

Form ADV Part 2A

Item 1 – Cover Page

Riversville Capital, Inc.
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212-230-1836
March 23, 2012

This Brochure provides information about the qualifications and business practices of Riversville Capital, Inc. (“Riversville”). If you have any questions about the contents of this Brochure, please contact us at 212-230-1836. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Riversville also is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Riversville is 157996.

Please note that registration as an investment adviser with the SEC does not imply any level of skill, training or ability with respect to the provision of investment advisory services. The oral and written communications of an investment adviser provide you with information through which you determine to hire or retain an investment adviser.

Item 2 – Material Changes

Since we are a new SEC registrant, this is our first Brochure. Therefore, this Item 2 is currently not applicable.

In the future, this Item 2 will discuss only specific material changes that are made to the Brochure since our last annual update.

We will deliver to our clients a free annual updated Brochure that includes a summary of any material changes that are made to this and subsequent Brochures within 120 days of the close of our fiscal year.

Our Brochure may be requested by contacting us at 212-230-1836.

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Item 4 – Advisory Business

Advisory Firm Description

Riversville is a privately-held investment adviser based in New York, New York. We have provided non-discretionary advisory services to our clients since 2005, and discretionary advisory services to our clients since 2009. Our advisory services are targeted to high net worth individuals and their families. Clients invest with us on an individual basis, as well as through investment companies, trusts or other investment vehicles. We are a New York corporation that is 100% owned by our founder, Lawrence S. Malkin.

Types of Advisory Services

Riversville works closely with its limited number of clients to provide advice that fits each client's individual needs. We typically provide advisory services across multiple asset classes, helping our clients to build attractive investment portfolios. While not every client utilizes all of our service offerings, many of them do engage us to provide more than one type of advisory service.

Our advisory services include:

- management of public equity portfolios on a discretionary basis,
- management of fixed income portfolios on a discretionary basis,
- non-discretionary advisory services consisting of the selection and monitoring of third-party (i.e., not affiliated with Riversville) investment managers ("Outside Managers"),
- non-discretionary asset allocation services ("Asset Allocation Services"), and
- non-discretionary investment consulting services ("Consulting Services").

We provide our discretionary public equity and fixed income strategies to our clients through separately managed accounts ("Separate Accounts").

Outside Managers are typically equity, fixed income, hedge fund or private equity managers, depending on the investment objectives of the client. Clients who engage an Outside Manager based on our recommendations will contract with the Outside Manager directly (or directly through a third-party wrap fee program).

Our Asset Allocation Services include advice on client-specific strategic asset allocations. We believe that the choice and mix of assets and currencies in a portfolio may provide a key source of performance and diversification over the long term. Based on our research and the specific needs of the client, we make recommendations regarding the client's asset allocation. As the outlook for asset classes and currencies change over time, we may make recommendations to our clients to periodically change or rebalance the asset allocation.

Our Consulting Services vary from client to client and may include investment services such as recommendations regarding a client's private equity or real estate transactions or holdings.

All non-discretionary investment decisions remain the responsibility of the client, who may or may not accept our recommendations. In addition, there may be times when a client may request that Riversville facilitate the execution of a security position not selected by Riversville, in which case such client will be responsible as usual for its brokerage commissions and any other related third-party fees; however, Riversville will not receive any transaction-based compensation for executing requested trades. Riversville will not monitor client directed securities unless agreed upon in advance with client.

Each client is advised that it remains its responsibility to promptly notify Riversville if there is ever any material change in its financial situation or investment objectives.

Client Investment Objectives/Restrictions

If a client and Riversville agree, a client may impose specific investment restrictions on our discretionary advisory services, such as restricting the purchase of certain types of securities.

For Separate Accounts with client-specified restrictions, transactions may be executed separately and after Separate Accounts without restrictions to allow necessary time to process the restrictions and/or to find more suitable investments. Accommodating these types of restrictions may result in differences in Separate Account performance, compositions and the timing of transactions.

Clients may also specify investment restrictions or criteria with respect to our recommendations of Outside Managers. Accommodating these types of restrictions or criteria may result in differences in the Outside Managers engaged by our clients.

Because we tailor our clients' portfolios to meet their unique and individual needs, we may purchase/sell a security for one client which we do not purchase/sell for other clients. Similarly, we may recommend an Outside Manager to one client which we do not recommend to another client.

Wrap Fee Programs

Riversville does not participate in any wrap fee programs, although it may recommend that clients invest with Outside Managers through such programs.

Assets Under Management as of December 31, 2011

As of December 31, 2011, we had the following Regulatory Assets Under Management:

- \$234,574,942 of client assets on a discretionary basis; and
- \$12,103,715 of client assets on a non-discretionary basis.

In addition to our Regulatory Assets Under Management, as of December 31, 2011, we had \$318,650,211 of client assets in connection with Outside Manager advisory services. Therefore, in total, as of December 31, 2011, we had \$565,328,868 in assets under advisement (inclusive of Regulatory Assets Under Management and Outside Manager advisory services). Riversville

continues to monitor Outside Managers following a client investment, but does not effectuate such investment activity.

Item 5 – Fees and Compensation

Adviser Compensation

The specific manner in which fees are charged by Riversville is established in each client's investment management agreement. This agreement sets forth the terms and conditions of the engagement and describes the scope of the services to be provided. Fees typically consist of management fees and/or performance-based fees. Management fees are generally fixed, and may be influenced by the size of the assets under management and the scope of advisory services rendered. Fees may be waived or reduced in our discretion.

As all of our clients are "qualified purchasers", as defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended, we are not required to provide a detailed fee schedule herein.

Payment of Fees

Management fees are calculated and billed quarterly in advance. Bills are normally sent at least 30 days prior to the beginning of each quarter. It is expected that the management fee will be paid within 15 days after receipt of the bill.

Performance-based fees are typically at the discretion of our clients or as otherwise set forth in a client's investment management agreement, and are normally paid within 90 days of the end of the calendar year (refer to Item 6 for a discussion of performance-based fees).

We do not deduct any fees from client accounts.

For any partial quarterly period, the client will be charged a pro-rated fee based on the number of days in the quarter during which advisory services are provided.

Other Fees and Expenses

Riversville's fees are separate from and do not include the following third-party expenses: (i) brokerage commissions, dealer spreads and other transaction costs in connection with buying and selling securities, (ii) custodial fees, (iii) interest, (iv) taxes, duties and other governmental charges, (v) costs and charges associated with foreign exchange, and (vi) other portfolio expenses. These expenses are the responsibility of each client and vary by investment type.

In addition to Riversville's fees, clients may also be responsible for the reimbursement of certain Riversville expenses, such as, without limitation, travel, legal and due diligence expenses.

Clients who invest with Outside Managers will also bear any fees and expenses associated with those investments. While Riversville does not receive any compensation from Outside Managers, Riversville's fees are not reduced by the fees paid to Outside Managers (including with respect to ETFs and mutual funds).

While Riversville's fees are separate from the expenses discussed in this Item 5, from time to time, Riversville will negotiate certain of these fees and expenses on behalf of its clients. Item 12

further describes the factors that Riversville considers in selecting broker-dealers for client transactions and determining the reasonableness of their compensation.

Advance Payment of Fees

If fees are paid in advance and our services are thereafter terminated, a refund for unearned fees will be promptly provided to the client based on the number of days in the period during which advisory services were provided.

Additional Compensation by Supervised Persons

Riversville does not receive compensation in connection with the purchase or sale of any securities.

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

In addition to management fees, Riversville may also receive performance-based fees (i.e., fees based on a share of capital gains on or capital appreciation of the assets of a client) as determined in our clients' discretion or as otherwise set forth in a client's investment management agreement. Riversville structures all performance-based fees in accordance with Section 205(a)(1) of the Investment Advisers Act of 1940 and the rules and regulations thereunder (the "Advisers Act"), including the exemption set forth in Rule 205-3 of the Advisers Act permitting performance-based fee arrangements with "qualified clients."

Because not all of our clients pay performance-based fees and because performance-based fees may vary, we face a conflict of interest by reason of the fact that we may have an incentive to favor accounts for which we receive a performance-based fee (or receive a higher performance-based fee). However, we have policies and procedures in place to ensure that all clients are treated as equitably as possible under the circumstances, including, without limitation, policies regarding fair trade allocation and brokerage practices.

Outside Managers may also charge performance-based fees. While Riversville does not receive any compensation from Outside Managers, Riversville's fees are not reduced by the fees paid to Outside Managers.

Item 7 – Types of Clients

Riversville provides advisory services primarily to high net worth individuals and their families. Clients invest with us on an individual basis, as well as through investment companies, trusts or other investment vehicles.

We typically manage at least \$1 million per client, but we have no fixed minimum investment amount. We take on a new client at our discretion.

Outside Managers will generally have their own minimum investment requirements.

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

Methods of Analysis and Investment Strategies

Traditional Equity Strategy

Our traditional equity strategy invest in both U.S. and international exchange-traded equity securities, which may include American Depositary Receipts (“ADRs”), Global Depositary Receipts (“GDRs”) and Exchange Traded Funds (“ETFs”), across various sectors and market capitalization ranges. Equity securities are both U.S. dollar and foreign currency denominated. Our goal is generally to identify equity securities that have strong potential for long-term appreciation, although we also invest in shorter-term opportunities from time to time.

Ideas for new investments can come from either a “top-down” assessment of a particular sector, country, theme, or trend, or a “bottom-up” investment screen of an individual company. When making investment decisions for equity securities, Riversville may use a variety of methods of analysis, including, without limitation, fundamental analysis, technical analysis, macro-economic analysis, sector analysis, currency analysis, political analysis, corporate due diligence, credit analysis of a company’s balance sheet, income statement analysis, cash flow analysis, valuation analysis, business model assessment and regulatory analysis, and an assessment of the trends, events or activities that could positively or negatively impact the future prospects of the company.

When evaluating a new equity security, we also make a separate assessment of the potential risk of the security based on such factors as, without limitation, sector and country allocation. The risk assessment not only can determine if the security is ultimately included or excluded from the portfolio, but can impact the weighting of such security within the portfolio.

We use a variety of sources of information to conduct our equity analyses including, without limitation, newspapers, financial publications and news reports, annual reports, prospectuses and filings with the SEC or other regulatory bodies, corporate press releases and publications, research material prepared by others, external databases containing financial and corporate information, and publications by governments or other global institutions such as the International Monetary Fund.

Commodity Equity Strategy

Our commodity equity strategy (“Commodity Equity Strategy”) invests in both U.S. and international exchange-traded equity securities, which may include ADRs, GDRs and ETFs, across various market capitalization ranges. Equity securities are both U.S. dollar and foreign currency denominated. Our goal is to provide our clients with commodities exposure through the ownership of companies whose business are affected by natural resources, as well as ownership of ETFs which track the price of a specific commodity. Our Commodity Equity Strategy uses similar analysis, risk assessment and research methodologies as our traditional equity strategy.

Fixed Income Strategy

Our fixed income strategy invests in U.S. and international fixed income securities, including, but not limited to, government obligations, inflation protected securities, corporate bonds and

agency bonds. Fixed income instruments are both U.S. dollar and foreign currency denominated and may be fixed or floating rate instruments.

When making investment decisions for fixed income securities, Riversville uses a variety of methods of analysis including, without limitation, fundamental analysis, macro-economic analysis, sector analysis, currency analysis, political analysis, trend analysis and corporate due diligence.

In order to select a security, we generally first identify the currency we are looking for, based on a targeted currency allocation. Secondly, we determine the sector or type of security (e.g., government, corporate, etc.) we would like based on the diversification goals for the portfolio. The final step is to select the individual issuer that best meets our risk and return analysis.

This issuer assessment is tailored to the particular investment we are interested in. Types of analysis may include, without limitation, credit analysis of the issuer's balance sheet, income statement analysis, cash flow analysis, business model assessment, regulatory analysis, political analysis, economic evaluation of a particular country and an assessment of the trends, events or activities that could positively or negatively impact the future prospects of the issuer. If no security is found to be attractive, we may start the security selection process over based upon a different currency selection.

We use a variety of sources of information to conduct our fixed income analyses, including, without limitation, newspapers, financial publications and news reports, annual reports, prospectuses and filings with the SEC or other regulatory bodies, corporate press releases and publications, research material prepared by others, external databases containing financial and corporate information, and publications by governments or other global institutions such as the International Monetary Fund.

Our fixed income portfolios contain concentrated security, sector and currency positions. Such concentrations may create a particularly volatile strategy. Investors should determine whether such volatility is appropriate for their fixed income portfolios.

Outside Manager Selection and Monitoring

Our Outside Manager selection process typically begins by finding Outside Managers through publications, recommendations, or quantitative screens of data that we obtain from research databases. This data includes information about Outside Manager strategies such as:

- return information (both absolute and as compared to an appropriate benchmark) and
- volatility and other risk metrics.

We undertake due diligence of those Outside Managers that we believe may be potential candidates for our clients. Depending on the type of Outside Manager, our due diligence may focus on, without limitation:

- security selection and portfolio construction methodologies,
- portfolio risk, including, leverage, concentration, currency and country risk,
- valuation procedures,

- the individual portfolio managers and other personnel,
- organizational structure,
- economic terms, such as fees and incentive compensation, and/or
- material conflicts of interest.

Actual areas of focus may vary depending on the type and size of an investment. Client investments with Outside Managers are generally long-term investments. After a client makes an investment with an Outside Manager, we monitor the performance of the investment on an ongoing basis. Where necessary or appropriate, we may make further recommendations to the client regarding the investment, including whether the client should increase, reduce or eliminate its investment with the Outside Manager. The ultimate decision is, however, left to the client. Riversville does not provide legal advice and clients are advised to consult their own legal counsel regarding any legal issues in connection with a client's investment with a particular Outside Manager. Riversville is not responsible for the negotiation or implementation of, or adherence to, the specific terms (including, without limitation, any investment restrictions) of any contracts entered into between our clients and Outside Managers.

ETF Investments

As a supplement to our Outside Manager services, clients may engage Riversville to invest in ETFs on a discretionary or non-discretionary basis. Depending on the specific needs of the client, Riversville will seek the most appropriate ETFs to represent the desired asset class, industry, sector or country.

Asset Allocation Construction

The asset allocation construction process is driven by our prospective views of the market, including specific asset classes, geographies, sectors, strategies and currencies. Long-term prospective risks and returns are the most important elements in developing an asset allocation. Each asset allocation is customized for a client based upon the client's financial profile, risk tolerance and specific goals and objectives.

We use a variety of sources of information to obtain our views on asset allocations, including, without limitation, newspapers, financial publications and news reports, research material prepared by others and publications by governments or other global institutions such as the World Federation of Exchanges.

Consulting Services

From time to time, certain clients may ask us to provide our thoughts about their ad hoc investments. We generally conduct analyses or research that will help the client make a more informed decision about the prospective opportunity. For example, Consulting Services might include evaluating a potential direct investment in a private corporation or a real estate project.

Material Risks of Investment Strategies or Methods of Analysis

Investing in securities involves risk of loss that clients should be prepared to bear. Clients should carefully consider, among other factors, the matters described below and the risk factors described in all applicable Outside Manager offering documents. As a result of these factors, as well as other risks inherent in any investment, there can be no assurance that clients will meet their investment objectives. Past performance is not an indication or guarantee of future performance. The following risks may not be all-inclusive, but should be considered carefully by a prospective client before retaining Riversville's services.

To mitigate risk, clients should determine whether their entire investment portfolio is properly diversified and whether their overall asset allocation is appropriate. Riversville generally does not manage all of a client's investments, and therefore clients have the responsibility to advise Riversville of any outside investments of which they believe Riversville should be aware.

General Risks

Market Risk - The success of our advisory services depends, to a great extent, upon the correct assessment of the future price movements of securities. There can be no assurance that Riversville will be able to accurately predict these price movements.

Dependence on Key Personnel - The loss of the services of any of these individuals could have an adverse impact on our investment performance.

Risks Associated With Our Equity and Fixed Income Strategies

Small and Medium-Sized Company Risk - Certain of our strategies invest in small and medium-sized companies. While small and medium-sized companies generally have the potential for rapid growth, the securities of these companies often involve greater risks than investments in larger, more established companies because small and medium-sized companies may lack the management experience, financial resources, product diversification and competitive strengths of larger companies. In addition, in many instances, the liquidity of securities of small and medium-sized companies is substantially less than is typical of larger companies, while volatility is substantially greater.

Concentration Risk - Certain of our strategies have significant weightings in a particular issuer, industry, sector or country, which may subject them to greater risks than less concentrated portfolios.

Currency Risk - To the extent securities are issued by foreign issuers or denominated in foreign currencies, investment performance is affected by the strength or weakness of a client's base currency relative to these currencies.

Non-U.S. Securities Risk - Investing outside the U.S. involves different risks than U.S. investments. The risks generally include: less liquidity, greater volatility, higher transaction costs, political instability, restrictions on foreign investment and repatriation of capital, expropriation, less complete and reliable information about foreign companies, difficulty in enforcing contractual obligations, reduced government supervision of securities markets, less responsive management to shareholder concerns, and imposition of foreign withholding and other taxes.

Emerging Market Securities Risk - Investments in securities of issuers located in emerging market countries are speculative and subject to certain additional risks not typically associated with issuers located in developed countries. The additional risks associated with emerging markets generally include: even less liquidity, even greater volatility, higher rates of inflation (including hyper-inflation), higher degrees of political instability, greater government involvement in the economy, less extensive government supervision of the economy and securities markets, and the unavailability of material information about issuers.

Special Risks Associated With Our Fixed Income Strategy

Credit Risk - Failure of an issuer to make timely interest or principal payments, or a decline or perception of a decline in the credit quality of a bond or creditworthiness of an issuer, can cause a bond's price to fall.

Interest Rate Risk - There is a risk that a bond's value will change due to a change in the absolute level of interest rates, the spread between two rates, the shape of the yield curve or any other interest rate relationship. Interest rate risk affects the value of bonds more directly than equities, and it is a major risk to all bondholders. As interest rates rise, bond prices generally fall, and as interest rates fall, bond prices generally rise. While interest rate risk can be reduced by investing in a diverse portfolio of fixed-income securities with different interest rates and durations, there is no guarantee that this will be achieved.

Prepayment Risk - Prepayment risk relates to the risk that issuers will prepay fixed rate bonds when interest rates fall, forcing an investor to re-invest in bonds with lower interest rates than the original bond.

Non-Investment Grade Securities - While we primarily invest in investment grade securities, our fixed income strategy may invest in non-investment grade securities, which, while generally offering higher yields than investment grade securities, involve greater credit risk, including the risk of default. The prices of non-investment grade securities tend to be more sensitive to changing economic conditions and can fall dramatically in response to negative news about the borrower or its industry, or the economy in general. In addition, lower quality bonds tend to be less marketable than higher quality bonds because the market for them is not as broad or active.

Special Risks Associated With Our Commodity Equity Strategy

Sensitivity to Commodity Prices - In addition to certain of the risks set forth above, the success of our Commodity Equity Strategy depends, to a great extent, upon the correct assessment of the future price movements of commodities. There can be no assurance that Riversville will be able to accurately predict these price movements.

Specific Risks for Agricultural Companies. Agricultural companies pose their own unique risks, including, without limitation, the following: the agriculture industry is highly seasonal; agricultural products are subject to intense price and quantity competition from both domestic and foreign sources; the agriculture industry is subject to increasingly stringent environmental, safety and health laws and regulations which may introduce unpredictability and volatility in the operating results of companies in the agriculture industry; and the price of raw materials for many agricultural products are affected by factors such as weather conditions, global imbalances of supply and demand, and general economic conditions which are beyond the control of the companies that produce such agricultural products. There can be no assurance that Riversville will be able to accurately assess or predict the impact of these risks.

Specific Risks for Materials Companies. Companies in the materials sector may be adversely affected by commodity price volatility, exchange rates, import controls and increased competition. At times, worldwide production of industrial materials has exceeded demand as a result of over-building or economic downturns, leading to poor investment returns or losses. Other risks may include liability for environmental damage, depletion of resources, and mandated expenditures for safety and pollution control. The basic materials sector may also be affected by economic cycles, technical progress, labor relations, and government regulations. There can be no assurance that Riversville will be able to accurately assess or predict the impact of these risks.

Specific Risks for Energy Companies. Energy companies are generally subject to supply and demand fluctuations and/or earnings variability based upon a wide range of factors, including fluctuating commodity prices, weather, increased conservation or use of alternative fuel sources, increased governmental or environmental regulation, depletion, rising interest rates, declines in domestic or foreign production, accidents or catastrophic events, and economic conditions, among others. In addition, energy companies engaged in the exploration and production business are subject to overstatement of the quantities of their reserves based upon any reserve estimates that prove to be inaccurate, and that no commercially productive oil, natural gas or other energy reservoirs will be discovered as a result of drilling or other exploration activities. There can be no assurance that Riversville will be able to accurately assess or predict the impact of these risks.

Special Risks Associated with ETFs

An ETF typically includes embedded expenses that may reduce the fund's net asset value, and therefore directly affect the fund's performance and indirectly affect a client's portfolio performance or an index benchmark comparison. Expenses of the fund may include investment advisor management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF issuer. Furthermore, ETF performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because (i) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; (ii) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable, and (iii) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain ETF strategies may from time to time include the purchase of fixed income, commodities, foreign securities, ADRs, or other securities for which expenses and commission rates could be higher than normally charged for exchange-traded equity securities, and for which market quotations or valuation may be limited or inaccurate. In addition, certain ETFs may use derivatives or borrowing (or "leverage") and may engage in short-selling or securities lending, each of which poses its own unique risks. In some instances, the liquidity of certain ETFs may be substantially less than is typical of other securities in which we invest. Clients should be aware that to the extent they invest in ETF securities they may pay two levels of advisory compensation – advisory fees charged by Riversville plus any advisory fees charged by the investment advisor of the ETF. This scenario may cause a higher advisory cost (and potentially lower investment returns) than if a client purchased the ETF directly.

Risks Associated with Outside Managers

Additional Risks - The risks set forth above with respect our investment strategies are equally applicable to Outside Managers that have similar investment strategies. However, in addition to these investment strategies, Outside Managers may have other investment strategies that have their own unique risks. These strategies include, without limitation, (i) investing in derivatives, high-yield or “junk” bonds, asset-backed securities and illiquid assets, (ii) using borrowing or “leverage” and/or (iii) engaging in short-selling.

Performance – Our research on Outside Managers may include a review of Outside Managers’ historical performance, which historical performance may not be indicative of future performance.

Multiple Managers - Utilizing multiple Outside Managers poses unique risks to a client. For example, Outside Managers may take positions in the same security or types of securities as Riversville or other Outside Managers at the same time. Such an occurrence may result in more rapid changes to a client’s portfolio, whether upward or downward, than would be the case with greater diversification, with the result that a loss in any such position could have a greater adverse impact upon a client. The possibility also exists that positive performance achieved by Riversville or one or more Outside Managers may be neutralized by negative performance by Riversville or one or more Outside Managers.

Two Layers of Fees - By investing with Outside Managers, a client, in effect, incurs two layers of fees - the fees paid to Riversville and the fees paid to Outside Managers.

Performance-Based Compensation - Outside Managers will often be compensated, in whole or in part, based on the appreciation in value (including unrealized appreciation) of the assets being managed. Performance-based compensation arrangements may create an incentive for an Outside Manager to make investments that are riskier or more speculative than would be the case in the absence of performance-based compensation arrangements.

Activities of Outside Managers - Although Riversville will seek to recommend Outside Managers which will invest client assets with high levels of competency and integrity, Riversville will have no control over the day-to-day operations of Outside Managers. Riversville would not necessarily be aware of certain Outside Manager activities, including, without limitation, an Outside Manager’s engaging in unreported risks, investment “style drift”, or even regulatory breach or fraud. As a result, there can be no assurance that the conduct of Outside Managers recommended by Riversville will conform to the desired standards. There is a risk that Outside Managers may suffer a complete failure as a result of regulatory violations and enforcement actions, fraud or other factors, which in any case could result in a complete loss of a client’s investment with such Outside Managers.

Leverage – Some outside Managers may engage in borrowing when they believe that the proceeds from doing so will exceed the cost of the borrowing. Interest on the borrowed amount may be greater than the income from or increase in the value of the securities purchased with the borrowed amount and the value of the securities purchased with the borrowed amount could decline below the amount borrowed. Using leverage is risky because it not only can increase gains, but also can amplify losses. Short-selling is also a form of leverage because the Outside Manager will sell borrowed securities with the expectation that it will be able to buy back the same securities later at a cheaper price. Depending on the movements/availability of such securities, this may not be possible.

Counterparty Risk - The stability and liquidity of certain instruments (such as derivatives) traded by Outside Managers depend, in large part, on the creditworthiness of the counterparties to these transactions. If there is a default by a counterparty to such a transaction, the Outside Manager could suffer a loss. In addition, if a counterparty were to become insolvent or the subject of liquidation proceedings, the losses could be material. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where an Outside Manager has concentrated its transactions with a single or small group of counterparties. An Outside Manager's evaluation of the creditworthiness of its counterparties may not prove sufficient.

Risks of Investing in Funds - Frequently, clients will invest with Outside Managers through private funds, like hedge funds and private equity funds. As further described in their offering documents, private funds have their own unique risks, including, but not limited to:

- Clients do not have direct custody of the assets held by a fund. There is a risk that the personnel of a fund could misappropriate its assets. There is also a risk that one or more of a fund's custodians may encounter financial difficulties that impair its operations.
- Funds frequently engage in securities lending and/or allow their prime brokers to pledge their securities to third parties. There is a risk that these securities are never returned to the funds.
- Interests in funds are generally not transferable.
- Interests in funds are generally not redeemable unless certain holding period and/or advance notice provisions have been complied with.
- Funds frequently invest in securities which may be illiquid and which do not have readily ascertainable values. These securities are often valued by the Outside Managers of such funds (or agents appointed by such Outside Managers), even though the Outside Managers may have an incentive to inflate the value of such securities in order to increase their compensation. It is also possible that different Outside Managers may value the same securities differently because of their different valuation policies and procedures.
- As a result of holding illiquid assets, a fund may be permitted to impose certain limitations on redemptions, such as: (i) suspending the net asset value of the fund; (ii) imposing restrictions on redemptions above a certain amount of assets in any specified period (sometimes referred to as a "gate"); (iii) assigning illiquid assets to a special entity or account (sometimes referred to as a "side pocket"), (iv) paying redemptions in assets, rather than cash (sometimes referred to as paying redemptions "in-kind"); or (v) winding up the relevant fund and assigning its management to a liquidator. As a result, investors in a fund may not be able to liquidate their investment for prolonged periods of time.
- There is generally little publicly available information regarding private funds like hedge funds and private equity funds. There is no guarantee that Riversville or a client can obtain sufficient information from these funds or their service providers to monitor a client's investment effectively.

The foregoing are just some of the risks of investing with Outside Managers and are by no means exhaustive. Clients should be aware of the unique risks applicable to any Outside Manager before investing with such Outside Manager. Riversville encourages its clients to consider all of the risk factors of any Outside Manager, including those enumerated in any private placement memorandum, offering document, and/or ADV disclosure document.

Risks Associated with our Asset Allocation Services

Although our Asset Allocation Services are designed to help optimize returns given the various levels of risk, there is no assurance that investments made based on our Asset Allocation Services will not lose money or that investment results will not experience volatility. A client's investment performance may be better or worse by participating in our Asset Allocation Services. A portfolio based on our Asset Allocation Services may perform better or worse than any single investment option or asset class or other combinations of investment options or asset classes. Asset allocation research may include a review of the historical performance of different asset classes, which historical performance may not be indicative of future performance. The success of any such portfolio will be dependent upon the performance of the component investment options, which have their own particular risks. The timing of the implementation of an asset allocation and any rebalancing may also affect performance. A client's portfolio value will fluctuate, and when redeemed, may be worth more or less than the original cost. In addition, periodic updating of any asset allocation may cause a client to incur transactional or other expenses, which may adversely affect performance.

Risks Associated with our Consulting Services

There can be no assurance that any recommendations or analysis that we provide in connection with our Consulting Services will be successful or will not result in financial loss. The outcome of any matter for which we have provided Consulting Services may be better or worse than it would have been without our input. In addition, matters for which we provide our Consulting Services may be dependent on the unique risks associated with the particular circumstances of any such matter.

Item 9 – Disciplinary Information

We are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Riversville or the integrity of our management. Neither Riversville nor any of its management persons has been the subject of any legal or disciplinary events.

Item 10 – Other Financial Industry Activities and Affiliations

Riversville currently shares office space with two other companies - Golden Arc Capital, Inc. ("Golden Arc") and Inveco International, Inc. ("Inveco"). Inveco has filed to become an SEC registered investment adviser. While Riversville, Golden Arc and Inveco are independently owned and operated, they have certain common clients. In addition, these entities have the following material relationships:

- Riversville receives certain administrative services from Golden Arc, including the provision of office space and certain back-office services; and
- Riversville provides investment advisory services to an affiliate of Golden Arc.

The fact that Riversville receives certain administrative services from Golden Arc, an affiliate of which is a client of Riversville, may create a conflict of interest for Riversville. However, we have policies and procedures in place to ensure that all clients are treated as fairly and as equitably as possible, including, without limitation, policies regarding fair trade allocation and brokerage practices.

In addition, Riversville, Golden Arc, Inveco and their affiliates have policies and procedures in place to maintain appropriate protection of clients' non-public information between their businesses. Such policies and procedures consist of both physical measures, such as independent locked files and password protected access to electronic information, as well as procedural measures, such as those regarding the sharing of confidential information.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions & Personal Trading

Riversville has adopted a Code of Ethics (the “Code”) for all personnel of the firm, incorporating our high standards of business conduct. The Code includes provisions relating to standards of professional conduct, the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of certain gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things.

All of our personnel must comply with and agree to abide by the terms of the Code annually, or as amended from time to time. Any individual not abiding by the Code may be subject to disciplinary action, including termination.

A copy of the Code may be obtained by contacting us at 212-230-1836 or by writing to us at the address on the cover page of this document.

Personal Trading

Riversville does not engage in proprietary trading (i.e., buying and selling securities for the firm's own account). However, our personnel are permitted to buy and sell securities, including the securities which we recommend and/or purchase or sell for our clients. Personal trading creates a conflict of interest which could disadvantage our clients. In order to minimize the potential for disadvantage, a material portion of the Code is dedicated to our personal securities trading procedures (the “Personal Trading Procedures”).

The Personal Trading Procedures provide, among other items, that:

- Our personnel are prohibited from engaging in “front running” or similar trading practices (“front running” is the practice of executing an order for a security while taking advantage of advance knowledge of a pending order for a client). If Riversville personnel are aware of any pending orders to buy or sell a security for a client, they are prohibited from making any personal trades for their own account in such security until the client's transactions have been completed or abandoned.

- Our personnel are prohibited from acquiring any securities in an initial public offering or a private placement without the prior written approval of the Chief Compliance Officer.
- Our personnel must regularly submit to the Chief Compliance Officer records of their personal trading activities and security holdings so that we may assess compliance with our Personal Trading Procedures, as well as our prohibitions on insider trading.

Item 12 – Brokerage Practices

Selection of Broker-Dealers

Factors in Selecting Broker-Dealers for Client Transactions

Riversville generally possesses the discretion to determine the broker-dealer to be used for the Separate Accounts we manage. Brokerage transactions are executed electronically or over the phone.

In placing orders to purchase and sell securities, it is our policy to seek “best execution”. The term “best execution” means executing securities transactions for clients such that each transaction is the most favorable under the circumstances.

In selecting brokers-dealers to execute transactions, Riversville may consider various factors, including, but not limited to:

- the rate of commission,
- execution capability, based on the size, difficulty and other characteristics of the specific order,
- the value of research provided,
- financial strength, and
- reliability and responsiveness.

A client may pay a commission that is higher than what another qualified broker-dealer might charge to effect the same transaction when Riversville determines, in good faith, that the commission is reasonable in relation to the value of the overall brokerage and research services received. In seeking “best execution”, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealers’ services. Consistent with the foregoing, while Riversville will always seek competitive institutional rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

Outside Managers may have their own policies and procedures in place designed to seek “best execution”.

Research and Other Soft Dollar Benefits

As a result of placing orders with certain broker-dealers for the Separate Accounts we manage, Riversville may also receive research and brokerage products and/or services at no additional charge (sometimes referred to as a “soft dollar arrangement”). However, the products and/or services are ultimately paid for by our clients’ brokerage commissions. The products and/or services may be proprietary (i.e., created by the broker-dealer) or third-party (i.e., developed by a third party). The products and/or services we received in our last fiscal year included research reports and analyses received from broker-dealers relating to (i) particular securities and classes of securities and (ii) economic, technical, industry, national and international trends affecting securities markets.

As a result of a soft dollar arrangement, Riversville may have an incentive to select broker-dealers based on our interest in receiving research products and/or services, rather than based on our clients’ interest in receiving the most favorable execution.

As a result, in order to ensure we act in a manner which is consistent with our fiduciary duty to seek “best execution”, Riversville only utilizes soft dollar brokerage and research products and/or services if they fall within the safe harbor of Section 28(e) of the Securities Exchange Act of 1934, which include (i) ensuring that such products and/or services are used in making investment decisions and (ii) making a good faith determination that the commissions that clients pay are reasonable in relation to the value of the products and/or services received.

Products and/or services furnished by broker-dealers through whom we effect transactions for a particular account may be used by us in servicing our other accounts, and not all such products and/or services may be used for the benefit of the client that pays the brokerage commission. We do not seek to allocate soft dollar benefits to client accounts proportionately to the commissions the accounts generate.

Outside Managers may have their own policies and procedures in place regarding “soft dollar arrangements”.

Brokerage for Client Referrals

Riversville does not receive client referrals from its brokerage relationships.

Directed Brokerage

Riversville is responsible for the selection of the broker-dealers used to execute transactions for the Separate Accounts we manage. Clients are not involved in this selection process. We would consider a client request for directed brokerage, but if honored, we may be unable to achieve the most favorable total costs or proceeds reasonably attainable under the circumstances. Ultimately, this practice may cost the client more money.

Aggregation of Orders

Where appropriate and consistent to facilitate “best execution”, it is our practice to aggregate or “bunch” orders for the discretionary Separate Accounts we manage in a single transaction or multiple transactions. Each client that participates in a bunched transaction will participate at the average share price obtained in that transaction. In a bunched transaction, brokerage commissions and any other transaction costs are allocated pro rata in proportion to each participating client’s share of the order.

If an aggregated trade order is only partially filled, all participating clients will generally receive a pro rata share of the fill in proportion to each participating client's share of the order, unless such distribution would result in nominal distributions to clients or if a distribution would be smaller than the minimum lot size for such security, in which case those clients may be excluded from the allocation.

However, because we tailor our clients' portfolios to meet their unique and individual needs, we may purchase/sell a security for one client which we do not purchase/sell for other clients.

In recommending Outside Managers that are appropriate for more than one client, it is our practice, when feasible, to have the clients invest with Outside Managers at the same time, but we ultimately cannot control the timing of their investments. However, because we tailor our clients' portfolios to meet their unique and individual needs, we may recommend an Outside Manager to one client which we do not recommend to another client.

Item 13 – Review of Accounts

Periodic Review of Accounts

Our investment personnel maintain continuous oversight of the Separate Account portfolios we manage.

Once a Client has made an investment with an Outside Manager, the investment is monitored. The extent and level of monitoring will vary depending on the investment.

When requested by a client, our Chief Investment Officer will review a client's asset allocation. Such a review may include evaluating the actual asset allocation as compared to the allocation target.

Non-Periodic Review of Accounts

More frequent reviews may be triggered by material changes in variables such as a client's individual circumstances, market conditions or the political or economic environment.

Client Reports

Our clients contract directly with third parties for independent performance reporting services, including with Golden Arc (refer to Item 10 for a description of Golden Arc). Performance reports contain, among other things, detailed information concerning asset values, asset allocation, performance and holdings for the Separate Accounts we manage, as well as the investments managed by Outside Managers.

Outside Managers typically provide their own reports on a monthly/quarterly basis.

Item 14 – Client Referrals and Other Compensation

This Item is not applicable to our business.

Item 15 – Custody

Riversville does not maintain possession of any client assets.

For the Separate Accounts we manage or which are managed by Outside Managers, clients choose their own “qualified custodian” to take and have possession of their assets. Clients should receive at least quarterly statements from the qualified custodian. We urge clients to carefully review these custodial statements and compare them to the account statements that Golden Arc or an Outside Manager may provide to clients regarding their accounts. Such statements may vary from custodial statements based on accounting procedures, reporting dates or the valuation methodologies of certain securities.

For fund investments managed by Outside Managers, custody of the assets will typically be at the custodian selected by the Outside Manager. We urge clients to carefully review statements from their Outside Managers.

Item 16 – Investment Discretion

For the Separate Accounts we manage, Riversville receives discretionary authority from the client at the outset of the advisory relationship. This includes, but is not limited to, the authority to:

- select the type and amount of securities to be bought or sold,
- transact trading in the client’s custodial account, including the selection of broker-dealers, and
- make decisions regarding corporate actions, such as whether to exercise a right of conversion or take receipt of a dividend in one currency or another.

In all cases, however, the discretion is exercised in a manner consistent with the stated investment objectives, policies and/or restrictions, if any, for the particular Separate Account, as stated in the applicable investment management agreement or as otherwise agreed to by Riversville and the client in writing from time to time.

For the Outside Managers we recommend and monitor, we do not have discretionary authority. Clients who engage an Outside Manager based on our recommendations will contract with the Outside Manager directly.

Item 17 – Voting Client Securities

With respect to our discretionary strategies, Riversville does not vote client securities (referred to as voting client “Proxies”). Riversville also does not make decisions as to whether or not a client should participate in a class action lawsuit, bankruptcy proceeding or other legal claim regarding the securities of an issuer purchased by Riversville (referred to as “Claims”). Proxies

and Claims are left to each client, as agreed with each client in its investment management agreement. Clients will generally receive materials relating to Proxies and Claims directly from their custodian.

For investments managed by Outside Managers, the Outside Manager typically has the discretion to vote Proxies of the underlying securities. Claims are generally left to the client. For those Outside Managers who do not vote proxies or make decisions on Claims, clients will generally receive the Proxies and/or Claims directly from their custodian and/or the Outside Manager or its agent.

In instances where a fund asks a client to vote on any proposal, amendment, consent or similar action relating to the fund itself, the client, and not Riversville, will receive the solicitation directly from the fund and make the determination as to whether or not to take action.

While we do not vote Proxies or make decisions regarding Claims, we may, when requested by a client, provide a recommendation to a client regarding a Proxy, Claim or other solicitation, although we are under no obligation to do so.

Item 18 – Financial Information

We are not aware of any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to our clients.

We have never been the subject of a bankruptcy proceeding.