

**Item 1 – Cover Page**

**Ridgeview Asset Management Partners, LLC**

**March 28, 2024**

This brochure provides information about the qualifications and business practices of Ridgeview Asset Management Partners, LLC (“Ridgeview”). If you have any questions about the contents of this Brochure, please contact us by email at [robinson@ridgeviewasset.com](mailto:robinson@ridgeviewasset.com) or by telephone at 203-595-5535.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Ridgeview is a registered investment adviser with the SEC. Registration of an investment adviser does not imply any specific level of skill or training. This brochure provides information about Ridgeview to assist you in determining whether to retain Ridgeview.

Additional information about Ridgeview is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for our firm name or by our CRD #283786.

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## **Item 2 – Material Changes**

This Brochure has been prepared in connection with Ridgeview's annual amendment to Form ADV for the fiscal year ending December 31, 2023. Since Ridgeview filed its last Annual amendment to Form ADV on March 30, 2023, there have been the following material changes made to this Brochure.

### Material Changes

The following summarizes new or revised disclosures based on information previously provided since Ridgeview's last update on March 30, 2023.

#### **Annual Updates:**

- We updated the information in Item 5. *See*, Item 5.A., Fees and Compensation.
- We made various additions, updates and revisions to the risk factor disclosures set forth in Item 8, Methods of Analysis, Investment Strategies and Risk of Loss.

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## **Item 4 – Advisory Business**

### The Firm and its Principal Owners

#### A. General Description of Advisory Business

Ridgeview is a Delaware limited liability company which commenced operations in November 2016. Ridgeview is owned by Co-Founders Michael W. Robinson and John W. Watkins. Mr. Robinson serves as the Chief Executive Officer, Chief Investment Officer and Chief Compliance Officer of Ridgeview. Mr. Watkins serves as the Executive Chairman.

#### B. Description of Advisory Services

Ridgeview offers customized discretionary investment advisory services to high net worth individuals, families, trusts, foundations, and endowments (referred to herein as “Individual Clients” and each an “Individual Client”) through separately managed accounts (“SMAs”). Ridgeview advises Individual Clients regarding the allocation of their investment portfolio. Ridgeview generally directs its Individual Clients’ assets through rules-based, risk-controlled investment strategies developed after close consultation and review of each Individual Client’s risk profile and financial situation. Individual Client assets are generally allocated to a broad range of global asset classes, which may include, but not be limited to, U.S. and non-U.S. equities, U.S. government, agency, municipal and corporate bonds, money market instruments, commodities, and exchange-traded funds (“ETFs”). Ridgeview may, at its discretion, engage various sub- advisers (“Sub-Adviser”), with an Individual Client’s consent, to implement some of such Individual Client’s SMA asset allocation across different asset classes. Any such Sub-Advisers have discretionary authority to make any such investment decisions within the Individual Client’s SMA. In this instance, Sub-Advisers have the authority to invest in a variety of asset types, including mutual funds, ETFs, individual stocks and bonds, alternative investments, and cash.

Ridgeview also provides discretionary investment advisory services to a variety of closed-end private investment real estate funds, fund of funds, and special purpose vehicles formed as Delaware limited partnerships (the “Funds” and each a “Fund” and collectively with the Individual Clients, the “Clients” and each a “Client”) in which both qualified Clients and non-Clients are generally permitted to invest. A more complete description of the investment strategy specific to the Funds is outlined in each Fund’s relevant offering documents. The terms of the advisory relationship between Ridgeview and each Fund, as well as the terms governing an investment in a Fund, are set forth in each Fund’s offering and related documents (the “Offering Documentation”). Ridgeview has ultimate discretion and control over the Funds and their investments.

#### C. Availability of Customized Advisory Services

The investment services offered by Ridgeview with respect to any Individual Client are subject to the terms and conditions set forth in the SMA with such Individual Client. Ridgeview works with each of its Individual Clients to evaluate their financial goals and objectives and their risk tolerance to recommend an allocation Ridgeview believes is appropriate for each Individual Client. Each Individual Client portfolio is customized

based on each Individual Client's risk/return profile and financial goals and objectives. Individual Clients may impose restrictions on investing in certain securities or types of securities.

The investment services offered by Ridgeview with respect to a Fund are set forth in the applicable Offering Documentation. Investors in a Fund generally cannot impose restrictions on the types of securities or investments that are made on such Fund's behalf.

D. Wrap Fee Programs

Ridgeview does not currently offer wrap fee programs.

E. Assets Under Management

As of December 31, 2023, Ridgeview manages approximately \$273,000,000 on a discretionary basis on behalf of its Clients. Ridgeview does not manage any assets on a non-discretionary basis.

## Item 5 – Fees and Compensation

### A. Advisory Fees and Compensation

#### Individual Clients

Ridgeview charges Individual Clients an asset-based management fee based on the schedule below which includes the cost of portfolio management services, custodial services, and the execution of securities transactions. Management fees are calculated and billed by Ridgeview quarterly in arrears based on the market value of the assets managed by Ridgeview in an SMA as of the last business day of each calendar quarter (the “Calculation Date”). Management fees are deducted from each Individual Client’s account by the custodian generally within fifteen (15) days after the Calculation Date or billed directly as provided in each Individual Client’s management agreement with Ridgeview.

Ridgeview	
<u>ACCOUNT TYPE</u>	<u>Annual Fee</u>
Fixed Income	Up to 0.65%
Taxable Core Equity	Up to 1.00%
Institutional/Retirement	Up to 0.65%

Individual Clients may negotiate reduced management fees based upon certain criteria such as size, type, and complexity of account; related accounts; anticipated changes in accounts, among other factors.

Any Individual Client’s SMA that invests in a Fund managed by Ridgeview will not pay any additional management fees or carry to Ridgeview other than what is set forth in the applicable Ridgeview Fund’s offering documents. As a result, there will be no layering of fees payable to Ridgeview. Any Individual client’s SMA that invests in other non-Ridgeview Funds, will pay Ridgeview management fees with respect to those assets.

#### Funds

Funds and Fund of Funds: With respect to Fund clients that are closed-end funds and/or fund of funds, Ridgeview receives a management fee based on total capital. Such fees are paid by the applicable Fund to Ridgeview and are ultimately borne by investors in such Fund. The fees applicable to an investor in a Fund are set forth in the applicable Offering Documentation and the subscription documentation relating to such investor. Additionally, affiliates of Ridgeview, Ridgeview GP, LLC, Ridgeview GP II, LLC, Ridgeview GP III, LLC and Ridgeview GP IV, LLC, each general partners of one or more Funds (collectively, the “General Partner”), are also entitled to receive carried interest on any appreciation of the portfolio, subject to a waterfall. Please see Item 6: Performance-Based Fees and Side-By-Side Management for more details.

For Clients that are fund of funds, it should be noted that the underlying managers to whom assets are allocated will likely be entitled to receive management fees, incentive- based compensation and/or carried interest distributions (directly and/or through an affiliate), which will be in addition to the management fees and carried interest distributions payable

at the Fund level to Ridgeview and the applicable General Partner, respectively.

<b>Name of Fund</b>	<b>Annual Management Fee</b>
Ridgeview Asset Management Opportunity Fund, LP	2%
Ridgeview Asset Management Opportunity Fund II, LP	2%
Ridgeview Asset Management Real Estate Fund, LP	1%
Ridgeview Asset Management Private Credit Fund, LP	1.5%

Special Purpose Vehicles: With respect to Fund clients that are special purpose vehicles (or “SPVs”), Ridgeview receives a management fee based on total capital. Such fees are paid by the applicable Fund to Ridgeview and are ultimately borne by investors in such Fund. The fees applicable to an investor in a Fund are set forth in the applicable Offering Documentation and the subscription documentation relating to such investor. Ridgeview waives the management fee for these SPVs.

<b>Name of SPV</b>	<b>Annual Management Fee</b>
Ridgeview DOD SPV LP	1%
Ridgeview Arwood SPV LP	1%

#### **B. Deduction of Fees**

Individual Clients: Management fees are deducted from each Individual Client’s account by Ridgeview generally within fifteen (15) days after the Calculation Date or billed directly.

Funds: Ridgeview is paid directly by the Funds and not the investors of the Funds, an annual management fee in advance.

#### **C. Other Fees and Expenses**

For Individual Client accounts, there are other costs assessed by third parties and/or Ridgeview. For example, there may be charges imposed directly by a mutual fund or exchange-traded fund in the account (e.g., fund management fees and other fund expenses as disclosed in the prospectus), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer, and electronic fund fees, annual check writing and debit card fees, check stop payment fees, returned check fees, ACH return fees, security transfer, and redemption fees, reorganization processing fees, trade confirmation fees, outgoing account transfer fees, margin extension fees, margin debit interest, IRA annual maintenance fees, IRA termination fees, amounts charged to produce year-end statements and account reports, and other fees and taxes on brokerage accounts and securities transactions. Clients may obtain a schedule of these additional fees by contacting their broker-dealer directly.

The Sub-Advisers’ fees for servicing the accounts are included with Ridgeview’s fees as disclosed above in Item 5.A., Advisory Fees and Compensation. As part of its investment management services, Ridgeview will recommend that Clients establish an account with one of its preferred brokers. Client shall pay or provide for all brokerage commissions and other trading costs and fees, underwriting discounts, sales

loads, spreads, and other similar charges, and all charges of U.S. Depositories and any custodian and/or other service providers, as described in Item 12. Clients who choose to use another broker-dealer/custodian will be responsible for paying the securities brokerage commissions and transactional costs charged by their broker-dealer/custodian.

Fund Clients:

Investors of the Funds will incur fees indirectly through their investment in the Funds, which pays investment management fees to Ridgeview as well as other operational expenses, including legal, compliance, accounting (including third-party accounting services), auditing and other professional expenses, organizational expenses, administration fees, and expenses, bank service fees, and other expenses all fees, costs and expenses, if any, incurred in evaluating, negotiating, structuring, acquiring, appraising, financing, custody, settling, holding, developing, disposing of, refinancing or otherwise dealing with actual or proposed investments pursued the Funds (whether or not the Funds actually makes an investment), including any "dead deal" costs, financing, consulting, advisory, legal, due diligence, investment banking, reporting, projections, valuation, tax and accounting expenses, and other fees and out-of-pocket costs related thereto and any insurance, indemnity, or litigation expense. A description of these fees and expenses will be set forth in the applicable Offering Documentation.

D. Fees Paid in Advance

Ridgeview is paid directly by the Funds and not the investors of the Funds, an annual management fee in advance calculated at a rate listed above per annum of the aggregate amount of each investor's capital commitment determined as of the first day of such applicable calendar year. The Management fee will be prorated and rebated for any period that is less than a full year and will be adjusted for additional capital commitments, contributions, and withdrawals made during a calendar year. As the investment manager, Ridgeview, in its sole discretion, may reduce or waive or change the Management Fee for any investor or group of investors (including employees, officers, and affiliates of Ridgeview), and may assign the Management fee, in whole or in part, to any person.

E. Compensation for Sale of Securities or Other Investment Products

Ridgeview does not receive compensation for securities transactions or Sub-Adviser services related to any Client account or any other fees other than the management fees charged for its advisory services.



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

### Performance-Based Fees

In addition, each General Partner is eligible to receive carried interest distributions from the beneficial owners of Fund Clients for which such General Partner serves as general partner or manager. Thus, while Ridgeview and its affiliates do not receive performance based compensation directly from the SMAs, Ridgeview will indirectly (through its applicable affiliated General Partner) be entitled to receive carried interest distributions to the extent an SMA invests in a Fund that is subject to carried interest distributions. Carried interest distributions are generally, but not in all instances, taken after a preferred return and a catch up.

### Side-By-Side Management

The Funds and the SPVs may present certain potential conflicts of interest with respect to Ridgeview's investment management practices, including Ridgeview's interest in raising funds for the Funds and SPVs and that the Funds and the SPVs provide compensation to Ridgeview based on capital commitments. Notwithstanding this potential conflict and others described below, Ridgeview will only make investment decisions for Clients in good faith and in a manner that is consistent with its fiduciary obligations to its Clients, without regard to the benefits (including compensation) to Ridgeview.

Ridgeview and its respective officers, members, managers, employees, and agents are not restricted from forming additional private investment funds, from entering into other investment advisory relationships, or from engaging in other business activities, even though such activities may be in competition with the Funds and/or may involve substantial time and resources of Ridgeview (and their respective affiliates and agents). Ridgeview also may allow certain investors to invest side-by-side with the Funds in connection with certain investments, and Ridgeview may receive fees in connection with such investments. In the event Ridgeview or any of its affiliates decide to engage in such activities in the future, Ridgeview or its respective affiliates, as applicable, will engage in such activities in a manner that is consistent with its fiduciary duties to the Funds. Nevertheless, these activities could be viewed as creating a conflict of interest in that the time and effort of the members of Ridgeview and its officers and employees will not be devoted exclusively to the business of the Funds but will be allocated between the business of the Funds and the management of the monies of other advisees of Ridgeview.

Where appropriate, Ridgeview and/or its respective affiliates may co-invest and/or provide co-investment opportunities to investors, a General Partner, or their respective affiliates, or third parties. In the event of a co-investment opportunity, the General Partner will, at its discretion, determine the terms of such co-investment opportunity and whether and in what amounts, investors, the General Partner, Ridgeview, or their respective affiliates, or third parties will be permitted to participate in such co-investment opportunities.

Ridgeview may face actual or potential conflicts of interest when allocating investment opportunities among the Funds, any Individual Clients, and other persons. The general policy of Ridgeview is to allocate investment opportunities among its various Clients in a

fair and equitable manner based upon, among other things, the investment objectives, guidelines and restrictions, risk profiles, financial condition, and tax status of such Clients.

Ridgeview may establish and operate additional investment funds or enter into other investment advisory relationships with other Clients in the future (including Clients who are also investors in the Funds), and such other funds or Clients may be allocated all or part of investment opportunities that would also be appropriate for the Funds. Ridgeview and its affiliates may have differing financial interests, direct or indirect, in the performance of the Funds and other Clients. As a result, Ridgeview may have an incentive to favor other Funds or Clients with regard to the allocation of opportunities or participation in particular investments and with regard to the terms of any transactions among funds or Clients. Ridgeview also may face conflicts between the interests of the Funds and the interests of other Clients and between the interests of different groups of investors in the Funds.

Ridgeview provides investment advisory services to Individual Clients through SMAs. In managing each Individual Client's account, Ridgeview establishes investment objectives and portfolio management guidelines specific to each Individual Client. Potential types of conflicts of interest may arise between or among all Clients. For example, Ridgeview has an incentive to allocate more resources to its largest Clients, who pay Ridgeview the largest fees for similar advisory services compared to other smaller Clients. This is mitigated by Ridgeview's policies and procedures which are designed to treat the execution of all Client's trades in an identical fashion. Examples of other conflicts may include but are not limited to the amount of time and investment ideas allocated to each SMA, orders that may not be fully executed on the same day between SMAs, or trades executed in one SMA that may adversely impact the value of securities held by another SMA. Ridgeview executes all its equity trades "mark on close" to ensure equal treatment and minimize any conflicts. In addition to customizing the investment allocation for each Client, Ridgeview has developed allocation procedures for treating each Client in a fair manner.

Ridgeview may have an incentive to favor certain accounts over others that may be less lucrative where: (i) the actions taken on behalf of one account may impact other similar or different accounts (e.g., because such accounts have the same or similar investment styles or otherwise compete for investment opportunities, have potentially conflicting investments or investment styles, or have differing abilities to engage in short sales and economically similar transactions); or (ii) Ridgeview and its personnel have differential interests in such accounts (i.e., expose Ridgeview or its related persons to differing potential for gain or loss through differential ownership interests or compensation structures – including circumstances where some accounts pay only asset-based fees while others are subject to performance or incentive fees). To mitigate these conflicts, Ridgeview's policies and procedures require investment recommendations and decisions to be made in accordance with the fiduciary duties owed to its advisory Client accounts and without consideration of Ridgeview's (or its personnel's or affiliates') pecuniary, investment or other financial interests. Ridgeview seeks to address this potential conflict by following its policies regarding the equitable allocation of investment opportunities and transaction executions among similar-strategy Clients, as applicable.

## **Item 7 – Types of Clients**

Ridgeview offers its advisory services to high net worth individuals, families, trusts, foundations, endowments, private investment partnerships and/or private investment limited liability companies. Ridgeview's minimum account size for an SMA is \$5 million. Ridgeview's minimum investment amount in a Fund is \$500,000. Ridgeview (or an affiliate) may waive these minimums in its sole discretion.

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

### Method of Analysis and Investment Strategies

Ridgeview offers customized investment advisory services. Ridgeview invests Client assets in a broad range of global asset classes, which may include but are not limited to U.S. and non-U.S. equities, U.S. government, agency, municipal and corporate bonds, money market instruments, commodities, and exchange-traded funds ("*ETFs*").

Ridgeview works with each of its Clients to evaluate their financial goals and objectives and their risk tolerance to recommend an allocation Ridgeview believes is appropriate for each Client. Each Client portfolio is customized based on each Client's risk/return profile and financial goals and objectives. Ridgeview takes into consideration each Client's income requirements, tax jurisdiction, tax status, investment policy, and any other relevant factors.

Ridgeview employs both empirical and qualitative methods in determining the mix of assets for each Client. Ridgeview seeks to maximize returns net of fees, taxes, and costs relevant to each Client's risk profile. Ridgeview invests Client assets with a long-term time horizon.

Ridgeview's investment strategy is implemented by one or more Sub-Advisers, which uses structured, mathematical, and rules-based methodologies and proprietary technology to make best efforts to maximize risk-adjusted returns after fees, expenses, and taxes. While qualitative assessments and human judgments are important checks on the investment process, Ridgeview rarely strays from its disciplined rules and goals. We believe that strict adherence to the investing rules controls against style-drift and helps better manage costs. Additionally, Ridgeview believes rules-based programs are the best way to achieve maximum risk-adjusted returns for its Clients.

Ridgeview utilizes third-party software programs and algorithms to benchmark the performance of broad asset class returns while preserving tax efficiency and the ability to tailor portfolios to individual Clients more precisely. Ridgeview does not seek to beat market-based returns or composite index performance within each asset class through the high-cost selection of individual securities. Ridgeview selects its portfolios based on the expected results of the rules-based investment programs.

Ridgeview's fixed-income investments are based on each Client's specific needs and guidelines related to their tax position. Bonds are evaluated on factors generally, including their maturity date, yield, rating, sources of payment, and any other relevant factors. Ridgeview does not perform direct credit analysis to predict undervalued securities. Fixed income exposures are developed to achieve the lowest cost and most suitable exposures for given credit quality and bond type.

Ridgeview may partner with certain Sub-Advisers in each of the underlying asset classes in order to manage costs, provide a better inventory of securities, utilize the most advanced technology platforms and take advantage of the newest products in an ever-evolving marketplace.

## **Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. There is no guarantee that Clients will meet their investment goals. All assets may fluctuate in value due to a variety of factors including, but not limited to, interest rates, economic conditions, equity market conditions, credit market conditions, commodity prices, foreign exchange rates, geopolitical factors, forces majeure, and other factors Ridgeview cannot control. Ridgeview seeks to minimize the risk of individual securities selection by creating broad baskets of securities in each asset class. There is no guarantee that Ridgeview's judgments and decisions about allocations to specific asset classes will produce the intended results. Moreover, as with any investment program and philosophy, there is no guarantee of investment results. In fact, Clients can still lose substantial portions of their assets following a rules-based investment program recommended by Ridgeview.

Ridgeview may hold legacy positions in certain funds, ETFs, or individual securities positions as an accommodation to Clients.

Investing in equity and fixed income securities involves certain risks, including the risk of loss. The following list is not intended to be an exhaustive list of potential risks of investing in equity and fixed income securities, nor following the investment program suggested by Ridgeview.

## **Potential Investment Risks**

### **General Market and Economic Conditions**

Changes in general global, regional and U.S. economic and geopolitical conditions and national and international political circumstances and developments and other circumstances (including wars, epidemics and pandemics, terrorist acts, security operations, bank failures, disruptions in the financial services industry and natural disasters), as well as changes in government policy precipitated by the foregoing, may affect our, the Clients' and the Funds' activities.

### **Equity Investments**

Client assets may be invested at any time in equity securities, including common stocks, preferred stocks, convertible securities, and warrants. These securities may be traded on major stock exchanges, the NASDAQ (National Market System, small-cap, and bulletin board), foreign exchanges, or regional stock exchanges. Although equity securities have a history of long-term growth in value, their prices fluctuate based on changes in the issuer's financial condition and prospects and on the overall market and economic conditions. Clients' accounts may be invested not only in securities of issuers with large market capitalizations but also in securities of medium-cap, small-cap, and micro-cap companies. Smaller companies often have limited product lines, markets, or financial resources and may depend on one or a few key persons for management. The securities of such companies may be subject to more volatile market movements than securities of larger, more established companies, both because the securities typically are traded in lower volume and because the issuers typically are more subject to changes in earnings and prospects.

### Preferred Stock

Investments in preferred stock involve risks related to priority in the event of bankruptcy, insolvency or liquidation of the issuing company and how dividends are declared. Preferred stock ranks junior to debt securities in an issuer's capital structure and, accordingly, is subordinate to all debt in bankruptcy. Preferred stock generally has a preference as to dividends. Such dividends are generally paid in cash (or additional shares of preferred stock) at a defined rate, but unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Dividends on preferred stock may be cumulative, meaning that, in the event the issuer fails to make one or more dividend payments on the preferred stock, no dividends may be paid on the issuer's common stock until all unpaid preferred stock dividends have been paid. Preferred stock may also be subject to optional or mandatory redemption provisions.

### Fixed Income Investments

Fixed income securities are subject to the risk of an issuer's ability to meet principal and interest payments on the obligation (credit risk). They may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer, and general market liquidity (market risk). The market values of fixed income securities tend to vary inversely with the level of interest rates. Yields and market values of fixed income securities fluctuate over time, reflecting not only changing interest rates but the market's perception of credit quality and the outlook for economic growth.

Lower-rated or unrated (i.e., high yield) securities are more likely to react to developments affecting the market and credit risk than are more highly rated securities, which primarily react to movements in the general level of interest rates. Lower-rated securities are defined as securities below the fourth highest rating category by a nationally recognized statistical rating organization. Such obligations are speculative and may be in default. Ridgeview may invest Client assets in such 'high yield' securities. In addition, Ridgeview may invest Client accounts in unrated securities. When economic conditions appear to be deteriorating, medium to lower-rated securities may decline in value due to heightened concern over credit quality, regardless of prevailing interest rates. Investors should carefully consider the relative risks of investing in high yield securities and understand that such securities are not generally meant for short-term investing.

### Exchange Traded Funds (ETFs)

Ridgeview may invest Client accounts in ETFs, which are a type of index fund bought and sold on a securities exchange. An ETF trades like a common stock and represents a fixed portfolio of securities designed to track a particular market index. Ridgeview could purchase an ETF to temporarily gain exposure to a portion of the U.S. or a foreign market while awaiting the purchase of underlying securities. The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although a lack of liquidity in an ETF could result in it being more volatile. ETFs have management fees that increase their costs. ETFs are also subject to other risks, including (a) the risk that their prices may not correlate perfectly with changes in the underlying index; and (b) the risk of possible trading halts due to market conditions or other reasons that, in the view of the exchange upon which an ETF trades, would make trading in the ETF inadvisable. An exchange-traded sector fund may also be adversely affected by the performance of that specific sector or group of industries on which it is based.

### Concentration of Investments

Ridgeview makes best efforts to invest each Client account in a diversified portfolio of securities according to the Client's risk profile. While Clients can expect to hold a diversified portfolio of investments, diversification does not preclude a Client from losing money, whether the Client is invested in equity securities or fixed-income securities. Portfolio diversification is a key tool for managing risk.

### Leverage

The use of leverage by buying securities on margin is a speculative technique that involves special risk considerations. Interest costs on borrowings may fluctuate with changing market rates of interest and may partially offset or exceed the return earned on borrowed funds. Interest on borrowings will be an expense of the Client and will affect the investment performance of the accounts in which leverage is employed. To the extent a Client account is leveraged, the value of its assets will tend to increase more when its portfolio securities increase in value and to decrease more when its portfolio securities decrease in value than if its assets were not leveraged.

Any lenders to a Client account are entitled to receive payments of interest or repayments of principal. Consequently, Ridgeview might have to sell portfolio securities to meet interest or principal payments at a time when fundamental investment considerations would not favor such sales. Also, the terms of any borrowings may contain provisions that limit certain activities of the Client, including, for example, the ability to make cash withdrawals.

Ridgeview will not directly use leverage in any of its Client accounts. As an accommodation, Ridgeview may manage leverage for Client that have separately established it.

### Highly Volatile Markets

The prices of Clients' investments can be highly volatile. Price movements of equities, fixed income, ETFs, commodities, including those investments which may be made in markets outside the United States of America, such as emerging markets, are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies, financial instruments, and interest rate-related securities. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. Moreover, since internationally there may be less government supervision and regulation of worldwide stock exchanges and clearinghouses than in the United States, Client accounts may also be subject to the risk of the failure of the exchanges on which their positions trade or of their clearinghouses, and there may be a higher risk of financial irregularities and/or lack of appropriate risk monitoring and controls.

### Foreign Investment Considerations

There are risks associated with investments in securities of foreign companies, which add to the usual risks inherent in domestic investments. Such risks may include fluctuations in

foreign exchange rates (against which Ridgeview may not hedge), political or economic instability in the country of issue, and the possible imposition of exchange controls or other laws or restrictions. In addition, securities prices in foreign markets are generally subject to different economic, financial, political, and social factors than are the prices of securities in United States markets. With respect to some foreign countries, there may be the possibility of expropriation or confiscatory taxation, limitations on the liquidity of securities or political or economic developments that could affect the foreign investments of Client accounts. Moreover, less information may be publicly available concerning certain of the foreign issuers of securities held by Clients than is available concerning U.S. companies. Foreign companies are also generally not subject to uniform accounting, auditing, and financial reporting standards or to practices and requirements comparable to those applicable to U.S. companies.

#### Insolvency of Brokers, Sub-Advisers, or Others

Client accounts are subject to the risk that the brokerage firms that execute its trades, the clearing firms that such brokers use, the clearinghouses of which such clearing firms are members, or the Sub-Advisers that own the algorithms used for modeling portfolios determining which securities in which to invest for each Client, become insolvent. In such event, the assets in the Funds' account may become subject to the claims of general creditors of any such insolvent brokerage firm.

#### Dependence on Michael Robinson

Michael Robinson is the Chief Investment Officer for Ridgeview with respect to Client accounts and is primarily responsible for managing the Clients' investment portfolios. Although there is a plan in place for Mr. John Watkins, the executive chairman and a member of Ridgeview, to take over control of Ridgeview in Mr. Robinson's absence, no assurance exists that Mr. Watkins or a suitable replacement could be found if Mr. Robinson becomes unavailable for any reason.

#### Rules-based Methodology Does Not Guarantee Results

Ridgeview employs a mathematical rules-based approach to its investment strategy and on behalf of its Clients; however, there is no guarantee that a rules-based approach will result in better investment performance or lower fees, costs, or taxes, than as compared to an investment strategy based on any other philosophies or methodologies.

#### **Private Investment Risks**

Private investments may have certain risk characteristics not found in traditional investments such as exchange-traded securities and mutual funds. These risks may include:

- High degree of risk
- Speculative investments
- Leverage
- Illiquidity
- No periodic valuation information
- Lack of diversification
- Complex tax structures or delays in distributing important tax information
- Loose regulatory oversight
- High fees



- Underlying investments may not be transparent

Private investment performance can be volatile. An investor could lose all or a substantial amount of their investment. There is often no secondary market for an investor's interest in private investments, and none may develop. There may be restrictions on transferring interests in any private investment. Clients are encouraged to read the offering memorandum issued by a private investment before investing. Below is additional information on the risks associated with the Ridgeview Funds.

#### Financial and Business Risk of Portfolio Companies

Investments made by the Funds involve a significant degree of financial and/or business risk. Portfolio companies may be highly leveraged and therefore may be more sensitive to adverse business or financial developments or economic factors. The profitability and survival of portfolio companies may depend on their ability to access sufficient sources of debt at attractive rates, which may or may not be available at any particular time. Portfolio companies also may face intense competition, changing business or economic conditions or other developments that may adversely impact their performance. Business risks may be more significant in middle-market companies or those embarking on a build-up or operating turnaround strategy. Some portfolio companies may operate at a loss or have significant variations in operating results, may be engaged in a rapidly changing business or business environment with products subject to a substantial risk of obsolescence, may require substantial additional capital (which may not be available on attractive terms, if at all) to support their operations, finance expansion or maintain their competitive position, may be in an early stage of development or may otherwise have a weak financial position. If for any of these or other reasons a portfolio company is unable to generate cash flow to meet its operating expenses and working capital requirements, make principal or interest payments on its indebtedness, or make other required payments on its commitments, the portfolio company's business, financial condition and prospects could be materially adversely affected and the value of the related investment could be significantly reduced or even eliminated.

#### Reliance on Management of Portfolio Companies

Although Ridgeview monitors the performance of portfolio companies and generally expects to be involved in the management thereof, it nevertheless relies substantially upon the management teams of such portfolio companies to operate such companies on a day-to-day basis. Consequently, the value of the Funds' investments is affected significantly by the efforts and decisions of operating management teams. Because of their size and historical needs, many middle-market companies must rely heavily on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect future performance. However, middle-market companies may not always be led by incumbent management teams/founders who possess a broad range of experience or professional managerial skills. Further, key executives/founders may be approaching the end of their active business careers, requiring (upon retirement) the planned transition to professional management or a next generation of senior managers. In situations where incumbent managers or founders are supplemented with or replaced by professional management teams, operating cultures or key relationships with customers, suppliers, personnel or others might be adversely affected. While Ridgeview attempts during the due diligence process to assess the relative capabilities and depth of company managers and

monitors performance over the course of an investment, no assurance is given that these efforts are or will be sufficient to overcome any decisions made or activities undertaken by management teams or that the supplementation or replacement of operating managers will be successful.

#### No Assurance of Profit or Distributions

The marketability and value of investments generally depends upon factors beyond the control of the Funds, the General Partner and Ridgeview. There can be no assurance that investments will be profitable or realized or that any distributions will be made to investors with respect thereto. Distributions ultimately depend upon the success of the investments made by the Funds. Distributions also are subject to the terms and provisions of each Fund's partnership agreement, including, without limitation, the establishment of reserves to pay Fund expenses and other liabilities of the Funds. The expenses of the Funds or any investment may exceed its income, and investors could lose the entire amount of their invested capital. The past performance of the Funds, the General Partner, Ridgeview, and other members of the management team or their affiliates provides no assurance of future success or profitability. An investment in the Funds should only be considered by persons who can afford a loss of their entire investment.

#### Identification of Investment Opportunities

The Funds' success depends primarily upon the identification and availability of suitable investment opportunities. The business of identifying and structuring private equity investments is highly competitive and involves a high degree of uncertainty and risk. There generally is little or no publicly available information regarding the status and prospects of companies in which the Funds invests or is considering an investment. Many investment decisions by the General Partner and Ridgeview are dependent upon the ability of the General Partner and Investment Manager and their agents to obtain relevant information from non-public sources, and Ridgeview often is required to make decisions without complete information or in reliance upon information provided by third parties that is impossible or impracticable to verify. The availability of investment opportunities is subject to market conditions and certain other factors that are outside the control of the General Partner and Ridgeview. Investors may never be fully invested if Ridgeview does not identify enough sufficiently attractive investments during the applicable investment period. There can be no assurance that Ridgeview will be able to identify sufficient attractive investment opportunities to meet the Funds' investment objectives or that the investors will be able to participate in any such investment opportunities. Subject to the availability of attractive investment opportunities and financing, the Funds will seek to make investments in portfolio companies. However, even if no investments are acquired, the Funds will still have obligations for certain expenses, including Management Fees, audits, organizational expenses, legal fees, tax returns, annual meetings and other operating items, and investors will be required to contribute capital to pay for such expenses (subject to the applicable partnership agreement).

#### Investments in Less Established Businesses

The Funds may invest in less established companies. Such investments generally involve greater risks than those that are generally associated with investments in more established companies. Less established companies tend to have lower capitalizations and fewer resources and, therefore, often are more vulnerable to financial failure than established companies. Less established companies also typically have shorter operating histories on

which to judge future performance and may have negative cash flow. As such, an investment in a less established company is highly speculative and may result in the loss of the Funds' entire investment in such company.

#### Investments in Later-Stage Companies

The Funds may invest in later-stage companies, which involve different types of risks than less established or growth stage companies. These companies typically have obtained capital in the form of debt and/or equity to expand rapidly, reorganize operations, acquire a new business or develop new products and markets; these activities likely involve a significant amount of change for such companies and could cause significant issues or disruptions in sales, manufacturing and general management of such companies.

#### Control Person Liability

While not presently intended, it is possible in the future that the Funds may establish control positions in, or take an active role in the management of, portfolio companies. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management and other types of liability in which the limited liability generally characteristic of business operations may be ignored. The Funds may also seek to designate employees, agents or affiliates of the Funds, the General Partner or Ridgeview to serve on the boards of directors of Portfolio Companies. The designation of directors and other contemplated measures could expose the assets of the Funds to claims by a portfolio company, its security holders and its creditors. While Ridgeview intends to manage the Funds in a way that will reduce exposure to these risks, the possibility of successful claims cannot be precluded. The portfolio companies may have economic or business interests or goals that are inconsistent with those of the Funds and, while the Funds may have certain negative control features, the Funds may not possess a controlling position in such companies and therefore may not be in a position to implement affirmative actions to protect the value of its portfolio investments.

#### Portfolio Company Projections

Ridgeview generally will establish the capital structure of portfolio companies on the basis of financial projections for such companies. Projected operating results normally will be based primarily on management judgments. In all cases, projections are only estimates of future results, which are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained and actual results may vary significantly from the projections. Actual results may vary significantly from the projections, as general economic conditions and other factors out of the control of the General Partner may negatively impact the reliability of the financial projections.

#### Minority Investments

The Funds may invest in (i) debt or debt-related investments, (ii) minority positions in portfolio companies with minority protection rights, and/or (iii) structured investments that are intended to provide the Funds with downside protection and the opportunity to influence the operational activities of a portfolio company. In such cases, the Funds generally will rely significantly on the existing management and board of directors of such companies, which may include representation of other financial investors with whom the Funds is not affiliated and whose interests may conflict with the interests of the Funds. Moreover, the Funds may have a limited ability to protect its Investments in such portfolio companies, although it is

expected that appropriate minority investor rights generally will be sought to protect the Funds' interests. There can be no assurance that such rights will be available or obtained or that such rights will provide sufficient protection of the Funds' rights.

#### Business and Regulatory Risks of Private Investment Funds

Legal, tax and regulatory changes could occur that may adversely affect or impact the Funds at any time during the term of the Funds. The legal, tax and regulatory environment for private equity funds is evolving, and changes in the regulation and market perception of such funds, including changes to existing laws and regulations and increased criticism of the private equity and alternative asset industry by regulators and politicians and market commentators, may materially adversely affect the ability of the Funds to pursue its investment strategy and the value of the investments held by the Funds. It is impossible to predict what, if any, changes may be instituted with respect to the regulations applicable to the Funds, the General Partner, Ridgeview, their respective affiliates, the markets in which they operate and invest or the counterparties with which they do business, or what effect such legislation or regulations may have. There can be no assurance that the Funds, the General Partner, Ridgeview or their respective affiliates will be able, for financial reasons or otherwise, to comply with future laws and regulations, and any regulations that restrict the ability of the Funds to implement its investment strategy could have a material adverse impact on the Funds and its portfolio. To the extent that the Funds or the Funds' investments are or may become subject to regulation by various regulatory authorities or bodies in the United States or abroad, the costs of compliance generally are borne by the Funds.

#### General Risks Associated with Real Estate Investments

All real estate investments, ranging from equity investments to debt investments, are subject to some degree of risk. Some risks apply only to a particular asset type. For example, real estate investments are relatively illiquid and, therefore, will tend to limit the Funds' ability to vary the Funds' portfolio promptly in response to changes in general and local economic or other conditions. No assurances can be given that the fair market value of any real estate investments held by the Funds will not decrease in the future or that the Funds will recognize full value for any investment that the Funds is required to sell for liquidity reasons. Because real estate, like many other types of long-term investments, historically has experienced significant fluctuation and cycles in value, specific market conditions may result in occasional or permanent reductions in the value of the investments. In addition, the ability of the Funds to realize anticipated rental and interest income on its equity and debt investments will depend on many factors that may be beyond the control of the General Partner and/or Ridgeview, including the financial reliability of its tenants and borrowers, the location and attractiveness of the properties in which it invests, the supply of comparable space in the areas in which its properties are located and general economic conditions. There is no assurance that the investments will be profitable or that cash flow will be available for distribution to investors. Other risks include changes in zoning, land use, building, environmental and other governmental laws, changes in operating expenses, changes in real estate tax rates, changes in interest rates, changes in building and similar laws, fluctuations in energy prices and energy and supply shortages, changes in the availability of property relative to demand, changes in costs and terms of mortgage loans, unavailability of mortgage funds which may render the construction, leasing, sale or refinancing of a property difficult, changing in housing policies, financial resources of tenants, changes in the relative popularity of properties, changes in the number

of buyers and sellers of properties, the ongoing need for capital improvements, cash-flow risks, increased mortgage defaults, construction risks, as well as natural catastrophes, such as hurricanes and earthquakes, acts of war, terrorism, civil unrest, uninsurable losses and other factors beyond the control of the Funds' management, such as changes in U.S. and global markets that could impact, among other things, access to capital or leverage and interest rate volatility.

Additionally, after making an investment, the Funds could be responsible (directly or indirectly) for ongoing buildouts, structural repairs, improvements and general maintenance of real property, which undertakings may require significant capital. The expenditure of any sums in connection therewith beyond those budgeted for by the Funds will reduce the cash available for distribution and may require the Funds to fund deficits resulting from the operation of a property. No assurance can be given that the Funds will have funds available to make such repairs or improvements or complete such build-outs. These factors and any others that would impede the Funds' ability to respond to adverse changes in the performance of its assets could significantly affect the Funds' financial condition and operating results.

#### Development, Redevelopment and Construction Risks

The Funds may ultimately be invested in real property requiring construction, new development and/or redevelopment, or in direct or indirect interests in undeveloped land or under-developed real property, which may often be non-income producing. The development and construction of such property is subject to timing, budgeting and other risks that may adversely affect the Funds' operating results. Any renovation, redevelopment, development and related construction activities could indirectly subject a Funds to a number of risks, including risks associated with: development costs incurred for projects that are not pursued to completion, natural disasters, material shortages, government restrictions and failure to get entitlements.

These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of construction or development activities once undertaken, any of which could have an adverse effect on the financial condition and results of operations of the Funds and on the amount of funds available for distribution to the investors. Properties under construction or development, or properties acquired to be developed, generally generate no cash flow from the date of acquisition through the date of completion of construction or development and experience operating deficits for a period after the date of completion. The Funds or any joint venture partner may continue and/or commence construction, development or redevelopment activities prior to obtaining financing for such activities and there is no guarantee that financing will be available on favorable terms, or at all.

#### Identification of Real Estate Investment Opportunities

The Funds' success in any real estate investment will depend primarily upon the selection of suitable real estate investment opportunities. The business of identifying and structuring investments involves a high degree of uncertainty and risk. There generally will be little or no publicly available information regarding the status and prospects of the investments. Many investment decisions by Ridgeview will be dependent upon the ability of its members and agents to obtain relevant information from non-public sources as well as reliance on any joint venture partners, and Ridgeview often will be required to make decisions without

complete information or in reliance upon information provided by third parties that is impossible or impracticable to verify. The success of an Investment will be subject to market conditions and certain other factors that will be outside the control of the General Partner, Ridgeview and any joint venture partner. Investors may never be fully invested if Ridgeview cannot deploy all of the Funds' capital during the applicable investment period. There can be no assurance that there will be sufficient attractive investment opportunities to meet the Funds' investment objectives or that investors will be able to participate in any such investment opportunities.

#### Limited Diversification

The Funds may make a limited number of investments. A consequence of a limited number of investments or of similar investments is that the aggregate returns realized by the investors may be substantially adversely affected by the unfavorable performance of a small number of these investments. Although Ridgeview will seek to broaden the Funds' investment portfolio, the Funds does not have fixed guidelines for diversification and the Funds is not limited in the percentage of its capital that it may invest in any investment or type or class of investments, and as a result may invest all or a substantial portion of its assets in a particular industry. Various factors, including prevailing market conditions, may inhibit Ridgeview's efforts to create a broad investment portfolio. As a result, the Funds' investments may be concentrated in relatively few companies, industries and regions.

#### Illiquidity of Investments

The Funds will make investments in securities that have limited liquidity. It is anticipated there will be a significant period of time before the Funds has completed its investments in portfolio companies. Such investments may typically take from 3 to 10 years from the date of initial investment to reach a state of maturity when partial or complete realization of the investment can be achieved. Transaction structures typically will not provide for liquidity of the Funds' investment prior to that time. Generally, there will be no readily available market for a substantial amount of the Funds' portfolio investments. Most investments held by the Funds may not be able to be sold except pursuant to a registration statement filed under the Securities Act or in accordance with Rule 144, Regulation D or another exemption under the Securities Act. The market prices, if any, of such investments tend to be volatile, and the Funds may not be able to sell such investments when it desires, or, upon sale, to realize what it perceives to be their fair value. Further, companies whose securities are not publicly traded are not subject to the disclosure and other investor protection requirements applicable to publicly traded companies. In light of the foregoing, it is likely that no return from the disposition of the Funds' investments will occur until a significant period of time has passed. Furthermore, disposition of such investments may result in distributions in-kind to investors. If the Funds is unable to sell or otherwise dispose of an investment by the end of its respective term, the Funds and/or the investors may receive an in-kind distribution of their respective *pro rata* share of that investment, which may be illiquid.

#### Competition for Investments

The Funds will compete for the acquisition of investments with other investors, some of which will have or may have more resources than the Funds or Ridgeview. Such competitors may include investment funds as well as individuals, large publicly-traded companies, financial institutions and other institutional investors. Further, over the past several years, an ever-increasing number of private investment funds have been formed

(and many existing funds have grown in size). In addition, the availability of investment opportunities generally will be subject to market conditions as well as, in some cases, the prevailing regulatory or political climate. Identification of attractive investment opportunities is difficult and involves a high degree of uncertainty, and competition for such opportunities may become more intense. There are no assurances that the Funds will be able to find a sufficient number of attractive opportunities to meet its investment objectives and to enable the full amount of any capital commitments to be invested or deployed.

#### Investments in Distressed Securities and Restructurings

The Funds may make investments in restructurings that involve portfolio companies that are experiencing or are expected to experience severe financial difficulties. These financial difficulties may never be overcome and may cause such portfolio company to become subject to bankruptcy proceedings. Such investments could, in certain circumstances, subject the Funds to certain additional potential liabilities that may exceed the value of the Funds' original investment therein. For example, under certain circumstances, payments to the Funds and distributions by the Funds to the investors of the Funds may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, a preferential payment or similar transaction under applicable bankruptcy and insolvency laws. Furthermore, investments in restructurings may be adversely affected by statutes related to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims or re-characterize investments made in the form of debt as equity contributions.

#### Subordination

To the extent the Funds makes any debt investments, such investments will typically be subordinated to the senior obligations of an issuer, either contractually or structurally. Such subordinated investments may be characterized by greater credit risks than those associated with the senior obligations of the same issuer. Adverse changes in the financial condition of an issuer, general economic conditions, or both may impair the ability of such issuer to make payments on the subordinated securities and result in defaults on such securities more quickly than in the case of the senior obligations of such issuer.

#### Debt Investments

The Funds may invest in bonds, notes, debentures and other debt-related instruments issued by portfolio companies. These investments may pay fixed, variable or floating rates of interest and may include zero coupon obligations. The Funds may invest in portfolio company debt instruments that have experienced or are contemplated to experience ratings downgrades. Other instruments may have the lowest quality ratings or may be unrated. Credit ratings evaluate the safety of the principal and interest payments, not the market value risk of lower-rated instruments. Such ratings also do not reflect macroeconomic or systemic risk, including the risk of increased illiquidity in the credit markets. It is also possible that a rating agency might not change its rating of a particular issue on a timely basis and, as a result, outstanding ratings may not reflect the portfolio company's current credit standing. Conversely, rating agencies may re-rate an instrument which could cause substantial loss if the ratings are downgraded. Investments may experience significant credit rating volatility. In addition, the Funds may be paid interest in kind in connection with portfolio company debt and related financial instruments (e.g., the principal owed to

the Funds in connection with a debt investment may be increased by the amount of interest due on such debt investment). Such investments may experience greater market value volatility than debt obligations that provide for regular payments of interest in cash and, in the event of a default, the Funds may experience substantial losses.

#### Board Participation

The Funds may be represented on the boards of directors of most portfolio companies or may have its representatives serve as observers to such boards of directors. Although such positions in certain circumstances may be important to the Funds' investment strategy and may enhance the Funds' ability to manage its investments, such positions may also have the effect of impairing the Funds' ability to sell or otherwise dispose of an investment (in whole or in part) when, and upon the terms, the General Partner or Ridgeview may otherwise desire and may subject the Funds and others to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. In general, the Funds will indemnify the General Partner, Ridgeview and their affiliates, officers, employees and representatives from any losses associated with such claims.

#### Material, Non-Public Information

From time to time, the General Partner, Ridgeview or their affiliates or employees may come into possession of material non-public information concerning specific portfolio companies. The possession of such information may limit or preclude the ability of Ridgeview or the General Partner, to buy, sell or otherwise dispose of the investment or other securities issued by such portfolio companies on behalf of the Funds until such time as the information becomes publicly available. The Funds' investment flexibility may be constrained as a consequence of this inability to use such non-public information for investment purposes.

#### Hedging Instruments and Risks

In connection with the financing of certain portfolio investments, the Funds or its portfolio companies may employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities prices and currency exchange. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while the Funds may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices or currency exchange rates may result in a poorer overall performance for the Funds than if it had not entered into such hedging transactions. As a hedging technique, the Funds or its portfolio companies may also purchase exchange-listed and over-the-counter put and call options on specific securities or write and sell covered or uncovered call and put option contracts. Use of such hedging techniques may result in losses to the Funds, force the sale or purchase of portfolio securities at inopportune times, limit the amount of appreciation the Funds can realize on its investments or cause the Funds to hold a security it might otherwise sell.

#### Bankruptcy of Portfolio Companies

The Funds may make investments in portfolio companies that may experience financial difficulties and become insolvent or file for bankruptcy protection. Various U.S. federal and state laws in connection with such bankruptcy proceedings could operate to the detriment of the Funds. There is also a risk that a court may subordinate the Funds'



investment to other creditors or require the Funds to return amounts previously paid to it by a portfolio company that became insolvent or files for bankruptcy, a risk that could increase if the Funds has management rights in such portfolio company.

#### Expedited Transactions

Investment analyses and decisions by the General Partner and Ridgeview may be undertaken on an expedited basis in order for the Funds to take advantage of available investment opportunities. In such cases, the information available to the General Partner or Ridgeview at the time of the investment decision may be limited, and the General Partner and Ridgeview may not have access to the detailed information necessary for a thorough evaluation of the investment opportunity. Further, the General Partner and the Ridgeview may conduct their due diligence activities over a very brief period.

#### Co-Investments with Third Parties, Non-Controlling Investments and Limited Rights as Shareholder

In connection with co-investments, the Funds may hold non-controlling interests in certain portfolio companies and, therefore, may have a limited ability to protect its interests in such companies and to influence such companies' management. In addition, co-investments may be made with third parties through joint ventures or other entities, which may have larger or controlling ownership interests in such portfolio companies. In such cases, the Funds will rely significantly on the existing management and board of directors of such companies, which may include representatives of other financial investors with whom the Funds is not affiliated and whose interests may at times conflict with the interests of the Funds. Such co-investments may involve risks in connection with such third-party involvement, including the possibility that a third party may be in a position to take (or block) action in a manner contrary to the Funds' investment objectives or may have financial difficulties resulting in a negative impact on such investment. In addition, the Funds may in certain circumstances be liable for the actions of its third-party co-venturers. Co-investments made with third parties in joint ventures or other entities also may involve carried interests and/or other fees payable to such third party partners or co-venturers. There can be no assurance that appropriate minority shareholder rights will be available to the Funds or that such rights will provide sufficient protection to the Funds' interests.

#### Investments Longer than Term

The Funds may make investments that may not be advantageously disposed of prior to the end of the Funds' term. Although the General Partner generally expects that investments will either be disposed of prior to the end of the Funds' term or be suitable for in-kind distribution, the General Partner may need to sell, distribute or otherwise dispose of investments at disadvantageous times or prices at the end of the Funds' term or otherwise. In addition, although the General Partner generally expects to use commercially reasonable efforts to reduce to cash and cash equivalents all of the Funds' Investments to the extent practicable, subject to obtaining fair value for such assets and any tax or other legal considerations, there can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to the investors will occur.

#### Joint Venture Partners

The Funds may co-invest with third-party operators and/or joint venture partners. Investments made with such operators and partners may involve carried interest and/or fees payable to such operators and partners (in addition to the Management Fee and Carried

Interest Distributions). In addition, such operators and partners may have preexisting investments with Ridgeview (or an affiliate). The terms of these preexisting investments may differ from the terms upon which the Funds invest with such operators and partners. To the extent a dispute arises between Ridgeview and such operators and partners, the investments relating thereto may be affected.

#### Bridge Loans

The Funds may lend to portfolio companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt securities. Such bridge loans will typically be either repaid, refinanced or convertible into more permanent, long-term security; however, for reasons not always in the Funds' control, such long-term securities may not be issued and such bridge loans may remain outstanding. In such an event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Funds and may result in greater concentration to a particular company and sector than anticipated.

#### Non-U.S. Investments

The Funds may invest a percentage of total capital commitments in portfolio companies organized and operating principally outside of the United States. Non-U.S. securities involve certain risks not typically associated with investing in U.S. securities, including risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various foreign currencies in which the Funds' foreign investments are denominated; and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the U.S. and non-U.S. securities markets, including potential price volatility in, and relative illiquidity of, some non-U.S. securities markets; (iii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less governmental supervision and regulation; (iv) certain economic, social and political risks, including potential exchange control regulations and restrictions on non-U.S. investment and repatriation of capital, the risks of political, economic or social instability and the possibility of expropriation or confiscatory taxation and adverse economic and political development; (v) the possible imposition of non-U.S. taxes on income and gains recognized with respect to such securities; (vi) less developed laws regarding corporate governance, fiduciary duties and the protection of investors; (vii) differences in the legal and regulatory environment or enhanced legal and regulatory compliance; (viii) political hostility to investments by foreign or private equity investors; and (ix) less publicly available information. In addition, portfolio companies located in non-U.S. jurisdictions may be involved in restructurings, bankruptcy proceedings and/or reorganizations that are not subject to laws and regulations that are similar to the U.S. Bankruptcy Code and the rights of creditors afforded in U.S. jurisdictions. To the extent such non-U.S. laws and regulations do not provide the Funds with equivalent rights and privileges necessary to promote and protect its interest in any such proceeding, the Funds' investments in any such portfolio company may be adversely affected. While the General Partner intends, where deemed appropriate, to manage the Funds in a manner that will minimize exposure to the foregoing risks to the extent practicable, there can be no assurance that adverse developments with respect to such risks will not adversely affect the assets of the Funds that are held in certain countries.

### Need for Additional Capital

Certain of the Funds' portfolio companies, especially those in a development or "platform" phase, may be expected to require additional financing to satisfy their working capital requirements or acquisition strategies. The amount of such additional financing needed will depend upon the maturity and objectives of the particular portfolio company. Each such round of financing (whether from the Funds or other investors) is typically intended to provide a portfolio company with enough capital to reach the next major corporate milestone. If the funds provided are not sufficient, a company may have to raise additional capital at a price unfavorable to the existing investors, including the Funds. In addition, the Funds may make additional debt and equity investments or exercise warrants, options or convertible securities that were acquired in the initial investment in such company in order to preserve the Funds proportionate ownership when a subsequent financing is planned, or to protect the Funds' investment when such portfolio company's performance does not meet expectations. The availability of capital is generally a function of capital market conditions that are beyond the control of the Funds or any portfolio company. There can be no assurance that the portfolio companies will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source.

### Environmental Risks

Portfolio companies may also be subject to numerous statutes, rules and regulations relating to environmental protection, under which a current or previous owner or operator of real property may be liable for non-compliance with applicable environmental and health and safety requirements and for the costs of investigation, monitoring, removal or remediation of hazardous materials. The Funds may be exposed to substantial risk of loss from environmental claims arising in respect of portfolio companies.

### Litigation

The Funds' investment activities may subject it or its affiliates to the risks of becoming involved in litigation with third parties. The expense of defending against claims against the Funds or its portfolio companies by third parties and the payment of any amounts pursuant to settlements or judgments would be borne by the Funds and/or the portfolio companies, reduce distributions and could require the Funds and/or investors to return distributed capital and earnings to the Funds. The General Partner, Ridgeview and their respective principals and affiliates generally will be indemnified by the Funds in connection with any such litigation, subject to certain conditions.

### Potential for Fraud

In spite of Ridgeview's efforts to invest in reputable and trustworthy companies, there is a risk that the Funds may invest in issuers that engage in fraud. Instances of fraud can be particularly difficult to detect and prevent. To the extent that the Funds invests in a company that engages in fraud, the Funds could lose all or a substantial portion of its investment in such company and it could have a material adverse effect on the Funds' financial condition and results of operations.

### Borrowing

The General Partner may cause the Funds to borrow funds, guarantee third-party loans or other extensions of credit made by portfolio companies or potential portfolio companies (or subsidiaries thereof), provide bridge financing and otherwise utilize leverage in

connection with the Funds' investment program in accordance with the terms and limitations set forth in the applicable partnership agreement. Although the General Partner will seek to borrow funds and otherwise utilize leverage and borrowing in a manner it believes to be prudent and reasonable under the circumstances, the use of borrowed funds and leverage generally will involve a high degree of financial risk. In addition, borrowings by the Funds will expose the Funds to interest rate risk, and the Funds may be less likely to be profitable or meet its goals if interest rates increase. If the Funds does not receive sufficient cash flow from its investments to meet principal and interest payments on any such borrowings, then the Funds may need to dispose of its investments sooner or at a lower price than it otherwise would have in order to pay the debt. Borrowings by the Funds have the potential to enhance overall returns that exceed the Funds' cost of funds, however, they will further diminish returns (or increase losses on capital) to the extent overall returns are less than the Funds' cost of funds.

#### Impact of Outstanding Borrowings on Investor Returns

In the event that the Funds uses a credit facility, it is possible that interest will accrue on any outstanding borrowings at a rate lower than the applicable preferred return, which does not accrue on such borrowings and will begin accruing when capital contributions to fund any investments, or repay borrowings used to fund such investments, are actually contributed by investors to the Funds. As a result, the use of a credit facility with respect to investments and ongoing capital needs may reduce or eliminate the applicable preferred return received by the investors and accelerate or increase Carried Interest Distributions to the General Partner.

#### Incomplete Information

Because of the broad range of potential investments and many other factors, an investor may not have sufficient information to analyze or evaluate the risks or potential returns of the Funds' investment program currently or prospectively. In response to questions and requests and in connection with due diligence meetings and other communications, the General Partner and Ridgeview may provide additional information to certain investors that is not provided to other investors. Each investor is responsible for asking such questions as it believes are necessary in order to make its own investment decisions, including whether to invest in the Funds, and each investor must decide for itself whether the limited information provided by the General Partner, Ridgeview and the Funds is sufficient for its needs.

#### Currency and Exchange Rate Risks

A portion of the investments, and the income received by the Funds with respect to such investments, may be denominated primarily in currencies other than U.S. dollars. However, the books of the Funds are maintained, and capital contributions to and distributions from the Funds generally are made, in U.S. dollars. Accordingly, changes in currency exchange rates may adversely affect the dollar value of investments, interest and dividends received by the Funds, gains and losses realized on the sale of investments and the amount of distributions, if any, to be made by the Funds. In addition, the Funds will incur costs in converting investment proceeds from one currency to another. The General Partner may enter into hedging transactions designed to reduce such currency risks. Furthermore, interests are denominated in U.S. dollars. Investors subscribing for interests in any country in which U.S. dollars are not the local currency, should note that changes in the value of exchange between U.S. dollars and such currency may have an adverse effect on the value, price or income of the investment to such investor. There may be foreign exchange

regulations applicable to investments in foreign currencies in certain jurisdictions. Each prospective investor should consult with its own counsel and advisors as to all legal, tax, financial and related matters concerning an investment in the interests.

#### Side Letters

The Funds, the General Partner and/or Ridgeview may from time to time enter into side letter agreements or other similar agreements (collectively, “Side Letters”) with one or more investors, including, without limitation, affiliated investors and select third parties, that alter, modify or change the terms of the interests held by such investors. Side Letters may provide such investor(s) with additional and/or different rights (including, without limitation, with respect to a reduction in the Management Fee, Carried Interest, minimum capital commitments, informational rights, enhanced liquidity, capacity rights and other rights) than the other investors. Except to the extent required by applicable law, the Funds is not required to notify any or all of the other investors of any such Side Letters or any of the rights and/or terms or provisions thereof, nor is the Funds required to offer such additional and/or different rights and/or terms to any or all of the other investors. Notwithstanding the foregoing, under no circumstances may the General Partner and a particular investor enter into any Side Letter that would reasonably be expected to have a material adverse effect upon any other investor, without the consent of the individual investor affected thereby.

#### Risks Associated with Investing in Partnerships and Limited Liability Companies

The Funds may invest in entities, such as limited partnerships and limited liability companies that are treated as pass through entities for tax purposes. Such investments pose a number of risks. Investors will be subject to tax on their distributive share of the taxable income of such entities allocated to the Funds, even if they do not receive cash distributions corresponding to such taxable income. Investors must have liquidity from sources other than the Funds to bear such tax liabilities. To the extent such entities are engaged in business in a number of states, investors may be required to file state tax returns in such states. Investments in such entities are also likely to cause domestic tax- exempt investors to be allocated income subject to unrelated business income tax, and to cause non-U.S. investors to realize income effectively connected with the conduct of a U.S. trade or business. In addition, investing in such entities is expected to cause delays in investors receiving tax and other financial information from the Funds. Because the Funds’ tax return is predicated on the tax attributes passed through to it by such entities, any delay in receiving tax information from such entities will cause a corresponding delay in dissemination to investors of the Funds’ tax information. Investors should be aware that they may need to request extensions of the deadline for filing their own tax returns.

Some of the Funds will invest in one or more private investment funds, special purpose vehicles and/or separately managed accounts (collectively, “Underlying Funds”) managed by third party managers (“Underlying Managers”) that invest in a variety of private credit opportunities.

#### Credit Risks of Debt Securities

“Credit risk” refers to the likelihood that an issuer will default in the payment of principal and/or interest on an instrument and how this risk changes over time. Financial strength and solvency of an issuer and the priority of the lien are the primary factors influencing credit

risk. In addition, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Certain of an Underlying Fund's investments may provide for payment-in-kind interest, which has a similar effect of deferring current cash payments. In addition, certain of an Underlying Fund's investments may have an interest-only payment schedule, with the principal amount remaining outstanding and at risk until the maturity of the investment. Further, credit risk may change over the life of an instrument and debt instruments that are rated by rating agencies are subject to downgrade at a later date.

Underlying Funds will be dependent upon the judgment of the Underlying Managers as to the credit quality of their investments. There can be no assurance that Underlying Managers will be successful in assessing the credit risk of the different investments or mitigating the impact of credit risk changes. A borrower's ability to repay its loans may be adversely affected by numerous factors, including, without limitation, failure to meet its business plan, a downturn in its industry or negative economic conditions. Loans that become non-performing may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in the interest rate, capitalization of interest payments and a substantial write-down of the principal of the loan.

However, even if such restructuring were successfully accomplished, a risk exists that upon maturity of such loan, replacement "takeout" financing will not be available. There is no assurance that the value of any collateral will be sufficient to protect all or a portion of the related investment. Deterioration in a borrower's financial condition and prospects may be accompanied by deterioration in the value of any collateral and a reduction in the likelihood of capitalizing on any guarantees that may have been obtained from the borrower or other parties. A borrower's failure to satisfy financial or operating covenants imposed under the related investment could lead to defaults and, potentially, acceleration of the time when the investment is due. Foreclosure on any assets securing an investment could trigger cross defaults under other loans of the borrower (or vice versa), and could result in prepayment of the investment (or such other loans) or jeopardize the borrower's ability to meet its obligations under the investment. Furthermore, Underlying Managers will not be able to assure that other claims may not be asserted that might interfere with enforcement of an Underlying Fund's rights. Underlying Managers cannot guarantee the adequacy of the protection of an Underlying Fund's interests, including the validity or enforceability of the applicable investment contract and the maintenance of the anticipated priority and perfection of any applicable security interests. A default by a borrower may result in an Underlying Fund being unable to liquidate the related investment prior to the termination of the Fund or such Underlying Fund and such investment may end up being restructured on terms that might result in the Fund or an Underlying Fund being unable to liquidate it prior to the termination of the Fund or such Underlying Fund. This could cause the investors to receive in-kind distributions in respect of such investments upon the termination of the Fund (or the Fund to receive an in-kind distribution from an Underlying Fund in connection with its dissolution).

There can be no assurance as to the levels of defaults or the amount or timing of recoveries that may be experienced with respect to an Underlying Fund's assets. Any increase in default levels or decrease in recovery rates, or delays in receipt of recoveries, could adversely affect distributions, if any, to the investors.

#### Borrower Fraud

There is a risk of material misrepresentation or omission on the part of the borrower, including

any company to which an Underlying Fund loans funds or provides credit. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of an Underlying Fund to perfect or effectuate a lien on any collateral securing the loan. Neither the General Partner nor Ridgeview (or any Underlying Manager) can guarantee the accuracy or completeness of representations made by and information provided by borrowers.

#### Collateral Risk

The collateral and security arrangements in relation to such secured obligations that the Underlying Funds may invest in will be subject to such security or collateral having been correctly created and perfected and any applicable legal or regulatory requirements that may restrict the giving of collateral or security by an obligor, such as, for example, thin capitalization, over-indebtedness, financial assistance and corporate benefit requirements. If the loans do not benefit from the expected collateral or security arrangements, this may adversely affect the value of or, in the event of default, the recovery of principal or interest from such loans held by an Underlying Fund. Accordingly, any such a failure to properly create or perfect collateral and security interests attaching to the loans could have a material adverse effect on the performance of the Fund or an Underlying Fund, and, by extension, the Fund's or an Underlying Fund's financial condition, results of operations and the value of the Interests or interests in an Underlying Fund. A component of an Underlying Manager's analysis of the desirability of acquiring a given loan relates to the estimated residual or recovery value of such investments in the event of the insolvency of the obligor. This residual or recovery value will be driven primarily by the value of the anticipated future cash flows of the obligor's business and by the value of any underlying assets constituting the collateral for such loan. The anticipated future cash flows of the obligor's business and the value of collateral can, however, be extremely difficult to predict as in certain circumstances market quotations and third-party pricing information may not be available. If the recovery value of the collateral associated with the loans held by an Underlying Fund decreases or is materially worse than expected by an Underlying Manager, such a decrease or deficiency may affect the value of the loans held by such Underlying Fund. Accordingly, there may be a material adverse effect on the performance of the Fund, and, by extension, the Fund's or such Underlying Fund's financial condition, results of operations and such Underlying Fund's interests.

#### Credit Ratings

Although some investments held by an Underlying Fund may have credit ratings assigned to them, credit ratings of debt obligations merely represent the applicable rating agency's opinions regarding their credit quality and are not a guarantee of quality or performance. A credit rating or a credit estimate is not a recommendation to buy, sell or hold assets and may be subject to revision or withdrawal at any time by the assigning rating agency. There is no assurance that a rating accorded to such investments will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency if, in its judgment, circumstances in the future so warrant (which may include a change in such rating agency's rating methodology or criteria). Rating agencies attempt to evaluate the relative future creditworthiness of an obligation and do not address other risks, including, but not limited to, the likelihood of principal prepayments (both voluntary and involuntary), liquidity risk, market value or price volatility; therefore, credit ratings or credit estimates do not fully reflect the true risks of an investment in the related asset. In addition, a rating agency may fail to make timely changes in credit ratings in response to subsequent events, so that the relevant

issuer's current financial condition may be better or worse than a rating indicates. Further, rating agencies may change credit rating or credit estimate methodologies. Consequently, credit ratings of debt obligations are only a preliminary indicator of investment quality. Credit rating or credit estimate reductions or withdrawals may occur for any number of reasons and may affect numerous assets at a single time or within a short period of time, which may have material adverse effects upon the Fund's investments.

Investments in non-investment grade and comparable unrated obligations will be more dependent on the Underlying Managers' credit analysis than would be the case with investments in investment-grade debt obligations. Loans to middle market companies generally will not have a public rating, although some loans may have private ratings and/or credit estimates assigned by, or obtained pursuant to the methodology of, a nationally recognized statistical rating agency. A credit estimate is not identical to a credit rating, and may be assigned using a more limited analysis, based on public information or information supplied by the party requesting the credit estimate. Disclosure of private ratings and/or credit estimates, if any are available, is restricted and any such ratings or estimates are not expected to be disclosed to the Underlying Funds.

#### Interest Rate Risks of Debt Securities

"Interest rate risk" refers to the risks associated with market changes in interest rates. Interest rate changes generally will affect the value of a debt instrument indirectly (especially in the case of fixed rate securities) and directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the control of the Fund, Ridgeview, the Underlying Managers and their affiliates. Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules. This risk will be greater for long-term securities than for short-term securities. While an Underlying Fund may from time to time seek to hedge such risks (including through investments in treasury securities or derivative instruments), there is no assurance that an Underlying Fund will do so. There is no assurance that such measures, if implemented, will be effective.

#### Investing Through Participations

An Underlying Fund may acquire interests in loans either directly (by way of assignment from the selling institution) or indirectly (by purchasing a participation interest from the selling institution). As described in more detail below, holders of participation interests are subject to additional risks not applicable to a holder of a direct interest in a loan. Participations by an Underlying Fund (each, a "Participant") in a selling institution's portion of a loan typically result in a contractual relationship only with such selling institution, not with the obligor. In the case of a participation interest, the Participant will generally have the right to receive payments of principal, interest and any fees to which it is entitled only from the institution selling the participation and only upon receipt by such selling institution of such payments from the obligor. By holding a participation interest in a loan, the Participant



generally will have no right to enforce compliance by the obligor with the terms of the loan agreement, nor any rights of set-off against the obligor, and the Participant may not directly benefit from the collateral supporting the loan in which it has purchased the participation. As a result, the Participant will assume the credit risk of both the obligor and the institution selling the participation, which will remain the legal owner of record of the applicable loan. In the event of the insolvency of the selling institution, the Participant, by owning a participation interest, may be treated as a general unsecured creditor of the selling institution, and may not benefit from any set-off between the selling institution and the obligor. In addition, the Participant may purchase a participation from a selling institution that does not itself retain any portion of the applicable loan and, therefore, may have limited or no interest in monitoring the terms of the loan agreement and the continuing creditworthiness of the obligor. When the Participant holds a participation interest in a loan it will not have the right to vote under the applicable loan agreement with respect to every matter that arises thereunder (although it may have the right to vote on actions requiring the vote of all lenders such as modifications to the payment terms or maturity date of the loan), and it is expected that each selling institution will reserve the right to administer the loan sold by it as it sees fit and to amend, modify or waive the documentation evidencing such loan in all respects other than those that it has agreed to permit the Participant to direct. Selling institutions voting in connection with such matters may have interests different from those of the Participant and may fail to consider the interests of the Participant in connection with their votes. If the selling institution has sold a one hundred percent (100%) participation interest in the loan, it may have no economic interest in the loan and no interest in considering or responding to requests for consent or amendment or to other circumstances involving loan modifications such as workouts, restructuring and bankruptcy proceedings. Under such circumstances, the Participant may not have the ability to act in a manner that it believes beneficial to it, the selling institution may take action with respect thereto that is not in the interest of the Participant or may fail to take any action and any such inability to act on the part of the Participant or action or failure to act on the part of the selling institution may be adverse to the interests of the Participant in such loan. Finally, sales of participations and elevations of participations to assignments may require the consent of the seller of the participation, of the loan agent and/or of the borrower, as applicable, which, together with the other limitations on participations described above, make participations less liquid than loans owned by assignment.

Certain of the loans or participation interests may be governed by the law of a jurisdiction other than a U.S. jurisdiction. An Underlying Manager is unable to provide any information with respect to the risks associated with purchasing a loan or a participation interest under an agreement governed by the laws of a jurisdiction other than a U.S. jurisdiction, including characterization under such laws of such participation interest in the event of the insolvency of the entity from whom the Participant purchases such participation interest.

The purchaser of an assignment of an interest in a loan typically succeeds to all the rights and obligations of the assigning selling institution and becomes a lender under the loan agreement with respect to that loan. As a purchaser of an assignment in a loan, subject to the provisions of the applicable governing documents, an Underlying Fund generally will have the same voting rights as other lenders under the applicable loan agreement, including the right to vote to waive enforcement of breaches of covenants or to enforce compliance by the obligor with the terms of the loan agreement, and the right to set off claims against the obligor and to have recourse to collateral supporting the loan. Assignments are, however, arranged through

private negotiations between assignees and assignors, and in certain cases the rights and obligations acquired by the purchaser of an assignment may differ from, and be more limited than, those held by the assigning selling institution.

Assignments and participations are sold strictly without recourse to the selling institutions, and the selling institutions will generally make no representations or warranties about the underlying loan, the obligors, the documentation of the loans or any collateral securing the loans. In addition, an Underlying Fund will be bound by provisions of the underlying loan agreements, if any, that require the preservation of the confidentiality of information provided by the obligor. Because of certain factors including confidentiality provisions, the unique and customized nature of the loan agreement, and the private syndication of the loan and transfer restrictions with respect thereto, loans are not purchased or sold as easily as are publicly traded corporate debt obligations and middle market loans generally are more illiquid than broadly syndicated loans with certain types of middle market loans such as revolving loans being more illiquid than traditional senior secured term loans to middle market companies.

#### Long-Term Nature of Investments.

Certain of the Fund's investments may not be liquidated or realized for a significant or material period of time after such investments are initially made. Factors such as overall economic and market conditions, the performance of the applicable underlying portfolio companies, the competitive environment and the availability of potential acquirers may shorten or lengthen the Fund's holding period with respect to an investment. Accordingly, it is not likely that any significant return from the disposition of the Fund's investments will occur for a number of years after such investment is made. An Underlying Fund may make investments which are not realized, sold or liquidated prior to the end of the Fund's term.

#### Limited Consent and Control Rights.

As a lender in a loan facility that has multiple lenders, Underlying Funds will have limited consent and control rights, and such rights may not be effective in view of the expected proportion of such obligations held thereby as compared to the other lenders. In all instances, an Underlying Fund will directly or indirectly own less than a majority of the related loan(s) of which the loans are a part and will not control decision making by the required lenders under the related credit facility documents except to the extent that such documents require the consent of all lenders. If the consent of all lenders is required to a modification, most credit facility documents provide that the loan of any lender failing to so consent may be redeemed by the obligor or purchased by an existing or new lender, in either such case at par together with accrued interest. If an Underlying Fund is a nonconsenting lender, the related loan may be sold under such circumstances and there can be no assurance that such Underlying Manager will be permitted or able to redeploy any sale or redemption proceeds received in connection therewith in loans having the same or a better yield or average life as any such loan so prepaid or sold, or at all, which may adversely affect an Underlying Fund's expected return.

#### Warrants and Rights.

An Underlying Fund may purchase or otherwise receive warrants or rights. Warrants and rights generally give the holder the right to receive, upon exercise, a security of the issuer at a stated price. Risks associated with the use of warrants and rights are generally similar to risks associated with the use of options. Unlike most options, however, warrants and rights are issued in specific amounts, and warrants generally have longer terms than options.

Warrants and rights are not likely to be as liquid as exchange-traded options backed by a recognized clearing agency. In addition, the terms of warrants or rights may limit the Fund's ability to exercise the warrants or rights at such time, or in such quantities, as an Underlying Fund would otherwise wish.

#### Convertible Securities.

Convertible securities generally offer lower interest or dividend yields than non-convertible debt securities of similar quality. The market values of convertible securities tend to decline as interest rates increase and, conversely, to increase as interest rates decline. However, a convertible security's market value tends to reflect the market price of the common stock of the issuing company when that stock price approaches or is greater than the convertible security's "conversion price." The conversion price is defined as the predetermined price at which the convertible security could be exchanged for the associated stock. As the market price of the underlying common stock declines, the price of the convertible security tends to be influenced more by the yield of the convertible security. Thus, it may not decline in price to the same extent as the underlying common stock. Generally, in the event of a liquidation of the issuing company, holders of convertible securities would be paid before the company's common stockholders but after holders of any senior debt obligations of the company. Consequently, the issuer's convertible securities generally entail less risk than its common stock but more risk than its debt obligations.

#### Risks Relating to Due Diligence of Portfolio Companies.

Before making investments, it is anticipated that Underlying Managers will typically conduct due diligence that they deem reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, regulatory and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties may also be involved in the due diligence process to varying degrees depending on the type of investment. Such involvement of third-party advisors or consultants may present a number of risks primarily relating to an Underlying Manager's reduced control of the functions that are outsourced. In addition, if Underlying Managers are unable to timely engage third-party providers, their ability to evaluate and acquire more complex targets could be adversely affected. When conducting due diligence and making an assessment regarding an investment, the Underlying Managers will rely on the resources available to them, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation that Ridgeview carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful. Conduct occurring at portfolio companies, even activities that occurred prior to the Fund's investment therein, could have an adverse impact on the Fund.

#### Investments in Private Companies.

Each Underlying Fund's investment portfolio is expected to consist primarily of debt and credit related investments in privately held entities for which no established market exists, and operating results in a specified period will be difficult to predict. Little public information exists about many private portfolio companies, and the Underlying Fund will be required to rely on the Underlying Manager's own due diligence efforts to obtain adequate and sufficient information to evaluate the potential risks and returns involved or associated with investing

in such companies. Income or inaccurate information could impact or effect both initial and ultimate valuations of the investments. Therefore, the risk that an Underlying Fund may invest on the basis of incomplete or inaccurate information may adversely affect the Underlying Fund's investment performance. The uncertainty regarding information about the Underlying Fund's prospective investments involves a high degree of business and financial risk and subjects the Underlying Fund to greater risk than investments in publicly-traded companies.

#### Derivative Instruments.

The Underlying Funds could invest in or utilize various derivative instruments in connection with their investment activities, including options, futures, forward contracts, swaps and other derivatives, which may be volatile and speculative, but there can be no assurance that the Underlying Funds will do so. Certain positions may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. Use of derivative instruments presents various risks, including the following: (i) marking risk, which is the risk of adverse valuations reflecting the counterparty's marks (or valuations), which might not correspond to the valuations of other market or exchange-traded instruments; (ii) tracking risk, which is the risk of an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged; (iii) liquidity risk, which is the risk that derivative instruments, especially when traded in large amounts, may not be liquid in all circumstances, so that in volatile markets the an Underlying Fund may not be able to close out a position without incurring a loss; (iv) leverage risk, which is the risk that leverage offered by trading in derivative instruments may magnify the gains and losses experienced by an Underlying Fund; (v) hedging risk, which is the risk that when a derivative is used as a hedge against an opposite position that an Underlying Fund also holds, it could reduce or eliminate gains; (vi) investment risk, which is the risk that when an Underlying Fund uses derivatives as an investment vehicle to gain market exposure, rather than for hedging purposes, any loss on the derivative investment will not be offset by gains on another hedged investment; (vii) availability risk, which is the risk that derivatives may not be available to an Underlying Fund upon acceptable terms, as a result, an Underlying Fund may be unable to use derivatives for hedging or other purposes; (viii) credit risk, which is the risk that when an Underlying Fund uses derivatives, especially over-the-counter derivatives, it is subject to the risk that the other party to the agreement will not be able to perform; (ix) volatility risk, which is the risk that derivative instruments could experience significant volatility based upon events outside of the control of the Underlying Manager; and (x) off-balance sheet risk, which is the risk that: (a) a financial instrument exposes an Underlying Fund to an accounting and economic loss in excess of its recognized carrying value in the financial instrument (if any), or (b) the ultimate liability associated with the financial instrument has the potential to exceed the amount an Underlying Fund recognizes as a liability in its statements of assets and liabilities.

The Dodd Frank Act substantially increased regulation of the over-the-counter derivatives market and participants in that market, including imposing clearing and reporting requirements on transactions involving instruments that fall within the Dodd Frank Act's definition of "swap" and "security-based swap," which terms generally include over-the-counter derivatives, and imposing registration and potential substantive requirements on certain swap and security-based swap market participants. In addition, under the Dodd Frank Act, the Fund may be subject to additional recordkeeping and reporting requirements.

#### Currency Hedging

While the Interests and interests in many of the underlying funds are denominated in U.S.

dollars, the underlying transactions of the Underlying Funds may be denominated in various non-U.S. currencies. Accordingly, the value of the Underlying Funds' investments will be affected favorably or unfavorably by fluctuations in currency exchange rates. Certain of the Underlying Funds and Underlying Managers may from time to time elect, attempt or seek to hedge their foreign currency exposures to a certain extent. There can be no assurance that any of the currency hedging or investment activities will be effective or successful (or that any such hedging will occur), and fluctuations in the relative values of currencies could cause material losses for the Underlying Funds. Furthermore, there can be no assurance that the Underlying Funds' will attempt to hedge their overall currency exposures.

To the extent that the Underlying Funds enter into currency forward contracts (agreements to exchange one currency for another at a future date), these contracts involve a risk of loss if an Underlying Fund fails to predict accurately the direction of currency exchange rates. In addition, forward contracts are not guaranteed by an exchange or clearinghouse. There can be no assurance that investments suitable for currency shifts will be available at the time an Underlying Manager wishes to use them or will be able to be liquidated when the Underlying Fund wishes to do so.

#### Fraudulent Conveyance Considerations

Secured loans and other secured transactions (each obligation arising therefrom, a "Secured Obligation") may be subject to various federal and state laws enacted for the protection of creditors in the countries of the jurisdictions of incorporation of obligors and, if different, in which the obligors conduct business and in which they hold the assets, which may adversely affect such obligors' abilities to make payment on a full or timely basis. These insolvency considerations will differ depending on the country in which each obligor is located or domiciled. The information in this and the following paragraph is generally applicable with respect to U.S. obligors. If a court in a lawsuit brought by an unpaid creditor or representative of creditors of an obligor of a Secured Obligation, such as a trustee in bankruptcy, were to find that the obligor did not receive fair consideration or reasonably equivalent value for incurring the indebtedness constituting the Secured Obligation and, after giving effect to such indebtedness, the obligor (i) was insolvent, (ii) was engaged in a business for which the remaining assets of such obligor constituted unreasonably small capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, then such court could determine to invalidate, in whole or in part, such indebtedness and any security interests or other liens securing such investment as fraudulent conveyances, could subordinate such indebtedness to existing or future creditors of such obligor or could recover amounts previously paid by such obligor (including to an Underlying Fund) in satisfaction of such indebtedness or amounts representing proceeds of such security interest or other liens previously applied in satisfaction of such indebtedness. In addition, in the event of the insolvency of such obligor, payments made by such obligor under such indebtedness could be subject to avoidance if made after insolvency as well as within a certain period of time before insolvency.

#### Limited Control Over Syndicated Loans

In certain circumstances, an Underlying Fund may hold a loan that has been syndicated to third parties that are not affiliated with the an Underlying Manager. As a holder of a syndicated loan or an interest therein, an Underlying Fund may have limited consent and control rights, and such rights may not be effective in view of the expected proportion of such loan held by an Underlying Fund. An Underlying Manager may exercise or enforce, or refrain

from exercising or enforcing, any or all of an Underlying Fund's rights in connection with any of its investments. However, due to the size of an Underlying Fund's investment position, an Underlying Fund may have limited influence over any amendment, waiver or modification of such loan.

#### Obligors' Ability to Refinance at or Prior to Maturity

A significant portion of any Underlying Fund's assets will consist of loans for which most or all of the principal is due at maturity. The ability of the obligor(s) under such loan to make such a large payment upon maturity typically depends upon its ability to refinance the loan prior to maturity. The ability of an obligor to consummate a refinancing will be affected by many factors, including the availability of financing at acceptable rates to such obligor, the financial condition of such obligor, the marketability of the collateral (if any) securing such loan, the operating history of the obligor and related businesses, tax laws and prevailing general economic conditions. Additionally, upper middle market obligors generally have more limited access to capital and higher funding costs, may be in a weaker financial position, may need more capital to expand or compete, and may be unable to obtain financing from public capital markets or from more traditional sources, such as commercial banks. Consequently, such obligor may not have the ability to repay the loan at maturity and, unless it is able to refinance such loan, it could default in payment at maturity, which could result in losses to an Underlying Fund and, indirectly, to the Fund and its investors.

Significant numbers of obligors are expected to need to refinance their debt over the next few years, and significant numbers of collateralized loan obligation transactions (historically an important source of funding for loans) have reached or are close to reaching the end of their reinvestment periods or the final maturities of their own debt. As a result, there could be significant pressure on the ability of obligors to refinance their debt over the next few years unless a significant volume of new collateralized loan obligation transactions or other sources of funding develop. If such sources of funding do not develop, significant defaults in an Underlying Fund's assets could occur, and there could be downward pressure on the prices and markets for debt instruments, including assets held by an Underlying Fund.

#### Limited Liquidity.

Investors generally will not be permitted to voluntarily withdraw from the Fund. In addition, investors generally may not transfer their Interests to any other person, in whole or in part, without, among other things, the prior written consent of the General Partner, which may be granted or withheld in its discretion. There currently exists no public market for Interests, and none is expected to develop. Accordingly, investors should not expect that they will be able to transfer, sell or otherwise dispose of all or any portion of their Interests during the term of the Fund, nor can they be certain that they will be able to transfer, sell or otherwise dispose of all or any portion of their Interests on a basis which reflects the value of the investments.

In addition, interests in the Underlying Funds owned by the Fund generally will provide limited liquidity since such interests generally will not be freely transferable and, generally, the Fund does not expect to be able to voluntarily withdraw amounts from Underlying Funds. An investment in the Fund is appropriate only for sophisticated investors who do not require immediate liquidity for their investment.

#### Reliance on the Investment Manager and the Principals.

The success and profitability of the Fund and its investments will be dependent upon the

ability of Ridgeview, the General Partner, the principals and other members of Ridgeview's investment team to identify and consummate suitable investments and to dispose of investments at a profit. If any of the principals or other key members of Ridgeview's management team cease to be actively involved, directly or indirectly, in the management of the Fund and its portfolio, the business of the Fund may be materially adversely affected. Ridgeview's success on behalf of the Fund also will depend on its ability to attract and retain key employees. Any deterioration in Ridgeview's net income or prospects, which could be expected to follow from investment losses and a reduction in assets under management, will make it more difficult for it to retain key personnel (including the principals and other key employees of Ridgeview) and could have a material adverse effect on the Fund.

#### Conflicts of Interest.

Various actual and potential conflicts of interest exist among the Fund, the General Partner, Ridgeview, the principals and other advisory clients of Ridgeview and their respective affiliates, including actual and potential conflicts of interest related to fees, portfolio composition, expense allocation, treatment of other investors, limitation of liability, indemnification and outside business activities. During the Fund's term, many different types of conflicts of interest will likely arise and this Memorandum does not purport to identify or predict all such conflicts. Investors ultimately will be heavily dependent upon the good faith of the General Partner, Ridgeview, the principals, other members of the Fund's investment team and each of their respective affiliates. *See* "Conflicts of Interest."

Ridgeview manages and may in the future manage or advise other funds, vehicles, accounts and/or clients which present the possibility of overlapping investments with the Fund, and thus the potential for conflicts of interest. In particular, the Fund and certain other funds, vehicles, accounts and/or clients managed, sponsored or advised by Ridgeview have the same or similar investment strategies, investment objectives and programs and invest alongside one another in certain investments. Investors will have no ability to challenge or have input or control over the allocation of investment opportunities by Ridgeview. Ridgeview will have broad and expansive authority and discretion to allocate investment opportunities between or among its clients, notwithstanding any actual or potential conflicts of interest that exist or may exist. For example, management fees, performance fees or allocations, carried interest distributions and liquidity provisions differ or may differ or vary materially or significantly among the Fund and/or any other similar funds, vehicles, accounts and/or clients that may in the future be managed, sponsored or advised by Ridgeview, creating economic or other incentives for Ridgeview to allocate investment opportunities to certain clients over other clients.

#### Compensation Arrangements.

Ridgeview or an affiliate thereof will be entitled to receive management fees. Management Fees, which will be paid without regard to the Fund's performance, could motivate Ridgeview to gather more assets than can be managed effectively, thereby diluting returns to investors. In the event affiliates of Ridgeview and/or General Partner become entitled to receive other fees, certain additional conflicts of interest might exist. *See* "Conflicts of Interest."

#### Cybersecurity Risks.

The Funds, the General Partner and Ridgeview and their respective service providers depend on information technology systems and, notwithstanding the diligence that the General Partner or Ridgeview may perform on its or the Funds' service providers, it may

not be in a position to verify the risks or reliability of such information technology systems. The Funds, the General Partner and Ridgeview and their service providers are subject to risks associated with a breach in cybersecurity. “Cybersecurity” is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users as well as unintentional damage or interruption that, in either case, can result in damage and disruption to hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. Ridgeview’s, the General Partner’s, the Funds’ and their information and technology systems are vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although Ridgeview and its affiliates have implemented 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, Ridgeview, the General Partner and/or the Funds may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Ridgeview’s, the General Partner’s and the Funds’ operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm Ridgeview’s or the Funds’ reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect its business and financial performance. Such damage or interruptions to information technology systems may cause losses to the Funds or individual Partners by interfering with the operations of the General Partner, Ridgeview, their respective affiliates and/or Ridgeview’s affiliated funds. The Funds may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose one or more of the Funds, Ridgeview and/or the General Partner to civil, legal or regulatory liability as well as regulatory inquiry and/or action, and the Funds may be required to indemnify the General Partner and Ridgeview against any losses incurred in connection therewith. Cybersecurity issues and risks are currently a major focus area of the SEC and other regulatory authorities.

This section of the brochure provides a general overview of the firm’s investment strategies and risk considerations, and detailed information regarding the specific risks of each Fund is provided in the respective private placement memorandum. Please contact us directly to request a copy of the private placement memorandum.



## **Item 9 – Disciplinary Information**

On September 9, 2022, the SEC entered an order instituting administrative and cease and desist proceedings pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940, as amended, making findings and imposing remedial sanctions and a cease-and-desist order against Ridgeview. Ridgeview consented, without admitting or denying the SEC's findings, to pay a penalty for the late delivery of financial statements to investors in three private funds for 2019, the first year of such funds' operations. The SEC order is concluded, and there are no continuing sanctions imposed, and no further action is to be taken.

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

A. Neither Ridgeview nor any of Ridgeview's management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

B. Neither Ridgeview nor any of its management persons is registered as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of any of the foregoing.

C. As applicable, any Fund with a separate general partner (or entity serving in a similar capacity) is a related person of Ridgeview and, as applicable, is often entitled to receive incentive-based compensation from such Fund. This relationship creates an incentive for Ridgeview to make investment allocations that are riskier or more speculative than would be the case if a general partner affiliate (or similar affiliated entity) did not receive incentive compensation from its respective Fund for serving as the general partner (or similar capacity) to such Fund.

Ridgeview and any affiliate will likely furnish and will continue to furnish investment management and advisory service to others. Ridgeview and any affiliates could make recommendations to and take actions on behalf of others (including but not limited to Funds), which will likely be the same as or different from recommendations made to other Clients. In addition, Ridgeview and its affiliates will likely make recommendations to trade, purchase or sell for Client regarding any investment opportunity which Ridgeview or an affiliate will likely recommend purchase or sell for its own account or for the account of any other Client (or recommend to any other Client); and Ridgeview or its affiliates will likely not give Clients the same advice as potentially given to any other Client. Ridgeview or any affiliate acts as investment adviser or manager to other Clients. Ridgeview or any affiliates will likely from time to time have positions in or transact in investment opportunities recommended to Clients. Such transactions will likely differ from or be inconsistent with the advice given, or the timing or nature of Ridgeview's advice given with respect to a Client. Ridgeview always acts in the best interest of its Clients and in accordance with a Client's investment objectives and has a robust compliance program in place to generally deal with conflicts of interest that come up from time to time on an objective basis.

D. Not applicable.

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

### Code of Ethics

Ridgeview has adopted a written code of ethics that is applicable to all employees, particularly employees with access or knowledge of Clients' investments ("Access Persons"). Among other things, the Code requires Ridgeview and its employees to act in Clients' best interests, abide by all applicable regulations, and follow Ridgeview's personal securities transactions policy. It is the obligation of Ridgeview employees to adhere to the specific provisions of the Code and the general principles that guide the Code. Ridgeview puts the interest of its Clients ahead of its own. Ridgeview's restrictions on personal securities trading apply to all employees and employees' family members living in the same household. A copy of Ridgeview's code of ethics is available upon request.

- Ridgeview's Code of Ethics generally includes the following general principles:
- Ridgeview owes a fiduciary obligation to all Clients, and therefore, Ridgeview's Access Persons have a duty to act in a manner that supports this obligation.
- Access Persons have the duty at all times to place the interests of all Clients first and foremost.
- Access Persons must refrain from taking inappropriate advantage of their positions with Ridgeview.
- Access Persons must conduct their securities transactions in personal accounts in a manner that avoids conflicts or the appearance of conflicts of interest or abuses of their position of trust and responsibility.
- Access Persons must avoid actions or activities that allow (or appear to allow) them or their immediate families to benefit from their positions with Ridgeview, at the expense of Clients, or that bring into question their independence or judgment.
- Access Persons must comply with all applicable Federal Securities Laws.

Ridgeview's employees are required to certify their compliance with the Code of Ethics on an annual basis.

Any proposed employee transaction involving transactions such as initial public offerings requires preclearance. Employee preclearance will include a 24 hour hold period before and after approval has been granted to the employee to execute a transaction. It is Ridgeview's policy that if a conflict arises, the instance will be resolved in favor of the Client to the full extent that is possible given the specific circumstances. Appropriate measures will be taken to document the issue, add new policies and procedures where

relevant, and enforce the matter with all employees of Ridgeview.

Recommending, or Buying or Selling for Client Accounts, Securities in which Ridgeview or its Related Persons Have Material Financial Interests

Ridgeview does not act as a principal in any transaction. Ridgeview has adopted a personal trading policy and procedure to protect against these material conflicts. No employee of Ridgeview is permitted to transact in any security to the detriment of any Client or investor.

Investment in the Same Securities or Related Securities that Ridgeview or its Related Persons Recommend to Clients

Ridgeview's employees are generally encouraged to engage with one or more of Ridgeview's Sub-Advisers permitted to trade alongside Client accounts.

Recommending or Buying or Selling for Client Accounts, Securities at or about the Same Time Ridgeview or its Related Persons Buy or Sell the Same Securities for Their Own Accounts

Ridgeview and its related persons do not enter into securities transactions with Clients. Employees are encouraged to invest alongside Clients and in Ridgeview's strategy by following one or more Sub-Advisers.

## **Item 12 – Brokerage Practices**

Ridgeview may recommend/require that Clients establish brokerage accounts with Schwab Advisor Services, a division of Charles Schwab & Co., Inc., a registered broker-dealer, member SIPC, (the "Custodian") to maintain custody of Clients' assets and to effect trades for their accounts. The final decision to custody assets with these qualified custodians is at the discretion of the Clients, including those accounts under ERISA or IRA rules and regulations, in which case the Client is acting as either the plan sponsor or IRA account holder. Ridgeview is independently owned and operated and not affiliated with the Custodian. The Custodian provides Ridgeview with access to their trading and custody services, typically unavailable to retail investors. These services are generally available to independent investment advisors on an unsolicited basis, at no charge to them as long as the adviser meets the minimum. Clients' assets are maintained in accounts at the Custodian. The Custodian's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses, and reports and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

The Custodian may also make available to Ridgeview other products and services that benefit Ridgeview but may not benefit its Clients' accounts. These benefits may include national, regional or Ridgeview specific educational events organized and/or sponsored by the Custodian. Other potential benefits may include occasional business entertainment of personnel of Ridgeview by the Custodian's personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. These products and services assist Ridgeview in managing and administering Clients' accounts. These include software and other technology (and related technological training) that provide access to Client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple Client accounts), provide research, pricing information and other market data, facilitate payment of Ridgeview's fees from its Clients' accounts, and assist with back-office training and support functions, recordkeeping and Client reporting. Many of these services generally may be used to service all or some substantial number of the Firm's accounts. The Custodians also make available to Ridgeview other services to help Ridgeview manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance, and marketing. In addition, Custodians may make available, arrange and/or pay vendors for these types of services rendered to the Firm by independent third parties. The Custodian may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to Ridgeview. While, as a fiduciary, Ridgeview endeavors to act in its Clients' best interests, Ridgeview's recommendation/requirement that Clients maintain their assets in accounts at a Custodian may be based in part on the benefit to Ridgeview of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by the Custodian, which may create a potential conflict of interest.

### Soft Dollars

As a matter of firm policy and practice, Ridgeview does not have any formal or informal arrangements to obtain any brokerage or research-related services on a soft dollar basis.

### Brokerage Referrals

Ridgeview does not receive compensation from third parties in connection with the recommendation of establishing a brokerage account.

### Directed Brokerage

Ridgeview places trades on behalf of Clients within the established account(s) at the custodians. Ridgeview does not engage in any principal transactions (i.e., trade of any security from or to Ridgeview's own account) or cross transactions with other Client accounts (i.e., purchase of security into one Client account from another Client's accounts). A Client may request the use of one or more custodians; however, Ridgeview makes best efforts to group all of its Client accounts with the same qualified custodian.

### Aggregating and Allocating Trades

The primary objective in placing orders for the purchase and sale of securities is to obtain the most favorable net results, taking into account such factors as 1) price, 2) size of an order, 3) difficulty of execution, 4) confidentiality, and 5) the skill required of the broker. Ridgeview makes best efforts to aggregate Client trades where possible; however, given the nature of trading across a large portion of an entire index for Client accounts, there will be instances where aggregating Client trades in individual security will not be possible. In such circumstances, Ridgeview has adopted equitable allocation procedures to ensure that no one Client is consistently advantaged or disadvantaged to the detriment or benefit of another Client. Although equal execution will not be guaranteed when orders are not aggregated for the same security, Ridgeview will endeavor to ensure that all Clients are treated fairly. Clients participating in a bunched order receive the same average price and incur trading costs that are the same as or lower than what would be paid if they were trading individually. Ridgeview will execute its transactions through an unaffiliated broker-dealer.

### Best Execution Reviews

In selecting broker-dealers and determining the reasonableness of commissions and mark-ups charged, Ridgeview will attempt to effect securities transactions for Clients in such a manner that the Clients receive the highest-quality transaction under the circumstances. This is known as "Best Execution." In selecting broker-dealers, Ridgeview need not solicit competitive bids and does not have an obligation to seek the lowest available transaction cost (e.g., commission cost).

Ridgeview may consider a number of factors in utilizing brokers-dealers for Client brokerage transactions. Among the factors considered by the Firm are:

- Transaction net costs
- Security price
- Clearance and settlement practices
- Ease of execution
- Integration with existing systems
- Interface applications for monitoring Client investments

- The Firm commitment to regulatory compliance
- Industry reputation
- General financial strength and stability
- Breadth of products and services
- Research capabilities

The foregoing factors are expected to enhance its portfolio management capabilities of Ridgeview. Ridgeview does not attempt to demonstrate that such factors are of a direct benefit to all Clients on all trades. Research and brokerage service received may be used to service some, or in certain circumstances, all Clients, subject to compliance with applicable law.

On at least an annual basis, Ridgeview evaluates the pricing and services offered by its broker partners and other trading counterparties with those offered by other reputable firms. Ridgeview does not receive any services or compensation from its broker partners, so the best price and execution drive partner selection.

### **Item 13 – Review of Accounts**

A. Accounts under Ridgeview's management are generally monitored daily by the Chief Investment Officer.

Ridgeview reviews summary reports identifying accounts outside the expected ranges for returns, exposure to asset classes, and exposure to industry sectors.

B. Ridgeview will conduct reviews other than on a periodic basis generally depending on the facts and circumstances at that time.

C. Investors in the Funds will typically receive, among other things, a copy of audited financial statements of the relevant Fund within 120 days after the fiscal year end of such Fund; provided, however, that investors in the Funds that operate as a fund of funds will typically receive, among other things, a copy of audited financial statements of the relevant Fund within 180 days (or such later date as permitted by applicable law) after the fiscal year end of such Fund.

The accounts are reviewed with each Client on an as-needed basis when Client investment objectives or needs have changed or when other externalities, for example, major economic, political, or environmental events, may have occurred. All advisory Clients are encouraged to discuss their needs, goals, and objectives with Ridgeview and to keep Ridgeview informed of any changes or anticipated changes. SMA Clients receive account statements monthly from the custodian of the assets managed by Ridgeview unless there has been no account activity, in which case Clients receive quarterly statements.



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

### **A. Economic Benefits Received**

Ridgeview does not receive any economic benefit for providing investment advice or other advisory services to Clients.

### **B. Client Referrals**

Ridgeview does not compensate third-party solicitors or other promoters for referrals of Clients or private fund investors.

## **Item 15 – Custody**

All SMA Client accounts are custodied at unaffiliated broker/dealers or banks. Ridgeview does not have custody of any SMA securities or funds.

Ridgeview, in its capacity as manager to certain Funds, has custody of such Fund's funds and securities. Investors in such Funds will receive audited financial statements prepared in accordance with US generally accepted accounting principles within 120 days of such Fund's fiscal year-end (or 180 days if such Fund operates as a fund of funds (or such later date as permitted by applicable law)).

The general partners, each affiliate of Ridgeview, each serve as the general partner of its respective Fund and, as such, are each deemed to have custody of each such respective Fund's funds and securities. Investors in such Funds will receive audited financial statements prepared in accordance with US generally accepted accounting principles within 120 days of such Fund's fiscal year-end (or 180 if such Fund operates as a fund of funds).

## **Item 16 – Investment Discretion**

In its Investment Management Agreement with each Client, Ridgeview accepts discretionary authority to manage securities accounts on behalf of its Clients. Prior to assuming discretionary authority, the Client must grant Ridgeview Power of Attorney or designate Ridgeview as a Client Representative. When signing the Investment Management Agreement, the Client specifically accepts and appoints Ridgeview as its representative. Pursuant to the terms of the Investment Management Agreement, Ridgeview has the discretionary authority to make the following determinations without obtaining the consent of the Client before the transactions are effected:

- The securities that are to be bought and sold;
- The total amount of the securities to be bought or sold;
- The brokers through which securities are to be bought or sold; and
- The commission rates at which securities transactions for client accounts are affected.

Ridgeview's authority to invest Client assets is subject to conditions imposed by each Client.

## Item 17 – Voting Client Securities

### Individual Clients

We do not vote proxies on behalf of Individual Clients. Ridgeview does not accept proxy voting authority with respect to securities held in Clients' separately managed accounts. Consequently, all proxy solicitations will be sent directly to Clients by the custodian for voting. Ridgeview may provide voting recommendations upon Client request but will not under any circumstances take responsibility for casting a Client's vote.

### Funds

If applicable, Ridgeview will only have the authority to vote proxies on behalf of the Funds. Ridgeview's authority to vote proxies for the Funds will be established by its investment advisory agreement with each Fund. Ridgeview has adopted the proxy voting policies and procedures set forth in its Compliance Manual. Under such proxy voting policy, Ridgeview will generally vote proxies in accordance with the recommendation of the issuing company's management on routine and administrative matters unless Ridgeview has a particular reason to vote to the contrary. Non-routine matters will be voted on a case-by-case basis in a manner that serves the Clients' best interest. Under certain circumstances, we would abstain from voting specific proxies if we believe that doing so is in the best interests of our Clients. Furthermore, under our proxy voting policy, we would likely not vote proxies issued by companies if our Clients no longer have any economic exposure to the issuer of the proxy or if we believe that the subject matter of the proxy has no material impact on our Clients. Our goal is to follow procedures that are designed to identify conflicts or potential conflicts that could arise between our own interests and those of the Funds. If it is determined that any such conflict or potential conflict is not material, we could vote proxies notwithstanding the existence of the conflict. If it is determined, however, that a conflict of interest or potential conflict of interest is material, we will engage a third party to recommend a vote with respect to the proxy.

We do not permit Clients to direct how we will vote on specific proxies. Each investor in the Funds can request information on how Ridgeview voted with respect to the securities of such Fund and obtain a copy of Ridgeview's policies and procedures by contacting us at 203-595-5535.

## **Item 18 – Financial Information**

### Prepayment of Fees

Ridgeview does not require prepayment of more than \$1,200 in fees per client six months or more in advance.

### Material Financial Conditions

At this time, there are no known or anticipated material events that may impair Ridgeview's ability to meet contractual commitments to its Clients.

### Bankruptcy

Ridgeview has not been the subject of a bankruptcy petition at any time.