



Item 1 – Cover Page

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

River Cities Management, Inc.

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March 20, 2024

This Brochure provides information about the qualifications and business practices of River Cities Management, Inc. (“RC Capital” or the “Firm”). If you have any questions about the contents of this Brochure, please contact the Firm at the address listed 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.

RC Capital is a registered investment adviser with the SEC. Registration of an investment adviser does not imply any certain level of skill or training.

Additional information about RC Capital is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Item 2 discusses only material changes to the Brochure since the last annual amendment filing in March 2023. Since the last annual amendment filing, there have been no material changes to the information provided in this Brochure.

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Item 4 – Advisory Business

A. Description of the Advisory Firm

River Cities Management, Inc. (“RC Capital” or the “Firm”), an Ohio corporation, is an investment adviser located in Cincinnati, Ohio and Raleigh, North Carolina. RC Capital was formed in 1994. The principal owners of RC Capital include Dan Fleming, Carter McNabb, Rob Heimann and Rik Vandevenne.

B. Types of Advisory Services

RC Capital serves as investment adviser to certain private investment funds, which are organized as Delaware limited partnerships (each a “Fund” and collectively the “Funds”) that invest in multiple portfolio companies and special purpose vehicles (“SPVs” and together with the Funds, the “Clients”) for single investments.

RC Capital is a private equity firm. It invests directly in healthcare and information technology companies, primarily in the United States, pursuant to each Fund’s offering memorandum, limited partnership agreement and subscription documents (“Constituent Documents”).

The Funds are offering limited partnership interests (“Interests”) to certain qualified investors as described in response to Item 7, below (such investors are referred to herein as “Investors”).

C. Client Tailored Services and Client Imposed Restrictions

Advisory services are tailored to achieve the Clients’ investment objectives. With respect to the Funds, RC Capital has the authority to select which and how many securities and other instruments to buy or sell without consultation with the Fund or its Investors.

D. Wrap Fee Programs

RC Capital does not participate in wrap fee programs.

E. Amounts Under Management

As of December 31, 2023, RC Capital has approximately \$784,626,818 of assets under management on a discretionary basis.

Item 5 – Fees and Compensation

A. Fee Schedule

The fees and compensation payable to RC Capital vary among its Clients. In general, these fees are not negotiable. However, RC Capital may waive or reduce fees for certain Investors in its discretion. The range of compensation is as follows:

1. Management Fee

With respect to the Funds, RC Capital typically receives a quarterly asset-based management fee calculated as a percentage of each Investor's capital account, payable quarterly in advance. The management fee is generally between 0% and 2.5%.

2. Performance-based Fees

Each Fund's General Partner, as applicable, generally receives a carried interest equal to a percentage of all realized profits, as described more fully in each Fund's Governing Documents. The carried interest is generally subject to a clawback at the end of life of the Funds if the General Partner, as applicable, has received excess cumulative distributions.

The carried interest will only be charged to accounts of those Investors who are "qualified clients" as defined in Rule 205-3 of the Investment Advisers Act of 1940, as amended ("Advisers Act").

3. Fee Comparison

Client expenses, including the management fee and any performance-based fees may constitute a higher percentage of average net assets than could be found in other investment programs.

B. Payment of Fees

Management fees, performance-based fees and third-party fees (discussed below) are deducted from Client assets. Management fees, which are paid in advance, are withdrawn at the beginning of the quarter. Performance-based fees are calculated as of the last business day of the calendar quarter but are only paid when the Funds distribute realized proceeds pursuant to the Fund's Governing Documents.

C. Third-Party Fees

Clients shall pay such costs and expenses as RC Capital shall reasonably determine to be necessary, appropriate, advisable or convenient to carry on its business and realize its objective, including but not limited to: (i) management fees; (ii) all general investment expenses (i.e., expenses which RC Capital reasonably determines to be directly related to the investment of the Client's assets); (iii) all administrative, legal, accounting, auditing, record-keeping, tax form preparation, compliance and consulting costs and expenses; (iv) fees, costs and expenses of third-party service providers that provide such services; and, (v) any extraordinary expenses, among other expenses.

RC Capital's fees are exclusive of brokerage commissions, transaction fees and other related costs and expenses which shall be incurred by the Clients. Such charges, fees and commissions are exclusive of and in addition to RC Capital's management fee and RC Capital shall not receive any portion of these commissions, fees and costs.

Please see Item 12 of this Brochure regarding brokerage.

D. Prepayment of Fees

The Funds invest in the securities of private companies on a long-term basis. Accordingly, all fees are paid during the term of the Funds and Investors are generally not permitted to withdraw or redeem Interests in the Funds. Fees paid at the beginning of a fiscal period (such as management fees) will not be refunded or prorated for partial periods.

E. Outside Compensation for the Sale of Securities

Neither RC Capital nor its supervised persons accept compensation for the sale of securities or other investment products outside of its association with RC Capital.

The foregoing discussion in Items 5 represents RC Capital's basic compensation arrangements. The management fees and carried interest described above are structured to comply with Rule 205-3 under the Advisers Act and applicable state laws. Fees and other compensation are negotiable in certain circumstances and arrangements with any particular Investor may vary. Although RC Capital believes its fees are competitive, lower fees for comparable services may be available from other investment advisers.

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

As discussed in Item 5.A., RC Capital generally receives a carried interest equal to a percentage of all realized profits in a particular Fund. Due to the Fund's structure, the Firm allocates investment opportunities to the Funds and not to individual Investor accounts.

Differences in RC Capital's compensation arrangements with its Clients, particularly if some Clients were to pay higher performance-based compensation, could create incentives for RC Capital to manage Client portfolios so as to favor those portfolios of clients paying higher performance-based compensation, as could RC Capital's ownership interest (e.g., as the general partner) in some Client accounts. Notwithstanding these conflicts, RC Capital will allocate transactions and opportunities among the various Client accounts it manages in a manner it believes to be as equitable as possible, considering each account's objectives, programs, limitations and capital available for investment, but even accounts with similar objectives will often have different investment portfolios.

Performance-based compensation may provide a possible incentive for RC Capital to make riskier or more speculative investments on behalf of a Client than it might make otherwise. Notwithstanding this potential incentive, RC Capital will evaluate investments in a manner that it considers to be in the best interest of its Clients, given those Clients' investment objectives, investment strategies, suitability of the investment and risk profile.

Item 7 – Types of Clients

RC Capital provides investment advice and management to private investment vehicles, including the Funds and SPVs.

RC Capital intends to restrict the number of Investors in the Funds and will offer Interests only through non-public transactions in order to maintain their exclusion from “investment company” status under the Investment Company Act of 1940, as amended (the “Investment Company Act”).

Prospective Investors in the Funds must meet eligibility criteria and are subject to certain withdrawal requirements and limitations. Prospective Investors are encouraged to thoroughly review a Fund’s Constituent Documents, which set forth all of the terms in detail. Though the Clients generally pursue the same strategy, offering terms may differ. Terms for Separate Accounts are generally similar to the Funds but can be negotiated on a case by case basis and may differ from those of the Funds.

Each Investor generally must be an “accredited investor” (as defined in Regulation D under the Securities Act of 1933) and must meet other criteria as specified in the Constituent Documents. The minimum initial investment is \$1,000,000, subject to waiver at the discretion of RC Capital.

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

A. Methods of Analysis and Investment Strategies

RC Capital’ generally invests in companies that can lead the transformation of specific market segments by developing and bringing to market disruptive technologies or approaches to solving a material pain point for the customers they serve.

RC Capital’s investment framework is generally as follows:

- RC Capital sources and evaluates investment opportunities from pre-screened and proprietary sources. Most investments are directly sourced from longstanding relationships with venture capital firms, current and former portfolio company executives, limited partners and service providers.
- RC Capital’ growth stage investment strategy seeks returns while limiting risk of capital loss. At the time of investment, target companies have generally commercialized their solution with customers, thus mitigating concept, development and regulatory risk.
- RC Capital maintains a focus on pursuing economic models that can achieve scale in a capital-efficient manner. These opportunities exhibit recurring revenue and demonstrate the ability to sustain growth during the “market capture” period.
- RC Capital invests in healthcare and IT companies that become acquisition targets for strategic and financial buyers. RC Capital and its portfolio company management

maintain relationships with strategic buyers and investment banks to promote competitive sale processes and exit valuations.

C. Risks of Investments and Strategies Utilized

Investing in securities involves risk of loss that Clients and Investors should be prepared to bear.

Investment and trading risk factors may include:

Business Risks. The Funds' investment portfolio will consist primarily of securities issued by privately held companies and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

Future and Past Performance. The performance of the Firm's prior investments is not necessarily indicative of the Funds' future results. While the General Partner intends for the Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that the targeted IRR will be achieved. On any given investment, loss of principal is possible.

Lack of Sufficient Investment Opportunities. It is possible that the Funds will never be fully invested if enough sufficiently attractive investments are not identified. The business of identifying and structuring private equity transactions involves a high degree of uncertainty. However, Limited Partners will be required to pay management fees during the Investment Period based on the entire amount of their Commitments.

Illiquidity; Lack of Current Distributions. An investment in the Funds should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, will generally occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating the Funds (including the management fee payable to the General Partner) may exceed its income, thereby requiring that the difference be paid from the Funds' capital.

Risk Inherent in Growth Stage Investments. Investments in more mature companies in the growth or profitable stage involve substantial risks. Such companies typically have obtained capital in the form of debt and / or equity to expand rapidly, reorganize operations, acquire other businesses, or develop new products and services. These activities by definition involve a significant amount of change in a company and could give rise to significant problems in sales, manufacturing and general management of these activities. There is no assurance that such investments by the Funds will be successful.

Limited Transferability of Funds Interests. There will be no public market for the Funds interests and none is expected to develop. There are substantial restrictions upon the transferability of Funds interests under the Funds Agreement and applicable securities laws. In general, withdrawals of Funds interests are not permitted. In addition, Funds interests are not redeemable.

Restricted Nature of Investment Positions. Generally, there will be no readily available market for a substantial number of the Funds' investments and hence, most of the Funds' investments will be difficult to value. Certain investments may be distributed in kind.

Reliance on the General Partner and Portfolio Management. The Funds have no operating history and will be entirely dependent on the General Partner. Control over the operation of the Funds will be vested entirely with the General Partner and the Funds' future profitability will depend largely upon the business and investment acumen of the Principals. The loss of service of one or more of the Principals could have an adverse effect on the Funds' ability to realize its investment objectives. Limited Partners generally have no right or power to take part in the management of the Funds and as a result, the investment performance of the Funds will depend entirely on the actions of the General Partner. Although the General Partner will monitor the performance of each Funds' investment, it will primarily be the responsibility of each portfolio company's management team to operate the portfolio company on a day-to-day basis. Although the Funds generally intend to invest in companies with strong management, there can be no assurance that the existing management of such companies will continue to operate a company successfully.

Projections. Projected operating results of a company in which the Funds invest normally will be based primarily on financial projections prepared by each company's management. In all cases, projections are only estimates of future results that are based upon assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

Need for Follow-On Investments. Following its initial investment in a given portfolio company, the Funds may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company. There is no assurance that the Funds will make follow-on investments or that the Funds will have sufficient funds to make all or any of such investments. Any decision by the Funds not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment or may result in a lost opportunity for the Funds to increase its participation in a successful operation.

Significant Default Penalties. The Fund's Governing Document provides for significant penalties and other adverse consequences in the event a Limited Partner defaults on its Commitment or other payment obligations unless payment of that installment would be unlawful because of new laws or regulations applicable to that Limited Partner.

General Partner's Carried Interest. The fact that the General Partner's carried interest is based on a percentage of net profits, may create an incentive for the General Partner to cause the Funds to make riskier or more-speculative investments than would otherwise be the case.

Director Liability. The Funds will often obtain the right to appoint one or more representatives to the board of directors of the companies in which it invests. Serving on the board of directors of a portfolio company exposes the Funds' representatives and ultimately the Funds, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability.

Conflicts of Interest. During the Investment Period, the Principals will pursue all appropriate investment opportunities exclusively through the Funds, subject to certain limited exceptions. However, the Principals currently manage several other investment funds and investments similar to those in which the Funds will be investing and may direct certain relevant investment opportunities to those investment funds and investments. The Principals and the General Partner's investment staff will continue to manage and monitor such investment funds and investments, although the Principals expect that the time required to do so will be less than will be spent on Funds matters. The significant investment of the Principals in the Funds, as well as the Principals' interest in the carried interest, operate to align, to some extent, the interest of the Principals with the interest of the Partners, although the Principals have economic interests in such other investment funds and investments as well and receive management fees and carried interests relating to these interests. The Principals intend to refer any matters relating to potential conflicts of interest to the Funds' Advisory Committee.

Limited Number of Investments. The Funds intend to participate in a limited number of portfolio investments and, as a consequence, the aggregate return of the Funds may be substantially adversely affected by the unfavorable performance of even a single portfolio investment. Although the General Partner intends to diversify the Funds' portfolios, the ability of the General Partner to satisfactorily achieve this objective could adversely affect the performance of the Funds.

Highly Competitive Market for Investments. The business of identifying, negotiating, acquiring, monitoring, managing and selling investments is highly competitive and involves a high degree of uncertainty. The Funds will encounter competition from other persons or entities with similar investment objectives. These competitors may include other investment partnerships, corporations, business development companies, leveraged buyout entities, small business investment companies and individual investors.

Taxation. Certain risks related to an investment in the Funds are discussed in each Fund's Governing Documents which prospective investors should read carefully. Prospective investors are urged to consult their own tax advisors with respect to their own tax situations and the effect of an investment in the Funds.

Confidential Information. The Limited Partnership Agreement will contain confidentiality provisions intended to protect proprietary and other information relating to the Funds and the Funds' portfolio companies. To the extent that such information is publicly disclosed, competitors of the Funds and/or competitors of its portfolio companies and others, may benefit from such information, thereby adversely affecting the Funds, its portfolio companies, the General Partner and the economic interests of the Limited Partners.

Certain Litigation Risks. The Funds will be subject to a variety of litigation risks, particularly if one or more of its portfolio companies faces financial or other difficulties during the term of the Funds. Legal disputes involving any or all of the Funds, the General Partner, its members or its affiliates, may arise from the foregoing activities (or any other activities relating to the operation of the Funds or the General Partner) and could have a significant adverse effect on the Funds.

Contingent Liabilities On Disposition of Investments. In connection with the disposition of an investment in a portfolio company, the Funds may be required to make representations about the business and financial affairs of such company typical of those made in connection with the sale of the business. The Funds may be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the General Partner may establish reserves and escrows. In that regard, distributions may be delayed or withheld until such reserve is no longer needed or the escrow period expires. If the assets of the Funds are insufficient to satisfy such liabilities, the General Partner may, under certain circumstances, recall capital previously returned to the Partners.

Side Agreements. The General Partner may enter into one or more "side letters" or similar agreements with certain Limited Partners pursuant to which the General Partner grants to such Limited Partners specific rights, benefits, or privileges that are not made available to Limited Partners generally. Such agreements will be disclosed only to those actual or potential Limited Partners that have separately negotiated with the General Partner for the right to review such agreements.

Cybersecurity Breaches and Identity Theft. The Firm's and the portfolio companies' technology and information systems may be susceptible to interruption from network failures, computer viruses, telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors, power outages and catastrophic events (such as fires, tornadoes, floods, hurricanes and earthquakes) and damage generally. Although the Firm has implemented and portfolio companies will likely implement, various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time, or cease to function properly, the Firm, the Funds and/or a portfolio companies may have to make a significant investment to fix or in certain circumstances, replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Firm's, a Fund's and/or portfolio company's operation and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to Investors. Such a failure could

harm the Firm's, the Fund's and/or a portfolio company's reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance.

Disaster-related business and disruption. The success of the Funds and their investment strategies could be significantly impacted by changing external economic conditions in the United States and globally. The stability and sustainability of growth in global economies may be impacted by terrorism, acts of war, pandemics or other unforeseen disasters. Changing economic conditions could potentially adversely impact the performance and valuation of portfolio holdings. In addition, the availability, unavailability, or hindered operation of external credit markets, equity markets and other economic systems which the Funds may depend upon to achieve its objectives may have a significant negative impact on the Funds' operations and profitability. There can be no assurance that such markets and economic systems will be available as anticipated or needed for the Funds to operate successfully.

More information about the Clients' investments and the associated risk factors is available in the Constituent Documents.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of every risk involved in an investment with RC Capital. Prospective Investors and Clients should read the entire Brochure as well the Constituent Documents, Agreement other materials that may be provided by RC Capital and consult with their own advisers prior to engaging RC Capital's services.

Item 9 – Disciplinary Information

RC Capital and its management persons have not been a party to any legal or disciplinary events that would be material to a client's or prospective client's evaluation of its investment advisory business or the integrity of its management.

Item 10 – Other Financial Industry Activities and Affiliations

A. Registration as a Broker-Dealer or Broker-Dealer Representative

Neither RC Capital nor its management persons are registered as a broker-dealer or broker-dealer representative.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Adviser

Neither RC Capital nor its management persons are registered as futures commission merchant, commodity pool operator, or a commodity trading adviser.

C. Relationships Material to this Advisory Business and Possible Conflicts of Interest

There are no other relationships or arrangements that are material to this advisory business.

D. Selection of Other Advisors or Managers

RC Capital does not utilize nor select other advisors or third party managers. All assets are managed by RC Capital.

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

A. Code of Ethics

RC Capital has adopted a Code of Ethics (the “Code”) pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, as amended. The Code governs the activities of each member, officer, director and employee of RC Capital (collectively, “Employees”). RC Capital holds its Employees to a high standard of integrity and business practices that reflects its fiduciary duty to the Client. In serving its Client, RC Capital strives to avoid conflicts of interest or the appearance of conflicts of interest in connection with the personal trading activities of its Employees and Client securities transactions. When persons covered by the Code engage in personal securities transactions, they must adhere to the following general principles as well as to the Code’s specific provisions: (a) at all times the interests of Client must be paramount; (b) personal transactions must be conducted consistent with the Code in manner that avoids any actual or potential conflict of interest; and (c) no inappropriate advantage should be taken of any position of trust and responsibility. Employees covered by the Code have certain trading restrictions and reporting obligations of their personal securities transactions. Each Employee is provided with a copy of the Code and must annually certify that they have received it and have complied with its provisions. In addition, any Employee who becomes aware of any potential violation of the Code is obligated to report the potential violation to the Chief Compliance Officer.

RC Capital will provide a copy of its Code of Ethics to Clients and prospective Clients upon request. Such a request may be made by submitting a written request to RC Capital at the address on the cover page to this Brochure.

B. Recommendations Involving Material Financial Interests

Neither RC Capital nor its related persons recommends to Clients, or buys or sells for Client accounts, securities in which RC Capital or a related person has a material financial interest.

Principals and employees of RC Capital and its affiliates may directly or indirectly own an interest in private investment funds, including the Clients. The fact that the Firm, its Employees and other related persons can have a financial ownership interest in the Clients creates a potential conflict in that it could cause the Firm to make different investment decisions than if they did not have such a financial ownership interest.

C. Investing Personal Money in the Same Securities as Clients

RC Capital’s policies and procedures prohibit its Employees and related persons from trading ahead of Clients in the same instruments that RC Capital buys or sells for Client accounts.

However, there may be circumstances in which RC Capital, its Employees and/or related persons have holdings in the same instruments that RC Capital buys or sells for Client accounts and it or they may own securities, or options on securities, of issuers whose securities are subsequently bought for Client accounts because of RC Capital's recommendations regarding a particular security. RC Capital's policy as to such transactions is that neither RC Capital nor any of its Employees or related persons are to benefit from price movements that may be caused by transactions for Client accounts or otherwise RC Capital addresses this conflict by requiring Employees to sign and adhere to RC Capital's Code of Ethics and to report personal securities holdings and transactions to RC Capital.

D. Trading Securities At/Around the Same Time as Clients' Securities

As discussed above, from time to time, RC Capital, its Employees, or related persons of RC Capital may buy or sell securities for themselves that RC Capital also recommends to the Client. RC Capital will always document any transactions that could be construed as conflicts of interest and will always transact Client business before the business of its Employees and/or related persons when similar securities are being bought or sold.

Item 12 – Brokerage Practices

A. Factors Used to Select or Recommend Broker-Dealers

RC Capital invests in the securities of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. RC Capital also distributes securities to investors in the Funds or sell such securities, including through using a broker-dealer, if a public or private trading market exists.

1. Research and Other Soft Dollar Benefits

RC Capital currently does not anticipate receiving research or other products or service other than execution from a broker-dealer or third-party in connection with Client securities transactions ("soft dollar benefits"). If in the future the Firm obtains "soft-dollar" benefits, this Brochure will be appropriately amended.

2. Brokerage for Client Referrals

RC Capital does not consider, in selecting or recommending broker-dealers, client referrals from a broker-dealer. RC Capital may receive referrals in the future and if it does it will appropriately amend this Brochure.

3. Directed Brokerage

RC Capital does not accept directed brokerage arrangements. Securities transactions are executed by brokers selected by RC Capital in its discretion and without the consent of the Clients or Fund Investors. RC Capital may enter into directed brokerage arrangements only in its discretion.

B. Aggregating Trading for Multiple Client Accounts

As discussed elsewhere in this Item, RC Capital invests in the securities of private companies and generally does not trade in public securities or similar instruments on behalf of Client accounts.

Item 13 – Review of Accounts

A. Frequency and Nature of Periodic Review and Who Makes Those Reviews

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, RC Capital closely monitors companies in which the Funds invest and its policies require checks no less than annually, but generally quarterly, to confirm that each Fund is maintained in accordance with its stated objectives. RC Capital conducts a team wide review in which each portfolio manager reports on the status of each investment. This review is a multi-day process that is conducted in conjunction with valuation,

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Client portfolios are reviewed on a continuous basis such that no one factor or group of factors triggers additional review.

C. Content and Frequency of Regular Reports

Investors in the Funds will generally receive unaudited reports of performance quarterly and will receive audited year-end financial statements annually.

Item 14 – Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties

RC Capital does not receive any economic benefit, directly or indirectly from any third party for advice rendered to the Client.

B. Compensation to Non-Advisory Personnel for Client Referrals

RC Capital may engage certain SEC registered broker-dealers, called “Promoters,” in assistance with the marketing of the Funds pursuant to a written private placement agreement. The compensation we pay these Promoters creates an incentive for the Promoter to refer clients to us. Referral arrangements inherently give rise to potential conflicts of interest, particularly when the person recommending the advisor receives an economic benefit for doing so. Before any Promoters are engaged, RC Capital confirms a reasonable basis for belief that the broker-dealer is not subject to disqualification pursuant to the provision of Section 3(1)(39) of the Exchange Act. In addition, disclosure is drafted and provided by the Promoter to any solicited persons not subject to Regulation BI. RC Capital will pay the Placement Agent a commission pursuant to the individual terms of the agreement.

Item 15 – Custody

RC Capital does not maintain physical custody of client assets, however the SEC deems us to have constructive custody of certain client assets as a result of, among other things, the control that RC Capital or the General Partner may exercise over such assets. Accordingly, RC Capital reports having custody of investor assets under Item 9 of Form ADV, and is required under Rule 206(4)-2 of the Advisers Act to obtain an audit to verify assets over which we have authority as General Partner. Where an adviser serves as the General Partner for a limited partnership pooled investment vehicle and that pooled investment vehicle is subject to an audit as defined in Regulation S-X, this custody requirement is satisfied when an audit is completed by a Public Company Accounting Oversight Board (“PCAOB”) registered accountant within 120 days of the end of the partnership’s fiscal year end. The administrator of the Fund sends monthly net asset value statements to investors in the funds. Investors are urged to carefully review the monthly statements and audited financial statements they receive from the administrator.

Item 16 – Investment Discretion

Funds’ Constituent Documents generally authorize RC Capital to invest and trade the assets in a broad range of investments, to be selected at RC Capital’s sole discretion, with no specific limitations as to type, amount, concentration, or leverage. Further, RC Capital may enter into any type of investment transaction and employ any investment methodology or strategy it deems appropriate.

Pursuant to the Funds’ Constituent Documents each Investor designates RC Capital as its attorney-in-fact to execute, certify, acknowledge, file, record and swear to all instruments, agreements and documents necessary or advisable to carrying out the Clients’ business and affairs, including execution of the Clients’ governing documents. An Investor’s execution of a Fund’s subscription agreement constitutes its execution of the Fund’s Constituent Documents and the terms and conditions set forth therein.

Item 17 – Voting Client Securities

RC Capital invests in the securities of private companies and therefore does not vote proxies on behalf of Clients. If in the future the Firm obtains authority to vote proxies, this Brochure will be appropriately amended.

Item 18 – Financial Information

RC Capital has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has not been the subject of a bankruptcy petition.

A. Balance Sheet

RC Capital does not require nor solicit prepayment of any fees by the Funds of more than \$1,200 per Fund, six months or more in advance.

B. Financial Condition

RC Capital has discretionary authority over the Client's assets. At this time, neither RC Capital nor its management persons have any financial conditions that are likely to reasonably impair its ability to meet contractual commitments to Clients.

C. Bankruptcy Petitions in Previous Years

RC Capital has not been the subject of a bankruptcy petition in the last ten years.