

**Item 1. Cover Page**

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Part 2A of Form ADV: Investment Adviser Brochure

March 29, 2021

**This brochure provides information about the qualifications and business practices of Rose Park Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at [info@roseparkadvisors.com](mailto:info@roseparkadvisors.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

**Additional information about Rose Park Advisors, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). An investment adviser’s registration with the SEC does not imply a certain level of skill or training.**

## **Item 2. Material Changes**

Rose Park Advisors, LLC made the following changes to its brochure since the annual update dated March 30, 2020:

- Effective October 17, 2020, Jeremy J. Thurber was appointed as the Chief Compliance Officer.
- Item 8 has been updated to include certain additional risk factor disclosures.
- Item 11 has been updated to enhance disclosure regarding the Code of Ethics.
- Item 12 has been updated to reflect potential brokerage practices as they relate to the Adviser's investment strategies.
- Item 15 has been updated to enhance disclosure regarding the Adviser's practices related to the Custody Rule.

Please note that the Adviser made other non-material changes to this brochure, and the Adviser encourages all recipients to carefully read and review this brochure in its entirety.

### **Item 3. Table of Contents**

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

For purposes of this brochure, the “Adviser” means Rose Park Advisors, LLC, a Delaware limited liability company, together (where the context permits) with its affiliates that provide advisory services to and/or receive advisory fees from the Funds (as defined below). Such affiliates may or may not be under common control with Rose Park Advisors, LLC, but possess a substantial identity of personnel and/or equity owners with Rose Park Advisors, LLC. These affiliates may be formed for tax, regulatory or other purposes in connection with the organization of the Funds (as defined below), and/or may serve as general partners of the Funds.

The Adviser provides investment supervisory services to investment vehicles (the “Funds”) that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”) and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”).

The Funds make primarily private company investments. In accordance with the Funds’ respective investment objectives, and through application of the investment strategy of disruptive innovation, investments are generally made in companies that the Adviser considers disruptive. The Adviser’s advisory services consist of investigating, identifying, and evaluating investment opportunities, structuring, negotiating, and making investments on behalf of the Funds, managing and monitoring the performance of such investments, and disposing of such investments. The Adviser will serve as the investment adviser to the Funds in order to provide such services. In addition, one or more affiliates of Rose Park Advisors, LLC will serve as general partners of the Funds.

The Adviser provides investment supervisory services to each Fund in accordance with the limited partnership agreement (or analogous organizational document) of such Fund or separate investment and advisory, investment management, or portfolio management agreements (each, an “Advisory Agreement”).

Investment advice is provided directly to the Funds, subject to the discretion and control of the applicable general partner, and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and/or organizational documents of the applicable Fund. Investment restrictions for the Funds are generally established in the organizational or offering documents of the applicable Fund and/or side letter agreements negotiated with investors in the applicable Fund.

The founders and principal owners of Rose Park Advisors, LLC are Matthew Christensen and Clayton Christensen. Clayton Christensen passed away on January 23, 2020, and the disposition of the portion of Rose Park Advisors, LLC that he owned is currently in process. The Adviser has been in business since 2007. As of December 31, 2020, the Adviser managed a total of \$2,123,257,097 of client assets, all of which is managed on a discretionary basis.

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

As compensation for investment supervisory services rendered to the Funds, the Adviser receives from each such Fund an advisory fee (each, an “Advisory Fee”). Advisory Fees paid by a Fund

are indirectly borne by investors in such Fund. Advisory Fees are deducted from the assets of the Funds quarterly in advance.

The precise amount of, and the manner and calculation of, the Advisory Fees for each Fund are established by the Adviser, as modified by negotiations with investors in the applicable Fund, and are set forth in such Fund's Advisory Agreement, organizational documents and/or other documentation received by each investor prior to investment in such Fund. The Advisory Fees and other fees and distributions described above are generally subject to waiver or reduction by the Adviser in its sole discretion, both voluntarily and on a negotiated basis with selected investors. The fee structures described above may be modified from time to time. Fees may differ from one Fund to another as well as among investors, including investors affiliated with the Adviser, in the same Fund.

Upon termination of an Advisory Agreement, Advisory Fees that have been prepaid are generally returned on a prorated basis.

To the extent provided in the Advisory Agreements and the partnership agreements and other organizational documents of the Funds, the Adviser will pay out of Advisory Fees certain operating expenses, including compensation of its investment personnel (other than the Incentive Allocations described in Item 6 below) and secretarial, clerical, and other personnel, including related benefits and costs, expenses from office space and utilities, and expenses from telephone and computer equipment. Consistent with the partnership agreements or other organizational documents of the Funds, each Fund will bear all other expenses relating to it to the extent not borne by its portfolio companies, including legal, indemnification, accounting, audit and tax preparation (including expenses associated with the preparation of financial statements, tax returns, Forms K-1, and any other reports to limited partners of such Fund), bookkeeping, tax compliance, auditing, consulting, and other professional expenses, including those of valuation firms; administration fees and other expenses charged by or relating to the services of third-party providers of administration services (including expenses for all middle- and back-office services, whether provided by the administrator or any other third-party); fees payable to sub-advisers (if the Adviser determines that such an arrangement represents the best way to access a particular investment opportunity or a difficult to access market or otherwise makes available specialized investment expertise to such Fund); third-party and out-of-pocket research and market data expenses (including, without limitation, news and quotation equipment and services, market data services, and fees to third-party providers of research and/or portfolio risk management services and all third party out-of-pocket costs, in each case, incurred in connection with investments or contemplated investments); interest and fees (including commitment, structuring, and underwriting fees) on margin loans, committed loan facilities, total return swaps, and any other indebtedness; bank service, custodial, consulting, investment banking, and other professional fees or compensation and similar fees; fees and expenses (including travel and lodging expenses) related to the analysis, purchase, monitoring, support, or sale of investments (including restricted investments), whether or not the investments are consummated; expenses related to the purchase, monitoring, support, sale, settlement, custody, or transfer of Fund assets (directly or through trading affiliates); expenses associated with activist investment activities (including public relations, tender offer, and proxy solicitation expenses); third party and out-of-pocket fees and expenses relating to systems and software used in connection with the operation of such Fund

and investment related activities (including any accounting, risk management, trading, and administrator-like functions that the Adviser performs in-house); entity-level taxes; fees and expenses relating to the offer and sale of Fund interests (including organizational fees and expenses and filing and legal fees); premiums for directors' and officers' liability insurance, including, without limitation, premiums for director and officer liability or other insurance for the Adviser (if any); expenses related to the maintenance of such Fund's registered office, corporate licensing, fees, or other governmental charges levied against such Fund, and all expenses incurred in connection with any tax audit, investigation, settlement, or review of such Fund or liquidation of such Fund; fees and expenses incurred with the Adviser's compliance with applicable ongoing regulatory requirements to the extent such requirements are imposed as a result of the organization or operation of the Partnership; and other ordinary and extraordinary expenses associated with the operation of such Fund and its investment activities. In certain cases, a co-investment vehicle may be formed in connection with the consummation of a transaction. If a proposed transaction is not consummated, no such co-investment vehicle generally will have been formed, and the full amount of any expenses relating to such proposed but not consummated transaction would therefore be borne by the Fund or Funds selected by the Adviser as proposed investors for such proposed transaction.

Please refer to the relevant Fund's PPM for further information regarding fees and expenses of the Adviser and the Funds.

Additionally, please see Item 6 below regarding the "Incentive Allocation" that certain Funds will pay.

When a broker is used in connection with an investment by a Fund, such Fund will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

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

With respect to certain Funds, a portion of the profits of each such Fund is allocated to the capital account of its general partner, if any, as an "incentive allocation" (the "Incentive Allocation"). Each general partner of a Fund is a related person of the Adviser. Incentive Allocations made by a Fund are indirectly borne by investors in such Fund. Certain Funds and investors in such Funds, including investors affiliated with the Adviser, may incur lower or no Incentive Allocation.

The payment by some, but not all, Funds of Incentive Allocations may create an incentive for the Adviser to disproportionately allocate time, services or functions to Funds paying Incentive Allocations. Generally, and except as may be otherwise set forth in the organizational documents of the Funds, this conflict is mitigated by (i) the fact that the only Funds not currently paying an Incentive Allocation were formed for the purpose of investing in specific investments alongside the Funds and (ii) the intent of certain Funds to purchase and sell investments held in parallel contemporaneously. However, to the extent the Adviser may advise additional Funds in the future that were not formed for the purpose of specific investments alongside the existing Funds and pay lower or no Incentive Allocation, the Adviser has adopted policies and procedures

that, among other things, seek to ensure that investment opportunities are allocated in a manner that the Adviser believes in good faith to be fair and reasonable under the circumstances, considering factors the Adviser deems relevant in its sole discretion. Please also see Item 11 below regarding allocation for additional information relating to how conflicts of interests are generally addressed by the Adviser.

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

The Adviser currently provides investment advisory services to the Funds. Investment advice is provided directly to the Funds (subject to the direction and control of the general partner of each such Fund, if applicable) and not individually to investors in such Fund.

Interests in the Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Investors in the Funds are generally “qualified purchasers” as defined in the 1940 Act, and may include, among others, high net worth individuals, banks, thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, university endowments, corporations, limited partnerships, and limited liability companies or other entities.

The Adviser does not have a minimum size for a Fund, but the Funds typically have established a required minimum investment amount. The general partner of each Fund may in its sole discretion permit investments below the minimum amounts set forth in the offering documents of such Fund.

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

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

The Adviser seeks to apply the strategic frameworks of disruptive innovation to identify attractive investment opportunities. With respect to the Funds, the Adviser targets investments in private companies assessed as disruptive.

For private investments, and on the long side, the Adviser applies the disruptive innovation frameworks to identify companies whose strategies are well-suited to take advantage of industry change. These companies tend to be undervalued relative to the Adviser’s assessment of their growth prospects. Where the Adviser is able to identify these companies, and where it finds them to be undervalued on a risk-adjusted basis, the Funds might make private investments or take long positions in such companies’ equity.

On the short side, the Adviser may apply the disruptive innovation frameworks to identify incumbent companies whose future performance is threatened by disruptive entrants. In these circumstances, the Adviser’s assessment of the incumbent companies’ prospects could be significantly less positive than the market consensus. Where the Adviser has identified overvalued, vulnerable incumbents, the Funds might take short positions in such incumbent companies’ stocks.

The Funds expect to invest primarily in equity securities of issuers located around the world, with particular focus on the United States.

The Adviser does not make an effort to keep Fund portfolios diversified. Rather, the portfolios of the Funds will reflect the most favorable opportunities that the Adviser has identified. Certain Funds have been established to pursue individual investment opportunities.

The primary process through which the Adviser makes investment decisions is by identifying and validating potential disruptions. After identifying companies that may be disruptive, the Adviser may conduct due diligence on some or all of these companies. The Adviser's diligence process may or may not include researching an industry and speaking with a company's management team, customers and suppliers, and industry analysts. The results of this diligence process, interpreted through the frameworks of disruptive innovation, are the basis for the Adviser's valuation assessment. When the estimated valuation of a target is attractive compared to its current valuation, the Adviser may execute the investment.

## **Risks**

Investing in securities involves a substantial degree of risk. A Fund may lose all or a substantial portion of its investments, and investors in the Funds must be prepared to bear the risk of a complete loss of their investments.

In addition, material risks relating to the investment strategies and methods of analysis described above, and to the types of securities typically purchased by or for the Funds, include the following:

**Recent Financial Market Fluctuations.** General fluctuations in the market prices of securities and economic conditions generally, particularly of the type experienced since 2008, may reduce the availability of attractive investment opportunities for the Funds and may affect the Funds' ability to make investments and the value of the investments held by the Funds. Instability in the securities markets and economic conditions generally may also increase the risks inherent in the Funds' investments. The public securities markets have seen increased volatility and the ability of companies to obtain financing for ongoing operations or expansions may be severely hampered by the tightening of the credit markets and the ongoing financial turmoil. It is unclear what the repercussions of this market turmoil may be. Moreover, it remains unknown whether governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) will have a positive or negative effect on market conditions. There can be no assurance that the market will, in the future, become more liquid than it is at present and it may well continue to be volatile for the foreseeable future. The ability to realize investments depends not only on portfolio companies and their historical results and prospects, but also on political, market and economic conditions at the time of such realizations. In the past, many funds have looked to the public securities markets as a potential exit strategy and there can be no assurance, particularly given the recent volatility in the financial markets and a potential lack of investor appetite for new issues in the public securities markets, that Funds will be able to exit from their investments in portfolio companies by listing their shares on securities exchanges. The trading market, if any, for certain securities held by the Fund may not be sufficiently liquid to enable a



Fund to sell these securities when the Adviser believes it is most advantageous to do so, or without adversely affecting the stock price. Continued or renewed volatility in the financial sector may have an adverse material effect on the ability of the Funds to buy, sell and partially dispose of their portfolio company investments. The Funds may be adversely affected to the extent that they seek to dispose of any of their portfolio investments into an illiquid or volatile market, and a Fund may find itself unable to dispose of investments at prices that the Adviser believes reflect the fair value of such investments. The duration and ultimate effect of current market conditions and whether such conditions may worsen cannot be predicted. The ability of portfolio companies to refinance debt securities may depend on their ability to sell new securities in the public high yield debt market or otherwise.

**Valuation of Assets.** There is no actively traded market for certain of the securities owned by the Funds. When estimating fair value, the Adviser will apply a methodology based on its best judgment that is appropriate in light of the nature, facts and circumstance of the investments. The process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities may ultimately be sold. Third-party pricing information may at times not be available regarding certain of a Fund's assets. With respect to the Funds, the exercise of discretion in valuation by the Adviser may give rise to conflicts of interest, as the incentive allocation in certain Funds is calculated based, in part, on these valuations and such valuations affect performance calculations.

**Underlying Equity Risks.** A Fund that invests in equities runs the risk that the market prices of those investments will decline. The market prices of equities may decline for reasons that directly relate to the issuing company, such as poor management performance or reduced demand for its goods or services. They also may decline due to factors which affect a particular industry, such as decline in demand, labor or raw material shortages, or increased production costs. In addition, market prices may decline as a result of general market conditions not specifically related to a company or industry, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally.

Equities may be even more susceptible to such events than other types of investments a Fund may make, given their subordinate position in the issuer's capital structure. As such, equities generally have significant price volatility, and the market prices of equities can decline in a rapid or unpredictable manner. The market prices of equities trading at high multiples of current earnings often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples.

If a Fund purchases equities at a discount from their value as determined by the Adviser, a Fund runs the risk that the market prices of these investments will not appreciate or will decline for a variety of reasons, one of which may be the Adviser's overestimation of the value of those investments.

Certain issuers of equities may be subject to different, often less comprehensive accounting, reporting, and disclosure requirements, may be listed on less liquid and more volatile markets, and may be subject to high brokerage commissions and other fees.

The market value of certain assets as measured in U.S. dollars may be affected by the changes in currency rates and exchange control regulations.

**Liquidity Risks.** The Funds may invest in assets and derivatives which they may not be able to readily sell or dispose of, including securities whose disposition is restricted by securities laws. Liquidity risk is the risk that low trading volume, lack of a market maker, large position size, or legal restrictions (including daily price fluctuation limits or “circuit breakers”, or an affiliation with the issuer of a security) limits or prevents a Fund’s ability to initiate a transaction, sell assets, or unwind derivative positions at desirable prices. In addition to these risks, the Funds are exposed to liquidity risk when they have an obligation to purchase particular securities.

Restricted securities cannot be sold without being registered under the Securities Act, unless they are sold pursuant to an exemption from registration (such as Rules 144 or 144A). Securities that are not readily marketable are subject to other legal or contractual restrictions on resale. A Fund may have to bear the expense of registering restricted securities for resale and the risk of substantial delay in effecting registration. If adverse market conditions were to develop during such period, a Fund might obtain a less favorable price than that which prevailed when it decided to sell. A Fund may be unable to sell restricted and other illiquid securities at the most opportune times or at prices approximating the value at which they purchased such securities or prices at which the Adviser (or its designee) has valued such securities. If it sells its securities in a registered offering, a Fund may be deemed to be an “underwriter” for purposes of section 11 of the Securities Act. In such event, a Fund may be liable to purchasers of the securities under section 11 if the registration statement prepared by the issuer, or the prospectus forming a part of it, is materially inaccurate or misleading, although a Fund may have a due diligence defense.

These limitations on liquidity of a Fund’s investments could prevent a successful sale thereof, result in delay of any sale, or reduce the amount of proceeds that might otherwise be realized. In addition, a Fund’s holdings in securities for which the relevant market is or becomes less liquid are more susceptible to market value declines. Less liquid securities also may fall more in price than other securities during periods when market prices decline generally.

Because illiquid securities may be difficult to value, the prices realized on their sale may differ from the values at which they are carried by a Fund. Further, the more less-liquid securities a Fund holds, the more likely it is to honor a withdrawal request in kind.

A portion of a Fund’s investments may consist of securities that are subject to restrictions on resale by a Fund because they were acquired in a “private placement” transaction or because a Fund is deemed to be an affiliate of the issuer of such securities. Generally, a Fund will be able to sell such securities only under Rule 144 under the Securities Act, which permits limited sales under specified conditions, or pursuant to a registration statement under the Securities Act. When restricted securities are sold to the public, a Fund may be deemed to be an underwriter or

possibly a controlling person, with respect thereto for the purposes of the Securities Act and be subject to liability as such under the Securities Act.

In addition to the risks that exist with respect to privately-placed securities and other instruments due to the nature of such securities (e.g., risks associated with common stock), privately-placed securities and other instruments are often illiquid. Illiquid investments include most investments the disposition of which is subject to substantial legal or contractual restrictions, and are generally viewed as investments that cannot be disposed of within seven business days at approximately the amount which the Adviser has valued the investments. Transactions in illiquid investments may entail registration expenses and other transaction costs that are higher than those for transactions in liquid investments.

From time to time, a Fund may possess material, non-public information about a borrower or issuer or a Fund may be an affiliate of a borrower or an issuer. Such information or affiliation may limit the ability of a Fund to buy and sell investments.

**No Market for Security Interests.** The Adviser typically invests through the privately offered fund clients that are not registered under the Securities Act. There is no public market for interests in the Adviser's Funds and no such market is expected to develop in the future. Investors may not be able to transfer or encumber interests. Investors also may not be able to withdraw contributions or commitments. Investors should consider an investment in a Fund to be a long-term, illiquid investment.

**Concentration of Investments.** The Funds are not limited in the amount of capital that may be deployed for any one investment and the Funds do not have fixed guidelines for diversification, and therefore their investments could potentially be concentrated in relatively few strategies, issuers, industries, markets, geographies, or investment types. Such non-diversification would make a Fund more susceptible to risks associated with a single economic, political, or regulatory occurrence than a more diversified portfolio might be. A Fund could be subject to significant losses if it holds a relatively large position in a single strategy, issuer, industry, market, geographic region, or a particular type of investment that declines in value, and the losses could increase even further if the investments cannot be liquidated without adverse market reaction or are otherwise adversely affected by changes in market conditions or circumstances. Certain Funds have been established to pursue individual investment opportunities.

**Portfolio Companies Risk.** Investments by the Funds may include securities of privately held issuers, including early-stage companies. A Fund's positions in such issuers may be minority positions with limited control and governance rights. Further, such securities may be subordinated vis-à-vis other securities as to economic, management, or other attributes. The private issuers in which a Fund invests may have substantial variations in operating results from period to period, face intense competition, and experience failures or substantial declines in value at any stage. In particular, the public market for high technology and other emerging growth companies is extremely volatile. Volatility may adversely affect the development of issuers in which a Fund is invested, the ability of a Fund to dispose of investments, and the value of investment securities on the date of sale or distribution by a Fund.

A Fund's investments may be long term in nature and may require many years from the date of initial investment before disposition.

In some cases, a Fund may be prohibited by contract or legal or regulatory reasons from selling certain investments for a period of time (e.g., due to limitations on sale arising from contractual lockups, obligations to receive consent to transfer or assign interests, or rights of first offer), and as a result may not be permitted to sell investments at a time it might otherwise desire to do so. To the extent that there is no trading market for such investments, a Fund may be unable to liquidate such investments or may be unable to do so at a profit. Moreover, there can be no assurances that private purchasers of such investments will be found. Sales may also be limited by market conditions, which may be unfavorable for sales of securities of issuers. The above limitations on liquidity of a Fund's investments could prevent a successful sale thereof, result in delay of any sale, or reduce the amount of proceeds that might otherwise be realized.

**Smaller Company Risk.** Companies with smaller market capitalizations or smaller total float-adjusted market capitalizations, including small- and mid-cap companies, may have limited product lines, markets, or financial resources, may lack the competitive strength of larger companies, or may lack managers with experience or depend on a few key employees. These less established companies may face intense competition, including competition from established companies with much greater financial and technical resources, more extensive development, manufacturing, marketing, and service capabilities, and a greater number of qualified managerial and technical personnel.

Less established companies tend to have lower capitalizations and fewer resources and, therefore, often are more vulnerable to financial failure. These companies require considerable additional capital to develop technologies and markets, acquire customers, and achieve or maintain a competitive position. This capital may not be available at all, or on acceptable terms. Further, the technologies and markets of such companies may not develop as anticipated, even after substantial expenditures of capital.

Such companies also may have shorter operating histories on which to judge future performance, and in many cases, if operating, will have negative cash flow. Start-up enterprises may not have significant or any operating revenues, and any such investment should be considered highly speculative and may result in the loss of a Fund's entire investment.

In addition, their securities are often less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations. In addition, market risk and liquidity risk are particularly pronounced for securities of these companies.

**Risks of Non-U.S. Investments.** Investment in non-U.S. issuers or securities may involve special risks due to non-U.S. economic, political, and legal developments, including favorable or unfavorable changes in currency exchange rates, exchange control regulations (including currency blockage), expropriation, nationalization or confiscatory taxation of assets, imposition of withholding or other taxes, adverse changes in investment capital or exchange control regulations (which include suspension of the ability to transfer currency from a country),

political changes, diplomatic developments, and possible difficulty in obtaining and enforcing judgments against non-U.S. entities. In the event of a nationalization, expropriation, or other confiscation, a Fund could lose its entire investment in a security.

Issuers of non-U.S. securities are subject to different, often less comprehensive, accounting, custody, reporting, and disclosure requirements than U.S. issuers. The securities of some non-U.S. governments, companies, and securities markets are less liquid, and at times more volatile, than comparable U.S. securities and securities markets. There may be less government supervision and regulation of non-U.S. exchanges, brokers, and issuers than there is in the United States, and there may be greater difficulty in taking appropriate legal action in non-U.S. courts.

There are also special tax considerations which apply to securities of non-U.S. issuers and to securities principally traded overseas. A Fund may be subject to non-U.S. taxation, including potentially on a retroactive basis, on (i) capital gains it realizes or dividends or interest it receives on non-U.S. investments, (ii) transactions in those investments, and (iii) the repatriation of proceeds generated from the sale of those investments. For instance, France implemented a tax on certain financial transactions, and the European Commission has proposed imposing a financial transaction tax on certain transactions involving financial instruments when at least one party to the transaction is a financial institution that was deemed to be established in a European Union member state. In addition, some jurisdictions may limit a Fund's ability to profit from short-term trading (as defined in the relevant jurisdiction).

Non-U.S. brokerage commissions and related fees are also generally higher than in the United States. Non-U.S. markets also have different custody and/or settlement practices, which in some markets have at times failed to keep pace with the volume of transactions, thereby creating substantial delays and settlement failures that could adversely affect a Fund's performance. In some non-U.S. markets, custody arrangements for securities provide significantly less protection than custody arrangements for securities in U.S. markets, and prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) may expose a Fund to credit and other risks it does not have in the U.S. with respect to participating brokers, custodians, clearing banks or other clearing agents, escrow agents, and issuers.

The laws of some non-U.S. countries may limit a Fund's ability to invest in securities of certain issuers located in those countries. Non-U.S. countries may have reporting requirements with respect to the ownership of securities, and those reporting requirements may be subject to interpretation or change without prior notice to investors. No assurance can be given that a Fund will satisfy applicable reporting requirements at all times.

Investors from other countries are required to maintain a license to invest directly in many non-U.S. markets, and there are risks associated with any license that a Fund seeks to maintain. These licenses are often subject to limitations, including maximum investment amounts. Once a license is obtained, a Fund's ability to continue to invest directly is subject to the risk that the license will be terminated or suspended. If a license is terminated or suspended, to obtain exposure to the market a Fund will be required to purchase Depositary Receipts, shares of other funds that are licensed to invest directly, or derivative instruments. The receipt of a non-U.S. license by one of the Adviser's clients may preclude other clients, including a Fund, from

obtaining a similar license, and this could limit a Fund's investment opportunities. In addition, the activities of another of the Adviser's clients could cause the suspension or revocation of a license and thereby limit a Fund's investment opportunities.

In addition, the tax laws of some non-U.S. jurisdictions in which a Fund may invest are unclear and interpretations of such laws can change over time, including on a retroactive basis. Similarly, provisions in or official interpretations of the tax treaties with such non-U.S. jurisdictions may change over time, which changes could impact a Fund's and/or an investor's eligibility for treaty benefits, if any. As a result, in order to comply with guidance related to the accounting and disclosure of uncertain tax positions under U.S. Generally Accepted Accounting Principles ("GAAP"), a Fund may be required to accrue for book purposes certain non-U.S. taxes, interest, or penalties in respect of its non-U.S. securities or other non-U.S. investments that it may or may not ultimately pay. The amounts of such accruals will be determined by the Adviser in its sole discretion. Such tax accruals will reduce the balance of a Partner's capital accounts at the time accrued, even though, in some cases, a Fund ultimately will not pay the related tax liabilities. Conversely, the balance of an investor's capital accounts will be increased by any tax accruals that are ultimately reversed.

Because non-U.S. securities often are purchased with and payable in currencies of non-U.S. countries, the market value of these assets as measured in U.S. dollars may be affected by the changes in currency rates and exchange control regulations. Some currency exchange costs may be incurred when a Fund changes investments from one currency to another. Currency exchange rates may fluctuate significantly over short periods of time.

**Lack of Control in Minority Investments.** The Funds' investments may represent a minority position in portfolio companies, without power individually to exert significant control over such portfolio companies' boards of directors and management. A Fund will rely significantly on the existing management and boards of directors of such companies, which may include representatives of other investors with whom a Fund is not affiliated and whose interests or views may conflict with the interests of a Fund.

**Service on Boards of Directors, Material Non-Public Information, Etc.** Individual members of the Adviser may serve as officers or directors of portfolio companies. In their capacity as officers or directors (or even simply by virtue of a Fund's status as a significant shareholder of a portfolio company), such individuals may become subject to fiduciary or other duties which adversely affect a Fund. For example, a Fund may be unable to sell or otherwise dispose of an investment if a member of the Adviser is in possession of material, non-public information relating to the issuer thereof.

**Short Sales Risk.** Short selling exposes the Funds to unlimited risk with respect to that security and/or currency due to the lack of an upper limit on the price to which an investment can rise. Purchasing securities or currencies to close out a short position can itself cause the price of the securities or currencies to rise further, thereby exacerbating the loss. Under adverse market conditions, a Fund may have difficulty purchasing securities or currencies to meet its short sale delivery obligations, and may have to sell portfolio securities or currencies to raise the capital necessary to meet its short sale obligations at a time when it would be unfavorable to do so. If a

request for return of borrowed securities and/or currencies occurs at a time when other short sellers of the securities and/or currencies are receiving similar requests, a “short squeeze” can occur, and a Fund may be compelled to replace borrowed securities and/or currencies previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities and/or currencies short. In addition, a Fund may have difficulty purchasing securities and/or currencies to meet its delivery obligations in the case of less liquid securities and/or currencies sold short by a Fund such as certain emerging market country securities or securities of companies with smaller market capitalizations. A Fund also may take short positions in securities through various derivative products. These derivative products will typically expose a Fund to economic risks similar to those associated with shorting securities directly.

**Risks of Pooled Investment Vehicles.** Investments by the Funds in pooled investment vehicles may involve a layering of fees and other costs. In addition, investment decisions of such vehicles are made by their investment advisers independently of each other. As a result, at any particular time one investment vehicle may be purchasing securities of an issuer whose securities are being sold by another investment vehicle and a Fund could indirectly incur certain transaction costs without accomplishing any net investment result. A Fund is also exposed to the risk that the underlying funds do not perform as expected.

**Convertible Securities Risk.** The market value of a convertible security is a function of its “investment value” (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its “conversion value” (the security’s worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors also may have an effect on the convertible security’s investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, as in the case of “broken” or “busted” convertibles, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security’s governing instrument. If a convertible security held by a Fund is called for redemption, a Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock, or sell it to a third party. Any of these actions could have an adverse effect on a Fund’s ability to achieve its investment objective.

**IPOs and Other Limited Opportunities Risk.** The Funds may purchase securities of companies that are offered pursuant to an initial public offering (“IPO”) or other similar limited

opportunities. Although companies can be any age or size at the time of their IPO, they are often smaller and have a limited operating history, which involves a greater potential for the market value of their securities to be impaired following the IPO. The price of a company's securities may be highly unstable at the time of its IPO and for a period thereafter due to factors such as market psychology prevailing at the time of the IPO, the absence of a prior public market, the small number of shares available, and limited availability of investor information. Securities purchased in IPOs have the tendency to fluctuate in market value significantly shortly after the IPO relative to the price at which they were purchased. These fluctuations could impact a Fund's return. Investors in IPOs can be adversely affected by substantial dilution in the market value of their shares, by sales of additional shares, and by concentration of control in existing management and principal shareholders. In addition, all of the factors that affect the performance of an economy or equity markets may have a greater impact on the shares of IPO companies. IPO securities tend to expose a Fund to greater risk due, in part, to public perception and the lack of publicly available information and trading history.

**Preferred Securities Risk.** Investment in preferred stocks involves certain risks. Certain preferred stocks contain provisions that allow an issuer under certain conditions to skip or defer distributions. If a Fund owns a preferred stock that is deferring its distribution, it may be required to report income for tax purposes even when it is not receiving current income on the position. Preferred stocks often allow for redemption in the event of certain tax or legal changes or at the issuer's call. In the event of redemption, a Fund may not be able to reinvest the proceeds at comparable rates of return. Preferred stocks are subordinated to other securities in an issuer's capital structure in terms of priority for corporate income and liquidation payments, and therefore will be subject to greater credit risk than those other securities. Preferred stocks may trade less frequently and in a more limited volume and may be subject to more abrupt or erratic price movements than many other securities, such as common stocks or corporate and government fixed income securities.

**Operational and Management Risk.** This risk is the prospect of loss resulting from inadequate or failed procedures, systems or policies and may include, among others, employee errors, systems failures, criminal activity, cyber-breaches or any event that disrupts business processes. Additionally, it is possible that the investment strategies and techniques used by the Adviser will not produce the intended results. There can be no assurance that the Adviser will correctly evaluate the nature and magnitude of the various factors that could affect the market value of and return on investments of the Funds. Investment decisions will be made for the Funds by principal executive officers and other personnel of the Adviser. The success of the Funds will depend on the ability of the Adviser to identify suitable investments and to dispose of such investments at a profit for the Funds. The Adviser will apply its investment techniques and risk analyses in making investment decisions for the Funds, but there is no guarantee that a Fund's investment objective or return expectations will be achieved.

**Epidemic or Pandemic Considerations.** As of the date of this brochure, COVID-19 is an ongoing international epidemic. This, or some future epidemic or pandemic, may have a negative impact on economic fundamentals including disruption of global supply chains, consumer confidence, tourism and/or the performance of essential government services. There is a risk that an investment could be, directly or indirectly, affected by one or more outbreaks of disease and



its subsequent negative impact. Specifically, the effects of a pandemic such as COVID-19 may materially and adversely impact the value and performance of any of the Funds and their investment objectives.

**Remote Work Environment.** The COVID-19 pandemic significantly affected firms' day-to-day operations across the securities industry, including requiring firms to transition most or all their staff to remote work environments and implement remote supervisory practices. The Adviser's business operations may be vulnerable to disruption related to the Adviser's ongoing supervision and monitoring of staff, communication with investors, protection of Adviser and Fund information and other privacy and information security concerns. Although the Adviser has implemented various measures to manage such risks inherent in maintaining remote work environments, there can be no assurances that all such measures will be successful. If such vulnerabilities continue for extended periods of time, the Funds may be adversely affected.

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

On June 1, 2018, without admitting or denying the SEC's findings (except as to jurisdiction), Rose Park Advisors, LLC voluntarily consented to the SEC's entry of an Order that included censure, a Cease and Desist order, and a requirement to pay a civil penalty of \$75,000. The SEC alleged that from 2015 through 2016 Rose Park Advisors, LLC violated rule 204(b)-1 by failing to file a report on Form PF, which provides the SEC with information about the funds that Rose Park Advisors, LLC manages. Twelve other registered investment advisers were also alleged to have failed to file reports on Form PF. Rule 204(b)-1 does not require that the actor is aware of violating one of the Rules or Acts.

Other than the above, there have been no legal or disciplinary events to disclose that are material to an investor's or prospective investor's evaluation of the Adviser's advisory business or integrity of management.

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

Neither the Adviser, nor any of its management persons, are registered, or currently have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither the Adviser, nor any of its management persons, are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Neither the Adviser nor any of its management persons have affiliations with broker-dealers, municipal securities dealers, government securities dealers, investment companies, other investment advisers or financial planners, futures commission merchants, registered commodity pool operators, registered commodity trading advisors, banking or thrift institutions, accountants or accounting firms, lawyers, law firms, insurance agencies or companies, pension consultants, real estate brokers or dealers or other sponsors or syndicators of limited partnerships.

**Related General Partners.** One or more limited liability companies (the “General Partners”) may serve as general partners of the Funds. Each such General Partner will be under common control with the Adviser. For a description of material conflicts of interest created by the relationship among the Adviser and the General Partners, as well as a description of how such conflicts are addressed, please see Item 11 below.

The Adviser does not recommend or select other investment advisers for its Funds.

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

### **Code of Ethics**

The Adviser has adopted a written Code of Ethics that is applicable to all of its members, officers and employees, as well as officers and employees of its affiliates and certain independent contractors (collectively, “Adviser Personnel”). The Code of Ethics, which is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (as amended, the “Advisers Act”), establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations. Adviser Personnel and their families and households may purchase investments for their own accounts, including the same investments as may be purchased or sold for a Fund, subject to the terms of the Code of Ethics. Under the Code of Ethics, Adviser Personnel are also required to file certain periodic reports with the Adviser’s Chief Compliance Officer (“CCO”) as required by Rule 204A-1 under the Advisers Act.

In addition to the above, the Code of Ethics contains controls implemented by the Adviser designed to monitor and mitigate potential conflicts of interest, including specific policies to address, among other things, outside activities of employees, the prevention of insider trading, restrictions on the acceptance or offer of significant gifts and political contributions.

Adviser Personnel who violate the Code of Ethics may be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, demotion, suspension or dismissal. Adviser Personnel are also required to promptly report any violation of the Code of Ethics of which they become aware. Adviser Personnel are required to annually certify compliance with the Code of Ethics.

A copy of the Code of Ethics is available to any client or prospective client upon written request to: [info@roseparkadvisors.com](mailto:info@roseparkadvisors.com).

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

Certain employees and affiliates of the Adviser invest in the Funds, either through the General Partners, as direct investors in the Funds or otherwise. A Fund or its General Partner, as applicable, generally will reduce all or a portion of the Advisory Fee and Incentive Allocation related to investments held by such persons. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see “Conflicts of Interest” immediately below.

Due in part to the fact that potential investors in a Fund (including purchasers of a limited partner's interests in a secondary transaction) or a co-investment opportunity (see below) may ask different questions and request different information, the Adviser may provide certain information to one or more prospective investors that it does not provide to all of the prospective investors or limited partners.

### **Conflicts of Interest**

The Adviser and its related entities engage in a broad range of activities, including investment activities for their own account and for the account of other investment funds, and providing transaction-related, investment advisory, management and other services to funds and operating companies. In the ordinary course of conducting its activities, the interests of a Fund may conflict with the interests of the Adviser, other Funds or their respective affiliates. Certain of these conflicts of interest, as well as a description of how the Adviser addresses such conflicts of interest, can be found below.

#### *Resolution of Conflicts*

In the case of all conflicts of interest, the Adviser's determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Adviser's best judgment, in its sole discretion. In resolving conflicts, the Adviser may consider various factors, including the interests of the applicable Funds with respect to the immediate issue and/or with respect to their longer term courses of dealing. Certain procedures for resolving specific conflicts of interest are set forth below. When conflicts arise, the following factors may mitigate, but will not eliminate, conflicts of interest:

- (1) A Fund will not make an investment unless the Adviser believes that such investment is an appropriate investment considered solely from the viewpoint of such Fund;
- (2) Many important conflicts of interest will generally be resolved by set procedures, restrictions or other provisions contained in the relevant offering memoranda and organizational documents for the Funds;
- (3) A Fund has the ability to establish an advisory committee, consisting of representatives of investors not affiliated with the Adviser. An advisory committee would meet as necessary to consult with the Adviser as to certain potential conflicts of interest. On any issue involving actual conflicts of interest, the Adviser will be guided by its good faith discretion;
- (4) Where the Adviser deems appropriate, unaffiliated third parties may be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price; and
- (5) Prior to subscribing for interests in a Fund, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Fund.

## *Conflicts*

The material conflicts of interest encountered by a Fund include those discussed below, although the discussion below does not necessarily describe all of the conflicts that may be faced by a Fund. Other conflicts are disclosed throughout this brochure and the brochure should be read in its entirety for other conflicts.

### *Allocation of Investment Opportunities Among Clients and Allocation of Co-Investment Opportunities*

In connection with its investment activities, the Adviser may encounter situations in which it must determine how to allocate investment opportunities among various clients and other persons, which may include, but are not limited to, the following:

- The Funds (though at the time the Adviser only advises a single Fund focused on making new investments in portfolio companies);
- Any co-investment vehicles that have been formed to invest side-by-side with one or more Funds in all or particular transactions entered into by such Fund(s) (the investors in such co-investment vehicles may include employees, business associates, and other “friends and family” of the Adviser or its personnel; individuals and entities that are also investors in one or more Funds (“Adviser Investors”); and/or individuals and entities that are not investors in any Funds (“Third Parties”)); and
- Adviser Investors and/or Third Parties that wish to make direct investments (i.e., not through an investment vehicle) side-by-side with one or more Funds in particular transactions entered into by such Fund(s).

The Adviser has written policies and procedures relating to the allocation of investment opportunities and will make allocation determinations consistently therewith.

The Funds are generally subject to investment allocation requirements (collectively, “Investment Allocation Requirements”), which will also apply directly or indirectly to certain co-investment vehicles with investments contractually tied to the Funds. Investment Allocation Requirements may be set forth in the instrument under which the Fund was established (such as a Fund’s limited partnership agreement or private placement memorandum), or in side letters. To the extent the Investment Allocation Requirements of a Fund do not include specific allocation procedures and/or allow the Adviser discretion in making allocation decisions among the Funds, the Adviser will follow the process set forth below.

The Adviser must first determine which Funds will participate in an investment opportunity. The Adviser assesses whether an investment opportunity is appropriate for a particular Fund(s), based on the Fund’s investment objectives, strategies and structure. A Fund’s investment objectives, strategies and structure typically are reflected in the Fund’s offering memoranda and organizational documents. Prior to making any allocation to a Fund of an investment opportunity, the Adviser determines what additional factors may restrict or limit the offering of an investment opportunity to the Fund(s). Possible restrictions include, but are not limited to:

- **Related Investments:** the Adviser may offer an investment opportunity related to an investment previously made by a Fund(s) to such Fund(s) to the exclusion of, or resulting in a limited offering to, other Funds.
- **Legal and Regulatory Exclusions:** the Adviser may determine that certain Funds or investors in such Funds should be excluded from an allocation or that some or all Funds or investors should invest in a smaller portion of the investment due to specific legal, regulatory and contractual restrictions placed on the participation of such persons in certain types of investment opportunities or resulting legal or regulatory reporting or other obligations.
- **Obligation to Offer:** the Adviser is not currently but may in the future be required to offer an investment opportunity to one or more Funds. This obligation to offer investment opportunities would generally be set forth in a Fund's offering documents and/or operating agreement.

Once the Funds that will participate in a particular investment have been identified, the Adviser, in its discretion, decides how to allocate such investment opportunity among the identified Funds. In allocating such investment opportunity, the Adviser may consider some or all of a wide range of factors, which may include, but are not necessarily limited to, the following:

- Each Fund's investment objectives and investment focus;
- Transaction sourcing;
- Each Fund's liquidity and reserves;
- Each Fund's diversification and other investments held at such time;
- Lender covenants and other limitations;
- Amount of capital available for investment by each Fund as well as each Fund's projected future capacity for investment;
- Stage of development of the prospective portfolio company or other investment;
- Composition of each Fund's portfolio;
- The suitability as a follow-on investment for a current portfolio company of a Fund;
- The availability of other suitable investments for each Fund;
- Risk considerations;
- Cash flow considerations;
- Asset class restrictions;
- Industry and other allocation targets;
- Minimum and maximum investment size requirements;
- Tax implications;
- Transaction costs;

- Legal, contractual or regulatory constraints; and
- Any other relevant limitations imposed by or conditions set forth in the applicable offering and organizational documents of each Fund.

The Adviser will not allocate investment opportunities based, in whole or in part, on (i) the relative fee structure or amount of fees paid by any Fund or (ii) the profitability of any Fund.

Subject to any Investment Allocation Requirements, in general, (i) no investor in a Fund has a right to participate in any co-investment opportunity, (ii) decisions regarding whether and to whom to offer co-investment opportunities are made in the sole discretion of the Adviser or its related persons or other participants in the applicable transactions, such as co-sponsors, (iii) co-investment opportunities may be offered to some and not other investors in the Funds, in the sole discretion of the Adviser or its related persons, (iv) certain persons other than investors in the Funds (e.g., Third Parties) may be offered co-investment opportunities, in the sole discretion of the Adviser or its related persons, and (v) co-investors may purchase their interests in a portfolio company at the same time as the Funds or may purchase their interests from the applicable Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell down or transfer). Additionally, non-binding acknowledgements of interest in co-investment opportunities are not Investment Allocation Requirements and do not require the Adviser to notify the recipients of such acknowledgements if there is a co-investment opportunity.

The Adviser will determine if the amount of an investment opportunity exceeds the amount the Adviser determines would be appropriate for the Funds (after taking into account any portion of the opportunity allocated by contract to certain participants in the applicable deal, such as co-sponsors, consultants and advisers to the Adviser and/or the Funds or management teams of the applicable portfolio company, certain strategic investors and other investors whose allocation is determined by the Adviser to be in the best interest of the applicable Fund), and any such excess may be offered to one or more co-investors pursuant to the procedures included in such Funds' organizational documents/side letter agreements and as set forth in the following paragraphs.

In exercising its discretion to allocate co-investment opportunities with respect to a particular investment among the Funds and other potential co-investors, the Adviser may consider some or all of a wide range of factors, which may include, but are not limited to, the following:

- The Adviser's evaluation of the size and financial resources of the potential co-investment party and the Adviser's perception of the ability of that potential co-investment party (in terms of, for example, staffing, expertise and other resources) to efficiently and expeditiously participate in the investment opportunity with the relevant Fund(s) without harming or otherwise prejudicing such Fund(s), in particular when the investment opportunity is time-sensitive in nature, as is typically the case;
- Any confidentiality concerns the Adviser may have that may arise in connection with providing the other account or person with specific information relating to the investment opportunity in order to permit such potential co-investment party to evaluate the investment opportunity;

- The Adviser's perception of its past experiences and relationships with the potential co-investment party, such as the willingness or ability of the potential co-investment party to respond promptly and/or affirmatively to potential investment opportunities previously offered by the Adviser;
- The Adviser's perception of whether the investment opportunity may subject the potential co-investment party to legal, regulatory, reporting, public relations, media or other burdens that make it less likely that the other account or person would act upon the investment opportunity if offered;
- The Adviser's evaluation of whether the profile or characteristics of the potential co-investment party may have an impact on the viability or terms of the proposed investment opportunity and the ability of the Funds to take advantage of such opportunity (for example, if the potential co-investment party is involved in the same industry as a target company in which a Fund wishes to invest, or if the identity of the potential co-investment party, or the jurisdiction in which the potential co-investment party is based, may affect the likelihood of a Fund being able to capitalize on a potential investment opportunity); and
- Whether the Adviser believes, in its sole discretion, that allocating investment opportunities to a potential co-investment party will help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to current or future Funds.

The Adviser's exercise of its discretion in allocating investment opportunities with respect to a particular investment among the persons, including the Funds, potential co-investors, Adviser Investors and Third Parties, and in the manner discussed above may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to other such persons. While the Adviser will determine how to allocate investment opportunities using its best judgment, considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which the Adviser may be subject, discussed herein, did not exist.

In the event the Adviser determines to offer an investment opportunity to co-investors, there can be no assurance that any potential co-investor will ultimately pursue such co-investment opportunity, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on the terms and conditions that will be preferable for the Fund or that expenses incurred by the Fund with respect to the syndication of the co-investment will not be substantial. In the event that the Adviser is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, the Fund may consequently hold a greater concentration and have greater exposure in the related investment opportunity than was initially intended, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto.

In addition, to the extent the Adviser has discretion over a secondary transfer of interests in a Fund pursuant to such Fund's organizational documents, the Adviser may consider the factors listed above in exercising such discretion. Subject to any restrictions in the organizational documents of the applicable Fund, the Adviser or its related persons may be asked to identify a limited number of Adviser Investors or Third Parties to potentially acquire the interest being transferred.

The appropriate allocation between Funds, Adviser Investors and Third Parties of expenses and fees generated in the course of evaluating potential investments which are not consummated, such as out-of-pocket fees associated with due diligence, attorney fees and the fees of other professionals, will be determined by the Adviser and its affiliates in their good faith discretion, consistent with the organizational documents of the Funds, as applicable. Such expenses typically are not allocated to co-investment vehicles.

A Fund may sell down an interest in its portfolio companies to co-investors. Subject to the applicable organizational documents, the Adviser may charge (or may decide not to charge) a co-investor (such as a Fund Investor or Third Party) interest costs for the time period between the closing of the applicable Fund's investment in a portfolio company to the date of the transfer of interests in such portfolio company to the applicable co-investor.

In exercising its discretion to allocate investment opportunities and fees and expenses, the Adviser may be faced with a variety of potential conflicts of interest. For example, in allocating an investment opportunity among Funds with differing fee, expense and compensation structures, the Adviser may have an incentive to allocate investment opportunities to the Funds from which the Adviser or its related persons may derive, directly or indirectly, a higher fee, compensation or other benefit.

In addition, principal executive officers and other personnel of the Adviser invest indirectly and directly in Funds and may therefore participate indirectly in investments made by the Funds in which they invest. Such interests will vary Fund by Fund. The existence of these varying circumstances may present conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Fund.

#### *Conflicts Related to Purchases and Sales*

Conflicts may arise when a Fund makes investments in conjunction with an investment being made by other Funds, or in a transaction where another Fund has already made an investment. Investment opportunities may be appropriate for Funds at the same, different or overlapping levels of a portfolio company's capital structure. Conflicts may arise in determining the terms of investments, particularly where these clients may invest in different types of securities in a single portfolio company. Questions may arise as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring may raise conflicts of interest, particularly in Funds that have invested in different securities within the same portfolio



company. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, the Funds may or may not provide such additional capital, and if provided each Fund will supply such additional capital in such amounts, if any, as determined by the Adviser. In addition, a conflict may arise in allocating an investment opportunity if the potential investment target could be acquired by either a Fund or a portfolio company of another Fund. Investments by more than one client of the Adviser in a portfolio company may also raise the risk of using assets of a client of the Adviser to support positions taken by other clients of the Adviser. Employees and related persons of the Adviser and its affiliates have made and may make capital investments in or alongside certain Funds, and therefore may have additional conflicting interests in connection with these investments. There can be no assurance that the return of a Fund participating in a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

A Fund may invest in opportunities that other Funds have declined, and likewise, a Fund may decline to invest in opportunities in which other Funds have invested.

From time to time the Adviser may, in its discretion, enter into transactions with investors in one or more Funds to dispose of all or a portion of certain investments held by one or more Funds. In exercising its discretion to select the purchaser(s) of such investments, the Adviser may consider some or all of the factors listed above under *"Allocation of Investment Opportunities Among Clients and Allocation of Co-Investment Opportunities"*. The sales price for such transactions will be mutually agreed to by the Adviser and such purchaser(s); however, determinations of sales prices involve a significant degree of judgment by the Adviser. Although the Adviser is not obligated to solicit competitive bids for such sales transaction or to seek the highest available price, it will first determine that such transaction is in the best interests of the applicable Fund(s), taking into account the sales price and the other terms and conditions of the transaction. There can be no assurance, in light of the performance of the investment following such a transaction, that such transaction will ultimately prove to be the most profitable or advantageous course of action for the applicable Fund(s). Any such transactions will comply with the organizational documents of the applicable Fund(s).

#### *Cross-Transactions*

In certain cases, the Adviser may cause a Fund to purchase investments from another Fund, or it may cause a Fund to sell investments to another Fund. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Fund may not receive the best price otherwise possible, or the Adviser might have an incentive to improve the performance of one Fund by selling underperforming assets to another Fund in order, for example, to earn fees. Additionally, in connection with such transactions, the Adviser, its affiliates and/or their professionals (i) may have significant investments, or intentions to invest, in the Fund that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). The Adviser and its affiliates may receive management or other fees in connection with their management of the relevant Funds involved in such a transaction, and may also be entitled to share in the investment profits of the relevant Funds. To address these conflicts of interest, in

connection with effecting such transactions, the Adviser will follow the Investment Allocation Requirements of the relevant Funds. To the extent such matters are not addressed in the Investment Allocation Requirements, the Adviser's CCO, in consultation with the Adviser's Chief Executive Officer ("CEO"), will be responsible for confirming that the Adviser (i) considers its respective duties to each Fund, (ii) determines whether the purchase or sale and price or other terms are comparable to what could be obtained through an arm's length transaction with a third party, and (iii) obtains any required approvals of the transaction's terms and conditions. The Adviser will not directly or indirectly receive any commission or other transaction-based compensation for effecting any such transaction, and the Adviser will not effect any such transaction for any Fund where the Adviser may be deemed to own more than 25% of the Fund, unless such transaction complies with the requirements of the Adviser's principal transactions policy, as described below.

### *Principal Transactions*

Section 206 under the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a "principal transaction"), the adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client's consent to the transaction. In connection with the Adviser's management of the Funds, the Adviser has and may in the future from time to time engage in principal transactions. The Adviser has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including that disclosures required by Section 206 of the Advisers Act be made to the applicable Fund(s) regarding any proposed principal transactions and that any required prior consent to the transaction be received.

### *Management of the Funds*

The Adviser manages multiple Funds. The Adviser may in the future establish one or more additional investment funds with investment objectives substantially similar to, or different from, those of the current Funds. Allocation of available investment opportunities between the Funds and any such investment fund could give rise to conflicts of interest. See "*Allocation of Investment Opportunities Among Clients and Allocation of Co-Investment Opportunities*" above. In addition, it is expected that employees of the Adviser responsible for managing a particular Fund will have responsibilities with respect to other Funds managed by the Adviser, including Funds that may be raised in the future. Conflicts of interest may arise in allocating time, services or functions of these officers and employees.

The Funds may enter into borrowing arrangements that require the Funds to be jointly and severally liable for the obligations. If one Fund defaults on such arrangement, the other Funds may be held responsible for the defaulted amount. The Funds will only enter into such joint and several borrowing arrangement when the Adviser determines it is in the best interests of the Funds.

### *Follow-on Investments*

Follow-on investments may present conflicts of interest, including determination of the equity component and other terms of the new financing as well as the allocation of the investment opportunities in the case of follow-on acquisitions by one Fund in a portfolio company in which another Fund has previously invested. In addition, a Fund may participate in releveraging and recapitalization transactions involving portfolio companies in which another Fund has already invested or will invest. Conflicts of interest may arise, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

### *Conflicts Relating to the General Partner and the Adviser*

The Adviser generally may, in its discretion, contract with any related person of the Adviser (including but not limited to a portfolio company of a Fund) to perform services for the Adviser in connection with its provision of services to the Funds. When engaging a related person to provide such services, the Adviser may have an incentive to recommend the related person even if another person may be more qualified to provide the applicable services and/or can provide such services at a lesser cost.

The Adviser generally may, in its discretion, recommend to a Fund or to a portfolio company thereof (in response to a solicitation for a recommendation or otherwise) that it contract for services with (i) the Adviser or a related person of the Adviser (including but not limited to a portfolio company of a Fund) or (ii) an entity with which the Adviser or its affiliates or a member of their personnel has a relationship or from which the Adviser or its affiliates or their personnel otherwise derives financial or other benefit. When making such a recommendation, the Adviser may, because of its financial or other business interest, have an incentive to recommend the related or other person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

The Adviser, its affiliates, and members, officers, principals and employees of the Adviser and its affiliates may buy or sell securities or other instruments that the Adviser has recommended to Funds. In addition, officers, principals and employees may buy securities in transactions offered to but rejected by Funds. Such transactions are subject to the policies and procedures set forth in the Adviser's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments often vary from those of the Funds. If officers, principals and employees of the Adviser have made large capital investments in or alongside the Funds they may have conflicting interests with respect to these investments.

Because certain expenses are paid for by a Fund and/or its portfolio companies or, if incurred by the Adviser, are reimbursed by a Fund and/or its portfolio companies, the Adviser may not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses.

### *Fee Structure*

As discussed above in Item 6, the General Partners of certain Funds are entitled to Incentive Allocations under the terms of the limited partnership agreements of such Funds. Such general partners are affiliates of the Adviser. The existence of the General Partners' Incentive Allocations may create an incentive for the General Partners to cause such Funds to make more speculative investments than they would otherwise make in the absence of performance-based compensation.

### *Business with Portfolio Companies and Investors*

The Adviser has service providers, including for example, outside legal counsel, who may be investors in Funds and/or who may provide services to businesses that are competitors of the Adviser. The Adviser may have a conflict of interest with the Funds in recommending the retention or continuation of a service provider to the Funds or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in Funds or will provide the Adviser information about markets and industries in which the Adviser operates or is interested or will provide other services that are beneficial to the Adviser. There is a possibility that the Adviser, because of such belief or for other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person.

The general partner of a Fund may from time to time utilize the services of investors and their affiliates on an arm's length basis, as it deems appropriate.

### *Positions with Portfolio Companies*

Employees of the Adviser may serve as directors of portfolio companies. From time to time, certain employees may receive forms of compensation, expense reimbursements or other amounts from a portfolio company in which a Fund invests.

### *Side Letter Agreements*

The Adviser has and may in the future from time to time enter into certain side letter arrangements with certain investors in a Fund providing such investors with different or preferential rights or terms. Such preferential rights or terms may include different fee structures, information rights, co-investment rights, and liquidity or transfer rights.

### *Other Potential Conflicts*

The Adviser and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. Members of the law firms engaged to represent the Funds may be investors in a Fund, and may also represent one or more portfolio companies or investors in a Fund. In the event of a significant dispute or divergence of interest between Funds, the Adviser and/or its affiliates, the

parties may engage separate counsel in the sole discretion of the Adviser and its affiliates, and in litigation and other circumstances separate representation may be required.

The Adviser may, in its discretion, have, and may, in its discretion, cause the Funds and/or their portfolio companies to have, ongoing business dealings, arrangements or agreements with persons who are former employees or executives of the Adviser. The Funds and/or their portfolio companies may bear, directly or indirectly, the costs of such dealings, arrangements or agreements. In such circumstances, there may be a conflict of interest between the Adviser and the Funds (or their portfolio companies) in determining whether to engage in or to continue such dealings, arrangements or agreements, including the possibility that the Adviser may favor the engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person.

A Fund may invest in a pooled investment vehicle that is advised by, or that has another business or other relationship with, the Adviser or its related persons. In such a case, investors in such Fund will bear not only the direct management fees and other expenses associated with their investment in the Fund, but also the expenses and fees associated with the investment in the underlying pooled investment vehicle, some of which fees and expenses may be paid to the Adviser or its related persons. Additionally, the interests of the Fund, as an investor, may conflict with the interests of the underlying pooled investment vehicle or the Adviser or its related persons in their capacity as service providers to the underlying pooled investment vehicle, which would create a conflict of interest for then Adviser.

Please see the discussion above under the sub-heading “Resolution of Conflicts” for a description of the means by which the Adviser and its related persons will seek to alleviate conflicts of interest among the Funds or other persons.

## **Item 12. Brokerage Practices**

### **Selection of Broker-Dealers**

For each of the Funds, the Adviser has, subject to the direction of such Fund’s General Partner, if applicable, sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker-dealer, if any, to be used to effect transactions. The Adviser does not make regular use of broker-dealers for the purposes of purchasing or selling securities on behalf of the Funds because the securities that it typically purchases or sells on behalf of the Funds are acquired and/or disposed of in privately negotiated purchase and sale transactions. However, in the event the Adviser does participate in such activity, the Adviser will employ the following practices.

In placing each transaction for a Fund involving a broker-dealer, the Adviser will seek “best execution” of the transaction except to the extent it may be permitted to pay higher brokerage commissions in exchange for brokerage and research services (as discussed below). “Best execution” means obtaining for a Fund account the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputability and reliability of the executing broker-dealer.

In determining whether a particular broker-dealer is likely to provide best execution in a particular transaction, the Adviser's CCO takes into account all factors that he deems relevant to the broker's or dealer's execution capability, including, by way of illustration, price, the size of the transaction, the nature of the market for the security, the amount of the commission, the timing of the transaction taking into account market prices and trends, the reputation, experience, and financial stability of the broker-dealer, and the quality of service rendered by the broker-dealer in other transactions.

### **Aggregation of Trades**

To the extent the Adviser were to be purchasing or selling securities for more than one Fund or account, the Adviser may aggregate (or bunch) the orders of more than one Fund for the purchase or sale of the same publicly traded security. Portfolio managers and traders often employ this practice because larger transactions may enable them to obtain better overall prices, including lower commission costs or mark-ups or mark-downs. The Adviser may combine orders on behalf of Funds with orders for other Funds for which it has trading authority, or in which it has an economic interest. In such cases, the Adviser generally would aggregate trade orders for publicly traded securities so that each participating Fund will receive the average price for each execution of a transaction.

If an order for more than one Fund for a publicly traded security cannot be fully executed, allocation shall be made based upon the Adviser's procedures for allocation of investment opportunities, as described in Item 11 above.

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

### **Oversight and Monitoring**

The investment portfolios of the Funds are based on a long-term view of the importance of disruptive innovation and typically include private, illiquid and other investments that are long-term in nature, and accordingly the Adviser's review of them is not directed toward a short-term decision to dispose of securities. However, the Adviser closely monitors the portfolio companies and publicly traded securities held by the Funds and generally maintains ongoing oversight of such companies and securities. The portfolios are reviewed on an ongoing basis.

### **Reporting**

Investors in the Funds typically receive, among other things, a copy of audited financial statements of the relevant Fund as soon as reasonably practicable after March 15 of each year. Additionally, the Adviser generally provides quarterly investor statements and investor letters. The Adviser and the General Partner will from time to time, in their sole discretion, provide additional information relating to such Fund to one or more investors in such Fund as they deem appropriate.

Investors are requested to refer to the governing documents of each Fund for further information as to reporting by the Adviser.

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

For details regarding economic benefits provided to the Adviser by non-clients, including a description of related material conflicts of interest and how they are addressed, please see Item 11 above. In addition, the Adviser and its related persons may occasionally receive discounts on or samples of products and services provided by portfolio companies of Funds and/or the customers or suppliers of such portfolio companies.

While not a client solicitation arrangement, the Adviser engages one or more persons to act as a placement agent for a Fund in connection with the offer and sale of interests to certain potential investors. Such persons generally will receive a fee in an amount equal to a percentage of the capital commitments for interests made by such potential investors to such Fund that are subsequently accepted. Such fees are generally paid by the Adviser.

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

The Adviser or certain affiliates are deemed to have custody of certain client funds and securities. As set forth in Rule 206(4)-2 under the Advisers Act (the “Custody Rule”), all client funds that fall under the purview of the Custody Rule are held at accounts maintained in the name of the applicable client by entities deemed qualified custodians (with the exception of those privately offered securities that fall within the Private Security Exemption) as defined in the Custody Rule.

Additionally, the Adviser requires that the applicable Funds (such Funds over which the Adviser or an affiliate is deemed to have custody) distribute audited financial statements to all investors in such Funds within 120 days of the Fund’s fiscal year end. The financial statements are prepared in accordance with generally accepted accounting principles and are audited by an independent accountant that is registered with, and subject to, regular inspection by the Public Company Accounting Oversight Board.

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

Investment advice is provided directly to the Funds, subject to the direction and control of the General Partner of each Fund, and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and/or organizational documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the organizational or offering documents of the applicable Fund.

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

The Adviser’s investment strategy does not generally involve the acquisition of public securities with voting authority, making it unlikely that a client will be placed in a position of proxy voting authority. However, if a client does come into possession of securities with voting rights, the

Adviser maintains policies and procedures as described below to vote proxies in the best interests of its clients.

The Adviser has established written policies and procedures setting forth the principles and procedures by which the Adviser votes or gives consent with respect to securities owned by the Funds (“Votes”). The guiding principle by which the Adviser votes all Votes is to vote in the best interests of each Fund by maximizing the economic value of the relevant Fund’s holdings, taking into account the relevant Fund’s investment horizon, the contractual obligations under the relevant Advisory Agreements or comparable documents, and all other relevant facts and circumstances at the time of the vote. The Adviser does not permit Voting decisions to be influenced in any manner that is contrary to, or dilutive of, this guiding principle.

It is the Adviser’s general policy to vote or give consent on all matters presented to security holders in any Vote. However, the Adviser reserves the right to abstain on any particular Vote or otherwise withhold its vote or consent on any matter if, in the judgment of the Adviser’s CEO, the costs associated with voting such Vote outweigh the benefits to the relevant Funds or if the circumstances make such an abstention or withholding otherwise advisable and in the best interests of the relevant Funds.

Funds generally cannot direct the Adviser’s Vote.

All Voting decisions initially are referred to the CEO or another appropriate investment professional for a voting decision. In most cases, the CEO will make the decision as to the appropriate vote for any particular Vote. In making such decision, he or she may rely on any of the information and/or research available to him or her. When the CEO is making the Voting decision, the CEO will inform the Adviser’s General Counsel or CCO of any such Voting decision, and will consult further with the General Counsel or CCO in the event that such Voting decision presents a conflict of interest to the knowledge of the CEO.

The CCO has the responsibility to monitor Votes for any conflicts of interest, regardless of whether they are actual or perceived. All Voting decisions will require a mandatory conflicts of interest review by the CCO in accordance with these policies and procedures, which will include consideration of whether the Adviser or any investment professional or other person recommending how to vote and/or the Adviser’s affiliates and their clients has an interest in how the Vote is voted that may present a conflict of interest. In addition, all Adviser investment professionals are expected to perform their tasks relating to the voting of Votes in accordance with the principles set forth above, according the first priority to the best interest of the relevant Funds. The CCO will use his or her best judgment to address any such conflict of interest and ensure that it is resolved in accordance with his or her independent assessment of the best interests of the Funds.

Where the CCO deems appropriate in his or her sole discretion, unaffiliated third parties may be used to help resolve conflicts. In this regard, the CCO shall have the power to retain independent fiduciaries, consultants, or professionals to assist with Voting decisions and/or to delegate voting or consent powers to such fiduciaries, consultants, or professionals.



Information regarding the Adviser's proxy voting policies are available to any client or prospective client upon written request to: [info@roseparkadvisors.com](mailto:info@roseparkadvisors.com).

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

The Adviser does not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance and thus is not required to include a balance sheet for its most recent fiscal year.

The Adviser is not aware of any financial condition that is likely to impair its ability to meet contractual commitments to clients.

The Adviser has not been the subject of a bankruptcy petition at any time during the past ten years.