



Rivercrest Capital Management LLC

Form ADV Part 2A: Disclosure Brochure

777 Taylor Street, Suite 810
Fort Worth, TX 76102
(817) 945-9670

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2024

This Form ADV Part 2A ("Disclosure Brochure") provides information about the qualifications and business practices of Rivercrest Capital Management LLC. If you have any questions about the content of this Disclosure Brochure, please contact us at (817) 945-9670 or at matt@rivercrestcap.com.

Rivercrest Capital Management LLC is a registered investment adviser with the U.S. Securities and Exchange Commission ("SEC"). Registration with the SEC as an investment adviser does not imply a certain level of skill or training and the information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Rivercrest Capital Management LLC is available on the SEC's website at www.adviserinfo.sec.gov by searching with the name or CRD# 284911.

Item 2: Material Changes

Rivercrest Capital Management, LLC (“RCM”) believes that communication and transparency are the foundation of its relationship with its clients and will continually strive to provide you with complete and accurate information at all times. RCM routinely makes changes throughout its brochure in an effort to improve and clarify the descriptions of its and its affiliates’ business practices and compliance policies and procedures or in response to evolving industry and firm practices. RCM encourages all current and prospective investors and clients to read this Disclosure Brochure and discuss any questions you have with RCM.

The following material changes have been made to this Disclosure Brochure since the last filing on March 6, 2023 and distribution to clients:

- Item 4: Advisory Business

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Item 4: Advisory Business

Rivercrest Capital Management LLC ("RCM") and Rivercrest Cupola LLC ("Cupola", and together with RCM and each of their affiliated registered investment advisers, "Rivercrest" or the "Company") are each investment advisory firms based in Fort Worth, Texas that were founded in 2016 by Robert D. Ravnaas, T. Scott Martin, and R. Davis Ravnaas to manage private equity investments in mineral and royalty interests in oil and gas properties. RCM and Cupola are each organized as a Delaware limited liability company. The principal owners of Rivercrest are Robert D. Ravnaas, T. Scott Martin and R. Davis Ravnaas (collectively with Matthew S. Daly, the "Principals"). Each of RCM, Cupola and their affiliated registered investment advisers is registered in accordance with SEC guidance under the Advisers Act. Cupola is a relying adviser of RCM.

Rivercrest provides investment advisory services to Rivercrest Capital Partners LP ("RCP"), Rivercrest Capital Partners II LP ("RCPII"), and Cupola Royalty Direct LLC ("Cupola Direct"), private equity funds that focus on investments in mineral and royalty interests in oil and gas properties (collectively, and together with any related parallel funds and alternative investment vehicles, each a "Fund" or, as the context requires, the "Fund"). Rivercrest may also sponsor and manage other investment vehicles ("Co-Investment Vehicles") that offer investors opportunities to co-invest alongside the Fund. For the avoidance of doubt, references in this Disclosure Brochure to "Rivercrest" also include any related persons acting as general partners of the Funds, and their affiliates, as applicable.

As the investment adviser to the Fund, Rivercrest invests the Fund's assets pursuant to an investment advisory agreement that the Fund entered into with Rivercrest, and in accordance with each Fund's limited partnership agreement, limited liability company agreement, private placement memorandum, subscription agreements and other governing documents, as applicable (collectively, the "Fund Governing Documents"). Rivercrest tailors its advisory services and conducts its investment advisory activities so as to comply with the investment objective, guidelines and restrictions set forth in the Fund Governing Documents, as the same may be amended from time to time. However, because the Fund is a pooled investment vehicle, Rivercrest does not take the circumstances of the Fund's individual investors into consideration when providing investment advice to the Fund. Further specific details of Rivercrest's advisory services are set forth in the Fund Governing Documents and are further described below in Item 8, "*Methods of Analysis, Investment Strategies and Risk of Loss.*"

Rivercrest has entered and may in the future enter into side letters or other similar agreements with certain investors that have the effect of establishing rights under, supplementing or altering a Fund's partnership agreement or an investor's subscription agreement. Such rights or alterations could be regarding economic terms, fee structures, excuse rights, information rights, investment limitations, or transfer rights, among others. For the most part, any rights established, or any terms altered or supplemented will govern only the investment of the specific investor and not the terms of a Fund as whole. Certain such additional rights but not all rights, terms or conditions may be elected by certain sizeable investors with "most favored nations" rights pursuant to a Fund's limited partnership agreement.

As of December 31, 2023, Rivercrest has approximately \$328,398,617 in regulatory assets under management, all of which are managed on a discretionary basis. Investors can request more current information at any time by contacting the Company.

The information provided above about the investment advisory services provided by Rivercrest is qualified in its entirety by reference to the Fund Governing Documents.

Item 5: Fees and Compensation

Rivercrest receives an asset-based management fee from each Fund that is payable quarterly in advance, as further described in the Fund Governing Documents. Rivercrest Capital GP LLC, the general partner of RCP, Rivercrest Capital GP II LLC, the general partner of RCP II, and Cupola, in its capacity as a member and manager of Cupola Direct (collectively, the “General Partner”), generally make capital calls on each Fund’s investors for the amount of Rivercrest’s management fees and pays the amounts received to Rivercrest. Installments of the management fee payable for any period other than a full quarterly period generally are adjusted on a pro rata basis according to the actual number of days in such period. Investors generally are not permitted to withdraw or redeem interests in the Funds. Investors in the Funds also bear certain fund expenses as further described below.

In addition to the management fees described above, in certain Funds an affiliate of Rivercrest (such affiliate, when referred to in this Disclosure Brochure in relation to carried interest, is also referred to as “Rivercrest”) is also entitled to receive a carried interest allocation from the Fund after certain performance hurdles have been met, as further described in the applicable Fund Governing Documents. Such carried interest represents a portion of the Fund’s net investment profits.

Rivercrest may receive similar asset-based management fees and carried interests from any Co-Investment Vehicles. Investors in a Fund should review the Fund Governing Documents carefully for a full description of the fee revenues and other compensation that Rivercrest may receive from such Co-Investment Vehicles. As provided under the Fund Governing Documents, carried interest is generally subject to waiver, deferral, recontribution or reduction by the General Partner, in its sole discretion, with respect of some or all of the investors in a Fund (including in connection with investments in a Fund made by the General Partner or its affiliates) with the result being that investors in a Fund may pay different performance-based compensation.

Each of RCP and RCP II is generally responsible for all expenses relating to its own operations (“Fund Expenses”), including, without limitation, (a) any management fees, (b) all out-of-pocket costs of the administration of the Fund, including administrative, tax and accounting, audit, legal, depositary, safekeeping, engineering, land and other professional fees and expenses, costs of any liability insurance obtained with respect to any indemnified person, costs associated with reporting and providing information to existing and prospective limited partners (including arising in connection with the use or maintenance of any investor portals or related software), costs of data provider services, including management systems and software, and expenses associated with the maintenance of books and records of the Fund and the preparation and dispatch to the partners of distributions, financial reports and notices required by the Fund Governing Documents, (c) principal, interest, fees, costs and expenses and other amounts payable relating to borrowings and financings, (d) all fees, costs and out-of-pocket expenses and liabilities directly related to investments or prospective investments (including expenses related to unconsummated transactions and expenses incurred in relation to prospective investments prior to the Fund’s initial closing) and follow-on investments including legal, accounting, engineering, geological, consultant, land and other professional costs, travel (at rates not exceeding a first-class equivalent fare), accommodation, meal and entertainments costs, custody fees and costs of other third-party services, fees, costs and

expenses associated with the discovery, evaluation, execution, acquisition, holding, development, management and monitoring of investments or prospective investments, expenses associated with financing, refinancing, pledging or disposition of or proposed financing, refinancing, pledging or disposition of all or any portion of investments, expenses related to structuring and maintaining investment vehicles, and any withholding, transfer or other taxes imposed on the Fund, (e) appraisal and valuation fees, expenses and taxes, (f) any insurance or indemnity expenses, (g) all taxes, governmental charges, registrations, fees and duties payable by the Fund, including expenses incurred in connection with the registration, qualification or exemption of the Fund under any applicable laws, and all expenses incurred in connection with any investigation or review of the Fund or any settlement entered into by the Fund (but excluding expenses related to compliance by Rivercrest and the General Partner with the Advisers Act), (h) fees, costs and expenses relating to meetings of partners, (i) placement agent fees, (j) all fees, costs and expenses incurred for research or obtaining information for the Fund, (k) all fees, costs and expenses that are classified as extraordinary expenses under U.S. GAAP, (l) all expenses incurred in connection with administrative proceedings relating to the determination of Fund items at the Fund level undertaken by the Fund's partnership representative, and any audit with respect to taxes, (m) fees, costs and expenses relating to the Fund's limited partner advisory committee, including out-of-pocket expenses of its members, (n) fees, costs and expenses relating to unconsummated transactions, including, without limitation, the fees, costs and expenses described in clause (d) above, and including amounts that would otherwise have been borne directly or indirectly by potential co-investors were such transactions consummated, (o) fees, costs and expenses related to the dissolution and liquidation of the Fund, (p) fees, costs and expenses incurred in connection with any restructuring or amendments to the constituent documents of the Fund, (q) expenses relating to defaults by investors in the payment of capital contributions, (r) fees, costs and expenses (and damages) related to regulation, litigation, government inquiries, investigations or proceedings, in each case related to the Fund or its investments, (s) expenses of the General Partner and Rivercrest related to the preparation and filing of Form PF and other similar regulatory filings, expenses related to filings required under the Securities Exchange Act of 1934, preparation and filing of reports with the Commodities Future Trading Commission, and expenses related to compliance with and filings under other applicable laws, rules and regulations, (t) fees, costs and expenses relating to complying with the reporting requirements of Sections 1471 through 1474 of the U.S. Tax Code and certain regulations and other administrative guidance thereunder, and (u) in the case of clauses (o) through (t) above, similar regulations and administrative requirements in other jurisdictions. Brokerage fees may be incurred in accordance with the practices set forth in Item 12 below, "*Brokerage Practices*."

Cupola Direct is generally responsible for all Fund Expenses, including, without limitation, (a) acquisition costs, (b) third-party costs, (c) ordinary administrative overhead and operating expenses of the company, including compensation of its employees and agents (including Cupola), (d) rent and administrative expenses, including, but not limited to, taxes or other governmental charges, (e) legal, custodial, auditing, appraisal, valuation and consulting expenses (including any such expenses associated with the preparation of the company's financial statements, tax returns and other similar reports), (f) costs of reporting to investors and investor meetings, (g) costs of winding up and liquidating the company, (h) expenses incurred in connection with member defaults in respect of committed capital, (i) other expenses associated with the company, including extraordinary expenses such as litigation, workout and restructuring and indemnification expenses, and (j) other out-of-

pocket expenses.

In certain of the Funds, 100% of any transaction, directors', management, monitoring, consulting and break-up fees and other similar fees received by Rivercrest and its affiliates and employees in connection with the Fund's investments, net of unreimbursed transaction expenses incurred by Rivercrest or its affiliates, will be applied to reduce the Fund's management fee for the following quarterly period ("Transaction Fees"). The calculation of such reduction varies from Fund to Fund and is described in the applicable Fund Governing Documents, but generally such reduction is applied the extent of the management fees payable by a Fund. For example, a Fund that does not pay management fees would not benefit from a reduction and does not otherwise have a right to share in such fees. For the avoidance of doubt, Transaction Fees will only include the portion thereof that is allocable to the Fund. To the extent such offsets would reduce the Fund's management fee for a given quarterly period to below zero, such offsets will be carried forward and reduce future installments of the management fee. In general, if upon dissolution of the Fund, any excess Transaction Fees remains, the Company will return to the Fund for the benefit of the Fund's investors an amount equal to such unapplied excess amount; *provided*, that certain investors may waive their right to receive their respective *pro rata* portion of such amount.

Rivercrest and its personnel can also be expected to receive certain intangible and/or other benefits arising or resulting from their activities on behalf of the Fund, which will not be subject to management fee offsets or otherwise shared with the Fund, their investors and/or portfolio companies. For example, airline travel or hotel stays incurred as fund expenses may result in "miles" or "points" or credit in loyalty or status programs, and such benefits will accrue exclusively to Rivercrest or its personnel (and not to the Fund, its investors and/or portfolio companies) even though the cost of the underlying service is borne directly by the Fund or their portfolio companies and indirectly by the investors in the Fund.

Certain of the Fund Governing Documents have provisions that allow the Fund to borrow money for investment and other purposes. Such borrowings may be made prior to capital being called from the Fund's investors or even in lieu of calling capital. Amounts borrowed under a subscription line are often secured by pledges of the relevant general partner's right to call capital from investors. Consequently, investors may be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or defaults thereunder. In addition, this mechanism may defer investor capital calls and provides a form of leverage that can have the effect of amplifying the Fund's reported net internal rate of return (IRR), particularly in the early years of the Fund's investment life. Such borrowings can also accelerate the date upon which the Fund's preferred return will be achieved for purposes of determining when Rivercrest is entitled to begin receiving carried interest allocations from the Fund. In accordance with the terms of the Fund Governing Documents, interest payments and other fees and expenses incurred in respect of such borrowings are Fund Expenses and such expenses will decrease the Fund's net returns over time.

The expenses described above are detailed, but do not include every possible expense a Fund may incur. In addition, the discussion herein generally summarizes the management fees, carried interest, fund expenses and other fee provisions applicable to the Funds; however, fees and expenses are negotiated on a vehicle-by-vehicle basis. Accordingly, investors and prospective investors in the

Funds should refer to the Fund Governing Documents for more detailed information concerning the fees, carried interest and other expenses that each Fund will bear.

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

As noted in Item 5 above, Rivercrest will be entitled to receive a carried interest allocation from the Fund after certain performance hurdles have been met and may also be entitled to receive carried interest allocations from Co-Investment Vehicles in the future. These performance-based carried interest distributions may create conflicts of interest, including an incentive for Rivercrest to engage in riskier or more speculative investments on behalf of the Fund than might otherwise be the case. In addition, in allocating investment opportunities in the future, Rivercrest may have an incentive to favor clients with a potential for performance-based compensation over clients with no performance-based compensation. Rivercrest has adopted policies and procedures that are designed to ensure that all of its clients are treated in a fair and equitable manner with respect to the allocation of investment opportunities.

Item 7: Types of Clients

Rivercrest's clients are the Funds. Investment advice is provided directly to such Funds and not individually to the limited partners of such Funds. The Funds may include investment partnerships or other pooled investment vehicles formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. The investors in such Funds include foundations, pension funds, fund-of-funds, U.S. institutional investors and insurance companies, and also may include, directly or indirectly, Principals or other employees of Rivercrest.

The Funds generally require minimum investment commitment amounts from limited partners, but such amounts have been and, in the future, may be reduced at the sole discretion of the General Partner of the relevant Fund, subject to applicable legal requirements.

Fund interests are offered and sold generally to investors that are (i) "accredited investors" as defined under Regulation D of the Securities Act of 1933, as amended and (ii) "qualified clients" as defined under the Advisers Act or other "knowledgeable employees" of Rivercrest.

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

Methods of Analysis; Investment Strategies

The Fund seeks to acquire and own mineral and royalty interests in oil and gas properties, with an exclusive focus on producing basins across the continental United States. Rivercrest targets opportunities for the Fund that will benefit from the team's extensive experience in sourcing, engineering, evaluating, acquiring, and managing oil and gas mineral and royalty interests.

Rivercrest provides day-to-day investment advisory services to the Funds. The following is a summary of the investment strategies and methods of analysis generally used by Rivercrest on behalf of its Funds. More detailed descriptions of the Funds' investment strategies and methods of analysis are included in the Fund Governing Documents. The summary below should not be interpreted to limit in any way the Funds' investment activities.

Investment Process

Rivercrest draws upon the collective experience of its personnel in the upstream oil and gas sector and utilizes an extensive network of industry contacts and transaction sources, including relationships with many of the largest owners of minerals nationwide, brokers, and landmen, as well as acquisition and development professionals.

To identify potential investment opportunities, Rivercrest conducts a due diligence process with a goal of determining the value of the underlying assets and the quality of the key operators/payors. Rivercrest leverages its strong technical experience and knowledge to perform in-depth analysis of historical oil and gas production and reserves, as well as the future drilling potential of the underlying properties. Additionally, Rivercrest performs extensive due diligence on the key operators/payors to assess their ability to continue to fund drilling commitments and serve as a trusted partner for the duration of the Fund's investment.

Rivercrest employs an iterative decision-making process in which investment opportunities are discussed at multiple meetings from the initial stages of sourcing through execution. Once an investment opportunity has been identified, such opportunity will be presented to Rivercrest's Investment Committee for an initial review. If the Investment Committee authorizes the deal team to proceed, the team will conduct deeper diligence and negotiate definitive documentation for the investment. All investments must receive final approval from the Investment Committee and the completion of satisfactory title diligence.

Post-Investment Management

Rivercrest seeks to generate value through active portfolio management. Immediately following an acquisition, Rivercrest works diligently to reach "pay status" for each underlying well, coordinating with operators to ensure that the ownership percentage in each well is reflective of the cash flow stream from the respective royalty. Thereafter, Rivercrest constantly reviews the portfolio, including

weekly monitoring of operators and the net production values of production assets, reviewing actual performance versus expectations, identifying opportunities for revenue enhancement as well as adjusting software and models as the portfolio and environment evolves/changes. Rivercrest consistently tracks well performance relative to cash flow receipts from each royalty interest to verify return on investment and ensure that it is collecting the appropriate cash flow.

Realization Opportunities

Rivercrest's investment strategy involves a variety of realization opportunities as the Fund reaches maturity or the markets provide an attractive option to exit a royalty interest or a portfolio of royalty interests. Rivercrest seeks to create a portfolio with the right mix of oil and gas mineral and royalty interests across the proper mix of basins, providing flexibility when considering exit opportunities for all or a portion of the portfolio. The Company pursues numerous options to maximize value for the Fund's limited partners or members at exit, including (a) pursuing a public listing for all or a portion of the portfolio as a master limited partnership, (b) forming a publicly-traded royalty trust using all or a portion of the portfolio, and (c) selling all or a portion of the portfolio's assets to a private or public buyer.

Risk Factors

The investment strategies pursued by Rivercrest involve a number of significant risks. These investment strategies may be deemed to be speculative, and such investment strategies are not intended as complete investment programs. They are designed for sophisticated investors who fully understand and are capable of bearing the risk of such investments. Investment risks include, but are not limited to, the following:

- *Illiquid Investments.* Investments in the Fund will generally be illiquid, and interests in the Fund may generally not be transferred without the prior consent of the General Partner and the satisfaction of certain other conditions as described in the Fund's limited partnership agreement or limited liability company agreement, as applicable. Investors in the Fund must be able and prepared to maintain their investments in the Fund over the entire life of the Fund.
- *Use of Leverage.* The Fund's investments may involve leverage acquisitions (including use of subscription lines), which by their nature require companies to undertake a high ratio of fixed charges to available income. Such investments are inherently more sensitive to declines in revenues and to increases in expenses. Utilization of leverage is a speculative investment technique and involves risks to investors. While leverage may enhance total returns to investors, if investment results fail to cover borrowing costs, returns to investors will be lower than if there had been no borrowings.
- *Passive Investments.* Investments in the Fund will generally be passive investments. Investors in the Fund will generally have no control over the day-to-day operations of the Fund and limited rights to protect themselves if they become dissatisfied with the manner

in which the Fund is being operated. Investors in the Fund will be highly dependent on the investing skills and management abilities of Rivercrest to achieve success.

- *Collective Investment Vehicle.* The Fund will be managed in a manner that is consistent with the best interests of the Fund as a whole, which is not necessarily consistent with the best interests of each individual investor in the Fund. For example, Rivercrest may structure investments to maximize tax efficiency for the Fund, but which may not be the most tax advantageous structuring possible for an individual investor, depending on that investor's own particular facts and circumstances.
- *Competition for Investment Opportunities.* The competition for acquisition and investment opportunities in the oil and gas industry is becoming increasingly intense. There can be no assurance that Rivercrest will be able to source a sufficient number of suitable investments at reasonable valuations to achieve its investment objective.
- *Lack of Diversification.* The Fund intends to focus solely on the oil and gas industry, which has historically been volatile and will likely continue to be volatile. Accordingly, volatility in the oil and gas industry will have a greater adverse effect on the Fund than if its portfolio included a more diversified set of investments. Should the oil and gas industry experience a downturn due to any number of factors outside of Rivercrest's control, there can be no assurance that the Fund's projected results will be obtained.
- *Volatility of Oil and Gas Prices.* The profitability of the Fund's investments will depend substantially on prevailing prices for oil and natural gas. The volume of oil and gas produced and the prices obtainable therefor will be affected by market factors beyond the Fund's control and have been, and will continue to be, volatile and subject to significant fluctuation. Any decline in the price of oil and natural gas or the volume of oil and natural gas produced by the assets underlying the Fund's investments may have a material adverse effect on the value of such investments.
- *Estimating Reserves.* In connection with the acquisition of certain investments, the Fund will rely on estimates of oil and gas reserves. Estimating oil and gas reserves is a complex process and requires significant decisions and assumptions in the evaluation of available geological, geophysical, engineering, and economic data. Further, estimating oil and gas reserves involves the use of projections estimating future results, based on assumptions made at the time that the projections are developed. There can be no certainty that the projected results will be obtained and, as a result, estimates of oil and gas reserves are inherently imprecise.
- *Title Risks.* Royalties and other interests in which the Fund invests are real property interests, and the Fund's rights with respect to such interests may be subject to encumbrances under the title systems of the jurisdictions in which the Fund invests. Any defect in the Fund's title to investments would result in losses to the Fund. Additionally, investments in royalties and other interests may be subject to ad valorem taxes and could be foreclosed upon by a governmental authority in the event of any default in payment of

such taxes, which would result in losses to the Fund.

- *Cyber Security Breaches and Identity Theft.* Rivercrest, each Fund and each Fund's portfolio companies generally rely on information technology systems for current and planned operations. Information and technology systems of Rivercrest and each Fund's portfolio companies may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors or malfeasance by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If any systems designed to manage such risks are compromised, become inoperable for extended periods of time or cease to function properly, Rivercrest, a Fund or a portfolio company may have to make a significant investment to fix or replace them. Any disruption in any of these systems or the failure of any of these systems to operate as expected could, depending on the magnitude of the problem, adversely affect the Funds' investment results and its ability to make distributions to its partners. The failure of these systems or of disaster recovery plans for any reason could cause significant interruptions in Rivercrest's, the Funds' or a portfolio company's 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 Rivercrest's, the Funds' or a portfolio company's reputation, subject them and their respective affiliates to legal claims and otherwise affect their business and financial performance.
- *Disease and Epidemics.* The impact of disease and epidemics may have a negative impact on a Fund, its portfolio companies and their performance and financial position. Coronavirus, renewed outbreaks of other epidemics or the outbreak of new epidemics could result in health or other government authorities requiring the closure of offices or other businesses and could also result in a general economic decline. For example, such events may adversely impact economic activity through disruption in supply and delivery chains. Moreover, Rivercrest's operations and those of a Fund and its portfolio companies could be negatively affected if personnel are quarantined as the result of, or in order to avoid, exposure to a contagious illness. Similarly, travel restrictions or operational issues resulting from the rapid spread of contagious illnesses may have a material adverse effect on business and results of operations. A resulting negative impact on economic fundamentals and consumer confidence may negatively impact market value, increase market volatility, cause credit spreads to widen, and reduce liquidity, all of which could have an adverse effect on Rivercrest's business and a Fund and its portfolio companies. The duration of the business disruption and related financial impact caused by a widespread health crisis cannot be reasonably estimated.

The duration of the business disruption and related financial impact caused by a widespread health crisis cannot be reasonably estimated. In December 2019, a novel strain of coronavirus surfaced ("COVID-19"), and has spread around the world, with resulting business and social disruption of a significant nature. The speed and extent of the spread of COVID-19 and the duration and intensity of resulting business disruption

and related financial and social impact have been material and are expected to remain material for the foreseeable future. Governmental agencies and private sector participants have sought to mitigate the adverse effects of the coronavirus, which have included such measures as heightened sanitary practices, telecommuting, quarantine, curtailment or cessation of travel, and other restrictions, and, more recently, the medical community has developed multiple vaccines and other treatment options, the efficacy of such measures is uncertain, including in light of more recent and future variants of COVID-19. Rivercrest's operations and business results, including with respect to any particular Fund or other client or their portfolio companies, could continue to remain materially adversely affected by the COVID-19 outbreak for the foreseeable future.

- *Declining Production Rates.* Producing oil and natural gas wells are characterized by declining production rates that vary depending upon reservoir characteristics and other factors. The future oil and natural gas reserves associated with the Fund's investments and the underlying operators' production thereof are highly dependent on the successful development and exploitation of the current reserves from which the Fund's investments derive value. The production decline rates of properties underlying the Fund's investments may be significantly higher than currently estimated if the wells on such properties do not produce as expected.
- *Climate Change Laws and Regulations Restricting Emissions of Greenhouse Gases.* In response to published findings that emissions of carbon dioxide, methane and other greenhouse gases ("GHGs") present an endangerment to public health and the environment, the Environmental Protection Agency ("EPA") has adopted regulations under existing provisions of the federal Clean Air Act that, among other things, establish Prevention of Significant Deterioration ("PSD") construction and Title V operating permit reviews for certain large stationary sources that are potential major sources of GHG emissions. Facilities required to obtain PSD permits for their GHG emissions also will be required to meet "best available control technology" standards that will be established by the states or, in some cases, by the EPA on a case-by-case basis. These EPA rulemakings could adversely affect a portfolio company's operations. In addition, the EPA has adopted rules requiring the monitoring and reporting of GHG emissions from specified sources in the United States on an annual basis.

In January 2021, the Biden administration issued an executive order directing all federal agencies to review and take action to address any federal regulations, orders, guidance documents, policies and any similar agency actions promulgated during the prior administration that may be inconsistent with the administration's policies. It is unclear the degree to which certain recent regulatory developments may be modified or rescinded but more aggressive regulations are expected under the new administration. In addition, Congress has considered legislation to restrict or regulate emissions of greenhouse gases. While it remains unclear whether Congress will be able to agree on comprehensive climate legislation in the near future, energy legislation and other initiatives may seek to address GHG emissions issues. In the absence of federal climate legislation, almost half of the states, either individually or through multi-state regional

- initiatives, have begun to address GHG emissions, primarily through the planned development of emission inventories or regional GHG cap and trade programs. Although it is not possible at this time to predict how legislation or new regulations that may be adopted to address GHG emissions would impact the Fund's investment program, any such future laws and regulations imposing reporting obligations on, or limiting emissions of GHGs from, a portfolio company's operations could require it to incur costs to reduce or report emissions of GHGs. Finally, it should be noted that some scientists have concluded that increasing concentrations of GHGs in the Earth's atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of storms, floods and other climatic events; if any such effects were to occur, they could have an adverse effect on the operations of Rivercrest, the Funds, and their portfolio companies.
- *Risks of Fracking.* The underlying operators of the Funds' investments may engage in hydraulic fracturing. Hydraulic fracturing is a common practice that is used to stimulate production of hydrocarbons, particularly natural gas, from tight formations, including shales. The process involves the injection of water, sand, and chemicals under pressure into formations to fracture the surrounding rock and stimulate production. There has been increasing public controversy regarding hydraulic fracturing with regard to increased risks of induced seismicity, the use of fracturing fluids, effects on drinking water supplies, use of water, and the potential for effects to surface water, groundwater, and the environment generally. A number of lawsuits and enforcement actions have been initiated across the country implicating hydraulic-fracturing practices. If new laws or regulations are adopted that significantly restrict hydraulic fracturing, those laws could make it more difficult or costly for a Fund's underlying operators to perform fracturing to stimulate production from tight formations. In addition, if hydraulic fracturing is further regulated at the federal or state level, fracturing activities on the properties underlying the Funds' investments could become subject to additional permitting and financial assurance requirements, more stringent construction specifications, increased monitoring, reporting and recordkeeping obligations, plugging and abandonment requirements, and also to attendant permitting delays and increases in costs. Similarly, legislative changes could cause the underlying operators of a Fund's investments to reduce production, which could in turn reduce the value of such Fund's investments. At this time, it is not possible to estimate the impact of newly enacted or potential federal or state legislation governing hydraulic fracturing on the Funds.

No guarantee or representation can be made that the Fund will achieve its investment objective or that investors will receive a return of their capital. All investing involves a risk of loss and the investment strategies pursued by the Fund could lose money over short or even long periods of time. Prospective investors in the Fund are advised to review the Fund Governing Documents for full details on the Fund's investment, operational and other actual and potential risks.

Item 9: Disciplinary Information

Neither our Company, nor any of our partners, officers, or Principals, has been involved in any litigation, administrative proceedings before the Securities and Exchange Commission, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority. Neither our Company, nor any of our partners, officers, or Principals, has been involved in any self-regulatory organization proceedings.

Item 10: Other Financial Industry Activities and Affiliations

Rivercrest acts as investment adviser to the Funds, and certain related persons act as general partners of the Funds. Additionally, certain related persons are relying investment advisers that serve as management companies to the Funds and provide certain administrative and managerial services. These related persons are also investment advisers registered in accordance with SEC guidance under the Advisers Act pursuant to Rivercrest's registration. These affiliated investment advisers operate as a single advisory business together with Rivercrest and may share common owners, officers, partners, employees, consultants or persons occupying similar positions. All of these affiliated investment advisers are under common control and subject to Rivercrest's code of ethics and compliance programs adopted pursuant to the requirements of the Advisers Act.

Neither the Company, nor any of the Principals, are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

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

The Principals are executive officers or directors of Kimbell Royalty GP, LLC, the general partner of Kimbell Royalty Partners, LP ("KRP"). KRP is one of the largest owners of minerals, royalties and overriding royalty interests in the United States. KRP is a public company that trades on the New York Stock Exchange. As a general matter, KRP and the Fund do not have overlapping investment mandates and, accordingly, Rivercrest anticipates that any conflicts of interest between KRP, on the one hand, and the Fund, on the other, will be minimal. However, from time to time the Fund may sell assets to KRP. As the Principals control both the Fund and KRP, and have economic interests based on the performance of the Fund and KRP, respectively, such sales create a conflict of interest. To address such conflicts in sales involving RCP or RCPII, any such sale requires the prior approval of such Fund's limited partner advisory committee ("LPAC"). Additionally, any such sale between the Fund and KRP must be approved by a subcommittee of independent directors of Kimbell Royalty GP, LLC, which subcommittee is generally advised by an independent law firm and an independent investment bank.

The Company and Fund engage a party to perform certain land, legal and title services for the Fund. The fee for the service is a portion of the royalty interest in each investment and is ultimately paid for by the Fund. The Company does not believe this creates a conflict of interest with the Company or the Fund but has policies and procedures to regularly assess the quality and fees of the service.

Other than as described above, neither the Company, nor any of the Principals, has any relationship or arrangement that is material to its advisory business or to the Fund with any related person who is a broker-dealer, municipal securities dealer or government securities dealer or broker; investment company or other pooled investment vehicle; other investment adviser or financial planner; futures commission merchant, commodity pool operator or commodity trading advisor; banking or thrift institution; accountant or accounting firm; lawyer or law firm; insurance company or agency; pension consultant; real estate broker or dealer; or sponsor or syndicator of limited partnerships.

Rivercrest does not recommend or select other investment advisers for the Fund or have other business relationships with other investment advisers that create a material conflict of interest.

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

Rivercrest has established a code of ethics (the “Code of Ethics”) that sets forth standards of ethical conduct for its professionals. The Code of Ethics addresses standards for treating clients ethically, addressing potential conflicts of interest and monitoring and restricting personal trading by Rivercrest and its affiliates and professionals. In addition, the Company has established policies and procedures that address, among other things, potential conflicts of interest that might arise in the management of client assets.

From time to time, Rivercrest personnel may come into possession of material non-public information related to public companies including vis a vis their affiliation with KRP. In such circumstances, employees must comply with all applicable securities laws on so-called insider trading. Rivercrest will at all times maintain a list of securities of companies in which a client account holds an interest, or about which Rivercrest might have received material non-public information (the “Restricted List”). The Chief Compliance Officer will update the Restricted List as appropriate. Securities will be removed from the Restricted List when information is no longer material and an appropriate “cooling off period” has lapsed. In addition, Rivercrest personnel are required to pre-clear all personal trades with the Chief Compliance Officer involving securities that are offered pursuant to a private placement or initial public offering, and securities that are issued by a company on the Restricted List.

Rivercrest’s employees may not take for their own advantage an opportunity that rightfully belongs to Rivercrest or its clients, may not use Company or client property, information, or position for personal gain, and may not compete directly or indirectly with Rivercrest or the Fund.

The Code of Ethics provides for a range of sanctions should anyone violate it. These sanctions include, but are not limited to, censure, restriction on activities, and suspension or termination of employment.

The paragraphs above only represent a summary of key provisions in the Code of Ethics. Rivercrest will provide a copy of the entire Code of Ethics to any client or prospective client (including any investor therein) upon request.

In addition to the relationship with KRP described in Item 10, from time to time Rivercrest may cause the Fund to buy or sell securities in which one of the Principals or their affiliates has a material financial interest. The existence of such relationships may create a conflict of interest between the Fund and the relevant Principal or affiliate. Such transactions must be approved by the LPAC. Limited partners with LPAC representation may have holdings in other investment vehicles managed or advised by the Principals or their affiliates and may thus consider factors that are different than those of other investors in the Fund who have LPAC representation but have no cross-holdings or co-investments. While this could create potential conflicts of interest between the Fund and the relevant LPAC member, such potential conflicts are addressed in accordance with the applicable provisions of the Fund’s limited partnership agreement or limited liability company agreement, as applicable.

From time to time the Fund may co-invest with certain entities affiliated with one or more of the Principals, which may create a conflict of interest between the Fund and the relevant affiliated entity. In such circumstances, the Fund will be offered the opportunity to make as large as an investment as the General Partner deems appropriate, and the excess opportunities, if any, will be offered to the co-investing entities. In each case the allocation will be approved by Rivercrest's Chief Compliance Officer.

The Funds may fund the making of investments with proceeds from drawdowns under one or more revolving credit facilities (the collateral for which can be, for example, the undrawn capital commitments of investors, i.e., subscription lines) prior to calling capital commitments. The interest expense and other costs of any such borrowings (for example, any upfront fees, unused commitment fees and the legal expenses relating to such subscription line) will be borne by the relevant Fund and, accordingly, will decrease net returns and total distributable profits of such Fund. It is expected that interest will accrue on any such outstanding borrowings at a rate lower than the preferred return, which will begin accruing when capital contributions to fund such investments, or repay borrowings used to fund such investments, are actually made to the relevant Fund. In light of the foregoing, Rivercrest has an incentive to cause such vehicle to borrow in this manner in lieu of drawing down capital commitments, subject to the operating and offering documents of each Fund. Additionally, calling a large amount of capital at once to repay amounts under a subscription line could cause liquidity concerns for investors that would not arise had smaller amounts of capital been called incrementally over time.

It is expected that employees, officers, directors, agents, managers, members, representatives, partners, investors and shareholders of Rivercrest and its affiliates may serve as directors of certain of the portfolio companies and, as such, may have duties to persons other than a Fund. Although such positions in certain circumstances may be important to a Fund's investment strategy and may enhance Rivercrest's ability to manage investments, they may also have the effect of impairing a Fund's ability to sell the related securities when, and upon the terms, it may otherwise desire, and may subject Rivercrest and such Fund 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 employees, officers, directors, agents, managers, members, representatives, partners, investors and shareholders of Rivercrest and its affiliates from such claims.

From time to time, certain principals of Rivercrest, including the Principals, serve as board members of or organize or sponsor one or more special purpose acquisition companies ("SPACs"), either on behalf of Rivercrest or separately, for the purposes of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or other similar business combination with one or more businesses. Although such principals of Rivercrest will continue to devote their time and attention to the investment activities of the Funds, they will have other obligations with respect to the SPACs as board members. In addition, such principals of Rivercrest may regularly obtain confidential information regarding various target companies and other investment opportunities that would be imputed to Rivercrest. Therefore, if any such principal of Rivercrest receives confidential information with respect to a company, the Funds may face certain restrictions on their ability to pursue a transaction with that company or dispose of an investment.

Item 12: Brokerage Practices

Rivercrest's advisory business generally involves privately negotiated transactions in which best execution obligations do not arise in the same context as transactions in publicly traded securities. With respect to such private transactions, Rivercrest believes it fulfills its best execution responsibilities through careful evaluation and negotiation of the terms of each such transaction.

From time to time, Rivercrest will purchase or sell publicly traded securities. In such circumstances, Rivercrest considers various factors in determining which broker is most likely to deliver best execution including, but not limited to, the Company's knowledge of negotiated commission rates and spreads currently available; the nature of the security or instrument being traded; the size and type of the transaction; the nature and character of the markets for the security or instrument to be purchased or sold; the desired timing of the trade; the activity existing and expected in the market for the particular security or instrument; confidentiality; the execution, clearance, and settlement capabilities, as well as the reputation and perceived financial soundness of the broker selected and other brokers considered; Rivercrest's knowledge of actual or apparent operational problems of any broker; the broker or dealer's execution services rendered on a continuing basis and in other transactions; and the reasonableness of spreads or commissions.

As of the date of this Disclosure Brochure, Rivercrest does not maintain relationships with broker-dealers that feature soft-dollar benefits or referral arrangements.

Item 13: Review of Accounts

Rivercrest monitors each of the investments it makes on an ongoing and continuous basis.

On a quarterly basis, investors in RCP and RCPII will receive written financial reports, including an unaudited balance sheet, an income statement, and a status report on the activities of RCP or RCPII, as applicable. On an annual basis, investors in RCP and RCPII also will receive audited financial statements of RCP or RCPII, valuations of all of RCP's or RCPII's investments, a supplemental statement of such investor's capital account, and tax information necessary for the completion of U.S. tax returns.

Within 60 days after the end of each fiscal year, Rivercrest will provide to Cupola Direct's appointed independent public accountant financial reporting information, which information will be sufficient to allow such accounting firm to prepare (a) an audited report setting forth the company's balance sheet, an income statement, a statement of changes of the members' capital, and a statement of changes in the company's cash flow and (b) the company's tax return and an associated Schedule K-1 for each member.

In addition to the information provided to all investors, Rivercrest provides certain investors with additional information or more frequent reports that other investors will not receive.

Item 14: Client Referrals and Other Compensation

Rivercrest may, from time to time, determine to engage a third-party placement agent to introduce potential investors. Depending on the specific arrangement, Rivercrest may pay a placement fee, which may be calculated as a percentage of the commitment amount of the investor. If Rivercrest compensates a placement agent for referring an investor, such arrangements will be disclosed in writing to the investor. In all cases, placement fees will be borne entirely by the Company through management fee offsets.

As noted in Item 5 above, in certain Funds, 100% of any transaction, directors', management, monitoring, consulting, break-up, and other similar fees received by Rivercrest and its affiliates and employees in connection with such Fund and its investments, net of unreimbursed transaction expenses incurred by Rivercrest or its affiliates, will be credited to such Fund and distributed to its investors in accordance with the applicable Fund Governing Documents.

Item 15: Custody

Rivercrest is deemed to have custody over the Fund due to its affiliation with the General Partner. With respect to the Fund, a PCAOB-registered independent public accountant will audit the Fund's financial statements annually, and the audited financial statements are generally distributed to the investors of the Fund within 90 days of the Fund's fiscal year end.

Item 16: Investment Discretion

In general, advice to the Fund will be provided on a discretionary basis. The terms and conditions governing Rivercrest's discretion over the investments made on behalf of its clients is set forth in writing in the investment management agreement or Fund Governing Documents.

Item 17: Voting Client Securities

In accordance with Rule 206(4)-6 of the Advisers Act, Rivercrest has adopted and implemented written policies and procedures governing the voting of client securities. In the event proxies have to be voted, Rivercrest will generally be responsible for voting proxies on behalf of its clients. Rivercrest will vote client proxies in a way that it believes will be in the best interests of its clients. In exercising its voting discretion, Rivercrest and its employees will evaluate whether any direct or indirect conflict of interest is raised by such voting decision. If it is determined that a material conflict exists, Rivercrest will take steps to ensure that its voting decision is based on the best interests of its clients (and is not a product of such conflict).

A copy of Rivercrest's written proxy voting policies and procedures, as well as a record of how Rivercrest has voted in the past, will be maintained and available for client review upon written request.

Item 18: Financial Information

Rivercrest is not aware of any financial conditions that are reasonably likely to impair its ability to meet its contractual obligations to its clients. Rivercrest has never been the subject of a bankruptcy petition or financial compromise. Rivercrest does not collect advance fees of \$1,200 or more for services to be performed six (6) months or more in the future or have any other events requiring disclosure under this item of the Disclosure Brochure.