



## **WestRiver Management, LLC**

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### **FORM ADV PART 2A**

BROCHURE  
March 30, 2022

**This Form ADV Part 2A Brochure provides information about the qualifications and business practices of WestRiver Management, LLC. Any questions regarding the contents of this brochure should be directed to WestRiver Management, LLC's Chief Compliance Officer at (425) 576-9850 or via email: [info@wrg.vc](mailto:info@wrg.vc). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authorities.**

**Additional information about WestRiver Management, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The information can be obtained by using a unique identifying number, known as a CRD number. WestRiver Management LLC's CRD number is 161921.**

## Item 2 – Material Changes

This Item 2 summarizes material changes to WestRiver Management, LLC’s (“WRM,” the “Firm,” “we,” “us” or “our”) Form ADV, Part 2A Brochure since the last update on March 25, 2021. Please see the specific sections referenced below for additional information regarding these revisions.

- Item 4 was updated to reflect the Firm’s assets as of December 31, 2021, as well as the list of affiliated entities.

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## **IMPORTANT NOTE ABOUT THIS BROCHURE**

This Brochure is not:

- ❖ an offer or agreement to provide advisory services to any person;
- ❖ an offer to sell interests (or a solicitation of an offer to purchase interests) in any private fund or other pooled investment vehicle; or
- ❖ a complete discussion of the features, risks or conflicts associated with any advisory service, private fund or pooled investment vehicle.

Although this publicly available Brochure describes services and products that we provide, persons who receive this Brochure (whether from us or not) should be aware that it is designed solely to provide information about us as necessary to respond to certain disclosure obligations under the Investment Advisers Act of 1940, as amended. As such, the information in this Brochure may differ from information provided in relevant client documents. More complete information about each private fund or other pooled investment vehicle is included in the relevant client documents, certain of which may be provided to current and eligible prospective clients or investors only by persons authorized to communicate with current or potential clients or investors by, or on behalf of, us. To the extent that there is any conflict between discussions

herein and similar or related discussions in any client documents, the relevant client documents shall govern and control.

## **Item 4 – Advisory Business**

WestRiver Management, LLC (“WRM”) is an investment advisory firm organized as a Delaware limited liability company. WRM has been providing investment advisory services since 2002 and is principally owned by Erik J Anderson.

WRM conducts its advisory business through affiliated entities. Specifically, Loan Manager, LLC, TGP Manager, LLC, VSF Manager, LLC, WRG HCD1 GP, LLC, WRG HCD2 GP, LLC, WRG HCD3 GP, LLC, WRG TD1 GP, LLC, WRG EFI Manager, LLC, and WRG EIC II Manager, LLC, (together, “WRM,” the “Firm,” “we,” “us” or “our”) and various other entities serve as general partners of or advisers to private investment funds.

### **Advisory Services**

WRM provides discretionary and non-discretionary investment management services to affiliated private funds (each a “Fund” or “Funds”), as well as charitable organizations, endowments, and unaffiliated investment managers (together with “Funds”, collectively referred as “Clients”). WRM’s services to the Clients consist of (i) investigating, identifying and evaluating investment opportunities; (ii) structuring, negotiating and making investments on behalf of the Clients; (iii) managing and monitoring the performance of such investments; and (iv) exiting such investments on behalf of the Clients. WRM’s services to each Client are subject to the specific investment objectives and restrictions applicable to such Client, as set forth in such Client’s operating agreement and other governing documents (collectively, the “Governing Documents”).

The Funds with nondiscretionary assets have an investment committee consisting of representatives of the investors in the Fund, and sometimes a representative of WRM. All decisions concerning approval of new investments, allocations of capital to specific investments, and dispositions of investment securities must be approved by majority vote of the investment committee. As a result, WRM does not exercise investment discretion, and does not have final approval, with respect to the selection of Fund investments, and does not determine the amount of each Fund(s) capital committed to each investment.

Funds with discretionary assets (the “Equity Platform”) have an investment committee consisting of WRM representatives. Decisions concerning approval of new investments, allocations of capital to specific investments, and dispositions of investment securities must be approved by majority vote of the investment committee. In addition, the Advisory Committee comprised of representatives of the investors in the Equity Platform funds will have the ability to review and advise on materials presented to it related to certain decisions.

WRM’s institutional Clients (charitable organizations, endowments, and unaffiliated investment managers) retain investment authority. WRM’s services consists of conducting due diligence and sourcing and recommending potential new investments to the respective investment committees

of each client. Each client makes investment decisions based on WRM's recommendations, but WRM is not responsible for the management of, and does not exercise discretion with respect to, the assets of such clients.

### **Tailored Services**

Investors and prospective investors in each Fund should refer to the Governing Documents of that Fund for information on the investment objectives and investment restrictions with respect to that Fund. There can be no assurance that any of the Funds' investment objectives will be achieved, and WRM's services are generally not tailored to the individualized needs of any particular investor of the Fund. Since WRM does not provide individualized advice to investors (and an investment in the Fund does not, in and of itself, create an advisory relationship between the investor and WRM), investors must consider whether a particular Fund meets their investment objectives and risk tolerance prior to investing.

With respect to separate investment mandates and nondiscretionary Funds, the investment committee of each such Client exercises final approval over the selection of investments and determines the amount of capital committed to each investment.

### **Wrap Fee Programs**

We do not provide portfolio management services to wrap fee programs.

### **Management of Client Assets**

As of December 31, 2021, the following assets are under the Firm's supervision:

<b>Discretionary Basis</b>	<b>\$144,882,737.02</b>
<b>Non-Discretionary Basis</b>	<b>\$1,101,757,531.44</b>
<b>Total: Assets under Management</b>	<b>\$1,246,640,268.46</b>

## **Item 5 Fees and Compensation**

### *A. Management Fees*

Pursuant to the operating agreements of all our Fund(s), we offer investment advisory services and are compensated through management fees as described below:

#### Fixed Fee

We charge fixed investment management fees that are generally based on either a budget agreed to by the investment committee of the applicable Client, or a percentage of the

capital invested in the Fund by our investors. The fixed investment management fees are payable quarterly in advance. If the investment management agreement between the Firm and the client is terminated, the client will be responsible for paying a pro-rated fee for the quarter in which the account was terminated. If an agreement with a client that pays fees in advance is terminated, the Firm is not required to refund any portion of any prepaid fee.

Performance-Based Fees (Carried Interest Distributions)

WRM and its affiliates act as the managing member of each of the Fund(s). We are entitled to receive carried interest distributions from each Fund in accordance with the terms of the Fund's operating agreement. Typically, the carried interest is structured as a right to receive a specified percentage of any additional distributions after the Fund's investors have received back their capital contributions plus a preferred return. In some contexts, after the investors have received their capital contributions and preferred return, we may be entitled to catch-up distributions commensurate with the preferred return paid to our investors. Following the catch-up (if applicable), any additional distributions are split between the investors, on the one hand, and WRM, on the other hand, in accordance with the carried interest percentage as specified in each Fund(s) operating agreement.

Alternative Fee Arrangements

WRM may, at our discretion, be willing to consider and negotiate fee arrangements that are different than those described above (e.g., basis points assessed on percentage of assets under management).

*B. Additional Fees and Expenses*

Unless otherwise agreed to with a client, our fees do not include transaction charges (more information regarding our transaction practices can be found under Item 12 - Brokerage Practices), custodial fees, transfer taxes, exchange fees, interest charges, electronic fund and wire transfer fees, or any charges, taxes or other fees mandated by any federal, state or other applicable law or otherwise agreed to with the client. In addition, if we acquire a mutual fund, pooled fund or similar investment vehicle for a client account, the client will be responsible for the fees and expenses charged by the underlying fund.

WRM's general policy is not to charge portfolio companies any additional fees. However, WRM's affiliates may receive compensation as officers, directors or consultants for some of the portfolio companies of the Funds. Generally, these fees are not offset against the fees described above.

In addition to the management fees described above, the individual Fund(s) are responsible for a number of expenses that are incurred by or on behalf of the Fund(s). WestRiver will charge fees and allocate and expenses to each Fund strictly in accordance with (a) its fiduciary obligation to treat each Fund fairly and equitably and (b) the guidelines disclosed in Fund offering documents and any other applicable agreements. Below is a list of general expenses and fees that could be expected to be incurred by a Fund:

- ❖ Fees and expenses associated with the organization of the Fund and the offer/sale of interests;

- ❖ Costs of selecting, acquiring, holding, monitoring and disposing of investments;
- ❖ All expenses relating to litigation and threatened litigation involving the Fund;
- ❖ Legal, auditing, tax and accounting services, brokerage, travel, marketing and other fees, commissions and expenses incurred by the Fund;
- ❖ Taxes, insurance, and any costs incurred from dissolving and liquidating the Fund.

Generally, all expenses payable by Fund(s) are negotiated in advance and approved by respective investment committees of the applicable Fund in a form of a budget. Thus, the above list is not all-encompassing and only provides a sampling of the fees and expenses that may be incurred in running an investment Fund. For more information, please refer to each Fund's operating agreement.

*C. Compensation for Sale of Securities or Other Investment Products*

Neither WRM nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

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

As described in Item 5 – Fees and Compensation above, in addition to fixed management fees, we are entitled to receive carried interest distributions from each Fund in accordance with the terms of the Fund's operating agreement. Typically, the carried interest is structured as a right to receive a specified percentage of any additional distributions after the Fund's investors have received back their capital contributions plus a preferred return. In some contexts, after the investors have received their capital contributions and preferred return, we may be entitled to catch-up distributions commensurate with the preferred return paid to the investors. Following the catch-up (if applicable), any additional distributions are split between the investors, on the one hand, and WRM, on the other hand, in accordance with the carried interest percentage as specified in each Fund(s) operating agreement.

Conflicts of interest may exist where an adviser and its related persons manage more than one private investment fund. WRM or a related person may give advice to a Fund which differs from the advice given to another Fund, even though the Fund(s) investment objectives may be the same or similar. Conflicts of interest also may exist in our allocation of an investment opportunity among the Fund(s). In addition, conflicts of interest may occur as to the allocation of our time among the various Fund(s). Potential conflicts of interest are expected to be limited because the Fund(s) generally employ different investment objectives.

Because of differing objectives or other factors, the members, managers, employees, and related persons of WRM and the Fund(s) we manage may take investment positions in securities that are different from, or opposite to, the positions taken by a Fund. Generally, WRM, its members, managers, employees, or related persons, if any, become aware of, and can participate in, business opportunities in which a fund investor and/or Fund will not be given an opportunity to participate, even if such opportunity is of a character that, if presented to the investor and/or Fund, would be desirable to an investor and/or Fund.

We have adopted a Code of Ethics (the “Code”) that sets forth standards of ethical conduct and requires compliance with federal securities laws. The Code generally requires designated personnel to preclear initial public offerings and other offerings of limited availability, and to report personal securities holdings and transactions. Please refer to Section 10 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading below for additional detail about our Code of Ethics. We have also adopted an insider trading policy that restricts the use and communication of material nonpublic information.

## **Item 7      Types of Clients**

WRM provides investment advisory services to the private investment Funds, and various institutional clients such as endowments, other investment advisers and charitable organizations, as discussed above in Item 5 - Advisory Services. Certain Fund(s) may require investors to make a specified minimum investment as specified in each Fund(s) operating agreement. The terms and amount of each investment in each of the Fund(s) are privately negotiated. Fund investors may include pension and other Fund(s) subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). Each Fund may require certain customary representations or assurances from Benefit Plan Investors (as defined in 29 C.F.R. §251.0.3-1 01) to determine the Fund’s compliance with legal provisions applicable to them.

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

### *A.      Methods of Analysis & Investment Strategies*

WRM is an investment firm that provides debt and equity financing to technology, life science, experiential, and healthcare service companies. WRM’s investment platforms focus on the technology, life science, energy, and experiential sectors, with flexibility to invest in a variety of asset classes and capital structures.

As the managing member or general partner of each of the private investment Fund(s), we have developed proprietary investing strategies to identify potential investment opportunities, as described below in more detail.

The WestRiver Funds Platform is designed to make capital allocations through underlying fund managers whose strategy is to make investments in private, venture capital-type investments, including seed, start-up and other early-stage venture capital, later-stage venture capital, expansion capital, and technology-related growth capital investments.

The WestRiver Equity Platform is designed to invest in technology, life science, experiential and healthcare service companies. The technology sector generally invests in private early and growth stage B2B technology companies which leverage Machine Learning and Artificial Intelligence across large datasets. The WRG Healthcare Practice is designed to invest in late stage private and early-stage public growth companies and in early-stage private companies focused on biotech, pharma, digital health, med-tech and tech-enabled services in the health care industry. The Healthcare sector makes investments in late-stage private and early-stage public company opportunities and in earlier stage private opportunities. The experience sector is designed to



invest in private early and growth stage companies participating in the consumer experiential economy which includes a focus on social sports, games, travel, augmented and virtual reality experiences, and experiential social commerce.

The WestRiver Debt Platform is designed to make loans and other debt-like investments to, and acquire warrants to purchase equity in, emerging growth, technology, life sciences, FinTech, hardware-as-a-service, and private investment companies with growth potential.

WRM and its affiliates will not exercise final approval with respect to the selection of investments and capital allocations for nondiscretionary funds. Such approval will be vested in the investment committee of each Fund. We will conduct due diligence to screen potential investments, negotiate the terms of each investment, and make recommendations to the applicable Fund investment committee on investment decisions. Each investment prospect will be selected based on our judgment and investment experience. On the other hand, for the Equity Platform funds, WRM and its affiliates will exercise discretion with respect to the selection of investments and capital allocations.

Each Fund may, from time to time, invest cash on hand in short-term money market instruments, U.S. Treasury obligations, bank certificates of deposit, and other instruments having short maturities or call features, until such time or times when capital contributions are needed to fund a Fund's unpaid committed capital contributions to any portfolio investment or to pay Fund expenses (including management fees).

In providing investment advisory services to the other Clients, WRM employs substantially similar due diligence, screening and recommendation methods and strategies as we do in providing investment advisory services to the Fund(s).

#### *B. Risk Factors*

Potential investors should be aware that an investment in any of the Fund(s), or in any other investment we recommend, involves a significant degree of risk. There can be no assurance that the Fund(s) investment objectives will be achieved, or that an investor will receive a return of capital. Risks associated with an investment in the Fund(s), or in any other investment we recommend, may include, but are not limited to, the following, and should be carefully evaluated before making an investment in a Fund or in any other investment we recommend.

##### General

The private equity class of investments, including investments in venture capital Fund(s), is high-risk and subject to loss, including the loss of part or all of an investor's investment. The success of private equity investment vehicles in general is subject to risks related to: (1) the quality of the management of the respective portfolio companies; (2) the ability of the management of the portfolio companies to execute and grow their businesses; (3) general economic conditions; and (4) the ability of the portfolio companies to achieve liquidity for the investment. There is no assurance that the investments will be profitable or that distributions will be made to the investors. Any return on investment to the investors will depend upon the success of the investments.

### *Suitability of Investors*

An investment in the Fund(s), and in certain other investment recommended by WRM, is suitable only for sophisticated investors with substantial other assets who are capable of making an informed independent decision as to the risks involved in such an investment. Because of the risks involved, the lack of a public market for the interests and restrictions on transfer of interests, such investments are only suitable for sophisticated investors who are willing to hold their interests to term and who understand that they may lose all or a significant portion of their invested capital. We expect the Fund(s) to hold their investments for a number of years. In addition, in some cases, the Fund(s) may be prohibited by contract or applicable laws from selling certain securities for a period of time.

### *Highly Competitive Market for Investment Opportunities*

The activity of identifying, completing and realizing private equity investments is highly competitive and involves a high degree of uncertainty. The Fund(s) and other investors following our recommendations will be competing for investments with other private equity investment vehicles, as well as individuals, financial institutions and other institutional investors. Further, over the past several years, an ever-increasing number of private equity investment vehicles, including those that invest in other investment vehicles, have been formed (and many such existing investment vehicles have grown in size). Additional investment vehicles with similar investment objectives may be formed in the future by other unrelated parties. No assurance can be given that the Fund(s) and other investors following our recommendations will be able to identify investment opportunities that satisfy their investment objectives and desired diversification goals or, if they are successful in identifying such investment opportunities, that they will be permitted to invest, or invest in the amounts desired, in such opportunities.

### *Taxation Risks*

Certain risks relating to tax matters are discussed below, which prospective investors should read carefully.

We endeavor to structure the Fund(s) investments in a manner that is intended to achieve the Fund(s) investment objectives and, notwithstanding anything contained herein to the contrary, there can be no assurance that the structure of any investment will be tax efficient for any particular investor or that any particular tax result will be achieved. In addition, tax reporting requirements may be imposed on investors under the laws of the jurisdictions in which investors are liable to taxation or in which the Fund(s) make portfolio investments. Furthermore, the Fund(s) returns in respect of their investments may be reduced by withholding or other taxes imposed by jurisdictions in which the Fund(s) portfolio companies are organized. Finally, the tax rules, or their interpretation in relation to an investment in the Fund(s), may change during the life of the Fund(s).

Prospective investors should consult their own professional tax advisors with respect to the tax consequences to them of an investment in the Fund(s) in light of their particular tax situations.

#### Changes

Changes in legal, fiscal and regulatory regimes may occur during the life of the Fund(s), which may have an adverse effect on them or the portfolio investments. Changes in economic conditions may occur during the life of the Fund(s) that may have an adverse effect on their investments, such as rising interest rates, downturns in the economy or deteriorations in the condition of the industry sector in which a portfolio investment operates or invests.

#### Illiquidity of Investments

A limited market exists for the sale of the Fund(s) investments in portfolio companies and the transferability of such investments is generally restricted. There are no assurances that the Fund(s) will be able to liquidate a particular interest in a portfolio company at the time and upon the terms they desire. Other investments we recommend may face similar or identical liquidity issues.

#### Lack of Liquidity of the Interests in the Fund(s)

Prospective investors should be aware of the long-term nature of their investment in the Fund(s). There is not now and likely will not be a public market for the interests. The interests may not be assigned, transferred or encumbered without the prior written permission of WRM. Accordingly, an investor may not be able to liquidate their investment and must be prepared to bear the risks of owning their interest for an extended period of time. The interests are not likely to be registered under the securities laws of the country, state or jurisdiction of residence of any investor.

#### Dependence on Senior Professionals

The Fund(s) will be managed by WRM, and accordingly will be dependent on the personnel of the Firm (particularly Erik J Anderson) for investment sourcing, management, analysis, and administrative services. The loss of Erik J Anderson or other WRM key personnel could have a significant adverse impact WRM's ability to perform its duties as the Managing Member of the Fund(s). Investors must rely on the ability of WRM to source appropriate investments. With respect to investments that are approved by the Fund's investment committee, the investors are dependent on the Firm to manage the investment execution appropriately. Accordingly, no person should purchase an interest in any Fund unless such person is willing to rely on the Firm for the above matters and day to day responsibilities associated with managing the Fund's investment portfolio.

*Difficulty of Locating Suitable Investments*

The Fund(s) may be unable to find a sufficient number of attractive opportunities to meet their investment objectives. The investment performance of prior Fund(s) managed by the Firm cannot be relied on as an indicator of the Fund(s) future performance or success.

*Penalty for Failure to Make Capital Contributions to the Fund(s)*

Upon failure to make any installment payment of its capital commitment, a Fund investor's interest will be subject to substantial or total reduction

*Establishment of Additional Fund(s)*

WRM and our related persons may organize new Fund(s) substantially similar to the Fund(s). Any such new fund may be interested in the same investment opportunities as the Fund(s) and other investors following our recommendations. There is no assurance that investors in the Fund(s) will be offered the opportunity to participate in any subsequent Fund(s).

*Value of Investment*

The value of an investment in the Fund(s), or in other investments we recommend, may fluctuate. A Fund investor's capital commitment will be allocated to investments over a fixed period of time specified in the Fund operating agreement. Historically, private equity returns have varied greatly over time, depending on the conditions at the time investments were made and when investments were exited by the partnerships. No assurance can be given that the Fund(s), or other investments we recommend, will return to investors all or any part of their contributed capital commitment.

*Indemnification Obligations of the Fund(s)*

The governing documents of each portfolio company are expected to include provisions which would require the company to indemnify its directors and officers (and certain other related or affiliated parties), if any, and their affiliates, and their respective directors, officers, employees, managers, partners, members, stockholders and agents, for certain claims, losses, damages and expenses arising out of their activities on behalf of such portfolio company or such other related or affiliated parties. Such indemnification obligations could decrease the returns to investors in such portfolio companies and, consequently, to investors in the Fund(s).

Similarly, to the extent permitted by applicable law, the Fund(s) will indemnify WRM, its members and partners and their related affiliated parties for certain claims, losses, damages and expenses arising out of their activities on behalf of the Fund(s), and to the extent the Fund(s) assets are insufficient to satisfy such indemnification obligations, the investors will be liable therefore to the extent of their remaining unpaid capital commitments and any distributions previously made to them by the Fund(s).

Contingent Liabilities and the Fund(s)

The Limited Liability Company Agreement of each Fund authorizes us to establish such reserves for unknown or contingent liabilities as we, in our sole discretion, deem advisable. We may withhold a portion of any distribution to an investor in order to discharge such investor's pro rata share of the Fund(s) liabilities. In addition, an investor could be required to return amounts previously distributed to such investor to cover such investor's pro rata share of liabilities.

Certain Risks with Respect to Performance Allocations

WRM will receive compensation based on appreciation in certain assets of the Fund(s). Such compensation arrangements may create an incentive to make investments that are riskier or more speculative than would be the case absent such compensation arrangements.

Risks of Leverage

One or more of the Fund(s) portfolio companies, or other investments we recommend, may use leverage. Debt carries incremental risk. Debt service requirements may deplete cash flow and inhibit the ability of such companies to expand. In the event that a leveraged company is unable to meet its debt service obligations, there likely will be a material adverse effect upon the performance of the investment related to such company. In addition, the Fund(s) may borrow for the purpose of short-term financing to cover shortfalls of capital contributions arising from defaulting investors or for other purposes related to the Fund(s) business. This leverage would be in addition to the leverage described above. Tax-exempt investors should note that the use of leverage by the Fund(s) may create "unrelated business taxable income." WRM encourages each prospective investor to consult with his, her, or its, own legal, accounting, business, investment, pension and tax advisors to determine the appropriateness and consequences of an investment in the Fund(s).

Expedited Transactions

WRM may be required to make investment decisions on an expedited basis in order to take advantage of certain investment opportunities for the Clients. In such cases, we may not have access to detailed information regarding an investment at the time the investment decision is made. Therefore, no assurance can be given that we will have knowledge of all factors that may adversely affect an investment recommendation.

Fund(s) May Make Illiquid In-Kind Distributions

Certain investments may not be ready for harvesting at the end of the Fund(s) term, even if extended as permitted by the Fund(s) organizational documents. At such time as a Fund is terminated, there may be in-kind distributions by the Fund of interests in such investments and distributions. The distributions would be made by the Fund(s) to

the investors, and would likely be illiquid. There can be no assurance that any investors would be able to dispose of such investments or that the value of such investments as determined by WRM in connection with the determination of distributions and the calculation of the carried interest will ultimately be realized.

#### Securities Law Matters

The interests in the Fund(s) are not and will not be registered under the Securities Act, or any other securities laws, including state securities. The interests in the Fund(s) will only be offered and sold to “accredited investors” as defined in Rule 501 of Regulation D promulgated under the Securities Act. Such interests will be offered without registration in reliance upon the Securities Act exemption for transactions not involving a public offering. Investors will be required to make certain representations to the Fund(s), including that they are acquiring interests in the Fund(s) for their own account, for investment purposes only and not with a view to their distribution.

#### Investment Company Act Considerations

The Fund(s) are not registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Therefore, investors in the Fund(s) are not afforded the protection provided by the Investment Company Act and the extensive regulations thereunder.

#### Confidential Information

The operating agreements of the Fund(s) will contain confidentiality provisions intended to protect proprietary and other information relating to the Fund(s) and their investments. To the extent that such information is publicly disclosed, competitors of the Fund(s) and/or their portfolio investments, and others, may benefit from such information, thereby adversely affecting the Fund(s), their portfolio investments, WRM, and the economic interests of the investors. In addition, the governing agreements of each of the portfolio companies will likely contain confidentiality provisions intended to protect proprietary and other information relating to the portfolio company. Pursuant to such provisions, the portfolio companies may have the ability to limit the Fund(s) ability to disclose proprietary and other information to the Fund(s) investors and, in certain circumstances, may also have the ability to withhold making any disclosures of information to the Fund(s). Consequently, the investors in the Fund(s) and, in certain circumstances, the Firm, will be limited in their ability to monitor the investments in the portfolio companies.

#### Portfolio Company and Fund Investment Risks

The portfolio companies and underlying private investment funds in which the Fund(s) may invest, and any other company recommended for investment by WRM, may involve a high degree of business or financial risk. The Fund portfolio companies and others we recommend may be startups or in an early stage of development, which could be distressed or have operating losses or significant variations in operating results and



may be engaged in a rapidly changing business with products subject to a substantial risk of obsolescence. These companies may also include businesses that are experiencing or are expected to experience financial difficulties, which may never be overcome. In addition, they may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position, or may otherwise have a weak financial condition. In addition, these companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and other capabilities and a larger number of qualified managerial and technical personnel.

#### Annual Tax Information

In order for the Fund(s) to provide annual tax information to their investors, they must first receive tax information from the underlying portfolio companies and underlying private fund investments. If the receipt of such information is delayed, the Fund(s) may not be able to provide such tax information to the investors to allow them to timely file their tax returns. As a result, investors may be required to obtain extensions for their tax returns each year.

#### Risk upon Disposition of Investments

In connection with the disposition of a portfolio company, a Fund may be required to make representations about the business and financial affairs of such portfolio company typical of those made in connection with the sale of any business, or may be responsible for the contents of disclosure documents under applicable securities laws. A Fund may also be required to indemnify the purchasers of such portfolio company or underwriters to the extent that any such representations or disclosure statements turn out to be incorrect, inaccurate or misleading. These arrangements may result in a Fund requiring the investors to return distributions previously made to them from the Fund(s).

#### Absence of Effective Remedies against the Firm

There can be no assurance that adequate remedies will be available to any investor if we fail to perform our duties and the Fund(s) operating agreements do not afford investors rights to remove WRM. The Fund(s) operating agreements include provisions for exculpation and indemnification of the Firm and our respective partners, members, managers, officers, directors, shareholders, employees and affiliates.

#### Risks Associated with Non-U.S. Investments

The Fund(s) may invest in companies organized outside of the U.S. Non-U.S. securities involve certain risk factors not typically associated with investing in U.S. securities, including risks relating to: (1) differences between the U.S. and foreign securities markets, including greater price volatility in and less 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; (2) 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; (3) the possible imposition of foreign taxes on income and gains recognized with respect to such securities; and (4) the impact of changes in the value of foreign currencies relative to the U.S. dollar and other currencies.

#### Force Majeure

Clients' investments may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design or construction, accidents, demographic changes, government macroeconomic policies, social instability). Some force majeure events may adversely affect the ability of any such parties to perform their obligations until they are able to remedy the force majeure event. Force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect on Client investments. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally. The Adviser is not able to predict the extent, severity or duration of the effect of force majeure events or quantify the impact that these events may have on its Clients or their investments.

#### COVID-19 Outbreak

On March 10, 2020, the President declared that the COVID-19 coronavirus outbreak in the United States constitutes a national emergency. COVID-19 could adversely and significantly affect the financial markets and national and local economies, with uncertain effects on the Funds and on market demand for products or services offered by their portfolio companies, including varying degrees of interruption of commercial activity.

#### Lack of Separate Legal Counsel

Perkins Coie LLP ("Perkins Coie") serves as legal counsel to WRM, the Fund(s) and certain of their affiliates. Perkins Coie does not represent any investor in any of the Fund(s) by virtue of such investment. Perkins Coie has not independently verified any factual assertions made in this brochure and is not responsible for either the Fund(s) compliance with its investment program or with applicable laws and regulations. No person should invest in the Fund(s) as a result of Perkins Coie's representation of WRM, the Fund(s) and certain of their affiliates. WRM and Perkins Coie urge each prospective investor in any of the Fund(s) to consult with his, her or its own legal, accounting, business, investment, pension and tax advisors to determine the appropriateness and consequences of an investment in the Fund(s) and arrive at an independent evaluation of the merits of such investment.

### C. *Recommending Specific Security-Types*



As part of our role as managing member or general partner of the Fund(s), we do not recommend specific types of securities to individual investors in the Fund(s). Each Fund has an investment committee consisting of representatives of the investors in the Fund, and sometimes a representative of WRM. For the Funds holding nondiscretionary assets, all decisions concerning approval of new investments, allocations of capital to specific investments, and dispositions of investment securities must be approved by majority vote of the investment committee. As a result, we do not exercise investment discretion, and do not have final approval, with respect to the selection of Fund investments, and do not determine the amount of each Fund's capital committed to each investment. WRM and its affiliates do exercise investment discretion with regard to the Equity Platform Funds and has final approval with respect to the selection of Equity Fund investments and determining the amount of each Equity Fund's capital commitment in each investment.

WRM makes recommendations to institutional and other separate mandate clients in accordance with the terms of the Governing Documents.

## **Item 9 - Disciplinary Information**

We are required to disclose legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. We do not have any information to disclose in response to this Item.

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

WRM has no other financial industry activities or affiliations.

WRM or its affiliate is the general partner or managing member of the Fund(s). As part of our advisory activities, WRM is not compensated for nor do we recommend or select other investment advisers.

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

### *A. Code of Ethics*

WRM has adopted a Code of Ethics (the "Code") that sets forth standards of ethical conduct and requires compliance with federal securities laws. The Code requires generally, that designated personnel preclear initial public offerings, secondary offerings and private placements, and all personnel report personal securities holdings and transactions. We have also adopted an Insider Trading Policy that restricts the use and communication of material nonpublic information. We will provide a copy of the Code (and Insider Trading Policy) to clients and prospective clients upon request. Requests should be directed to: Chief Compliance Officer, WestRiver Management, LLC, 920 Fifth Avenue, Suite 3450, Seattle, WA 98104 or via email: [info@wrg.vc](mailto:info@wrg.vc).

Related persons of WRM (i.e., officers and other employees, if any) may periodically buy or sell securities for their own accounts that are also purchased and/or sold for the accounts of the Firm's clients. This has the potential to create a conflict of interest between these related Persons of WRM and clients. In order to address this potential conflict of interest, our Code establishes policies and procedures relating to trading by WRM and our related persons (i.e., officers and other employees, if any). The Code is based on the principle that our related persons (i.e., officers and other employees, if any) owe a fiduciary duty to clients and must avoid activities, interests and relationships that might interfere with making decisions in the best interests of any client. Among other things, the Firm's Code generally requires that related persons (i.e., officers and other employees, if any):

- ❖ are prohibited from trading, either personally or on behalf of others, in securities while in possession of material non-public information regarding these securities or communicating material non-public information to others;
- ❖ are required to preclear securities transactions involving initial public offerings, secondary offerings, private placements and capital commitments;
- ❖ are required to place the interest of clients above the interests of the Firm or other employees whenever a conflict may be present;
- ❖ are required to certify annually that they have complied with the Firm's Code of Ethics;
- ❖ may not give or accept gifts or entertainment that are inappropriate or could be seen as overly generous or which could influence Employee decision-making;
- ❖ that become aware of any violation of the Code are required to report such violation to the Chief Compliance Officer and have it logged by the Firm.

## **B. Conflicts of Interest**

Due to the nature of its business activities, WRM and its related persons may experience times where a conflict of interest might arise between certain parties. Erik Anderson, WRM's principal, personally invests in certain Funds, in certain opportunities alongside the Funds, or in opportunities that may or may not be presented to Clients or investors depending on investment strategy. Therefore, WRM may be deemed to recommend to Funds or buy or sell for the Funds, investments in which WRM's principal has a material financial interest. WRM is a fiduciary and will at all times act in accordance with all regulatory compliance. Refer to the descriptions below where possible conflicts of interest are identified and the course of action the Firm takes to mitigate these conflicts is explained.

### *Investment Committee*

The Funds with nondiscretionary assets have an investment committee consisting of representatives of the investors in the Fund, and sometimes a representative of WRM. All decisions concerning approval of new investments, allocations of capital to specific investments, and dispositions of investment securities must be approved by majority vote of the investment committee. As a result, there is risk of conflict and potential misalignment between the interests of external investment committee members and those of a Fund. The role of each Fund's investment committee is outlined in Fund offering

documents and provided to investors for due diligence and risk assessment prior to investing in a Fund. External investment committee members are not subject to WestRiver's Code of Ethics. WRM requires external investment committee members to disclose any actual or potential material conflicts of interest impacting the external investment committee member's investment decision(s) relating to a Fund to ensure we are aware of material conflicts of interest. External investment committee members must refrain from voting on an investment recommendation if there is an actual material conflict of interest that cannot be eliminated or resolved fairly and equitably.

*Limitation and Waiver of External Investment Committee Member Fiduciary Duties*

No external investment committee member shall be obligated to recommend or take any action in its capacity as an external investment committee member that prefers the interests of the Fund, on the one hand, over the interests of such external investment committee member or its Affiliates or their respective employees, employers, agents or representatives, on the other hand, as set forth in Governing Documents.

*Cross Platform Investments*

From time to time, an investment opportunity may be appropriate for both the debt and equity Platforms ("Cross Platform Investments"). WestRiver will generally take reasonable steps to identify and mitigate actual and potential conflicts of interest associated with Cross Platform Investments that could affect investment decision making for the Funds.

*Other Business Activities*

WRM and our related persons (i.e., officers and other employees, if any) are required to devote as much of their time to the business of the Fund(s) and our other clients as is reasonably required in their sole and absolute discretion. WRM and its affiliates engage or have an interest in other business ventures or activities, and may engage in other business activities even if such ventures or activities are competitive with the business of a Fund or client. We generally have no obligation or responsibility to disclose or refer any particular investment or other opportunity of any kind whatsoever to a Fund, even if such opportunity is of a character that, if presented to a Fund, would be desirable to the Fund.

WRM and our related persons also serve as directors, officers or committee members of the various portfolio companies of the Funds. In performing their roles, such persons may face conflicts of interest between discharging their duties as directors, officers or committee members, as the case may be, of such companies and must act in the best interest of the applicable Funds. Moreover, certain WRM affiliates serve as directors of public companies and their activities on behalf of those other companies may present actual and/or potential conflicts of interest (including conflicting fiduciary duties). WRM's affiliates receive compensation from companies in their capacities as directors, officers or committee members and this compensation generally will not be shared with the Funds.

### Outside Investment Opportunities

Employees of WRM may invest in the same areas of investment opportunity as those in which the Fund(s) may invest and which may be recommended to other clients. Because of differing objectives or other factors, the employees and clients of WRM and our affiliates may take investment positions in securities that are different from, or opposite to, the positions taken by the Fund(s) and/or our other clients. Moreover, WRM, or its affiliates, may become aware of, and participate in, business opportunities in which the Fund(s) or other clients will not be given an opportunity to participate.

### Managing Multiple Investment Fund(s)

Conflicts of interest may exist where an adviser and its affiliates manage more than one private investment fund. WRM or an affiliate may give advice to a Fund or other client which differs from the advice given to another Fund or client, even though the Fund(s) or other clients' investment objectives may be the same or similar. Potential conflicts of interest are expected to be limited among the Fund(s) because they have different investment objectives.

### Interaction Between Managed Fund(s)

Fund(s) managed by WRM may invest in similar companies and / or other investment opportunities.

### Fundraising Assistance

WRM and/or the Fund(s) may enter into arrangements with SEC-registered broker-dealers pursuant to which the broker-dealers will provide the Fund(s) with fundraising assistance for a fee. These fundraising activities will be conducted in accordance with applicable rules and regulations.

### Managing Member Capital Commitment

WRM may from time to time make capital commitments to Fund(s) based upon terms to be negotiated with the investment committee for the Fund and may co-invest in Fund portfolio investments. As a result, WRM will co-invest with the Fund(s) underlying investors.

WRM, from time to time may offer (but shall in no event be required to) co-investment opportunities to some or all Fund investors, subject to any terms or limitations relating to offering of co-investments as described in the Governing Documents. The terms of any co-investment shall be agreed to by WRM and the participating co-investors, which terms

may include provisions for management fees and “carried interest” for the benefit of WRM or its affiliates, which shall not offset the management fee.

All expenses associated with a consummated co-investment in a Fund’s portfolio investment (whether incurred prior to or following the consummation of such portfolio Investment) will be allocated between the applicable Funds and the relevant co-investment vehicle(s) managed by WRM or its affiliates on the basis of their respective direct or indirect participation in the relevant portfolio company. Such expenses reasonably attributable to such portfolio investment consummated as a co-investment and one or more other portfolio investments in which the Funds own an interest will be allocated among the Funds as WRM reasonably determines to be applicable on the basis of a methodology reasonably selected by WRM in its discretion (which may include an assessment of the relative capital commitments, relative capital contributions, investment phase or other determining factors reasonably applicable to the participating Funds). WRM expects, however, to allocate all of the organization costs including, without limitation, broken deal expenses in respect of the entirety of any unconsummated co-investment transactions, to the advisory clients participating in such co-investment unless such costs are paid for by the proposed portfolio investment. For the avoidance of doubt, certain expenses attributable to a co-investment may be borne by some Funds and not by others. In the event that a transaction in which a co-investment was planned ultimately is not consummated, all broken deal expenses relating to such proposed transaction are likely to be borne entirely by the advisory clients participating in such co-investment for which the given investment opportunity was originally intended, and not any Fund organized exclusively to co-invest in the given investment opportunity.

#### Carried Interest Distribution

The existence of the carried interest paid to WRM may create incentives for WRM to invest in more speculative or risky investments than we would otherwise make or allocate should such arrangements be absent.

## **Item 12 – Brokerage Practices**

WRM is responsible for the day-to-day management of each Fund and therefore has the authority to select brokers or dealers to be used and commission rates paid, where applicable. If selecting brokers to execute transactions, WRM would seek to obtain the best price and execution for transactions. Factors such as price, size of order, difficulty of execution and operational facilities of a brokerage firm will be taken into account. Additional considerations will be given to the scope and quality of brokerage services provided, and our potential risk in positioning a block of securities. Subject to our duty to obtain best execution, WRM may execute transactions through brokers that provide the Fund(s) with fundraising assistance.

WRM may receive research from a number of broker-dealers, which could include, among other things, market data, technical analysis, and economic commentary. This research in each case could be provided to WRM because of personal relationships of our managing principal with persons at the broker-dealers and is not the result of soft dollar arrangements or any other

arrangements with the broker-dealers. The research that we obtain may be used to service, support, and advise all of our Fund(s). WRM will continue to receive the free research regardless of whether we choose to execute Fund transactions with any of the broker-dealers providing the research. The value of research received by the WRM is not considered when selecting brokers for execution of transactions in Fund accounts, but nevertheless could be perceived to create the potential for a conflict of interest under certain circumstances.

WRM does not consider investor referrals from a broker-dealer or third parties when selecting broker-dealers.

## **Item 13 – Review of Accounts**

WRM generally reviews all client accounts monthly and distributes client investment reports quarterly. In addition, the firm endeavors to communicate with clients on a periodic basis to provide a detailed review of their accounts.

### *Review of Accounts*

Each Fund's managing member or general partner reviews all accounts monthly or more frequently as deemed appropriate. This review includes, among other things, analyzing portfolio investments in light of each Fund's investment objectives, and recommending changes to each portfolio as deemed appropriate.

### *Reporting to the Fund(s)*

Each of the Fund(s), other than the Equity Platform Funds, maintain an investment committee consisting of representatives of the investors in the Fund. Each investment committee has the responsibility to (1) approve new investments, (2) determine the amount of each Fund(s) capital allocation to such investment, and (3) approve the disposition of investment securities. Each Fund(s) investment committee reviews and monitors investments on a periodic basis.

Investors in the Fund(s) will receive quarterly or semiannual unaudited reports on the results of a Fund(s) investments, as well as all necessary tax reporting information (based upon reports). Investors in non-audited Fund(s) will also receive a quarterly account statement. Investors in the Fund(s) subject to annual audit will receive audited financial statement within 120 days of such Fund(s) fiscal year-end (see Item 15 – Custody below).

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

We have entered into written agreements with parties not affiliated with us pursuant to which this party introduces potential investors to us. We pay fees to the referring parties on an ongoing basis, based upon a percentage of the management fees we receive with respect to each client that the referring parties referred to us. The referring parties disclose the compensation arrangement between WRM and the referring parties to a prospective client before the client enters into an



investment advisory relationship with WRM. We do not charge clients referred to us by referring parties any fees or costs greater than the fees or costs we charge clients with similar portfolios who were not referred to us by referring parties.

## **Item 15 – Custody**

WRM is not a custodian and our practice is not to have physical custody of investor assets. Notwithstanding the foregoing, WRM recognizes that we may be deemed to have custody under certain circumstances. In circumstances where WRM are deemed to have custody, we will comply with the requirements of Rule 206(4)-2 under the Investment Advisers Act of 1940. WRM and its affiliates serve as general partner or managing member for the Fund(s). In situations where a Fund is not subject to an annual audit, we will use our reasonable best efforts to ensure that account statements are sent to each limited partner or member of a limited partnership or limited liability company, at least quarterly. In circumstances where a Fund is subject to an annual audit, WRM will ensure that audited financial statements are prepared in accordance with generally accepted accounting principles (by an independent public accountant that is registered with and subject to regular inspection by the Public Company Accounting Oversight Board) and distributed to all limited partners (or members or other beneficial owners) within 120 days of such Fund's fiscal year-end. Investors should carefully review all account statements received.

In accordance with the SEC's custody rule, certain accounts over which we have custody are subject to an annual surprise examination.

## **Item 16 – Investment Discretion**

WRM or its affiliates are the general partner or managing member of the Fund(s). . The Fund(s), with the exception of the Equity Platform Funds, each have their own investment committee consisting of representatives of the investors in the Fund, and sometimes a representative of WRM. All decisions concerning approval of new investments, allocations of capital to specific investments, and dispositions of investment securities must be approved by majority vote of the investment committee. As a result, WRM does not exercise investment discretion, and does not have final approval, with respect to the selection of Fund investments, and does not determine the amount of each Fund's capital commitment in each investment. However, WRM and its affiliates do exercise investment discretion with regard to the Equity Funds and has final approval with respect to the selection of Equity Platform Fund investments and determining the amount of each Equity Platform Fund's capital commitment in each investment.

## **Item 17 – Voting Client Securities**

If at any time applicable and unless reserved by a client, WRM would be responsible for voting proxies in a timely manner and for the exclusive purpose of providing benefits to the applicable Fund(s). In this regard, WRM generally will, consistent with its fiduciary role, seek to enhance the value of the affected Fund(s) portfolio by voting each company proxy in a manner that is designed to maximize the company's stock price. However, WRM may refrain from voting in

certain circumstances. For instance, we may refrain from voting a proxy if we conclude the potential impact on shareholders' interests is insignificant while the cost associated with analyzing and voting the proxy may be significant. Given the nature of WRM's business and its investment in private companies and private investment funds, proxy voting generally does not apply.

As a general proposition, WRM will support proposals that (i) preserve and expand the power of shareholders in areas of corporate governance and (ii) allow responsible management teams to run their company in the way that is most likely to maximize value for owners. A copy of WRM's proxy voting policies and procedures, as well as information with respect to how we voted specific proxies, is available upon written request. Such request can be made by mail directed to the attention to: Chief Compliance Officer, WestRiver Management, LLC, 920 Fifth Avenue, Suite 3450, Seattle, WA 98104 or via email: [info@wrg.vc](mailto:info@wrg.vc).

## **Item 18 – Financial Information**

We do not require or solicit prepayment of fees from any investor, six months or more in advance. We are not aware of any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to clients. We have never been the subject of any bankruptcy petition.