

Item 1 – Cover Page

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This Brochure provides information about the qualifications and business practices of White River Investment Partners, LLC (“White River” or the “Firm”). If you have any questions about the contents of this Brochure, please contact White River at 415-440-1659 or [administration@wrpartners.com](mailto:administration@wrpartners.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

White River is a registered investment adviser with the SEC. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about White River also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

Not applicable.

### Item 3 -Table of Contents

Item 1 – Cover Page.....	i
Item 2 – Material Changes .....	i
Item 3 -Table of Contents.....	ii
Item 4 – Advisory Business .....	1
Item 5 – Fees and Compensation .....	2
Item 6 – Performance-Based Fees and Side-By-Side Management.....	3
Item 7 – Types of Clients .....	4
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	4
Item 9 – Disciplinary Information .....	14
Item 10 – Other Financial Industry Activities and Affiliations .....	14
Item 11 – Code of Ethics.....	17
Item 12 – Brokerage Practices .....	17
Item 13 – Review of Accounts .....	23
Item 14 – Client Referrals and Other Compensation .....	23
Item 15 – Custody .....	23
Item 16 – Investment Discretion .....	24
Item 17 – Voting Client Securities .....	24
Item 18 – Financial Information.....	25
Item 19 – Requirements for State-Registered Advisers.....	25
Brochure Supplement(s)	

## **Item 4 – Advisory Business**

### **Advisory Firm**

White River Investment Partners, LLC, a Delaware limited liability company (“White River” or the “Firm”), is the investment manager to the Clients, as defined below. White River was organized in June 2000. Allen C. Benello is the sole member and principal owner of White River.

### **Advisory Services**

White River provides investment advice and management to privately placed investment funds including a limited partnership (the “Partnership”) and a non-U.S. company of which White River is the investment manager (the “Offshore Fund,” jointly with the Partnership, the “Funds”). The Offshore Fund currently invests all or a substantial portion of its assets the Partnership in a mini-master structure. White River also provides investment advice to a separately managed account (“Separate Account”). The Funds and Separate Account are jointly referred to herein as “Clients.”

The Clients’ investment objective is to achieve superior, long-term capital growth by investing in the publicly-traded equity and debt securities of companies that present significant opportunities for substantial returns. Clients may also invest in private companies and other investment funds.

The Funds are offering interests (the “Interest(s)”) to certain qualified investors as described in response to Item 7, below (such investors or prospective limited partners are referred to herein as “Investors”).

### **Tailoring of Advisory Services**

Advisory services are tailored to achieve the Clients’ investment objectives. White River’s advice with respect to the Funds is subject to their investment programs, which are described in each Fund’s offering documents. Generally, White River has the authority to select which and how many securities and other instruments to buy or sell without consultation with the Clients or their Investors.

### **Wrap Fee Programs**

White River does not participate in wrap-fee programs.

## **Client Assets Under Management**

White River manages the assets of the Clients. As of December 31, 2013, White River manages approximately \$153,810,000 in assets on a discretionary basis. It manages \$0 in assets on a non-discretionary basis.

## **Item 5 – Fees and Compensation**

### **Management Fee.**

The compensation payable to White River is negotiable and varies among its Clients. However, the range of compensation is generally as follows:

- *The Partnership.* From the Partnership, White River typically receives a quarterly asset-based management fee calculated as a percentage of each Investor's capital account, payable quarterly in advance.
- *The Offshore Fund.* From the Offshore Fund, White River typically receives a quarterly asset-based management fee calculated as a percentage of net asset value of the sub-capital accounts comprising the Offshore Fund's capital account in the Partnership, payable quarterly in advance.
- *Separate Account.* From the Separate Account, White River generally receives fees similar to those paid by the Funds.

### **Expenses.**

The Funds bear their own expenses including, but not limited to brokerage commissions on portfolio transactions; interest on margin and other borrowings; borrowing charges on securities sold short; investment transaction costs (including markups, markdowns and commissions); custodial fees; transfer and other taxes; bookkeeping, accounting and audit fees and expenses; legal fees (including fees paid to the White River's counsel for services that benefit the Funds); expenses White River incurs for investment research and due diligence; filing fees; costs of the Funds' governance activities (such as obtaining Investor consents if and when necessary or appropriate); fees of the administrator; and all other reasonable expenses related to the management and operation of the Funds and/or the purchase, sale or transmittal of their assets, all as White River determines in its sole discretion. The Funds will bear, either directly or by reimbursing the General Partner, all expenses in connection with the ongoing offer and sale of Interests.

Generally, expenses for the Separate Account will be similar to those paid by the Funds.

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

The management fees, incentive allocations (see Item 6, below) and expenses are deducted from Fund assets and would be billed to Clients in the case of the Separate Account. White River will pro rate the management fee for Interests held for less than a full quarter; however prepaid but unearned fees will not be refunded.

Item 12 further describes the factors that White River considers in selecting or recommending broker-dealers for Client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

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

In addition to the management fees described in response to Item 5, White River also receives a performance-based incentive allocation. The incentive allocation is negotiable and varies among Clients. However, the range of compensation is generally as follows:

- *The Partnership.* White River generally receives an incentive allocation equal to a percentage of the net income allocated to each Investor for the year, but only to the extent net income allocated to that Investor exceeds any cumulative losses that were allocated to that Investor for earlier periods and that have not been recovered (a “high water mark”). This special allocation is typically made at the end of each calendar year.
- *The Offshore Fund.* White River (in its capacity as the general partner of the Partnership) generally receives an incentive allocation equal to a percentage of the realized and unrealized profits for each of the sub-capital accounts comprising the Offshore Fund’s capital account in the Partnership, calculated and paid annually in a manner similar to the special allocation described above for the Partnership.
- *Separate Account.* From the Separate Account, White River will generally receive an incentive allocation equal to a percentage of net operating profits or losses allocated to each Investor each fiscal year in excess of a Hurdle Rate Amount.

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

The foregoing responses to Items 5 and 6 represent White River’s basic compensation

arrangements. The management fees and incentive allocation described above are structured to comply with Rule 205-3 under the Investment Advisers Act of 1940. Fees and other compensation are negotiable in certain circumstances and arrangements with any particular Investor may vary. Although the Firm believes its fees are competitive, lower fees for comparable services may be available from other investment advisers.

## **Item 7 – Types of Clients**

White River provides investment advice and management to the Partnership and Offshore Fund.

White River may in the future provide the same or similar services to other privately placed investment funds and/or separately managed accounts.

Prospective Investors in the Funds must meet eligibility criteria as set forth below, and are subject to certain withdrawal requirements and limitations. Prospective Investors are encouraged to thoroughly review the Funds' offering documents and any other materials provided by White River, which set forth all of the terms in detail. Though the Clients generally pursue the same strategy, offering terms may differ. Terms for Separate Accounts are generally similar to the Funds, but can be negotiated on a case by case basis and may differ from those of the Funds.

- *The Partnership.* Interests are offered to persons who are subject to U.S. income taxation and are “accredited investors” (as defined in Regulation D under the Securities Act of 1933) and “qualified purchasers” (as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended). The minimum initial investment is \$1,000,000 subject to waiver at the discretion of White River.
- *The Offshore Fund.* Shares are offered to U.S. persons and non-U.S. persons who are “qualified purchasers” and “accredited investors”. U.S. persons must be exempt from U.S. federal income taxation. The minimum initial investment is \$1,000,000 subject to waiver at the discretion of the Board of Directors of the Offshore Fund.
- *Separate Accounts.* Generally, similar terms will apply to Separate Accounts, though Investors in such separate accounts may negotiate terms that differ or are more favorable than those for the Funds.

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

### **Investment Strategy**

The investment objective of White River is to provide Clients with superior, long-term capital growth by investing in the publicly-traded equity and debt securities of companies

that will present significant opportunities for substantial returns. Clients may also invest in private companies and other investment funds.

White River's investment approach is commonly called "value investing." White River will seek to invest in companies whose prospects for substantial price appreciation exceed their potential risk of loss in market value because they are undervalued in relation to their assets, earnings, earnings potential, industry position or break-up value, or which offer a special situation investment opportunity. Such companies' securities may be over-discounted due to adverse operating results, poor general economic or industry conditions, adverse publicity or simply because investors do not recognize a company's inherent value or the significance of certain factors.

In order to both enhance the Clients' returns and to manage risk, White River may use certain trading and hedging strategies and techniques including but not limited to the following:

Capital Preservation. White River will attempt to analyze, model and structure investments in manner so as to minimize the risk of capital loss.

Low Turnover. White River expects Clients to be fully-invested at all times, with low turnover, although the White River may, for defensive purposes, from time to time invest a portion of the Clients' assets in short-term money market investments.

Borrowing Policies. White River expects Clients to borrow funds to finance their investments from time to time depending on market conditions.

Interim Investments. White River may, from time to time, invest Clients' cash on hand in short term money market instruments, high grade commercial paper, U.S. Treasury obligations, bank certificates of deposit and other instruments having short maturities pending investments in core instruments or for temporary defensive purposes.

Risk Arbitrage. White River may elect to employ risk arbitrage strategies where it anticipates a rate of return significantly exceeding that available from other short-term alternatives. Risk arbitrage positions, generally, are dependent on an expectation that profit will be realized from a discrepancy between a security's current market price and an amount associated with an announced corporate event, such as a liquidation, asset sale, merger or tender offer.

Options. White River may seek to hedge against adverse market fluctuations in all or a portion of Clients' portfolio investments through transactions in options on securities and stock index options. An options contract entitles the purchaser to purchase ("call") or sell ("put") a security at a particular price within a specific period of time. Options may cover stocks included in a Client's portfolio or that it has a right to acquire through conversion or exchange ("covered options") or stocks not owned by the Client ("uncovered options").



## **Methods of Analysis**

White River will make investment decisions primarily on the basis of investment merit, without particular regard to such factors as market capitalization, industry groupings or adherence to an asset allocation formula. In assessing a company's intrinsic value, White River will attempt to identify the reasons for the company's undervaluation and will analyze its current financial situation, its position within its industry, trends in that industry and general economic conditions. White River will consider such factors as the company's earnings potential, anticipated cash flow, asset value, leverage and the historical relationship between its market prices and its fundamental value, and will attempt to evaluate the strength and experience of the company's management. In particular, White River will seek to identify "special situation" factors that suggest that an improvement in the company's market price is likely, such as an increase in cash flow, the generation of excess cash to pay down debt, a turnaround in operations, the introduction of new products, the sale or termination of unprofitable operations, and acquisition or merger, a reorganization or emergence from bankruptcy proceedings, a change in management, an improvement in industry prospects or the cessation of non-recurring or short-term circumstances that depressed the market price of the company's securities. Similarly, in selecting investments in debt securities, White River will look for factors that suggest a potential for capital appreciation, such as a restructuring of the company's debt or improvements in relevant market or economic conditions.

## **Investment and Trading Risks**

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

**General Economic and Market Conditions.** White River's investments may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, developments in governmental regulation and national and international political circumstances. These factors may affect the success of the businesses in which the Client's portfolio companies are engaged as well as the markets for the securities the Clients hold. Unexpected volatility or illiquidity could impair the Clients' profitability or result in losses.

**Small Capitalization Stocks.** White River may invest a portion of the Clients' assets (either directly or through derivative securities) in stocks of companies with relatively small market capitalizations. Prices of small-capitalization and even some medium-capitalization stocks are often more volatile than prices of large-capitalization stocks and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than for larger, "blue-chip" companies. In addition, due to thin trading in some small-capitalization stocks, an investment in those stocks may be considered illiquid.

**Use of Leverage.** Extensive leverage through margin borrowing and other means is part of White River's "core" investment strategy. Leverage increases both the possibilities for profit and the risk of loss. Under certain circumstances, a broker or dealer who provided borrowings or guarantees may demand an increase in the collateral that secures the Client's obligations, and if the Client is unable to provide additional collateral, the broker or dealer could liquidate assets held in the Client's account to satisfy the Client's obligations. Liquidation in that manner could have extremely adverse consequences, including sales at disadvantageous times and prices and the acceleration of tax consequences.

**Short Selling.** White River may sell Clients' securities short as a regular part of their investing activities. In a short sale, the Client sells securities it does not own, in the hope that the market price will decline and that the Client will be able to buy replacement securities later at a lower price. A short sale theoretically involves the risk of unlimited loss: the price at which the Client must buy "replacement" securities could increase without limit. As collateral for its replacement obligation, the Client is generally required to leave the proceeds of its short sales with the broker that effected the transactions, and deliver an additional amount of cash or other collateral upon the lender's request if the amount of the Client's liability increases due to increases in a security's price or decreases in the value of the existing collateral. The lender for the Client's short sales will ordinarily be the Client's Prime Broker (as defined below) and, ordinarily, all of the Client's assets will serve as collateral. Therefore, if the value of those assets were to become inadequate to secure the Client's obligations under its short positions, it is unlikely that the Client would be able to provide additional collateral. If that were to occur, the Prime Broker would likely cause the Client to "buy in" or "close" some or all of its short positions, likely at a time and on terms that are adverse to the Client. There can be no assurance that the Fund will not experience losses on short positions or that it will have long positions that appreciate in value enough to offset any such losses.

**Hedging, Generally.** Hedging strategies in general are usually intended to limit or reduce investment risk, but they can also be expected to involve transaction costs and may inherently limit or reduce the potential for profit.

**Risk of Derivatives, Generally.** White River may trade and invest Client assets in a variety of derivative instruments. Derivatives are financial instruments or arrangements, the risk and return of which are related to changes in reference rates, indices or the value of securities or other assets. Trading and investing in derivatives can be highly speculative and can entail risks that are greater than the risks of investing directly in securities or other assets. Prices of equity derivatives are generally more volatile than indices, rates, or asset prices on which they are based. A change in the rates or indices or a change in the market price of assets underlying a derivative will cause a much greater relative change in the price of the derivative. The Clients' ability to profit or avoid risk through trading or investing in derivatives will depend largely on White River's ability to anticipate changes in the underlying reference rates, indices or asset prices.

**Options.** Among the derivatives in which Clients may invest or trade are options on specific securities and options on securities indices. Investing and trading in options involves risks that may be substantial. Combinations of options positions, or combinations of options positions with positions in stocks or other securities, can mitigate or can increase the risks inherent in each component option position.

**Valuation Risks.** Many of the securities in which the Clients may invest will be traded in markets that are not as active or deep as many other equity markets. For some securities, there will be no established secondary market. For others, the market may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods, resulting in unreliability of pricing information. The markets for over-the-counter derivative products are even less developed and have no equivalent of established securities exchanges or composite tape systems to supply pricing information. Because of market inefficiencies, there can be material variation of bid/ask pricing from different dealers. In some circumstances, prices for positions the Clients' holds may not be available from any source. Where third-party pricing information is not available, and where White River considers the information not to be indicative of an investment's value, investments will be valued in White River's discretion. Further, if an issuer's financial condition deteriorates, accurate financial and business information may become even more limited or entirely unavailable.

As a result of these and other factors, there can be no assurance that the valuation of the Clients' investment positions will accurately reflect the amount the Clients could obtain (or would be required to pay as to some types of derivatives positions) if they were to try to sell the security or close the position. Pricing inaccuracies could cause the net asset value on which the White River bases various decisions to differ significantly from the value the Clients are ultimately able to realize on the investments. In addition, inaccuracies in valuation could affect the Clients' portfolio management activities and, as a result, cause the Clients to experience significant losses.

**Debt Securities.** White River may invest Client assets in debt or other fixed income securities. These securities are generally bonds or other debt instruments issuers use as a means of borrowing money. The issuer generally pays the investor a fixed, variable or floating rate of interest and, at the maturity of the instrument, must repay the amount borrowed. Some debt securities (*e.g.*, zero coupon bonds) do not pay current interest, but are sold at a discount to their face values. Debt securities have varying levels of sensitivity to changes in interest rates and varying degrees of credit quality. Assuming other factors remain constant (*e.g.*, the credit worthiness of the issuer), bond values generally rise (increase in value) when interest rates fall and fall (decrease in value) when interest rates rise.

**Non-Investment Grade/Low Quality Instruments/Distressed Debt, Generally.** The Clients may invest in non-investment grade securities and similar obligations and instruments. Investing and trading in debt instruments are subject to various risks, including issuer risk, credit risk, market risk, interest rate risk, prepayment risk,

derivatives risk and liquidity risk, as well as the risk of improper valuation. Many of these risks are greater as to non-investment grade debt instruments than they are as to higher quality instruments. Trading and investing in non-investment grade instruments can be highly speculative.

Non-investment grade instruments may be issued by issuers that are highly leveraged, of questionable credit strength, or financially distressed. As compared with issuers of higher quality securities, there is a greater risk that issuers of non-investment grade securities will default on their payments of interest and principal because, among other reasons, those issuers are more vulnerable to real or perceived changes in general economic conditions, adverse industry developments, and interest rate fluctuations. Accordingly, the market values of non-investment grade debt may be more volatile than the values of investment grade instruments and, during periods of economic uncertainty and change, the market price of the Fund's investments may decrease significantly. Non-investment grade instruments also may be less liquid than investment grade instruments because the market for them may be less broad or less active. The lack of a liquid secondary market may have an adverse effect on the market price and the Clients' ability to sell particular securities.

Analyses of the creditworthiness of issuers of non-investment grade debt may be more complex than for issuers of investment grade instruments. Credit quality of non-investment grade issuers can change suddenly and unexpectedly, and even recently issued credit ratings may not fully reflect the actual risks posed by a particular non-investment grade instrument. The Clients' success in achieving their investment objective may depend more heavily on White Rivers analyses of debtors' creditworthiness than would be the case if the Clients invested exclusively in investment grade securities.

**Interest Rate Risk.** The value of the debt securities (and related investments) and certain equity securities in the Clients' portfolios may fluctuate according to changes in interest rates. When interest rates rise, prices of debt securities generally fall, and when interest rates fall, debt securities generally increase in price. Usually the prices of debt securities that must be repaid over longer time periods fluctuate more than the prices of shorter-term debt securities.

**Default Risk; Credit Risk.** The Clients' performance could be adversely affected if issuers of debt instruments in which the Clients have an interest (or as to which they have entered into credit related derivatives contracts) default on those instruments (either through payment default or other events that constitute a default as defined in the relevant agreements) or if events occur that reduce the creditworthiness of those issuers. If a bond or other debt instrument were to become subject to such an event, the value of the instrument could be significantly reduced, conceivably to zero.

**Risks of Futures Activities.** Clients may, in the future, begin trading commodities and/or commodity interests (*e.g.*, futures contracts on commodities, securities indices or currencies). Trading in futures is highly speculative and may entail risks that are greater than investing in securities. Some of those risks include the following:

- Prices of commodity interests are generally more volatile than prices of securities.
- The leverage aspects of futures trading can increase the risks involved in a particular activity as well as the potential return.
- Futures positions may be illiquid. They may be closed out only on the exchange on which they were entered into or through a linked exchange. Most U.S. commodity exchanges limit fluctuations in certain futures contract prices during a single day. Once the price for a particular contract has increased or decreased by an amount equal to the “daily limit,” positions can be neither taken nor liquidated unless traders are willing to effect trades at or within the limit. Such an occurrence could prevent the Clients from liquidating unfavorable positions and subject it to substantial losses. In addition, the Clients may not be able to effect futures contract trades at favorable prices if trading volume in those contracts is low.
- The Clients’ futures and options activities may include futures and options traded in non-U.S. markets. The risks of these activities may be greater than those of trading in futures and options on U.S. exchanges. Moreover, these agencies have no enforcement authority over foreign boards of trade. In addition, funds provided for foreign futures and options may not be provided the same protections as funds received in respect of U.S. transactions.

**Counterparty and Settlement Risk.** Clients may enter into over-the-counter derivative contracts or transactions (*i.e.*, transactions in options or other derivatives that are not cleared through the facilities of an exchange or clearing organization such as the Options Clearing Corporation). These may include “swaps,” contracts for differences and specially-tailored options. Instruments or interests underlying these contracts or transactions may include securities, securities indices, interest rates, commodities and commodities indices. If the Clients invest in these instruments, it may be exposed to the risk of default by its counterparty or to settlement difficulties. This risk may be materially greater than default or settlement risks involved in standardized and exchange-traded transactions. Although a counterparty may collateralize its obligations to a Client by segregating the Client’s assets and identifying them as such on its records, it may not always be required to or otherwise do so. Even if it does, those or similar arrangements may not always be adequate to protect the Client if the counterparty were to become insolvent, and, in any event, the Client could experience delays in receiving the benefit of the derivative or other contract.

**Concentration of Investments.** The Clients' governing documents generally do not limit the amount of capital that may be committed to any single investment, industry or sector. While White River will generally attempt to spread the Clients' capital among a number of investments, at times the Clients may hold a relatively small number of positions, each representing a relatively large portion of the Clients' capital. The Clients may at times have a relatively large portion of their capital exposed to a particular industry or market sector. Losses in one or more large positions, or a downturn in an industry or market sector in which Clients are concentrated, could materially adversely affect the Clients' performance in a particular period and could have a materially adverse effect on the Clients' overall financial condition.

**Limited Liquidity of Some Investments.** Clients may invest in securities that, while they are publicly traded, are relatively illiquid. That may be because a security is thinly traded or because the Clients' position in a security is large in relation to the overall market for the security. Clients may own securities that are relatively liquid when acquired but that become illiquid after the Client invests. The Clients may not be able to liquidate illiquid securities positions if the need were to arise; rapid sales of such securities could depress the market value of those securities, reducing the Clients' profits, or increasing its losses, in the positions. Clients may invest in securities for which there is no ready market. White River may designate one or more of those investments as "Side Pocket Investments." Investors may not withdraw any portion of their capital that represents their share of a Side Pocket Investment until that investment is liquidated or deemed liquidated.

**Substantial Positions in Portfolio Companies.** Clients may from time to time acquire positions in the securities of particular companies that, by themselves or when combined with positions held in other investment funds and accounts White River manages, comprise a substantial percentage of those companies' outstanding securities. White River and/or the Clients may be required to file with the SEC and/or other regulatory authorities reports of beneficial ownership of securities. In these cases, it may be difficult to liquidate or reduce a Client's position in these securities, preventing the Client from realizing profit or avoiding loss. In addition, there may be other circumstances under which the aggregate holdings of a security by the accounts White River manages, or White River's involvement with the issuer of that security, limit the Clients' ability to liquidate or reduce their position. White River may at times attempt to influence management of a particular company or exercise control over a company.

**Board Representation; Inside Information.** From time to time, White River may obtain representation on the boards of directors, governing groups or other committees of companies in which the Clients invest. Representation on a board or committee of a company would increase the possibility that Clients will be deemed an affiliate of the company and may restrict Clients' trading of their investments in the company. In addition, as a result of these positions, White River (through its representatives or otherwise) may receive or be deemed to receive inside information concerning certain companies. White River's possession of inside information would restrict Clients' ability to buy or sell securities of the companies as to which it has information, perhaps for substantial periods

of time. This may prevent Clients from realizing profit or avoiding loss or may otherwise adversely affect Clients' investment activities. White River and/or one or more of its representatives may receive compensation or other benefits from companies for participating on the board of directors or other committees.

**Non-U.S. Investments.** White River intends to invest a portion of Client assets in securities of non-U.S. companies and/or securities denominated in currencies other than U.S. dollars. These could include securities issued by companies in, and traded in, so-called "emerging markets." Non-U.S. investing, and investing in emerging markets in particular, will subject Clients to certain risks not typically associated with investing in securities in the U.S.

Non-U.S. stock markets generally are not as developed or efficient as those in the United States and may be more volatile than the U.S. markets. In particular, there is generally less government supervision and regulation of non-U.S. exchanges, brokers and listed companies than there is in the United States. Further, as compared with trading volumes in U.S. markets, trading volumes in non-U.S. markets are usually lower and therefore are characterized by less liquidity and more rapid and erratic price fluctuations. Commissions for trades on non-U.S. stock exchanges are generally higher than negotiated commissions on U.S. exchanges, and custody expenses are generally higher as well. Settlement practices for transactions in non-U.S. markets may involve delays beyond periods customary in the United States, and the Fund may be required to borrow funds or securities to satisfy its obligations arising out of other transactions. In addition, there could be more "failed settlements," which can result in losses to the Clients.

*Less Company Information and Regulation.* Generally, there is less publicly available information about non-U.S. companies than there is about U.S. companies. Further, many countries lack uniform accounting, auditing and financial reporting standards, practices and requirements. These factors can make it difficult to analyze and compare the performance of non-U.S. companies.

*Currency Fluctuation.* Clients' investments may be denominated in non-U.S. currencies. A change in value of any such currency against the U.S. dollar will cause a corresponding change in the U.S. dollar value of Clients' investments that are denominated in that currency. Those changes may affect the Clients' income and profitability. Certain countries maintain the value of their currencies at artificially high levels relative to the value of the U.S. dollar. This practice may result in sudden and large adjustments in a currency's value, potentially resulting in losses to foreign investors. Clients may enter into currency hedging transactions to attempt to reduce its currency exposure. These techniques may reduce but will not eliminate the risk of loss due to unfavorable currency fluctuations, and they may limit any potential gain that might result from favorable currency fluctuations. Certain countries restrict conversion of their currency into foreign currencies, including the dollar, and for some currencies, there is no significant foreign exchange market.

*Restrictions on Investment and Repatriation.* Certain countries impose restrictions and controls regarding investment by foreigners. Among other things, they may require that

proposed investments be preapproved by regulatory authorities or impose limits on the amount or types of securities that may be held by foreigners or on the types of companies in which foreigners may invest. These restrictions may at times limit or preclude the Clients' investments in certain countries and may increase the Clients' costs and expenses. Foreign investors may, in some cases, be permitted to invest indirectly in certain countries through investment funds that have been specifically authorized for that purpose. However, because those countries grant only a limited number of authorizations, units or shares in most of the authorized investment funds may at times trade at a substantial premium over the value of their underlying assets. There can be no certainty that these premiums will be maintained, and if the restrictions on direct foreign investment in the relevant country were significantly liberalized, premiums might be reduced, eliminated altogether or turned into a discount. In addition, certain countries impose restrictions and controls on the repatriation of investment income and capital. White may cause Clients to use swaps or other derivatives to obtain exposure to certain non-U.S. markets or securities.

*Political and Economic Instability.* Many non-U.S. economies are less stable than the U.S. economy, due to, among other things, volatile internal political environments, less stable monetary systems and/or external political risks. Some governments participate in their economies in ways that can have a significant effect on securities prices, such as through ownership of private companies or the enactment of certain regulations. The economies of certain countries depend heavily on international trade and can be adversely affected by the enactment of trade barriers or changes in the economic conditions of their trading partners. In some countries, especially developing or emerging countries, political or diplomatic developments could lead to programs that would adversely affect investments by U.S. persons, such as confiscatory taxation or expropriation.

*Withholding Taxes.* Dividend and interest payments on certain non-U.S. securities Clients may own may be subject to foreign withholding taxes, which would reduce Clients' profit.

**Currency Hedging.** To the extent Clients invest in non-U.S. securities or securities traded in currencies other than U.S. dollars, White River may seek to hedge their exposure to currency fluctuations. In addition to trading in futures contracts on currencies (subject to the conditions described above), Clients may enter into foreign currency forward contracts (agreements to exchange one currency for another at a future date). These contracts involve a risk of loss if White River fails to predict accurately the direction of changes in currency exchange rates. In addition, forward contracts are not guaranteed by an exchange or clearinghouse. Therefore, a default by the forward contract counterparty may result in a loss to the Fund for the value of unrealized profits on the contract or for the difference between the value of its commitments, if any, for purchase or sale at the current currency exchange rate and the value of those commitments at the forward contract exchange rate.

**Timing of Gains and Losses.** Some of the Clients' investments will be in securities Clients must hold for significant periods before the success or failure of the investment becomes apparent or any gains can be realized. It may take longer for successful investments to realize their potential than for unsuccessful ones to reveal their weaknesses.



**Difficulty of Locating Attractive Investments.** Identifying, completing and realizing gain on attractive investments is a highly competitive activity and involves significant uncertainty. Clients will compete for investments with other investment vehicles, as well as financial institutions and other institutional investors, which may have more resources than the Fund.

**Portfolio Turnover.** The Clients may have higher portfolio turnover than other investment funds and accounts. If that occurs, the brokerage commissions incurred by the Clients may be higher than those incurred by a fund with a lower portfolio turnover rate.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment with White River. Prospective Investors should read the entire Brochure, including the potential conflicts of interest described in Item 11 as well the relevant Fund's offering documents, other materials that may be provided by White River and consult with their own legal, financial, and tax advisers before deciding to invest with White River.**

#### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of White River or the integrity of White River's management. White River has no information applicable to this Item.

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

White River is the investment adviser to the Clients as described above. In addition, it is the general partner of the Partnership. The Partnership and Offshore Fund are engaged in private offerings of Interests to certain qualified Investors, as described more fully in response to Item 7, above.

#### **Conflicts of Interest.**

**Generally.** White River does not currently have any clients other than the Funds although it may advise additional funds or separate account clients in the future. White River does not expect to be engaged to advise clients as to the appropriateness of investing in the Funds or through any separate account, nor will it receive any compensation for doing so.

#### **White River Conflicts of Interest.**

White River and its members and employees devote as much of their time and resources to the activities of the Clients as White River deems necessary and appropriate. The governing documents of the Clients do not restrict White River or its principals from

entering into other investment advisory relationships or engaging in other business activities, even though those activities may be in competition with the Clients and/or may involve substantial amounts of White River's or its personnel's time and resources. Other funds, vehicles or accounts that White River may manage in the future may have investment objectives substantially the same as, or that overlap with, those of Clients, or may have investment objectives that are substantially different from those of Clients. Those other funds, vehicles or accounts may afford investors or accountholders more advantageous information, liquidity or other rights than those afforded to Investors in the Clients and may have different compensation arrangements. Further, differences in compensation arrangements or interests by the White River and its principals in other accounts could be viewed as creating incentives for the White River to favor one or more accounts over other accounts. These activities could be viewed as creating a conflict of interest in that the time, effort and resources of the White River and its personnel are not devoted exclusively to the business of Clients, but must be allocated between that business and the other activities.

**Investment Opportunities.** Neither White River nor any of its principals or affiliates has any obligation to provide Clients with any particular investment opportunity or to refrain from taking advantage of an investment opportunity that could be beneficial to the Clients. Client governing documents permit the White River to cause Clients to engage in transactions with or involving (including investing in) companies in which White River or its affiliates have an interest. In addition, White River's investment decisions as to other funds it manages may in some circumstances preclude the Fund from making investments that White River would otherwise cause Clients to make.

White River may cause Clients to invest in companies for which persons associated with White River serve as directors or which are otherwise affiliated with White River. If a Client invests in securities issued by a company of which White River is considered an affiliate or to own beneficially more than 10% of the outstanding voting securities, White River could face potential adverse economic consequences if the Client were to buy or sell that company's securities. The potential for such consequences could create an incentive for White River to avoid transactions in the securities that would otherwise be beneficial for the Clients.

**Allocations and Cross-Transactions.** As noted above, White River may in the future serve as general partner or investment manager of other investment funds and/or pooled investment vehicles, as well as investment manager of separate accounts. Conflicts of interest could arise in connection with transactions for the accounts of the Clients, any such other investment vehicles or funds in which White River and/or its affiliates are involved, any other advisory clients White River may have and White River or its employees and members. In some cases, the Clients and other investment accounts White River or its affiliates manage may seek to buy or sell the same security or other investment at the same time. In those cases, White River may combine purchase and sale orders on behalf of the Clients with orders for those of other portfolios, including its own or members' or employees' personal accounts. When it does so, it will generally allocate the proceeds

arising out of those transactions (and the related transaction expenses) on an average price basis among the various participants in the transactions. At times, however, White River may cause the Clients and other accounts to effect transactions that differ in substance, timing and amount, from transactions for other accounts. This may be due to, among other things, differences in investment objectives or other factors affecting the appropriateness or suitability of particular investment activities to Clients or other accounts, limitations on the availability of particular investment or transactional opportunities or differences in withdrawal or redemption rights. White River may cause the Clients and other accounts it manages to effect “cross” transactions where White River believes such a transaction is beneficial to both parties. White River will allocate transactions and opportunities among the various accounts it manages in a manner it believes to be as equitable as possible, considering each account’s objectives, programs, limitations and capital available for investment, but even accounts with similar objectives will often have different investment portfolios.

Neither White River nor the Affiliated Parties is obligated to make any particular investment opportunity available to the Clients and may take advantage of any opportunity, either for other accounts White River manages or for themselves.

**Fees to Third Parties.** White River pays a fee representing a portion of the management fee or incentive allocation to third parties for soliciting Investors in the Clients. Such fee is paid out of White River’s revenues from the Clients, and do not result in an increase in expenses paid by the Clients over the amount that would be paid to White River in the absence of such fee.

### **Transaction Execution; Prime Broker**

White River’s selection of brokers, dealers and other financial intermediaries and market participants to execute portfolio transactions for the Clients and act as counterparties in securities and derivatives transactions will be based in part on the research and brokerage products and services these parties provide to White River. White River may use such products and services in servicing other accounts (including its own or those of its affiliate(s)) and not solely in connection with the Clients. White River receipt of research and brokerage products and services may give rise to conflicts of interest.

To the extent a Prime Broker (as defined below) of the Clients provides services directly to White River, White River may have a conflict of interest in causing the Clients to select or retain the Prime Broker and/or in negotiating with the Prime Broker the economic terms on which the Prime Broker provides its services to the Clients. For more information regarding White River’s brokerage practices, refer to Item 12 below.

The foregoing description of conflicts of interest does not purport to be a complete list of potential conflicts. Other present and future activities of White River and its affiliates may give rise to additional conflicts of interest. If a conflict of interest arises, White River will attempt to resolve such conflicts in a fair and equitable manner.

## Item 11 – Code of Ethics

### Code of Ethics.

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

Clients or prospective clients may request a copy of the Firm’s Code of Ethics by contacting White River at 415-440-1659 or [administration@wrpartners.com](mailto:administration@wrpartners.com).

## Item 12 – Brokerage Practices

**Investment Discretion.** Generally, White River has the authority to select which and how many securities and other instruments to buy or sell without consultation with any Clients or any Investors in the Clients.

**Brokerage, Generally.** Clients may incur substantial brokerage commissions and other transaction expenses. White River has complete discretion in deciding what brokers, dealers, banks and other financial intermediaries and counterparties with or through which to execute or enter into portfolio transactions (collectively, “Transacting Parties”). In addition to paying commissions to Transacting Parties in connection with transactions effected on any agency basis, Clients may buy or sell securities directly from or to Transacting Parties acting as principal (such as market-makers for over-the-counter securities) and dealers in fixed income securities and derivatives. The following describes some noteworthy aspects of White River’s use of and relationships with Transacting Parties.

**Selection Criteria, Generally.** In choosing Transacting Parties, White River is not required to consider or focus on any particular criteria. However, White River seeks “best execution” of the securities transactions of the Clients. What constitutes “best execution” and determining how to achieve it are inherently uncertain. In evaluating whether a Transacting Party will provide best execution, White River considers a range of factors. These include, among others, historical net prices (after markups, markdowns or other transaction-related compensation) on other transactions; the execution, clearance and settlement and error correction capabilities of the Transacting Party generally and in connection with securities of the type and in the amounts to be bought or sold (including the ability to follow instructions, provide timely reporting, maintain confidentiality, and provide market color); the Transacting Party’s willingness to commit capital; the Transacting Party’s reliability and financial stability; the size of the transaction; the availability of securities to borrow for short sales; the market for the security; and, as discussed more fully below, the nature, quantity and quality of research and other services and products provided by the Transacting Party. White River is not required to select the Transacting Party that charges the lowest transaction cost, even if that Transacting Party can provide execution quality comparable to other Transacting Parties, and White River expects at times to pay more than the lowest transaction cost available in order to obtain for the Clients, any other accounts, itself and its related persons, services and products other than the execution of securities transactions.

**“Soft Dollars.”** When a broker-dealer or other intermediary provides a client, its investment adviser or their related persons with services or products other than transaction execution, or pays for those services or products for the client, the adviser or its related persons, in recognition of portfolio execution business done with that broker-dealer or other intermediary or in the expectation of such business, the adviser or the client is said to have acquired those services or products with “soft dollars.” White River expects to acquire services or products with “soft dollars.”

A federal statute, Section 28(e) of the Securities Exchange Act of 1934, as amended, recognizes these potential conflicts of interest but provides a safe harbor from breach of fiduciary duty claims arising out of them if certain conditions and requirements are met. Under the safe harbor, an adviser may use a client’s soft dollars to acquire “research” and “brokerage” services and products for which the client would not otherwise be required to pay. Services or products generally constitute “research” under Section 28(e) if they constitute advice, analyses or reports any of which express reasoning or knowledge as to the value of or investing in or trading securities, or as to issuers, industries, economic factors and trends, portfolio strategy or performance, *but only* to the extent the adviser uses them for lawful and appropriate assistance in making investment decisions for its clients. “Brokerage” services and products are those used to effect portfolio transactions for an adviser’s clients or for functions that are incidental to effecting those transactions or regulatorily required in connection with transactions. Only commission or commission equivalents on transactions in securities are protected by Section 28(e); using markups and markdowns on many principal transactions, commissions paid to futures commission

merchants on transactions in futures contracts, and compensation from transactions in swaps or other derivative instruments to pay for research or brokerage is not protected.

Because many services and products White River may receive from Transacting Parties may benefit White River and/or its affiliates, White River's interests in allocating the Clients' securities transactional business may conflict with the Clients'. For example, White River may have an incentive to cause the Clients to engage in the following practices to induce Transacting Parties to provide those benefits: (i) pay Transacting Parties higher compensation (including markups and markdowns on principal transactions with market-makers) than the compensation payable to other market participants who do not provide the services or products; (ii) select Transacting Parties that do not provide the best possible price; (iii) use (and pay) Transacting Parties who do not actually provide execution services (including Transacting Parties who are paid commissions on transactions effected on a principal basis with other Transacting Parties acting as market-makers); and (iv) effect more transactions than might otherwise be optimal. White River is authorized to consider, in selecting Transacting Parties, provision to it of a wide range of services and products, including those that benefit White River and/or its other clients, and does not limit the receipt of those benefits to circumstances that are protected by the safe harbor of Section 28(e). The extent of the conflicts of interest arising out of the use of soft dollars depends in large part on the nature and uses of the services and products acquired with soft dollars.

*"Research and Brokerage."* The types of "research" White River may receive from Transacting Parties include (but are not limited to): reports on or other information about particular companies or industries; economic surveys and analyses; recommendations as to specific securities; financial and industry publications; portfolio evaluation services; financial database software and services; computerized news, pricing and statistical services; analytical software; proxy analysis services and systems (to the extent used to assist in making investment decisions); quotation services; and other products or services that may enhance White River's investment decision-making. "Brokerage" services and products (beyond typical execution services) include (but are not limited to): computer systems and facilities (including hardware) used for such things as communicating orders and settlement related information electronically to executing Transacting Parties and the Prime Broker, post-trade matching of trade information, communicating allocation instructions, and other clearance and settlement functions. White River may use Clients' soft dollars for "mixed use" products and services—products and services that are used in part for research or brokerage purposes and in part for other purposes. Even where White River's use of soft dollars to acquire research and brokerage services and products is protected by Section 28(e), White River will have a conflict of interest in connection with that use because it might otherwise have to pay cash for those services and products and it may have an incentive to use Transacting Parties who provide those services and products more than it otherwise would.

*Fund Expenses.* The Funds may use soft dollars to pay their accounting and other ongoing expenses and to meet its obligation to reimburse White River for expenses White River has

advanced. The Funds could also use brokerage commissions, markups and markdowns, and other transaction-related compensation (as well as interest the Prime Broker receives on the Fund's cash balances, margin borrowings and borrowings of securities to maintain short positions) to pay the Prime Broker for recordkeeping, custodial and related services provided to the Funds. Pursuant to the Funds' governing documents, the Funds, and not White River, would otherwise be obligated to bear all of these expenses. White River therefore does not believe it would have a significant conflict of interest in selecting a Transacting Party in recognition of that party's payment of them.

*Other Services and Products.* Non-research or non-brokerage services that a Transacting Party may provide could potentially include some of White River's costs of and equipment used in providing services to the Clients, such as computer and communications equipment White River uses in connection with its investment analysis and decision-making, mass-market periodical subscriptions, out-of-pocket expenses involved in soliciting prospective investors (including finders' fees or placement agent fees) and in evaluating potential investment opportunities (including travel, meals and lodging related to such evaluation), the computer software and equipment used for client reporting and/or other administrative activities, and other costs that White River would otherwise bear. They may even include such "overhead" expenses as office rent, salaries, benefits and other compensation of employees or of consultants to White River, telephone charges, legal and accounting expenses of White River and office services, equipment and supplies. White River may or may not use other clients' soft dollars to pay costs of these types and, if it does, that use may not be directly proportionate to the benefits to the Clients and those other clients. White River will have a conflict of interest to the extent these services are paid for by Transacting Parties, as it will have an incentive to use those Transacting Parties regardless of whether using them would otherwise be in the Fund's best interests.

*Procedures.* Transacting Parties from which White River obtains soft dollar services or products generally establish "credits" based on past transactional business (including markups and markdowns on principal transactions, such as transactions with market-makers for Nasdaq securities), which may be used to pay or reimburse White River for specified expenses. In some cases the process is less formal; a Transacting Party simply may suggest a level of future business that would fully compensate the broker or dealer for services or products it provides. Clients' actual transactional business with a Transacting Party may be less than the suggested level but may exceed that level, and credits established may exceed the amounts used to acquire services and products. This may be in part because the Clients' investment activities generate aggregate commissions in excess of the levels of future business suggested by all Transacting Parties who provide services and products. And it may be in part because those Transacting Parties may also provide superior execution and may therefore be most appropriate for particular transactions. White River may ask a Transacting Party who is executing a transaction for several accounts (see the discussion below regarding aggregation of orders) to "step out" of a portion of the transaction in favor of a Transacting Party who has provided or is willing to provide products or services for soft dollars. That is, the executing Transacting Party will allow a portion of the overall commissions or other compensation to be paid to the soft-

dollar Transacting Party. This assists White River in acquiring products and services with soft dollars while providing the benefits of aggregated transactions described below. It may result in Clients paying additional commissions or other transaction compensation to the Transacting Party to whom the Clients' portion of an aggregated transaction is "stepped out" and therefore incurring higher transaction costs for that transaction than do other clients of White River who are buying or selling the same security at the same time.

These procedures are generally consistent with the requirements of Section 28(e) when the products or services acquired constitute research and/or brokerage. However, Section 28(e)'s safe harbor is not available where transactions are effected on a principal basis, as most transactions with market-makers in over-the-counter securities are, with a markup or markdown paid to the Transacting Party. White River may nonetheless determine to use such markups and markdowns as soft dollars with which to acquire services and products of the kinds described above. By signing the Clients' governing documents, Investors expressly consent to White River's use of the Clients' soft dollars in all of the ways described above, even where the nature of the services and products or the manner in which payment is made do not meet the requirements for protection under Section 28(e).

**Aggregation of Orders.** White River may (but is not required to) combine orders on behalf of one Client account with orders for other Client accounts for which it or its principals have trading authority, or in which it or its principals have an economic interest. When it does, White River will generally allocate the securities or proceeds arising out of those transactions (and the related transaction expenses) on an average price basis among the various participants. White River believes combining orders in this way will, over time, be advantageous to all participants. However, the average price could be less advantageous to a Client than if that Client had been the only account effecting the transaction or had completed its transaction before the other participants. Because of White River's relationship to the Clients it manages by virtue of its position as an investment manager, there may be circumstances in which transactions for those entities may not, under certain laws, regulations and internal policies, be combined with those of some of White River's and its affiliates' other Clients, which may result in less advantageous execution for those Clients.

In addition, White River and/or its related persons or Clients may buy or sell specific securities for its or their own account that are not deemed appropriate for Client accounts at the time, based on personal investment considerations that differ from the considerations on which decisions as to investments in client accounts are made. Where execution opportunities for a particular security are limited, White River attempts in good faith to allocate such opportunities among Clients in a manner that, over time, is equitable to all clients.

**Cross Transactions.** White River may (but is not obligated to) cause accounts that White River manages to effect "cross" transactions (i.e., buy and sell securities from and to each other), subject to applicable law or regulation. White River may do so, if White River believes that the cross transaction will be beneficial to both parties.



**“Prime Brokerage,” Custody, Clearing and Settling.** The Clients obtain custodial, clearing and related services through what are known as “prime brokerage” arrangements. Under this type of arrangement, a “Prime Broker” (i) maintains custody of the client’s assets (either directly or through its clearing brokerage firm); (ii) provides margin credit and locates securities to borrow to facilitate short sales; (iii) arranges for the receipt and delivery of securities bought, sold, borrowed and lent; (iv) makes and receives payments for securities; (v) tenders securities in connection with tender offers, exchange offers, mergers or other corporate reorganizations; (vi) provides detailed portfolio and related reports; and (vii) provides related services. The arrangement permits the client to use other brokers to execute transactions, thereby permitting White River to seek valuable research and to compare execution quality and commission rates maintaining a primary custodial relationship. By using brokerage firms for these functions, the client also may avoid paying custodial fees that banks charge other institutional investors. Prime Brokers are compensated through interest on credit balances, margin borrowings, stock loans and brokerage commissions. It is possible that a material amount of a client’s capital may be deposited with a Prime Broker as margin and collateral.

Prime Brokers may appoint sub-custodians for portions of the assets in its prime brokerage account. White River may change Prime Brokers, use additional Prime Brokers, alter the terms of its arrangements with a Prime Broker, or make alternative arrangements to receive the services currently provided by a Prime Broker, all in the absolute discretion of White River or its related persons.

A Prime Broker may provide, and the current prime brokers of the Clients and any other clients have in the past provided, services to White River and/or their respective affiliates, distinct from the custodial, lending and related services the Prime Broker provides to the Clients. These services may include, among other things, consulting services with respect to various aspects of White River’s or its related persons’ business and introducing White River or its related persons to prospective advisory clients and prospective Investors in the investment funds White River manages. They may be provided at lower than the market price for similar services or for no charge. A Prime Broker may also enter, and has in the past entered, into financial transactions with (including lending money to) its related persons, White River or their respective affiliates, and these transactions may be on terms more favorable than the terms available with other counterparties. A Prime Broker may invest or cause an affiliate to invest in one or more Clients, including newly-formed funds. Because White River or its related persons select or recommend Prime Brokers and/or negotiate the rates of compensation clients pay to the Prime Brokers any of the foregoing transactions or arrangements may create conflicts between White River’s and its related persons’ interests and the interests of the Clients that use the relevant Prime Broker(s). To the extent a Prime Broker provides or its related persons provide White River or its affiliates with services at lower than market prices, enter into transactions on terms better for White River or its affiliates than terms available in the market, or invest in a client of White River, White River may have an incentive to cause the Clients to accept less favorable pricing for prime brokerage services (including interest and similar charges on margin

borrowings and short positions) than might be available otherwise or to continue to use that Prime Broker when the Clients would not otherwise do so. White River believes the compensation Clients pay Prime Brokers is reasonable and competitive with rates charged by other prime brokers for services of comparable quality.

### **Item 13 – Review of Accounts**

All Client accounts are managed and reviewed on a regular basis (typically daily). Asset allocation, cash management, market prospects and individual issue prospects are considered. Particular attention is given to changes in company earnings, industry and company outlook, market outlook and price level.

Investors in the Clients will generally receive monthly performance updates and annual audited report that will include financial statements as soon as reasonably practicable following the close of each calendar year.

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

White River does not receive any economic benefit from a person who is not a Client for providing investment advice or other advisory services to White River's Clients.

White River may employ solicitors to whom it will pay cash or a portion of the advisory fees paid by Investors referred to the Partnership and/or the Offshore Fund by these solicitors. Such solicitation arrangements will be made in compliance with Rule 206(4)-3 of the Investment Advisers Act, including the acknowledgement of receipt by solicited Investors and the solicitor's written disclosure document.

### **Item 15 – Custody**

A rule under the Investment Advisers Act provides that, because White River is the general partner of the Partnership, White River is considered to have "custody" of the Partnership's assets, even though independent custodians (Prime Brokers) actually hold those assets. That rule generally requires investment advisers that have "custody" of Client assets to cause certain account statements detailing holdings and transactions to be sent to Clients, and imposes certain other obligations. However, advisers to investment funds like the Partnership need not comply with those requirements if, among other things, the Partnership provide Investors with audited financial statements by a specified time each year and those financial statements meet certain requirements. White River satisfies those conditions and therefore is not subject to reporting and other obligations.

## **Item 16 – Investment Discretion**

White River is authorized to invest and trade the Clients' assets in a broad range of investments, to be selected at White River's sole discretion, with no specific limitations as to type, amount, concentration, or leverage. Further, White River may enter into any type of investment transaction and employ any investment methodology or strategy it deems appropriate, consistent with the Funds' offering documents.

Pursuant to the Funds' governing documents and investment management agreements between White River and the Funds, each Investor designates White River as its attorney-in-fact to execute, certify, acknowledge, file, record and swear to all instruments, agreements and documents necessary or advisable to carrying out the Clients' business and affairs, including execution of a Fund's limited partnership agreement. An Investor's execution of a subscription agreement constitutes its execution of a Client's governing documents.

## **Item 17 – Voting Client Securities**

White River exercises voting authority over Client proxies and has adopted proxy voting policies and procedures in accordance with Rule 206(4)-6 of the Investment Advisers Act of 1940, as amended. The policies require White River to vote proxies received in a manner consistent with the best interests of the Clients. Votes on all matters are determined on a case-by-case basis. However, the policies permit White River to abstain from voting proxies in some circumstances, including but not limited to short term trading positions, securities holdings which White River deems to have limited value relative to the overall portfolio, or if the cost of voting on a proxy proposal would exceed the value of any anticipated benefits of approving or defeating the proposal.

White River will generally vote in favor of routine corporate housekeeping proposals, including election of directors (where no corporate governance issues are implicated), selection of auditors, and for other proposals voting in accordance with the recommendation of management unless such vote is determined to have an adverse effect on the interest of the Client.

Where a proxy proposal raises a material conflict between White River's interests and the interests of the Clients, White River will seek to resolve the conflict and vote the proxies in a manner that is in the relevant clients' collective best interests, if necessary, by consulting with an independent consultant or outside counsel.

White River will provide, upon request, a copy of those policies and procedures and/or information concerning its voting record on account proxy matters.

### **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide Investors with certain financial information or disclosures about White River’s financial condition. White River has no financial commitment that is reasonably likely to impair its ability to meet contractual commitments to Clients, and has not been the subject of a bankruptcy petition.

### **Item 19 – Requirements for State-Registered Advisers**

Not applicable.