

**Brochure dated March 8, 2012**  
**(Form ADV Part 2A)**

**Rivanna Capital, LLC**

**600 Peter Jefferson Parkway, Suite 370**  
**Charlottesville, Virginia 22911**  
**(434) 220-0430**

This Brochure provides information about the qualifications and business practices of Rivanna Capital, LLC. If you have any questions about the contents of this Brochure, please contact Ms. Sandra Powell by calling (434) 220-0430 or by email to [SPowell@rivannacapital.com](mailto:SPowell@rivannacapital.com).

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Although we are registered as an investment adviser, that registration does not imply a certain level of skill or training.

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

## SUMMARY OF MATERIAL CHANGES

During 2010, the U.S. Securities and Exchange Commission (the "**SEC**") adopted changes to the substance and format of the disclosure that we are required to make to our clients beginning in 2011. This new Form ADV Part 2, also known as our "**Brochure**," has 18 separate disclosure items that we must address, each of which must be presented in the order set forth in this Brochure. A current, updated Form ADV Part 2A will be available to our existing and prospective clients 24 hours a day through the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Additionally, we will provide an updated Brochure annually to our continuing clients. In the future, this Brochure section will summarize any material changes from the disclosures in the Brochure previously delivered to you.

### TABLE OF CONTENTS

<u>Item</u>	<u>Page Number</u>
Cover Page . . . . .	1
Material Changes . . . . .	2
Table of Contents . . . . .	2
Advisory Business . . . . .	2
Fees and Compensation . . . . .	3
Performance-Based Fees and Side-by-Side Management . . . . .	4
Types of Clients . . . . .	5
Methods of Analysis, Investment Strategies and Risk of Loss . . . . .	5
Disciplinary Information . . . . .	6
Other Financial Industry Activities and Affiliations . . . . .	6
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading . . . . .	6
Brokerage Practices . . . . .	7
Review of Accounts . . . . .	8
Client Referrals and Other Compensation . . . . .	9
Custody . . . . .	9
Investment Discretion . . . . .	9
Voting Client Securities . . . . .	10
Financial Information . . . . .	10

### ADVISORY BUSINESS

Rivanna Capital, LLC ("**Rivanna**" or the "**Adviser**") was established by Craig F. Colberg and Jack B. Sorensen in November 2002. The Adviser has been registered as an investment adviser with the SEC since January 2006. Craig and Jack are the Adviser's controlling owners and officers.

Rivanna renders investment supervisory services to and manages on a discretionary basis private investment funds (each a "**Fund**" and collectively the "**Funds**") and separate client accounts ("**Separate Accounts**"). As of the date of this Brochure, Rivanna managed six Separate Accounts and the following Funds:

- ◆ Rivanna Partners, L.P. (the "**Partners Onshore**"), a Delaware limited partnership investment fund that began operation in January 2003 and of which Rivanna is the general partner;
- ◆ Rivanna Long Bias, L.P., a Delaware limited partnership investment fund that began operation in June 2007 and of which Rivanna is the general partner ("**Long Bias**"); and

- ◆ Rivanna Offshore Partners, Ltd, a British Virgin Islands offshore fund that began operation in April 2005 and of which the Adviser is the discretionary investment manager (the "**Partners Offshore**").

Rivanna does not advise Fund investors or Separate Account clients on a non-discretionary basis or with respect to their over-all asset allocation, or provide financial planning advice. As a result, Fund investors and Separate Account clients, rather than Adviser, are responsible for determining that portion of their investable assets to invest in a Fund or allocate to Rivanna for management in a Separate Account.

Rivanna has complete discretion to direct the investment of each Fund's assets subject to the investment authority, objectives and strategies outlined in the Agreements of Limited Partnership, Private Offering Memorandum and Subscription Packages of Partners Onshore and Long Bias, and Partners Offshore's Private Offering Circular (collectively, the "**Offering Documents**"). Rivanna also has discretionary investment authority with respect to Separate Account client assets allocated to the Adviser for management, but the Adviser currently invests the assets of each Separate Account, Partners Onshore, Partners Offshore and the long positions held by Long Bias substantially in parallel. The Adviser does not currently permit clients to impose restrictions on investments in certain securities or types of securities.

Subject to certain limitations and a holdback of a portion of the withdrawal, investors in the Partners Onshore and Long Bias may withdraw all or a portion of their Fund investment as of the first day of a calendar quarter beginning four full calendar quarters after their admission to that Fund and upon at least 45 days' prior written notice to the Adviser and the Fund's administrator. Withdrawals from Long Bias are not subject to the four-quarter "lock-up" period, but a withdrawal attributable to a capital contribution made prior to completion of the fourth full calendar quarter after the respective capital contribution are subject to a 2.0% redemption fee payable to the Long Bias Fund, subject to waiver in the Adviser's discretion.

Redemptions of Partners Offshore shares are permitted as of the last business day of each calendar month (and at such other times as are permitted by the Fund) on 45 days' written notice. Redemptions made during the first year after purchase may be subject to a 2.0% redemption charge payable to the Partners Offshore Fund as well as payment of any accrued performance-based incentive fees (which are described in "Performance-Based Fees and Side-by-Side Management" below).

Separate Account clients may terminate their advisory agreements effective upon notice as provide in their specific agreement with the Adviser. Fees paid in advance are not refundable except as agreed.

An investor in a Fund or a Separate Account client may negotiate less restrictive withdrawal or advisory agreement terminations provisions, as agreed by the Adviser on a case-by-case basis.

As of January 1, 2012, Rivanna had approximately \$254,167,000 of assets under management in the Funds and Separate Accounts, all of which were managed on a discretionary basis.

***Nothing in this Brochure constitutes an offer to sell or the solicitation of an offer to purchase Partners Onshore or Long Bias limited partnership interests or Partners Offshore shares. Such an offer may be made only by means of the respective Fund's Offering Documents addressed to the intended recipient.***

## **FEES AND COMPENSATION**

As regards each Fund, Rivanna receives a cash fee (the "**Management Fee**") from the Fund as of the beginning of each calendar quarter in an amount equal to 0.25% of Partner Onshore and Long Bias limited partner capital account balances or the net asset value of Partners Offshore shares. The Management Fee is calculated in advance including capital contributions for the quarter and after giving effect to prior withdrawals and redemptions. Management Fees are not refundable with respect to a withdrawal or redemption permitted during a calendar quarter. Fund investors also bear a performance-based "**Incentive Fee**" (as regards Partners

Offshore) or performance-based "**Incentive Allocation**" of net profits to Rivanna as Fund general partner (as regards Partners Onshore and Long Bias) as described in "Performance-Based Fees and Side-by-Side Management" below.

The requested fee schedule for Separate Account clients includes a management fee of 0.375% of net asset value quarterly in advance for balances up to \$25 million, and 0.25% on net assets in excess of \$25 million, as well as a performance-based incentive fee as described below in "Performance-Based Fees and Side-by-Side Management" below. However, some prior Separate Account clients pay lower fee rates and new Separate Account clients with significant assets under management may negotiate reduced fee schedules.

Rivanna generally deducts fees from client accounts. Separate Account clients may instead receive fee statements and either instruct their custodians to make payment or pay statements directly. A third party administrator calculates the amounts of the Management Fees and Incentive Fees payable and Incentive Allocations made by the Funds to Rivanna. All Separate Account fee payments are reflected on client account statements, which clients should review carefully for accuracy, and Fund Management Fee, Incentive Fee and Incentive Allocation amounts are subject to review as part of each Fund's annual audit.

Each Fund investor (including the Adviser as the general partner of Partners Onshore and Long Bias) bears their *pro rata* share of the respective Fund's expenses, as described in the respective Fund's Offering Documents. Separate Account clients bear their own investment, transaction, trade allocation and custodial expenses, such as brokerage commissions, custodial and prime brokerage fees, bank service fees, interest on margin accounts and short position dividends. Fund investors and Separate Account clients also bear their share of management fees charged by mutual fund and exchange traded fund ("**ETF**") managers to the extent that the Funds and Separate Accounts invest in mutual funds and ETFs. See "Brokerage Practices" below for further discussion of the expenses borne directly and indirectly by client accounts.

## **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

An amount equal to 20% of the excess, if any, of each limited partner's share of Partners Onshore and Long Bias net profits during any calendar year over any net losses and Management Fees allocated to that limited partner during that year and any Cumulative Loss Account (see below) balance for the limited partner are allocated to the capital accounts of the Adviser from the capital accounts of the limited partners ("**Incentive Allocations**"). Incentive Allocations may also be made at any time for an individual limited partner who makes a substantial withdrawal in the discretion of the Adviser. A memorandum account ("**Cumulative Loss Account**") is maintained to track any cumulative net losses, which may reduce the amount of the Incentive Allocation from the limited partner's capital account. Any positive Cumulative Loss Account balances are reduced *pro rata* upon a withdrawal from a limited partner's capital account.

Partners Offshore pays Rivanna a fee ("**Incentive Fee**") equal to 20% of any increase in the net asset value of each Partners Offshore share during each calendar quarter, provided that there is a loss carryforward for each Partners Offshore share, so that if an Partners Offshore share decreases in net asset value during any quarter, there will be no Incentive Fee payable with respect to any increase in net asset value until a new high net asset value is reached, as adjusted for any distributions.

The Incentive Allocation and Incentive Fees are determined in accordance with Rule 205-3 promulgated under the Investment Advisers Act of 1940, as amended (the "**Advisers Act**"). Fees payable and Incentive Allocations with respect to individual limited partner accounts may be waived or reduced, as agreed by the Adviser. Portions of the fees and/or allocations may also be assigned to any persons designated by the Adviser.

Separate Account clients typically bear fees equivalent to the Incentive Allocation borne by Partners Onshore investors. However, as is the case with Management Fees, some prior Separate Account clients pay lower

Incentive Fee rates and new Separate Account clients with significant assets under management may negotiate reduced fee schedules.

The Incentive Allocation and Fee and similar performance fee arrangements may also create an incentive for Rivanna to make investments that are riskier or more speculative than would be the case in the absence of those performance fee arrangements, and including unrealized profits in the calculation of performance fee arrangements may increase the amount of such allocations or fees to Rivanna. Such fee arrangements could also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. However, Rivanna has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

## **TYPES OF CLIENTS**

Investment by U.S. investors in the Funds is designed primarily for individuals who have a net worth of at least \$1,000,000 (exclusive of the net value of their primary residence) and other persons and entities that qualify as "**accredited investors**" as defined in Regulation D under the Securities Act of 1933, as amended, and meet the "**qualified client**" test of Rule 205-3 under the Advisers Act or the "**qualified purchaser**" test under Section 2(a)(51) of the Investment Company Act of 1940. All investors must also represent to the respective Fund and the Adviser that they have adequate means of providing for their needs and contingencies without relying on distributions or withdrawals from that Fund, must be financially able to maintain their investment, and must be able to afford the loss of their investment. Admission as an investor in a Fund is not open to the general public. Investments in a Fund are offered in the U.S. through private placements in accordance with Rule 506 of Regulation D with a current minimum investment of \$1,000,000 (subject to waiver by the Adviser).

Rivanna also offers discretionary investment management services to Separate Account clients, which may be high net worth individuals, family offices, pension and profit sharing plans, trusts, estates, charitable organizations or other institutional investors. Rivanna does not anticipate managing Separate Accounts that will be less than \$10,000,000 in size after full investment.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

**Objective and Primary Approach.** The Adviser's investment objective for the Funds and Separate Account clients is to generate positive absolute returns in all market environments with relatively low volatility compared to broad U.S. equity market indices. The Adviser believes that this objective may best be accomplished under current market conditions primarily by investing long in publicly traded stocks within the "Small Cap Value" asset class, as well as selling short. The Adviser, as investment manager of the Funds and Separate Account clients, invests long in companies the Adviser believes are undervalued based on earnings, cash flow and asset value relative to their industries and the stock market in general. Small Cap Value companies are generally considered to have market capitalizations below \$2.5 billion. On the short side, the Adviser seeks to enhance return and decrease volatility by finding suitable short candidates.

**Other Potential Investments and Strategies.** The Adviser also has broad authority to invest in all types of securities and other investments such as futures and commodities. The Adviser may use option strategies such as covered call writing on an opportunistic basis, and may use equity and index futures contract investments for hedging purposes, as well as ETFs, in Fund investment strategies. However, Fund and Separate Account investments to date have primarily been long and short positions in publicly traded stocks.

The Adviser may employ aggressive investment policies and utilize sophisticated trading techniques such as (but not limited to) selling short, borrowing money for the purchase of securities and currency contracts and purchasing and selling put and call options (or combinations thereof), and may also make more conservative

investments, including, but not limited to, investment in cash, deposit accounts and cash equivalents, as and when determined appropriate by the Adviser.

***Sources of Information and Types of Analysis.*** The Adviser uses various security analysis methods including but not limited to, Fundamental and Cyclical analysis. This information is derived from inspections of corporate activities, television, websites, research materials prepared by others, annual reports, prospectuses, filings with the SEC and company press releases. This information is used in making investment decisions for the Funds and Separate Account clients with the intent of long-term investments (held more than one year) and short-term investments (sold within a year).

***Associated Risks.*** An investment in a Fund or an allocation to the Adviser for management in a Separate Account is not intended as a complete investment program, should be considered a speculative investment that is appropriate for only a portion of an investor's investment portfolio, and is designed only for investors and clients who have adequate means of providing for their needs and contingencies without relying on distributions or withdrawals, who are financially able to maintain their investment and who can afford the loss of a substantial part of their investment. There can be no assurance that a Fund or Separate Account will achieve its investment objective, and investors may suffer substantial losses. All potential Fund investors and Separate Account clients should understand the investment approaches and techniques that the Adviser expects to use in the management of the Fund and Separate Accounts and the particular risks associated with those approaches and techniques. Prospective Fund investors and Separate Account clients are referred to the Offering Documents, which set out a more detailed discussion of the Adviser's investment approach and the associated risks.

***Allocation Responsibility.*** Fund investors and Separate Account clients have sole responsibility for determining whether a Fund or Separate Account is an appropriate investment for them and the amount of their assets that they will allocate to their Fund investment or Separate Account; the Adviser disclaims all responsibility in that regard.

## **DISCIPLINARY INFORMATION**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the adviser or the integrity of the adviser's management. Rivanna has no disclosures applicable to this Item.

## **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

As discussed above, Rivanna serves as the general partner and/or discretionary investment manager for the Funds. The risks and potential conflicts of interest associated with an investment in a Fund are described in the respective Offering Documents. The Adviser's employees and related persons may also invest directly in any one, some or all of the Funds. Investments in the Funds made by such parties are not normally subject to Management Fees or the Incentive Allocation or Fees. The Adviser does not have other relationships or arrangements with financial services companies that pose material conflicts of interest to Fund investors or Separate Account clients.

## **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

The Adviser has adopted a Code of Ethics to prohibit certain types of personal securities transactions which may create conflicts of interest (or at least the potential for or the appearance of a conflict of interest), to specify

certain permitted personal investments and to establish reporting requirements and enforcement procedures. In general, all Rivanna personnel (referred to as "*staff*") are expected to:

- ◆ act with integrity, competence, dignity and in an ethical manner when dealing with the public, clients, prospects, employers, employees and fellow staff;
- ◆ practice and encourage others to practice in a professional and ethical manner that will reflect credit on our staff;
- ◆ strive to maintain and improve their competence;
- ◆ use reasonable care and exercise independent professional judgment where appropriate.

In addition, staff may not purchase or sell a security which is held or is being considered for purchase for a Fund or Separate Account client, including any option to purchase or sell such a security or any security convertible into or exchangeable for such security. Further, in connection with any purchase or sale, a staff member may not:

- ◆ employ any device, scheme or artifice to defraud such client;
- ◆ make to such client any untrue statement of a material fact or omit to state to such client a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading;
- ◆ engage in any act, practice or course of business which would operate as a fraud or deceit upon such client;
- ◆ engage in any manipulative practice with respect to client; or
- ◆ trade while in possession of material non-public information for personal or client accounts, or disclose such information to others in or outside Adviser who have no need for this information.

**"Material inside information"** is defined as any information about a company which has not been disclosed to the general public and which either a reasonable person would deem to be important in making an investment decision or the dissemination of which is likely to impact the market price of the company's securities. Staff in possession of material inside information must not trade in or recommend the purchase or sale of the securities concerned until the information has been properly disclosed and disseminated to the public.

A copy of Rivanna's Code of Ethics is available upon request to Adviser's Chief Compliance Officer, Sandra Powell, by calling (434) 220-0430 or by email to [SPowell@rivannacapital.com](mailto:SPowell@rivannacapital.com).

## **BROKERAGE PRACTICES**

Client accounts, directly and through investment in the Funds, pay brokerage commissions and fees to registered securities broker-dealers for executing and clearing transactions on an agency basis, and enter into securities transactions with broker-dealers as principals on a net basis. Except as directed by a client with respect to a particular transaction, Rivanna has complete discretion to determine the brokers and dealers with and through whom securities portfolio transactions are effected, the prices at which principal transactions are effected and the commission rates and other fees paid. Some or all of such broker-dealers may refer prospective Fund investors or Separate Accounts clients.

Brokerage fees paid vary and may be greater than would otherwise be the case if Rivanna has determined that the research, execution and other services, including Fund investor referrals and services rendered or items paid for pursuant to "soft dollar" arrangements, of a particular broker-dealer merit greater than typical fees. Under these arrangements, the firms would provide or pay the costs of certain services, equipment or other items for the benefit of a Fund, Separate Account client or the Adviser, in consideration of the allocation to the firm of portfolio transactions (with resulting commission income or profit) made on behalf of or with the Funds and Separate Account clients. In many instances a broker will provide or pay for a service or other item that the Adviser would otherwise have had to pay for itself, which may influence the Adviser to make trading allocations to that broker even if the cost of the trades is higher than could be obtained from another broker.

The services, equipment and other items provided or for which payment is otherwise made using such soft dollar arrangements on behalf of the Adviser may include, without limitation, prime brokerage services, research services and products, proxy voting services, computer hardware and software and other office equipment and services, investment research consulting fees, fees and charges for news wire, data processing, internet service provider, data access line and other services, Fund and Adviser attorneys' and accountants' fees and expenses, Fund offering expenses (including without limitation fees and expenses of attorneys and accountants, filing fees, printing and mailing costs), client and investor referrals, travel expenses related to Fund and other client investment research, quotation services, periodical subscription fees, and custody, record keeping and similar charges. Such soft dollar benefits do not reduce the amount of the fees payable to Rivanna. Any of these soft dollar arrangements may benefit a client by reducing its expenses or benefit Rivanna by reducing its expenses without any direct benefit to the client. Some of the soft dollar benefits that Rivanna receives may also fall outside the scope of research and brokerage services covered by Section 28(e) of the Securities Exchange Act of 1940, if authorized for by the respective Fund Documents or client agreement.

Rivanna currently invests the assets of each Separate Account, Partners Onshore, Partners Offshore and the long positions held by Long Bias substantially in parallel. All client account trading is currently managed through an order management system at client expense in order to maintain substantially equivalent portfolio allocations across these accounts. To maximize access to research, facilitate trading and enhance Rivanna's ability to obtain best execution, Rivanna recommends that clients maintain prime brokerage accounts at Goldman Sachs Execution & Clearing, L.P. or another "prime broker" at client expense. Each of the Funds and six of Rivanna's current Separate Account clients currently use Goldman Sachs Execution & Clearing, L.P. as a prime broker, with the remaining Separate Account clients using other prime brokers. Under the terms of each prime brokerage arrangement, Rivanna has the authority to use the prime broker or a third party "away" broker to execute client transactions. Clients then typically bear any ticket charges assessed by the prime broker for settling such "away" trades. Clients may also direct particular trades to a particular broker. Such "directed brokerage" arrangements may adversely affect the Adviser's ability to seek best execution for a Separate Account clients electing to direct a transaction.

Rivanna maintains a record of any trading errors that occur in connection with investment activities of its clients. Both gains and losses that result from a trading error made by the Adviser will be borne by the respective client account, and Adviser will not reimburse a client account for a trading error that result in loss. By way of example, if the Adviser incorrectly entered an order to buy instead of sell 100 shares of a security held in a client's account, the client will retain the profit if the resulting 200 shares then owned are sold for a profit, but will incur the loss without reimbursement if the 200 shares are sold at a loss.

## **REVIEW OF ACCOUNTS**

Jack B. Sorensen serves as the Chief Investment Officer and portfolio manager for Adviser clients and is responsible for selecting investments. Mr. Colberg, Mr. Sorensen or other of Adviser's personnel generally review and monitor accounts portfolio positions on a daily basis.



Investors in the Funds receive unaudited, estimated performance letters regarding their investment at least monthly and receive quarterly account statements from the Fund's administrator. Such monthly correspondence includes performance information and an exposure profile. Generally, Separate Account clients receive monthly performance updates related to their accounts directly from account custodian(s). All investors in the Funds also receive a copy of the respective Fund's annual audited financial statements.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

Rivanna may make payments to third parties who recommend potential investors in a Fund or refer Separate Account clients to the Adviser in accordance with Rule 206(4)-3 under the Advisers Act. Rivanna may also enter into agreements with registered broker-dealers and finders pursuant to which they would receive fees with respect to the sale of interests in a Fund or participate in fees payable to the Adviser, and some of the broker-dealers that execute Fund and Separate Account client transactions may also refer Fund investors or Separate Account clients.

The Adviser has retained Boomerang Capital LLC, a Delaware limited liability company that is a broker-dealer registered with the Financial Institution Regulatory Authority, Inc. ("**Boomerang**"), to serve on an exclusive basis as a placement agent with respect to the Funds and as a solicitor for Separate Account clients in accordance with Rule 206(4)-3. Under its agreement with Boomerang, Adviser pays to Boomerang approximately 20% of the Management Fees, Incentive Fees and Incentive Allocation amounts received by the Adviser with respect to Fund investors and Separate Account clients referred by Boomerang.

## **CUSTODY**

Client assets are held at unaffiliated, qualified custodians. However, Rivanna is deemed to have custody of the Partners Onshore and Long Bias Fund assets because it serves as the general partner of those Funds. As required by SEC rules and in conformity with industry practice, each Fund is subject to audit at least annually and distributes its audited financial statements prepared in accordance with generally accepted accounting principles to all Fund investors within 120 days of the end of its fiscal year. Also as required, the audits are conducted by an independent public accountant that is registered with the Public Company Accounting Oversight Board in accordance with its rules. The Funds will also distribute audited financial statements upon liquidation promptly after the completion of such audit.

Rivanna generally deducts fees from client Separate Accounts except as agreed with a particular client. Separate Account clients may also receive fee statements and either instruct their custodians to make payment or pay statements directly. All fee payments are reflected on client account statements, which clients should review carefully for accuracy.

## **INVESTMENT DISCRETION**

Rivanna has complete discretion to direct the investment of each Fund's assets subject to the investment authority, objectives and strategies outlined in the Fund's Offering Documents. Rivanna also has discretionary investment authority with respect to Separate Account client assets allocated to the Adviser for management, but the Adviser currently invests the assets of each Separate Account, Partners Onshore, Partners Offshore and the long positions held by Long Bias substantially in parallel. The Adviser does not currently permit clients to impose restrictions on investments in certain securities or types of securities.

As discussed above, the Adviser does not consider individual client liquidity needs, risk tolerance, investment objectives or diversification in managing Fund and Separate Account portfolios. As a result, each client and

Fund investor is responsible for determining the appropriate amount of their investable assets to allocate for investment to a Fund or Separate Account.

### **VOTING CLIENT SECURITIES**

Rivanna votes proxies on behalf of the Funds and may vote proxies on behalf of Separate Accounts, as agreed in the particular case. Adviser's policy is that Rivanna (acting through Ms. Powell, Mr. Sorensen or Mr. Colberg) votes proxies in the interest of maximizing shareholder value. To that end, Rivanna will vote in a way that it believes, consistent with its fiduciary duty, will cause the issue to increase the most or decline the least in value. Consideration will be given to both the short and long term implications of the proposal to be voted on when considering the optimal vote.

The Adviser has not to date identified any conflicts of interest between its client interests and its own interests within its proxy voting process. Nevertheless, if Rivanna determines that it faces a material conflict of interest in voting a proxy, Ms. Powell, Mr. Colberg and Mr. Sorensen will confer to determine the appropriate vote. If a majority cannot agree, the Adviser will retain a competent third party, at Adviser's expense but subject to payment with soft dollar credits, who will determine the vote that will maximize shareholder value. As an added protection, the third party's decision will be binding.

The Adviser's complete written proxy voting policy and procedures are available for review. In addition, complete proxy voting records are available for review. Please contact Ms. Sandra Powell by calling (434) 220-0430 or by email to [SPowell@rivannacapital.com](mailto:SPowell@rivannacapital.com) if you have any questions or if you would like to review either of these documents.

### **FINANCIAL INFORMATION**

Rivanna is not subject to any financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.