

River Partners Capital Management, LP

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Item 1 – Cover Page

**FORM ADV PART 2AFIRM
BROCHURE**

This brochure provides clients with information about the qualifications and business practices of River Partners Capital Management, LP a registered investment adviser. The information in this brochure has not been approved or verified by the SEC or by any state securities authority. Registration does not imply that River Partners Capital Management, LP or any individual providing investment advisory services on behalf of River Partners Capital Management, LP possess a certain level of skill or training.

Please contact River Partners Capital Management, LP at 212-259-0819 or ir@riverpartners.com if you have any questions about the contents of this brochure. Additional information about River Partners Capital Management, LP and its associated persons is available on the Internet at www.adviserinfo.sec.gov. You can search this site by the firm's name or by a unique identifying number, known as a CRD number. The CRD number for River Partners Capital Management, LP is 172496.

Item 2 – Material Changes

River Partner's last Form ADV annual update was on March 31, 2023.

Since our last annual amendment, we have made the following changes to our Brochure:

- We updated our address to reflect our move to the 18th Floor.
- We added language to Item 4 to reflect our new role as a sub-advisor and noted the relationship is governed by a management agreement.
- Under Private Fund Program Fees in Item 5.A, we updated the language to better reflect the fee structure. Most investors do not pay fees at the fund level, but instead are charged an investment advisory fee based on the total value of assets managed by the Adviser pursuant to their Client Agreement. Additionally, a small subset of the investors that have terminated their Client Agreement with River Partners have their investment in the fund converted to a fee-paying share. See Item 5.A for more details.
- Item 10.B has been updated to reflect that we are an exempt commodity pool operator.
- Item 10.C has been updated to reflect additional information about our investment professionals that work for an unaffiliated investment adviser and the conflicts that exist when they recommend investment for River Partners Clients in that adviser's private funds. See Item 10.C for further details.
- Item 11 has been updated to reflect more details about River Partner's employees' participation or interest in Client transactions.

Item 3 – Table of Contents	
Item 1 – Cover Page	1
Item 2 – Material Changes	2
Item 3 – Table of Contents	3
Item 4 - Advisory Business.....	4
Item 5 - Fees and Compensation	7
Item 6 - Performance-Based Fees and Side-By-Side Management	10
Item 7 - Types of Clients.....	11
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss	11
Item 9 - Disciplinary Information	19
Item 10 - Other Financial Industry Activities and Affiliations.....	19
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	20
Item 12 - Brokerage Practices.....	22
Item 13 - Review of Accounts	24
Item 14 - Client Referrals and Other Compensation.....	25
Item 15 - Custody.....	25
Item 16 – Investment Discretion	26
Item 17 – Voting Client Securities	26
Item 18 - Financial Information	27

Item 4 - Advisory Business

A. The Company

River Partners Capital Management, LP is a Delaware limited partnership that was founded in October 2014 and has been registered as an investment adviser with the U.S. Securities and Exchange Commission since November 2014. Throughout this disclosure brochure, River Partners Capital Management, LP is referred to as “River Partners” or the “Firm.”

The principal owner of River Partners is John A. Levin, as Trustee of the Levin 2017 Long-Term Trust, the only limited partner owning more than 25%.

B. Advisory Services

Investment Management Services

River Partners provides discretionary investment advice and management services to private investment funds (“Private Funds”) and separately managed accounts (each a “Separately Managed Account” and collectively, “Managed Accounts”) and non-discretionary investment advice and management services to Separately Managed Accounts.

For those Managed Accounts with discretionary authority, River Partners will typically designate the active discretionary management of Managed Accounts among certain institutional quality investment managers that manage private investment funds organized as pooled investment vehicles or that provide investment management services on a sub-advisory basis, including River Partners advisory affiliates. River Partners maintains sole discretion to engage (and terminate such engagement) of the investment manager(s). For certain Managed Account clients, River Partners provides active discretionary management based on investment guidelines established with such clients.

The use of third-party investment managers is designed to provide clients with exposure to different asset classes, including, but not limited to, equities, fixed income, hedge funds, commodities, venture capital and private equity. Please see the disclosures in Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss – for additional information about the investment strategies employed by River Partners and any associated risks.

River Partners will create a customized asset allocation strategy to meet a client’s individual investment objectives. River Partners will review a client’s present financial situation, cash flow needs, tax status, existing investments, investment restrictions (if any) and time horizon before determining portfolio allocations and suitable investment managers. River Partners will then set an investment policy that outlines the overall investment objectives and goals, risks, restrictions, strategic asset allocation, investments and ranges, and benchmarks for such client. The investment policy will provide the principles under which River Partners will manage each client’s investment program.

The investment policy typically includes guidelines on, but not limited to, the following: strategic asset allocation regarding broad asset classes including global equities, private investments, hedge funds, global fixed income and commodities, and the client’s individual return objectives, risk tolerance, liquidity needs, time horizon.

Sub-Advisor Services

In limited situations, River Partners may act as a sub-adviser for the assets of other asset managers. Investment services are specifically tailored in accordance with the governing management agreement for those relationships.

Private Funds Program

The River Partners Private Funds Program (the “Program”) is designed to provide clients with the opportunity to invest in one or more Private Funds that seek to achieve their objective by deploying assets among a select group of third-party investment managers that generally conduct their investment programs through unregistered, pooled investment vehicles (“Investment Funds”). The Program allows clients to invest with investment managers whose Investment Funds will be closed from time to time to new investors or that otherwise typically place stringent restrictions on the number and type of clients whose money they will manage. The Program enables clients to invest with a cross-section of a concentrated set of investment managers without having to individually meet the high minimum investment requirements that these investment managers typically would impose.

Although each Private Fund currently intends to invest its assets primarily in Investment Funds, a Private Fund also can (i) invest its assets directly with certain third-party, independent portfolio managers on a sub-advisory basis and/or (ii) make direct investments in certain securities for cash management or other short-term investment purposes.

River Partners selects the Investment Funds on the basis of various criteria, generally including, among other things, an analysis of: investment process (security selection expertise, depth of investment research, idea sourcing, decision making process, risk controls, and team), portfolio transparency, organization (composition and stability of client base, background checks of key professionals, stability of team, and assets under management growth), compliance (business terms, vendor relationships, and back office review), alignment of interests, fees, costs, liquidity, performance, leverage, attribution analysis, return patterns, factor analysis, and exposure analysis.

Private Funds advised by River Partners are not offered or sold to the public. They are accessible only to investors who are “Accredited Investors” as defined in Regulation D under the Securities Act of 1933 who receive a confidential private placement memorandum issued by the Private Fund and who ultimately become parties to the agreement governing the operation of the Private Fund. The terms and conditions for participation in a Private Fund, including management fees, conflicts of interest and risk factors, are set forth in the respective Private Fund’s offering documents.

Separately Managed Account Program

The River Partners Separately Managed Account Program (“SMA Program”) is only offered to certain legacy clients - consisting of family office members, trust vehicles and their employees and affiliates (“SMA Clients”) – and is not open to new clients. Exceptions may be made for friends or family of River Partners employees. SMA Clients have directed River Partners to designate the active discretionary management of the SMA Clients’ separately managed accounts to Levin Capital Strategies, L.P. (“Levin Capital”), a registered investment adviser and affiliate of River Partners. The accounts of certain SMA Clients will occasionally also be managed by unaffiliated third-party advisers on a sub-advisory basis at the direction of the SMA Client. A limited number of accounts which have specifically selected active management by River Partners will also invest in individual equity and fixed income instruments.

Please see the disclosures in Item 10 – Other Financial Industry Activities and Affiliations – for additional information on the relationship between River Partners and Levin Capital Strategies, L.P.

Investment Monitoring Services

River Partners will also provide investment monitoring and reporting services with respect to certain assets that are not being actively managed by River Partners. Pursuant to these services, River Partners will (i) monitor the performance and consistency of the client's investments as appropriate to a client's stated risk tolerance, investment goals and suitability and (ii) provide the client with a monitoring report accessed through the client portal.

River Partners will also monitor and facilitate the subscription, redemption, and cash flows processes, including capital gains or dividends, with regards to SMA Client assets invested in private funds advised by affiliated managers.

Family Office Services

If requested by the client, River Partners occasionally also provides the following additional family office services:

- Bill paying;
- Check writing; and
- The coordination of professional and other services (i.e., legal, insurance, home repair, public relations).

C. Client Tailored Services and Client Imposed Restrictions

As detailed above, River Partners will create a customized investment strategy to meet a client's individual investment objectives.

Generally, clients are permitted to impose reasonable restrictions on investing in certain securities or types of securities in their advisory accounts, provided, however, that some restrictions will not be accommodated when utilizing private funds or with respect to certain third-party investment managers. In addition, a restriction request will not always be honored if it is fundamentally inconsistent with River Partners' investment philosophy, runs counter to the client's stated investment objectives, or would prevent River Partners from properly servicing client accounts.

D. Wrap Fee Programs

River Partners does not provide portfolio management services to wrap fee programs.

E. Assets Under Management

As of December 31, 2023, River Partners had approximately \$1,137,822,862 in assets under management. Of those assets, \$1,111,451,551 are managed on a discretionary basis and \$26,371,311 are managed on a non-discretionary basis.

Item 5 - Fees and Compensation

A. Advisory Fees

Except as set forth below, clients will pay both River Partners' investment management services fee and the management fee of the third-party investment manager(s) selected by River Partners to manage their account. If River Partners also provides active investment management to an account, that account will typically be charged fees for both account management, i.e. asset allocation, and active investment management fees. Clients should review the investment management agreement with River Partners for the specific terms of their fee arrangements.

Private Fund Program Fees

The annualized fee for River Partners' Private Fund Program is not charged at the Fund level, but is charged outside of the Private Funds as a percentage of assets under management and will not exceed 1% of the value of the assets in the Private Funds on the first day of each calendar quarter. The Private Fund Program fee is pro-rated for periods less than a full billing cycle (based upon the number of calendar days in the calendar quarter that the advisory agreement was effective) and will typically be adjusted to cover for any additional contributions made during that period. Certain related investors (i.e. SMA Clients, River Partners' proprietary and employee accounts, affiliates) will not incur River Partners' investment management fee when participating in the Private Fund Program.

Private Fund Program fees are paid quarterly in advance. Details of the specific Private Fund Program fees charged by River Partners are more fully described in each Private Fund's offering documents and supplements.

For a small subset of investors in the Private Investment Fund, investors that have terminated their Client Agreement with River Partners for any reason will remain invested in the Fund, and their interests will automatically convert into interests that are subject to an asset management fee payable to River Partners as the adviser of the Fund. The fee charged is 50 basis points and is calculated on a quarterly basis in arrears and payable out of the capital account for these investors. The Fund Supplement describes the fees in further detail.

Private Fund investors are also responsible for paying the investment management fee of the third-party investment manager(s) engaged by each Private Fund to manage the Private Fund's assets. These fees will differ among third-party investment managers and are subject to negotiation by River Partners. The fees of third-party investment managers retained by the Private Funds are not paid by the client directly to River Partners or the third-party investment manager, but rather, are paid as an expense of the Private Fund and therefore, are reflected in the net asset value of the investor's capital account.

Separately Managed Accounts

The annualized fee for River Partners' SMA Program is charged as a percentage of assets under management and will not exceed 1% of the value of the assets in the client's account on the first day of each calendar quarter. The SMA Program fee is prorated for periods less than a full billing cycle (based upon the number of calendar days in the calendar quarter that the advisory agreement was effective) and will typically be adjusted to cover for any additional contributions made during that period. In all cases, however, River Partners' SMA Program fees are negotiable and, as a result, one client will pay a higher fee to River Partners than another client for which River Partners is providing substantially similar services. Certain closely related relatives of River Partners' principal owner will be charged a reduced investment management fee or not be charged an investment management fee on assets invested in Levin Capital Managed Accounts.

SMA Program clients are also responsible for paying the investment management fee of the third-party investment manager(s) used to manage their account. The specific fees charged will differ from investment manager to investment manager and are subject to negotiation by River Partners. The fees of third-party investment managers will be reflected in the quarterly fee charged by River Partners. For SMA Program clients for which River Partners has engaged an affiliated investment manager to provide sub-advisory services, the fees of such affiliated investment manager are paid by River Partners without any additional charge to the client.

SMA Program fees are paid quarterly in advance and deducted directly from the client accounts. Details of the specific SMA Program fee charged by River Partners are more fully described in the investment management agreement entered into with each client.

Investment Monitoring Services

The annualized fee for investment monitoring services is charged in advance as a percentage of the non-managed assets that are being monitored by River Partners and is equal to 0.10% of the value of such assets on the first day of each calendar quarter. The investment monitoring services fee will typically be charged on any publicly traded asset or private investment requested by a client to be included in their monitoring service. Certain hard assets (such as houses and cars) will not be subject to such monitoring fee.

Clients with assets invested in affiliated third-party funds made prior to the inception of River Partners are responsible for the investment management fee of the affiliated third-party manager and are typically charged a monitoring fee of 0.10% on these assets. The affiliated third-party Investment Funds typically do not charge a performance-based fee with regard to these assets.

Certain Clients who are close relatives of River Partners' principal owner and are invested in funds advised by an affiliate will not be charged a management fee by the affiliate in connection with their investment in the affiliated funds.

Family Office Services

The fee for the family office services will be determined on a case-by-case basis and will depend on the nature and complexity of each client's circumstance, the amount of assets under River Partners' management and the particular River Partners' professional providing the service. River Partners' reserves the right to waive the fee for family office services in its entirety.

B. Payment Method

Each quarter, River Partners will notify the client's qualified custodian of the amount of the fee due and payable to River Partners pursuant to the Firm's fee schedule and advisory agreement. The qualified custodian will not validate or check River Partners' fees, its corresponding calculation, or the assets on which the fee is based unless the client has retained their services to do so. The qualified custodian will deduct the fee from the client's account or, if the client has more than one account, from the account the client has designated to pay River Partners' advisory fees.

At least quarterly, the client will receive a statement directly from the qualified custodian showing all transactions, positions and credits/debits into or from the client's account. Statements sent after quarter end will also reflect the advisory fee paid by the client to River Partners.

C. Additional Fee Information and Expenses

Fees Negotiable

River Partners retains the right to modify fees, including minimum account size requirements, in its sole and absolute discretion, on a client-by-client basis. Factors considered include the complexity and nature of the advisory services provided, anticipated amount of assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, and account composition. As stated above, SMA Clients and certain related accounts will pay a reduced fee or will typically have their investment management fee waived in its entirety. The specific fee schedule is identified in the investment management agreement or fund offering documents entered into with the client.

Mutual Fund and Exchange Traded Fund Fees

Managed Accounts will typically hold the shares of registered investment companies (e.g., mutual funds and Exchange Traded Funds). All fees paid to River Partners or third-party investment managers for investment management services are separate and distinct from the fees and expenses charged by these investment companies to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client will pay a deferred sales charge.

Miscellaneous Expenses

River Partner's management fee with respect to each Managed Account does not include certain other charges and expenses, including (a) brokerage charges, which are paid on a transactional basis by the Managed Account, (b) dealer mark-ups or mark-downs on securities purchased or sold for an account through third party dealers and (c) taxes.

Professional Fees

Fees do not include the services of any co-fiduciaries, accountants, broker dealers or attorneys. Accordingly, the fees of any additional professionals engaged by a client will be billed directly by such professional(s).

Private Fund Fees

To the extent permitted under the applicable offering documents, each Private Fund bears its own expenses, including, but not limited to, the investment advisory management fee; investment expenses (e.g., expenses that River Partners reasonably determines to be related to the investment of the Private Fund's assets, such as brokerage commissions (see Item 12 for more information on brokerage expenses), research expenses, interest on margin accounts, administration fees, expenses relating to short sales, clearing and settlement charges, custodial fees, bank service fees and interest expenses); legal expenses; insurance expenses; compliance expenses; professional fees (including, without limitation, expenses of consultants) relating to investments; accounting expenses (including the cost of accounting software packages); auditing and tax preparation expenses; applicable outside director fees, costs of printing and mailing reports and notices; entity-level taxes; corporate licensing; regulatory expenses (including filing fees); organizational expenses; expenses incurred in connection with the offering and sale of Private Fund interests and other similar expenses related to the Private Funds; and extraordinary expenses. Please refer to the applicable Private Fund's offering memorandum for additional information.

In certain cases, River Partners may agree to cap certain Private Funds' operating expenses (excluding management fees) in excess of 0.50% per annum of the Private Fund's net assets, calculated monthly.

Third-Party Investment Managers Fees and Expenses

As stated above, all fees paid to River Partners for its investment management services are separate and distinct from the fees and expenses charged by third-party investment managers.

Each third-party investment manager used involves different custodial, administrative, and fee arrangements, and will typically require certain minimum initial account investments. These fees include a management fee and other possible fees. The actual management fees can be higher or lower in comparison for specific independent money managers employing similar strategies.

In certain circumstances a client may be able to invest with an independent money manager directly, without the services of River Partners. In these cases, the client would not receive the services provided by River Partners which are designed, among other things, to assist the client in determining which third-party investment managers are most appropriate to the client's financial condition and objectives.

D. Termination and Refunds

A client has the right to terminate the investment management agreement without penalty within five (5) business days after entering into such agreement. In addition, an investment management agreement can generally be terminated at any time, by either party, for any reason upon prior written notice to the other party. If an account is terminated during a calendar quarter, fees will be adjusted *pro rata* based upon the number of calendar days in the calendar quarter that the investment management agreement was effective.

When possible, River Partners will credit a client's account for the amount of the refund.

Termination from the Private Fund Program is dictated by each Fund's individual offering documents.

E. Additional Compensation

From time to time, River Partners receives other revenue from its affiliate, RP Tax, LLC. Please see the disclosures in Item 10 – Other Financial Industry Activities and Affiliations – for additional information on the relationship between River Partners and these affiliated entities.

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

Generally, River Partners' investment management fees are not based on a share of the capital gains or capital appreciation (i.e., growth in value) of the funds in a client's account (a/k/a "performance-based fees").

In very limited situations, certain clients are charged a percentage of the net realized proceeds with respect to private investments to the extent they exceed the cost basis of such private investment including all expenses associated with such private investment.

In situations where River Partners manages performance-based fee accounts side-by-side with accounts not subject to performance fees, there is a conflict of interest which creates an incentive to favor higher fee-paying accounts upon transacting in investment opportunities.

River Partners has adopted procedures to address these conflicts of interest that are designed to ensure that all clients are treated fairly and equitably, including the review of account performance over time for accounts employing similar investment strategies.

Item 7 - Types of Clients

A. Clients

River Partners generally provides investment advice and management to high net worth individuals, foundations, trusts and estates.

B. Engaging the Services of River Partners

All clients wishing to engage River Partners for investment advisory services must first sign the applicable investment management agreement, fund offering documents and sign/complete any other document or questionnaire provided by the Firm. The investment management agreement will describe the services and responsibilities of River Partners to the client. It also outlines River Partners' fee in detail.

Upon completion of these documents, River Partners will be considered engaged by the client. Clients will be responsible for ensuring that River Partners is informed in a timely manner of changes in investment objectives and risk tolerance.

C. Conditions for Managing Accounts

As a condition for starting and maintaining a relationship, River Partners imposes a minimum of \$100,000,000 in assets under management. River Partners will occasionally, in its sole discretion, require a larger amount or accept a smaller amount of initial assets from a potential client depending on the complexity and nature of the advisory services provided.

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

A. Methods of Analysis and Investment Strategies

As discussed in Item 4 – Advisory Business – River Partners will designate the active discretionary management of Managed Accounts among certain institutional-quality investment managers that manage private investment funds organized as pooled investment vehicles or on a sub-advisory basis.

River Partners will only use investment managers for which it has completed full investment and operational due diligence. However, the investment manager(s) selected by River Partners have specific methodologies, trading processes and operational practices beyond the control of River Partners. River Partners will monitor each investment manager for adherence to the stated strategy, portfolio performance, turnover, team and organizational changes over time, compensation changes, growth in assets under management and product proliferation. River Partners will occasionally, in its sole discretion, reallocate client assets among investment managers depending on macroeconomic, market or sector factors and/or according to changes in a client's financial goals and needs.

In evaluating and monitoring third-party investment managers, River Partners will also look for specific qualities and investment principles depending on the specific investment program provided by such investment manager. For example, for a long-only equity investment program, River Partners will typically seek institutional quality investment managers with deep fundamental research processes and experience in broad areas such as global equities or in particular niche fields such as Asian emerging markets equities. For a global macro strategy, River Partners will typically seek

investment managers with lower directional market exposure, high alpha, strong downside protection, and lower correlation to traditional markets such as equities and fixed income.

Depending on the stage of the development of an investment manager's trading program, River Partners will also take into consideration other factors, such as: the investment manager's performance during various time periods and market cycles; the investment manager's articulation of, and adherence to, a stated investment philosophy and style; the presence of risk management discipline; and alignment of interests.

River Partners will regularly evaluate each investment manager to determine whether its investment program is consistent with the client's investment objectives and whether its investment performance is satisfactory. Subject to restrictions imposed by the investment managers, River Partners will occasionally reallocate client assets among the investment managers, terminate existing investment managers and select additional investment managers.

B. Risks Associated with Investment Strategies and Methods of Analysis

Risk Associated with Methods of Analysis

Clients should understand that, regardless of the oversight of River Partners, investing in securities involves risk and should be prepared to bear a loss of capital.

All investment analysis requires subjective assessments and decision-making by experienced investment professionals, however, there is always the risk of an error in judgment. River Partners' investment analysis methods rely on the assumption that River Partners is provided accurate and unbiased data. While River Partners understands that data will occasionally be incorrect, there is always the risk that the Firm's analysis will occasionally be compromised by inaccurate or misleading information.

A risk of independent money manager analysis is that the past performance of the independent money manager does not guarantee future results. In addition, River Partners' subjective judgment will occasionally prove incorrect.

The value of a client's investment will occasionally be affected by one or more of the following risks, any of which could cause a client's portfolio return, the price of the portfolio's shares or the portfolio's yield to fluctuate:

- *Market Risk.* The value of portfolio assets will fluctuate as the stock or bond market fluctuates. The value of investments will occasionally decline, sometimes rapidly and unpredictably, simply because of economic changes or other events that affect large portions of the market.
- *Management Risk.* A client's portfolio is subject to management risk because it is actively managed by River Partners' investment professionals. River Partners will apply its investment techniques and risk analysis in making investment decisions for a client's portfolio, but there is no guarantee that these techniques and River Partners' judgment will produce the intended results.
- *Quantitative Tools Risk.* Some of River Partners' investment techniques will occasionally incorporate, or rely upon, quantitative models. There is no guarantee that these models will generate accurate forecasts, reduce risks, or otherwise produce the intended results.
- *Interest Rate Risk.* Changes in interest rates will affect the value of a portfolio's investments in fixed-income securities. When interest rates rise, the value of investments in fixed-income securities tend to fall and this decrease in value will occasionally not be offset by

higher income from new investments. Interest rate risk is generally greater for fixed-income securities with longer maturities or durations.

- *Credit Risk.* An issuer or guarantor of a fixed-income security, or the counterparty to a derivatives or other contract, will occasionally be unable or unwilling to make timely payments of interest or principal, or to otherwise honor its obligations. The issuer or guarantor will occasionally default causing a loss of the full principal amount of a security. The degree of risk for a particular security will typically be reflected in its credit rating. There is the possibility that the credit rating of a fixed-income security will be downgraded after purchase, which will typically adversely affect the value of the security. Investments in fixed-income securities with lower ratings tend to have a higher probability that an issuer will default or fail to meet its payment obligations.
- *Allocation Risk.* The allocation of investments among different asset classes will have an effect on portfolio value when one of these asset classes is performing poorly compared to the others. As investments will be periodically reallocated, there will be transaction costs which, over time, can be significant. In addition, there is a risk that certain asset allocation decisions will not achieve the desired results and a client's portfolio could incur significant losses in these circumstances.
- *Foreign (Non-U.S.) Risk.* A portfolio's investments in securities of non-U.S. issuers will typically involve more risk than those of U.S. issuers. These securities tend to fluctuate more widely in price and are typically less liquid due to adverse market, economic, political, regulatory, or other factors.
- *Emerging Markets Risk.* Securities of companies in emerging markets tend to be more volatile than those of companies in developed markets. By definition, markets, economies and government institutions are generally less developed in emerging market countries. Investment in securities of companies in emerging markets will typically entail special risks relating to the potential for social instability and the risks of expropriation, nationalization or confiscation. Investors may also face the imposition of restrictions on foreign investment or the repatriation of capital and a lack of hedging instruments.
- *Currency Risk.* Fluctuations in currency exchange rates may negatively affect the value of a portfolio's investments or reduce its returns.
- *Derivatives Risk.* Certain strategies involve the use of derivatives to create market exposure. Derivatives will typically be illiquid, difficult to price, and leveraged so that small changes could produce disproportionate losses for a client's portfolio and may be subject to counterparty risk to a greater degree than more traditional investments. Because of their complex nature, some derivatives could not perform as intended. As a result, a portfolio could not realize the anticipated benefits from a derivative it holds or it could realize losses. Derivative transactions have the potential to create investment leverage, which could increase a portfolio's volatility and could require the portfolio to liquidate securities when it could not be advantageous to do so.
- *Capitalization Risk.* Investments in small- and mid-capitalization companies could be more volatile than investments in large-capitalization companies. Investments in small-capitalization companies have additional risks because these companies have limited product lines, markets or financial resources.
- *Liquidity Risk.* Liquidity risk exists when investments are difficult to purchase or sell, possibly preventing River Partners from selling out of such illiquid securities at an advantageous price. Derivatives and securities involving substantial market and credit risk also tend to involve greater liquidity risk.
- *Issuer Specific Risk.* The value of an equity security or debt obligation could decline in response to developments affecting the specific issuer of the security or obligation, even if the overall

industry or economy is unaffected. These developments could comprise a variety of factors, including, but not limited to, management issues or other corporate disruption, political factors adversely affecting governmental issuers, a decline in revenues or profitability, an increase in costs, or an adverse effect on the issuer's competitive position.

- *Concentrated Portfolios Risk.* Certain investment strategies focus on particular asset classes, countries, regions, industries, sectors, or types of investments. Concentrated portfolios are an aggressive and highly volatile approach to trading and investing. Concentrated portfolios hold fewer variations of stocks than a diversified portfolio and are much more likely to experience sudden dramatic price swings. In addition, the rise or drop in price of any given holding is likely to have a larger impact on portfolio performance than a more broadly diversified portfolio.
- *Leverage.* While leverage presents opportunities for increasing a client's total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment of a client's account would be magnified to the extent the investment is leveraged. The cumulative effect of the use of leverage in a market that moves adversely to such client's investments could result in a substantial loss to a client which would be greater than if the account was not leveraged.
- *Legal or Legislative Risk.* Legislative changes or court rulings could impact the value of investments or the securities' claim on the issuer's assets and finances.

C. Risks Associated with Specific Securities Utilized

Third-party investment managers retained by River Partners and the portfolio managers executing active management strategies for clients will typically invest in all or some of the following types of securities:

Common Stocks

The major risks associated with investing in common stocks relate to the issuer's capitalization, quality of the issuer's management, quality and cost of the issuer's services, the issuer's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk and the issuer's ability to create shareholder value (i.e., increase the value of the company's stock price).

Preferred Stocks

Preferred stock dividends are generally fixed in advance. Unlike requirements to pay interest on certain types of debt securities, the company that issues preferred stock may not be required to pay a dividend and could stop paying the dividend at any time. Preferred stock will also be subject to mandatory redemption provisions and an issuer will occasionally repurchase these securities at prices that are below the price at which they were purchased by the investor. Under these circumstances, a client account holding such preferred securities could lose money.

Convertible Stocks

The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value."

The investment value of a convertible security is influenced by changes in interest rates, the credit standing of the issuer and other factors. The conversion value of a convertible security is determined

by the market price of the underlying common stock. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. A convertible security will generally be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible is called for redemption, a client will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on a client's ability to achieve their investment objective.

Warrants and Rights

Warrants are securities, typically issued with preferred stocks or bonds, that give the holder the right to purchase a given number of shares of common stock at a specified price and time. The price of a warrant usually represents a premium over the applicable market value of the common stock at the time of the warrant's issuance. Warrants have no voting rights with respect to the common stock, receive no dividends and have no rights with respect to the assets of the issuer.

Investments in warrants and rights involve certain risks, including the possible lack of a liquid market for the resale of the warrants and rights, potential price fluctuations due to adverse market conditions or other factors and failure of the price of the common stock to rise. If the warrant is not exercised within the specified time period, it becomes worthless.

Fixed-Income Securities

Different forms of fixed-income instruments, such as bonds, money market funds, and certificates of deposit will typically be affected by various forms of risk, including:

- *Interest Rate Risk.* The risk that the value of the fixed-income holding will decrease because of an increase in interest rates.
- *Liquidity Risk.* The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed-income securities are generally liquid (e.g., corporate bonds), there are risks such as when an issue trading in any given period does not readily support buys and sells at an efficient price. Conversely, when trading volume is high, there is also the risk of not being able to purchase a particular issue at the desired price.
- *Credit Risk.* The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as "default risk." Credit risk will also occur when an issuer's ability to make payments of principal and interest when due is interrupted. This results in a negative impact on all forms of debt instruments.
- *Reinvestment Risk.* With declining interest rates, investors have to reinvest income or principal at a lower rate.
- *Duration Risk.* Duration is a measure of a bond's volatility, expressed in years to be repaid by its internal cash flow (interest payments). Bonds with longer durations carry more risk and have higher price volatility than bonds with shorter durations.

High-Yield Securities

High-yield corporate debt securities with credit rating below investment grade (commonly referred to as "junk bonds") are subject to potentially higher risks of default and volatility than other debt securities, including risks that the issuer will not be able to meet its obligations to repay principal or interest. These types of debt securities are more susceptible to credit risk than investment grade

securities and are considered to be more speculative in nature than higher-quality fixed-income securities. In addition, issuers of high-yield securities are not usually as strong financially as those issuing debt securities with higher credit ratings.

Municipal Bonds

In addition to the risks set forth under “Fixed-Income Securities” above, municipal bonds are susceptible to events in the municipality that issued the bond or the security posted for the bond. These events will include economic or political policy changes, changes in law, tax base erosion, state constitutional limits on tax increases, budget deficits or other financial difficulties and changes in the credit rating assigned to municipal issues.

Commercial Paper and Certificates of Deposit

Commercial Paper and Certificates of Deposit are generally considered safe instruments, although they are subject to the level of general interest rates, the credit quality of the issuing bank and the length of maturity. With respect to certificates of deposit, depending on the length of maturity, there can be prepayment penalties if the client needs to convert the certificate of deposit to cash prior to maturity.

Federal Agency Securities

Although the issuer is usually chartered or sponsored by an Act of Congress, the issuer is not funded by Congressional appropriations and its debt and equity securities are neither guaranteed nor insured by the U.S. Government. Without a more explicit commitment, there can be no assurance that the U.S. Government will provide financial support to such issuers or their securities.

Exchange Traded Funds (ETFs)

An ETF holds a portfolio of securities designed to track a particular market segment or index. Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV.

ETFs are subject to risks similar to those of stocks. Investment returns will fluctuate and are subject to market volatility, so that when shares are sold they may be worth more or less than their original cost. ETF shares are bought and sold at market price (not Net Asset Value) and are not individually redeemed from the fund. There is also the risk that a manager will deviate from the stated investment mandate or strategy of the ETF which could make the holdings less suitable for a client's portfolio. ETFs carry additional expenses based on their share of operating expenses and certain brokerage fees, which result in the potential duplication of certain fees. In addition, while many ETFs are known for their potential tax efficiency and higher “qualified dividend income” (QDI) percentages, there are asset classes within these ETFs or holding periods that do not benefit. Shorter holding periods, as well as commodities and currencies that are a part of an ETF's portfolio, will often be considered “non-qualified” under certain tax code provisions.

There is no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder will have no way to dispose of such shares.

Mutual Funds - Equity Funds

The major risks associated with investing in equity mutual funds are similar to the risks associated with investing directly in equity securities, including market risk, which is the risk that investment returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost. Other risks include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification and the type and amount of sector diversification within specific industries. In addition, there is the risk that a manager will deviate from the stated investment mandate or strategy of the mutual fund which could make the holdings less suitable for a client's portfolio. Also, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold their shares in the fund. Mutual funds also carry additional expenses based on their share of operating expenses and certain brokerage fees, which result in the potential duplication of certain fees.

Mutual Funds - Fixed-Income Funds

In addition to the risks associated with investing in equity mutual funds, fixed-income mutual funds also have the same risks as set forth under "Fixed-Income Securities" listed above.

Mutual Funds - Index Funds

Index Funds have the potential to be affected by "tracking error risk" which means a deviation from a stated benchmark index. Since the core of a portfolio attempts to closely replicate a benchmark, the source of the tracking error (deviation) may come from a "sample index" that does not closely align the benchmark. In addition, while many index mutual funds are known for their potential tax efficiency and higher "qualified dividend income" (QDI) percentages, there are asset classes within these funds or holding periods that do not benefit. Shorter holding periods, as well as commodities and currencies that are a part of a fund's portfolio, may be considered "non-qualified" under certain tax code provisions.

Options

There are numerous risks associated with transactions in options on securities or securities indexes. A decision as to whether, when, and how to use options involves the exercise of skill and judgment, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior or unexpected events. In the case of index options, the client incurs basis risk between the performance of the underlying portfolio and the performance of the underlying index. For example, the underlying portfolio may decline in value while the underlying index may increase in value, resulting in a loss on the call option while the underlying portfolio declines as well.

Real Estate Related Securities

Investing in real estate related securities includes, among others, the following risks: possible declines in the value of real estate; risks related to general and local economic conditions, including increases in the rate of inflation, possible lack of availability of mortgage funds, overbuilding, extending vacancies of properties, increases in competition, property taxes and operating expenses, changes in zoning laws, costs resulting from cleanup of, and liability to third-parties for damages resulting from environmental problems, casualty and condemnation losses, uninsured damages from floods, earthquakes or other natural disasters, limitations on and variations in rents, and changes in interest rates. Investing in Real Estate Investment Trusts ("REITs") involves certain unique risks in addition to those risks associated with investing in real estate in general. REITs are dependent upon the skills

of management, are not diversified, and are subject to cash flow dependency, default by borrowers and self-liquidation.

Structured Products

A portfolio's investments in structured finance arrangements, including Collateralized Mortgage Obligations (CMOs), Collateralized Bond Obligations (CBOs), Collateralized Debt Obligations (CDOs) and Collateralized Loan Obligations (CLOs), involve the risks associated with the underlying pool of securities or other assets, as well as risks different or greater than the risks affecting the underlying assets. In particular, these investments tend to be less liquid than other debt obligations, making it difficult to value an investment or sell the investment in a timely manner or at an acceptable price.

Master Limited Partnerships

Master Limited Partnerships (MLPs) are a type of limited partnership that is publicly traded and sells like a common stock on the major stock exchanges. There are two types of partners in this type of partnership: The limited partner is the person or group that provides the capital to the MLP and receives periodic income distributions from the MLP's cash flow, whereas the general partner is the party responsible for managing the MLP's affairs and receives compensation that is linked to the performance of the venture. MLP investors face several kinds of risk that are inherent in these types of investments and in the market, including loss of money, volatility, and interest rate risk.

Alternative Investments

The performance of alternative investments (e.g., commodities, futures, hedge funds; funds of hedge funds, private equity or other types of limited partnerships) can be volatile. Alternative investments generally involve various risk factors and liquidity constraints, a complete discussion of which is set forth in the offering documents of each specific alternative investment. Due to the speculative nature of alternative investments a client must satisfy certain income or net worth standards prior to investing.

Private Equity and Private Real Estate Funds

Private equity and private real estate funds may be affected by various forms of risk, including:

- *Long-term Investment.* Unlike mutual funds, which generally invest in publicly traded securities that are relatively liquid, private equity funds generally invest in large amounts of illiquid securities from private companies. Depending on the strategy used, private real estate funds will have illiquid underlying investments that are not easily sold, and investors will often have to wait for improvements or development before any redemption. Given the illiquid nature of the underlying purchases made by private equity and private real estate managers, both types of funds are considered long-term investments. Private equity funds are generally set up as 10- to 15-year investments with little or no provision for investor redemptions. Private real estate funds are generally seven- to ten-year investments and also have limited provisions for redemptions. With long-term investments, clients should consider their financial ability to bear large fluctuations in value and hold these investments over a number of years.
- *Difficult Valuation Assessment.* The portfolio holdings in private equity and private real estate funds are difficult to value, because they are not usually quoted or traded on any financial market or exchange. As such, no easily available market prices exist for most of a fund's holdings. Additionally, it may be hard to quantify the impact a manager has had on underlying investments until those investments are sold.
- *Lack of Liquidity.* Private equity and private real estate funds are not "liquid" (they can't be sold or exchanged for cash quickly or easily), and the interests are typically non-transferable

without the consent of a fund's managing member. As a result, private equity and private real estate funds are only suitable for sophisticated investors who have carefully considered their financial capability to hold these investments for the long term.

- *Capital Call Default Consequences.* Answering capital calls to provide managers with the pledged capital is a contractual obligation of each investor. Failure to meet this requirement in a timely manner could elicit significant adverse consequences, including, without limitation, the forfeiture of the defaulting investor's interest in the fund.
- *Leverage.* Private equity and private real estate funds will commonly use leverage in connection with certain investments or participate in investments with highly leveraged capital structures. Although the use of leverage can enhance returns and increase the number of investments that can be made, leverage also involves a high degree of financial risk and may increase the exposure of such investments to factors such as rising interest rates, downturns in the economy or deterioration in the condition of the assets underlying such investments.
- *Lack of Transparency.* Private equity and private real estate funds are not always required to provide investors with information about their underlying holdings or provide periodic pricing and valuation information. Therefore, investors are often putting their complete trust in the managers' abilities to meet their funds' objectives, without the benefit of knowing their investment selections. This lack of information makes it more difficult for investors to evaluate the risks associated with the funds.
- *Manager Risk.* Private equity and private real estate fund managers have total investment authority over their funds, and the managers' skill is normally responsible for the investment returns. Therefore, if the founder or key person departs, the returns of the fund may be impacted. Investors have no control or influence in the management of the fund, although they will receive periodic reports from the fund manager. Also, investment in one fund that uses a similar investment strategy as another fund will lessen overall diversification, and consequently, increase investment risk.
- *Regulation.* Private equity and private real estate funds are subject to fewer regulatory requirements than mutual funds and other registered investment company products and thus offer fewer legal protections than an investor would have if they invested in more traditional investments.

There will likely be other circumstances not described here that could adversely affect a client's investment and prevent their portfolio from reaching its objective.

Item 9 - Disciplinary Information

River Partners is required to disclose any legal or disciplinary events that are material to a client's or a prospective client's evaluation of the Firm's advisory business or the integrity of River Partners' management. Neither River Partners nor any member of its management have reportable disciplinary events to disclose.

Item 10 - Other Financial Industry Activities and Affiliations

A. Broker-Dealer Registration and Registered Representatives

River Partners is not registered, nor does it have an application pending to register, as a broker-dealer. No management person is registered, nor does any management person have an application pending to register, as a registered representative of a broker-dealer.

B. Futures and Commodity Registration

River Partners is an exempt commodity pool operator. River Partners is not registered, nor does it have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor. No management person is registered, nor does any management person have an application pending to register, as an associated person of a futures commission merchant, commodity pool operator or a commodity trading advisor.

C. Financial Industry Affiliations

As discussed in Item 4 – Advisory Business – River Partners has designated the active discretionary management of the Separately Managed Accounts of certain SMA Clients to Levin Capital Strategies, L.P., a registered investment adviser and affiliate of River Partners (“Levin Capital”). John A. Levin, a control person of River Partners, is also a control person of Levin Capital. The use of Levin Capital is disclosed to, and acknowledged by, each SMA Client in their respective investment management agreement. In order to mitigate any potential conflict of interest, any fees due to Levin Capital in its capacity as sub-advisor to the Separately Managed Accounts of SMA Clients are paid out of River Partners investment management fee and therefore, do not result in an increase in the SMA Client’s total investment management fee.

It is part of River Partners’ investment strategy to designate the active discretionary management of Separately Managed Accounts of certain SMA clients or the assets of its Private Funds, to third party managers or to Investment Funds controlled by persons or entities in which River Partners has engaged in a consulting arrangement.

Investment adviser representatives of River Partners are permitted to engage in other business activities outside of River Partners. However, these investment adviser representatives are required to disclose and receive approval from the CCO prior to engagement in any such activity that is related to financial services (i.e. insurance, banking, etc.). Once disclosed and approved, any changes in outside activities are also to be reported to the CCO promptly.

Gideon King and Graham Meharg both provide investment management services to another unaffiliated registered investment advisor (“Off Road”), and in doing so, recommend Off Road’s funds to River Partners clients. These activities create a conflict of interest including that these employees’ time and effort will be divided between both registered entities’ clients. To mitigate this conflict, Off Road investments go through the same thorough due diligence process that all River Partners investments are subject to. Mr. King, and Mr. Meharg (both as River Partners employees) forego any compensation associated with these investments related to their role at River Partners. Investment in the Off Road funds by River Partners Clients does provide compensation, whether directly or indirectly, to both Mr. King and Mr. Meharg through Off Road.

River Partners does charge a fee on any Off Road investments in the Private Fund Program, however, Mr. King and Mr. Meharg in no way benefit from that fee as they are solely compensated based on their directly assigned client base, not the Private Fund Program.

D. Selection of Other Advisers

Other than described above, River Partners does not receive, directly or indirectly, compensation from investment managers that it selects for its clients.

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

A. Code of Ethics

River Partners has adopted a written Code of Ethics to prevent violations of federal securities laws. River Partners' Code of Ethics is predicated on the principle that the Firm owes a fiduciary duty to its clients. Accordingly, River Partners expects all of its associated persons to act with honesty, integrity and professionalism and to adhere to federal and state securities laws. All officers, managers, directors, members and employees of the Firm and any other person who provides advice on behalf of River Partners and is subject to River Partners' control and supervision are required to adhere to the Code of Ethics. At all times, the Firm and its associated persons must (i) place client interests ahead of their own; (ii) engage in personal investing that is in full compliance with the Firm's Code of Ethics; and (iii) avoid taking advantage of their position. A copy of River Partners' Code of Ethics is available to any client or prospective client upon request. For a copy, please contact River Partners at 212-259-0819.

B. Invest in Same Securities as Clients

Individuals associated with River Partners will buy, sell, or hold in their personal accounts the same securities (including private investments) that are held in client accounts. To minimize conflicts of interest, and to maintain the fiduciary responsibility River Partners has to its clients, the Firm has established a personal securities transaction policy to monitor the personal securities transactions and securities holdings of each of River Partners' "access persons." River Partners' securities transaction policy requires that an access person must provide the Chief Compliance Officer with a written report of their current securities holdings within ten (10) days after becoming an access person. Additionally, each access person must provide the Chief Compliance Officer with a written report of (i) the access person's current securities holdings at least once each twelve (12) month period thereafter on a date River Partners selects, and (ii) certain securities transactions on a quarterly basis. The Chief Compliance Officer is required to review these reports to ensure that personal securities transactions are conducted in accordance with the Code of Ethics.

In addition, River Partners and its eligible personnel will occasionally also invest in Private Funds of its or their choosing but are not required to invest in the Private Funds. It is expected that, if such investments are made, the size and nature of these investments will change overtime. Neither River Partners nor its personnel are required to keep any minimum investment in any of the Private Funds.

C. Engaging in Transactions at Same Time as Client

Individuals associated with River Partners will, at or about the same time, buy, sell, or hold in their personal accounts the same securities that the Firm recommends to its clients. This practice creates a situation where such individuals are in a position to materially benefit from the sale or purchase of those securities, which is a conflict of interest. As indicated above in Item 11.A, River Partners employees must place client interests ahead of their own, engage in personal investing that is in full compliance with the Firm's Code of Ethics, and avoid taking advantage of their position. Additionally, River Partners monitors employees' personal securities transactions to mitigate any potential or actual conflicts of interest.

D. Additional Information

At times, River Partners (or its related persons) will purchase securities that it deems appropriate only for its (or their) own account. Based on the experience of River Partners (or its related persons) holding the securities and on further research and due diligence, River Partners will purchase such securities for client accounts at a later time at prices which might be higher or lower than those originally paid.

River Partners recommends securities for which certain employees may have a financial benefit unaffiliated to River Partners. To mitigate this conflict, the investments undergo a thorough due diligence process which details why the investments are appropriate for River Partners' clients. See Item 10.C for more details.

Item 12 - Brokerage Practices

As detailed in Item 4 – Advisory Business – River Partners has primarily delegated the active discretionary management of its Managed Accounts among certain institutional-quality investment managers. As a result, for these accounts, River Partners does not engage in trading activities and therefore, has no disclosures to make regarding best execution, soft dollars, trade aggregation and allocation or directed brokerage as these are the responsibility of the third-party investment manager. River Partners will, however, monitor the brokerage practices of each third-party investment manager used to manage client accounts.

A. Brokerage Selection

For those limited situations where River Partners makes a direct securities investment (in a client's account, River Partners will direct transactions through broker-dealers that it reasonably believes will provide the best overall execution.

Best Execution

Best execution has been defined by the SEC as the "execution of securities transactions for clients in such a manner that the client's total cost or proceeds in each transaction is the most favorable under the circumstances." The best execution responsibility applies to the circumstances of each particular transaction and an investment adviser must consider the full range and quality of a broker-dealer's services, including, among other things, execution capability, commission rates, the value of any research, financial responsibility and responsiveness. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution. Consistent with the foregoing, while River Partners will seek competitive rates, it will not necessarily obtain the lowest possible commission rates for client transactions, but the best qualitative execution of transactions.

River Partners will periodically and systematically review its policies and procedures regarding recommending broker-dealers to its clients in light of its duty to obtain best execution.

Broker Analysis

River Partners evaluates a wide range of criteria in seeking the most favorable price and market for the execution of transactions. These include the broker-dealer's trading costs, efficiency of execution and error resolution, financial strength and stability, capability, positioning and distribution capabilities, information in regard to the availability of securities, trading patterns, statistical or factual information, opinion pertaining to trading and prior performance in serving River Partners.

If River Partners decides, based on the factors set forth above, to execute over-the-counter transactions on an agency basis through Electronic Communications Networks ("ECNs"), it will also consider the following factors when choosing to use one ECN over another: the ease of use, the flexibility of the ECN compared to other ECNs, and the level of care and attention that will be given to smaller orders.

River Partners' portfolio managers are responsible for continuously monitoring and evaluating the performance and execution capabilities of brokers that transact orders for client accounts to ensure consistent quality executions. In addition, River Partners periodically reviews its transaction costs in

light of current market circumstances and other relevant information.

Soft Dollar Benefits

River Partners does not have any commitments or understandings to trade with specific brokers or to generate a specific level of brokerage commission with a particular broker to receive discounted brokerage or research services.

Directed Brokerage

For those Managed Accounts where River Partners has discretion and except where River Partners has delegated investment discretion to a sub-advisor, River Partners has full discretionary authority to manage the Managed Accounts, including authority to make decisions with respect to the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid. River Partners' authority is limited by its own internal policies and procedures and each Managed Account's investment management agreement and guidelines.

Certain clients can direct River Partners to use particular brokers-dealers for executing transactions in their accounts. With regard to client directed brokerage, River Partners is required to disclose that River Partners will be unable to negotiate commissions, block or batch orders or otherwise achieve the benefits described above, including best execution. Directed brokerage commission rates may be higher than the rates River Partners negotiated for transactions in non-directed accounts. Therefore, directing brokerage may cost clients more money. River Partners reserves the right to decline acceptance of any client account that directs the use of a broker-dealer if River Partners believes that the broker-dealer would adversely affect River Partners' fiduciary duty to the client and/or ability to effectively service the client portfolio.

As a general rule, River Partners encourages each client to compare the possible costs or disadvantages of directed brokerage against the value of custodial or other services provided by the broker-dealer to the client in exchange for the directed brokerage designation.

B. Trade Aggregation and Allocation

River Partners does not aggregate client trades.

Trades will generally be processed in the order that they are placed with the broker or counterparty selected by River Partners. As a result, certain trades in the same security for one client (including a client in which River Partners and its personnel will occasionally have a direct or indirect interest) may receive more or less favorable prices or terms than another client, and orders placed later may not be filled entirely or at all, based upon the prevailing market prices at the time of the order or trade.

C. Investment Allocation

River Partners will occasionally give advice or take action with respect to the investments of one or more Managed Accounts that will not be given or taken with respect to other Managed Accounts with similar investment programs, objectives, and strategies. Accordingly, Managed Accounts with similar strategies will not always hold the same securities or instruments or achieve the same performance. River Partners also advises Managed Accounts with conflicting programs, objectives or strategies. These activities adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more Managed Accounts. Finally, River Partners and its personnel have conflicts in allocating their time and services among the Managed Accounts. River Partners will devote as much time to each Managed Account as River Partners deems appropriate to perform its duties in accordance with its management agreements.

River Partners manages investments on behalf of a number of clients. Certain clients have investment programs that are similar or overlap and will, therefore, participate with each other in investments. It is the policy of River Partners to allocate investment opportunities for Managed Accounts fairly and equitably, to the extent possible, over a period of time. River Partners, however, has no obligation to purchase, sell or exchange any security or financial instrument for a Managed Account which River Partners purchases, sells or exchanges for another Managed Account if River Partners believes in good faith at the time the investment decision is made that such transaction or investment would be unsuitable, impractical or undesirable for a particular Managed Account.

River Partners generally makes investment decisions among Managed Accounts depending on the particular investment strategy pursued by each Managed Account. Allocations among Managed Accounts within a particular strategy are then made on a pro rata basis in proportion to the relative value of each Managed Account eligible net assets, or on a pro rata basis in proportion to the actual position size held by each Managed Account. However, River Partners will take into consideration a number of additional factors, including, among others, the nature and size of the proportion of a securities issue likely to be available to River Partners or the nature and size of the proposed sale; the investment objectives and investment strategy, tax consequences (if applicable), risk tolerances, time horizons and restrictions and guidelines of Managed Accounts; the eligibility to invest in initial public offerings; the relative size and cash availability of the applicable strategy within the Managed Account; the ability to borrow and the cost of borrowed funds; legal restrictions, including those that will occasionally arise in foreign jurisdictions; the liquidity of the investment relative to the need of each Managed Account; the degree of specialization of a Managed Account relative to the investment offered; the relative historical participation of a Managed Account in the investment; the difficulty of liquidating an investment for more than one client; the possibility that an allocation will result in a small or odd lot; new clients with a substantial amount of investable cash; and other factors that River Partners considers relevant.

Investment opportunities considered by River Partners to be appropriate for Managed Accounts following similar investment strategies will generally, over time, be equitably allocated based on considerations such as relative capital, specific investment guidelines, composition of the portfolios at the time of purchase and tax considerations.

River Partners' portfolio managers are responsible for the investment decisions made by them on behalf of clients.

D. Affiliated Brokerage

As stated in Item 4 (Advisory Business) and Item 10 (Other Financial Industry Activities and Affiliations), River Partners has designated the active discretionary management of the Separately Managed Accounts of certain SMA Clients to Levin Capital Strategies, L.P., a registered investment adviser and affiliate of River Partners ("Levin Capital"). Levin Capital effects the brokerage transactions of the Separately Managed Accounts of certain SMA Clients through brokers selected by Levin Capital. River Partners does not anticipate that Levin Capital will select any broker affiliated with Levin Capital or River Partners for the execution of such brokerage transactions.

Item 13 - Review of Accounts

A. Periodic Reviews

River Partners performs various daily, weekly, monthly, quarterly, and periodic reviews of each client's portfolio. Such reviews are conducted by the members of River Partners' management committee, portfolio managers and research associates.

B. Other Reviews

More frequent reviews will occasionally be triggered by material changes in variables such as a client's individual circumstances, or the market, political or economic environment.

C. Reports

Investors in the Private Funds will receive a quarterly letter from River Partners documenting the performance of the Private Fund, along with a commentary letter written by River Partners, although River Partners will provide certain investors with information on a more frequent and detailed basis if agreed to by River Partners. In addition, River Partners will issue investors tax reports and audited financial statements concerning their respective Private Funds within the required time period after the Private Fund's fiscal year. Each beneficial owner, and interested parties upon the client's authorization with respect to its Managed Account, receive a quarterly commentary letter from River Partners, as well as monthly or quarterly account statements directly from their respective broker-dealer or custodian.

In addition, River Partners' personnel participate in periodic portfolio reviews with clients at River Partners' discretion, which are attended by the appropriate members of River Partners' investment staff.

While all investors generally receive similar information, an investor may receive additional information (that other investors have not received), which is in addition to information provided in a Private Fund's regular reports to investors. Such information is meant to provide the investor with greater insight into the Private Fund's activities.

Item 14 - Client Referrals and Other Compensation

A. Economic Benefits

River Partners and its employees do not receive any economic benefit for providing investment advice or other advisory services to clients.

B. Client Referrals

River Partners does not directly or indirectly compensate any person or promoter for client referrals.

Item 15 - Custody

Private Funds

River Partners is deemed to have custody over the assets of the Private Funds because as manager/investment manager of the Private Funds, River Partners has access to such assets.

Private investment funds in which River Partners serves as manager/investment manager are subject to audit at least annually and audited financial statements prepared in accordance with generally accepted accounting principles are distributed to all limited partners within the required time period. In addition, within 90 days after the end of each fiscal year, or as soon thereafter as possible, each investor will be provided the information necessary to complete federal and state tax or information returns.

Separate Managed Accounts

River Partners is deemed to have custody over Separately Managed Accounts because certain related parties serve as trustee over client accounts.

In light of this determination, River Partners will engage an independent public accountant to perform an annual surprise audit of those accounts of which River Partners is deemed to have custody.

Custody of separately managed account client assets will be maintained with the independent custodian selected by the client. River Partners will not have physical custody of any assets in the client's account except as permitted for payment of advisory fees. Clients will receive at least quarterly a statement showing all transactions occurring in the client's account during the period covered by the account statement, and the funds, securities and other property in the client's account at the end of the period. This will come directly from the custodian. *Clients are urged to compare the account statement provided by the broker-dealer/custodian with any statements provided by River Partners.*

In conjunction with any Family Office Services provided by River Partners, the Firm will also likely be deemed to have custody of client assets. River Partners will submit these accounts to the annual surprise exam by an independent public accountant as well.

Item 16 – Investment Discretion

Except where River Partners has delegated investment discretion to a sub-advisor or other investment manager, River Partners serves as discretionary investment advisor to clients who open Managed Accounts as designated in the investment management agreement. This discretionary authority gives River Partners full power to supervise and make investment decisions on behalf of Managed Accounts without prior consultation with clients. Clients can impose reasonable guidelines or restrictions upon River Partners' ability to invest on their behalf; provided, however, that a restriction request will generally not be honored if it is fundamentally inconsistent with River Partners' investment philosophy, runs counter to the client's stated investment objectives, or would prevent River Partners from properly servicing client accounts. River Partners' investment decisions and advice with respect to each Managed Account are subject to each client's investment objectives and guidelines, as set forth in the client's investment management agreement and investment policy statement, as well as any written instructions provided by the client to River Partners.

Item 17 – Voting Client Securities

Generally, River Partners is not responsible for voting proxy for client accounts.

The designated sub-advisor shall be responsible for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by a client shall be voted; and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type of events pertaining to assets in a client's account. River Partners will instruct the client's custodian to forward to the designated sub-advisor copies of all proxies and shareholder communications relating to assets in the client's account. River Partners will advise or act for a client in legal proceedings, including bankruptcies or class actions, involving securities held or previously held by the client's account or the issuers of these securities.

For a select few client accounts, River Partners itself is responsible for voting proxy. In those situations, the client clearly provides written authorization to River Partners to vote proxy on their behalf. The Firm will vote proxies in the best interests of its clients and in accordance with established policies and procedures where designated to vote proxies. The Firm votes with

management for most matters. Any votes against management will be documented with rationale as to why. River Partners will periodically conduct a review of the proxy voting process for consistency of voting with guidelines and potential conflicts of interest.

Clients may obtain information about how River Partners voted their proxies as well as a copy of the proxy voting policy upon request.

Item 18 - Financial Information

A. Prepayment of Fees

Because River Partners does not require or accept prepayment of more than \$1,200 in fees six months or more in advance, River Partners is not required to include a balance sheet with this Firm brochure.

B. Financial Condition

River Partners does not have any financial condition that would impair the Firm's ability to meet contractual and fiduciary commitments to its clients.

C. Bankruptcy

River Partners has never been the subject of a bankruptcy petition.