds is not consummated, any expenses incurred in connection with such proposed investment will be allocated, in the case of Lending Fund I, between Lending Fund I, such Subsequent Fund, such Other Sprott Fund(s) and/or any such co-investment vehicle(s), and, in the case of Lending Fund II and Streaming Fund, between Lending Fund II or Streaming Fund and any Subject Fund, on a *pro rata* basis in accordance with the amount of the proposed investment that would have been made by each such entity in such investment if consummated. Related to Lending Fund I, if a co-investment vehicle that would have participated in such potential investment is never formed, the *pro rata* share of any broken-deal expenses that would have been allocated to such co-investment vehicle will be borne solely by the proposed investors that would have invested in such co-investment vehicle and/or the general partner. Related to Lending Fund II and Streaming Fund, the *pro rata* allocation of expenses excludes the amount of any proposed co-investment by any other person, except to the extent that any potential co-investor had made a binding commitment to co-invest alongside Lending Fund II or Streaming Fund, as applicable, in which case, such expenses will be allocated to Lending Fund II or Streaming Fund, as applicable, such Subject Fund and such potential co-investor on a *pro rata* basis in accordance with the amount of the proposed investment that would have been made by each such person in such investment if consummated.

### *Korea Fund, M Fund, C-Co-investment Partnership, and M-Co-investment Partnership*

The investors in the Korea Fund pay a management fee to SRLP at a rate of 1.75% per annum of net invested capital and reserve commitments, plus applicable taxes. The Korea Fund bears its offering and organizational expenses up to \$250,000.

The investors in the M Fund pay a management fee to SRLP at a rate starting at 1% per annum of net invested capital and reserve commitments, plus applicable taxes, depending on the investment.

Investors in the M-Co-investment Partnership and C-Co-investment Partnership do not pay management fees to SLRP or RCIC as nondiscretionary, co-investment funds.

The investors in the Korea Fund and the Co-investment Partnerships pay operating and organizational expenses, including the expenses listed below under “Lending Funds I and II, Streaming Fund, Korea Fund, M Fund, and Co-investment Partnerships – Lending Fund I, Lending Fund II, and Streaming Fund.”

### ***Other Fee and Compensation Information***

The Advisers may from time to time enter into arrangements with service providers that provide for fee discounts for services rendered to the Funds and the Advisers. For example, certain law firms retained may discount their legal fees for advice in connection with certain matters. To the extent such law firms provide services to the Funds, such Funds also enjoy the benefit of fee discount arrangements. In some cases discounts may be based on volume and so certain Funds or portfolio companies may receive a greater discount than others depending on the timing of their transactions (*e.g.*, if a transaction occurs early in a year it may not receive the same discount as a transaction that occurs later in the year).

The Advisers and their personnel may receive certain intangible and/or other benefits arising or resulting from their activities on behalf of the Funds, which will not be subject to management fee offsets or otherwise shared with the Funds or their investors. For example, airline travel or hotel stays incurred as fund expenses may result in “miles” or “points” or credit in loyalty or status programs, and such benefits will accrue exclusively to the Advisers (and not to the Funds, their investors and/or portfolio companies) even though the cost of the underlying service is borne directly by the Funds or their portfolio companies and indirectly by the investors in such Funds.

The expenses described above are detailed, but do not include every possible expense a Fund may incur. Investors should review the applicable Fund’s offering materials and limited partnership agreement for further details.

### ***Brokerage***

See Item 12 below for a description of RCIC’s brokerage practices with respect to its affiliated broker-dealer.

### ***Referrals***

An affiliate of RCIC paid OCP Capital LLC and Moelis & Company LLC for referrals into Lending Fund I and the Co-investment Partnerships. SRLP paid Hoshea Greenfield for referrals into Lending

Fund II. Currently only the Streaming Fund is open for investment, with no entities acting as a referral base for the Advisers.

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

The Advisers provide investment management services to multiple portfolios for multiple Clients and may be paid performance-based compensation by the Clients. As disclosed in Item 5, an affiliate will receive a carried interest distribution from Lending Funds I and II, the M Fund and the Streaming Fund, provided performance of the fund merits one under the applicable fund documents. When the Advisers and their investment personnel manage more than one client account, a potential exists for one client account to be favored over another. In allocating investments, the Advisers may have incentives to favor Clients with higher potential for carried interest distributions over Clients with lower or no potential for carried interest.

The Advisers have adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts, including accounts with multiple fee arrangements, and the allocation of investment opportunities. The Advisers review investment decisions for the purpose of ensuring that all accounts with substantially similar investment mandates are treated equitably. The performance of similarly managed accounts may be compared to determine whether there are any unexplained significant discrepancies. In addition, the Advisers' procedures relating to the allocation of investment opportunities (the "Allocation Policy") requires that similarly managed accounts participate in investment opportunities generally based on available cash as a percentage of total assets under management in the account, subject to tax considerations, odd lots, and other applicable investment guidelines and restrictions and require that, to the extent orders are aggregated, the orders are generally price-averaged. With respect to any investment opportunity that is an appropriate investment for the Streaming Fund, at least 80% of such opportunity will be allocated to the Streaming Fund unless it is specifically excluded under the Allocation Policy or the Streaming Fund's advisory committee approves of less than 80% of the investment opportunity. Investment and allocation decisions are monitored by RCIC's Chief Compliance Officer (the "CCO").

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

The Advisers' Clients consist of the Partnerships, the Delaware Feeder, the Co-investment Partnerships, the Korea Fund, the M Fund, Lending Funds I and II and the Streaming Fund. Investment advice is provided directly to such Clients and not individually to the investors in such Funds. The investors participating in such Funds may include high net-worth individuals, banks or thrift institutions, sovereign wealth funds, pension and profit-sharing plans, trusts, estates, charitable organizations or other corporations or business entities and also may include, directly or indirectly, past or current service providers, members of the management of a Fund's portfolio company and principals or other employees of the Advisers.

With respect to the Partnerships, the Korea Fund, the M Fund, the Lending Funds I and II and the Streaming Fund, the subscription minimums are disclosed in each entity's respective offering memorandum and range from \$100,000 to \$10 million. Such amounts have been and in the future may be reduced with the prior agreement of an Adviser, subject to applicable legal requirements.

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

The Advisers provide day-to-day investment advisory services to its clients. The following is a summary of investment strategies and methods of analysis generally used by the Advisers on behalf of its clients. More detailed descriptions of the Funds' investment strategies and methods of analysis are included in the applicable private offering materials and governing documents for each Fund. The summary below should not be interpreted to limit in any way the Funds' investment activities. There can be no assurance that the Advisers will achieve the investment objectives of each Fund and loss of investment is possible.

### ***Investment Strategies and Methods of Analysis***

The Advisers utilize a variety of methods and strategies to make investment decisions and recommendations for the Funds. The methods of analysis include fundamental analysis and cyclical analysis, as well as use of quantitative tools and investment approaches. The analysis generally includes a review of:

- The issuer's management;
- The amount and volatility of past profits or losses of the issuer;
- The issuer's assets and liabilities, as well as any material changes from historical norms;
- Prospects for the issuer's industry, as well as the issuer's competitive position within that industry; and
- Any other factors considered relevant.

The Advisers employ the following investment strategies:

*Equity.* RCIC's equity strategies focus on a broad range of equity investment styles, including growth, core, and value, as well as blended portfolios. Most Partnership accounts focus on investment opportunities in more than one capitalization category or across all capitalization levels. In addition, RCIC manages Partnership accounts respectively that are multi-national.

*Buy and Hold.* RCIC engages in buy and hold investment strategies wherein RCIC buys securities and holds them for a relatively longer period of time, regardless of short-term factors such as fluctuations in the market or volatility of the stock price.

*Fundamental Value.* RCIC engages in fundamental value investment strategies wherein RCIC attempts to invest in asset-oriented securities RCIC believes are undervalued by the market.

*Growth.* RCIC engages in growth investment strategies wherein RCIC attempts to select securities of a company whose earnings are expected to grow at an above-average rate compared to the company's specific industry or the overall market.

*Option Trading.* RCIC may engage in option trading investment strategies. Options are investments whose ultimate value is determined from the value of the underlying investment. The Advisers engage in the following types of option trading strategies: call and put writing, covered calls.

The investment thesis of each Partnership currently being managed by the Advisers is summarized below:

*RIPLP*: The investment objective of RIPLP is to provide bridge and debenture financing to natural resource focused entities (*i.e.*, no public debt) and to realize both interest and capital gains commensurate with the risk to be taken. The Fund may purchase high yield debt, convertible debentures and preferred equities through both secondary offerings and in the open market.

*Explo 2012*: The investment objective of Explo 2012 is to invest in private, pre-public natural resource entities through recognition of such factors as quality of management personnel, availability of funding, quality of mining prospects, laws of the countries in which the prospects are found, the price of the public shares, and the projected market price of the natural resources themselves.

*NRILP*: The investment objective of NRILP is to acquire ownership interests in oil wells and participate in lending arrangements to both public and private companies and may purchase high yield debt, debentures and convertible debentures, preferred and convertible preferred equities, bonds, master limited partnerships, unit trusts, high yielding common shares, real estate and infrastructure lending through both private placements and in the open market.

*Explo 2014*: The investment objective of Explo 2014 is to invest primarily in equity securities of companies throughout the world that own, explore or develop natural resources. To pursue this investment objective, Explo 2014 intends to invest the majority of its assets in equity securities of such companies that are listed on stock exchanges outside of North America and domiciled outside of North America (*i.e.*, outside of Canada and the United States). Equity securities include common stock, preferred stock, securities convertible into common stock, and rights to subscribe for common stock.

*Rights & Pipes*: The investment objective of the Fund is to invest in natural resource and/or natural resource related entities by structuring and entering into stand-by arrangements for rights offerings and strategic private investment into public equity investments in companies in the resource sector.

Exploration Capital Partners 1998-B Limited Partnership and Exploration Capital Partners 2006 Limited Partnership were dissolved on December 31, 2016. Exploration Capital Partners 2000 Limited Partnership was dissolved on December 31, 2017. Exploration Capital Partners 2008 Limited Partnership and Exploration Capital Partners 2005 Limited Partnership partnerships were dissolved on December 31, 2018. Exploration Capital Partners 2009 Limited Partnership was dissolved on December 31, 2019. The assets for these partnerships that are not liquid and which have not been distributed to investors have been placed in a series limited liability vehicle to aid in the distribution and liquidation of the holdings and are no longer being disclosed as private fund vehicles on this Form ADV. In this regard, RCIC currently only manages the liquidating trust for those investors that were previously invested in these partnerships, and RCIC will manage any receivables on behalf of the liquidating trust. GAAP audits continue to be conducted for all these dissolved investment vehicles and are distributed to the investors. The Sprott Rights & Pipes Opportunity VII LP merged on June 10, 2018 into Sprott Rights & Pipes Opportunity I LP, continuing operations as Sprott Rights & Pipes Opportunity I LP (“Rights & Pipes”).

*Lending Funds I and II, the Delaware Feeder, the M Fund, the Korea Fund, and the Co-investment Partnerships*: The investment objective of Lending Fund I is to provide credit facilities to and invest in notes, bonds, debentures or other debt instruments (“Loan Investments”) of companies or other entities (portfolio companies) in the mining, agricultural mineral, resource infrastructure, resource

service and energy production sectors on a global basis. While Lending Fund I's focus is not on distressed investments, it will have the ability to invest in distressed debt. In connection with any Loan Investments made by Lending Fund I, Lending Fund I may also invest in, receive rights in respect of or otherwise acquire shares, options, warrants, commodity price appreciation rights, royalties and other contingent purchase rights (each, an "Equity Kicker"), including upon the exercise of any such right or as a result of the conversion of debt. The investment objective of the Delaware Feeder is the same as that of Lending Fund I. The Co-investment Partnerships will co-invest in investments made by Lending Fund I and in other similar investments. The investment objective of Lending Fund II is substantially the same as that of Lending Fund I.

*Streaming Fund:* The investment objective of the Streaming Fund is to acquire newly-created or existing commodity streams and royalties from companies in the mining, agricultural mineral, resource infrastructure, resource service and energy production sectors on a global basis.

### ***Risks of Investment***

These methods, strategies and investments involve risk of loss to investors in the Partnerships, the Delaware Feeder, the Co-investment Partnerships, Lending Funds I and II and the Streaming Fund, and those investors must be prepared to bear the loss of their entire investment.

Lending Funds I and II, the Delaware Feeder, the Korea Fund, and the Co-investment Partnerships will invest primarily in Loan Investments and related investments. The nature and credit quality of their loan portfolios, including the quality of the collateral security that they obtain, will impact their asset base and the return they are able to generate. In the loan selection process, they will target certain types of borrowers in the natural resource sector. There can be no assurance that borrowers and any security in the assets of such borrowers will not be adversely impacted by general economic or industry specific conditions, which in turn may adversely impact the value of the loan portfolio and the returns of these funds. In order to effectively monitor and realize on the security underlying the loans upon a default by a borrower, each Fund has engaged personnel and professionals for such purpose. However, there can be no assurance that any of these Funds will be able to successfully manage this process. Each Fund's performance could be adversely impacted by borrower defaults.

The following are certain risks of investment:

*Natural Resources and Related Industries.* Investments in natural resources and related industries are affected by business, financial market, political risk or legal uncertainties. There can be no assurance that the Advisers will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on underlying natural resource investments. Prices of natural resource investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Advisers' respective portfolios and the value of their investments. In addition, the value of the Funds' portfolios may fluctuate as the general level of interest rates fluctuate.

*Lack of Diversification.* Client accounts will not be diversified among a wide range of types of securities, countries or industry sectors. Accordingly, the portfolios are subject to more rapid change in value than would be the case if the Advisers were required to maintain a wider diversification among types of securities and other instruments.

*Natural Resource Assets.* The production and marketing of natural resource assets may be affected

by actions and changes in governments. In addition, natural resource assets and natural resource asset securities may be cyclical in nature. During periods of economic or financial instability, securities of companies with natural resource assets may be subject to broad price fluctuations, reflecting volatility of energy and basic materials prices and possible instability of supply of various natural resource assets. In addition, these companies may also be subject to the risks associated with extraction of natural resources as well as the risks of the hazards associated with natural resources, such as fire, drought, and increased regulatory and environmental costs. These securities may also experience greater price fluctuations than the relevant natural resource asset.

*Equity Securities.* 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. 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 can impact the market as a whole. Terrorism and related geo-political 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.

*Fixed-Income and Debt Securities.* Generally, the value of fixed-income securities changes inversely with changes in interest rates. As interest rates rise, the market value of fixed-income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed-income securities tends to increase. This risk is greater for long-term securities than for short-term securities. Similarly, portfolios that hold such securities are subject to the risk that the portfolio’s income will decline because of falling interest rates. Investments in these types of securities will also be subject to the credit risk created when a debt issuer fails to pay interest and principal in a timely manner, or that negative perceptions of the issuer’s ability to make such payments will cause the price of that debt to decline. Investments in low-rated or unrated debt securities will also subject the investments to the risk that the securities may fluctuate more in price, and are less liquid than higher-rated securities because issuers of such lower-rated debt securities are not as strong financially, and are more likely to encounter financial difficulties and be more vulnerable to adverse changes in the economy.

*Options Risk.* The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

*Short Selling Risk.* Short selling transactions involve the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a “short squeeze” can occur, wherein

a portfolio might be compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

*Valuation.* The valuation of a Fund's investments, which will affect the Fund's performance results, involves uncertainties and subjective determinations. As a result, valuation of a Fund's investments may not reflect the price at which a Fund could dispose of its interests in a particular investment at any given time. The process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had a ready market existed for such securities and may differ from the prices at which such securities may ultimately be sold. Because the investment manager determines in its discretion the value of Fund assets, potential conflict of interest exists in making valuation determinations given the potential impact of such valuations on a Fund's performance, particularly with respect to an account that pays performance fees.

*Non-U.S. Securities.* Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. All of these factors can make foreign investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

*Emerging Markets.* The risks of foreign investments typically are greater in less developed countries, sometimes referred to as emerging markets. For example, political and economic structures in these countries may be less established and may change rapidly. These countries also are more likely to experience high levels of inflation, deflation, or currency devaluation, which can harm their economies and securities markets and increase volatility. Restrictions on currency trading that may be imposed by emerging market countries will have an adverse effect on the value of the securities of companies that trade or operate in such countries.

*Market Conditions.* The capital markets have experienced great volatility and financial turmoil. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for the Funds and may affect the Funds' ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in the Funds' investments and could have a negative impact on the performance of the Funds' investments. Movements in foreign exchange rates may adversely affect the value of the Funds' investments and their overall performance. These developments, and the potential consequences of them, have had and may continue to have a material adverse effect upon global economic conditions and the stability of global financial markets, and could significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Asset valuations, currency exchange rates and credit ratings have been and may continue to be subject to increased market volatility.



*Uncertain Economic, Social and Political Environment.* The Advisers, the Funds and the companies in which they invest may be adversely affected by economic, social and political developments in the laws and regulations of the countries in which they are invested. The global economic and political climate can be uncertain. Prior acts of terrorism, the threat of additional terrorist strikes, growing social and political discord in the United States and elsewhere, economic sanctions, tariffs and other trade disputes, international political developments, changes in government policies and taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and the fear of a prolonged global conflict have exacerbated volatility in the financial markets and can cause consumer, corporate and financial confidence to weaken. This may have an adverse effect on the economy generally and on the ability of the Funds to execute their respective strategies. A climate of uncertainty may reduce the availability of potential investment opportunities and increases the difficulty of modeling market conditions. The Funds may be adversely affected by abrogation of international agreements and national laws which have created the market instruments in which the Funds may invest, failure of the designated national and international authorities to enforce compliance with the same laws and agreements, failure of local, national and international organization to carry out the duties prescribed to them under the relevant agreements, revisions of these laws and agreements which dilute their effectiveness or conflicting interpretation of provisions of the same laws and agreements.

*The United Kingdom and Brexit.* The European Union (Withdrawal Agreement) Act 2020 has passed the Parliament of the United Kingdom, and consequently the United Kingdom left the European Union on January 31, 2020 (“Brexit”). Under the negotiated “Withdrawal Agreement”, the United Kingdom–European Union relationship entered into a transition period from February 1, 2020 to December 31, 2020. The nature of the future trading relationship between the United Kingdom and the European Union is still being negotiated. There is no legal, political, regulatory and/or economic certainty as to the ongoing relationship that will exist between the United Kingdom and the European Union post-transition period and it remains impossible to predict or definitively state the economic, tax, fiscal, legal, regulatory and other impacts on the asset management industry, the broader European and global financial markets generally and private funds such as the Funds and their investments. This uncertainty is likely to continue to impact the global economic climate and may impact opportunities, pricing, availability and cost of bank financing, regulation, values or exit opportunities of companies or assets based, doing business, or having service or other significant relationships in, the United Kingdom or the European Union, including companies or assets held or considered for prospective investment by the Funds.

*Disease and Epidemics.* The impact of disease and epidemics may have a negative impact on our business, our Funds and their performance and financial position. Coronavirus, renewed outbreaks of other epidemics or the outbreak of new epidemics could result in health or other government authorities requiring the closure of offices or other businesses, and could also result in a general economic decline. For example, such events may adversely impact economic activity through disruption in supply and delivery chains. Moreover, our operations and those of our Funds or portfolio companies could be negatively affected if personnel are quarantined as the result of, or in order to avoid, exposure to a contagious illness. Similarly, travel restrictions or operational issues resulting from the rapid spread of contagious illnesses may have a material adverse effect on business and results of operations. A resulting negative impact on economic fundamentals and consumer confidence may negatively impact market value, increase market volatility, cause credit spreads to widen, and reduce liquidity, all of which could have an adverse effect on our business, our Funds and underlying portfolio investments. The extent to which the coronavirus (or any other disease or

epidemic) impacts business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others.

*Reliance on the Advisers.* Control over the operation of the Funds will be vested with the Advisers, and the Funds' future profitability will depend largely upon the business and investment acumen of the Advisers as investors generally have no right or power to take part in the management of the Funds. Changes in circumstances relating to an Adviser may have an adverse effect on the Funds or one or more of their investments, including potential acceleration of Fund-level debt facilities.

*Potential Regulatory Changes.* There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of both the asset management industry and the natural resources industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Funds' activities, including the ability of the Funds to effectively and timely address such regulations, implement operating improvements or otherwise execute their investment strategies or achieve their investment objectives. In particular, a Fund may be required to incur additional costs and expenses in implementing structural changes in the conduct of its business, including to establish greater substance in certain jurisdictions in which the Fund invests or proposes to invest, and such Fund may also become directly or indirectly subject to additional tax liabilities (for example through restrictions on or denial of the deductibility of interest expenses against taxable profits). Additionally, such additional scrutiny may divert the Advisers' time, attention and resources from investment advisory activities.

*Possibility of Misconduct by Employees and Service Providers.* Misconduct by employees of the Advisers or service providers to the Advisers or the Funds could cause significant losses to the Funds. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by such Funds, the improper use or disclosure of confidential or material non-public information, which could result in litigation, regulatory enforcement or serious financial harm, including limiting the business prospects or future marketing activities of such Funds and non-compliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption and/or financial losses to such Funds. The Advisers have controls and procedures through which they seek to minimize the risk of such misconduct occurring, but no assurances can be given that the Advisers will be able to identify or prevent such misconduct.

*Cyber Security Breaches and Identity Theft.* The Advisers, the Funds and the companies in which the Funds invest generally rely on information technology systems for current and planned operations. Information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If any such systems are compromised, become inoperable for extended periods of time or cease to function properly, the Advisers, the Funds, or a company in which a Fund invests may have to make a significant investment to fix or replace them. Any disruption in any of these systems or the failure of any of these systems to operate as expected could, depending on the magnitude of the problem, could cause significant interruptions in the Advisers', the Funds', a company's and/or a project's

operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors), which could in turn adversely affect the Funds' investment results, harm the Advisers', the Funds', a company's or a project's reputation, subject them to legal claims and otherwise affect their business and financial performance.

#### Risks Specific to the Streaming Fund:

*Limited or No Control Over Mining Operations.* The Streaming Fund will neither directly own nor operate the mines of its portfolio companies, and will have limited contractual rights relating to the operation or development of the portfolio companies. The revenue derived from the asset portfolio is based on production by third party property owners and operators. While the Streaming Fund may participate in the decision making process, the owners and operators of the resources will generally have the power to determine the manner in which the relevant properties subject to the asset portfolio are exploited, including decisions to expand, continue, reduce, suspend or discontinue production from a property, decisions regarding the marketing of products extracted from the property and decisions to advance exploration efforts and conduct development of non-producing properties.

The interests of third party owners and operators and those of the Streaming Fund on the relevant properties may not always be aligned. The inability of the Streaming Fund to control the operations for the properties in which it has a royalty, stream or other interest may result in a material and adverse effect on the Streaming Fund's profitability, results of operation and financial condition. In addition, the owners or operators may take action contrary to the Streaming Fund's policies or objectives; be unable or unwilling to fulfill their obligations under their agreements with the Streaming Fund; or experience financial, operational or other difficulties, including insolvency which could limit a third party's ability to perform its obligations under the governing agreements of the applicable portfolio investment.

The Streaming Fund may not be entitled to any material compensation if any of the mining operations of the relevant portfolio companies, or their successors, do not meet their forecasted production targets in any specified period or of the properties in which it holds a royalty, stream or other interest shuts down or discontinues their operations on a temporary or permanent basis. The Streaming Fund is subject to the risk that the mining operations of such portfolio companies may shut down on a temporary or permanent basis due to issues including but not limited to economic conditions, lack of financial capital, flooding, fire, weather related events, mechanical malfunctions, community or social related issues, social unrest, the failure to receive permits or having existing permits revoked, collapse of mining infrastructure including tailings ponds, expropriation and other risks. These issues are common in the natural resource sector and can occur frequently. There is a risk that the carrying values of assets of a portfolio company may not be recoverable if such portfolio company cannot raise additional finances to continue to develop those assets. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in a portfolio company's mining operations becoming uneconomic resulting in their shutdown and closure. The Streaming Fund is not entitled to the benefit of a portfolio investment that has been entered into with a portfolio company if no commodities are produced from the mining operations of such portfolio company.

*Dependence on Owners and Operators for Proper Payment.* The deliveries and payments under the Streaming Fund's stream or royalty interests are calculated by the operators of the properties on which the Streaming Fund has stream or royalty based on the reported production. Each operator's

calculation of the Streaming Fund's stream or royalty payments is subject to, and dependent upon, the adequacy and accuracy of its production and accounting functions, and errors may occur from time to time in the calculations made by an operator.

Certain stream or royalty agreements may require the operators to provide the Streaming Fund with production and operating information that may, depending on the completeness and accuracy of such information, enable the Streaming Fund to detect errors in the calculation of stream or royalty payments that it receives. The Streaming Fund will not, however, have the contractual right to receive production information for all of its stream or royalty interests. As a result, the Streaming Fund's ability to detect payment errors through its stream or royalty monitoring program and its associated internal controls and procedures will be limited, and it is possible that the Streaming Fund will need to make retroactive stream or royalty revenue adjustments. Some of the Streaming Fund's stream or royalty contracts may provide it the right to audit the operational calculations and production data for the associated payments; however, such audits may occur many months following the Streaming Fund's recognition of the stream or royalty revenue and may require the Streaming Fund to adjust its revenue in later periods.

The Streaming Fund is also dependent to a large extent upon the financial viability and operational effectiveness of owners and operators of the relevant stream or royalty properties. Payments from production generally flow through the operator and there is a risk of delay and additional expense associated with receiving such revenues. Payments may be delayed by restrictions imposed by lenders, delays in the sale or delivery of products, the ability or willingness of smelters and refiners to process mine products, delays in the connection of wells to a gathering system, blowouts or other accidents, recovery by the operators of expenses incurred in the operation of the relevant properties, the establishment by the operators of reserves for such expenses or the insolvency of the operator. The Streaming Fund's rights to payment under the stream or royalty must, in most cases, be enforced by contract without the protection of a security interest over property that the Streaming Fund could readily liquidate. This inhibits the Streaming Fund's ability to collect outstanding stream or royalty upon a default. In the event of a bankruptcy of an operator or owner, the Streaming Fund will be treated as an unsecured creditor and, therefore, have a limited prospect for full recovery of royalty revenue. Failure to receive any payments from the owners and operators of the relevant properties may result in a material and adverse effect on the Streaming Fund's profitability, results of operation and financial condition.

#### **Item 9. Disciplinary Information**

The Advisers and their management persons have not been subject to any material legal or disciplinary events.

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

RCIC is affiliated with Sprott Global Resource Investments, Ltd. ("SGRIL"), a registered broker/dealer with the SEC and member firm of the Financial Industry Regulatory Authority, Inc. ("FINRA"). SGRIL is under common ownership and control with RCIC. Certain of RCIC's management persons are principals or registered representatives of SGRIL.

RCIC has opened an account for each Partnership with SGRIL and has engaged SGRIL to effect securities transactions on behalf of the Clients. SGRIL serves as an introducing broker on behalf of the Clients and routes securities transactions to various third-party executing brokers. SGRIL

receives normal and ordinary commission compensation for effecting such transactions as outlined in its commission schedule. This relationship is disclosed to investors in the Clients' offering materials. Certain SGRIL employees are authorized signatories on Client accounts for administrative purposes.

Interests in the Partnerships are offered privately in the United States through SGRIL. As compensation for selling interests in certain of the Partnerships, registered representatives of SGRIL who qualify as accredited investors were offered an ownership interest in a special limited partner of such Partnership (and thus, the right to receive a portion of the carried interest distributions), a cash-only payment from SGRIL (but not from the Partnership), or a combination of such ownership interest and cash payment. In the case of a cash-only payment, SGRIL (but not the Partnership) will pay each registered representative a cash payment (the number is based on the economics of an individual partnership as disclosed in the private placement memorandum and limited partnership agreement of the relevant Partnership) of the total amount raised for the Partnership. Any full or partial cash payment effectively will replace the corresponding ownership interest in the special limited partner (if available) offered to such registered representative, and SGRIL will receive such corresponding ownership interest in the special limited partner (and such portion of the carried interest distributions).

Trades for SGRIL client accounts may be aggregated with trades for RCIC client accounts. This practice may limit the amount of stock allotted to RCIC clients if there is insufficient liquidity in the security.

Arthur Richards Rule IV, President and CEO of Sprott US Holdings, Inc., which wholly owns RCIC, was a non-managing member of Buttonwood Tree Management, LLC, a California-registered investment adviser and the general partner of Buttonwood Tree Value Partners, L.P., a private investment fund in which Mr. Rule was also a limited partner. Buttonwood Tree Value Partners, L.P. was liquidated and Buttonwood Tree Management LLC is in the process of wrapping up its operations. No further investors are being referred to the fund and distributions are being made to the limited partners from the proceeds of the fund. Mr. Rule is also a member of Palomar Point Partners LLC, a California registered limited liability company which acts as the General Partner of Buttonwood Tree Liquidation Partnership, L.P., the entity liquidating the Buttonwood Tree Value Partners L.P. assets and distributing the proceeds to investors. The fund is being charged 50 basis points on an annual basis as compensation for the management of the remaining assets during liquidation. Palomar Point Partners, LLC is not affiliated with RCIC or SGRIL.

Thomas W. Ulrich, the Adviser Chief Compliance Officer also serves as the CCO for the Buttonwood Tree Liquidation Partnership, L.P., the entity liquidating the Buttonwood Tree Value Partners L.P. assets and distributing the proceeds to investors.

SRLC serves as the general partner of Lending Funds I and II, the M Fund, and the Co-investment Partnerships. SRSC serves as the general partner of the Streaming Fund. SRLC and SRSC are indirect wholly-owned subsidiaries of Sprott.

Sprott Private Resource Lending (K-GP) Ltd. serves as the general partner of the Korea Fund and is an indirect wholly-owned subsidiary of Sprott. SRLC, SRSC and Sprott Private Resource Lending (K-GP) Ltd. are affiliated with the Advisers and are investment advisers registered in accordance with SEC guidance under the Advisers Act pursuant to RCIC's registration. These affiliated investment advisers operate as a single advisory business together with RCIC and may share

common owners, officers, partners, employees, consultants or other persons occupying similar positions. All of these advisers are under common control and subject to RCIC's code of ethics and compliance program adopted pursuant to the requirements of the Advisers Act.

## **Item 11. Code of Ethics, Interest in Client Transactions and Personal Trading**

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

The Advisers have adopted a Code of Ethics which sets forth standards of conduct that are expected of the Advisers' principals, employees and their family members living in the same household and addresses conflicts that may arise from personal trading to ensure that securities transactions by Advisers' personnel are consistent with the Advisers' fiduciary duties to their clients and to ensure compliance with legal requirements and the Advisers' standards of business conduct. The Code of Ethics requires that employees disclose quarterly reporting of personal security transactions. Written copies of the Code of Ethics are available upon request.

### ***Potential Conflicts of Interest***

The following discussion includes certain potential conflicts of interest, although the discussion below does not describe all of the conflicts that may potentially be faced by the Advisers or a Client.

### **Adviser Interest in Client Transactions**

When an investment opportunity is suitable for more than one Partnership, the Advisers' Allocation Policy requires that similarly managed accounts participate in investment opportunities generally based on available cash as a percentage of total assets under management in the account, subject to tax considerations, odd lots, and other applicable investment guidelines and restrictions and require that, to the extent orders are aggregated, the orders are generally price-averaged, subject to any limitations in the applicable partnership agreements. In allocating investments, the Advisers may have incentives to favor Clients with higher potential for carried interest distributions over Clients with lower or no potential for carried interest. The Advisers have adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts, including accounts with multiple fee arrangements, and the allocation of investment opportunities. The Advisers review investment decisions for the purpose of ensuring that all accounts with substantially similar investment mandates are treated equitably. The performance of similarly managed accounts may be compared to determine whether there are any unexplained significant discrepancies. In addition, investment and allocation decisions are monitored by RCIC's Chief Compliance Officer.

Additionally, Funds advised by the Advisers may invest in different parts of the capital structure of a company. Given the differing tranches and corresponding priorities in the capital structure of a single company, the Advisers may in certain circumstances face a conflict of interest in respect of the advice they have given to, and the actions they take on behalf of, the relevant Funds. In addition, where one or more Funds invest in different parts of the capital structure, their respective interests may diverge significantly in the case of financial distress of the company. The Advisers will determine allocations of investment opportunities in a manner that they believe is fair and equitable and consistent with the Advisers' fiduciary obligations to each such Fund, including as set forth in the partnership agreement and the Advisers' Allocation Policy as in effect at such time. Additionally,

the Advisers may from time to time seek the consent of the investor advisory committees of particular Clients in respect of certain conflicts of interest.

Personnel of the Advisers maintain relationships with (or may invest in) financial institutions or other service providers, some of which may invest (or may be affiliated with an investor) in, engage in transactions with and/or provide services to, the Advisers or the Funds. In addition, portfolio companies may from time to time pay certain fees and expenses of third party consultants (including consultants introduced or arranged by the Advisers and/or their affiliates that may regularly provide services to one or more Fund portfolio company), and such fees and expenses will not offset the management fee as described herein. Any of these situations subjects the Advisers to potential conflicts of interest.

The Advisers' principals, employees or senior advisors may invest in other investment vehicles managed by other advisers. In some cases, the Advisers or the Funds may purchase securities issued by or portfolio companies owned by such other investment vehicles, which may indirectly benefit such principals, employees or senior advisors of the Advisers.

The Advisers may subscribe on behalf of their Clients to certain privately placed securities where SGRIL is compensated as a finder by the issuing company, which may incentivize the Advisers to purchase such securities. In order to address this potential conflict of interest, the CCO or his designee monitors such transactions for conflicts which may arise from such relationship. From time to time, RCIC may request that a Client engage in a transaction with RCIC in which RCIC is acting on a principal basis, subject to RCIC complying with all regulatory requirements applicable to such trades.

### Personal Trading

All RCIC principal and employee trades will be reviewed by the Advisers' CCO or an employee designated by the CCO. RCIC principals and employees may purchase or sell securities (other than Loan Investments) for their personal accounts and the accounts of their families on the same day that those securities are being purchased or sold by accounts that they manage for a Client. Trades for principals and employee personal accounts may be aggregated with trades for other clients. If an order is only partially filled, Clients' orders are fully filled prior to any allocation to the Advisers' employees. RCIC principals and employees may participate in Loan Investments only by investing in Lending Funds I or II or the Delaware Feeder.

To prevent conflicts of interest, all employees of the Advisers must comply with the Code of Ethics, which imposes certain restrictions on the purchase or sale of securities for their own accounts and the accounts of certain affiliated persons. Specifically, the Code of Ethics requires pre-clearance from the Advisers' CCO before employees involved in the Advisers' investment recommendation process or their related persons make any personal securities transactions, except for transactions in registered open-end investment company securities and certain other exempt transactions. Additionally, the Advisers, in conjunction with SGRIL, reviews and preapproves personal trades, and maintains and reviews quarterly reports on all personal securities transactions, except exempt transactions, made by the Advisers' personnel and individuals living in the same household.

Personnel of the Advisers may, from time to time, come into possession of material nonpublic or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, the Advisers and their personnel are

prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of the Advisers. Similar restrictions may be applicable as a result of the Advisers' personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Funds. Due to these restrictions, the Funds may not be able to initiate a transaction that they otherwise might have initiated and may not be able to sell an investment that they otherwise might have sold. The Advisers' Code of Ethics imposes certain policies and procedures to prohibit unlawful use of material non-public information and is designed to prevent insider trading by any officer, partner, or associated person of an Adviser.

### Contemporaneous Trading

The Advisers' personnel may from time to time recommend securities to Clients, or buy or sell securities for Client accounts, at or about the same time that such person buys or sells such securities for its own account. All such purchases or sales are subject to the procedures described above designed to seek to minimize potential conflicts of interest stemming from situations where the contemporaneous trading may result in an economic benefit to such related person to the detriment of the Client. In addition, the Advisers have adopted the aggregation policies and procedures discussed in Item 12 below.

### Co-Investments

The Advisers serve as investment managers to Co-investment Partnerships, which invest alongside the Funds in certain portfolio companies and also, from time to time, may offer certain investors or other persons the opportunity to co-invest directly in a portfolio company. The Advisers intend that such Co-investment Partnerships invest at the same time as the Funds and dispose of their investments in the applicable portfolio company at the same time and on the same terms as the Fund making the investment. However, from time to time, for strategic and other reasons, a Co-investment Partnership may subsequently purchase a portion of an investment from a Fund. The co-invest buy-down generally occurs shortly after the applicable Fund's completion of the investment to avoid any changes in valuation of the investment. In certain circumstances, a Co-investment Partnership or other co-investor may evaluate a potential investment alongside a Fund. If the potential investment or co-investment is not consummated, the full amount of any expenses relating to such potential but not consummated investment will typically be borne entirely by the primary Fund or Funds allocated such investment rather than the Co-investment Partnership or other co-investor, except as otherwise set forth in the applicable Fund's partnership agreement. In circumstances where an entire investment could be made by a Fund, an Adviser may still allocate a portion of such investment to one or more Co-investment Partnerships or other co-investors in accordance with such Fund's partnership agreement and the Advisers' Allocation Policy if, for example, an Adviser believes in its good faith judgment that the full investment would unreasonably limit the diversification of the applicable Fund or that a particular co-investor would add value to the Fund or the investment. Investors that participate in co-investments, whether directly or through a Co-investment Partnership, may be in a position to obtain additional information regarding the applicable portfolio company that may not generally be available to investors in the Fund. In addition, co-investors' interests are not always aligned with the Fund's interests and, if third party investors co-invest directly into a portfolio company, the Advisers' ability to control or influence such third parties will likely be more limited than if the co-investors were participating in a vehicle managed by the Advisers. The Advisers may enter into similar arrangements with additional co-investment vehicles that may be formed from time to time invest alongside Lending Fund II or other Clients, which will be subject to similar



considerations.

### *Use of Subscription Lines*

The Funds may fund the making of investments with proceeds from drawdowns under one or more revolving credit facilities, the collateral for which can be, for example, the undrawn capital commitments of investors (*i.e.*, subscription lines) prior to calling capital commitments. The interest expense and other costs of any such borrowings will be borne by the relevant Adviser, but certain related costs may be borne by the Fund, subject to the operating and offering documents of the relevant Fund. As a result the Advisers may have an incentive to cause a Fund to borrow in this manner in lieu of drawing down capital commitments, subject to the operating and offering documents of each Fund.

### *Portfolio Company Representation*

Principals and employees of the Advisers may serve as directors and officers of certain portfolio companies and, in that capacity, will be required to make decisions that they consider to be in the best interests of such portfolio company and their respective shareholders. In certain circumstances (for example in situations involving bankruptcy or near-insolvency of a portfolio company), actions that may be in the best interests of the portfolio company may not be in the best interests of Clients, and vice versa. Accordingly, in these situations, there may be conflicts of interests between an individual's duties as an employee of the Advisers and an individual's duties as a director of such portfolio company.

### *Allocation of Adviser Personnel Time and Attention*

The success of each Fund depends substantially on the ability of the Advisers' investment professionals to, among other things, source and complete investments, improve the operations and performance of the companies and assets acquired and exit investments at the appropriate time and at attractive valuations. To achieve those ends, our investment professionals will devote the appropriate time and resources to each Fund. These investment professionals may also spend time assisting other Clients with their investment activities. Conflicts therefore arise between the Funds with respect to the allocation of investment professional time and resources.

## **Item 12. Brokerage Practices**

### ***Factors Considered in Selecting Broker-Dealers for Client Transactions***

As set forth above, the Advisers may utilize SGRIL as introducing broker for the Partnerships; however, RCIC selects the executing brokers to which SGRIL routes trade orders. RCIC considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include net price, reputation, financial strength and stability, efficiency of execution and error resolution, and offering of online access to computerized data regarding a client's accounts to the Adviser. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Advisers' practice to negotiate "execution only" commission rates, thus a client may be deemed to

be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. RCIC's Best Execution Oversight Committee meets periodically to evaluate the broker-dealers used by the Adviser to execute client trades using the foregoing factors.

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

The Advisers do not receive research or other products or services (often referred to as "soft dollar benefits") other than execution from a broker-dealer in connection with Partnership securities transactions.

### ***Lending Funds I and II, Delaware Feeder, M Fund, Korea Fund and Co-investment Partnerships***

Lending Funds I and II, the Delaware Feeder, the M Fund, the Korea Fund, and the Co-investment Partnerships will not purchase Loan Investments through broker-dealers. Streaming will purchase investments directly from the issuer. If a fund exercises an Equity Kicker and desires to sell the underlying equity security, an Adviser will sell such security through a broker-dealer, in which case RCIC's best execution policies described above will apply. The Advisers do not expect to receive soft dollar benefits from these trades.

### ***Order Aggregation***

Except where there is an overlap of investment strategy (e.g., the Lending Fund II and the Streaming Fund), typically more than one Fund will not own the same security. However, in situations where there is overlap, the Advisers typically aggregate Fund trades in an effort to treat all of the Funds equitably. Funds participating in a bunched order receive the same average price and incur trading costs that are the same as would be paid if they were trading individually. Employees may be included side-by-side in bunched client trades. If an order is only partially filled, Funds have their orders fully filled based on cash available (*i.e.*, the Funds with the highest percentage of cash will be filled on buys first and the Funds with the lowest percentage of cash will be filled on sells first.) Fund orders are fully filled prior to any allocation to the Advisers' employees.

When trading accounts through one or more broker-dealers, a trader may choose to place smaller trades ahead of larger trades when the smaller trades are not expected to materially affect the price or liquidity of the security in question. This practice may result in certain Fund accounts trading after other accounts with disproportionate frequency. It is possible that, over time, this practice could result in certain Clients experiencing a benefit at the expense of other Fund accounts.

A group of related investors that made a significant commitment to Lending Fund I at the initial closing made an additional commitment to its respective Co-investment Partnership, which was permitted to co-invest with Lending Fund I in an amount up to \$30 million in the aggregate.

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

Each Partnership is reviewed at least every ninety days to determine if the security holdings in such account should be adjusted. Criteria considered in connection with such review include performance of the account, operational developments, management changes, financial condition, and the price outlook for various commodities that might affect the future cash flow of those

companies, among others. The reviews are conducted by Mr. Rule.

Similarly, the investments held by Lending Funds I and II, the Streaming Fund, the Delaware Feeder, the M Fund, the Korea Fund, and the Co-investment Partnerships are reviewed at least every ninety days by Mr. Rule or by employees of SRLP or SRSP.

Limited partners receive reports from the Funds pursuant to the terms of each Fund's offering memorandum or as otherwise described in the offering documents of each Fund. Similarly, investors in Lending Funds I and II, the Streaming Fund, the Delaware Feeder, the Korea Fund, and the Co-investment Partnerships will receive the reports described in the offering documents for these Funds. Generally, the Funds provide the following information to their investors: (i) annual GAAP audited and quarterly unaudited financial statements, (ii) annual tax information necessary for each limited partner's tax return and (iii) oral quarterly reports providing a narrative summary of the status of each investment. Investors in Co-investment Partnerships generally receive similar information, including annual GAAP audited financial statements. In addition to the information provided to all investors, the Advisers may provide certain investors with additional information or more frequent reports that other investors will not receive.

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

The Advisers do not currently receive research or other products or services from broker-dealers through "soft-dollar" arrangements.

Moelis & Company LLC and OCP Capital LLC, each a broker-dealer, sold interests in Lending Fund I and the Co-investment Partnerships and will be paid by an affiliate of RCIC for such services. SGRIL may be compensated in connection with the sale of interests in Lending Fund II and Streaming Fund. Also see Item 5. SRLP paid Hoshea Greenfield for referrals into Lending Fund II. Currently only the Streaming Fund is open for investment, with no entities acting as a referral base for the Advisers.

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

The Advisers use qualified, unaffiliated, third-party custodians to hold Client funds and, to the extent required pursuant to the Advisers Act and SEC guidance, securities. The Partnerships receive account statements from RBC on a monthly basis. Limited Partners receive reports from the Partnerships pursuant to the terms of each Partnership's offering memorandum or as otherwise described in the offering documents of each Partnership. Although the Advisers are deemed to have custody of the underlying assets of certain of the Funds, the Advisers rely on the "pooled investment vehicles" exemption from the reporting and surprise audit obligations imposed by the SEC's custody rule. Accordingly, the Funds are generally subject to a year-end audit by an accounting firm that is a member of, and subject to regular inspection by, the Public Company Accounting Oversight Board. Audited financials are made available on the secured website of the Advisers and/or sent to Clients annually, and unaudited financials quarterly, for each limited partner.

Investors in Lending Funds I and II, the Streaming Fund, the Delaware Feeder, the M Fund, the Korea Fund and the Co-investment Partnerships will also receive GAAP audited financial statements annually and unaudited financial statements quarterly.

## **Item 16. Investment Discretion**

The Advisers generally have discretionary authority to manage investments on behalf of each Fund pursuant to the respective partnership and management agreements. The Advisers assume this discretionary authority pursuant to the terms of the applicable partnership agreements, management agreements and powers of attorney executed by the limited partners of the Funds. As a general policy, the Advisers do not allow clients to place limitations on this authority. Each of RCIC (as general partner of the Partnerships and the Delaware Feeder, and as the investment manager of Lending Fund I, the M Fund, and the Co-investment Partnerships), SRLP (as the investment manager of Lending Fund II) and SRSP (as the investment manager of the Streaming Fund), has the authority to determine (i) the securities to be purchased and sold for the relevant account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) and (ii) the amount of securities to be purchased or sold for the account. However, as described above in Item 10, RCIC has delegated certain of those functions to SRLP with respect to Lending Fund I, the M Fund, the M-Co-investment Partnership, the C-Co-investment Partnership, and the Delaware Feeder.

Because of the differences in investment objectives and strategies and other criteria, there may be differences among the funds in invested positions and securities held. For the Partnerships, RCIC submits an allocation statement to SGRIL for trades to be entered in the accounts. In allocating transactions for the Funds, the Advisers may consider the following factors, among others, in allocating securities among accounts: (i) investment objectives and strategies; (ii) risk profiles; (iii) tax status and restrictions placed on a portfolio; (iv) size of the account; (v) nature and liquidity of the security to be allocated; (vi) size of available position; (vii) current market conditions; and (viii) account liquidity, account requirements for liquidity and timing of cash flows.

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

The Advisers have adopted proxy voting policies and procedures (the “Proxy Policy”) to address how they vote proxies for any Client’s portfolio investments. The Proxy Policy seeks to ensure that the Advisers vote proxies in the best interest of the Funds, including where there may be material conflicts of interest. Each of RCIC (as general partner of the Partnerships and the Delaware Feeder, and as the investment manager of Lending Fund I, the M Fund, and the Co-investment Partnerships), SRLP (as the investment manager of Lending Fund II) and SRSP (as the investment manager of the Streaming Fund) exercises voting authority over securities held such Clients. However, the Advisers may delegate this authority with respect to the securities held by Lending Funds I and II to SRLP, which adheres to RCIC’s Proxy Policy as a relying advisor.

Pursuant to the Proxy Policy, generally the Advisers will vote in favor of the following proxy proposals:

- Electing and fixing the number of directors
- Appointing Auditors
- Authorizing directors to fix remuneration of auditors
- Approving private placements to insiders exceeding 10% threshold
- Ratifying director actions
- Changing registered address

- Approving special resolutions to change the authorized capital of the company to an unlimited number of common shares without par value

The Advisers will generally vote against any proposal relating to stock option plans that: (i) exceed 10% of the common shares issued and outstanding at the time of grant over a three year period (on a non-diluted basis); (ii) provide that the maximum number of common shares issuable pursuant to such plan be a “rolling” maximum equal to 10% of the outstanding common shares at the date of the grant of applicable options; or (iii) re-prices the stock option. The Advisers will also vote against any proposal giving directors discretion to exceed 25% or more dilution annually without shareholder approval.

In certain cases, proxy votes may not be cast when each Adviser determines that it is not in the best interests of the Client to vote such proxies. In the event a proxy raises a potential material conflict of interest between the interests of a Client and an Adviser, the conflict will be resolved by the Adviser in favor of that Client.

The Advisers retain the discretion to depart from the guidelines in the Proxy Policy on any particular proxy vote depending upon the facts and circumstances.

RCIC’s Proxy Policy is available on request, free of charge, by contacting RCIC at 1-866-531-8746 and are available on its website at [www.resourcecapital.net](http://www.resourcecapital.net). RCIC will maintain and prepare an annual proxy voting record for each Partnership, Lending Funds I and II, the Streaming Fund, the Delaware Feeder, the M Fund, and the Co-investment Partnerships. The proxy voting record for each annual period ending December 31 for each entity will be available free of charge to each investor in such entity upon request at any time after January 31 of the following year, or at any time by contacting RCIC at the above telephone number.

#### **Item 18. Financial Information**

The Advisers do not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.

**RESOURCE CAPITAL INVESTMENT  
CORPORATION  
PART 2B OF FORM ADV  
(Brochure Supplement)**

1910 Palomar Point Way, Suite 200  
Carlsbad, CA 92008

Updated: March 27, 2020

This brochure supplement provides information about Arthur Richards Rule IV. It supplements the accompanying Form ADV brochure of Resource Capital Investment Corporation (“RCIC”). You should have received a copy of that brochure. Please contact RCIC’s Chief Compliance Officer, Thomas W. Ulrich, at (203) 656-2401 if you have any questions about the Form ADV brochure or this supplement, or if you would like to request additional or updated copies of either document.

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

## **Supervised Person: Arthur Richards Rule IV**

### Item 2. Educational Background and Business Experience

Arthur Richards “Rick” Rule IV was born in 1953; he attended the University of British Columbia; his business background for the preceding five years is as follows:

11/2013 to present:	Sprott Resource Corporation	Managing Director
02/2011 to present:	Sprott U.S. Holdings Inc.	Chief Executive Officer and President
02/2011 to present:	Sprott Inc.	Director
01/2006 to present:	Sprott Asset Management USA Inc.	Chairman, Founder
02/1998 to present:	Resource Capital Investment Corp.	Chairman, President
09/1993 to present:	Rule Investments	Director
10/1993 to present:	Sprott Global Resource Investments, Ltd.	Chairman, Founder, President

### Item 3 - Disciplinary Information

None

### Items 4 & 5 - Other Business Activities; Additional Compensation

Mr. Rule is a principal of Sprott Global Resource Investments, Ltd. (“SGRIL”), a FINRA member broker-dealer under common control with RCIC. RCIC may subscribe on behalf of its Clients to certain privately placed securities where SGRIL is compensated as a finder by the issuing company. SGRIL in turn will pay a portion of such compensation to Mr. Rule, which may incentivize the Advisers or their personnel, including Mr. Rule, to purchase such securities. In order to address this potential conflict of interest, the Advisers’ Chief Compliance Officer (“CCO”) or Chief Financial Officer (“CFO”), who do not have a direct pecuniary interest in such transactions, will independently approve of such transaction before it is purchased. The CCO or CFO (or their designee) will also review the commission payouts as a result of any finder fees.

Mr. Rule was a non-managing member of Buttonwood Tree Management, LLC, a California-registered investment adviser, and the general partner of Buttonwood Tree Value Partners, L.P., a private investment fund in which Mr. Rule was a limited partner. Buttonwood Tree Value Partners, L.P. is currently in the process of winding down. No further investors are being referred to the fund and distributions are being made to the limited partners from the proceeds of the fund. Palomar Point Partners LLC, a California registered limited liability company, is responsible for the liquidation and Mr. Rule is a member of this entity. The fund is being charged 50 basis points on an annual basis as compensation for the management of the remaining assets during liquidation. Palomar Point Partners is not affiliated with RCIC or SGRIL.

### Item 6 - Supervision

Mr. Rule has authority over RCIC personnel as well as Client investment decisions. The investment advice that Mr. Rule provides to clients is not subject to supervision. The activities of all supervised persons, including Mr. Rule, are subject to the Adviser's compliance policies and procedures, which are administered by Thomas W. Ulrich, General Counsel & CCO of the Advisers. Mr. Ulrich can be reached by telephone at (203) 656-2401.



## PRIVACY PLEDGE AND NOTIFICATION

Resource Capital Investment Corporation (“RCIC”) respects your right to privacy. We have always been committed to secure the confidentiality and integrity of your personal information. We are proud of our privacy practices and want our current and prospective customers to understand what information we collect and how we use it.

### Why We Collect Your Information

We gather information about you and your accounts so that we can (i) know who you are and thereby prevent unauthorized access to your information, (ii) design and improve the products and services we offer and (iii) comply with the laws and regulations that govern us.

### What Information We Collect

We may collect the following types of ‘nonpublic personal information’ about you:

- Information about your identity, such as your name, address and social security number;
- Information about your transactions with us;
- Information we receive from you on applications, such as your beneficiaries or income.

### What Sources We Obtain Your Information From

We collect nonpublic personal information about RCIC clients from the following sources:

- Information we receive from you on applications or other forms;
  - Information about your transactions with us, our affiliates, or others, and
  - If you visit our web site, information we collect via a web server, often referred to as a “cookie.”
- Cookies indicate where a site visitor has been online and what has been viewed.

### What Information We Disclose

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. Moreover, we will not release information about our customers or former customers unless one of the following conditions is met:

- We receive your prior written consent.
- We believe the recipient to be you or your authorized representative.
- We are required by law to release information to the recipient.

We use information about you and your account to help us better serve your investment needs or to suggest services with affiliates or educational materials that may be of interest to you.

### Confidentiality and Security

We maintain physical, electronic and procedural safeguards to guard your personal account information. To further protect your privacy, we restrict access to your personal and financial data to authorized RCIC associates who have a need for these records. We require all nonaffiliated organizations to conform to our privacy standards and are contractually obligated to keep the information provided confidential and used as requested. Furthermore, we will continue to adhere to the privacy policies and practices described in this notice even after your account is closed or becomes inactive.

**ADV OFFER:** Should you wish to receive an updated copy of our Form ADV, please contact Tia Khounborine at (800) 611-0827.