

Form ADV, Part 2A: Brochure

Riverwood Capital Management, L.P.

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This Brochure provides information about the qualifications and business practices of Riverwood Capital Management, L.P. (“*Riverwood*” or the “*Firm*”). If you have any questions about the contents of this Brochure, please contact us at (650) 618-7300 or investor_relations@rwcm.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.

Additional information about Riverwood is also available on the SEC’s website at <http://www.adviserinfo.sec.gov>.

Though Riverwood is a “registered investment adviser,” registration does not imply a certain level of skill or training.

FEBRUARY 14, 2012

Item 2: Material Changes

This Brochure, dated February 2012, is a new document prepared by Riverwood in accordance with the SEC's new requirements and rules pertaining to Form ADV as established on July 28, 2010.

In the future, this Item will discuss only specific material changes that have been made since the most recent annual update and provide a summary of such changes. It will also reference the date of the last annual update of the Brochure.

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Item 4: Advisory Business

Riverwood is an investment adviser whose only clients are private pooled investment vehicles. Interests in Riverwood's clients are sold exclusively to "accredited investors" and "qualified purchasers."¹ Generally, the clients' investors are high net worth individuals or institutions. Throughout this brochure, "clients" shall be used to refer to the pooled investment vehicles managed by Riverwood and "investors" shall be used to refer to those vehicles' underlying investors.

Riverwood was formed in 2008. Its principal owners are Michael E. Marks, Christopher P. Varelas and Thomas J. Smach.

Riverwood provides discretionary advisory services that generally seek to generate capital appreciation by making privately negotiated investments in privately owned companies that operate primarily in the global technology, technology-enabled and related growth industries; although Riverwood may consider investments in other industries in its sole discretion. As described more fully below, Riverwood's strategy is to negotiate private equity investments for its clients. With very limited exceptions, Riverwood's investments are limited to private equity investments.

Riverwood's clients may have different investment guidelines.² These guidelines may limit the concentration and geography of the clients' investments or limit Riverwood's investments in certain asset classes. Riverwood may further tailor its advisory services to the specific needs of a client as may be necessary, appropriate or negotiated from time to time. Riverwood does not tailor its advisory services to the specific needs of individual investors.

Riverwood does not participate in wrap fee programs.

As of September 30, 2011, Riverwood manages \$757,272,899 of client assets on a discretionary basis.

¹ The terms "accredited investor" and "qualified purchaser" are defined in the Securities Act of 1933, as amended, and the Investment Company Act of 1940, as amended. For the purposes of this Brochure, these terms refer to the definitions in these laws. Generally, they refer to high net worth individuals or institutions that can afford to bear the loss of their entire investment with Riverwood.

² The investment guidelines of each client set forth in that client's organizational documents, including its limited partnership agreement and offering memorandum.

Item 5: Fees and Compensation

Riverwood is compensated for advisory services by a “management fee” based on capital invested with Riverwood and by a share of capital appreciation on its clients’ investments (commonly known as “carried interest”). The carried interest is received by Riverwood’s clients’ general partner, which is an affiliate of Riverwood. This compensation is negotiated separately with each client. Each of Riverwood’s investors is a “qualified purchaser.”

Annual management fees are generally calculated as a percentage of a client’s committed capital during the investment period and thereafter as a percentage of invested capital. The management fee payable by a client is typically 2%. Management fees are paid directly to Riverwood. Management fees are generally due quarterly in advance. In the extremely unlikely event that an advisory contract is terminated before the end of a management fee period, Riverwood will refund the overpayment of the management fee (computed on the basis of the number of days elapsed).

Carried interest is calculated as a percentage of profits after investors have received a preferred return. Typically carried interest payable by a client is 20%.

Riverwood may receive certain fees from portfolio companies, such as “transaction” fees or “monitoring” fees, in connection with activities performed on behalf of clients. Riverwood has determined that all such fees paid to Riverwood, net of expenses related to the activities leading to the receipt of such fees, will reduce the management fee paid by investors.

Riverwood’s clients will bear all expenses related to their own operations, which may include:

- i. Fees, costs and expenses of tax advisors, accountants, legal counsel, auditors, consultants and other professionals and service providers;
- ii. All out-of-pocket fees, costs and expenses, if any, incurred in developing, investigating, negotiating, structuring, and disposing of portfolio investments and in connection with unconsummated investment opportunities, including, without limitation, any financing, legal, accounting, advisory and consulting expenses in connection therewith;
- iii. Broken deal expenses;
- iv. Brokerage commissions, custodial expenses, agent bank and other bank service fees and other investment costs, fees and expenses actually incurred in connection with portfolio investments;
- v. Interest on and fees and expenses arising out of all borrowings made by the client;
- vi. The costs of any (a) litigation, (b) directors and officers liability and other insurance for the client, its general partner, Riverwood and their affiliates, and (c) any indemnification or extraordinary expense or liability relating to the affairs of the client; and
- vii. Any taxes, fees or other governmental charges levied against the client and all expenses incurred in connection with any tax audit, investigation, settlement or review of the client.

Clients will also bear organizational expenses and liquidation expenses.

In the event that Riverwood uses a third party placement agent, the management fee to which Riverwood is entitled to is reduced by 100% of any placement agent fees, expenses or commissions paid

by Riverwood's clients. To the extent that Riverwood's clients may incur brokerage fees or other transaction costs, these costs will be borne by the respective client. Please see Item 12 for further information regarding Riverwood's brokerage procedures.

As described more fully in Item 6, Riverwood's clients' general partner, which is an affiliate of Riverwood, is compensated with the carried interest, which is based on capital appreciation of its clients' assets. The clients are reimbursed for a portion of fees and expenses incurred and receive a preferred return before Riverwood receives carried interest.

Riverwood does not accept compensation for the sale of securities or other investment products.

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

Through an affiliate, Riverwood accepts carried interest, which is a performance-based fee allocated as a share of capital appreciation of its clients' assets.

Generally, Riverwood's clients have a fixed investment period. If at the time of dissolution of a client, any investor in that client has not received a preferred return on invested capital, Riverwood and/or its affiliates shall return any carried interest received to investors until this return has been achieved.

All of Riverwood's clients pay a performance-based fee in the form of carried interest. However, there may be variations in fee rate for different clients. Riverwood's clients have a substantially identical investment strategy, and investments are generally allocated among clients *pro rata* based on committed capital. Certain investors of Riverwood's clients may be precluded from making specific investments due to legal, regulatory or tax issues.

The carried interest may create an incentive for Riverwood to make riskier or more speculative investments on behalf of the clients than Riverwood may make otherwise.

Item 7: Types of clients

Riverwood provides investment advice to private pooled investment vehicles. Investors in the clients may include high net worth individuals and institutions, pension plans, endowments and other “qualified purchasers.”

In general, the minimum initial investment by an investor of a client is \$1 million, although lesser amounts may be accepted at Riverwood’s discretion. In addition, investors in the clients must be accredited investors and qualified purchasers.

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

1. Investment Strategy and Methods of Analysis

The Firm's general strategy is to make private equity investments in high growth businesses, primarily in the global technology, technology-enabled and related growth industries. Riverwood may selectively consider investments in other industries where it believes its strategic, financial and global operating experience presents an opportunity to create value.

Riverwood's investment professionals will seek to thoughtfully identify and evaluate opportunities in the technology and related sector. Following investment, Riverwood expects to provide the companies in which it invests (referred to herein as "portfolio companies") with the resources and guidance needed to execute their growth plan.

Identifying and Sourcing Opportunities

Riverwood seeks to invest in companies that have significant opportunities for growth or face strategic or operational issues that can be addressed by Riverwood's involvement. Riverwood may identify investment themes based on macroeconomic or industry conditions or individual company performance and use these themes to identify prospective portfolio companies.

Riverwood utilizes its network of industry contacts to source investment opportunities. The Firm's industry network has been formed through Riverwood's investment professionals' years of experience operating and advising global technology businesses, extensive personal relationships and interactions with global technology executives and others involved in the technology industry. To augment the resources of the Firm, Riverwood has created a Senior Advisory Board consisting of current and former technology industry executives. This network of business advisors is expected to enhance the Firm's ability to source opportunities. In order to capitalize on an investment theme, Riverwood may take advantage of situations including (but not limited to) carve-outs, spin-offs and divestitures; structured minority and strategic investments; acquisition finance (wherein a portfolio company seeks a private equity investment for capital to make accretive acquisitions); turnarounds; distressed companies; and private and public control buyouts.

Due Diligence

Riverwood has a disciplined and rigorous approach to conducting due diligence on prospective portfolio companies. Riverwood's due diligence methodology generally includes review of the following factors:

- *Historical Financial Performance.* Riverwood typically conducts a full management and financial audit of prospective portfolio companies. Riverwood uses this information to analyze the company's historical growth, margin and cash flow performance. Riverwood may use this information to develop insights into the strengths and weaknesses of such companies.
- *Detailed Analysis of Profit Drivers.* Riverwood typically examines revenues, profits and cash flow by each business unit to determine what new strategies could be adopted to drive value. These

strategies may include, without limitation, geographic expansion, increase of market share and new business lines.

- *Market and Competitive Assessment.* Riverwood typically develops a view of the industry sector, including macroeconomic drivers, competitive overview and history. Riverwood will utilize its own internal resources, including its senior advisory board, along with outside consultants and other professionals, to make these assessments.
- *Management Evaluation.* Riverwood typically conducts site visits and survey customers and suppliers to ensure that portfolio company management meets Riverwood's standards. Riverwood looks for portfolio company management that is open to change and willing to work with Riverwood.
- *Technology Evaluation.* Riverwood will evaluate the portfolio company's technology and product strategy, including the company's intellectual property and engineering talent as well as the overall design of its products. Riverwood will rely on both its own internal technical skills and, where it deems necessary, on third-party feedback to make this evaluation.
- *Value Creation Plan.* Prior to investment, Riverwood will create a business plan delineating the company's strategic objectives with a clear action plan.

Working with management, Riverwood will seek to be flexible and creative in designing an investment structure to enable and enhance the company's ability to achieve its business plan. Riverwood will typically seek board representation with the contractual right to be involved in operational, strategic, financial and governance matters, regardless of ownership stake.

Portfolio Company Involvement

Once an investment has been made, Riverwood will seek to take an active role in the management of the portfolio company to attempt to assist with the realization of the company's strategic objectives and growth plan. Riverwood will seek representation on the company's board of directors and will attempt to provide expertise on the management of the company. Specifically, Riverwood will focus on the following aspects:

- *Strategy.* Riverwood will seek to stay actively involved in strategic planning efforts after making an investment. Riverwood typically will attempt to ensure that immediately following the closing of a transaction, there is a plan in place to address the most significant issues identified in diligence.
- *Technology.* Riverwood believes that its investment professionals are well positioned to evaluate a company's technology position and create a technology business plan to attempt to create growth.
- *Operations.* Riverwood will attempt to leverage its investment professionals' global operating experience to implement (i) best practices for business and strategic planning, (ii) methods for diagnosing and monitoring key operating activities, and (iii) metrics, design of management compensation schemes and human resource management.
- *Executive Recruitment and Evaluation.* Riverwood will seek to be actively involved in recruiting and hiring key executive management for portfolio companies where necessary.

- *Interim Management Responsibilities.* Riverwood will attempt to be extremely active in any portfolio company that is not meeting expectations, including assuming executive management roles at critical times.
- *Reduce Costs.* Riverwood's investment professionals will attempt to improve margins by assisting portfolio company management to implement cost savings through operation and strategic best practices.
- *Capital Structure Design.* Riverwood's investment professionals have substantial experience and a broad base of contacts to support the execution of complex financings and to provide leadership on capital structure design.
- *New Business Development.* Riverwood will seek to utilize its industry networks to assist portfolio companies to establish dialogues with customer prospects.
- *Mergers and Acquisitions.* Riverwood will attempt to effect consolidation in order to support strategic objectives. Riverwood's investment professionals have extensive experience effecting mergers and acquisitions.
- *Geographic Expansion.* Riverwood's investment professionals have substantial international operating experience and relationships to help portfolio companies expand their businesses outside of their home markets.
- *Supply Chain Procurement.* In the past, some of Riverwood's investment professionals have experience building supply chains and developing industry standards for low-cost production. Riverwood will attempt to utilize this experience to improve operational aspects of its portfolio companies' businesses.

Exit Strategy

Riverwood believes that the successful realization of an investment requires an ongoing evaluation of exit strategies, beginning at the due diligence stage. At the time of an investment, Riverwood's principals expect to evaluate the alternatives, timing and economic and other considerations associated with various exit strategies. Clients will typically invest with the expectation of holding investments for a four-to six-year period.

2. Risk Factors

Investing in securities involves a risk of loss that investors should be prepared to bear. This section describes certain risks specifically related to Riverwood's investment strategy and certain specific types of securities in which Riverwood will direct clients to invest. It is not a comprehensive list of all risks associated with investments in the securities market, some of which may also affect Riverwood's investments in extreme circumstances. Prospective investors to a client should carefully review, in its entirety, the client's offering memorandum and limited partnership agreement (or other applicable organizational documents), which include a more complete description of risk factors associated with an investment in such client.

A. Risks of Riverwood's Investment Strategy

No Assurance of Investment Return

Riverwood and its clients cannot provide assurance that they will be able to choose, make and realize investments in any particular company or portfolio of companies. There is no assurance that Riverwood 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 companies and transactions in which Riverwood intends to invest.

There can be no assurance that expected returns for Riverwood's clients will be achieved, or that an investor will receive a return of its capital. An investment in a client should only be considered by persons who can afford a loss of their entire investment. Riverwood's investments, by their nature, involve a high degree of financial risk.

Competition for Investments

Riverwood will encounter competition from other entities having similar investment objectives. Potential competitors include other investment partnerships and corporations, strategic industry acquirers and other financial investors, including hedge funds, investing directly or through affiliates. Further, over the past several years, an ever-increasing number of private equity funds have been or are being formed (and many existing funds have grown in size). Additional funds with similar investment objectives may be formed in the future by other unrelated parties. Some of these competitors may have more relevant experience, greater financial resources, a greater willingness to take on risk, and more personnel than Riverwood and its affiliates. Riverwood expects that competition for appropriate investment opportunities may increase, which may also require its clients to participate in auctions, the outcome of which cannot be guaranteed, thus reducing the number of investment opportunities available to Riverwood's clients and/or adversely affecting the terms upon which investments can be made. Participating in auctions will also increase the pressure on Riverwood's clients with respect to pricing of a transaction. There can be no assurance that Riverwood and its clients will be able to locate, complete and exit investments which satisfy investment objectives, or realize upon their values, or that they will be able to invest fully their capital. To the extent that Riverwood encounters competition for investments, returns to investors may decrease.

Risk of Investment Concentration

Riverwood's clients may participate in a limited number of investments and, as a consequence, the aggregate return of a client may be substantially adversely affected by the unfavorable performance of any single investment. Moreover, since all client investments cannot reasonably be expected to perform well or even return capital, for a client to achieve above-average returns, one or a few of its investments must perform very well.

There can be no assurance that this will be the case. In addition, investors have no assurance as to the degree of diversification of Riverwood's investments, either by geographic region, asset type or sector. In addition, up to 25% of the aggregate amount of a client's capital may be invested in any one investment at any one time. To the extent Riverwood concentrates investments in a particular issuer, industry, security or geographic region, its investments will become more susceptible to fluctuations in value resulting from adverse economic to business conditions with respect thereto. Furthermore, if a client co-invests with other private equity funds, an investor that is invested in both funds may have

exposure to investments through more than one fund. In circumstances where Riverwood intends to refinance all or a portion of the capital invested in a transaction, there will be a risk that such refinancing may not be completed, which could lead to increased risk as a result of its client's having an unintended long-term investment as to a portion of the amount invested and/or reduced diversification.

Concentration of Investments in Technology Industries

Clients' portfolio companies will be concentrated in the technology sector. Concentration in a single industry may involve risks greater than those generally associated with diversified acquisition funds, including significant fluctuations in returns. The technology industry is challenged by various factors, including rapidly changing market conditions and/or participants, new competing products, services and/or improvements in existing products. Portfolio companies will compete in this volatile environment.

There is no assurance that products or services sold by the portfolio companies will not be rendered obsolete or adversely affected by competing products and services or that the portfolio companies will not be adversely affected by other challenges. Instability, fluctuation or an overall decline within the software industry will likely not be balanced by investments in other industries not so affected. In the event that the software sector as a whole declines, returns to investors may decrease.

Reliance on Portfolio Company Management Teams

Each portfolio company's day-to-day operations will be the responsibility of that company's management team. Although Riverwood will be responsible for monitoring the performance of each investment and seeks to invest in companies operated by strong management, there can be no assurance that the existing management team, or any successor, will be able to operate the portfolio company successfully. In addition, Riverwood will generally establish the capital structure of companies in which clients invest on the basis of financial projections for such companies. Projected operating results will normally be based primarily on the judgment of the management of the portfolio company. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse impact on the reliability of projections.

Risks in Effecting Operating Improvements

In some cases, the success of a client's investment strategy will depend, in part, on the ability of Riverwood to restructure and effect improvements in the operations of a portfolio company. The activity of identifying and implementing operating improvements at portfolio companies entails a high degree of uncertainty. There can be no assurance that Riverwood will be able to successfully identify and implement such improvements.

Minority Investments

Riverwood's clients may invest in minority positions of companies and in companies for which Riverwood has no right to exert significant influence. In such cases, Riverwood will be significantly reliant on the existing management and board of directors of such companies, which may include representatives of other investors with whom Riverwood is not affiliated and whose interests may conflict with the interests of Riverwood's clients.

Contingent Liabilities upon Disposition

In connection with the disposition of a portfolio investment, a client may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business and may be responsible for the content of disclosure documents under applicable securities laws. It may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be inaccurate. These arrangements may result in additional liabilities, which shall be borne by Riverwood's clients.

Risks Arising from Provision of Managerial Assistance

Riverwood and its clients will typically designate one or more directors to serve on the board of directors of each portfolio company as to which it obtains such rights. The designation of directors and other measures contemplated could expose the assets of the Riverwood's clients to claims by a portfolio company, its other security holders, its creditors and other persons who have a claim against the portfolio company.

B. Risks Relating to Certain Types of Investments

Illiquid and Long-Term Investments

An investment with Riverwood requires a long-term commitment with no certainty of return. There most likely will be little or no near-term cash flow available to investors. Many of the portfolio investments will be highly illiquid and there can be no assurance that clients will be able to realize returns on such investments in a timely manner. Consequently, dispositions of such investments may require a lengthy time period or may result in distributions of the portfolio company's securities (known as "in-kind" distribution) to investors. While a portfolio investment may be sold at any time, it is not generally expected that this will occur for a number of years after the investment in a portfolio company is made. Clients will generally acquire securities that cannot be sold except pursuant to a registration statement filed under the Securities Act, or in a private placement or other transaction exempt from registration under the Securities Act. In some cases, clients may be prohibited by contract from selling certain securities for a period of time. Even where a client holds freely tradable publicly traded securities, its investment position may represent a significant portion of the outstanding public securities of a particular company, creating a degree of illiquidity when a client wishes to dispose of or reduce its position in such company by selling shares into the market.

Investments Longer than Term

Riverwood may make investments which may not be advantageously disposed of prior to the date that its clients' investment program is scheduled to end. Although Riverwood expects that investments will be disposed of prior to this date or be suitable for in-kind distribution at this date, under certain circumstances clients may have to sell, distribute or otherwise dispose of investments at a disadvantageous time. 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 the investors will occur.

Investments in Restructurings

Riverwood's clients may make investments in restructurings that involve portfolio companies that are experiencing or are expected to experience financial difficulties. These financial difficulties may never be overcome and may cause such portfolio companies to become subject to bankruptcy proceedings. Such investments could, in certain circumstances, subject clients to certain additional potential liabilities that may exceed the value of the clients' original investments therein. For example, under certain circumstances, a lender who has inappropriately exercised control over the management and policies of a debtor may have its claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to clients and distribution to investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment or similar transaction under applicable bankruptcy and insolvency laws.

Speculative Nature of Investments in Distressed Debt

Riverwood's clients may from time to time invest in distressed debt securities and instruments. Companies experiencing financial distress are often those operating at a loss or with substantial variations in operating results from period to period. Investments in distressed debt securities and instruments are inherently speculative and are subject to a high degree of risk.

Companies experiencing financial distress may be involved in insolvency proceedings and have the need for substantial additional capital to support continued operations or to improve their financial condition and may have very high amounts of leverage. Distressed companies may have further inability to service their debt obligations during an economic downturn or periods of rising interest rates, may not have access to more traditional methods of financing and may be unable to repay debt by refinancing.

The value of distressed debt securities and instruments tends to be more volatile and may have an increased price sensitivity to changing interest rates and adverse economic and business developments than other securities and instruments. Distressed debt securities and instruments are often more sensitive to company-specific developments and changes in economic conditions than other securities and instruments. Furthermore, distressed debt securities and instruments are often unsecured and may be subordinated to senior debt, making it unlikely that a client can recover its investment in the case of bankruptcy.

Non-U.S. Investments

The Partnership expects to invest a portion of its capital outside of the United States. Non-U.S. securities involve certain factors not typically associated with investing in U.S. securities, including risks relating to: (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and various foreign currencies, and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the U.S. and foreign securities markets, including potential price volatility in and relative liquidity of some foreign securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation; (iii) certain economic, social and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital, the risks of political, economic or social instability and the possibility of expropriation or confiscatory taxation or other changes in law; (iv) the possible imposition of foreign taxes on income and gains recognized with respect to such securities; and (v) less developed corporate laws regarding fiduciary duties and the protection of investors.

Use of Leverage

While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a higher degree of risk. Client investments may involve varying degrees of leverage, as a result of which recessions, operating problems and other general business and economic risks (as well as particular risks associated with investing in technology companies described above) may have a more pronounced effect on the profitability or survival of such companies. Moreover, any rise in interest rates may significantly increase a portfolio company's interest expense, causing losses and/or the inability to service debt levels. If a portfolio company cannot generate adequate cash flow to meet debt obligations, a client may suffer a partial or total loss of capital invested in the company. Riverwood may also obtain leverage at the client level on a deal by deal basis. Although borrowings by clients have the potential to enhance overall returns that exceed a client's cost of funds, they will further diminish returns (or increase losses on capital) to the extent overall returns are less than the client's cost of funds. In addition, borrowings by a client may be secured by the client's capital as well as by the client's assets.

Bridge Financings

From time to time, Riverwood may lend a client's capital to portfolio companies on a short-term, unsecured basis 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 within Riverwood's control, such long-term securities may not be issued and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by Riverwood's clients.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or an investor's evaluation of Riverwood's advisory business or the integrity of its management.

Item 10: Other Financial Industry Activities and Affiliations

1. Affiliated Investment Advisers

Riverwood has an affiliated investment adviser under common control called Ironwood Management, L.L.C. ("*Ironwood*"). Ironwood predates Riverwood and its client has a similar investment strategy. All of Riverwood's investment personnel provide investment advice to both Riverwood's clients and Ironwood's client. From time to time, Riverwood may recommend an investment in a company in which Ironwood's client has previously invested. In such circumstances, Riverwood will obtain client consent before making an investment. Currently, Ironwood's client intends to make investments only in "follow-on" investments in companies in which capital has already been invested. Ironwood does not intend to advise new clients in the future.

Riverwood has another affiliated investment adviser under common control called RWCP Capital Management, L.P. ("*RWCP*"). RWCP's investment strategy is substantially similar to Riverwood's. RWCP and Riverwood share all investment personnel. RWCP may recommend investments in the same companies that Riverwood recommends, though RWCP will always make significantly smaller investments than Riverwood. If Riverwood's clients and RWCP's client determine to invest in the same company, the investment shall be allocated fairly to all clients of both advisers, taking into account all relevant concerns, including capital available for investment, desired order size and any other factors deemed relevant by Riverwood and RWCP. For all such co-investments, Riverwood's and RWCP's clients will participate on the same economic terms and conditions, and shall sell or otherwise dispose of their interests at the same time on substantially the same terms.

Riverwood does not recommend or select other investment advisers for clients.

2. Other Financial Industry Affiliations

Neither Riverwood nor any management person is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither Riverwood nor any management person is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor or an associated person of any of the foregoing entities.

Item 11: Code of Ethics, Participation or Interest in client Transactions and Personal Trading

1. Code of Ethics

As an investment adviser, Riverwood stands in a position of trust and confidence with respect to its clients. Riverwood has a fiduciary duty to place the interests of its clients before its own interests and the interests of its employees. All of Riverwood's personnel must put the interests of clients before their own personal interests and must act honestly and fairly in dealings with clients. All of Riverwood's personnel must also comply with all federal and other applicable securities laws. Riverwood has developed a compliance program to establish these rules of conduct for its personnel.

As part of its compliance program, Riverwood has adopted a personal trading policy requiring all personnel to disclose all holdings in personal trading accounts and all personal securities transactions in a timely manner. The Firm also maintains a "restricted list" of companies about which a determination has been made that it is prudent to restrict trading activity by the Firm and/or its personnel. Generally, an employee may not trade securities of a company included on the restricted list; however, exceptions may be granted under certain circumstances if pre-clearance is granted. Riverwood may also require employees to pre-clear transactions in the securities of certain issuers that are not on the restricted list, as determined by the Firm from time to time.

Riverwood has also adopted policies regarding the control of non-public information and political contributions. Riverwood's compliance program is designed to promote the ethical behavior of all of the Firm's personnel and to ensure compliance with applicable regulation and best practices. Riverwood will provide a copy of its code of ethics to any investor upon request.

2. Interest in Client Transactions

As mentioned above under Item 10, Riverwood has two related persons who may recommend to their clients the same investments that Riverwood recommends to its clients. Riverwood, Ironwood and RWCP do not co-invest alongside clients. Ironwood's client may hold an interest in a company in which Riverwood's clients are considering making an investment. This may happen in the case of a company in which Ironwood has previously recommended an investment. In such cases, as described above, Riverwood will obtain client consent before making an investment.

The general partner of Riverwood's clients, which is an affiliate of Riverwood, retains the right to invest side by side with clients at an amount not to exceed 5% of the investment. This percentage may be increased or decreased for any fiscal year with consent from Riverwood's clients.

Riverwood does not engage in transactions between proprietary accounts and client accounts. If Riverwood determines to engage in such transactions in the future, Riverwood will first obtain client consent.

Item 12: Brokerage Practices

Due to the nature of Riverwood's investment strategy, the Firm expects substantially all of its investments to be privately negotiated directly with its portfolio companies. As such, the Firm does not anticipate utilizing brokers or dealers regularly. In rare cases where the Firm determines to utilize a broker or a dealer to transact on behalf of clients, Riverwood shall evaluate such broker or dealer based on a range of factors, including without limitation commission price, willingness to commit capital, and ability to execute the desired transaction.

Item 13: Review of Accounts

Riverwood's partners, investment principals and associates are responsible for reviewing client holdings on an ongoing basis to determine if there have been any significant changes to any investments. Each investment will be reviewed whenever there is a major event or market shift affecting the portfolio company or its exit options. In these reviews, Riverwood will re-examine its investment hypothesis, update forecasts of portfolio company performance and project the investment's return opportunity before deciding the timing for realization.

Riverwood values investments held by its clients internally quarterly, and its clients' holdings are audited annually. Investors receive written quarterly reports related to their investment in a client.

Item 14: Client Referrals and Other Compensation

No one other than clients provides economic benefits to Riverwood for providing investment advice or other advisory services to clients.

Riverwood may receive certain fees from portfolio companies, such as “transaction” fees or “monitoring” fees, in connection with activities performed on behalf of clients. Riverwood has determined that all such fees paid to Riverwood, net of expenses related to the activities leading to the receipt of such fees, will reduce the management fee paid by investors.

Riverwood does not compensate a third party for client referrals. However, Riverwood has compensated a third party placement agent for investor referrals in the past. In such cases, investors were notified of the material facts of such solicitation arrangements, and any compensation paid by investors to the third party placement agent reduced the investor’s management fee by the same amount. Riverwood may determine to utilize a third party placement agent in the future.

Item 15: Custody

Riverwood has custody of client funds because an affiliate serves as the general partner to its clients.

When Riverwood identifies an investment that is suitable for its clients, the general partner issues a capital call to investors for the capital necessary to make the investment. This capital will be held with a qualified custodian until the investment is made, and account statements will be sent to clients by this qualified custodian directly for any periods when cash is custodied by Riverwood.

Though the investments recommended by Riverwood will generally be investments in private companies, Riverwood's clients may from time to time receive publicly traded equity securities in connection with their investments. Riverwood shall maintain evidence of all investments as required by Rule 204-2 under the Investment Advisers' Act of 1940. Riverwood shall maintain all publicly traded equity securities with a qualified custodian.

Additionally, Riverwood shall deliver to investors independently audited financial statements of its clients prepared in accordance with generally accepted accounting principles to its clients' investors no less frequently than annually, within 90 days of fiscal year end (subject to reasonable delays in the event of the late receipt of any necessary financial information from any portfolio company or information from the auditor of a client).

Item 16: Investment Discretion

Riverwood has discretionary authority over any cash or securities accounts that it may establish for the purpose of custodial client assets. Riverwood is granted power of attorney over such assets and the discretionary authority to make any investments deemed suitable for clients and within the investment objectives of its clients.

Item 17: Voting Client Securities

Riverwood has full authority to vote client securities. Due to the Firm's investment strategy and the nature of interests generally recommended by the Firm, Riverwood does not anticipate frequently holding public securities with voting authority on behalf of its clients, and therefore the proxy voting policies will not generally apply.

If the clients do hold public securities with voting authority, Riverwood shall determine to vote in the best interests of clients. Riverwood expects to frequently take an active role in the management of its portfolio companies. Riverwood believes that its investment professionals are able to judge what is in the best interests of the company. Therefore, Riverwood will generally vote with management. In some instances, such as in the event of conflict of interests, Riverwood may determine that it is in a client's best interest to abstain from voting.

A client may obtain a copy of Riverwood's proxy voting policy and/or a record of all proxy votes cast by that client at the direction of Riverwood by contacting Riverwood by email at investor_relations@rwcm.com or by telephone at (650) 618-7300.

Item 18: Financial Information

Riverwood does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

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

Item 19: Requirements for State-Registered Advisers

Riverwood is not currently registered or registering with a state securities authority.