



ITEM 1: COVER PAGE

Part 2A of Form ADV

NEWROAD CAPITAL PARTNERS, LLC

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March 26, 2020

This brochure (the “**Brochure**”) provides information about the qualifications and business practices of NewRoad Capital Partners, LLC.

NewRoad Capital Partners, LLC is a registered investment adviser with the U.S. Securities and Exchange Commission (the “**SEC**”). Registration of an investment adviser with the SEC does not imply any level of skill or training. If you have any questions about the contents of this Brochure, please contact Satoko Kato, General Counsel and Chief Compliance Officer (“**CCO**”) at (479) 657-2100 or Satoko@newroadcp.com. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about NewRoad Capital Partners, LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.



ITEM 2: MATERIAL CHANGES

This Brochure dated March 26, 2020, has been prepared by NewRoad Capital Partners, LLC as an amendment to the prior version of its Brochure, dated March 28, 2019. There are no material changes to report since the previous Brochure.



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ITEM 4: ADVISORY BUSINESS

Founded in 2015, NewRoad Capital Partners, LLC ("**NRCP**" or the "**Firm**") is a private equity investment adviser located in Rogers, Arkansas. NRCP's principal owners are Clete Brewer and Jeremy Wilson.

NRCP provides investment management and advisory services to NewRoad Ventures, LLC ("**Fund I**") and NewRoad Fund III, L.P. ("**Fund III**"), both private pooled investment vehicles. In addition, NRCP co-manages Kayne NewRoad Ventures Fund II, L.P., a growth-focused private equity investment fund ("**Fund II**"), alongside Kayne Anderson Capital Advisors, L.P. ("**KACALP**"), an SEC-registered investment adviser. Further, NRCP's affiliate, NewRoad Capital Advisors GP, LLC, is a co-general partner of Recurring Capital Fund I, L.P. and Recurring Capital Fund I (QP), L.P. (collectively, "**RC Fund**"), a parallel venture debt fund, alongside Recurring Capital GP, L.P., a co-general partner and an affiliate of Recurring Capital Management Company, LLC ("**Recurring Capital**"), an exempt reporting adviser. Fund I, Fund II, Fund III, and RC Fund are each referred to as a "**Fund**" and collectively referred to as the "**Funds**." Both KACALP and Recurring Capital are more fully described in Item 10 of this Brochure. The securities of the Funds are offered to qualified investors on a private placement basis pursuant to terms and conditions set forth in each of the Funds' Private Placement Memoranda (herein defined individually as the "**Memorandum**" or collectively, the "**Memoranda**") and limited partnership agreements, as applicable. The Funds themselves would be investment companies as defined in Section 3 of the Investment Company Act of 1940, as amended (the "**Investment Company Act**"), but for Section 3(c)(1) and Section 3(c)(7) of the Investment Company Act.

Generally, Fund I, Fund II, and Fund III seek to make minority investments in privately held companies that are anticipated to be in the form of various types of securities, including, common equity, preferred equity, warrants, debt, or any combination thereof. In addition, Fund I and Fund III may seek to take control positions in privately held companies. RC Fund generally seeks to make debt and equity investments in companies with recurring revenue business models. Please see the Memoranda, limited partnership agreements, and Item 8 of this Brochure for more information on the Funds' investment strategies and NRCP's advisory business.

NRCP does not tailor the investment decisions of the Funds to individual investors, and investors generally will not be able to impose restrictions on the Funds' investments.

As of December 31, 2019, NRCP managed approximately \$154,926,300 in assets on a discretionary basis, and \$133,641,423 in assets on a non-discretionary basis.



ITEM 5: FEES AND COMPENSATION

Management Fee

NRCP receives management fees for its services to Fund I, Fund II, and Fund III. Generally, management fees are charged at an annual rate of between 1.5% and 2.0% of the amount of capital committed by each limited partner in such fund. Each such fund's management fees are generally paid quarterly in advance by capital calls. If NRCP were to be terminated as the investment adviser to such funds, a pro rata portion of any management fee paid in advance would be rebated. NRCP may waive or reduce management fees to certain of NRCP's supervised or related persons or to other limited partners in its sole discretion. Please see the Memoranda or limited partnership agreements for a more complete description of each fund's management fee.

Carried Interest

The Funds' general partners that are affiliated with the Firm are generally entitled to a portion of the respective Fund's "**Carried Interest**." The Carried Interest is generally equal to a percentage of the investment proceeds distributable by each Fund in excess of the capital invested by the limited partners and their allocable share of fees and expenses.

Affiliates of NRCP, namely, NewRoad Fund III GP, L.P. ("**NRF III**"), NewRoad Growth Advisors, LLC ("**NRGA**"), and NewRoad Capital Advisors GP, LLC ("**NRCA**") (each, a "**NewRoad GP**," and collectively, the "**NewRoad GPs**") serve as a general partner of Fund III, Fund II, and RC Fund, respectively. Affiliates of KACALP and Recurring Capital also serve as a co-general partner of Fund II and RC Fund, respectively, as described further in Item 10. The NewRoad GPs and the affiliates of KACALP and Recurring Capital who serve as co-general partners are generally entitled to, and share, a portion of Fund II's and RC Fund's Carried Interest, as applicable. Please see the Memoranda or limited partnership agreements for a more complete description of each Fund's Carried Interest.

Other Fees

NRCP may also receive financing, transaction, investment banking, directors and other fees in connection with the activities of the Funds ("**Other Fees**") paid by the Funds' portfolio companies. In general, management fees may be reduced by Other Fees received by NRCP in connection with the activities of the Funds, net of expenses. Additionally, NRCP may be reimbursed by the Funds' portfolio companies for expenses incurred by NRCP in connection with the performance of services that give rise to Other Fees. Please see the Memoranda or limited partnership agreements for a more complete description of each Fund's Other Fees.



Fund Expenses

The Funds are generally responsible for all of their own costs and expenses as described in the Memoranda or limited partnership agreements. These expenses are expected to include, but not be limited to, organizational expenses, due diligence expenses (including travel costs and costs related to potential investments that are not completed), transactional costs, legal costs (including in-house counsel costs if performing functions normally performed by outside counsel), audit and accounting fees, and all other expenses related to the Funds' operations. NRCP and its affiliates are generally responsible for their own operating costs and expenses, except as otherwise disclosed in the Funds' Memoranda or limited partnership agreements. Please refer to the Funds' Memoranda or limited partnership agreements for a detailed description of the expenses borne by each Fund.



ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

The Carried Interest provisions described in Item 5 are considered performance-based fees.

NRCP expects that it or its affiliates will generally receive performance-based compensation from all of the private investment funds it advises.

Performance-based fees may create an incentive for NRCP to invest the Funds' assets in a manner that is riskier or more speculative than would otherwise be the case. In accordance with the Memoranda and limited partnership agreements, NRCP selects investments pursuant to each Fund's investment strategies and does not select investments that are riskier or more speculative in order to achieve higher performance based-fees. In addition, NRCP's policy is to allocate investment opportunities in a manner that is consistent with its fiduciary obligations and, accordingly, in a manner that is fair and equitable among the Funds regardless of their Carried Interest structure.



ITEM 7: TYPES OF CLIENTS

NRCP expects to provide investment advice solely to the private investment funds that it or its affiliates sponsors.

The Funds are offered only by the Memoranda or limited partnership agreements to investors who meet the relevant investor eligibility requirements. The Funds' investors consist of foundations, financial institutions and other institutional clients, family offices, funds of funds, and high net-worth individuals.

Additionally, the Funds are subject to a minimum investment amount. NRCP may raise or lower the minimum investment amount for the Funds and accept initial capital contributions below the established minimum in its discretion.

Please see the Memoranda or limited partnership agreements for more information on investor eligibility requirements and the minimum investment required by the Funds.



ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

NRCP manages the Funds. Fund II and Fund III primarily focus on making growth equity capital investments in lower middle market companies and Fund I invests in early-stage companies. The Funds may involve a higher risk than traditional investment products. Further, growth equity capital investments in lower middle market companies and investments in early-stage companies, as applicable, may involve more investment risk than investments in more established businesses.

In summary, NRCP's investment strategy is to focus on industries and asset classes where the Firm has considerable knowledge and to approach each investment with NRCP's core values, principles, and disciplines of detailed analyses combined with operational expertise.

NRCP focuses first on the demand-side of a business or industry segment and targeted market niches and geographies. NRCP seeks to leverage its network, operational expertise, and strategic industry relationships to identify and source investment opportunities while managing risk exposure. NRCP seeks to partner with strong and tenured management teams who can benefit from NRCP's deep operational experience and industry relationships. Post-closing, NRCP seeks to actively manage the Funds' portfolio companies and provide strategic operational guidance to assist them to accelerate growth in revenue and earnings.

Please see the Memoranda or limited partnership agreements for a more complete discussion of NRCP's investment strategies and methods of analysis.

Any investment in securities involves risk of loss, including principal, which clients and investors must be prepared to bear. There are additional risks inherent to investing in private investment funds such as the Funds managed by NRCP or an affiliate, which include, but are not limited to:

No Guarantee of Profitability. There can be no assurance that revenues will be sufficient to create net profits for the Funds. There can be no guarantee that the business will be profitable to the extent anticipated. Success of the venture is primarily dependent upon the extent that the Funds can operate in accordance with expectations and assumptions as set forth in financial projections.

No Guaranteed Return of Investor's Capital Contributions. The interests in the Funds involve a high degree of risk. There can be no guarantee that an investor will realize a substantial return on the investment, or any return at all, or that the investor will not lose the entire investment.

Reliance Upon Management. The success of the Funds depends to a large degree upon the efforts of management. Management will have the exclusive control of all aspects of the business of the Funds and in this regard, management will make all decisions relating to operations such as the selection of personnel and the amount of proceeds to apply to daily operations and capital raising efforts.



Reliance on Market Research. A substantial portion of the market research conducted for this endeavor is based upon management's prior business experience as well as personal discussions with industry leaders. Such information is highly subjective, with no independent statistics to rely upon. There is no definitive proof of the size of the potential market or that the business plan contained herein or in the Memoranda and limited partnership agreements can achieve all its stated goals.

Financial Projections. The management of the portfolio companies have prepared financial projections based on information and assumptions the management believes to be reasonable. Such projections, therefore, reflect only the management's current expectation of likely results. There will ordinarily be differences between projected results and actual results because events and circumstances frequently do not occur as expected, and differences can be material. Thus, projected benefits to investors may also vary and there can be no guarantee that the results shown in the projections will be realized in whole or in part. Neither the Firm nor its affiliates or professional advisors guarantee or warrant the projected results. Projected results may vary substantially if less than the entire amount of capital sought is received. The financial projections depend on various assumptions, which may prove to be incorrect. There is no assurance that the actual events will correspond with such assumptions. Future results and investment returns are impossible to predict with any real accuracy and no representation or warranty of any kind is made by the Firm, its management or its representatives respecting the current or future accuracy or completeness of, and no representation is to be inferred from, such projections.

Nature of Direct Investments. Investment in the Funds requires a long-term commitment, with no certainty of return. The Funds may invest in companies that are experiencing or are expected to experience severe financial difficulties, which difficulties may never be overcome. The Funds' investments will be illiquid, and there can be no assurance that the Funds will be able to realize proceeds on such investments in a timely manner. There may be little or no near-term cash flow available to the investors. The Funds' portfolio investments may include companies which have leverage. A leveraged capital structure will increase the exposure of that company to adverse economic factors such as rising interest rates and downturns in the economy. Because the Funds will not be diversified and will make only a limited number of investments and since many of the Funds' investments may involve a high degree of risk, poor performance by any of the investments could severely affect the total returns to the investors. There is no guarantee of a minimum rate of return or of a limit on losses of commitment amounts.

Lack of Control of Portfolio Companies. The Funds generally hold minority, non-controlling interests in the portfolio companies. RC Fund extends debt to, and generally does not seek board representation in, the portfolio companies. Therefore, the Funds may be limited in their ability to exert control over or protect their investments in the portfolio companies. There can be no assurance that the Funds will be able to obtain protective provisions such as board



representation, consent rights with respect to major business matters and anti-dilution protection, or, if such provisions are obtained, that they will be effective.

Industry Concentration and Diversification. The Funds may only make a limited number of investments. In addition, the Funds are not subject to any obligation to achieve industry or geographic diversity. Accordingly, the Funds may be subject to more rapid changes in value than would be the case if the Funds were required to make investments in a broader, more diversified portfolio of investments.

Restrictions of Transfer and Withdrawal. Interests are generally not transferable. Except in extremely limited circumstances, investors may not withdraw capital from the Funds other than to the extent of distributable cash, when and as required to be distributed by the Funds. The interests in the Funds have not been registered under the Securities Act of 1933, as amended (the “**1933 Act**”), the securities laws of any state or the securities laws of any other jurisdiction and, therefore, cannot be resold unless they are subsequently registered under the 1933 Act and other applicable securities laws or an exemption from registration is available. It is not expected that registration of the interests in the Funds under the 1933 Act or other securities laws will ever be effected. There is no public market for the interests in the Funds and one is not expected to develop. Investors must be prepared to bear the risks of owning such interests for an extended period of time.

Asset Valuations. Valuations of the Funds’ investments will be determined by the general partners of the Funds in good faith and will be final and conclusive as to all investors, provided that any valuation of other than freely-traded securities to be distributed in-kind shall be subject to a review process. Such valuations may be arrived at on the basis of one or more subjective factors or matters of judgment, and therefore may not reflect the valuations that would be arrived at by others, including industry and investment professionals.

Prior Performance Not Indicative. Each investment made by the Funds is unique and it is difficult to determine which, if any, possible performance standards or measurements should be applied to particular investments. Because such standards and the particular investment criteria are so variable, and because general economic conditions may significantly affect results, historical results of private equity investments are not indicative of future results and one should not rely on them in predicting future results.

Cybersecurity Breaches and Identity Theft. The Firm’s and the portfolio companies’ technology and information systems may be susceptible to, amongst other things, interruption from network failures, computer viruses, telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors, power outages and catastrophic events (such as fires, tornadoes, floods, hurricanes and earthquakes) and damage. Although the Firm has implemented, and the portfolio companies will likely implement, various measures to manage risks relating to these



types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the Firm, a Fund and/or a portfolio company may have to make a significant investment to fix or in certain circumstances, replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Firm's, a Fund's and/or a portfolio company's operation and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors. Such a failure could harm the Firm's, a Fund's and/or a portfolio company's reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance.

Reliance on the General Partner. The general partners of each Fund will have sole discretion over the investment of the funds committed to the applicable Fund as well as the ultimate realization of any profits. As such, the pool of funds in each Fund represents a blind pool of funds. Investors in each Fund will be relying on the general partners to conduct the business as contemplated by the Memorandum or limited partnership agreement. The loss of one or more senior investment professionals of the general partner could have a significant adverse impact on the business of each Fund. No assurances can be given that each of the principals will continue to be affiliated with each Fund throughout its term. Notwithstanding any prior experience that members of the general partner may have in making investments of the type expected to be made by the Funds, any such prior experience necessarily was obtained under different market conditions and with different technologies at the forefront of development. There can be no assurance that members of the general partner will be able to duplicate prior levels of success.

Controlling Interests. The Firm expects that depending on the investments that a Fund makes, the Fund may be considered to control, participate in the management of or influence the conduct of portfolio companies due to its equity ownership, representation on the board of directors and/or contractual rights. The exercise of control over a company by a Fund could expose it and its assets to risk for liability for environmental damage, product defects, pension and other fringe benefits, failure to supervise management, violation of laws and governmental regulations (including but not limited to securities laws) and other types of liability, for which the limited liability generally afforded to investors may be ignored. If these liabilities were to arise, the Fund may suffer a significant loss, and such liabilities may exceed the value of the Fund's initial investment in such portfolio companies. While the general partner of a Fund intends to manage it in a way that will minimize exposure to these risks, the possibility of successful claims cannot be known or eliminated.

Disease and Epidemics. The impact of disease and epidemics may have a material adverse effect on the performance of the Funds and their investments. In particular, in December 2019, a novel strain of coronavirus surfaced in Wuhan, China. While the effects of the spread of this coronavirus are expected to be temporary, the duration of the business disruption and related financial impact cannot be reasonably estimated at this time and the Funds could be materially



and adversely impacted by the effects. In addition, the Funds' investment performance could be adversely affected to the extent that this coronavirus or any other epidemic harms the global and/or U.S. economy in general. The extent to which the coronavirus impacts the Funds' 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 to contain the coronavirus or treat its impact, among others.

Business Continuity and Disaster Recovery Risks. The Firm's or the Funds' portfolio companies' business operations may be vulnerable to disruption in the case of catastrophic events such as fires, natural disasters, terrorist attacks, or other circumstances resulting in property damage, network interruption, and/or prolonged power outages. Although the Firm has implemented measures to manage risks relating to these types of events, there can be no assurances that all contingencies can be planned for. These risks of loss can be substantial and could have a material adverse effect on the Firm and the Funds' investments.

For a more complete list of the risk factors involved in investment in the Funds, please see the Memoranda or limited partnership agreements.



ITEM 9: DISCIPLINARY INFORMATION

NRCP is required to disclose all material facts regarding any legal or disciplinary events that would be material to an investor's evaluation of it or the integrity of its management. NRCP has no information applicable to this section.



ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As mentioned elsewhere in the Brochure, NRCP manages Fund I and Fund III. NRCP also co-manages Fund II alongside KACALP. NRCP's affiliates, NRGa and NRCA, serve as the co-general partner of Fund II and RC Fund, respectively, together with the affiliated entities of KACALP and Recurring Capital who serve as the co-general partner of the respective Funds. KACALP, founded in 1984, is a leading alternative investment management firm focused on energy, infrastructure, real estate, credit and growth equity. KACALP manages over \$31 billion in assets (as of 12/31/2019) for institutional investors, family offices, high net worth and retail clients and employs 400 professionals in five offices across the U.S. Recurring Capital, founded in 2016, makes debt and equity investments for Software as a Service and other recurring revenue model technology-driven companies with a focus on generating high current pay yield and preserving capital. Recurring Capital is an exempt reporting adviser and manages over \$75 million in assets (as of 12/31/19) for institutional investors, family offices, and high net-worth individuals.

More information on KACALP and Recurring Capital is available on the SEC's website at www.adviserinfo.sec.gov.

NRCP has conflicts of interest policies and procedures in place to address potential conflicts of interest created by its financial industry affiliations. Additionally, Fund II and Fund III each have a limited partners advisory board for the purposes of addressing real or potential conflicts of interest that may arise regarding Fund II and Fund III (including the approval of any potential transactions between the Funds). Please see Item 11 for more information on the Firm's Code of Ethics and conflicts of interest policies.



ITEM 11: CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING

NRCP has adopted a Code of Ethics for all supervised persons of NRCP that describes its standards of business conduct and fiduciary duty to the Funds. The Code of Ethics, as well as other portions of the Firm's Compliance Manual, includes provisions relating to confidentiality of investor information, the prohibition on insider trading, restrictions on the acceptance of significant gifts and business entertainment items, personal securities trading procedures, political contributions and allocation of investment opportunities, among other things. All supervised persons of NRCP must acknowledge the terms of the Code of Ethics annually and upon any amendments.

The Code of Ethics is designed to ensure that the personal securities transactions of NRCP's supervised persons will not interfere with the best interests of the Funds, or interfere with implementing the decisions made in furtherance of such interests, while, at the same time, allowing supervised persons to make personal securities transactions for their own accounts. The Code of Ethics requires pre-clearance of some transactions and places other restrictions on trading by supervised persons.

In addition, NRCP can, but is not required to, provide co-investment opportunities to third parties, including limited partners, strategic investors and other third parties not affiliated with NRCP (or its principals, affiliates, and supervised or related persons). When offering co-investment opportunities to a particular third-party, NRCP considers a variety of factors, including, among other things, whether the co-investor may provide strategic value to NRCP or the Funds, the size of the potential co-investment, NRCP's prior experience with the co-investor (if any), legal, tax and regulatory matters and whether such third-party had previously expressed an interest in participating in co-investment opportunities, including whether it may do so in an efficient and expeditious manner. All such co-investment opportunities will be consistent with the Firm's fiduciary duty to the Funds and the co-investment allocation policies of the relevant Fund then in effect and subject to the restrictions contained in the governing documents of the relevant Fund and any side letter agreements or other negotiated terms with respect to such Fund. In certain cases, co-investors may not be subject to any fee in relation to the co-investment opportunity.

Furthermore, certain of NRCP's principals, affiliates, and supervised or related persons may also participate, directly or indirectly, in co-investments, which may reduce the availability of co-investment opportunities for third parties (as noted above). A limited partner that desires to participate in a potential co-investment may not receive the full amount, or any amount, of its desired co-investment. Additionally, from time to time, opportunities may present themselves for one NRCP Fund to co-invest with another NRCP Fund in a portfolio company. NRCP believes that in certain circumstances, the Funds and investors could benefit from enhanced deal flow as a result of the ability to co-invest. The CCO monitors the allocation of co-investment



opportunities in order to identify potential conflicts. If conflicts are identified, the CCO oversees the consideration of appropriate disclosures to existing and potential investors and has the authority to place corresponding controls in an effort to mitigate such conflicts.

A copy of NRCP's Code of Ethics is available upon request to investors or potential investors.



ITEM 12: BROKERAGE PRACTICES

NRCP does not typically make use of brokers for the purposes of purchasing or selling securities on behalf of the Funds, because the Funds' securities are generally acquired and/or disposed of in privately negotiated purchase and sale transactions.

If the Firm determines to engage a broker (*e.g.*, if NRCP receives public securities through a sale transaction or an initial public offering), the general partners of the Funds will generally select the broker considering the range and quality of its brokerage services, its execution capability, commission rate, financial responsibility, responsiveness to the Firm, the value of research provided (if any), and the broker's referral of prospective investors to NRCP, if any. If a broker were to provide research or refer prospective investors, there could be a conflict between the Firm's interest in receiving such services and the Firm's interest in providing best execution for the Funds. As such, NRCP will negotiate the commission rates and other transaction costs relating to broker services. Any commission rates paid by the Funds may not be the lowest rates the Funds could have obtained, but they will be competitive with rates paid by similar customers.

NRCP does not currently receive any soft dollar benefits or referrals from broker-dealers in connection with Fund transactions.



ITEM 13: REVIEW OF ACCOUNTS

The Firm's investment team generally meets regularly to evaluate both current and prospective investments. The Firm's investment team regularly monitors and reviews the performance of each of the Funds' portfolio company investments and typically conducts at least quarterly reviews of the performance, risks and outlook for each portfolio company.

The valuation of the Funds' portfolio company investments is reviewed at least quarterly by the Firm.

The Funds provide such reports (and at such frequency) as is disclosed in the Memoranda or limited partnership agreements. Please refer to the Memoranda or limited partnership agreements for the reporting schedule of the Funds.



ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

NRCP has engaged placement agents to solicit investors in Fund III. These placement agents may receive a portion of the Firm's management fee as compensation for their services. These arrangements adhere to the requirements set forth in Rule 206(4)-3 of the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and investors will not incur higher fees due to these referral compensation arrangements.

NRCP may offer interests in future funds through one or more selling agents, brokers, placement agents, or finders, on an exclusive or nonexclusive basis, and pay referral fees, finder's fees, or commissions which the Firm believes to be appropriate, subject (in the case of a fee paid out of Fund assets) to the overall cap on organizational expenses of the Funds, or the offset thereof against future management fees payable by the Funds. NRCP may pay any such commissions, placement fees, referral fees, or finder's fees by paying or assigning a portion of the management fee or Carried Interest to a selling agent, broker, placement agent or finder. Any referral fees will be disclosed to the relevant investor(s).



ITEM 15: CUSTODY

NRCP does not maintain physical custody of the Funds' assets. However, the Firm may be deemed under Rule 206(4)-2 of the Advisers Act (the "**Custody Rule**") and related SEC rules to have custody of certain Funds' assets. Accordingly, NRCP intends to adhere to the applicable requirements of the Custody Rule with respect to each Fund for which NRCP has custody of its assets.

Pursuant to the Custody Rule, the Funds are audited each year by a PCAOB-registered independent accountant, in accordance with U.S. Generally Accepted Accounting Principles ("**GAAP**"), and the audited financial statements are delivered to investors within 120 days after the end of the Funds' fiscal year. NRCP urges investors to carefully review these audited financial statements, as well as NRCP's reports to investors.



ITEM 16: INVESTMENT DISCRETION

NRCP has full discretionary authority over Fund I and Fund III. NRCP, together with KACALP and Recurring Capital, has full discretionary authority over Fund II and RC Fund, as applicable. In certain cases, the limited partnership agreements or side letters that the Funds may enter into with certain investors may restrict NRCP's discretion to cause the Funds to invest in certain sectors. Examples of such restrictions are: alcohol, firearms and tobacco company restrictions, industry restrictions, geographic region restrictions, and/or specific country restrictions.



ITEM 17: VOTING CLIENT SECURITIES

As NRCP is engaged in private equity transactions, the Funds do not hold the securities of publicly-traded companies and would do so only in rare circumstances. In the unlikely event that the Funds come into ownership of such securities or would be asked to vote as shareholders, the Firm's CCO will be consulted to ensure that the Funds' best interests are represented, whether by NRCP or a third-party service provider, if needed to address any conflict of interest. Investors may obtain a copy of NRCP's proxy voting policies and procedures upon request.



ITEM 18: FINANCIAL INFORMATION

NRCP has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.