

## East Rock Capital, LLC

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This brochure provides information about the qualifications and business practices of East Rock Capital, LLC (“**East Rock Capital**”) and its affiliate, East Rock Focus Fund Management, LLC. If you have any questions about the contents of this brochure, please contact East Rock Capital’s Chief Compliance Officer (“**CCO**”) at (212) 630-5000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

Registration as an investment adviser does not imply that East Rock Capital or any of its principals or employees possess a particular level of skill or training in the investment advisory business or any other business.

Additional information about East Rock Capital is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2: Material Changes**

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Shaun Getchell, who has been East Rock Capital's General Counsel since 2019, has now also been appointed as East Rock Capital's CCO effective as of March 1, 2021.

**Item 3: Table of Contents**

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**Item 4: Advisory Business**

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In 2005, Graham Duncan founded East Rock Focus Fund Management, LLC (“**ERFF Management**”), which was formed for the purpose of serving as an investment adviser to the East Rock Focus Fund, LP (the “**Focus Fund**”), a multi-manager investment vehicle. ERFF Management continues to serve as the investment adviser to the Focus Fund. Mr. Duncan and Adam Shapiro subsequently co-founded East Rock Capital to principally serve as the investment adviser to East Rock Endowment Fund, LP (“**EREF**”) and East Rock Charitable Fund, LP (“**ERCF**”), customized endowment-style investment vehicles created to invest the personal assets of a high-net-worth family. Since 2007, Mr. Duncan and Mr. Shapiro have co-managed the Firm (as defined below). ERFF Management is a “relying adviser” of East Rock Capital for purposes of registration under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”).

East Rock Capital, together with its affiliate, ERFF Management, are together herein referred to as “**East Rock**”, the “**Firm**”, “**we**”, or “**our**”. Messrs. Duncan and Shapiro are together herein referred to as the “**Managing Partners**”.

The managing member of East Rock Capital and ERFF Management is D Partners Management, LLC (“**D Partners**”), an entity in which Mr. Duncan is the managing member and a beneficial owner. D Partners and Mr. Duncan hold an economic interest in each of East Rock Capital and ERFF Management, respectively. Mr. Duncan shares managerial authority with Mr. Shapiro, who also holds, through Shapiro Partners Management, LLC (“**Shapiro Partners**”), an economic interest in East Rock. Shapiro Partners is an entity in which Mr. Shapiro is the managing member and a beneficial owner. The remaining economic interests in East Rock are primarily held by MP Alpha Holdings LLLP, the family investment vehicle that is the principal investor in EREF.

**Endowment-Style Investment Vehicles**

East Rock Capital serves as the investment adviser to endowment-style investment vehicles, including EREF and ERCF (each such investment vehicle, an “**East Rock Endowment Vehicle**” and collectively, the “**East Rock Endowment Vehicles**”), that were created to invest opportunistically in a wide range of asset classes through: i) third-party managed investment vehicles, the underlying assets of which are typically publicly traded securities; ii) direct investments, both long and short, in equity, debt and/or other securities and instruments traded publicly and privately in U.S. and foreign markets; and iii) equity and debt investments in privately held companies and real assets either directly or through co-investment opportunities sourced by East Rock’s network of third-party investment managers. Asset classes include hedge funds (principally long-short equity funds), long-only equities, private equity, real assets, and fixed income. The East Rock Endowment Vehicles are each exempt from registration under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”), pursuant to Section 3(c)(7) thereof. Each of the East Rock Endowment Vehicles is principally dedicated to, and beneficially owned by, an affiliated group of individuals and/or entity investors.

**East Rock Focus Fund, LP**

The Focus Fund, which was formed in October of 2005 as a Delaware limited partnership, is exempt from registration under the Investment Company Act, pursuant to Section 3(c)(1) thereof. The Focus Fund is a concentrated multi-manager investment vehicle investing primarily in a blend of third-party managed investment partnerships and other investment vehicles, the underlying assets of which are typically publicly traded securities. The Focus Fund also makes direct investments in equity, debt and other securities and instruments.

Each investor in the Focus Fund is required to execute a subscription agreement and become a party to the limited partnership agreement. The Focus Fund is managed in accordance with the investment objectives, strategies, restrictions, and guidelines set forth in the Focus Fund's confidential private placement memorandum ("**CPPM**"). Further, the Focus Fund is managed only in accordance with its own characteristics and is not tailored to any particular Focus Fund investor. Additional information about the Focus Fund can be found in its CPPM.

### **East Rock EAI Fund, LLC**

East Rock EAI Fund, LLC (the "**EAI Fund**") was formed in July 2020 as a Delaware series limited liability company and is exempt from registration under the Investment Company Act pursuant to Section 3(c)(7) thereof. The EAI Fund was formed with a primary goal of providing direct investment access to East Rock's employees, its network of industry peers and new client relationships. The EAI Fund's investment objective is to primarily make equity and debt investments in privately held companies and real assets either directly or through co-investment opportunities sourced by East Rock's network of third-party investment managers.

### **Other Accounts and Vehicles**

In addition to managing the East Rock Endowment Vehicles, the Focus Fund and the EAI Fund, East Rock provides discretionary investment advisory and management services to a limited number of other client accounts and vehicles that may be structured as limited partnerships, limited liability companies, or managed accounts as well as a limited number of pooled vehicles that are each dedicated to a specific investment (collectively, with the East Rock Endowment Vehicles, the Focus Fund and the EAI Fund, the "**East Rock Investment Vehicles**", and each, an "**East Rock Investment Vehicle**").<sup>1</sup>

Each East Rock Investment Vehicle (and any future discretionary vehicle or managed account) is managed on a customized basis and in accordance with the underlying terms of such account or vehicle. Therefore, certain accounts and vehicles do not always participate in the same investments, or in the same proportion as another account or vehicle managed by East Rock. As discussed below, East Rock takes a number of factors into consideration when determining the suitability of an investment for each of the accounts and vehicles that it manages. Further, we generally will not permit the underlying investors in an East Rock Investment Vehicle to impose any investor-specific limitations on the investment activities described in the offering documents of such vehicle.

As of December 31, 2020, East Rock managed \$2,585,181,666 of regulatory assets under management on a discretionary basis. East Rock does not currently manage any regulatory assets under management on a non-discretionary basis.

## **Item 5: Fees and Compensation**

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The investors in the East Rock Endowment Vehicles are directly charged an asset-based management fee based upon an annual rate that is specific to each such vehicle. The investors in the Focus Fund are generally subject to a 1.0% asset-based management fee. The investors in the EAI Fund are generally

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<sup>1</sup> East Rock has entered into agreements with certain other clients wherein East Rock makes investment recommendations to them on a non-discretionary basis and not as part of a comprehensive investment plan for such clients. East Rock is not responsible for arranging or effecting the purchase or sale of investments that it recommends to such clients.

subject to a 1.0% management fee calculated on investor commitments during the investment period and on capital account balances thereafter.

Management fees are typically paid quarterly in advance by investors in the East Rock Investment Vehicles, and are typically refundable, in part, if the relevant advisory contract is cancelled prior to the end of a payment period.

In addition, each East Rock Investment Vehicle is responsible for its own expenses, which typically include operational expenses, brokerage and transaction costs related to the assets held in such vehicle (see Item 12 for additional information on brokerage practices), legal and accounting expenses, administration fees, and other fees and expenses as set forth in more detail in each vehicle's governing documents.

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

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East Rock has entered into performance-based profit allocation or fee arrangements with the underlying investors in the East Rock Endowment Vehicles. The performance-based profit allocation or fee for each East Rock Endowment Vehicle is subject to a loss carryforward mechanism. Such performance-based profit allocations or fees are charged at a rate that is specific to each customized vehicle.

Investors in the Focus Fund are subject to a performance-based profit allocation of 10% in connection with net profits attributable to direct investments made by the Focus Fund, including any investment in a third-party managed investment vehicle that holds a single security or investment, or over which East Rock maintains substantial investment discretion, and a performance-based profit allocation of either 5%, 6.25%, or 7.5% on net profits attributable to investments in third-party managed investment vehicles, other than vehicles that hold only one investment, or over which East Rock maintains substantial investment discretion. The performance-based profit allocation or fee for the Focus Fund is subject to a loss carryforward mechanism.

Investors in the EAI Fund are generally subject to a performance-based carried interest equal to 10% of the realized profits of the EAI Fund.

All of the underlying investors or clients in the East Rock Investment Vehicles that are subject to performance-based allocations, fees or carried interest are "qualified clients," as required pursuant to Rule 205-3 of the Advisers Act.

Other than the EAI Fund, which charges a performance-based carried interest on realized profits, in measuring an East Rock Investment Vehicle's assets for the calculation of performance-based profit allocations or fees, East Rock generally includes realized and unrealized capital gains and losses. Further, East Rock utilizes valuation methodologies that are consistent with its documented policies and procedures. Performance-based profit allocation and fee arrangements may create an incentive for East Rock to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement. Such fee and allocation arrangements also create an incentive to favor accounts that are subject to higher fees or allocations over other accounts in the allocation of investment opportunities. East Rock has procedures designed and implemented to ensure that all clients are treated fairly and equitably, and such procedures are intended to prevent this conflict from influencing the allocation of investment opportunities among clients.

**Item 7: Types of Clients**

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East Rock clients consist of the East Rock Investment Vehicles (which are private funds) and high-net-worth individuals.

Investors in the Focus Fund consist primarily of family offices, high-net-worth individuals, and foundations. Each such investor must meet the requirements for an “accredited investor” under the Securities Act of 1933, as amended, and, if fee paying, must be a “qualified client” under the Advisers Act. In general, the minimum investment in the Focus Fund is \$1,000,000, although East Rock may accept investments in a lesser amount. During those periods when the Focus Fund is open for subscriptions, subscriptions generally will be accepted on the first business day of each fiscal quarter.

Investors in the other East Rock Investment Vehicles also consist primarily of family offices, high-net-worth individuals, and foundations. Each such investor must meet the requirements for a “qualified purchaser” under the Investment Company Act, and the minimum investment commitment to such vehicles is determined on a case-by-case basis. As noted above, the East Rock Endowment Vehicles are each principally owned by an affiliated group of individuals and related entities.

Employees of East Rock also invest in East Rock Investment Vehicles, subject to meeting applicable suitability requirements.

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

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East Rock’s investment objective for the East Rock Endowment Vehicles is to achieve superior investment returns with less volatility and risk than conventional balanced portfolios of equity and fixed income securities by managing long-duration investment portfolios that consist of a blend of: i) third-party managed investment vehicles, the underlying assets of which are typically publicly traded securities; ii) direct investments, both long and short, in equity, debt and/or other securities and instruments traded publicly and privately in U.S. and foreign markets; and iii) equity and debt investments in privately held companies and real assets either directly or through co-investment opportunities sourced by East Rock’s network of third-party investment managers.

The Focus Fund’s investment objective is to achieve superior investment returns with less volatility and risk than conventional balanced portfolios of equity and fixed income securities by investing primarily in a blend of third-party managed investment partnerships and other investment vehicles, the underlying assets of which are typically publicly traded securities. The Focus Fund also makes direct investments in equity, debt and other securities and instruments.

The EAI Fund’s investment objective is to primarily make equity and debt investments in privately held companies and real assets either directly or through co-investment opportunities sourced by East Rock’s network of third-party investment managers.

With respect to East Rock’s multi-manager investment strategy, East Rock selects managers that use a variety of investment strategies and styles and that provide the relevant East Rock Investment Vehicles with investment exposure to a diverse portfolio of securities and other types of investments. In connection with making direct investments in equity and debt securities, East Rock employs both fundamental and quantitative techniques in order to analyze publicly and privately held companies.

Each East Rock Investment Vehicle will not always participate in the same investments, or in the same proportion as another account or vehicle managed by East Rock. East Rock's investment allocation methodology is discussed in greater detail below.

### **Risk of Loss**

The investment strategies employed by East Rock on behalf of the East Rock Investment Vehicles involve significant risks that clients and investors should be prepared to bear. Prospective investors should consider the risk factors described below and should consult with their professional advisers before making an investment with East Rock. The following summary does not purport to include every risk; rather, it focuses upon those risks that are generally associated with East Rock's investment strategy and philosophy. For a more detailed discussion of the risks associated with East Rock's investment strategy, we encourage all current and prospective investors to review the discussion of risks provided in the relevant East Rock Investment Vehicle's governing and/or offering documents.

#### *Market Risks and Lack of Liquidity*

All securities investments risk the loss of capital. No guarantee or representation is made that the East Rock Investment Vehicles will achieve their investment objectives or that investors will not lose all or substantially all of their investment in an East Rock Investment Vehicle. The success of East Rock's investment program depends to a great extent upon the ability of East Rock and the underlying managers we select to correctly assess the future course of price movements of stocks, bonds, and other financial instruments and markets. There can be no assurance that East Rock or the underlying managers will accurately predict such movements. In addition, certain of the securities in which East Rock or such managers invest will have limited liquidity. This lack of liquidity, together with a failure to accurately predict market movements, may adversely affect the ability of East Rock or such managers to execute trades at desired prices in rapidly moving markets.

#### *Concentration of Investments*

East Rock has broad discretion over the East Rock Investment Vehicles' investment programs and may choose to allocate substantial portions of their assets to a third-party managed investment vehicle or to a particular security or other direct investment. Where appropriate, it is the intention of East Rock to allocate the capital of each East Rock Investment Vehicle in a manner that will provide for diversification among investment strategies, managers, and securities. There can be no assurance, however, that the managers of the selected underlying investment vehicles will not take substantial positions in the same security at the same time. Such managers may also make similar market timing decisions and asset allocation decisions between equity securities and cash equivalents or some combination of these and other strategies.

#### *Leverage*

East Rock and certain managers we select will from time to time trade on margin, engage in other forms of borrowing to finance their operations, and use other forms of financial leverage. The level of interest rates and the rates at which East Rock and third-party managed vehicles can borrow will affect the operating results of those vehicles. Fluctuations in the market value of the portfolio of a heavily leveraged vehicle can have a disproportionately large effect in relation to the capital of that vehicle. Any event which may adversely affect the value of positions held by such vehicle could significantly affect its net asset value. East Rock may borrow funds from time to time for liquidity purposes or otherwise as East Rock deems appropriate.



*Currency Exposure*

Interests in the East Rock Investment Vehicles are issued and liquidated in U.S. Dollars. However, the assets of such vehicles will from time to time be invested, directly or indirectly, in securities and other investments which are denominated in currencies other than U.S. Dollars. Accordingly, the value of such assets will be affected favorably or unfavorably by fluctuations in currency rates, subjecting the East Rock Investment Vehicles to foreign exchange risks. In addition, prospective investors whose assets and liabilities are predominately in other currencies should consider the potential risk of loss arising from fluctuations in value between the U.S. Dollar and other currencies.

*Foreign Investments*

The East Rock Investment Vehicles, either directly or through certain managers we select, will from time to time invest in securities and other instruments of foreign corporations and foreign countries. Investing in such securities involves certain considerations not usually associated with investing in securities of U.S. companies or the U.S. government, including, among other things, political and economic considerations, such as greater risks of expropriation, nationalization, and general social, political, and economic instability; the small size of the securities markets in such countries and the low volume of trading, resulting in a potential lack of liquidity and price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; imposition of withholdings and other taxes; and certain government policies that may restrict the East Rock Investment Vehicles' investment opportunities. In addition, accounting and financial reporting standards that prevail in many foreign countries are not equivalent to U.S. standards and, consequently, less information may be available to investors in companies located in foreign countries than is available to investors in companies located in the U.S. There is also less regulation, generally, of the securities markets in many foreign countries than there is in the U.S.

*Equity Securities*

East Rock and certain managers we select invest in equity securities and hold both long and short positions in such securities, which may include, among others, preferred stock, restricted stock, holdings in micro, small and medium capitalization companies, and private equity investments, each of which is subject to additional specific risks. Such investments are subordinate to the claims of an issuer's creditors and, to the extent such securities are common securities, they are also subordinate to the claims of preferred stockholders. Dividends customarily paid to equity holders can be suspended or canceled at any time. For the foregoing reasons, investments in equity securities can be highly speculative and carry a substantial risk of loss of principal.

*Fixed Income Obligations*

East Rock and certain managers we select invest in fixed income securities. Fixed income obligations are subject to the risk of an issuer's ability to meet principal and interest payments on the obligation (credit risk), and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer, and general market liquidity (market risk). Changes in interest rates may cause a decline in the market value of an investment. With bonds and other fixed income securities, a rise in interest rates typically causes a fall in values, while a fall in interest rates typically causes a rise in values. Bonds and other fixed income securities generally involve less market risk than stocks. However, the risk of bonds can vary significantly depending upon factors such as the issuer and maturity. For example, the issuer of a security or the counterparty to a contract may default or otherwise become unable to honor a financial obligation. This risk is magnified in connection with

investments in “high yield” bonds and other debt securities which are rated in the lower rating categories by the various credit rating agencies.

#### *Derivatives*

East Rock and certain managers we select invest in derivative financial instruments, including exchange-traded and over-the-counter futures, options and contracts for differences, as well as other derivatives. Regulatory restraints may restrict the instruments that may be traded. Such derivative instruments are highly volatile, involve certain special risks and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, a relatively small movement in the price of a contract may result in a profit or a loss that is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further losses exceeding any margin deposited. Further, when used for hedging purposes there may be an imperfect correlation between these instruments and the investments or market sectors being hedged.

#### *Short Sales*

East Rock and certain managers we select effect short sales. Short selling is the practice of selling securities that are not owned by the seller, generally when the seller anticipates a decline in the price of the securities or for hedging purposes. To complete a short sale, a short seller must borrow the securities from a third-party in order to deliver the securities to the buyer. The short seller generally will be required to pay a brokerage commission or interest, which will increase the cost to the short seller of selling such securities. The short seller will be obligated to return securities equivalent to those borrowed at any time on demand of the lender by purchasing them at the market price at the time of replacement. Until the securities are replaced, the short seller will be required to pay to the lender amounts equal to any dividends or interest which accrue during the period of the loan of the securities.

#### *Distressed Investing*

East Rock and certain managers we select will from time to time invest in equities, debt securities or other securities or obligations of companies that are experiencing significant financial or business difficulties, including companies involved in debt restructurings, in bankruptcy or in other reorganization and liquidation proceedings. Although such investments may result in significant returns, they typically involve a high degree of risk. Among the problems involved in investments in such issuers is the fact that it frequently may be difficult to obtain information as to the conditions of such issuers. There is no assurance that East Rock or a manager we select will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful investment in a distressed company.

#### *Private Equity and Private Debt Securities*

East Rock and certain managers we select will invest in private equity transactions and private debt securities. Such investments involve an extraordinarily high degree of business and financial risk and can result in substantial or complete losses. Some portfolio companies in which the East Rock Investment Vehicles invest may be operating at a loss or with substantial variations in operating results from period to period and may need substantial additional capital to support expansion or to achieve or maintain competitive positions. The East Rock Investment Vehicles may be unable to dispose of a portfolio company's securities by sale or other means at attractive prices or may otherwise be unable to complete any exit strategy, often due to changes in the financial condition or prospects of the portfolio company in which the investment is made. It is unlikely that there will be a public market for securities

acquired in a private equity transaction at the time of their acquisition and there can be no assurance that such securities will eventually be listed on a securities exchange. East Rock Investment Vehicles will generally not be able to sell such securities publicly unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. In addition, in some cases East Rock Investment Vehicles may be prohibited by contract or regulatory reasons from selling such securities for a period of time. To the extent that there is no liquid trading market for an investment, the East Rock Investment Vehicles may be unable to liquidate that investment or may be unable to do so at a profit. Moreover, there can be no assurances that private purchasers for investments will be found.

#### *Real Estate Investments*

East Rock and certain managers we select will invest in real estate and real estate related securities. Real estate related securities include securities that are backed by, represent interests in, or are secured by real estate, as well as securities issued by companies, limited partnerships or limited liability companies that invest in real estate or interests in real estate. Investments in real estate and real estate related securities entail certain risks due to a variety of factors, including uncertainties surrounding real estate ventures and hidden defects that might not be discovered despite reasonable due diligence. Factors affecting the performance of real estate ventures may include changes in interest rates, excess supply of real property in certain markets, satisfactory completion of construction, sufficient level of occupancy, adequacy of financing available in capital markets, competent management, rent levels and maintaining adequate rent to cover operating expenses, regulatory limits on rents, local and regional markets for competing assets, changes in applicable zoning and other laws and government regulations (including taxes), the availability to obtain use or development entitlements and other regulatory permits and permissions, possible environmental liabilities and social and economic trends.

Real estate and real estate related securities may not be readily marketable. Accordingly, it may be difficult to value and sell the real estate and real estate related securities. Third-party operators may be engaged by East Rock, or the managers it selects, to manage the day-to-day operations of certain real estate interests. While operating partners may co-invest in and receive a share of profits from assets they manage, there is a risk that their interests may not be directly aligned with the East Rock Investment Vehicles and their decisions, actions or omissions may adversely affect the East Rock Investment Vehicles. Since operating partners may manage assets held by the East Rock Investment Vehicles as well as assets not held by East Rock Investment Vehicles, operating partners may face conflicts of interest between choices that may favor one investment over another, as well as decisions regarding devotion of time and resources.

#### *Counterparty Creditworthiness*

East Rock and certain managers we select engage in transactions in securities and other financial instruments that involve counterparties. If a position that East Rock has with a counterparty fails, a default would most likely result, depriving the East Rock Investment Vehicles of any profit potential or forcing an East Rock Investment Vehicle to cover its commitments for resale at the then-current market price. Any non-performance, whether due to insolvency, bankruptcy, or other causes, could lead to substantial losses. There can be no assurance that the counterparties with which East Rock deals will perform and not default. This risk is heightened by East Rock's utilization of brokers and custodians, since such counterparties have execution, clearance, settlement, and safekeeping responsibilities on all open positions. Thus, a failure by a broker or custodian could result in a concentrated and disproportionate loss.

*Fund of Fund Investing and Compensation of Managers of Investment Vehicles*

Identifying suitable investment vehicles is complex and involves a high degree of uncertainty. A manager of an underlying investment vehicle will use proprietary investment strategies that are not fully disclosed to East Rock, which may involve risks under some market conditions that are not anticipated by East Rock. For information about an underlying investment vehicle's net asset value and portfolio composition, East Rock will be dependent on information provided by the underlying manager, which, if inaccurate, could adversely affect East Rock's ability to value accurately the assets of the East Rock Investment Vehicles. Investors in the East Rock Investment Vehicles generally have no individual right to receive information about the underlying investment vehicles or their managers, will not be direct investors in such investment vehicles (except in connection with a distribution in-kind), and will have no rights with respect to standing or recourse against the underlying investment vehicles, their managers, or any of their affiliates. Moreover, investors in East Rock Investment Vehicles will be subject to further liquidity limitations in connection with their indirect interests in such underlying investment vehicles. The managers of those vehicles may have the right to suspend redemptions and/or establish side pockets under certain market conditions or following investment-specific events, which could delay and negatively impact the realization of an investor's investment.

The investment managers selected by East Rock will generally be entitled to two forms of compensation: a fee based on net assets under management (typically 1% to 2% annually), plus performance compensation based on the appreciation (usually including unrealized appreciation) in the value of the East Rock Investment Vehicle's account with such managers (typically 15% to 20% of net profits). While the performance compensation arrangements may call for realized or unrealized losses to be carried forward as an offset against net profits in subsequent periods, managers generally are not otherwise penalized for realized losses or decreases in the value of such account. These performance compensation arrangements may create an incentive for those managers to effect transactions on behalf of the East Rock Investment Vehicles that are particularly risky or speculative. Further, East Rock's compensation arrangements may create an incentive to select managers that pursue strategies that are particularly risky or speculative.

*Seed Investments*

The East Rock Investment Vehicles will from time to time invest with managers seeking "seed capital" ("**Seeded Managers**") and participate in the revenues and profits of such Seeded Managers' investment advisory businesses. Often, such Seeded Managers will not have substantial experience in operating pooled investment vehicles and will not have significant track records, potentially exposing the East Rock Investment Vehicles to more significant risks than would be the case if the East Rock Investment Vehicles invested only with more "seasoned" managers with longer track records. Also, although as typically structured, East Rock and the East Rock Investment Vehicles would not control the Seeded Managers, depending on the structuring of a particular deal, the participation rights in the Seeded Managers could expose the assets of the East Rock Investment Vehicles to claims by a Seeded Manager, its other equity holders and its creditors. In addition, a Seeded Manager may have economic or business interests or goals that are inconsistent with those of the East Rock Investment Vehicles.

In addition, from time to time an East Rock Investment Vehicle will invest in a fund in which seed capital was provided by a different East Rock Investment Vehicle. In connection with such seed investments, an East Rock Investment Vehicle may not share alongside of East Rock or its affiliates, or the other East Rock Investment Vehicles that had provided the seed capital, in the management fees and performance-based allocations (or fees) earned by the Seeded Manager (although the East Rock Investment Vehicle will benefit from reduced management fees and performance-based allocations (or fees)). In connection

with any such arrangements, East Rock has procedures in place to ensure that neither East Rock nor any of its affiliates receive any additional form of compensation from an East Rock Investment Vehicle as a result of such seed relationships.

#### *Cybersecurity and Systems Risks*

East Rock and the managers we select rely extensively on computer programs, networks, devices and systems (and may rely on new systems and technology in the future) in connection with the East Rock Investment Vehicles' investment activities, including, without limitation, to trade, clear and settle securities transactions, to evaluate certain investments based on real-time information, to engage in automated trading, to monitor portfolios and net capital, and to generate risk management and other reports that are critical to the oversight of the East Rock Investment Vehicles' activities. In addition, certain of East Rock's and the East Rock Investment Vehicles' operations, as well as those of the managers we select, interface with or depend on computer programs, networks, devices and systems operated by third-parties, market counterparties and their sub-custodians and other service providers, and East Rock and the managers we select may not be in a position to verify the risks or reliability of such third-party systems. These programs or systems may be subject to certain defects, failures, interruptions or security breaches, including, but not limited to, those caused by computer "worms," viruses, power failures and social engineering schemes such as "phishing."

Cybersecurity and information security breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. East Rock's operations, and those of managers we select, are highly dependent on each of these systems and the successful operation of such systems is often out of the control of East Rock and such managers. Any such defect, failure or breach could have a material adverse effect on an East Rock Investment Vehicle. For example, systems failures, information security incidents or cybersecurity breaches could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades, and cause inaccurate reports, which may affect the ability of East Rock to accurately monitor the East Rock Investment Vehicles' investment portfolios and risks. Cybersecurity breaches may cause: i) disruptions and impact business operations, potentially resulting in financial losses to East Rock Investment Vehicles; ii) interference with East Rock's ability to calculate the value of East Rock Investment Vehicles' investments; iii) impediments to trading; iv) the inability of East Rock, the managers we select and service providers to transact business; v) violations of applicable privacy and other laws; vi) regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as vii) the inadvertent release of confidential information. Similar adverse consequences could result from system failures and cybersecurity breaches affecting: i) issuers of securities in which the East Rock Investment Vehicles invest; ii) counterparties with which the East Rock Investment Vehicles engage in transactions; iii) governmental and other regulatory authorities; iv) exchange and other financial market operators, banks, brokers, dealers, insurance companies, and other financial institutions; and v) other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

#### *Evolving Cybersecurity and Data Protection Laws and Regulations*

The adoption, interpretation and application of consumer and data protection laws or regulations in the U.S., Europe and elsewhere are often uncertain and in flux, and in some cases, laws or regulations in one country may be inconsistent with, or contrary to, those of another country. Federal, state, or foreign government bodies or agencies have in the past adopted, and may in the future adopt, laws and regulations affecting data privacy. In the U.S., these include rules and regulations promulgated under the

authority of federal government bodies and agencies, state attorneys general, legislatures and consumer protection agencies. Compliance with the often complicated, inconsistent and ever-changing regulations governing cybersecurity and data protection could pose significant risks for East Rock and the East Rock Investment Vehicles.

#### *Valuation of Underlying Investment Vehicles*

Valuation of the East Rock Investment Vehicles' investments in underlying investment vehicles is ordinarily determined based upon valuations provided by the managers of such investment vehicles. Such valuations may require the manager of an underlying investment vehicle, notwithstanding the retention of a third-party administrator, to value private securities and/or other assets that do not have a readily ascertainable market price. Such valuations may be estimated and/or rely on flawed assumptions that result in inaccurate valuations of the assets in question. Furthermore, in such circumstances, the managers may face a conflict of interest in valuing such assets as their values will affect their compensation. East Rock will not have access to all material information relevant to the valuation of the assets of the underlying investment vehicles and, as such, will have limited ability to assess the reliability of any valuation thereof.

Such valuations may be subject to later adjustment or revision by the managers of the applicable investment vehicles. As a result of this and other factors, valuations considered in calculating the net asset value of an East Rock Investment Vehicle (and the basis on which subscription and withdrawal prices and performance allocations and management fees, are calculated) may be inaccurate. There is no guarantee that the valuation of an underlying investment vehicle's assets will represent the value realized by an East Rock Investment Vehicle with respect to its investment in such underlying investment vehicle.

#### *Valuation of Direct Investments*

Valuations of an East Rock Investment Vehicle's direct investments may involve uncertainties and judgmental determinations, and if such valuations should prove to be incorrect, the net asset value of such East Rock Investment Vehicle could be adversely affected. An East Rock Investment Vehicle's direct investments may include securities that are not listed on established exchanges which may make it difficult to accurately determine the fair market value of such securities. Furthermore, even for listed securities, East Rock may determine that the listed prices of the securities, as determined in accordance with East Rock's valuation procedures, do not reflect the actual value of the securities and East Rock may make such appropriate and reasonable modifications thereto to reflect the value of the securities, including to reflect liquidity conditions or other factors affecting such value. Third-party pricing information may at times not be available regarding certain securities. As a result of these and other factors, valuations considered in calculating the net asset value of an East Rock Investment Vehicle (and the basis on which subscription and withdrawal prices, as well as the management fee and the performance allocation, are calculated) may be inaccurate.

#### *Due Diligence of Underlying Investment Vehicles*

Before investing in an underlying investment vehicle, East Rock will conduct such due diligence as it deems reasonable and appropriate based on the facts and circumstances relating to such investment. Due diligence may entail evaluation of important and complex business, financial, tax and legal issues. Outside consultants, legal advisors, placement agents, risk evaluators and other third parties may be involved in the sourcing and due diligence process to varying degrees. The involvement of such third-party providers may present a number of risks, primarily relating to East Rock's reduced control of the functions that are outsourced. When conducting due diligence and making an assessment regarding an



underlying investment vehicle, East Rock will rely on the resources available to it, including information provided by such third-party providers and the manager of such underlying investment vehicle. The due diligence investigation that East Rock carries out with respect to any underlying investment vehicle may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the underlying investment vehicle being successful.

#### *Certain Employee and Employee-Affiliated Investments*

From time to time, employees of East Rock invest alongside East Rock Investment Vehicles in third-party managed investment vehicles and direct private investments. Additionally, in certain circumstances, East Rock Investment Vehicles invest in third-party managed investment vehicles managed by persons affiliated with employees of East Rock. With respect to any such investments, the best interests of the East Rock Investment Vehicles may be in conflict with the interests of employees of East Rock in preserving the value of their own investments and/or their relationships with the relevant third-party managed investment vehicles. See Item 11 for additional information on participation or interest in client transactions.

#### *Global Health Crises*

The securities industry is subject to risks related to public health crises such as the pandemic associated with the 2019 novel coronavirus (“**COVID-19**”). A global disease outbreak, and the public and private sector policies and initiatives in response thereto (such as the imposition of travel restrictions and the adoption of remote working), may impact issuers across many industries. Furthermore, pandemics may impact the broader economies of affected countries, including negatively impacting economic growth, the proper functioning of financial and capital markets, foreign currency exchange rates, and interest rates. For example, the spread of COVID-19 has led to substantial disruption and volatility in the global capital markets, which increases the cost of capital and adversely impacts access to capital. Due to the speed with which pandemics may develop and the uncertainty of their duration and the timing of recovery, East Rock is not able to predict the extent to which a pandemic, including the COVID-19 pandemic, may have a material effect on the ability of an East Rock Investment Vehicle or an underlying third-party managed investment vehicle to implement its investment strategy or the results of such investment strategy.

### **Item 9: Disciplinary Information**

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None of East Rock, its affiliates, or its Managing Partners have been subject to any disciplinary action, whether criminal, civil, or administrative (including regulatory) in any jurisdiction. Likewise, no persons involved in the management of East Rock have been subject to such action.

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

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Other than MP Alpha Holdings LLLP and its owners, who are not involved in the day-to-day operations at East Rock, the management and employees of East Rock plan to dedicate substantially all of their professional efforts to East Rock and its affiliates.

Individuals who are not employees of East Rock and who are associated with other firms, including other investment advisory firms, utilize East Rock’s office space. Such individuals may include, but will

not be limited to, friends or family members of East Rock's principals or employees, and employees of Seeded Managers. If we deem it to be necessary, such individuals may be subject to East Rock's compliance policies and procedures, including East Rock's Code of Ethics, to the same extent as if such individuals were employees of East Rock. Additionally, East Rock is careful to safeguard physical and electronic client and company information. East Rock meets with such firms and individuals periodically to ensure that each firm or individual has adequate compliance policies in place, where applicable.

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

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### **Code of Ethics Pursuant to Rule 204A-1 of the Advisers Act**

East Rock has adopted a Code of Ethics that establishes various procedures with respect to investment transactions in accounts in which employees of East Rock or related persons have a beneficial interest or accounts over which employees have investment discretion. The Code of Ethics also addresses, among other items, the issue of insider trading.

In general, employees (and members of their immediate households) must obtain written pre-approval from the CCO or his designee prior to executing a personal investment transaction, including participation in private placements or other private investments. The spirit of the Firm's personal trading policy in its Code of Ethics is to identify and assess employee personal trading that could pose conflicts of interest for the Firm or its clients. All East Rock employees must provide automatic feeds from brokerage accounts through an electronic platform (or periodically submit statements manually that contain the same information). These records are used to monitor compliance with the foregoing policies.

The Firm's pre-clearance policy generally applies to any personal transactions involving equity, debt, options, or futures, but does not apply to transactions involving government securities, open-end mutual funds, exchange traded funds (ETFs), or other instruments that afford the employee no discretion over individual securities transactions.

The Code of Ethics also sets forth East Rock's policy with respect to insider trading by providing: i) a detailed explanation of the rules and regulations that govern insider trading, and ii) policies and procedures that should be carried out by East Rock employees in the event that there is any question as to the applicability of the insider trading rules.

Employees must also obtain pre-approval from the CCO or his designee before engaging in any outside business activities.

East Rock's Code of Ethics, including the personal trading policy and insider trading policy, is available to clients upon request.

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

East Rock's employees, affiliates of employees, and relatives of employees will make investments in the East Rock Investment Vehicles. East Rock generally does not receive compensation from such investments. East Rock generally waives the withdrawal lock-up restrictions applicable to investments made by East Rock's employees, affiliates of employees, and relatives of employees in East Rock Investment Vehicles to the extent such waivers do not have a material impact on the applicable East



Rock Investment Vehicle's liquidity profile and are otherwise consistent with East Rock's fiduciary duties to all of its clients. In addition, East Rock and its affiliates and certain employees have a financial interest in the East Rock Investment Vehicles through a performance-based profit allocation. East Rock and certain affiliates also have provided seed capital to certain third-party managed investment vehicles in which East Rock Investment Vehicles invest. East Rock participates in the revenues and profits of the investment advisory businesses of the managers of such seeded third-party managed investment vehicles.

Further, from time to time, certain employees buy or sell direct private investments that are also being bought or sold by the Firm's clients. To mitigate associated potential conflicts, employees will not receive approval for such direct private investments unless the Firm has determined that its clients have received their desired allocation of such investments. Further, participating employees will not receive better terms with respect to such direct private investments than East Rock's clients (except that employees will generally not pay asset-based management fees or performance-based allocations or fees in respect of such investments).

As a result of the transactions described above, East Rock could be considered to have recommended to potential investors or clients that they buy or sell securities or investments in which East Rock or a related person has some financial interest.

### **Privacy Policy**

East Rock is committed to maintaining the confidentiality, integrity, and security of its investors' personal information. It is East Rock's policy to collect only information necessary or relevant to its management business and to use only legitimate means to collect such information. East Rock does not disclose any non-public, personal information about investors to anyone except in connection with servicing and processing transactions and as required by law. Further, East Rock restricts employee access to non-public, personal information about its investors only to those employees with a legitimate business need for the information. East Rock maintains physical, electronic, and procedural safeguards to guard each investor's non-public, personal information.

East Rock's privacy policy is available upon request.

## **Item 12: Brokerage Practices**

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East Rock has adopted the following policies and practices to meet the Firm's fiduciary responsibilities and to seek to ensure that the Firm's trading practices are fair to all clients and that no client or account is unfairly advantaged or disadvantaged.

### **Aggregation**

The aggregation or blocking of client transactions may allow an adviser to execute transactions in a more timely, equitable, and efficient manner and seeks to reduce overall commission charges to clients. East Rock's policy is to aggregate client transactions where possible and when advantageous to clients. In these instances, clients participating in any aggregated transactions will receive an average share price and transaction costs will be shared equally and on a pro-rata basis.

**Allocation**

East Rock has adopted a policy for the fair and equitable allocation of investments, which generally analyzes each investment opportunity on an investment-by-investment basis, taking into consideration the specifics of each trade and the characteristics of each client. In the event that East Rock identifies an investment that is deemed by East Rock to potentially fit the investment mandate of more than one discretionary East Rock Investment Vehicle, East Rock will provisionally allocate such investment pro-rata among the relevant East Rock Investment Vehicles, and then adjust for various factors, including, among others: the proposed investment size, liquidity of the investment, time horizon, client-specific concentration limits or legal restrictions, the composition of a client's portfolio and diversification considerations, minimum participation thresholds that East Rock deems appropriate, opt-in/opt-out rights, and each client's available capital. Allocations may also differ for tax, regulatory, or other reasons as deemed appropriate by East Rock. Further, in the event that an East Rock client is invested in another East Rock Investment Vehicle, East Rock will take the direct exposure and indirect exposure (i.e., the exposure resulting from an investment in another East Rock Investment Vehicle) of such client into consideration when allocating an investment opportunity. Finally, given the EAI Fund's small size relative to the other East Rock Investment Vehicles, East Rock has determined that it is appropriate to allocate a predefined minimum percentage of each relevant investment opportunity to the EAI Fund. As a result, the EAI Fund will generally be allocated more than its pro-rata share of a particular investment.

In the event that East Rock has a right to capacity on a particular investment opportunity that is in excess of the aggregate amount that it deems reasonable and appropriate to allocate to its discretionary East Rock Investment Vehicles, East Rock will offer and allocate such excess investment capacity to others, including a third-party investor.

Where conflicts arise in the allocation of investment opportunities, East Rock will seek to resolve such conflicts fairly.

**Best Execution**

As an investment advisory firm, East Rock has a fiduciary duty to seek best execution for client transactions. East Rock, as a matter of policy and practice, seeks to obtain not necessarily the lowest commission but the best overall qualitative execution in the particular circumstances.

**Principal Transactions**

East Rock will not effect a principal transaction unless it obtains required consent in accordance with its documented policies and procedures and relevant rules and regulations.

**Soft Dollars**

East Rock does not currently use or intend to use "soft dollar" arrangements, but in the event it does, East Rock intends to keep any such arrangements within the parameters of Section 28(e) of the Securities Exchange Act of 1934, as amended.

**Trade Errors**

As a fiduciary, East Rock has the responsibility to effect orders correctly, promptly, and in the best interests of our clients. In the event any error occurs in the handling of any client transaction, due to

East Rock's actions, or inaction, or actions of others, East Rock's policy is to assess each trade error on a case-by-case basis.

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**Item 13: Review of Accounts**

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The East Rock Investment Vehicles are reviewed, at a minimum, on a quarterly basis by the Managing Partners and/or designated East Rock employees to assure conformity with East Rock's investment objectives and philosophy.

**Reporting**

Investors in the East Rock Investment Vehicles will receive, at least quarterly, a summary of their account balances along with investor-specific performance reporting. Additionally, each investor in an East Rock Investment Vehicle will receive the East Rock Investment Vehicle's audited financial statements on an annual basis. Each investor will also receive a Schedule K-1, showing its distributive share of such vehicle's items of income, gain, loss, deduction, and credit.

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

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East Rock, as a matter of policy and practice, does not currently compensate any person or entity for the referral of advisory clients to the Firm.

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**Item 15: Custody**

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The SEC takes the position that advisers to pooled investment vehicles are deemed to have custody with respect to the assets of such vehicles. However, an adviser to a pooled investment vehicle is considered to be in compliance with the Advisers Act's custody rule if such pooled investment vehicle: i) is audited at least annually by an independent public accounting firm that is registered with and subject to inspection by the Public Company Accounting Oversight Board; and ii) distributes its audited financial statements prepared in accordance with generally accepted accounting principles to all limited partners (or other beneficial owners) within 120 days (or 180 days in the case of a multi-manager vehicle) after the end of its fiscal year.

To ensure compliance with the custody rule, investors in an East Rock Investment Vehicle will receive audited financial statements for the particular East Rock Investment Vehicle in which they are invested within 120 days (or 180 days in the case of a multi-manager vehicle) after the fiscal year-end of such East Rock Investment Vehicle.

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**Item 16: Investment Discretion**

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East Rock has discretionary authority to manage investment accounts on behalf of its clients pursuant to a grant of authority provided by each client and/or each investor in an East Rock Investment Vehicle. Such authority is provided through an agreement or subscription document, each of which grants East Rock or its affiliates certain powers related to the orderly administration of the affairs of the relevant East Rock Investment Vehicle and constitutes a legal, valid, and binding obligation of the client or investor, enforceable in accordance with its terms. The investors in the East Rock Investment Vehicles

generally may not place limits on East Rock's investment authority beyond the agreed-upon limitations set forth in the governing documents of such vehicles. As noted in Item 4, East Rock has entered into agreements with certain other clients wherein East Rock makes investment recommendations to them on a non-discretionary basis. East Rock is not responsible for arranging or effecting the purchase or sale of investments that it recommends to such clients.

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**Item 17: Voting Client Securities**

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East Rock, as a matter of policy and as a fiduciary to its clients, has responsibility for voting proxies for portfolio securities consistent with the best economic interests of its clients. East Rock's policy and practice includes monitoring corporate actions, receiving and voting client proxies and disclosing any potential conflicts of interest, as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records. East Rock may determine to abstain from voting a proxy if it believes that such action is in the best interests of a particular client or if it deems that the issue being voted upon is not material for East Rock and its clients. Clients may request a copy of our proxy voting policies and procedures or information about how we voted proxies for securities owned by them.

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**Item 18: Financial Information**

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East Rock does not require or solicit prepayment of any fees six months or more in advance and does not have any financial condition that would impair its ability to meet contractual commitments to clients.