

**Part 2A of Form ADV:  
Firm Brochure**

**Item 1 - Cover Page**



**RiverRock Asset Management, LLC  
500 W. 2<sup>nd</sup> Street, Suite 1575  
Austin, Texas 78701  
(713) 375-1300 (phone)  
(713) 587-9450 (fax)  
[www.riverrockam.com](http://www.riverrockam.com)**

October 15, 2024

This disclosure brochure (this “**Brochure**”) provides information about the qualifications and business practices of RiverRock Asset Management, LLC. If you have any questions about the contents of this Brochure, please contact us at the phone number provided above. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority. Registration as an investment adviser does not imply a certain level of skill or training.

Additional information about RiverRock Asset Management, LLC is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Material Changes**

This Brochure was prepared for RiverRock Asset Management, LLC's ("RRAM") other than annual amendment. The previous brochure was completed on May 16, 2024 as an other than annual amendment. . The following material change has been made: Amy Springs has been removed as Chief Compliance Officer, General Counsel, and President of RiverRock. Gabriel Siegel will now serve as RiverRock's Chief Compliance Officer.

### **Item 3 - Table of Contents**

<b>Item 1 - Cover Page.....</b>	<b>1</b>
<b>Item 2 - Material Changes.....</b>	<b>2</b>
<b>Item 3 - Table of Contents.....</b>	<b>3</b>
<b>Item 4 - Advisory Business .....</b>	<b>4</b>
<b>Item 5 - Fees and Compensation.....</b>	<b>5</b>
<b>Item 6 – Performance Based Fees.....</b>	<b>8</b>
<b>Item 7 - Types of Clients.....</b>	<b>9</b>
<b>Item 8 - Method of Analysis, Investment Strategies and Risk of Loss.....</b>	<b>9</b>
<b>Item 9 - Disciplinary Information .....</b>	<b>14</b>
<b>Item 10 - Other Financial Industry Activities and Affiliations.....</b>	<b>15</b>
<b>Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....</b>	<b>15</b>
<b>Item 12 - Brokerage Practices.....</b>	<b>16</b>
<b>Item 13 - Review of Accounts.....</b>	<b>17</b>
<b>Item 14 - Client Referrals and Other Compensation .....</b>	<b>17</b>
<b>Item 15 - Custody .....</b>	<b>17</b>
<b>Item 16 - Investment Discretion.....</b>	<b>17</b>
<b>Item 17 - Voting Client Securities.....</b>	<b>18</b>
<b>Item 18 - Financial Information .....</b>	<b>18</b>

## **Item 4 - Advisory Business**

RRAM, a Delaware limited liability company, is an investment management and advisory firm based in Austin, Texas. Between January of 2015 and January of 2020, RRAM was registered in the State of Florida. RRAM was also previously registered in the State of Texas. RRAM is registered as an investment adviser with the SEC.

RRAM is a wholly owned subsidiary of Renegade Capital GP, LLC d/b/a RiverRock Funds, LLC (“**RiverRock**”). RiverRock is owned in equal portions by Jonathan Osborne and Gabriel Siegel and is managed by them as Managing Members. Gabriel Siegel also serves as Chief Compliance Officer (“**CCO**”) of RRAM. RiverRock generally operates under its Texas assumed name RiverRock Funds, LLC. Unless the context otherwise requires, references to the “**Firm**” in this Brochure will be deemed to refer to RRAM.

The Firm offers discretionary investment advisory services to closed-end and open-end private funds that employ diversified income-generating strategies, with a focus on direct and indirect investments in alternative investments that the Firm believes to generally have low correlation with the broader financial markets and economic conditions. At present, the private funds advised by the Firm focus on life settlement investments underwritten by major US life insurance carriers. A life settlement is the sale to a third party of an existing life insurance policy for more than its cash surrender value but less than its net death benefit, with such policies generally insuring older individuals (typically 65 or over) with life expectancies of at least two years. These policies are referred to as “**Policies**” and each is a “**Policy**”.

### ***Funds***

RRAM is the investment adviser to:

- RRIF VI, LP, a Delaware limited partnership and each “registered series” established in respect of Fund VI (collectively, “**Fund VI**”);
- RRIF VII, LP, a Cayman Islands exempted limited partnership (“**Fund VII**”);
- RRIF VIII, LP, a Cayman Islands exempted limited partnership (the “**Fund VIII**”); and
- RiverRock Longevity Fund I, LP, a Cayman Islands exempted limited partnership (the “**Longevity Fund**”).

Fund VI, Fund VII and Fund VIII are referred to collectively as the “**Closed End Funds**”. The Closed End Funds and the Longevity Fund are referred to collectively as the “**Funds**”. An affiliate of RRAM acts as the general partner of each Fund (each, a “**General Partner**”).

Each Fund invests directly or indirectly through one or more intermediate entities (each, an “**Intermediate Vehicle**”) in life settlement policies.

None of the General Partners are separately registered with the SEC but operate pursuant to the Firm’s registration as an investment adviser in accordance with guidance from the SEC’s staff. While each General Partner maintains ultimate authority over its respective Fund, RRAM will provide investment advisory services as the investment adviser of each Fund under which it will

have discretionary authority to manage the assets of each Fund and the management of each Fund's operations pursuant to an investment management agreement for each Fund by and among RRAM, the Fund and the relevant General Partner. RRAM has also been engaged to provide non-discretionary investment advisory services to certain Intermediate Vehicles, subject to the supervision and ultimate discretion of their respective governing bodies.

### ***Advisory Services***

The Firm's investment advisory services for each Fund consists of identifying and evaluating life settlement policy and related asset investment opportunities for potential purchase by the Fund; negotiating, structuring and making recommendations for the Fund to purchase such investments and effecting such investments on the Fund's behalf; managing the necessary cash flows and other administrative tasks associated with owning such investments and monitoring such investments; and ultimately making recommendations to the Fund to sell or otherwise exit any such investments (and selling or otherwise exiting any such investments on the Fund's behalf). The Firm provides similar services for each Intermediate Vehicle, though it does not effectuate investments or disposition of any Intermediate Vehicle unless directed to do so by the applicable governing body.

The Firm does not tailor its advisory services to the individual needs of investors in any Fund; the Firm's investment advice and authority for each of the Funds is tailored to the investment objectives of that Fund. These objectives are described in the private placement memorandum, limited partnership agreement, investment advisory agreements, side letters and other governing documents of the applicable Fund and the governing documents of the applicable Intermediate Vehicle(s) (collectively, the "**Governing Documents**"). The Firm does not seek or require Fund investor approval regarding each investment recommendation.

### ***Funds***

Investors and prospective investors in the Funds should refer to the applicable Governing Documents of the applicable Fund for information on the investment objectives and investment restrictions with respect to the Fund. Since the Firm does not provide individualized advice to investors (and an investment in a Fund does not, in and of itself, create an advisory relationship between the investor and the Firm), investors must consider whether a particular Fund meets their investment objectives and risk tolerance prior to investing.

The Funds may enter into side letters or similar agreements with certain Fund investors that have the effect of establishing rights under, or altering or supplementing, the Fund's Governing Documents, which may include (but are not limited to) rights or terms waiving, rebating or reducing of the management fees and/or the performance-based compensation of the applicable General Partner and/or its affiliates.

As of December 31, 2023, the Firm managed \$148,313,599 of regulatory assets under management on a discretionary basis.

The Firm does not participate in wrap fee programs.

## **Item 5 - Fees and Compensation**

### **Compensation**

Compensation to the Firm for investment advisory services rendered to each Fund will generally be based on the percentage of assets managed by the Firm on behalf of the applicable Fund and by receiving performance-based compensation. Compensation to the Firm and its affiliates (including the General Partners) for services provided to a Fund will take the form of management fees as well as performance-based fees, carried interest, policy acquisition fees or other incentive compensation related to the performance of the Fund, as further described in the Governing Documents for the applicable Fund. Where applicable, a Fund's General Partner and/or RRAM may waive, reduce or otherwise modify the management fee and/or performance-based compensation for any investor in a Fund, including affiliates of the Firm, depending upon a variety of factors including, among others, the investment strategy, type of advisory service offered, amount of assets under management, or the overall relationship with such investor.

### **Payment of Fees**

Management fees paid by the Funds range from 1% to 1.5% per annum and are generally based on capital commitments, a percentage of a Fund's portfolio value, or (in the case of the Longevity Fund) the fair market value of the Longevity Fund's assets. Each Fund is subject to bearing a performance-based fee or "carried interest" allocation. The terms of the management fees, performance fees and carried interest allocations are more fully described and defined in the Governing Documents for the applicable Fund. These and other fees (described below) are generally paid either as a result of (among other things) a capital call notice to investors, as a Fund or Intermediate Vehicle expense, deducted from distributions to investors or (in the case of the management fee paid by investors in the Longevity Fund) out of the assets of such Fund. The specific manner in which the Firm or its related entities charges fees is established and described in greater detail in the Governing Documents for each Fund. Fund investors should refer to these Governing Documents for a complete understanding of how the applicable General Partner and/or the Firm is compensated for advisory services. The information contained herein is a summary only and is qualified in its entirety by such documents.

There are substantial constraints on an investor's ability to transfer or assign its interest in a Fund or withdraw from a Fund. Except in limited circumstances, an investor cannot withdraw its investment from a Closed End Fund. Therefore, investors in a Closed End Fund should understand that it may hold its Closed End Fund interests until the winding up and dissolution of such Closed End Fund. An investor's ability to withdraw from the Longevity Fund is subject to a three-year lock up period, semi-annual liquidity and corresponding notice periods, and a 25% fund-level "gate." Further information about each Fund's withdrawal and transfer provisions can be found in the applicable Fund's Governing Documents.

### **Additional Expenses**

The expenses to be paid by the Funds and the Intermediate Vehicles are set forth in detail in the applicable Governing Documents for each Fund. Investors and prospective investors should therefore review the applicable advisory agreement or Governing Documents carefully because

such documents, and not the summary in this Brochure, describe more specifically the expenses an investor will bear. As a general matter and in addition to the management fee, each Fund and its Intermediate Vehicle(s), where applicable, will pay, or reimburse the Firm or the applicable General Partner or its affiliates for, all other fees, costs, expenses, liabilities and obligations relating to the Fund's activities, business, actual or potential investments, and each Fund investor will be responsible for its pro-rata share of the Fund's expenses (and will indirectly bear the costs and expenses of any Intermediate Vehicle(s) through which such Fund invests by means of the reduction of its net asset value).

The specific expenses will vary by Fund, but will generally include:

- costs and expenses related to the life insurance policies held by the Fund (the “**Policies**”), including cost associated with acquiring prospective Policies that may be purchased by a Fund (whether or not consummated), including without limitation, licensing fees, bank service fees, premiums, insurance, indemnification, expenses relating to maturities and processing death benefit claims and expenses related to acquisition, holding and disposition of Policies;
- any management fees and carried interest;
- software fees, including without limitation for pricing and valuation software;
- expenses related to the private placement of Fund interests;
- interest and commitment;
- fees on borrowings;
- custody fees, escrow fees, securities intermediary fees, fees for medical and loan underwriting, fees for life expectancy or similar reports, and fees of professional advisors and consultants;
- sourcing fees related to acquisition or sale of Policies;
- servicing and tracking fees related to the Policies;
- withholding or transfer taxes imposed on a Fund or its General Partner;
- governmental, regulatory, licensing, filing or registration fees incurred in compliance with the rules of any self-regulatory organization or any federal, state or local laws;
- legal fees and costs (including settlement costs) arising in connection with any litigation or regulatory investigation instituted against a Fund or its General Partner (in its capacity as such) or RRAM;
- director and officer liability or other insurance and indemnification or extraordinary expense or liability relating to the affairs of a Fund;
- the cost of the audit of a Fund's financial statements and the preparing of its tax returns;
- the fees and expenses of a Fund's accountants in connection with accounting advice relating to a Fund's day-to-day affairs;
- costs related to the keeping of the books and records of a Fund;
- fees and expenses of an administrator or corporate services provider if one is retained for a Fund;
- the fees and expenses of a Fund's counsel in connection with advice directly relating to a Fund's legal affairs;
- the costs of any outside appraisers, accountants, attorneys or other experts engaged by a General Partner (or its affiliates) as well as other expenses directly related to the policy pool;

- specific expenses incurred in obtaining and maintaining systems, research and other information utilized for portfolio management purposes, that facilitated valuations and accounting, including the costs of statistics and pricing services, service contracts for quotation equipment and related hardware and software;
- the costs and expenses of holding any meetings of a Fund's investors or of a Fund's board;
- the costs of any directors and officers or liability insurance obtained on behalf of a Fund, a Fund's board or a General Partner;
- costs and expenses related to the indemnification of a General Partner, its affiliates and the members of any limited partner advisory committee or similar governing body of a Fund (if any) (each, an "**Advisory Committee**");
- costs and expenses related to the Advisory Committee of a Fund (if any), including without limitation, the holding of meetings and any compensation paid to the Advisory Committee (as applicable);
- costs and expenses of preparing and circulating reports to investors in a Fund;
- costs and expenses related to obtaining a credit facility, loan, debt service on a loan or other debt; and
- all expenses of dissolving and liquidating the Fund (including the payment of any costs, fees and fees of any liquidator appointed in connection with the liquidation of a Fund).

Each Fund will bear indirectly expenses incurred by any Intermediate Vehicle through which it makes investments, which may be similar to (or different from) those set out above.

Each Fund's expenses are more fully described in the applicable Fund's Governing Documents.

Please see Item 12 of this Brochure for information related to brokerage practices with respect to the Funds and the Intermediate Vehicles.

## **Item 6 – Performance Based Fees**

A carried interest allocation represents an adviser's compensation based on a percentage of net profits of the funds it manages. The General Partner of each Fund receives, as carried interest, a percentage (generally 10% to 15%) of net profits when the applicable Fund distributes the proceeds from its investments. The General Partner's carried interest is determined after investors in the relevant Fund have received distributions in an amount equal to their aggregate capital contributions to the Fund plus a specified preferred return on those capital contributions, subject to a general partner catch-up. The carried interest calculation for each Fund is further and more fully described in the Governing Documents for such Fund.

The performance-based fee arrangements described above and in the Governing Documents are structured in accordance with applicable law, including the exemption set forth in Advisers Act Rule 205-3.

The fact that the General Partners' carried interest allocations are to be based on the performance of a Fund can create an incentive for RRAM to make investments that are more speculative than would be the case in the absence of such distributions. Additionally, carried interest allocations can create an incentive for RRAM to allocate certain investments to Funds which may be more likely to pay, or to pay a higher, carried interest allocation than another Fund.



The Firm's clients will be the Funds and their Intermediate Vehicles. The Firm will pursue appropriate investment opportunities that meet the investment criteria of each Fund that is currently within its investment period and seeking new investments, subject to certain exceptions set forth in the relevant Governing Documents. See "Conflicts of Interest" section in Item 8 below.

### **Item 7 - Types of Clients**

The Firm provides advisory services to the Funds only and not to their underlying investors.

The investors in each Fund are generally limited to natural persons or entities that are either: (i) not a "U.S. Person", as defined in Rule 902(k) of Regulation S promulgated under the Securities Act of 1933 (the "**Securities Act**"), that are buying Fund securities in an "offshore transaction", as defined in Rule 902(h) of Regulation S promulgated under the Securities Act; or (ii) a U.S. Person that is an "accredited investor", as defined in Rule 501 of Regulation D promulgated under the Securities Act. Investors in each Fund that are U.S. Persons are also generally: (i) a "qualified client", as defined in Rule 205-3 promulgated under the Investment Advisers Act of 1940 (the "**Advisers Act**"); and/or a "qualified purchaser", as defined in Section 2(a)(51) of the Investment Company Act of 1940 (the "**Investment Company Act**") and rules promulgated thereunder. Each Fund is not required to register as an investment company with the SEC in accordance with the exemptions set forth in Sections 3(c)(1) or 3(c)(7) of the Investment Company Act.

With respect to each Fund, the minimum subscription or investment amount is disclosed in the Governing Documents of such Fund, which may be waived at the discretion of the General Partner of the respective Fund.

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

The principal investment objective of the Firm and each of the Funds is to seek long-term appreciation of the value of the Fund's assets and/or generate returns for the Fund's investors. The Funds currently seek to achieve this objective by directly and indirectly (through Intermediate Vehicles, where applicable) investing all or substantially all of the proceeds of their respective offerings in life settlement policies or life settlement contingent assets. As previously described, a life settlement is an existing life insurance policy, sold to a third party for more than its cash surrender value but less than its death benefit. Life settlement policies generally insure the lives of elderly individuals and are no longer wanted or needed by the owners due to circumstances changes since the initial issuance of the insurance policy. The Funds generally purchase portfolios of Policies from the general market or affiliates. The purchase price for Policies is generally the market price plus any commissions, fees or similar charges added to the purchase price.

For those Closed-End Funds investing through Intermediate Vehicles, the Intermediate Vehicles purchase of portfolios of Policies shall be in the sole discretion of the governing body of each such Intermediate Vehicle (for example, its Board of Directors or Alternative Investment Fund Manager) upon recommendation from the Firm.

The Intermediate Vehicles will attempt to control risk through the diversification of life settlement investments, but any risk management techniques used by the governing body of an Intermediate Vehicle (as well as recommendations made by the Firm) cannot provide any assurances that such

Intermediate Vehicle will not be exposed to the risk of significant investment losses. There can be no assurance that the Intermediate Vehicles will achieve their objectives, and investment results in respect of their Policy investments may vary substantially over time and from period to period.

Upon purchasing a Policy from the general market or affiliates, a Fund or an Intermediate Vehicle, or a security intermediary on its behalf, will be assigned all legal rights and responsibilities contained in such Policy, and the Fund or Intermediate Vehicle (directly or through its securities intermediary) will assume all legal ownership rights to the Policy and the death benefit payable thereunder, the responsibility for future premium payments due thereunder, and the right to monitor the life and health of the insured. With respect to any Policy that provides for double indemnity or additional accidental death benefits, the policy owner of such Policy may, in jurisdictions where mandated by applicable law, nevertheless retain a statutory right to designate the beneficiary entitled to receive such double or additional accidental death benefits to the extent the same are in excess of the net death benefit payable under such Policy.

### **Risk Factors**

No investment is free of risk. Current and prospective investors in the Funds are cautioned that investments in securities involve the risk of loss, including the possibility of a complete loss of the amount invested, and that they should be prepared to bear these risks. Investors should also refer to the applicable Fund's Governing Documents for a description of the risk factors specific to that Fund.

The following risk factors represent some of the unique risks associated with investments in the Funds and do not purport to be a complete list of the risks involved in investing. In addition, there may be risks that are not currently known to the Firm or that the Firm believes to be immaterial at the current time that could affect the performance of a Fund.

- ***Uncertainty of Life Settlements Market.*** The Policies may not be readily re-saleable in the life settlements or tertiary life insurance market if the need should arise for the liquidation of any of the Policies. The value of a policy in the life settlements or secondary market depends significantly on the health and medical condition and life expectancy of the insured, life expectancy tables then in use by the life settlement industry, and any changes in general economic conditions, including interest rates, inflation rates, government regulations, overall industry conditions, competition, political conditions, volatility in the financial markets, and legislation at the time the Firm may seek to sell the policy. Although the Firm believes the value of the Policies generally has a low correlation with the broader financial markets, and therefore has the potential to perform favorably in periods when other financial markets underperform (or vice versa), this may not always prove to be the case, in which event the potential diversification benefits of investing in an uncorrelated asset could be reduced or eliminated. The demand for the purchase, and the liquidity, of in-force Policies is uncertain. Therefore, Policies directly or indirectly acquired by the applicable Funds may be over-priced by the Fund, the Firm or their affiliates and/or may not be readily able to be resold in the tertiary market for life insurance if the need should arise for the liquidation of any of the Policies.
- ***Uncertainty of Life Expectancy.*** The cost in the life settlements market of the Policies

directly or indirectly held by the Funds depends, in large measure, upon the life expectancy of the insured life under the Policy. The return to the Fund on such investments is almost entirely dependent upon how accurate the expectancy was compared to actual life expectancy. Life expectancies are estimates of the expected longevity or mortality of an insured and are inherently uncertain. There can be no assurance that any life expectancy obtained on an insured for a Policy will be predictive of the future longevity or mortality of the insured. The Firm does not possess the expertise to evaluate, and has not created, nor will independently create, the life expectancies of the insureds under the Policies. Rather, the Firm receives certain reports in respect of the insureds under the Policies that were prepared by one or more third-party health underwriting firms. These reports are based on information that may not be accurate or complete, either at the time provided to the relevant insurer or the time reviewed by the underwriting firm. Accordingly, the life expectancy of an insured determined by an underwriting firm may be inaccurate. Even with accurate and complete information, the interpretation of such information can be subjective and, therefore, may be overestimated. The existence of any one or more of these conditions could have a material adverse effect upon the anticipated cash flow of each related Policy and the market value and/or liquidity thereof.

- ***Insurable Interest Risk.*** All U.S. states require the initial owner of a new life insurance policy insuring the life of an individual to have an insurable interest in such individual's life at the time of original issuance of the policy. If that requirement is not met, there are a number of potential consequences that could impair the ability of the initial owner or any subsequent owner of the policy to receive and retain the death benefit under the policy. Depending on the law of the relevant state, the insurance company may be able to consider the policy void or the estate of the insured may have a right to sue to claim the death benefit. In either of those cases, the policy owner may receive credit for premium payments it has made (usually without interest), but that will not necessarily occur in all instances and will often depend on the specific circumstances of each case. Generally, there are two forms of insurable interest in the life of an individual: familial and financial. Additionally, an individual is deemed to have an insurable interest in his or her own life. Insurable interest is determined at the inception of the policy. Any determination that a Policy was not supported by a valid insurable interest at inception may render the policy void or allow the estate of the insured to sue the Fund or the Longevity Fund for the death benefit. A life insurance Policy that is valid at its inception may be assigned to a person without an insurable interest in the life of the insured in most states; provided that the Policy was procured in good faith and not by way of cover for a wager contract. Some states, such as New York, strictly bar an insurance company from raising any challenge, including for lack of insurable interest, as to the circumstance by which a Policy was procured following a statutorily imposed "contestability" period. Most states where the question has been litigated and settled, allow an exception to incontestability and a challenge and, after expiration of the contestability period, of insurable interest; this often involves and intensive review of whether the transaction was merely a pass-through for an unrelated person to acquire a beneficial interest in the Policy.
- ***Cost of Insurance Increases.*** For any policies that may be directly or indirectly held by the Funds, the Funds (including, where applicable, their respective Intermediate Vehicle(s)) will be responsible for maintaining the Policies, including paying insurance premiums. If a life insurance company is able to increase the cost of insurance charged for any of the policies, the amounts required to be paid for insurance premiums due for these Policies may increase, requiring the applicable Fund to directly or indirectly incur

additional costs for the Policies, which may adversely affect returns on such Policies and consequently reduce the resale value of such Policies in the tertiary market for life insurance policies.

- ***The Credit Rating and Credit Risk of the Issuing Insurance Companies.*** The Firm can only ensure that the credit rating of an issuing insurance company is suitable at the time of acquisition of Policies. There can be no guarantee that the credit rating of an issuing insurance company may change in the future or that the issuing insurance company may lose its credit rating during the period that a Fund holds a Policy to maturity or disposition. In such circumstances, the affected Fund is not required to sell Policies acquired from such issuing insurance companies and may retain such Policies. Furthermore, the credit rating of an insurance company is not however a guarantee that such issuing insurance company will not become insolvent or default on its obligation to pay timely death benefits on any one or more of the Policies issued by such issuing insurance company. If one or more of the issuing insurance companies default, all or a substantial amount of death benefits under the affected Policies may not be timely collected or collected at all.
- ***Missing Insureds.*** There is a risk that an insured under a Policy will go missing, or that there may be a delay in ascertaining and demonstrating to the satisfaction of the issuing insurance company that an insured has died or in obtaining required documentation needed to claim the insured's death benefit. The servicer could incur substantial unplanned expenses in locating missing insureds and could experience substantial delays in collecting death benefits. In some US states, the regulator may limit the frequency of contacts that the servicer through its tracking firms, or otherwise, could make to an insured or limit access to the insured's health records by the tracking firms or others. Each of the foregoing factors may materially and adversely affect the Funds.
- ***Speculative Investments.*** The Funds' portfolios are highly speculative. No assurance can be given that the portfolio directly or indirectly owned by a Fund will successfully achieve the objectives of such Fund. There is no assurance that a Fund's (or its Intermediate Vehicles') operations will result in net death benefits equal to an investor's investment in the offering. In the event that a Fund's plans are unsuccessful, an investor in such Fund may lose all or a substantial part of his/her investment. For these and other reasons, an investment in a Fund must be considered a highly speculative investment.
- ***Exposure to Liabilities Pertaining to Confidential Information.*** The Firm and/or its affiliates will collect and retain information about the insureds, beneficiaries and owners of the life insurance policies, which may be sensitive, non-public information. In obtaining such information, the Firm, the Funds and their respective affiliates may be bound to non-disclosure and other related terms as a result of entering into a confidentiality agreement. The inadvertent or unintentional disclosure of non-public information by the Firm, the Funds or any of their respective affiliates may expose them to potential legal penalties. In addition, such information will subject RRAM and the Funds to the health care privacy and security provisions of Health Insurance Portability and Accountability Act (the "HIPAA"). With respect to a Fund, a violation of HIPAA by RRAM, its affiliates or such Fund could have material negative impacts on the ability of RRAM to pursue the investment strategy of the such Fund.

- ***Substantial Fees and Expenses.*** The management fees and certain other fees, costs and expenses, including, without limitation, acquisition fees on Policies (which may be up to 3%), fees payable to a third-party valuation agent, custodial fees and bank service fees, and expenses for accounting and legal services and premiums for insurance, applicable to the Funds and their respective Intermediate Vehicles will be substantial, and will be directly and indirectly borne by the Funds' investors regardless of the profitability of the Funds' operations.
- ***Potential Conflicts of Interest.*** The General Partners, the Firm and their respective principals, employees and their affiliates may conduct any other business, including any finance or investment business, and, among other things, may manage investment funds or capital for others and may make investments in their own names or through other entities. Such activities may involve actual or apparent conflicts of interest with respect to the Funds. While they will devote such time and service to the business of the Funds as is reasonably required to manage the affairs of the Funds, conflicts may arise in the allocation of their time among their various business activities. In addition, the General Partners, the Firm and their respective principals, employees and affiliates may engage in a variety of investments, including engaging in investments for their personal accounts, as well as other entities and accounts, serving on various boards and committees or advisory firms. Such other entities or accounts may have investment objectives similar to or different from those of the Funds. As a result, conflicts of interest may arise with respect to allocation of resources, time and investment opportunities between the Funds and the other entities or accounts. The Chief Compliance Officer or similar position will generally seek to monitor and mitigate potential conflicts that may arise in accordance with the Firm's internal policies and procedures. In some cases, the Firm, the General Partners and their respective affiliates may refrain from taking certain actions or making certain investments in order to avoid or mitigate certain potential conflicts of interests or may seek the consent of the Funds' applicable governing bodies or advisory committees or otherwise, to the extent permitted by applicable law. The General Partners, the Firm and their respective principals, employees and affiliates intend to purchase additional life insurance policies in the future, none of which will be purchased through or owned, directly or indirectly, by the Funds or Intermediate Vehicles.
- ***Compliance with US Federal and State Securities Laws.*** The US federal securities laws and the laws of many states treat life settlements as securities. Almost all state securities regulators have begun to regulate the sale of interests in life settlements as the sale of securities. Some state securities regulators have taken the position that the sale of a fractional interest in a life settlement is an "investment contract" that falls within the definition of a "security" under the corresponding state securities laws. Some state legislatures have amended state securities acts to specifically add viatical and life settlement contracts to the definition of a "security." Accordingly, the Policies held directly or indirectly by the Funds may (under certain circumstances) be deemed to be securities under federal and/or applicable state law. Therefore, any failure by the Funds to comply with applicable US federal or state securities laws may have a material adverse impact on their operations. Securities regulators may impose civil fines or penalties and, under certain circumstances, may require a Fund to make a rescission offer to some or all

of its investors. As a result, a Fund's financial position could be materially adversely affected.

- ***Viatical Settlements Model Act/Legislation.*** Groups, including the National Association of Insurance Commissioners ("NAIC"), the National Conference of Insurance Legislators ("NCOIL") and the North American Securities Administrators Association ("NASAA"), had perceived there to be an industry regulatory void and subsequently took action to pass the NAIC & NCOIL Model Acts and subsequent Guidelines Regarding Viatical Investments to protect seniors from over-reaching by less than scrupulous and forthcoming life settlement brokers and providers. In addition to the states which adopted the guidelines, other states which license insurance purchases follow many of the provisions of the NAIC & NCOIL Model Acts. Most states regulate life settlements through their insurance departments and/or securities administrators.
- ***Change in Applicable Laws.*** The Funds' activities are subject to compliance with various legal requirements, including requirements imposed by the US federal, state and non-US securities laws, tax laws and insurance laws and regulations. Changes in such statutes, laws and regulations or changes in the interpretation of such statutes, laws and regulations, may result in materially changing the legal requirements to which the Funds may be subject and may impede their ability to purchase or resell the Policies, thereby hindering the implementation of their intended acquisition and investment strategies.
- ***Leverage.*** Certain Funds are authorized to use leverage to acquire assets for the Fund's portfolio, which would increase the risk and could cause the Fund to suffer larger losses than it would experience without incurring such leverage. Further, Fund assets may be used as collateral for leverage incurred by the Fund. Any such collateralization could have a negative impact on the value of certain assets held by the Fund since the assets would be used as collateral in the event of a default.
- ***Market Factors.*** Market factors could have a negative impact on a Fund's exit strategy from its illiquid investments. In such event, the ability of the Fund to achieve a favorable return on its investments may be impeded. Such factors may include the number and dollar amount of policies for sale and the common view that the life settlements industry is "betting on death."
- ***General Economic and Other Conditions.*** The business of the Funds may be adversely affected from time to time by such matters as changes in general economic, industrial and international conditions, changes in market conditions, interest rates, taxes, prices and cost, and other factors of a general nature that are beyond the control of the Funds.

## **Item 9 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an investor's evaluation of the adviser or the integrity of its management.

There are no legal or disciplinary events that, in the Firm's opinion, are material to a client's or prospective client's evaluation of the Firm's advisory business or the integrity of its management.

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

In addition to providing advisory account services to clients, certain officers and/or employees of the Firm also engage in other business activities, including management of, or investment in, other investment entities or vehicles. The Firm and its affiliates, and their principals and employees, will devote time and attention to the business and affairs of clients' accounts as they, in their discretion, may deem reasonably necessary. It is the Firm's belief that none of these outside business activities and/or affiliations presents a material conflict of interest.

### **Affiliations**

RRAM, the filing adviser on behalf of the Firm, is under common control the General Partners of the Funds.

### **Other Financial Activities**

Neither the Firm, nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of one of the foregoing entities.

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

RRAM operates under a Code of Ethics and written policies and procedures, adopted pursuant to SEC rules and administered by a single Chief Compliance Officer, as further described below. In particular, the Firm has established a variety of restrictions, procedures and disclosures designed to address potential conflicts of interest. All Firm personnel must act in accordance with the fiduciary standard applicable to state or SEC registered investment advisers.

### **Code of Ethics**

To mitigate potential conflicts of interest and risks involving personal trades, the Firm has adopted written personal trading policies and procedures for supervised persons that include a Code of Ethics, which has been adopted in a manner designed to comply with Section 204A and Rule 204A-1 under the Advisers Act. The Firm's Code of Ethics is available for review by clients or potential clients upon request.

Each supervised person of the Firm is required to read, sign and deliver a certificate of compliance with the Code of Ethics. In accordance with Rule 204A-1, supervised persons also must provide initial securities holdings reports, annual securities holding reports and quarterly transaction reports related to reportable securities in which such supervised person has direct or indirect beneficial ownership. Finally, all supervised persons must pre-clear all new issues and private placements prior to investment.

### Participation or Interest in Client Transactions

The Funds may enter into contracts and transactions with affiliates of the General Partners (including other funds, accounts or vehicles managed by a Fund's General Partner or its affiliates), provided that, in each case, the transaction generally meets one of the following:

- such contract or transaction is authorized or contemplated by the applicable Fund's Governing Document (or, as applicable, the Governing Document of any Intermediate Vehicle through which the Fund acquires assets);
- the terms of any such contract or transaction, taken as a whole, are (i) no less favorable to the Fund than could be obtained in arm's-length negotiations with unaffiliated third parties as determined by the applicable General Partner; or (ii) on terms that are currently customary for such transactions;
- such contract or transaction has been approved by the Advisory Committee of such Fund; or
- such transactions are among the entities comprising the Fund.

Additionally, an Intermediate Vehicle may also enter into contracts and transactions with affiliates of the General Partners (including other funds, accounts or vehicles managed by a General Partner or its affiliates). Such contracts and transactions will be subject to the approval and oversight of the applicable governing body for an Intermediate Vehicle.

### Other Conflicts of Interest

The Governing Documents of each Fund include a description of what the Firm believes to be the most significant conflicts of interest associated with an investment in the related Fund. Some of these conflicts were summarized previously (including but not limited to Item 8 above).

Investors should note that there could be occasions when the Firm and its affiliates encounter potential conflicts of interest in connection with a Fund. If any matter arises that the Firm determines in its good faith constitutes an actual conflict of interest, the Firm will take such actions as necessary or appropriate, within the context of the Governing Documents, to seek to ameliorate and/or provide full and fair disclosure of the conflict.

## **Item 12 - Brokerage Practices**

The Firm's advisory services will include recommending the type, amount, and price of Policies to be invested in directly or indirectly by the Funds. As such, the Firm does not expect to utilize securities broker-dealers in connection with the recommendation of such portfolio investments. The Firm may use related or unrelated life settlement companies, life settlement providers or life settlement brokers to assist in the purchase or sale of Policies for the Funds. In the event that the Firm does use securities broker-dealers in connection with client investments in the future, it will seek best execution in connection with such trades in accordance with applicable law and any adopted brokerage policies and procedures related to such transactions.



### **Item 13 - Review of Accounts**

The Firm will monitor the life settlement investments and other assets of the Funds and their respective Intermediate Vehicles, and a team of professionals reviews such investments on an on-going basis.

As described in the Funds' respective Governing Documents, the General Partners will furnish to each Fund's investors, on an annual basis, the audited financial statements of the applicable Fund. In addition, and as soon as practicable following the end of each fiscal quarter of such Fund (after final closing of each such Fund), investors may receive a quarterly letter or report containing such information concerning the affairs of the relevant Fund as its General Partner considers appropriate in its sole discretion.

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

Neither the Firm nor any of its related persons directly or indirectly compensate any person who is not a supervised person, including placement agents, for client referrals. The Firm (or one of its affiliates) does, however, compensate third parties, including registered broker-dealers, for referring prospective investors to the Funds at no additional cost to investors. Such referral fees generally will be an agreed upon fixed or other agreed upon amount (which may be based on revenue) or percentage of the management fees and/or performance-based compensation earned by the Firm and/or the General Partner with respect to the applicable Fund.

The Firm does not receive any economic benefit from a non-client for providing advisory services to the Firm's clients.

### **Item 15 - Custody**

Although the Firm does not expect to hold physical custody of its client's assets (which are typically custodied by each Fund's third-party custodian(s)), the Firm is deemed to have custody over the assets of certain of its clients (the Funds) under Rule 206(4)-2 under the Advisers Act (the "**Custody Rule**"). The Firm intends to comply with the Custody Rule by distributing audited financial statements to the investors in each Fund within 120 days of the end of the applicable Fund's fiscal year to satisfy the distribution requirements of the audit exemption to certain of the Firm's obligations under the Custody Rule. Investors in the Funds should carefully review such financial statements.

### **Item 16 - Investment Discretion**

As discussed previously, the Firm generally will have discretionary authority to manage the assets of the Funds and will have discretionary authority to recommend the Policies to be bought or sold by the Intermediate Vehicles through which the Funds invest (where applicable). Any limitations on authority are discussed in detail in the Governing Documents.

### **Item 17 - Voting Client Securities**

The Firm does not currently make investments in publicly traded securities and does not expect to vote “proxies” on behalf of its clients given the nature of the Firm’s advisory services and the assets in which the Funds and the Investment Vehicles invest. To the extent the Firm does transact in publicly traded securities on behalf of its clients in the future and exercises authority to vote such client securities, it will adopt appropriate proxy policies and procedures in accordance with applicable law. Investors in the Funds cannot direct how the Firm may vote any such proxies or shareholder consents nor is the Firm required to seek investor approval or direction from investors when voting proxies or when giving consent on any matter requiring the consent of shareholders.

### **Item 18 - Financial Information**

The Firm is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients. The Firm has never filed for bankruptcy, does not collect management fees six months or more in advance, and is not aware of any financial condition that is expected reasonably likely to impair its ability to manage accounts or meet its contractual commitments.