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This brochure provides information about the qualifications and business practices of Riverside Advisors, LLC (“Riverside”). If you have any questions about the contents of this brochure, please contact us at (404) 949-3101. 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 Riverside also is available on the SEC’s website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

**March 27, 2013**

**Item 2. *Material Changes.*** Since Riverside filed its annual amendment to Form ADV Part 2A on March 29, 2012, Riverside has:

- Added disclosure regarding Lakeview Capital Partners under “Other Financial Industry Activities and Affiliations” below; and
- Removed disclosure about the Riverside Wisdom World Fund, which was closed on June 26, 2012

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

|  |           |
|--|-----------|
| <b>Advisory Business.....</b>  | <b>3</b>  |
| <b>Fees and Compensation .....</b>   | <b>3</b>  |
| <b>Performance-Based Fees and Side-By-Side Management.....</b>                                     | <b>4</b>  |
| <b>Types of Clients .....</b>  | <b>4</b>  |
| <b>Methods of Analysis, Investment Strategies and Risk of Loss .....</b>                           | <b>5</b>  |
| <b>Disciplinary Information .....</b>  | <b>7</b>  |
| <b>Other Financial Industry Activities and Affiliations .....</b>                                  | <b>7</b>  |
| <b>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....</b> | <b>8</b>  |
| <b>Brokerage Practices .....</b>   | <b>8</b>  |
| <b>Review of Accounts .....</b>  | <b>9</b>  |
| <b>Client Referrals and Other Compensation .....</b>   | <b>9</b>  |
| <b>Custody .....</b>   | <b>10</b> |
| <b>Voting Client Securities .....</b>  | <b>10</b> |
| <b>Financial Information.....</b>  | <b>10</b> |

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

##### History and Ownership.

Riverside Capital Holdings, LLC owns Riverside, and Kyle A. Tomlin and Glover & Co., LLC, are principal owners of Riverside Capital Holdings, LLC. Glover & Co., LLC is owned 90% by S. Taylor Glover. Riverside commenced operations in March of 1998 upon the launch of its first privately offered fund, the Riverside Global Value Fund.

##### Privately Offered Investment Funds.

Riverside currently provides investment advisory services to privately offered master-feeder investment fund structures, including the Riverside Global Value Fund, and the Riverside Equity Strategies Fund SPC (the “Master Funds”). In each structure, Kyle A. Tomlin and Brian Simmons, Riverside’s Chief Operating Officer, serve as directors for the Master Fund and an offshore feeder fund (the “Offshore Feeder”) that invests in the Master Fund, and Riverside serves as the general partner (the “General Partner”) of a U.S. feeder fund (the “Domestic Feeder”, and with the Offshore Feeder, the “Feeder Funds”) that invests in the Master Fund. Collectively, the Master Funds and the Feeder Funds are referred to herein as the “Funds”. Riverside may structure additional Funds and provide investment advisory services to them at any time.

##### Individualized Account Advisory Service.

Riverside may also provide investment advisory services to separately managed accounts that may be tailored to the needs of an individual client (“Individualized Account Advisory Services”). Individualized Account Advisory Services may be similar to investment advisory services provided to the Funds.

##### Discretionary Services.

All of Riverside’s investment advisory services are provided on a discretionary basis. As of December 31, 2011, Riverside had approximately \$337,900,000 in assets under management.

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

##### General Fee Information.

##### Fees Charged to the Funds.

The Feeder Funds pay Riverside fees for its investment advisory services. In general, Riverside charges each Feeder Fund an annualized management fee between 1.00% and 1.50% of the Feeder Fund’s net asset value, as more fully described in each Feeder Fund’s offering memorandum. However, Riverside may, in its sole discretion, exempt or reimburse, in whole or in part, any interests owned by an investor in a Feeder Fund from the annualized management fee. Riverside also receives a performance profit allocation in an amount up to 20% of the net profits earned from each investor in a Feeder Fund, subject to a loss carryforward provision (also known as a “High Water Mark”) so that no performance profit allocation will be deducted from tentative allocations until prior losses allocated have been recouped. However, Riverside may, in its sole discretion, exempt or reimburse, in whole or in part, any interests owned by an investor in a Feeder Fund from the performance profit allocation.

Management fees and performance profit allocations are calculated at the end of each month and are deducted from the Feeder Funds. Each Fund also incurs fees and expenses for professional services, administration services, brokerage and transaction changes, and other miscellaneous expenses as outlined in its respective Confidential Private Placement Memorandum. These fees and expenses are allocated to each investor's capital account on a monthly basis as incurred.

Individualized Account Advisory Service Fees.

Riverside may offer Individualized Account Advisory Services to managed accounts that may be tailored to the needs of an individual client. Fee schedules for Individualized Account Advisory Services will be negotiated.

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

In addition to the management fees described above, Riverside may charge performance-based fees to managed accounts at rates and under terms negotiated with each managed account client. While Riverside does not charge performance fees to the Funds, as noted above Riverside will generally receive a performance profit allocation equal to 20% of the net profits earned from each investor in a Feeder Fund, subject to a High Water Mark. This means that if a Fund subject to a performance profit allocation declines in value and subsequently regains that loss, Riverside will not assess a performance-based fee on the recovery of value. This arrangement may act as an incentive for Riverside to make investments that are riskier or more speculative than would be the case in the absence of a performance profit allocation. This risk is mitigated by the fact that Riverside seeks to maximize the performance of the Funds and managed accounts over time. In addition, limited investment opportunities that suit the investment strategies of both Funds and managed accounts are allocated in an equitable manner.

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

Funds.

As indicated above, Riverside's clients include the Funds. The investors in the Feeder Funds are generally accredited investors, which may include high net worth individuals, trusts, endowments, foundations, funds of funds or pension plans. The minimum investment size in a Feeder Fund is \$1 million and the minimum for subsequent subscriptions is \$50,000, although these minimums may be waived at the discretion of Riverside.

Individualized Account Services.

Riverside may provide individualized account services to individuals, pension and profit-sharing plans, corporations, trusts, estates and charitable organizations. While Riverside may make exceptions, the minimum portfolio value eligible for services is generally \$25,000,000.

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

### Method of Analysis.

Riverside uses both a top-down and bottom-up approach in constructing the Master Funds' investment portfolios. In general, Riverside's investment process involves (i) the origination of top-down themes based on valuation, sentiment, catalysts, fundamentals and other factors; and (ii) security-screening strategies that filter the global universe of stocks to a manageable number of potential securities; and (iii) security selection by Riverside's portfolio managers.

### Investment Strategies.

*For the Riverside Funds.* As noted above, Riverside provides investment advisory services to the Riverside Global Value Fund, the Riverside Wisdom World Fund, and the Riverside Equity Strategies Fund SPC. While each Master Fund may invest in a variety of securities issued by foreign or U.S. companies without limitation, each Master Fund has different investment strategies. While these investment strategies may be changed at any time to meet changing market and economic conditions and investment focus, a brief description of each is provided below:

- The Riverside Global Value Fund seeks to achieve its investment objective primarily by identifying and investing in undervalued equity securities of U.S. and foreign companies. The Global Value Fund may also use long/short and short-term trading strategies focused on growth (e.g., earnings potential and price momentum) and value criteria. In addition, the Global Value Fund may use hedging techniques, invest in cash equivalents or fixed income securities issued by foreign or U.S. companies, or employ a number of additional investment techniques in an effort to minimize risk.
- The Riverside Equity Strategies Fund SPC has two segregated portfolios: the Volatility Arbitrage Segregated Portfolio, the investment objective of which is take advantage of structural inefficiencies observed by Riverside in certain securities, including ETFs, and the Hedged Volatility Equity Segregated Portfolio, the investment objective of which is to out-perform the global equity markets over the long term, while seeking to reduce the adverse effects of market volatility. Each of these portfolios may invest in securities of U.S. or foreign issuers of any size, without limitation, and may concentrate exclusively in securities of a few issuers, markets, business segments or countries at any given time.

*For Individualized Account Advisory Services.* Riverside will design investment strategies for individualized advisory account services based on the investment objectives, risk tolerance and financial circumstances of the individual client. However, in general, Riverside focuses its investment strategies on top-down and bottom-up analysis of U.S. and foreign securities in a wide variety of markets, with a focus on long and short equity positions.

### Risk of Loss.

While Riverside actively manages its portfolios in an effort to achieve returns and reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that client investment portfolios face.

- *Equity Securities.* Riverside will invest portions of client portfolios into domestic and international equity securities. Investments in stocks and other equity securities are subject to the risks of declines in these equity markets.
- *Investments in Sectors.* Client portfolios may be invested in one or more particularized industries or sectors of the economy (e.g., telecommunications or utilities). Industry and sector markets, like the national economy as a whole, tend to be cyclical and may decline from time to time or at any time.
- *Foreign Securities.* While foreign investments are important to the diversification of client investment portfolios, foreign investments are subject to political or stability risks not generally found in the United States, such as nationalization, confiscation without fair compensation, political or social instability and war. Foreign securities also involve currency risks, market risks relative to their applicable countries, and risks related to less regulation and reporting than is required for U.S. investors. Additionally, foreign banks and securities depositories that hold securities and cash for client portfolios may have limited or no regulatory oversight over their operations, and the laws of certain countries may limit Riverside's ability to recover these assets if one of these institutions, or any of their agents, goes bankrupt.
- *Investments in Small-Cap Companies.* Client portfolios may be invested in securities of companies with small market capitalizations. While certain small-cap companies may offer greater potential for capital appreciation than larger companies, this potential for greater capital appreciation is accompanied by a greater risk of loss.
- *Investments in ETFs.* Client portfolios may be invested in ETFs for hedging or other purposes. While investments in most ETFs are generally less risky than investing in individual securities because of their diversified portfolios, these investments are subject to the risk that the index or sector they are designed to track loses value, or, if the investments in ETFs are held short, the risk that such index or sector increases in value.
- *Special Situations.* Client portfolios may be invested in a company that Riverside believes will appreciate in value within a reasonable period of time (regardless of general economic conditions or movements of the market as a whole) because of a development particularly or uniquely applicable to that company. There is substantial risk of loss that the securities of that company may not achieve the anticipated or desired price levels, or may fall significantly below the purchase price.
- *Companies with Unusual Valuations based on Many Traditional Methods.* Some companies grow so quickly that the market price of their securities may not yet have been realized by traditional valuation techniques. While investments in these companies could potentially be profitable, the prices of these securities could also fall precipitously, leading to substantial losses.

- *Options and Derivative Instruments.* Client portfolios may be invested in options and derivative instruments, which expose client portfolios to the risk of non-performance by the other party to the contract and the risk of settlement default, in addition to risks associated with the performance of the underlying securities or other financial instruments.
- *Economic Conditions.* Changes in economic conditions, including, for example, interest rates, inflation rates, employment conditions, competition, technological developments, political and diplomatic events and trends, and tax laws may adversely affect the business prospects or perceived prospects of companies. While Riverside performs due diligence on the companies in which it invests, economic conditions are not within the control of Riverside and no assurances can be given that Riverside will anticipate adverse developments.
- *Hedging and Arbitrage.* While engaging in hedging and arbitrage transactions may be used for risk management purposes, unanticipated changes in securities prices; unanticipated economic, market or corporate events; or unanticipated changes in interest rates or other market factors may result in a poorer overall performance than if hedging or arbitrage investments were not made. In the event of an imperfect correlation between a position in a hedging investment and a portfolio position that it is intended to protect, or unexpected price changes in arbitrage positions, the desired protection may not be obtained, increasing exposure to risk of loss.
- *Portfolio Turnover.* Riverside's trading strategies may lead to significant levels of portfolio turnover. While positive results may be achieved by making short-term investments, investors may be subject to higher taxes with respect to the returns on their investment than they may have with respect to other investment strategies that yield lower portfolio turnover ratios. Additionally, higher portfolio turnover ratios also subject client portfolios to increased brokerage commissions and other transaction costs.
- *Lack of Diversification.* Riverside client portfolios may not have a diversified portfolio of investments at any given time. While investing large amounts of assets in a very small number of companies or industries or types of investments from time to time will be easier for Riverside to monitor the investment portfolios, a substantial loss with respect to any particular investment in an undiversified portfolio will have a substantial negative impact on the aggregate value of the portfolio.

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

Riverside has no disciplinary events to disclose.

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

Riverside is affiliated with Lakeview Capital Partners, LLC ("LCP"), an investment adviser registered with the State of Georgia that provides financial planning and portfolio management to individuals, pension and profit-sharing plans, corporations, trusts, estates and charitable organizations. Under certain circumstances, employees of Riverside may refer persons to LCP (e.g., due to a person's account size or desired services). Riverside is not paid any referral fee by, and does not share in any portion of the advisory fees paid to, LCP in connection with

these referrals. However, due to common ownership between Riverside and LCP, certain Riverside personnel may receive an indirect benefit from referrals to LCP.

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

Code of Ethics. Under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), Riverside and its officers, directors and employees (“Supervised Persons”) owe fiduciary duties to their clients. Consistent with these duties, Riverside has adopted a Code of Ethics (“Code”) which, among other things, requires that its Supervised Persons reflect the professional standards expected of investment advisers and comply with federal and state securities laws and regulations pertaining to Riverside. Under the Code, Supervised Persons should place the interests of clients first, ahead of their own personal interests, and generally seek to treat clients fairly. In addition, Supervised Persons are prohibited from engaging in any practice that defrauds or misleads any client or investor, or engaging in any manipulative or deceitful practice with respect to clients, investors or securities.

The Code also includes provisions addressing personal trading by Supervised Persons, as summarized below:

Personal Trading. Under the Code, Supervised Persons are generally required to submit information about their personal trading activities to Riverside’s chief compliance officer (“CCO”) or the CCO’s designee for review. In addition, Supervised Persons are generally required to notify the CCO and obtain advance approval of certain personal trades in securities that may be traded by Riverside for client accounts. Violations of the Code may result in disciplinary action up to and including dismissal.

Participation or Interest in Client Transactions. Under the Code, Supervised Persons are prohibited from trading in securities on the basis of material, non-public information or communicate material, non-public information about the issuer of any security to any other person.

Riverside will provide a copy of the Code to clients or prospective clients upon request.

#### **Item 12. *Brokerage Practices***

For each trade where it exercises investment discretion, Riverside seeks “best execution”, which is a combination of price and execution relative to our instructions, and other factors.

Brokerage Selection. In making brokerage determinations, Riverside considers a number of judgmental factors, including, without limitation, clearance and settlement capabilities, quality of confirmations and account statements, the ability of the broker to settle the trade promptly and accurately, the financial standing, reputation and integrity of the broker-dealer, access to markets, research capabilities, market knowledge, any “value added” characteristics, Riverside’s past experience with the broker-dealer, Riverside’s past experience with similar trades, and other factors. Recognizing the value of these factors, Riverside may pay a brokerage commission in excess of that which another broker might have charged for effecting the same transaction.



Soft Dollar Transactions. Riverside does not engage in soft dollar transactions.

Aggregation of Trades. Riverside may aggregate trades for the Funds and managed accounts if it is consistent with receiving best execution. Generally, Funds and managed accounts participating in an aggregated order will receive an average share price of all trades placed that trading day and pay their ratable share of brokerage costs. In some cases, Riverside may be excluded from aggregated block trades due to legal or regulatory concerns.

Other Trading Policies. In the event of a trading error (including purchasing or selling the wrong securities for a client account, or purchasing securities not legally permitted for a client account, or not within the client's investment guidelines), Riverside's general policy is to treat clients fairly. Trading and administrative errors are to be brought immediately to the attention of the CCO or Riverside management and to the extent practicable under the circumstances; errors should not be resolved without prior approval from the CCO.

When a trade error occurs in a client account, Riverside will take appropriate steps to treat clients fairly, including, without limitation, working with the broker-dealer involved in the trade to implement a correction. If necessary, Riverside may establish an error account, in which losses resulting from trading errors may be netted against gains realized from other trading errors.

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

Riverside Funds. Riverside's portfolio managers and Chief Operating Officer (COO) review the Funds' accounts on a daily basis. On a monthly basis, Riverside reviews calculations of the net asset value of the Funds and of individual investor capital account balances, which are confirmed by the COO prior to Riverside creating a written monthly summary for each client portfolio. The monthly performance summaries include current significant portfolio investment strategies, indicative performance attribution and monthly commentary, end of month exposures, statistical and other information. The summaries are available for investor access in the password-protected section of Riverside's website at [www.riversideadvisors.net](http://www.riversideadvisors.net).

Individualized Account Services. Riverside's portfolio managers review individually managed client accounts on a case-by-case basis. Generally, reviews of individually managed client accounts will be performed not less than quarterly or as needed due to changing client or market conditions; however, reviews may be more frequent if requested by the client.

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

Riverside may engage solicitors who refer clients to Riverside consistent with the requirements of Rule 206-4(3) under the Advisers Act. Riverside currently has a solicitation arrangement in place with SunTrust Banks, Inc. ("SunTrust"). Under this arrangement, Riverside pays SunTrust a percentage of the management and performance fees received from a Fund investor based on the amount of assets they recommended to invest in one of the Funds. Riverside may engage other solicitors in the future.

**Item 15. *Custody***

Custody of securities in client accounts is maintained at “qualified custodians,” as such term is defined under Rule 206(4)-2 of the Advisers Act. These qualified custodians may include Morgan Stanley & Co., Barclays Capital Securities Limited (and its affiliates), J.P. Morgan Clearing Corp., Morgan Stanley Trust National Association, Fidelity Capital Markets, a division of National Financial Services, LLC or other banks or broker-dealers selected by clients. Clients should request statements from their custodians at least quarterly, with paper or electronic copies provided to Riverside. Clients should promptly notify Riverside if they do not receive a quarterly statement from their custodian.

**Item 16. *Investment Discretion***

Riverside has discretionary authority over the client portfolios that it manages. The limited partnership agreements and other governing documents of the Funds grant Riverside power of attorney over all assets invested with Riverside.

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

Riverside does not have authority to vote proxies for client securities. Riverside’s clients receive proxies and other solicitations directly from their respective custodians or from transfer agents. Riverside’s clients may contact Riverside with questions about a particular solicitation by calling (404) 949-3101.

**Item 18. *Financial Information***

Riverside does not require or solicit prepayment of fees six months or more in advance, and Riverside currently does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.