

# ROCKLAND CAPITAL

## Form ADV Part 2A – Firm Brochure Item 1 – Cover Page

March 31, 2023

Rockland Capital, LP  
24 Waterway Avenue, Suite 400  
The Woodlands, TX 77380  
Phone: 281.863.9000  
[www.rocklandcapital.com](http://www.rocklandcapital.com)

This brochure (“Brochure”) provides information about the qualifications and business practices of Rockland Capital, LP (the “Company” or “Rockland”). If you have any questions about the contents of this Brochure, please contact John McMullan at (281) 863-9034 and/or [john.mcmullan@rocklandcapital.com](mailto:john.mcmullan@rocklandcapital.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.

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

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

**THIS BROCHURE IS NOT AN OFFER TO SUBSCRIBE FOR OR PURCHASE ANY SECURITIES.**

## **Item 2 – Material Changes**

There have been the following material changes in this Brochure since the last annual amendment filed in March 2022:

On August 29, 2022, John McMullan was hired as Rockland’s General Counsel.

Effective March 31, 2023, John McMullan became Rockland’s Chief Compliance Officer in addition to his role as General Counsel.

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

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

### **Item 3 – Table of Contents**

|   |     |
|---|-----|
| Item 1 – Cover Page .....   | i   |
| Item 2 – Material Changes .....   | ii  |
| Item 3 – Table of Contents .....  | iii |
| Item 4 – Advisory Business .....  | 1   |
| Item 5 – Fees and Compensation .....  | 2   |
| Item 6 – Performance-Based Fees and Side-By-Side Management .....   | 9   |
| Item 7 – Types of Clients .....   | 10  |
| Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....  | 10  |
| Item 9 – Disciplinary Information .....   | 34  |
| Item 10 – Other Financial Industry Activities and Affiliations .....  | 34  |
| Item 11 – Code of Ethics, Participation or Interest in Client Transactions, Personal Trading and<br>Certain Conflicts of Interest ..... | 35  |
| Item 12 – Brokerage and Swap-Dealer Practices .....   | 44  |
| Item 13 – Review of Accounts .....  | 45  |
| Item 14 – Client Referrals and Other Compensation .....   | 46  |
| Item 15 – Custody .....   | 46  |
| Item 16 – Investment Discretion .....   | 46  |
| Item 17 – Voting Client Securities .....  | 46  |
| Item 18 – Financial Information .....   | 47  |

#### **Item 4 – Advisory Business**

Rockland Capital, LP, a Delaware limited liability company formed in 2008, is registered with the SEC as an investment adviser. The general partner of Rockland is Rockland Capital GP, LLC, which is owned by Jonathan M. Beach, James Maiz, Willie Zapalac, and W. Scott Harlan. Jonathan M. Beach, James Maiz, Willie Zapalac, and W. Scott Harlan are also the limited partners of Rockland. The following individuals comprise Rockland’s “Investment Committee” for Rockland Power Partners, LP, Rockland Power Partners II, LP, Rockland Power Partners III, LP, and Rockland Power Partners IV, LP: W. Scott Harlan, Jonathan M. Beach, James Maiz, and Willie Zapalac (collectively, the “Principals”).

Rockland Capital Energy Investments, LLC (“RCEI”), a Delaware limited liability company formed in 2003, was the predecessor entity through which Rockland and its related persons originally provided advisory services to Advisory Clients. RCEI is not registered with the SEC as an investment adviser as RCEI is no longer providing investment advisory services.

Rockland provides investment advisory services to investment vehicles, including Rockland Power Partners, LP, Rockland Power Partners II, LP, Rockland Power Partners III, LP, Rockland Power Partners IV, LP, Rockland GridFlex Partners, LP, and Rockland GridFlex Feeder, LP (each an “Advisory Client” and collectively, the “Rockland Funds”), whose investments are primarily focused on equity and equity-related investments in the North American electric power generation markets with a particular emphasis on controlling positions.

Advisory Clients refers to any account for which Rockland provides investment advice and/or places trades on a discretionary or non-discretionary basis. The investors and other persons who invest in Rockland’s Advisory Clients are referred to herein as “Investors”. Unless otherwise expressly stated herein, the term Advisory Client does not include Investors.

Rockland has an experienced team of investment professionals; the Principals have a long history of working together investing in the electric power generation markets dating back to the mid-1990s. Rockland specializes in investments in these markets and only provides investment advice to investment vehicles that invest in such markets.

In providing its services to Advisory Clients, Rockland and its related persons direct and manage the investment and reinvestment of each Advisory Client’s assets, and provide reports to Investors. Rockland manages the assets of each Advisory Client in accordance with the terms of its applicable governing documents (or investment management agreement, as applicable).

Rockland does not provide portfolio management services to any wrap fee programs.

***The information provided herein about the investment advisory services provided by Rockland is qualified in its entirety by reference to the Advisory Clients’ governing documents.***

As of December 31, 2022, Rockland managed approximately \$1,362,075,937 of assets in respect of which Rockland has full investment discretion (subject to the Advisory Client’s established investment guidelines).

## **Item 5 – Fees and Compensation**

The Company and/or its affiliated general partners, member managers, or other affiliates generally receive management fees and/or carried interest or similar profit allocations from Advisory Clients for the economic and investment advice and analysis services (“Advisory Services”) provided. Neither Rockland nor any of its supervised persons accepts any compensation for the sale of interests in the Advisory Clients.

Advisory Clients could also indirectly incur or generate other fees payable to the company and its affiliates, depending on the nature of their portfolio activities. The Company or its affiliates could, for example, earn fees and other compensation from prospective and actual portfolio companies, purchasers, sellers and other parties as compensation for services (collectively, “Transaction Fees”). These Transaction Fees can include project, structuring, topping, break-up, directors’, organizational, set-up, closing, commitment, advisory, consulting, underwriting, and syndication fees in connection with the purchase, monitoring, or disposition of underlying investments or from unconsummated transactions. The specific legal and/or organizational documents of the relevant Advisory Client or the investment management agreement between the Company (or an affiliate) and such Advisory Client set forth the fee structure relevant to the Investors in such Advisory Client. To the extent provided for in such organizational documents or investment management agreement, the Company’s management fees from Advisory Clients in many cases are reduced by a specified portion of the Transaction Fees that are borne by such Advisory Client.

Advisory Clients will also bear certain out-of-pocket expenses incurred by the Company and/or its affiliates in connection with services provided to such Advisory Clients. The following sections discuss the most common fees and expenses in more detail.

### **Common Types of Fees**

#### **Management Fees**

For Advisory Clients that are pooled investment funds, the annual management fee is typically 1.75 - 2.0 percent of Investors’ committed capital during the relevant Advisory Client’s investment period, and afterward, the fee percentage is typically applied only to the capital remaining in investments that have not yet been exited. For services provided to certain pooled investment funds, the Advisory Client will pay a flat rate of management fee generally in the range of 1.75 - 2.0 percent to the Company or one of its affiliates. Specific management fee arrangements for each Advisory Client are summarized herein.

Management fees are generally paid quarterly by or on behalf of an Advisory Client by (i) requiring Investors in such Advisory Client to make capital contributions in respect of such fees, or (ii) withholding the amount of such fees from investment proceeds that would otherwise be distributable to the Investors of such Advisory Client. In addition, Rockland will likely have the ability to cause such Advisory Client to borrow money for the payment of such fees.

Management fees are negotiable and, depending on the Advisory Client, will be payable in advance or arrears. If management fees are assessed in advance, they are generally required to be

returned to the Investors in such Advisory Client should Rockland's management services to the Advisory Client be terminated prior to the end of the period in respect of which the fees have been paid (including, for example, situations where the final distribution by an Advisory Client occurs prior to the end of a period for which management fees have already been paid). In general, the amount of such fees to be returned is calculated based on the number of days remaining in the applicable period.

The Rockland Funds pay management fees on a quarterly basis, in advance. As described above, Investors in the Rockland Funds indirectly pay the management fees either by way of capital contributions to the applicable Rockland Fund, or withholding of otherwise distributable proceeds from the applicable Rockland Fund, according to their respective "Net Capital Commitments" as described below.

- **Rockland Power Partners, LP**
  - 2% of Investors' Net Capital Commitments

"Net Capital Commitments" means (a) on or before the earlier of (i) the end of the commitment period or (ii) the first date on which a subscription is accepted and management fees begin accruing by an additional fund for a capital commitment from an Investor not affiliated with Rockland, the aggregate capital commitments of limited partners minus the aggregate capital contributions used to acquire the portion(s) of any portfolio investments that have either been (A) sold or liquidated by the fund, or (B) determined by the general partner of the fund (subject to certain adjustments) for portfolio investments that have a fair value of zero, plus the amount of capital contributions that have been used to make reinvestments or that may in the future be used to make reinvestments, and (b) thereafter, the invested capital at the date of determination minus the aggregate invested capital attributed to portfolio investments held by the fund at such time that have been determined by the general partner of the fund (subject to certain adjustments) to have a fair value of zero.

- **Rockland Power Partners II, LP**
  - 2% of Investors' Net Capital Commitments

"Net Capital Commitments" means (a) on or before the earlier of (i) the end of the commitment period or (ii) the first date on which a subscription is accepted by an additional fund for a capital commitment from an Investor not affiliated with Rockland, the aggregate capital commitments of limited partners minus the aggregate capital contributions used to acquire the portion(s) of any portfolio investments that have either been (A) sold or liquidated by the fund, or (B) determined by the general partner of the fund (subject to certain adjustments) for portfolio investments that have a fair value of zero, plus the amount of capital contributions that have been used to make reinvestments or that may in the future be used to make reinvestments, and (b) thereafter, the invested capital at the date of determination minus the aggregate invested capital attributed to portfolio investments held by the fund at such time that have been determined by the general partner of the fund (subject to certain adjustments), to have a fair value of zero.

- **Rockland Power Partners III, LP**
  - 2% of Investors' Net Capital Commitments provided, however, the Management Fee will be reduced to an amount equal to 1.75% per annum of Net Capital

Commitments on the first date on which a subscription is accepted and management fees begin accruing by an additional fund that has the same or similar investment criteria. Moreover, the Management Fee will be reduced to 1.75% per annum with respect to amounts exceeding \$450 million.

“Net Capital Commitments” means (a) on or before the earlier of (i) the end of the commitment period or (ii) the first date on which a subscription is accepted and management fees begin accruing by an additional fund for a capital commitment from an Investor not affiliated with Rockland, the aggregate capital commitments of limited partners minus the aggregate capital contributions used to acquire the portion(s) of any portfolio investments that have either been (A) sold or liquidated by the fund, or (B) determined by the general partner of the fund (subject to certain adjustments) for portfolio investments that have a fair value of zero, plus the amount of capital contributions that have been used to make reinvestments or that may in the future be used to make reinvestments, and (b) thereafter, the invested capital at the date of determination minus the aggregate invested capital attributed to portfolio investments held by the fund at such time that have been determined by the general partner of the fund (subject to certain adjustments), to have a fair value of zero.

- **Rockland Power Partners IV, LP**
  - 2% of Investors’ Net Capital Commitments.

“Net Capital Commitments” means (a) on or before the earlier of (i) the end of the commitment period or (ii) the first date on which a subscription is accepted and management fees begin accruing by an additional fund for a capital commitment from an Investor not affiliated with Rockland, the aggregate capital commitments of limited partners minus the aggregate capital contributions used to acquire the portion(s) of any portfolio investments that have either been (A) sold or liquidated by the fund, or (B) determined by the general partner of the fund (subject to certain adjustments) for portfolio investments that have a fair value of zero, plus the amount of capital contributions that have been used to make reinvestments or that may in the future be used to make reinvestments, and (b) thereafter, the invested capital at the date of determination minus the aggregate invested capital attributed to portfolio investments held by the fund at such time that have been determined by the general partner of the fund (subject to certain adjustments), to have a fair value of zero.

- **Jackrabbitt Power Holdings, LLC**
  - No management fee is generally payable but certain Investors have agreed to pay an annual management fee in the range of 0.5% – 1.0% of each such Investor’s capital contribution subject to certain thresholds and conditions.
- **Rockland GridFlex Partners, LP**
  - 1% of Investors’ pro rata share of the adjusted cost of all unrealized investments as of the first day of the applicable quarter; provided, however, the management fee will be reduced to 0.5% per annum upon the later to occur (i) the fourth anniversary of the first closing date and (ii) the first date on which a subscription is accepted and management fees payable to the Rockland or an affiliate begin accruing by an additional fund that has the same or similar investment criteria as the Rockland Fund.

The aforementioned percentages represent an annual rate.

### Performance-Based Arrangements<sup>1</sup>

Distributions to Investors in most Advisory Clients are subject to some form of carried interest or similar profit allocation for the benefit of an affiliate of the Company. Generally, these profit allocations represent a share of the distributions made by an Advisory Client in excess of the relevant Investors' invested capital, and allocable fees and expenses. Performance-based profit allocations will often be applied each time an investment is realized or on an annual (or more frequent) basis with respect to certain Advisory Clients.

Performance fees or carried interest profit allocations are subject to regulation under Rule 205-3 under the Investment Advisers Act of 1940, as amended, (the "Advisers Act"). Therefore, the Company seeks to ensure that any Advisory Client or Investors in any Advisory Client that are directly or indirectly assessed performance fees or are subject to carried interest profit allocations satisfy the qualifications of Rule 205-3 under the Advisers Act and have been advised of such fees and allocations and their risks.

Performance fees or carried interest allocations are generally 20% of profits, and will be subject to certain preferred return hurdles. Please see below for applicable carried interest with respect to each Advisory Client.

- **Rockland Power Partners, LP**
  - Distributes 20% of realized gains to Rockland only after Investors receive an 8% compound, cumulative annual preferred return on capital contributions, subject to general partner catch-up provisions.
- **Rockland Power Partners II, LP**
  - Distributes 20% of realized gains to Rockland only after Investors receive an 8% compound, cumulative annual preferred return on capital contributions, subject to general partner catch-up provisions.
- **Rockland Power Partners III, LP**
  - Distributes 20% of realized gains to Rockland only after Investors receive an 8% compound, cumulative annual preferred return on capital contributions, subject to general partner catch-up provisions.
- **Rockland Power Partners IV, LP**
  - Distributes 20% of realized gains to Rockland only after Investors receive an 8% compound, cumulative annual preferred return on capital contributions, subject to general partner catch-up provisions.

---

<sup>1</sup> See also Item 6 – "Performance-Based Fees and Side-By-Side Management"



- **Jackrabbit Power Holdings, LLC**
  - Distributes 10% of realized gains to Rockland only after Investors receive an 8% compounded, cumulative annual preferred return on capital contributions.
- **Rockland GridFlex Partners, LP**
  - Distributes 20% of realized gains to Rockland only after Investors receive an 8% compound, cumulative annual preferred return on capital contributions, in addition to other hurdles and subject to general partner catch-up provisions.

The specific manner of calculation and application of performance fees or carried interest profit allocations are disclosed in the offering documents or governing documents for each Advisory Client. Since Rockland generally does not receive distributions of carried interest until the preferred return has been achieved, as outlined above, Rockland's ability to use credit facilities could provide an incentive to cause an Advisory Client to use a credit line in order to accelerate how quickly the preferred return is achieved, thereby allowing Rockland to receive its carried interest earlier than it would absent use of such credit facility.

Management fees and carried interest or similar profit allocations payable could be subject to modification, waiver or reduction. Any carried interest distributed to Rockland is subject to a potential giveback at the end of the commitment period and the life of an Advisory Client if Rockland has received excess cumulative distributions.

#### Other Fees

To the extent the Company is entitled to receive fees from portfolio companies of an Advisory Client, all or a portion of such fees paid to the Company typically reduces the management fees otherwise payable to the Company. The governing agreement or investment management agreement, as applicable, of each Advisory Client sets forth the basis on which such fees reduce management fees. Such fees are described below.

Acquisition and/or disposition fees are one-time fees paid by Advisory Clients to the Company or one of its affiliates in connection with an investment or disposition by an Advisory Client. Such fees are generally paid by portfolio companies and are uncommon to Rockland's Advisory Clients.

The Company or its affiliates will often receive a fee in connection with consulting, monitoring or other ongoing services provided to a portfolio company.

The Company will have a conflict of interest to the extent that it has an opportunity to earn a fee from consulting, monitoring or other ongoing services, as well as an acquisition or disposition by an Advisory Client. However, the Company believes that the management fee offset provisions described herein and the equity commitment by the Company and its affiliates in Advisory Clients substantially mitigates this conflict. Any fees paid to the Company by a portfolio company or an Advisory Client are required to be on an arm's length basis and on terms that are no less favorable to the Advisory Client or portfolio company than would be obtained in a transaction with an unaffiliated party.

Set forth below is a summary of the management fee offset provisions for the Rockland Funds.

- **Rockland Power Partners, LP**
  - 100% of all transaction fees (which includes: acquisition/disposition fees, consulting, monitoring or other ongoing service fees, banking fees, advisory fees, affiliate service fees, third-party carried interest or other such incentive fees); and
  - 100% of placement fees paid by the fund.
- **Rockland Power Partners II, LP**
  - 100% of all transaction fees (which includes: acquisition/disposition fees, consulting, monitoring or other ongoing service fees, banking fees, advisory fees, affiliate service fees, third-party carried interest or other such incentive fees); and
  - 100% of placement fees paid by the fund.
- **Rockland Power Partners III, LP**
  - 100% of all transaction fees (which includes: acquisition/disposition fees, consulting, monitoring or other ongoing service fees, banking fees, advisory fees, affiliate service fees, third-party carried interest or other such incentive fees); and
  - 100% of placement fees paid by the fund.
- **Rockland Power Partners IV, LP**
  - 100% of all transaction fees (which includes: acquisition/disposition fees, consulting, monitoring or other ongoing service fees, banking fees, advisory fees, affiliate service fees, third-party carried interest or other such incentive fees); and
  - 100% of placement fees paid by the fund.
- **Rockland GridFlex Partners, LP**
  - 100% of all transaction fees (which includes: acquisition/disposition fees, consulting, monitoring or other ongoing service fees, banking fees, advisory fees, affiliate service fees, third-party carried interest or other such incentive fees).

For the avoidance of doubt, (i) co-investment fees (if any), and (ii) transaction fees attributable to asset management services provided to non-affiliated Rockland entities are not subject to the above-referenced management fee offset provisions.

### **Common Types of Expenses**

#### **Brokerage Expenses<sup>2</sup>**

Expenses paid to third parties in connection with the acquisition or disposition of investments are borne by the Advisory Clients. These expenses will generally include brokerage commissions, account fees, custodial expenses, other bank service fees and other investment costs, fees and expenses incurred in connection with completed investments.

---

<sup>2</sup> See also Item 12 – “Brokerage and Swap-Dealer Practices”

### Organizational/Offering Expenses

Typically, legal, accounting, filing and other expenses incurred in connection with organizing and establishing and Advisory Client are borne by the Investors in such Advisory Client. Often, these expenses are capped in the governing documents for the Advisory Client. Set forth below are the organizational/offering expense caps for the Rockland Funds.

- **Rockland Power Partners, LP**
  - An amount not to exceed, in the aggregate, \$1,000,000.
- **Rockland Power Partners II, LP**
  - An amount not to exceed, in the aggregate, \$1,000,000.
- **Rockland Power Partners III, LP**
  - An amount not to exceed, in the aggregate, \$1,000,000.
- **Rockland Power Partners IV, LP**
  - An amount not to exceed, in the aggregate, \$1,000,000.
- **Rockland GridFlex Partners, LP**
  - An amount not to exceed, in the aggregate, \$1,000,000.

Such expenses, up to the amount of the applicable caps, are borne solely by the Investors in such Advisory Clients and any excess is borne by Rockland.

### Broken Deal Expenses

Investors in Advisory Clients generally are required to bear out-of-pocket costs and expenses incurred in connection with the deals that are not ultimately completed. Typically, these expenses include (i) legal, accounting, advisory, consulting or other third-party expenses in connection with making an investment that is not ultimately consummated and any related travel and accommodation expenses, although the Company and its affiliates could be required to bear travel and accommodation expenses incurred, (ii) all fees (including commitment fees), costs and expenses of lenders, investment banks and other financing sources in connection with arranging financing for a proposed investment that is not ultimately made and (iii) any deposits or down payments of cash or other property which are forfeited in connection with a proposed investment that is not ultimately made (in each case, to the extent such investment is not ultimately made by another Advisory Client).

### Other Expenses

There are additional general categories of expenses that will be borne by Advisory Clients, depending on their structure. The Investors in most Advisory Clients generally are required to pay all costs and expenses related to the operation of the vehicle. These costs and expenses can include fees, costs and expenses of administrators, custodians, attorneys, accountants and other professionals (including tools and/or other software used to perform the services provided, audit

and certification fees, and the costs of printing and distributing reports); any insurance, indemnity or litigation expense; interest on, and fees and expenses arising out of, borrowings made by the Advisory Client; the out-of-pocket and legal and other advisory expenses of an investor advisory committee; certain taxes and any fees or other governmental charges levied against the Advisory Client; and costs of winding up and liquidating the Advisory Client. In addition, Advisory Clients are generally required to pay all costs and expenses incurred in (a) identifying, evaluating and arranging any transaction contemplated for investment by the Advisory Client, and (b) holding or selling investments of the Advisory Client. The governing agreement and investment management agreement of the applicable Advisory Client sets forth such fees and expenses to be borne by the Advisory Client (“Fund Expenses”), as well as those to be borne by Rockland or its portfolio companies, which are more fully described below.

### Management Expenses

Rockland bears all normal overhead expenses of providing Advisory Services to its Advisory Clients (“Management Expenses”). Management Expenses include but is not limited to salaries, benefits and travel of Rockland’s employees, rent, office furniture, fixtures and computer equipment. Salaries and benefits of employees and consultants providing services for day-to-day operating activities that are not Advisory Services to Rockland’s portfolio companies are borne by the directly allocable portfolio companies (“Portfolio Company Expenses”).

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

As discussed in Item 5 above, the affiliates of the Company receive performance fees or carried interest profit allocations.

The Company currently acts as investment adviser to the Advisory Clients, and related persons typically act as a general partner (or similar managing fiduciary) of such Advisory Clients. The relationship of the Company, the manner of calculation and application of management fees and carried interest profit allocations or other performance-based fees, as applicable, with respect to the Company, the affiliated general partner (or similar managing fiduciary) or other affiliates and known or reasonably anticipated conflicts of interest involving the Company or its affiliates, are disclosed in the offering documents of the applicable Advisory Client provided to potential Investors prior to their investment.

Each Advisory Client typically has a specified investment objective that is focused on a particular geography and investment strategy. Investment opportunities that satisfy the investment parameters of a particular Advisory Client typically will be allocated exclusively to that particular Advisory Client. Generally, co-investment vehicles are only allocated investment opportunities if there is excess capacity in a particular investment opportunity. In certain cases, however, an investment opportunity will be appropriate for more than one Advisory Client. As discussed in detail in Item 11, these investment opportunities are allocated in accordance with the Company’s written policies and procedures, taking into account the applicable provisions of the Advisory Client’s governing agreement.

In allocating investment opportunities, there could be incentives to favor Advisory Clients with higher potential performance fees or carried interest allocations over Advisory Clients with lower potential performance fees or carried interest allocations. In addition, under IRC § 1061, for years beginning after December 31, 2017, carried interests must meet a three-year holding period to qualify for preferential tax rates on long-term capital gains. Carried interests held shorter than three years will be treated as short-term capital gains and will be taxed at ordinary rates. In addition, the method of calculating the carried interest poses potential conflicts of interest between the applicable general partner and an Advisory Client with respect to the management and disposition of investments, as well as the determination of the timing, method, and amount of distributions by an Advisory Client, and the use of fund-level credit facilities. As a control, Rockland has adopted a policy pursuant to which it seeks to allocate investment opportunities among Advisory Clients in a fair and equitable manner, bearing in mind, among other things, the size, investment objectives, risk tolerance, return targets, diversification considerations, permissible and preferred asset classes, and liquidity needs of each Advisory Client. Rockland's policies prohibit the allocation of investment opportunities based on anticipated compensation or profits to Rockland, any affiliates or its professionals. Each Advisory Client has its own investment guidelines, charter and organizational documents, and geographical and industry focus that must be taken into account when making investment allocation determinations. Final allocation decisions are under the purview of the Chief Compliance Officer, who is charged with allocating investment opportunities in compliance with Rockland's fair allocation policies.

## **Item 7 - Types of Clients**

Rockland provides investment advisory services to pooled investment vehicles. The Investors in these vehicles consist of institutional investors and high net worth individuals. Additionally, Rockland, its affiliates and equity owners typically invest in Rockland's Advisory Clients. Interests in Rockland-sponsored investment vehicles are privately offered. The Company and its affiliates generally require that each third-party Investor in an Advisory Client be an "accredited investor" as defined in Regulation D under the Securities Act of 1933, as amended (the "Securities Act"), and a "qualified purchaser" as defined in the Investment Company Act of 1940 (the "1940 Act"). Performance fees will only be charged to Advisory Clients whose Investors are "qualified clients" within the meaning set forth in Rule 205-3(d) under the Advisers Act.

Typically, a minimum investment amount of \$10 million is imposed on third parties investing in the investment vehicles for which the Company acts as investment adviser; however, this minimum will often be subject to a reduction upon prior agreement by the Company or an affiliate in its sole discretion subject to the applicable legal requirement. A minimum investment amount will also be established pursuant to the laws of the jurisdiction in which the investment vehicle was established.

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

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

Rockland uses a range of methods to identify, analyze and assess potential and existing investment opportunities. As a general matter, analytical methods used by the Investment Committee can

include gain/loss forecast models, cash-flow models, other financial modeling and simulation, risk sensitivity analyses, and fundamental, technical and cyclical analysis.

Rockland's Advisory Clients seek to make control investments, principally in the middle market segment of the North American electric power generation market. Investments transactions are focused on power assets, including power plants, power companies, and will potentially also include pre-construction development projects or power-related technology investments and other assets. Rockland's investment strategy involves identifying undervalued or financially distressed assets, companies with excessive and/or inefficient leverage, or companies with inefficient long-term contractual arrangements. Rockland seeks to generate above-market returns by acquiring such assets at attractive prices, enhancing and improving operations through contract restructuring, financial optimization, actively monitoring and managing operational and financial performance, analyzing and managing risk, and capitalizing on legislative and/or regulatory issues that contribute to changes in the relevant market.

In considering potential investment opportunities, a number of analytical methods are utilized in an effort to achieve a thorough and in-depth assessment of the potential investment. Typically, these analyses focus on the (i) reputation of owners and management; (ii) company size and sensitivity of cash flow generation; (iii) operational, marketing, legal, tax, labor, environmental and accounting factors; (iv) business sector and competitive risks; (v) portfolio fit; (vi) exit alternatives; and (vii) other key factors highlighted by the Investment Committee. Where appropriate, third-party consultants are permitted to be engaged to assess business and market conditions, competition, physical and environmental concerns and other factors deemed to be relevant to the evaluation of the investment.

### **Investment Risks**

An investment in any Advisory Client involves a high degree of risk that an Investor should be prepared to bear, including potential loss of all invested capital, and is suitable only for those Investors who have the financial sophistication and expertise to evaluate the merits and risks of an investment in such Advisory Client and for which such Advisory Client does not represent a complete investment program. There can be no assurance that the investment objective of any Advisory Client will be achieved, that any Advisory Client will otherwise be able to successfully carry out its investment program, or that an Investor will receive a return of its capital contributed to any Advisory Client. The discussion below enumerates certain risk factors that apply generally to an investment in any Advisory Client. Prior to making any investment in an Advisory Client, Investors should carefully review the applicable offering documents for a more complete description of the risk factors and conflicts of interest relating to such Advisory Client.

### **No Assurance of Investment Return**

There can be no assurance that any Advisory Client will be able to generate returns for its Investors or that the returns will be commensurate with the risks of investing in the type of investments in which such Advisory Client participates. Accordingly, an investment in an Advisory Client should only be considered by persons who can afford a loss of their entire investment. There can be no assurance that projected or targeted returns for any Advisory Client will be achieved.

### Role of Rockland and its Professionals

The success of each Advisory Client will depend in part upon the skill and expertise of Rockland's investment professionals and, where applicable, the management of portfolio companies or other investments. There can be no assurance that such professionals will continue to be associated with Rockland throughout the life of any Advisory Client and a loss of the services of key personnel could impair Rockland's ability to provide services to an Advisory Client. In addition, members of the Investment Committee of a particular Advisory Client will work on other projects for Rockland.

### Reliance on the General Partner (or Similar Managing Fiduciary) and Investment Adviser of the Advisory Client

The general partner (or similar managing fiduciary) and investment adviser of an Advisory Client will have exclusive responsibility for an Advisory Client's activities, and, other than as set forth in Advisory Client's governing documents, Investors will not be able to make investment or any other decisions concerning the management of an Advisory Client.

### Lack of Operating History

Each Rockland Advisory Client will initially be a newly-formed entity which has not commenced operations and therefore will have no operating history upon which an Investor can evaluate its performance. A prospective Investor should draw no conclusions from the prior experience of the Investment Committee, Rockland's other professionals, or the performance of any other Advisory Client, and should not expect to achieve similar returns.

### Uncertainty in the U.S. and Global Financial Markets

The upheavals in the United States and global financial markets that began in 2008 illustrated the possibility of extraordinary and unprecedented uncertainty and instability in such markets. There can be no assurances that conditions in the global financial markets will not adversely affect one or more of an Advisory Client's portfolio companies or other investments, its access to capital or leverage or its overall performance.

### The United Kingdom and Brexit

The United Kingdom ("UK") withdrew from the European Union ("EU") on January 31, 2020 ("Brexit"). In connection with Brexit the UK and the EU agreed to the Trade and Cooperation Agreement ("TCA") which took effect from January 1, 2021, that governs the future trading relationship between the UK and the EU in specified areas. Notably, the TCA does not include an EU-wide cooperation arrangement for financial services, with UK firms instead having to negotiate individual EU member state regulations and cooperation/recognition arrangements. There can be no assurance that any negotiated laws, taxation and/or regulations will not have an adverse impact on the Advisory Clients and their investments, including the ability of the Advisory Clients to achieve their investment objectives. The ongoing effects of Brexit could result in

significant market dislocation, heightened counterparty risk, an adverse effect on the management of market risk and, in particular, asset and liability management (due in part to redenomination of financial assets and liabilities), an adverse effect on the ability of Rockland to manage, operate and invest the Advisory Clients and increased legal, regulatory or compliance burden for Rockland or the Advisory Clients, each of which could have a negative impact on the operations, financial condition, returns or prospects of the Advisory Clients.

#### Market Conditions and Financial Market Fluctuations

A lack of liquidity in the capital markets will likely make it significantly more difficult for sponsors like Rockland to obtain favorable financing for investments, and the financing that is available could be on much less favorable terms than had been prevailing in the past. General fluctuations in the market prices of securities have the potential affect the value of the investments held by an Advisory Client. Instability in the securities markets could also increase the risks inherent in an Advisory Client's investments.

#### Disease and Epidemics

The impact of disease and epidemics has the potential to have a negative impact on our business, our Advisory Clients and their performance and financial position. Coronavirus, renewed outbreaks of other epidemics or the outbreak of new epidemics could result in health or other government authorities requiring the closure of offices or other businesses, and could also result in a general economic decline. For example, such events could adversely impact economic activity through disruption in supply and delivery chains. Moreover, our operations and those of our Advisory Clients or portfolio companies could be negatively affected if personnel are quarantined as the result of, or in order to avoid, exposure to a contagious illness. Similarly, travel restrictions or operational issues resulting from the rapid spread of contagious illnesses have the potential to have a material adverse effect on business and results of operations. A resulting negative impact on economic fundamentals and consumer confidence could negatively impact market value, increase market volatility, cause credit spreads to widen, and reduce liquidity, all of which could have an adverse effect on the Company's business, the Advisory Clients and the portfolio companies. The duration of the business disruption and related financial impact caused by a widespread health crisis cannot be reasonably estimated. The Company's operations and business results, including with respect to any particular Advisory Client or other client or any portfolio company, could be materially adversely affected. The extent to which the any disease or epidemic impacts business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted.

#### Highly Competitive Market for Investment Opportunities

The activity of identifying, completing and realizing attractive investments is highly competitive, and involves a high degree of uncertainty. There can be no assurance that an Advisory Client will be able to locate, consummate and exit investments that satisfy its rate of return objectives or realize upon their values or that it will be able to invest fully its committed capital.



### Illiquid and Long-Term Investments

Investment in an Advisory Client will require a long-term commitment with no certainty of return. Many of an Advisory Client's investments will be highly illiquid, and there can be no assurance that an Advisory Client will be able to realize on such investments in a timely manner. Although investments will occasionally generate some current income, the return of capital and the realization of gains, if any, from an investment generally will occur only upon the partial or complete disposition or refinancing of such investment.

### Investments Longer than Term

A Rockland Advisory Client could make investments which could potentially not be advantageously disposed of prior to the date such Advisory Client will be dissolved, either by expiration of its term or otherwise. In addition, there can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to Investors will occur.

### Risk of Limited Number of Investments

An Advisory Client will participate in a limited number of investments and, as a consequence, the aggregate return of such Advisory Client could be substantially adversely affected by the unfavorable performance of even a single investment. In addition, other than as set forth in the applicable Advisory Client's governing documents, Investors have no assurance as to the degree of diversification of an Advisory Client's investments, either by geographic region or transaction type.

### Risk of Geographical Concentration

An Advisory Client will likely make investments that are highly concentrated in certain geographical regions. While multiple independent power markets or independently operated zones within a single power market could exist in a given concentrated geographic region, there can be no assurances that such existence will limit the potential for mitigating the risks associated with the Advisory Client making investments in highly concentrated geographic regions.

### Material, Non-Public Information

By reason of their responsibilities in connection with other activities of Rockland, certain employees of the general partner (or similar managing fiduciary) of an Advisory Client and its affiliates will likely acquire confidential or material, non-public information concerning an entity in which Advisory Clients have invested, or proposes to invest, and the possession of such information will often limit the ability of Rockland to buy or sell securities of such entity on behalf of Advisory Clients, thereby limiting the investment opportunities or exit strategies available to the Advisory Clients. In addition, holdings in the securities of an issuer by Rockland or its affiliates could affect the ability of Advisory Clients to make certain acquisitions of or enter into certain transactions with such issuer.

### Currency and Exchange Rate Risks

A portion of an Advisory Client's investments, and the income received by an Advisory Client with respect to such investments, will be denominated in foreign currencies. However, unless otherwise provided in an Advisory Client's governing documents, the books of an Advisory Client generally will be maintained, and capital contributions to and distributions from such Advisory Client generally will be made, in U.S. dollars. Accordingly, changes in currency exchange rates will adversely affect the dollar value of investments, interest and dividends received by an Advisory Client, gains and losses realized on the sale of investments and the amount of distributions, if any, to be made by an Advisory Client.

### Hedging Policies/Risks

In connection with certain investments, an Advisory Client is permitted to employ hedging techniques designed to reduce the risk of adverse movements in interest rates, commodities prices, securities prices and currency exchange rates. While an Advisory Client could benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, commodities prices, securities prices or currency exchange rates or the transactional fees associated with such mechanisms have the potential to result in a poorer overall performance for such Advisory Client than if it had not entered into such hedging transactions.

### Legal, Tax and Regulatory Risks

Legal, tax and regulatory changes could occur during the term of a Rockland Advisory Client that have the potential to adversely affect such Advisory Client. There is a material risk that regulatory agencies in the United States, or elsewhere will adopt burdensome laws (including tax laws) or regulations, or changes in law or regulation, or in the interpretation or enforcement thereof, which are specifically targeted at the private equity industry, energy, power and utilities industries, or other changes that could adversely affect private equity firms and the funds they sponsor, including an Advisory Client.

### Taxation in Other Jurisdictions

If an Advisory Client makes investments in a jurisdiction outside the United States, such Advisory Client or its Investors (as applicable) could be subject to income or other tax in that jurisdiction. Additionally, withholding tax or branch tax could be imposed on earnings from investments in such jurisdictions. In addition, local tax incurred in non-United States jurisdictions by an Advisory Client or vehicles through which it invests will often not be creditable to or deductible by Investors. Income or gains of an Advisory Client have the potential to be subject to withholding, income, net wealth or other tax in the jurisdictions where its investments are located.

### Regulatory Status

Rockland is registered as an investment adviser under the Advisers Act and, as such, is subject to the Advisers Act. Failure to comply with the requirements imposed on Rockland that could have a material adverse effect on Rockland's ability to perform its duties to the Advisory Clients.

Rockland's ability to source and execute transactions for the Advisory Clients could also be adversely affected by negative publicity arising from any regulatory compliance failures or other inappropriate behavior attributed to or any other publicity related to Rockland, any affiliate of Rockland or any of its respective investment professionals.

#### Increased Scrutiny of Private Fund Advisers

The regulatory environment for private funds and other financial entities is evolving. Changes in law or regulations could adversely affect the value of instruments held (directly or indirectly) by the Advisory Clients, could affect the ability of the Advisory Clients to pursue their investment strategies, or could restrict or prevent Rockland from continuing to perform services for the Advisory Clients in the manner currently contemplated. The SEC has recently increased its scrutiny of the private equity industry, including conducting several examinations and bringing several enforcement actions against private fund managers. The SEC also recently proposed a number of new rules and regulations that, if finalized, will affect Rockland and its operations. The regulatory environment for private funds and other financial entities is evolving. Changes in law or regulations could adversely affect the value of the Advisory Clients' investments, could affect the ability of the Advisory Clients to pursue their investment strategies, or could restrict or prevent Rockland from continuing to perform services for the Advisory Clients in the manner currently contemplated. The effect of any regulatory changes or regulatory scrutiny of Rockland, any Advisory Client, or any Investor, could be substantial and could adversely affect the Advisory Clients, their investments, or Rockland, or result in material amendments to the terms of the Advisory Clients' governing documents.

#### Absence of Regulatory Oversight

Notwithstanding that Rockland is registered as an investment adviser under the Advisers Act, and that the Rockland Advisory Clients could be considered similar in some ways to an investment company, the Rockland Advisory Clients are not required and do not intend to register as such under the 1940 Act and, accordingly, Investors are not afforded the protections of the 1940 Act.

#### Reliance on Portfolio Company Management

Some portfolio companies' day-to-day operations will be the responsibility of such company's management team. Although Rockland and the relevant general partner (or similar managing fiduciary) of the applicable Advisory Client will be responsible for monitoring the performance of the portfolio company, there can be no assurance that the existing management team, or any successor, will be able to successfully operate a portfolio company in accordance with the applicable Advisory Client's plans.

#### Non-Controlling Investments

An Advisory Client may hold a non-controlling interest in certain portfolio investments and, therefore, could have a limited ability to protect its position in such portfolio investments, although as a condition of investment in a portfolio investment, it is expected that appropriate shareholder or similar such rights generally will be sought to protect the Advisory Client's interests.

An Advisory Client is permitted to co-invest with third parties through joint ventures or other entities. Such investments will involve risks in connection with such third-party involvement, including the possibility that a third-party co-venturer will have financial difficulties, resulting in a negative impact on such investments, will have economic or business interests or goals which are inconsistent with those of the Rockland Fund or will be in a position to take (or block) actions in a manner contrary to the Advisory Client's investment objectives. In addition, an Advisory Client could in certain circumstances be liable for the actions of its third-party co-venturers. In those circumstances where such third parties involve a management group, such third parties will often receive compensation arrangements relating to such investments, including incentive compensation arrangements.

#### Risks in Effecting Operating Improvements

In some cases, the success of an Advisory Client's investment strategy will depend, in part, on the ability to restructure and effect improvements in the operations of a portfolio company. There can be no assurance that Rockland will be able to successfully identify and implement such restructuring programs and improvements.

#### Bridge Financings

An Advisory Client is permitted to lend to portfolio investment entities on a short-term, unsecured basis or otherwise invest on an interim basis in portfolio investments in anticipation of a future issuance of equity or long-term debt securities or other refinancing or syndication. Such bridge loans would typically be convertible into a more permanent long-term security; however, for reasons not always in the general partner's or other managing fiduciary's control, such long-term securities issuance or other refinancing or syndication will potentially not occur and such bridge loans and interim investments could remain outstanding. In such event, the interest rate on such loans or the terms of such interim investments will likely not adequately reflect the risk associated with the position taken by the Advisory Client.

#### Investments in Highly Leveraged Companies; Use of Leverage

While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a higher degree of risk. Investments will often involve varying degrees of leverage, which could magnify the impact of circumstances such as unfavorable market or economic conditions, operating problems and other changes that affect the relevant portfolio company or its industry, resulting in a more pronounced effect of such circumstances on the profitability or prospects of such companies.

These risks generally are expected to increase as interest rates rise, including in circumstances where a portfolio company's creditworthiness is such that it must borrow at higher interest rates than are available to the relevant Advisory Client. Except where otherwise required by the relevant governing documents, an Advisory Client will not be obligated to borrow on behalf of a portfolio company, even in circumstances where the Advisory Client's creditworthiness would permit borrowing at a lower rate than is available to the portfolio company.

### Risk of Investments in Less Established Companies

An Advisory Client could invest a portion of its assets in less established companies. Investments in such early-stage companies will likely involve greater risks than are generally associated with investments in more established companies. Less established companies tend to have lower capitalizations and fewer resources, and therefore, are often more vulnerable to financial failure. Such companies also often have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow.

### Below Investment-Grade Assets Involve Particular Risks

An Advisory Client could invest in non-investment grade loans or interests in non-investment grade loans and other debt securities, which are subject to liquidity, market value, credit, interest rate, reinvestment and certain other risks and generally will be subject to greater risks than investment grade corporate obligations and overall greater risk of timely payment of principal and interest.

### Lender Liability Considerations and Equitable Subordination

A number of judicial decisions have upheld judgments of borrowers against lending institutions on the basis of various evolving legal theories, collectively termed “lender liability.” Because of the nature of the assets in which an Advisory Client expects to invest, it has the potential to be subject to allegations of lender liability. In addition, under common law principles that in some cases form the basis for lender liability claims, if a lender or bondholder (a) intentionally takes an action that results in the undercapitalization of a borrower to the detriment of other creditors of such borrower, (b) engages in other inequitable conduct to the detriment of such other creditors, (c) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (d) uses its influence as a stockholder to dominate or control a borrower to the detriment of other creditors of such borrower, a court could elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors, a remedy called “equitable subordination.”

### Investing in Loans Involves Particular Risks

An Advisory Client could acquire interests in loans either directly (by way of assignment from the selling institution) or indirectly (by purchasing a participation interest from the selling institution or through the acquisition of synthetic securities). Holders of participation interests and synthetic securities are subject to additional risks not applicable to a holder of a direct interest in a loan. Such risks might include risk that a counterparty other than the borrower is not creditworthy.

### Interest Rate Fluctuations

General interest rate fluctuations have the potential to have a substantial negative impact on an Advisory Client’s investment and investment opportunities and accordingly will likely have a material adverse effect on an Advisory Client’s investment objectives and the rate of return on invested capital. The securities in which an Advisory Client will invest have valuations which are

based on numerous factors, including specific company characteristics. However, such securities are also susceptible to fluctuations in interest rates and, like treasury bonds, the prices of securities can increase when interest rates fall and decline when interest rates rise.

### Investing in Structured Finance Obligations Involves Particular Risks

An Advisory Client that invests in structured finance obligations will often be subject to prepayment risk, credit risk, liquidity risk, market risk, structural risk, legal risk and interest rate risk (which could be exacerbated if the interest rate payable on a structured finance obligation changes based on multiples of changes in interest rates or inversely to changes in interest rates).

### Distressed Investments

An Advisory Client's investment program could include making distressed investments, including in companies that are experiencing financial or operational difficulties or are otherwise out-of-favor. Such investments will often be premised on a turnaround strategy. If turnarounds are not achieved, these companies could experience failures or substantial declines in value, and the Advisory Client will likely not be able to divest itself of such unprofitable investments in a timely fashion or at all. Additionally, turnarounds have the potential to not be achieved within the contemplated investment horizons.

In certain circumstances the execution of a distressed investing strategy involves the ability to identify and exploit the relationships between movements in different securities and instruments within an issuer's or borrower's capital structure (e.g., senior bank debt, second liens, debt securities and other obligations, convertible and non-convertible senior and subordinated debt, preferred equity and common stock). In the event that the perceived pricing inefficiencies underlying an issuer's securities or instruments were to fail to materialize as expected, an Advisory Client could incur a loss.

### Bankruptcy Risks

Bankruptcy proceedings are inherently litigious, time consuming, highly complex and driven extensively by facts and circumstances, which can result in challenges in predicting outcomes. The equitable power of bankruptcy judges also can result in uncertainty as to the ultimate resolution of claims. Security interests held by creditors are closely scrutinized and frequently challenged in bankruptcy proceedings and could be invalidated for a variety of reasons. Serving on an official or unofficial committee increases the possibility that an Advisory Client will be deemed an "insider" or a "fiduciary" of the company it has so assisted and has the potential to restrict the Advisory Client's trading of its investments in such company. Should such assistance be provided before a company enters bankruptcy proceedings, the Bankruptcy court, under certain conditions such as a finding of fraud or inequitable conduct, could invoke the doctrine of "equitable subordination" with respect to any claim or equity interest held by the Advisory Client in such company and subordinate any such claim or equity interest in whole or in part to other claims or equity interests in such company. If a security interest is invalidated, the secured creditor loses the value of the collateral and because loss of the secured status causes the claim to be treated as an unsecured claim, the holder of such claim will almost certainly experience a significant loss of its investment.

## Tax Risks

There could be significant tax risk associated with investing in certain Advisory Clients. Many of these tax risks are at the investment entity level and will be beyond the control of the Advisory Client. Therefore, potential Investors are strongly urged to consult their own independent tax advisors with regard to the tax consequences involved in an investment with a Rockland-sponsored vehicle, with specific reference to the particulars of their individual tax situation, as well as to review carefully the offering and governing documents of the applicable Advisory Client.

## Energy Industry Risks

Investments in the energy industry are subject to certain special risks, including the volatility of commodity prices, regulatory risk, regulatory approvals, political and social changes, documentation and other legal risk, sovereign risk, change of law, renewable energy policy risk, uncertainty of estimates, land title risk, construction risk, environmental matters, catastrophe risk, terrorist activities, climate change risk and new technology risk.

## Real Estate Risks Generally

An Advisory Client that invests in real estate will be subject to the risks inherent in the ownership and operation of real estate and real estate-related businesses and assets. These risks include, but are not limited to, the burdens of ownership of real property, general and local economic conditions, the supply and demand for properties, energy and supply shortages, changes in availability of debt financing which have the potential to render the sale or refinancing of properties difficult or impracticable, changes in building, environmental and other laws and/or regulations, zoning laws, changes in real property tax rates, changes in interest rates which have the potential to render the sale or refinancing of properties difficult or impracticable, negative developments in the economy that depress communities, environmental liabilities, contingent liabilities on disposition of assets, uninsured or uninsurable casualties, acts of God, terrorist attacks and war and other factors which are beyond the control of the general partner or the investment adviser of such Advisory Client. There is no assurance that there will be a ready market for resale of investments because investments will generally not be liquid. Illiquidity could result from the absence of an established market for the investments, as well as legal or contractual restrictions on their resale by the Advisory Client.

## Operational Risks/Force Majeure

The operation and maintenance of infrastructure facilities involve various operational risks, including labor issues, failure of technology to perform as anticipated, structural failures and accidents. Events outside the control of a portfolio company, such as demographic changes, economic growth, increasing fuel prices, government macroeconomic policies, social stability, or force majeure events, could significantly reduce the revenues generated or significantly increase the expense of constructing, operating, maintaining or restoring infrastructure facilities.

### Risks in Effecting Capital Improvements or Expansion

In connection with any expansion of a facility or acquisition of a facility in late-stage development, a portfolio company could also face construction risks typical for infrastructure businesses, including, without limitation, (i) labor disputes, shortages of material and skilled labor or work stoppages, (ii) slower than projected construction progress and the unavailability or late delivery of necessary equipment, (iii) less than optimal coordination with public utilities in the relocation of their facilities, (iv) adverse weather conditions and unexpected construction conditions, (v) accidents or the breakdown or failure of construction equipment or processes, and (vi) catastrophic events such as explosions, fires and terrorist activities and other similar events beyond an Advisory Client's control.

### Operating Pursuant to Complex Government Licenses, Leases, Concessions or Contracts; Regulatory Approvals

A portfolio company could be subject to substantial regulation by government agencies. In addition, a portfolio company's operations could rely on government licenses, concessions, leases or contracts that are generally very complex and could result in a dispute over interpretation or enforceability. Where a portfolio company holds a concession or lease from the government, the concession or lease have the potential to restrict the portfolio company's ability to operate the business in a way that maximizes cash flows and profitability. Moreover, additional regulatory approvals, including, without limitation, renewals, extensions, transfers, assignments, reissuances or similar actions, could become applicable in the future due to a change in laws and regulations, a change in the portfolio companies' customer(s) or for other reasons.

### Volatility of Coal, Oil and Natural Gas Prices

The performance of certain investments will be substantially dependent upon prevailing prices of coal, oil and natural gas. Historically, the markets for coal, oil and natural gas have been volatile, and such markets are likely to continue to be volatile in the future.

### Environmental Matters & Regulatory Approvals

The operations of the portfolio companies and the real property upon which they operate will be subject to various federal, state regional, provincial, local and foreign laws, regulations, directives and policies relating to, among other things, hazardous substances, natural resources and protection of human health, safety and the environment. Portfolio companies require numerous regulatory approvals and permits to commence and continue their operations. The approvals and permits are subject to extensive scrutiny by governmental authorities and others prior to and during issuance, renewal, modification, amendment and periodic facility inspections which scrutiny can result in business interruption and the incurrence of substantial capital expenditures. In addition, many portfolio companies will be required to obtain emissions reduction credits or similar emission trading credits. Under the programs that create these credits, the costs of the credits can be significant and will likely fluctuate substantially over time. Moreover, these programs can result in limiting the operations of portfolio companies. A portfolio company could be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative



interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such company. There can be no assurance that a portfolio company will be able (i) to obtain all required regulatory approvals that it does not yet have or that it will require in the future; (ii) to obtain any necessary modifications to existing regulatory approvals; or (iii) to maintain required regulatory approvals.

### Regulation of Greenhouse Gases

Both in the United States and globally, emissions of greenhouse gases (“GHGs”) are increasingly regarded as linked to global climate change; this could lead to more stringent regulation of GHGs in the future. Increased public concern and mounting political pressure could result in more federal, state or international requirements to reduce or mitigate the effects of GHGs. In response to published findings that emissions of carbon dioxide, methane and other GHGs present an endangerment to public health and the environment, the United States Environmental Protection Agency (“EPA”) has adopted regulations under existing provisions of the federal Clean Air Act that, among other things, establish Prevention of Significant Deterioration (“PSD”) construction and Title V operating permit reviews for certain large stationary sources that are potential major sources of GHG emissions. Facilities required to obtain PSD permits for their GHG emissions also are required to meet “best available control technology” standards that could be established by the states or, in some cases, by the EPA on a case-by-case basis. These EPA rulemakings could adversely affect a portfolio company’s operations and restrict or delay its ability to obtain air permits for new or modified sources. In addition, the EPA has adopted rules requiring the monitoring and reporting of GHG emissions from specified sources in the United States on an annual basis. In January 2021, the Biden administration issued an executive order directing all federal agencies to review and take action to address any federal regulations, orders, guidance documents, policies and any similar agency actions promulgated during the prior administration that could be inconsistent with the administration’s policies. In 2022 the SEC proposed significant rulemaking intended to enhance and standardize climate-related disclosures by public companies as well as by registered and exempt investment advisers and registered investment companies, including disclosure of GHG emissions. In addition, Congress has considered legislation to restrict or regulate emissions of greenhouse gases. The Inflation Reduction Act of 2022, signed into law by President Biden in August 2022, also provides significant funding and incentives for research and development of low-carbon energy production methods, carbon capture, and other programs directed at addressing climate change, for instance through the imposition of a first-ever methane emissions fee applicable to certain categories of facilities. While it remains unclear whether Congress will be able to agree on comprehensive climate legislation in the near future, energy legislation and other initiatives could seek to address GHG emissions issues or restrict oil and gas operations. In the absence of federal climate legislation, almost half of the states, either individually or through multi-state regional initiatives, have begun to address GHG emissions, primarily through the planned development of emission inventories or regional GHG cap and trade programs. Although it is not possible at this time to predict how legislation or new regulations that could be adopted to address GHG emissions would impact each Advisory Client’s investment program, any such future laws and regulations imposing reporting obligations on, or limiting emissions of GHGs from, a portfolio company’s equipment and operations could present transitions risks to the portfolio company and require it to incur capital expenditures and other costs to reduce emissions of GHGs associated with its operations. Substantial limitations on GHG

emissions and foreign governments' pursuit of climate change goals could also adversely affect demand for oil and natural gas. Finally, it should be noted that some scientists have concluded that increasing concentrations of GHGs in the Earth's atmosphere could produce climate changes that have significant physical effects, such as increased frequency and severity of storms, floods and other climatic events; if any such effects were to occur, they could have an adverse effect on a portfolio company's operations. Substantial limitations on GHG emissions could also adversely affect demand for oil and natural gas. Changes in the regulation of GHGs could impact an Advisory Client's portfolio company investment or make future investments undesirable.

### Environmental Liabilities and Risks

Large-scale infrastructure projects in which the Advisory Clients intend to invest could have a significant impact on their local environments, or be particularly susceptible to events or changes in those environments or to requirements of political or administrative authorities in respect of their environmental impact. In addition, several U.S. federal environmental regulatory programs could impact or potentially impact the Advisory Clients' portfolio companies, including the Clean Air Act and regulations thereunder, which regulate air emissions; the Clean Water Act and regulations thereunder, which regulate the discharge of pollutants in industrial wastewater and storm water runoff; the Resource Conservation and Recovery Act and regulations thereunder, which regulate the management and disposal of hazardous and non-hazardous solid wastes; and the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA" or known more commonly as "Superfund") and regulations thereunder, which impose liability for the remediation of releases of hazardous substances in the environment; in addition to regulation under the Occupational Safety and Health Act ("OSH Act") and regulations thereunder, which regulate the protection of the safety and health of workers. Analogous state and local laws and regulations could also apply. An owner or operator of an infrastructure asset could be liable for past and future damages caused by emissions or releases to the environment located on or emitted from or otherwise attributable to the asset, as well as for the costs of remediation and, in some circumstances, fines, penalties or other sanctions. Such liabilities can be strict, joint and several, and could exceed the value of the infrastructure asset at issue and could result in claims against the owner or operator that would result in the loss of other assets of the owner or operator. While Rockland will endeavor to acquire infrastructure assets that do not present a material risk of such liabilities, environmental liabilities could arise as a result of various factors, including changes in laws or regulations and the existence of conditions that were unknown at the time of acquisition or operation or are beyond the control of Rockland. If the Advisory Clients' portfolio companies are subject to liability under these environmental laws or regulations, there could be a material and adverse impact on the Advisory Clients' financial performance. Under certain circumstances, environmental authorities and other parties could seek to impose personal liability on the limited partners or a partnership (such as the Advisory Clients) subject to environmental liability. However, an Investor in an Advisory Client could reduce its risk of such personal liability by avoiding activities with respect to an Advisory Client's portfolio investments other than as specifically contemplated by the applicable governing documents.

## Weather and Climate Risks

Certain energy companies and assets are particularly sensitive to changing weather and climate conditions. There can be no assurance that weather and climate patterns will remain constant or be predictable throughout the term of an Advisory Client. Accordingly, the profitability of an Advisory Client's portfolio companies and projects could be adversely affected by weather and climate changes, thereby potentially decreasing aggregate returns to the Advisory Client.

## Environmental, Social & Governance ("ESG") Matters

ESG matters have been the subject of increased focus by regulators in the U.S. and European Union, among other jurisdictions. While Rockland strives to implement ESG practices, there can be no assurance that Rockland will be able to identify all ESG issues or will be able to successfully implement its Environmental Stewardship & Social Responsibility Governance policy ("ESG Policy"). The use of ESG metrics in the investment process is subjective and is not subject to uniform standards, and, as such, there is no guarantee that Rockland will be able to accurately assess and measure the ESG risks and ESG compliance of an Advisory Client's investments and/or potential investments. In evaluating an investment's ESG characteristics, Rockland expects to also rely on information and data from third party providers, which will often be incomplete, inaccurate or unavailable. As a result, there is a risk that Rockland could incorrectly assess an investment or potential investment. There is also a risk that Rockland will not apply the relevant ESG criteria in their ESG Policy correctly or that a portfolio could have indirect exposure to issuers that do not meet the relevant criteria in Rockland's ESG Policy used by such portfolio. While Rockland views ESG considerations as having the potential to contribute to an investment's long-term performance, there is no guarantee that such results will be achieved. The ESG-based exclusionary criteria in Rockland's ESG Policy could result in an Advisory Client foregoing opportunities to make certain investments when it might otherwise be advantageous to do so, and/or selling certain investments due to their ESG characteristics when it might be disadvantageous to do so. Rockland's ESG Policy could affect an Advisory Client's investment performance (including by increasing expenses) and, as such, an Advisory Client could perform differently compared to similar funds that do not use such criteria. Additionally, it should not be assumed that the ESG Policy will apply to every investment in which the Advisory Clients invest or that they have been applied to all of the Advisory Clients' prior investments. ESG is only one of many considerations that Rockland takes into account when making investment decisions, and other considerations can be expected in certain circumstances to outweigh ESG considerations. Any ESG information provided is intended solely to provide an indication of ESG initiatives and standards that Rockland applies when seeking to evaluate and/or improve the ESG characteristics of an investment as part of the larger goal of maximizing financial returns on investments. Accordingly, certain investments will, from time to time, exhibit characteristics that are inconsistent with the practices or standards described in Rockland's ESG Policy.

Enacted or proposed "anti-ESG" legislation in certain states require that relevant state entities or the administrators of state investments base their investment decisions solely on financial factors or investment returns without consideration of certain ESG factors. In addition, other potential investors could voluntarily implement strategies to limit their investments in such funds. To the extent such state laws apply to prospective investors in the Advisory Clients or a significant

number of such prospective investors adopt strategies to limit their investments in private funds that consider ESG factors in their investment process, Rockland could be required to modify or eliminate its ESG policies to the extent Rockland targets such investors for investment in the Advisory Clients, or limit its investor base to exclude such investors, which could materially affect the amount of capital an Advisory Client has available for implementing its investment objectives. In addition, the evolving nature of ESG and sustainability-related regulations and practices means that there is likely to be in the future a degree of divergence as to the regulatory and market meaning of such terms, as well as the divergent views on the degrees to which such matters contribute to long-term performance.

### Competition for ESG and Climate-Related Investments

Due to increasing market interest in ESG and climate-related investing, the Advisory Clients are likely to encounter competition from other entities having a similar focus on these areas. Rockland expects that competition for appropriate investment opportunities in these areas will increase, which could increase the difficulty of finding investments at attractive prices or at all, increase the pressure on the Advisory Clients to seek investments that are perhaps more vulnerable to greenwashing claims or allegations, increase the likelihood the Advisory Clients will pay higher prices for investments, conduct less due diligence and/or provide certain seller favorable terms in transactions, and/or decrease the likelihood of the Advisory Clients obtaining buyer favorable terms in transactions.

### Systems and Cybersecurity Risks

Investment advisers, including the Company, rely extensively on computer programs and systems (and could rely on new systems and technology in the future) for various purposes, including, without limitation, evaluating prospective investments, monitoring current investments, and generating risk management and other reports that are critical to the oversight of such an adviser's activities. The Company and the Advisory Clients generally rely on information technology systems for current and planned operations. Information and technology systems have the potential to be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If any systems designed to manage such risks are compromised, become inoperable for extended periods of time or cease to function properly, the Company could have to make a significant investment to fix or replace them. Any disruption in any of these systems or the failure of any of these systems to operate as expected could, depending on the magnitude of the problem, adversely affect an Advisory Client's investment results and its ability to make distributions to its partners. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Company's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to Investors (and the beneficial owners of Investors). Such a failure could harm the Company's reputation, subject us (and/or our respective affiliates) to legal claims and otherwise affect our business and financial performance. It is also possible that similar breaches or unauthorized dissemination of proprietary materials in connection with a portfolio company or

service provider could adversely affect the financial performance of such portfolio company and therefore of the relevant Advisory Client.

### Global Economic Conditions; Market Dislocation

General global economic conditions could affect an Advisory Client's activities. Interest rates, general levels of economic activity, fluctuations in the market price of securities and participation by other investors in the financial markets could affect the value and number of investments made by an Advisory Client. The instability in the securities markets could increase the risks in portfolio investments made by an Advisory Client. If an Advisory Client's portfolio companies participate in such markets, the results of their operations could suffer. In addition, if marketplace events continue (or worsen), this could harm the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Any resulting economic downturn could adversely affect the financial resources of an Advisory Client's portfolio companies and their ability to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such defaults, an Advisory Client could lose both invested capital in and anticipated profits from those portfolio companies.

In addition, current global economic conditions have the potential to materially and adversely affect (i) the ability of an Advisory Client, its portfolio companies or their respective affiliates to access credit markets on favorable terms or at all in connection with the financing or refinancing of investments, (ii) the ability or willingness of certain counterparties to do business with an Advisory Client or its affiliates, (iii) an Advisory Client's exposure to the credit risk of others in its dealings with various counterparties (for example, in connection with joint ventures or the maintenance with financial institutions of reserves in cash or cash equivalents), (iv) consumer spending and demand for the products and services offered by an Advisory Client portfolio companies, (v) growth opportunity for an Advisory Client's investments, (vi) an Advisory Client ability to exit its investments at desired times, on favorable terms, or at all, (vii) availability of reliable insurance on favorable terms or at all, and (viii) the ability of an Advisory Client's Investors to meet their obligations to an Advisory Client promptly or at all.

### Russia-Ukraine Conflict

The Russian Federation invaded Ukraine on February 24, 2022. Geopolitical tensions have mounted in response and the U.S., the United Kingdom, European Union ("EU") member states, and other countries have imposed economic sanctions on the Russian Federation, parts of Ukraine, as well as various designated parties. As further military conflicts and economic sanctions continue to evolve, it has become increasingly difficult to predict the effect of these events or how long they will last. Depending on direction and timing, the Russian Federation-Ukraine conflict could significantly exacerbate the normal risks associated with a fund and lead to adverse changes to, among other things: (i) general economic and market conditions; (ii) shipping, energy and transportation costs and supply chain constraints; (iii) interest rates, currency exchange rates, and expenses associated with currency management transactions; (iv) demand for investments; (v) available credit in certain markets; (vi) import and export activity from certain markets; and (vii) laws, regulations, treaties, pacts, accords and governmental policies. Economic and military sanctions related to the Russian Federation-Ukraine conflict, or other conflicts, could affect

markets, global supply and demand, import/export policies, and the availability of labor in certain markets. There is no guarantee that such sanctions and economic actions will abate or that more restrictive measures will not be put in place in the near term. It is also expected that the Russian Federation-Ukraine conflict could spark further sanctions or military conflicts which will impact other regions. The foregoing could seriously impact each Advisory Client's operations and its ability to realize its investment objectives timely.

### Inflation

Certain countries have experienced and could in the future experience substantial, and in some periods extremely high, rates of inflation. Inflation and rapid fluctuations in inflation rates have harmed and could continue to harm the economies and securities markets (both public and private) of certain countries in which the Advisory Clients invest. There can be no assurance that high rates of inflation will not have a material adverse effect on the investments of the Advisory Clients.

### Banking System Volatility

Rockland, the Advisory Clients' general partners, the Advisory Clients and the portfolio companies maintain substantially all of their respective cash and cash equivalents in accounts with major U.S. and multi-national financial institutions, and their respective deposits at certain of these institutions could exceed the insured limits, where applicable. Furthermore, a large percentage of the foregoing's respective cash and cash equivalents could be held by a single financial institution or a limited number of institutions. The aforementioned events could impact the viability of these institutions. In the event of failure of any of the financial institutions where Rockland, the Advisory Clients' general partners, the Advisory Clients or any portfolio company maintains its respective cash and cash equivalents, there can be no assurance that each would be able to access uninsured funds in a timely manner or at all. Ordinarily, Rockland, the Advisory Clients' general partners, the Advisory Clients and the portfolio companies will be unsecured creditors with respect to cash and cash equivalents held with such institutions in excess of insured deposit limits, and therefore could be exposed to a credit risk. Furthermore, the Advisory Clients could be unable to call capital from the Investors until it sets up a new deposit account at a different institution (which could be a time-consuming process and could be prohibited by the terms of the Advisory Clients' then-existing credit facilities). If Rockland, the Advisory Clients' general partners, the Advisory Clients or the portfolio companies have credit facilities and deposit accounts provided by the same financial institution, and such institution fails, the Advisory Clients could be required to make more frequent capital calls to Investors and Rockland, the Advisory Clients and portfolio companies could face significant difficulties in funding any near-term obligations they have. Additionally, the Advisory Clients general partners will potentially not have a meaningful (or any) role in selecting the financial institutions used by portfolio companies and must rely on underlying sponsors or portfolio company management to select banking services. Likewise, the Investors use various financial institutions. In the event that an institution used by an Investor fails, such Investor could be unable to satisfy capital calls made by the Advisory Clients' general partners. This could result in the Advisory Clients general partners utilizing shortfall funding solutions as available to the Advisory Clients and as permitted by Advisory Clients' governing documents. Any inability to access, or delay in accessing, these funds (including the inability of an Investor to fund its capital commitments) could adversely affect the business and financial position of

Rockland, the Advisory Clients' general partners, the Advisory Clients or the applicable portfolio company.

The closing of Silicon Valley Bank and Signature Bank, and any additional closures that have the potential to occur within the banking system, as well as the placement into receivership by the FDIC or other regulators, or bankruptcy, of any banks or other financial institutions, in each case, will negatively impact the availability of certain financial services to their respective clients, which could include Rockland, the Advisory Clients' general partners, the Advisory Clients, portfolio companies or such financial service providers and could require such clients to establish new bank relationships. Such events have the potential to significantly increase Rockland's, the Advisory Clients' general partners' and the Advisory Clients' costs, negatively impact the Advisory Clients' ability to execute on pending transactions, including with respect to the ability to draw down amounts under credit facilities, and divert Rockland's time, attention and resources away from the pursuit of the Advisory Clients' investment strategies. Furthermore, such events have the potential to also increase counterparty risk, including raising the likelihood of defaults or bankruptcies by counterparties and their major customers that rely on such bank relationships. Depending on ongoing developments, regulatory guidance and timing, such events have the potential to significantly exacerbate the normal risks associated with the Advisory Clients and result in adverse changes to, among other things: (i) general economic and market conditions; (ii) interest rates, currency exchange rates, and expenses associated with currency management transactions; (iii) demand for investments; (iv) availability of credit in certain markets; and (v) laws, regulations and governmental policies. In addition, such events could lead to financial system and participant regulatory reform, and such increased regulatory oversight could impose additional administrative burden and costs on Rockland, the Advisory Clients' general partners, the Advisory Clients and their portfolio companies. The foregoing could materially adversely impact the operations of the Advisory Clients and their portfolio companies and the Advisory Clients' ability to realize its investment objectives in a timely manner. It is currently unclear what the ultimate effect of the situation will be on the private equity industry and global financial markets as a whole.

#### Access to Deposits

Rockland maintains the majority of their and the Advisory Clients' cash and cash equivalents in accounts with major U.S. and multi-national financial institutions, and Rockland and the Advisory Clients' deposits at these institutions often will exceed insured limits. Market conditions can impact the viability of these institutions. In the event of failure of any of the financial institutions where Rockland maintains its and the Advisory Clients' cash and cash equivalents, there can be no assurance that Rockland would be able to access uninsured funds in a timely manner or at all. Any inability to access or delay in accessing these funds could adversely affect Rockland's or the Advisory Clients' business and financial position.

#### Business Continuity Plans

In the event of unforeseen catastrophic events, such as natural disasters, terrorist attacks and epidemics, the Adviser will begin its business continuity plan to safeguard that its employees have the resources and technology necessary to continue their responsibilities and meet portfolio company and Investor needs. The business continuity plan is tested to ensure that appropriate

measures are put in place to measure any such catastrophic events. Despite such measures, Rockland cannot predict the level of disruption that such catastrophic events could have on its operation or the ability of the plan to succeed in a time of crisis, and such plans could still result in reduced collaboration and less ideal communication and supervision relative to traditional office structures which could severely impair Rockland's, the Advisory Clients', and its portfolio companies' business and operations. If personnel, as a result of working remotely, rely more heavily on external sources for information and technology systems for their business-related communications and information sharing, that business will likely be more vulnerable to cybersecurity incidents and cyberattacks and could have more difficulty resuming normal operations if it is the target of such incident or attack. Similar types of operational risks are also present for the portfolio companies in which the Advisory Clients invest, which could have material adverse consequences for such companies and could cause the Advisory Clients' investments to lose value. While Rockland has limited ability to control these risks at the portfolio-company level, Rockland will work with portfolio companies to implement their own business continuity plans, where the opportunity arises.

#### U.S. Taxation of Carried Interest

U.S. federal income tax law treats certain allocations of capital gains to service providers by partnerships such as the Advisory Clients as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset that generated such gain for more than three years. Additionally, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as the Advisory Clients (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law are treated as an allocation of the partnership's income (and which could be taxed at lower rates than ordinary income). Such rules, as well as any such legislation that could be enacted in the future, could apply to reduce the after-tax returns of individuals associated with an Advisory Client, its general partner, or Rockland who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the relevant general partner and its affiliates to incentivize, attract and retain individuals to perform services for an Advisory Client. This creates potential incentives for Rockland to cause an Advisory Client to hold investments for a longer period than would be the case if such greater-than-three-year holding period requirement did not exist.

#### *Other Risks*

In addition to the material risks discussed above, Investors in a particular Advisory Client should review such vehicle's offering documents to understand the other risks.

#### Non-U.S. Investments

For example, for an Advisory Client that invests in a non-U.S. country, investments involve certain factors not typically associated with investing in the United States, including risks relating to (i) differences between the U.S. and non-U.S. securities markets, including potential price volatility in and relative illiquidity of some non-U.S. securities markets; (ii) certain economic and political risks, including potential exchange-control regulations and restrictions on non-U.S. investments and repatriation of capital, the risks associated with political, economic or social instability and



the possibility of expropriation or confiscatory taxation; (iii) the possible imposition of non-U.S. taxes on income and gains recognized with respect to such securities; (iv) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements, and differences in government supervision and regulation and (v) moreover, less developed laws regarding corporate governance, fiduciary duties and the protection of Investors.

### Litigation

In the ordinary course of business, Rockland could become a party to litigation, disputes and other potential claims.

### Indemnification

Each Rockland Advisory Client generally will be required to indemnify its general partner (or similar managing fiduciary), its investment adviser, their affiliates and each of their respective members, officers, directors, employees, consultants, advisors, senior advisors, stockholders, shareholders, partners and other persons who serve at the request of its general partner on behalf of the Advisory Client for liabilities incurred in connection with the affairs of such Advisory Client. Where applicable, members of an investment committee of Investors unaffiliated with Rockland (the “Investor Advisory Committee”) of such Advisory Client will often also be entitled to the benefit of certain indemnification and exculpation provisions as set forth in the applicable Advisory Client’s governing documents.

### Recycling; Reinvestment

Under certain circumstances, proceeds distributable (or previously distributed) to the Investors in a Rockland Advisory Client could be retained and reinvested (or recalled for reinvestment) by its general partner or used (or recalled for use) by its general partner. Accordingly, due to the recycling of capital commitments, an Investor will, in certain circumstances, be required to fund an aggregate amount in excess of its capital commitment during the Advisory Client’s term.

### Failure to Make Capital Contributions

If an Investor fails to pay when due installments of its commitment to a Rockland Advisory Client, and the capital contributions made by non-defaulting Investors and borrowings by the Advisory Client are inadequate to cover the defaulted capital contribution, an Advisory Client could be unable to pay its obligations when due. As a result, the Advisory Client has the potential to be subjected to significant penalties that could materially adversely affect the returns to the Investors (including non-defaulting Investors).

### Dilution from Subsequent Closings

Where applicable, Investors subscribing for interests at subsequent closings of a Rockland Advisory Client generally will participate in existing investments, diluting the interest of existing Investors therein. Although such Investors generally will contribute their pro rata share of previously made draws (plus an additional amount thereon), there can be no assurance that this

payment will reflect the fair value of the Advisory Client's existing investments at the time such additional Investors subscribe for interests.

#### Diverse Investor Group

Investors will often have conflicting investment, tax and other interests with respect to their investments in a Rockland Advisory Client. As a consequence, conflicts of interest will arise in connection with decisions made by the general partner (or similar managing fiduciary) or investment adviser of an Advisory Client, including with respect to the nature or structuring of investments, that will likely be more beneficial for one Investor than for another Investor, especially with respect to limited partners' individual tax situations.

#### Public Disclosure

Some of the interests in the Rockland Advisory Clients will often be held by Investors, such as public pension plans and listed investment vehicles, which are subject to public disclosure requirements. To the extent that disclosure of confidential information relating to an Advisory Client or its portfolio companies results from interests being held by public Investors, an Advisory Client could be adversely affected.

#### Accuracy of Third-Party Information

Rockland or the Advisory Clients' general partners expect to select investments for the Advisory Clients, in part, based on information and data made available directly or indirectly by third parties. Rockland or the applicable Advisory Clients' general partners could be unable to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information will not be available.

#### Limited Access to Information

Investors' rights to information regarding a Rockland Advisory Client will be specified, and strictly limited, in the Advisory Client's governing documents.

#### No Market for Interests; Restrictions on Transfers

Interests in the Rockland Advisory Clients have not been registered under the Securities Act, or applicable securities laws of any U.S. state or the securities laws of any other jurisdiction and, therefore, cannot be resold unless they are subsequently registered under the Securities Act and any other applicable securities laws or an exemption from such registration is available. There is no public market for the interests in the Rockland Advisory Clients and one is not expected to develop. An Investor will not be permitted to directly or indirectly assign, sell, pledge, exchange or transfer any of its interests or any of its rights or obligations with respect to its interests without the prior written consent of the general partner (or other similar managing fiduciary) of the applicable Rockland Advisory Client, which consent could be given or withheld in accordance with the governing documents of the applicable Advisory Client.

## Compliance with Anti-Money Laundering Requirements

In response to increased regulatory concerns with respect to source of funds used in investment and other activities, Rockland and its affiliates will request Investors to provide additional documentation verifying, among other things, such Investors' identity and source of funds used to purchase their interests in the Advisory Client. Rockland and its affiliates could decline to accept a subscription on the basis of such information that is provided or if such information is not provided. Requests for documentation and additional information could be made at any time during which an Investor holds an interest in the Advisory Client. Rockland and its affiliates could be required to provide such information or report the failure to comply with such request, to appropriate governmental authorities, in certain circumstances without notifying the Investors that such information has been so provided. Rockland and its affiliates will take such steps as it determines are necessary to comply with applicable law, regulations, order, directives or special measures. These steps will often include prohibiting an Investor from making further contributions to the Advisory Client, depositing distributions to which an Investor would otherwise be entitled to in an escrow account or causing the exclusion of an Investor from the Advisory Client.

*Cybersecurity Risk.* Rockland, the Advisory Clients' general partners, the Advisory Clients, portfolio companies and service providers to Rockland and the general partners, rely on the Internet, computer networks, and various software and hardware (collectively, "information technology" or "IT" systems) for both internal and external-facing operations. Rockland and the general partners manage certain IT systems but also relies on third-party service providers and vendors that manage other IT systems and provide products and services critical to our business.

All IT systems are subject to cybersecurity threats, risks and vulnerabilities. While we have taken steps to protect our IT systems and confidential information, threat actors are increasingly sophisticated and using advanced tools and techniques to circumvent security controls, obfuscate data access and delete forensic evidence, which impacts our ability to timely and effectively detect, investigate and mitigate attacks and incidents. Additionally, continued remote and hybrid working arrangements present potentially increased risks associated with the prevalence of social engineering attacks and vulnerabilities inherent in many non-corporate and home networks.

The confidentiality, integrity and availability of our IT systems and confidential information is increasingly subject to the risk of cyberattacks, computer viruses (for example, ransomware), network failures, computer and telecommunication failures, infiltration by unauthorized persons, software "bugs" and vulnerabilities, usage errors, employee negligence, social engineering (for example, third parties inducing employees, investors, service providers or other users of our IT systems to gain access to our confidential information or that of a Advisory Client's Investors), power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If any security systems, counter measures or other controls designed to mitigate cyber-related risks are compromised, are disrupted or cease to function properly, Rockland, the Advisory Clients' general partners, the Advisory Clients and their respective affiliates could incur significant costs and liability due to the theft of Advisory Client assets (including proprietary information and intellectual property) and/or numerous other events including, but not limited to: disruption to our operations or the operations of any Advisory Clients, portfolio companies or critical third parties; litigation and regulatory enforcement; fines and penalties; increased preventative and protective

costs; increased remediation and compliance costs; reputational or brand damage, including the loss of current and future investors; and the loss of liquidity. Any of the foregoing could materially impact the Rockland's and the general partners' business prospects and/or financial position, as well as each Advisory Client's ability to achieve their investment objectives and/or conduct their operations, and there is no guarantee that any insurance policy would partially or fully cover such exposure.

### The AIFMD and the UK AIFMR

The Directive on Alternative Investment Fund Managers, together with any supplementary regulation implemented in the UK following Brexit ("UK AIFMR"), or subordinate legislation or guidance thereto implemented in any relevant jurisdiction (the "AIFMD"), imposes requirements on AIFMs (as defined in the AIFMD) that market AIFs (as defined in the AIFMD) to professional investors who are domiciled or have a registered office within the European Economic Area (the "EEA") or the UK, as applicable. The UK AIFMR currently imposes compliance obligations that are broadly similar to those described below in connection with a non-EEA AIFM marketing a non-EEA AIF.

For these purposes certain of the Advisory Clients are non-EEA and non-UK AIFs and Rockland is a non-EEA and non-UK AIFM. As a non-EEA entity, Rockland is required to comply with the national private placement regimes in those EEA member states that allow private placement and in which interests in an Advisory Client are marketed and sold. Compliance with these requirements has the potential to result in significant additional costs over the life of the Advisory Clients and could reduce returns to investors. In addition, Rockland relies on third party AIFMs to manage certain of its AIFs from time to time. Rockland and its affiliates and agents have endeavored to comply with these rules as interpreted but there is not absolute certainty as to their successful compliance. In the event that Rockland or any of its affiliates or agents, including any third party AIFMs, is found to have breached the provisions of the AIFMD (inadvertently or otherwise), such parties (and/or an Advisory Client indirectly) will likely face regulatory sanctions and/or EEA investors could seek to rescind their interests, which would result in significant costs and ultimately materially and adversely affect such Advisory Client.

### Data Privacy

The General Data Protection Regulation ("GDPR") governs the processing of personal data and is directly applicable in all EEA member states. The GDPR has been imposed into UK law as the UK General Data Protection Regulation ("UK GDPR") and sits alongside the UK Data Protection Act 2018 (together the "UK DP Laws"). To the extent that Rockland actively offers investment opportunities to, or monitors the behavior of, natural persons located in the EEA and the UK, Rockland will be: (i) deemed a "controller"; (ii) required to comply with the GDPR, UK DP Laws and any applicable local derogations; and (iii) subject to certain rules with respect to cross-border transfers of personal data from the EEA and the UK. For non-compliance, the GDPR imposes fines of up to €20 million (£17.5 million) or 4% of a company's total worldwide annual turnover of the preceding financial year, whichever is higher. In relation to any alleged non-compliance, Rockland could therefore incur additional costs, become subject to regulatory investigations or fines, face civil claims (including representative actions and class action type litigation) and experience

serious reputational damage – all of which could affect how Rockland conducts its business, reducing capital and time that can be deployed for making investments.

### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a potential Investor’s evaluation of Rockland or the integrity of our management. Rockland Capital, LP has no information applicable to this Item.

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

The Company organizes and sponsors the Advisory Clients. Affiliates of the Company serve as general partners (or in an analogous capacity) of, and control, the Advisory Clients. All such affiliated entities are registered investment advisers in accordance with SEC guidance under the Advisers Act pursuant to the registration of Rockland Capital, LP as an investment adviser with the SEC. These affiliated entities operate as a single advisory business collectively with the Company and share common owners, officers, members and employees. All of these affiliated entities are under common control and subject to the Company’s code of ethics and Advisers Act compliance program pursuant to the requirements of the Advisers Act.

Registered investment advisers are required to disclose all other financial industry activities and affiliations in order to provide information about conflicts of interest arising from certain activities of the adviser and its affiliates.

As discussed in Items 5 and 6 above, affiliates of the Company serve as a general partner or other managing fiduciary to each Advisory Client and are often entitled to receive performance-based carried interest distributions from the applicable Advisory Client. In addition, such general partner or other managing fiduciary or its employees will often receive Transaction Fees. The payment of Transaction Fees will create a conflict of interest, as the Company will be incentivized to cause a portfolio company to increase such fees. Any fees paid to the Company by a portfolio company or an Advisory Client are required to be on an arm’s-length basis and on terms that are no less favorable to the Advisory Client or portfolio company than would be obtained in a transaction with an unaffiliated party. Rockland’s policies prohibit the allocation of investment opportunities based on anticipated compensation or profits to Rockland, any affiliates or their professionals. Any such Transaction Fees received by the general partner or other managing fiduciary of an Advisory Client or any of their respective employees are required to be immediately remitted to the Company. Generally, a percentage of such Transaction Fees are used to offset each Advisory Client’s management fee.

The employees of Rockland and its affiliates expect to serve on the boards of directors of portfolio companies of Advisory Clients. Serving in such capacity will give rise to conflicts to the extent that an employee’s fiduciary duties to a portfolio company as a director conflict with the interests of an Advisory Client. As the interests of the portfolio company and the Advisory Client will generally be aligned, Rockland does not believe that the activities of employees serving in such capacity will conflict with the activities of the applicable Advisory Clients.

Rockland currently acts as investment adviser to a number of Advisory Clients, and related persons typically act as a general partner (or similar managing fiduciary) of such Advisory Clients. Rockland will face a number of conflicts of interest including, (i) allocation of investment opportunities among its Advisory Clients, (ii) Advisory Clients making investments in portfolio companies in which other Advisory Clients have a different principal investment and (iii) allocation of time of Rockland personnel to the business affairs of its Advisory Clients. Such conflicts of interest are discussed in more detail in Items 6, 8 and 11.

Rockland does not recommend or select other investment advisers for its Advisory Clients.

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

### **Code of Ethics**

Rockland has established and approved a Code of Ethics that sets forth standards of ethical conduct for employees and is designed to address and avoid certain conflicts of interest as required under Rule 204A-1 of the Advisers Act. Among other things, the Code of Ethics prescribes standards for dealing with clients ethically, addresses conflicts of interest issues, and supplements personal trading and operating procedures. The Code of Ethics provides guidance in specific areas, including but not limited to, confidentiality of the Company's information, personal investments, gifts and entertainment and personal political activities. Under the Code of Ethics, Rockland's staff is required to disclose their securities holdings and business activities. Trading in certain securities in personal accounts of Rockland staff is subject to pre-clearance and all securities holdings are subject to review by the Chief Compliance Officer. This Code of Ethics is available to Advisory Clients, Investors or prospective Advisory Clients or Investors by writing to Rockland Capital, LP, 24 Waterway Avenue, Suite 400, The Woodlands, TX, 77380, Attn: Chief Compliance Officer.

### **Principal Transactions**

Rockland, as investment manager, or an affiliate is permitted to engage in principal transactions (*i.e.*, transactions in which Rockland or an affiliate is deemed to be acting for its own account by buying a security from, or selling a security to, an Advisory Client). These transactions introduce a conflict of interest between its own interests and those of the Advisory Client. Rockland has established policies and procedures to comply with the Advisers Act when engaging in principal transactions with clients. Additionally, investment guidelines and an Advisory Client's charter documents could limit principal transactions on a more restrictive basis than the Advisers Act.

### **Notice and Consent**

In certain cases, a principal transaction will occur prior to the initial closing of an Advisory Client (*e.g.*, where an affiliate warehouses investments prior to selling them to an Advisory Client). Details of the principal transaction typically are disclosed in the offering documents of an Advisory Client. In other cases, principal transactions will occur after an Advisory Client has held an initial closing. In those cases, either the Advisory Client or an independent representative of the Advisory Client must receive notice of the transaction and consent to the transaction prior to Rockland or an affiliate settling the principal transaction. An Investor Advisory Committee is typically established

for each Advisory Client to, among other things, receive notice of, advise on and provide consent to certain conflicts of interest matters, such as principal transactions.

### **Cross Transactions**

Rockland is permitted to allow Advisory Clients to engage in cross transactions, which occur when a transaction is effected directly between two or more of Rockland's Advisory Clients.

Cross transactions have the potential to benefit clients because they can avoid transaction fees. They also create conflicts of interest because, by not exposing buy and sell transactions to market forces, clients will often not receive the benefits of best price, or, an adviser might seek to prop up the performance of one Advisory Client by selling under-performing assets to another Advisory Client in order, for example, to earn higher fees.

Rockland has established policies and procedures that address permissible cross transactions. Subject to the terms of the Advisory Client's organization documents: (i) notice must be provided to each Advisory Client or an independent representative of each such Advisory Client prior to proceeding with the cross transaction; (ii) if an Investor Advisory Committee of a particular Advisory Client has been established under the Advisory Client's charter and organizational documents, it must provide consent (generally by majority of the Committee's members) prior to engaging in such cross transaction; and (iii) records of such notices and consents must be maintained as part of Rockland's books and records. Typically, the charter and organizational documents for each of the Advisory Clients address permissible cross transactions.

### **Purchases and Sales of Securities by Advisory Clients and the Company and/or its Related Persons**

Rockland, its affiliates and equity owners typically invest in Rockland's Advisory Clients. Rockland has established policies and procedures which require prior approval of all personal trades of Rockland's staff, subject to applicable law. All Rockland staff must confirm their compliance with these policies and procedures annually.

### **Certain Conflicts of Interest**

Investors should be aware that there will be occasions when Rockland and its affiliates will encounter conflicts of interest in connection with an Advisory Client. There can be no assurance that Rockland will resolve all conflicts of interest in a manner that is favorable to a particular Advisory Client. In addition to the conflicts of interest discussed elsewhere in this Brochure, the following discussion enumerates certain conflicts of interest:

#### **Carried Interest**

As described in Items 5 and 6, carried interest will create an incentive for the general partner (or similar managing fiduciary) of a Rockland Advisory Client to make riskier or more speculative investments on behalf of such Advisory Client than would be the case in the absence of this arrangement.

### Other Activities of Management

Rockland personnel will devote such time as shall be reasonably necessary to conduct the business affairs of each Advisory Client in an appropriate manner. However, Rockland personnel will work on other projects, including spending time assisting other Advisory Clients with their investment activities and could work on other matters, including matters external to the business of Rockland. For example, investment professionals could serve on advisory boards or in similar capacities for other companies that Rockland does not believe compete with the Advisory Clients with respect to investment-related matters, and are permitted to receive compensation in connection with such services and roles, none of which will offset or otherwise reduce management fees. Therefore, conflicts could arise in the allocation of management resources.

### Possible Future Activities

Rockland and its affiliates in certain cases could expand the range of services it provides over time. Except as provided herein and in an Advisory Client's private placement memorandum or partnership agreement, Rockland and its affiliates will not be restricted in the scope of their business or in the performance of any such services (whether now offered or undertaken in the future) even if such activities could give rise to conflicts of interest, and whether such conflicts are described herein.

To the extent a former Rockland employee becomes employed by a portfolio company, no compensation earned by such former Rockland employee from such portfolio company will offset the management fee notwithstanding that such former employee has a remaining interest in the relevant Advisory Client's general partner or affiliated entity.

### Portfolio Company Board Participation

It is expected that members of the investment team of the general partners will serve as directors of certain of the portfolio companies, and as such, could have duties to persons other than the Advisory Clients and could be required to make decisions that they consider to be in the best interests of such portfolio company and its respective shareholders. In certain circumstances (for example in situations involving bankruptcy or near-insolvency of a portfolio company), actions that are in the best interests of the portfolio company may not be in the best interests of the Advisory Clients, and vice versa. Accordingly, in these situations, there will likely be conflicts of interests between an individual's duties as a member of the investment team of the general partner and an individual's duties as a director of the portfolio company.

Although such positions in certain circumstances could be important to the Advisory Clients' investment strategy and could enhance the applicable general partner's ability to manage investments, they could also have the effect of impairing the Advisory Clients' ability to sell the related securities when, and upon the terms, it could otherwise desire, and could subject the applicable general partner and/or the Advisory Clients to claims they would not otherwise be subject to as an Investor, including claims of breach of duty of loyalty, securities law claims and other director-related claims.



## Allocation of Investment Opportunities with Other Advisory Clients and Conflicting Fiduciary Duties

Rockland will likely, from time to time, be presented with investment opportunities that fall within the investment objectives of multiple Advisory Clients, and in such circumstances, except as otherwise provided in the governing documents of the applicable Advisory Client, Rockland will allocate such opportunities among the Advisory Clients on a basis that Rockland determines in good faith to be fair and reasonable taking into account all facts and circumstances Rockland deems relevant, including the requirements of the governing documents of the applicable Advisory Clients, the sourcing of the transaction, the nature of the investment focus of each Advisory Client, the relative amounts of capital available for investment, the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals for each such Advisory Client and other considerations deemed relevant by Rockland in good faith.

## Investments in Which Another Advisory Client Has a Different Principal Investment

An Advisory Client could make investments in portfolio companies in which other Advisory Clients have or are concurrently making a different principal investment at the time of such Advisory Client's investment (*e.g.*, in different parts of the capital structure). In such situations, the Advisory Clients will have conflicting interests (*e.g.*, over the terms of their respective investments).

## Company-wide Trade Allocation Procedures

Rockland has established trade allocation policies and procedures addressing Rockland's duties to allocate investment opportunities among Advisory Clients in a fair and equitable manner. Most investment opportunities that satisfy the investment parameters of a particular Advisory Client will be allocated exclusively to that particular Advisory Client. In certain cases, however, an investment opportunity will be appropriate for more than one Advisory Client. Any such allocation decisions are initially raised with the Investment Committee of the relevant Advisory Client that originated the investment opportunity. That particular Investment Committee, together with the Chief Compliance Officer, will review the opportunity to determine if an allocation to any other Advisory Client is appropriate in the first instance, taking into account, among other things, whether the investment satisfies each of the relevant Advisory Client's investment objectives and the Advisory Client's expected allocation based on its available capital commitments. If an investment opportunity will be allocated, the Chief Compliance Officer, will, to the extent practicable, determine in good faith that the allocation is fair and reasonable taking into account the relevant facts and circumstances and parameters of the Advisory Client's governing documents (or investment management agreement as applicable). In certain situations, participation of multiple Advisory Clients in a single transaction will require consent of the Investor Advisory Committee or the Investors of the participating Advisory Clients. Allocation decisions are periodically reviewed to determine the reasonableness and fairness of the allocation decisions. Rockland's policies prohibit the allocation of investment opportunities based on anticipated compensation or profits to Rockland, any affiliates or their professionals.

Certain Advisory Clients such as parallel and successor Rockland-sponsored Advisory Clients will often be subject to specialized allocation procedures set forth in the governing agreements of the applicable Advisory Clients.

#### Service Providers

The service providers or their affiliates (including any administrators, lenders, brokers or swap-dealers, attorneys, consultants and investment banking firms) of the Rockland Advisory Clients, Rockland or any of their affiliates will likely be Investors in an Advisory Client and/or sources of investment opportunities and co-investors or counterparties therewith. This has the potential to influence, or have the appearance of influencing Rockland's decision whether to select such service provider (especially for work related to Advisory Clients). As Rockland will select service providers based on the best interests of the applicable Advisory Clients, the Company does not believe the activities of service providers or their affiliates will conflict with the activities of the Company.

#### Side Letters

The general partner (or similar managing fiduciary) of a Rockland Advisory Client will enter into side letters or other similar agreements with Investors in connection with their admission to such Advisory Client without the approval of any other Investor. The side letters or other similar agreements will have the effect of establishing rights under, altering or supplementing the terms of the governing documents of the applicable Rockland Advisory Client with respect to one or more such Investors in a manner more favorable to such Investors than those applicable to other Investors.

#### Personal Trading

The principals and employees of Rockland will carry on personal investment activities for their own account, for family members or for others who do not invest in the Advisory Clients. The investment advice that such principals and employees give to such persons has the potential to differ from advice given to, or securities recommended or bought for, the Advisory Clients even though their investment objectives could be the same or similar.

#### Relationship among Advisory Clients and Co-Investment Opportunities

Rockland manages multiple Advisory Clients that have similar investment objectives. The obligation of Rockland to offer certain investment opportunities to each Advisory Client is subject to each Advisory Client's governing documents.

The organization and operation of the Advisory Clients will result in conflicts of interest in respect of allocation of time, resources and investment opportunities.

Rockland or its respective affiliates currently manage or expect in the future to manage a number of Advisory Clients that pursue investment strategies that are similar to, overlapping with, or related to the investment strategy of each other. In addition, to accommodate the participation by

one or more Investors (or related group of Investors), Rockland is generally permitted to establish one or more new Advisory Clients. Subject to its obligations to present investment opportunities to each Advisory Client during its commitment period, Rockland will first offer to an Advisory Client any investment opportunity presented to any of them which is consistent with such Advisory Client's primary investment objectives (provided that any investment opportunity relating to an existing Advisory Client can instead be presented to such existing Advisory Client); it being acknowledged and agreed that (i) if Rockland determines that an investment opportunity does not meet an Advisory Client's investment objectives or is otherwise not appropriate for an Advisory Client (for example, due to the size of the proposed investment, the target return profile, the projected hold period, any relevant diversification considerations or investment restrictions applicable to an Advisory Client or the sourcing of the opportunity, among other considerations), such investment opportunity can be offered to another Advisory Client managed by Rockland, and (ii) certain investment opportunities falling within an Advisory Client's investment objectives will likely also be suitable investments for other Advisory Clients, and, in such circumstances, those investment opportunities will be allocated among the Advisory Clients, as Rockland determines in accordance with its internal investment allocation policy, and accordingly, an Advisory Client is permitted to co-invest alongside other Advisory Clients in portfolio company investments. Rockland is permitted, but not required, to take into account one or more of the following considerations including, without limitation and by way of example only, the legal and contractual duties owed to an Advisory Client, the primary mandates of an Advisory Client, the capital available to an Advisory Client, any restrictions on investment, the sourcing of the transaction, the size of the transaction, the amount of potential follow-on investing that could be required for such investment and the other obligations of an Advisory Client, the relation of such opportunity to the investment strategy of an Advisory Client, reasons of portfolio balance, the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals for an Advisory Client and any other consideration deemed relevant by Rockland.

In addition, some Advisory Clients will, in certain cases, involve different terms and fee structures that incentivize Rockland to make more (or less) of such investment opportunities available to an Advisory Client and therefore present conflicts of interest in respect of the managing and monitoring of such investments and evaluating and executing on disposition opportunities. Accordingly, Rockland cannot assure equal treatment with respect to allocation of time, resources and investment opportunities.

The general partners serve as investment managers to certain co-investment vehicles that invest alongside the Advisory Clients in certain portfolio companies and also, from time to time, offer certain Investors or other persons the opportunity to co-invest directly in a portfolio company. The general partners have sole discretion in terms of offering such co-investment opportunities, and they have made, and could in the future make, an investment in, or otherwise participate in, any co-investment opportunity, either directly or through any vehicle formed to make a co-investment with an Advisory Client. Co-investment opportunities typically will be offered to some and not to other Advisory Client Investors, and the consideration of the factors set forth above likely will result in certain Investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. Rockland's exercise of discretion in allocating investment opportunities could, and often will, result in disproportionate allocations among investors that have expressed interest in co-investment opportunities, and such allocations

will likely be more or less advantageous to some such investors relative to other such investors. Co-investment opportunities typically will be offered to some and not to other Advisory Client investors.

In circumstances where an entire investment could be made by an Advisory Client, Rockland is still permitted to allocate a portion of such investment to one or more co-investment funds or other co-investors in accordance with such Advisory Client's partnership agreement and Rockland's allocation policy if, for example, Rockland believes in its good faith judgment that the full investment would unreasonably limit the diversification of the applicable Advisory Client or that a particular co-investor would add value to the Advisory Client or the investment. Finally, Rockland's allocation of investment opportunities often will not result in proportional allocations, and such allocations likely will be more or less advantageous to some such persons relative to others. While Rockland will allocate investment opportunities in a manner that it believes is fair and equitable under the circumstances over time and considering relevant factors, Advisory Clients will, in certain cases, involve different terms and fee structures, which could incentivize Rockland and its affiliates to make more (or less) of such investment opportunities available to an Advisory Client and/or such Advisory Clients and result in conflicts of interest in respect of the managing and monitoring of such investments and evaluating and executing on disposition opportunities. Accordingly, Rockland cannot assure equal treatment across the Advisory Clients, and there can be no assurance that an Advisory Client'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 Rockland expects to be subject, discussed herein, did not exist. The applicable general partner or any of its affiliates could require such co-investors to bear a carried interest, management fee and other costs with respect to any co-investment.

From time to time, for strategic and other reasons, a co-investment fund could subsequently purchase a portion of an investment from an Advisory Client. Rockland generally aims to complete such co-invest buy-down shortly after the applicable Advisory Client's consummation of the investment to avoid any potential change in valuation of the investment; however, in certain instances if a material period of time has elapsed, Rockland will make a determination in good faith as to the valuation at which co-investors buy-in. Such co-investment funds typically dispose of their investments in the applicable portfolio company at the same time and on the same terms as the Advisory Client making the investment.

Investors that participate in co-investments, whether directly or through a co-investment vehicle could be in a position to obtain additional information regarding the applicable portfolio company that is not generally be available to Investors in the Advisory Client. In addition, co-investors' interests are not always aligned with the Advisory Clients' interests and, if third party investors co-invest directly into a portfolio company, the relevant general partner's ability to control or influence such third parties will likely be more limited than if the co-investors were participating in a vehicle managed by Rockland. Co-investors typically bear their share of investment expenses related to portfolio investments, subject to certain exceptions. For example, if a potential investment or co-investment is not consummated, the full amount of any expenses relating to such potential but not consummated investment will typically be borne entirely by the primary Advisory Client or Advisory Clients allocated such investment rather than the co-investment vehicle or other co-investor. Similarly, subscription credit facility fees and expenses are generally allocated

entirely to the applicable Advisory Client that is the borrower under such facility. In addition, the Advisory Clients are permitted to co-invest with third parties through partnerships, joint ventures or other entities, which could have larger or controlling ownership interests in such portfolio companies than the Advisory Clients. Such investments could involve risks in connection with such third-party involvement, including the possibility that a third party could have financial difficulties resulting in a negative impact on such investment. Furthermore, a third-party co-investor could have economic or business interests or goals that are inconsistent with those of the Advisory Client, or could be in a position to take (or block) action in a matter contrary to the Advisory Client's investment objectives. In addition, the Advisory Client could in certain circumstances be liable for the actions of its third-party co-investors. Investments made with third parties in joint ventures or other entities have involved, and may in the future involve, compensation arrangements including carried interest and/or other fees payable to such third-party partners or co-investors, particularly in those circumstances where such third-party partners or co-investors include a management group. There can be no assurance that minority rights will be available or that such rights will provide sufficient protection of the Advisory Client's interests.

Rockland frequently makes investments on behalf of the Advisory Clients with the expectation that co-investors will participate in the investment. In the event that Rockland is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, one or more Advisory Clients will consequently hold a greater concentration and have a larger exposure in the related investment opportunity than was intended, which could make such Advisory Clients more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. In addition, an Advisory Client will bear the risk that any or all of the excess portion of such investment could only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the applicable general partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the applicable general partner's interest in limiting the Advisory Client's exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Advisory Client would be required to (i) bear the entire portion of any break-up, topping or other fees, costs, and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio company, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment. Moreover, an investment by an Advisory Client which is not syndicated to co-investors as anticipated could significantly impact the Advisory Client's overall investment returns.

#### Use of Placement Agents or Other Advisors

An Advisory Client, its respective general partner or Rockland are permitted to engage one or more placement agents or other advisors in respect of the offering of interests to certain prospective investors. Any such placement agents or advisors would act for an Advisory Client, the respective general partner or Rockland, and not as an investment adviser to prospective investors in

connection with the offering of interests in the Advisory Client. Prospective Investors must independently evaluate the offering and make their own investment decisions. In making those decisions, prospective Investors should be aware that a placement agent would be paid a placement fee based upon the amount of capital commitments to an Advisory Client by Investors that such placement agent introduces to the general partner or an Advisory Client. Any placement agent fees would be borne by an Advisory Client subject to a 100% offset against the amounts payable to Rockland in respect of the management fee and any reimbursable expenses of any placement agent would constitute an organizational expense. In the event any placement agent or other advisor is engaged in respect of an Advisory Client, prospective Investors should also note that at various times such placement agent or other advisor will likely act as placement agent or advisor for other fund sponsors and funds, including fund sponsors and funds that are not affiliated with the general partner or its affiliates, including those which offer interests that are similar to the interests. Such unaffiliated fund sponsors could pay placement fees on terms different from the fees placement agents will receive in respect of an Advisory Client, and such differences in fees can influence a placement agent's decision to introduce prospective Investors to an Advisory Client. Furthermore, a placement agent or other advisor can seek to do business with and earn fees or commissions from portfolio companies of an Advisory Client and affiliates of the general partner (e.g., in connection with financing or investment banking services, or lending or arranging credit). Accordingly, prospective Investors should recognize that each placement agent's participation as a placement agent for the interests and each other advisor's participation as an advisor to the respective general partner or Rockland can be influenced by its interest in such current or future fees and commissions. Prospective Investors should also be aware that affiliates or employees of a placement agent or other advisor could invest in an Advisory Client on their own behalf and/or on behalf of their clients.

#### Alternative Data

Rockland is permitted to obtain and use alternative data in its investment process. Alternative data could consist of datasets that have been culled from a variety of sources, such as internet usage, payment records, financial transactions, weather and other physical phenomena sensors, applications and devices (such as smartphones) that generate location and mobility data, data gathered by satellites, and government and other public records databases (this data is sometimes referred to as "big data" or "alternative data"). Rockland reserves the right to apply this alternative data to better anticipate micro- and macroeconomic trends and otherwise to develop or improve trading or investment themes. No assurance can be given that Rockland will be successful in utilizing alternative data in its investment process.

Moreover, there has been increased scrutiny from a variety of regulators regarding the use of alternative data in this manner, and its use or misuse under current or future laws and regulations could create liability for Rockland and the Advisory Clients in numerous jurisdictions. Rockland cannot predict what, if any, regulatory or other actions could be asserted with regard to alternative data, but any adverse inquiries or formal actions could cause reputational, financial, or other harm to Rockland or to the Advisory Clients. Conversely, any future limitations on the use of alternative data could have a material adverse impact on the performance of the Advisory Clients.

## **Item 12 - Brokerage and Swap-Dealer Practices**

### **Broker & Swap-Dealer Selection**

Consistent with SEC guidance and Rockland's policy on best execution, Rockland will consider the full range and quality of a broker's or a swap-dealer's services in selecting a broker or swap-dealer for a transaction, based on a number of factors. These factors include, but are not limited to, Rockland's knowledge of commission rates and spreads; the reasonableness of spreads or commission rates; the nature of the security or commodity being traded; the size and type of the transaction; the nature and character of the markets for the security or commodity to be purchased or sold; the desired timing of the trade; the activity existing and expected in the market for the particular security or commodity; confidentiality; the execution, clearance, and settlement capabilities as well as the reputation and perceived financial soundness of the broker or swap-dealer selected and other brokers or swap-dealers considered; Rockland's knowledge of actual or apparent operational problems of any broker or swap-dealer; and the broker's or swap-dealer's execution services rendered on a continuing basis and in other transactions.

When executing a transaction in any investment with or for a Rockland Entity, Rockland must take reasonable steps to ensure that the counterparty is reliable and that the terms and circumstances of the transaction are the best available on the relevant market at the time of execution for transactions of the same size and nature.

Transactions in publicly traded securities will only be executed with brokers on the approved broker & swap-dealer list (the "Approved Broker & Swap-Dealer List"). Similarly, transactions in financial or physical commodity securities will only be executed with swap-dealers on the Approved Broker & Swap-Dealer List. An employee desiring to add a broker or swap-dealer to the Approved Broker & Swap-Dealer List must complete a broker & swap-dealer evaluation form and submit it to the Chief Compliance Officer for approval. The Chief Compliance Officer will evaluate the criteria set forth on the form and determine whether to add the broker or swap-dealer to the Approved Broker & Swap-Dealer List. Rockland's portfolio managers will conduct due diligence periodically on the brokers or swap-dealers appearing on the Approved Broker & Swap-Dealer List throughout the year, with the goal of reviewing each broker or swap-dealer at least once annually. The Chief Compliance Officer shall monitor all trades in publicly traded securities, as well as all trades in financial or physical commodity securities to ensure that only those brokers or swap-dealers appearing on the Approved Broker & Swap-Dealer List, or otherwise approved in writing by the Chief Compliance Officer, execute trades or swaps on behalf of Rockland and its Advisory Clients. The Chief Compliance Officer is responsible for maintaining, updating and distributing to the relevant employees the Approved Broker & Swap-Dealer List as new brokers or swap-dealers are added or existing brokers or swap-dealers are removed.

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

Rockland is permitted to receive unsolicited research from brokers and swap-dealers through which we execute transactions on behalf of Advisory Clients. In circumstances in which we use such research, the quality and ability to receive research will often factor into the selection of brokers and swap-dealers. However, when selecting a broker or swap-dealer, Rockland focuses on

the criteria and the policies and procedures set forth above. Rockland does not have any agreements in place that would require that we give any specified amount of brokerage to any broker or swap-dealer.

### **Brokerage for Client Referrals**

The Company does not consider client referrals in selecting or recommending broker-dealers or swap-dealers.

### **Trade Aggregation**

The Company makes investments on behalf of each Advisory Client in accordance with the stated investment objectives for the Advisory Client. Purchases of securities are generally made with respect to each Advisory Client individually. At times, however, the Company will purchase the same security in an aggregate amount, for allocation to one or more Advisory Clients, based upon their relative levels of liquidity and subject to certain minimums for investment.

The Company recognizes that it must allocate securities among its Advisory Clients in a fair and equitable manner, depending on the facts and circumstances of each situation. Any deviation from the allocation procedures set forth in Item 8 above shall be approved by the Chief Compliance Officer, appropriately documented and retained as part of the Company's records.

## **Item 13 - Review of Accounts**

### **Oversight and Monitoring**

The portfolio investments of certain Advisory Clients are regularly reviewed by a team of investment professionals. The team generally includes principal executive officers of Rockland, and other investment and asset management professionals. These professionals monitor operations, overall performance, financial performance, and strategic direction of each portfolio company owned by the Advisory Clients.

### **Reports to Clients**

Investors in Rockland-sponsored Advisory Clients typically receive quarterly financial reports and audited annual reports. Each of the Advisory Clients is required to fulfill reporting obligations to its Investors based on the terms and conditions of the particular Advisory Client's organizational documents. In addition to the information provided to all Investors, Rockland may provide certain Investors with additional information or more frequent reports that other Investors will not receive.

For new Advisory Clients or Investors in Rockland-sponsored investment vehicles, a copy of this Brochure is delivered prior to or at the time of entering into an advisory contract.



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

Except as otherwise described in Item 5 – “Fees and Compensation”, the Company does not receive any economic benefits from non-clients for providing investment advice or other advisory services to its Advisory Clients.

Rockland and its affiliates will enter into cash compensation arrangements with unaffiliated placement agents or third parties (“Placement Fees”) for introducing Investors to Rockland in respect of an Advisory Client. Any sales charge associated therewith will ultimately be payable by Rockland or its affiliates, either directly or through an offset of the management fee payable by the relevant Advisory Client.

## **Item 15 – Custody**

Rockland uses unaffiliated, qualified, third-party custodians to hold the assets of its Advisory Clients in a manner that it believes complies with current SEC standards and guidance. For example, these qualified custodians maintain an Advisory Client’s assets in a manner that segregates them from assets for other clients of the custodian.

Rockland is deemed to have custody of the underlying assets of its Advisory Clients. The Company does not use the qualified custodian to send quarterly account statements directly to Investors. Rockland relies on the “annual audit provision” which provides an exception available to advisers of “pooled investment vehicles” from the reporting and surprise audit obligations imposed by the SEC’s custody rule. In addition to holding the required client assets with an unaffiliated, qualified, third-party custodian, these Advisory Clients’ assets (where Rockland is deemed to have custody) are subject to a year-end audit by a major accounting firm that is a member of, and examined by, the Public Company Accounting Oversight Board (“PCAOB”). The audited financial statements are then provided to the underlying Investors of these Advisory Clients within 120 days of the end of the applicable fiscal year. Investors are urged to carefully review these statements

## **Item 16 - Investment Discretion**

Typically, Rockland provides investment advice to its Advisory Clients on a discretionary basis, either directly or indirectly through sub-advisory arrangements. An affiliate of Rockland, typically the general partner of the applicable Advisory Client, accepts discretionary investment authority for each Advisory Client. Generally, this discretion is subject only to the investment guidelines set forth in the governing agreements of an Advisory Client. Such governing agreements generally expressly provide that the applicable general partner (or similar managing fiduciary) has the authority to make all decisions concerning the investigation, evaluation, selection, negotiation, structuring, commitment to, monitoring of and disposition of investments.

## **Item 17 - Voting Client Securities**

Because Rockland has, or will accept, authority to vote public company securities and other debt instruments (e.g., loans) held by an Advisory Client, it has adopted policies and procedures (the “Proxy Voting Policies and Procedures”) that it believes are reasonably designed to comply with

the requirements of the Advisers Act. The Proxy Voting Policies and Procedures reflect Rockland's commitment to vote such instruments in a manner consistent with the best interests of the Advisory Clients.

Under the Proxy Voting Policies and Procedures, unless faced with a conflict of interest between or among Advisory Clients, Rockland will vote proxies in a manner that serves the best interest of its Advisory Clients, as determined by the Company in its discretion, taking into account relevant factors, including (i) the impact on the value of the securities owned by the Advisory Client and the returns on those securities; (ii) alignment of portfolio company management's interest with the Advisory Client's interest, including establishing appropriate incentives for management; (iii) the ongoing relationship between the Advisory Client and the portfolio companies in which it invests, including the continued or increase availability of portfolio information; (iv) industry business and practices; and (v) the requirements imposed on Rockland in the Advisory Client operating agreements.

Rockland reviews each proposal submitted for a vote on a case-by-case basis to determine whether it is in the best interest of the applicable Advisory Client. As a result, depending on the Advisory Client's particular circumstances, Rockland could vote one Advisory Client's securities differently than it votes those of another Advisory Client, or could vote differently on various proposals, even though the securities or proposals are similar (or identical). In some instances, Rockland will determine that it is in the Advisory Client's best interest for Rockland to "abstain" from voting or not to vote at all, and will do so accordingly.

At times, conflicts will arise between the interest of an Advisory Client, on the one hand, and the interest of either another Advisory Client or Rockland or its affiliates on the other hand in consideration of a proxy vote. To address such conflicts, Rockland follows the procedures outlined in the Proxy Voting Policies and Procedures, which include the potential involvement of the Company's Chief Compliance Officer and/or Rockland's Partners. The Proxy Voting Policies and Procedures require that in all situations involving a conflict between two Advisory Clients, the vote will be made without regard to the Company's actual or anticipated compensation.

Proxy voting reports, identifying how proxies were voted where Rockland has been delegated proxy voting authority, and Rockland's Proxy Voting Policies and Procedures are available upon written request to Rockland Capital, LP, 24 Waterway Avenue, Suite 400, The Woodlands, TX 77380, Attn: Chief Compliance Officer.

## **Item 18 - Financial Information**

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