

**Part 2A of Form ADV
Investment Adviser Brochure**

RIVER ASSOCIATES INVESTMENTS (TN), LLC

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This Brochure provides information about the qualifications and business practices of River Associates Investments (TN), LLC. If you have any questions about the contents of this Brochure, please contact us at (423) 755-0888 or at <http://www.riverassociates.com>.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority. River Associates is an investment adviser registered with the SEC under the Investment Advisers Act of 1940. Registration of an investment adviser does not imply any level of skill or training.

Additional information about River Associates also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This is an annual amendment of River Associates Investments (TN), LLC's Brochure that was last updated on March 20, 2019. This update includes the following material changes:

- Item 4: The amount of client assets managed has been updated as of December 31, 2019.
- Item 5: Additional details regarding Transaction Fees and expenses relating to co-investment opportunities have been included.
- Item 6: Additional details regarding carried interest applicable to co-investment opportunities have been added.
- Item 8: The potential risks applicable to River Associates' investment advisory business have been updated.

Item 3 – Table of Contents

Item 2 – Material Changes	1
Item 3 – Table of Contents.....	2
Item 4 – Advisory Business.....	3
Item 5 – Fees and Compensation.....	5
Item 6 – Performance-Based Fees and Side-By-Side Management.....	11
Item 7 – Types of Clients	11
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	12
Item 9 – Disciplinary Information.....	27
Item 10 – Other Financial Industry Activities and Affiliations	27
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	29
Item 12 – Brokerage Practices	30
Item 13 – Review of Accounts.....	31
Item 14 – Client Referrals and Other Compensation.....	32
Item 15 – Custody	32
Item 16 – Investment Discretion	32
Item 17 – Voting Client Securities	33
Item 18 – Financial Information	33

Item 4 – Advisory Business

River Associates Investments (TN), LLC (a Tennessee limited liability company, organized in May 2001) and its relying adviser, River Associates Investments, L.P. (a Delaware Limited Partnership, organized in 2016) (each individually a “Management Company” and collectively, “River Associates”) provide investment advisory services to a limited number of privately offered investment funds (the “Funds”).

River Associates Investments (TN), LLC is an investment adviser registered with the SEC, and River Associates Investments, L.P. is deemed registered with the SEC under River Associates Investments (TN) LLC’s registration. Each Management Company is majority owned by their senior managers (the “Principals”) as described in River Associates Investments (TN), LLC’s Form ADV Part 1A, available at www.adviserinfo.sec.gov. There are no persons who own 25% or more of either Management Company.

River Associates’ clients include: River IV, LP; Hiawassee River, LP; River KO, LP; River V, LP; Tellico River, LP; and River VI, LP, River VI Parallel, LP, and River VII, LP (each individually a “Fund,” and collectively the “Funds”). For certain Funds, River Associates serves as the general partner as well as the investment adviser. For those Funds in which River Associates does not also serve as the general partner, an affiliated entity serves as general partner as detailed in the table below. Further, the Funds have a special limited partner (“SLP”) that is predominantly owned by the Principals and certain employees of River Associates. The SLP is entitled to receive an allocation of capital gain (“Carried Interest”) as described in Item 6.

Fund	General Partner	Special Limited Partner (SLP)	Management Company
River IV, LP	River Associates Investments (TN), LLC	Santa Fe Holding IV, LLC	River Associates Investments (TN), LLC
Hiawassee River, LP	River Associates Investments (TN), LLC	Santa Fe Holding IV, LLC	River Associates Investments (TN), LLC
River KO, LP	River Associates Investments (TN), LLC	Santa Fe Holding IV, LLC	River Associates Investments (TN), LLC
River V, LP	River Associates Investments (TN), LLC	SFCI, LLC	River Associates Investments (TN), LLC

Tellico River, LP	River Associates Investments (TN), LLC	SFCI, LLC	River Associates Investments (TN), LLC
River VI, LP	River Associates VI, LLC	SFVICI, LLC	River Associates Investments (TN), LLC
River VI Parallel, LP	River Associates VI, LLC	SFVICI, LLC	River Associates Investments (TN), LLC
River VII, LP	River Associates VII, LLC	Santa Fe Holding VII, LP	River Associates Investments, L.P.

The Funds generally invest in a portfolio of private equity investments in lower-middle-market operating companies (“Portfolio Companies”) based in the U.S. and Canada. Investors (each a “Limited Partner”) in each Fund generally participate in the entire portfolio of investments for each Fund, with limited options to not participate in certain investments due to specific circumstances as further described in each Funds’ LPA.

River Associates’ advisory services are described in the applicable Private Placement Memorandum (“PPM”) and Limited Partnership Agreement and ancillary documents to that Agreement (collectively, the “LPA”) for each Fund. Additionally, River Associates or the Funds may enter into letter agreements with specific Limited Partners of the Funds (“Side Letters”) whereby such Limited Partners may receive specific rights, benefits, or privileges that may not be available to other Limited Partners. Such agreements will be disclosed only to those actual or potential Limited Partners in the Funds that have separately negotiated with the relevant general partner for the right to review such agreements.

River Associates’ investment advisory services to the Funds generally consist of sourcing and evaluating relevant investment opportunities, negotiating the terms of investments, monitoring, managing, and controlling the investments through the Principals’ roles as directors of each Portfolio Company, and overseeing the disposition of investments, including management of any post-disposition issues.

As of December 31, 2019, River Associates managed approximately \$399,256,000.00 in assets on a discretionary basis. River Associates does not currently manage any clients’ assets on a non-discretionary basis.

Note that all descriptions of the Funds in this brochure, including their fee structures, investment strategies, and other terms are qualified in their entirety by reference to each Fund’s respective PPM and LPA.

Item 5 – Fees and Compensation

Fees

Each Management Company receives a management fee (the “Management Fee”) from each of the Funds to which they provide day-to-day advisory services, as specified in the applicable LPA. The general partners or SLP’s, as applicable, may receive an allocation of Carried Interest upon the disposition of a Portfolio Company of the Fund with which they are affiliated. Portfolio Companies of the Funds generally compensate the relevant Management Company for performing certain management and advisory services through the acquisition, ownership, disposition, and in certain cases post-closing periods of the Funds’ investment (“Monitoring Fees”). In addition, the relevant Management Company may receive other fees from the Funds’ Portfolio Companies in connection with mergers, acquisitions, add-on acquisitions, refinancing transactions, restructurings, divestments, sales and similar transactions (collectively, “Transaction Fees”). In certain cases the Monitoring Fees and Transactions Fees paid by Portfolio Companies to the Management Company of a specific Fund will partially offset the Management Fee payable by that Fund to that Management Company, as specified in the applicable LPA and further described herein. Monitoring Fees and Transaction Fees that are paid by a Portfolio Company that is owned by two or more Funds are allocated pro rata based on each Fund’s ownership.

The Funds also incur certain operating expenses as described below and as further specified in each Fund’s respective LPA. Any expenses incurred by a Management Company on behalf of a Fund are reimbursable by the Fund to the Management Company subject to the terms of the applicable LPA. If any expenses are associated with two or more Funds, such expenses will be allocated to each Fund in a fair and reasonable manner based on the Management Company’s good faith judgement, notwithstanding its interest (if any) in the allocation.

Management Fees

The applicable Management Company receives a Management Fee from the Funds as generally described below:

River IV, L.P.

River IV, L.P. paid a Management Fee to River Associates Investments (TN), LLC annually, in advance, equal to (i) for the initial investment period, 2.50% of the total capital contributions made or committed to be made, and (ii) thereafter, 2.25% of the net of (x) the total contributions made by the Fund less (y) the total distributions representing returns of capital for portfolio investments. The initial investment period for this Fund has expired, and the Fund no longer holds any Portfolio Company investments.

River KO, L.P.

River KO, L.P. paid a Management Fee to River Associates Investments (TN), LLC annually, in advance, equal to (i) for the initial investment period, 2.50% of the total capital

contributions made or committed to be made, and (ii) thereafter, 2.25% of the net of (x) the total contributions made by the Fund less (y) the total distributions representing returns of capital for portfolio investments. The initial investment period for this Fund has expired, and the Fund no longer holds any Portfolio Company investments.

Hiawassee River, L.P.

Hiawassee River, L.P. paid a Management Fee to River Associates Investments (TN), LLC annually, in advance, equal to (i) for the initial investment period, 2.00% of the total capital contributions made or committed to be made, and (ii) thereafter, 1.75% of the net of (x) the total contributions made by the Fund less (y) the total distributions representing returns of capital for portfolio investments. The initial investment period for this Fund has expired, and the Fund no longer holds any Portfolio Company investments.

River V, L.P.

River V, L.P. pays a Management Fee to River Associates Investments (TN), LLC annually, in advance, equal to (i) for the initial investment period, 2.50% of the total capital contributions made or committed to be made, and (ii) thereafter, 2.25% of the net capital invested in and reserved for Portfolio Companies, subject to imitations on capital calls in excess of the original subscription amounts as specified in the amended LPA. The initial investment period for this Fund has expired, and the Fund no longer holds any Portfolio Company investments.

Tellico River, L.P.

Tellico River, L.P. pays a Management Fee to River Associates Investments (TN), LLC annually, in advance, equal to (i) for the initial investment period, 2.00% of the total capital contributions made or committed to be made, and (ii) thereafter, 1.75% of the net capital invested in and reserved for Portfolio Companies, subject to imitations on capital calls in excess of the original subscription amounts as specified in the amended LPA. The initial investment period for this Fund has expired, and the Fund no longer holds any Portfolio Company investments.

River VI, L.P.

River VI, L.P. pays a Management Fee to River Associates Investments (TN), LLC quarterly, in advance, equal to (i) for the initial investment period, 0.50% (i.e. 2.00% annually) of the total capital contributions made or committed to be made, and (ii) thereafter, 0.50% (i.e. 2.00% annually) of the net capital invested in Portfolio Companies. The initial investment period for this Fund has expired.

River VI Parallel, L.P.

River VI Parallel, L.P. pays a Management Fee to River Associates Investments (TN), LLC quarterly, in advance, equal to (i) for the initial investment period, 0.50% (i.e. 2.00% annually) of the total capital contributions made or committed to be made, and (ii) thereafter, 0.50% (i.e. 2.00% annually) of the net capital invested in Portfolio Companies. The initial investment period for this Fund has expired.

River VII, L.P.

River VII, L.P. pays a Management Fee to River Associates Investments, L.P. quarterly, in advance, equal to (i) for the initial investment period, 0.50% (i.e. 2.00% annually) of the total capital contributions made or committed to be made, and (ii) thereafter, 0.50% (i.e. 2.00% annually) of the net capital invested in Portfolio Companies.

Because Management Fees, for the period after the initial investment period, are typically based upon the amount of deployed capital, the Management Fee structure may create an incentive for River to cause the Funds to make investments that it may not otherwise make if this structure was not in place, which presents a potential conflict of interest. River Associates believes that its Principals' investments in the Funds generally serve to align their interests with the Funds' Limited Partners in this respect.

Portfolio Company Fees and Expenses, Management Fee Offsets

The Management Fee of certain Funds will be partially reduced by a portion of the Monitoring Fees, directors' fees, financial consulting fees, advisory fees, break-up fees, or Transaction Fees paid by Portfolio Companies or prospective Portfolio Companies of a Fund to River Associates. To the extent any Management Fee is subject to an offset amount that would reduce the Management Fee for a given year below zero, a credit against the Management Fee will be carried forward and added to the fees subject to offset in future periods. Each Management Company has general discretion over the amount of such fees, if any, to charge to the Portfolio Companies. Because the amount of such fees retained by River Associates (i.e. the amount in excess of the offset amount to Management Fees) is substantial, such fees could create a conflict of interest between a Fund and River Associates, particularly in instances where the Fund's ownership percentage of the Portfolio Company exceeds the percentage by which such fees paid by the Portfolio Company offset the Management Fee.

Additionally, Portfolio Companies may reimburse the Management Company for certain expenses that it incurs on behalf of the Portfolio Company. Examples include, but are not limited to, Directors and Officers insurance, travel and travel-related expenses incurred by the Management Company or the Principals for Portfolio Company-related events (such as board meetings, management meetings, and industry trade shows), and legal and other third-party professional expenses related to Portfolio Company matters. In instances where the Management Company receives negotiated discounts with certain third-party vendors, such discounts will also be made available to the Funds and their Portfolio Companies. The Funds and

their Portfolio Companies may either choose to avail themselves of these discounted services, or alternately seek to obtain separate third-party vendor services for various business reasons, or to avoid the appearance of any conflicts of interest. In no case will the Management Company “mark-up” any costs borne by it and reimbursed by the Portfolio Company. Some of the services paid for by the Portfolio Companies, such as Directors and Officers insurance, may also serve to benefit the Management Company and its affiliates. No such reimbursement of expenses by the Portfolio Company to the Management Company and its affiliates will be considered for purposes of the Management Fee offset amount calculation as described above.

Organizational Expenses of the Funds

The Funds typically pay (or reimburse the relevant Management Company) for organizational expenses, as specified in the respective LPA, up to a specified amount. Any organizational expenses in excess of such specified amount, or any organizational expenses related to fees payable to placement agents for a Fund, will be borne by the Management Company either directly or through reductions in the Management Fee.

Operating Expenses of the Funds

Subject to the relevant LPA, the Management Company typically pays for its own expenses and the expenses of the Fund constituting salaries and employee benefits, office expenses and office rental. Other Operating Expenses incurred by a Fund or the Management Company and its affiliates and paid for by a Fund are specified in the respective Fund’s LPA, and may include:

- brokerage fees and commissions;
- general research expenses;
- fees and charges incurred in connection with the maintenance of bank or custodian accounts;
- interest on margin accounts and other indebtedness;
- withholding and transfer fees;
- clearing and settlement charges;
- out-of-pocket expenses of transactions not consummated;
- taxes, fees and other applicable governmental charges;
- travel expenses;
- legal, accounting, audit and tax preparation expenses (including services that are performed and/or equipment that is used by a designee or agent of the respective general partner);
- reimbursements to the respective general partner or its affiliates for insurance premiums relating to the Funds’ operation and general partner and affiliates’ operations; and
- Other similar expenses related to the Funds or any extraordinary expenses as the respective general partner determines in its sole discretion.

Carried Interest

A general partner or SLP of the Funds may be entitled to receive performance-based compensation (i.e., Carried Interest) from the Funds pursuant to the respective Fund's governing documents. Carried Interest is generally calculated as 20% of the Funds' realized profits on investments, subject to certain provisions and limitations in each Fund's respective LPA.

Carried Interest is generally paid to the general partners or SLP from investment proceeds when earned, and is subject to a potential claw-back, typically at the end of the life of a Fund, if the general partner or SLP has received excess cumulative distributions, as defined in the relevant Fund's LPA.

Allocation of Fund Expenses

Expenses pertaining directly to a Fund will be charged to that Fund. If any expenses are associated with two or more Funds, such expenses will typically be allocated to each Fund in a fair and reasonable manner based on the Management Company's good faith judgement, notwithstanding its interest (if any) in the allocation. In circumstances where one or more co-investment vehicles managed by River Associates propose to invest alongside a Fund into a specific investment and a proposed transaction is not consummated, no such co-investment vehicle generally will have been formed, and the full amount of any expenses and fees generated in the course of evaluating potential investments that are not consummated, such as out of pocket fees associated with due diligence, attorney fees and the fees of the other professionals ("Broken Deal Costs") would therefore be borne by the Fund or Funds selected by River Associates as proposed investors for such proposed transaction, absent a specific agreement to the contrary with a prospective co-investor. For example, co-investors will often not be parties to equity commitment letters or other similar obligations entered into as part of definitive agreement for the acquisition of investments by a Fund. Similarly, co-investors, whether investing alongside a Fund or via a co-investment vehicle are not typically allocated any share of break-up fees paid or received in connection with such an unconsummated transaction. Furthermore, if a proposed transaction is not consummated and a co-investment vehicle has been formed for the purpose of making an investment in such proposed transaction (or co-investors have otherwise evaluated an investment or committed to invest in the proposed transactions), some or all of the Broken Deal Costs or break-up fees may be borne solely by the Fund or Funds selected by River Associates as proposed investors for such proposed transaction, but not to the co-investment vehicle or other co-investors to which the co-investment opportunity was offered, in accordance with the agreement governing the terms of such co-investment party's co-investment.

In some circumstances, the Funds may review investment opportunities alongside certain potential co-investors not managed by or otherwise affiliated with River Associates, such as potential lenders to or management team members of the company in which the respective Fund(s) proposes to invest. In circumstances where those transactions are not ultimately consummated, all expenses associated with the potential transaction are typically allocated to the Funds and not to those potential co-investors.

Senior Advisors

River Associates may hire non-affiliated third-party consultants (“Senior Advisors”) throughout the Funds’ investment processes, including senior advisors with relevant operating experience and industry-specific knowledge about certain transaction opportunities or Portfolio Companies. Senior Advisors may assist with a variety of activities, including market research, new investment identification, pre-investment business due diligence and post-investment value creation. Senior Advisors are not employees of River Associates.

Senior Advisors are typically paid a consulting fee by River Associates, which in some cases may be allocated to one or more Portfolio Companies. Consulting fees may vary depending upon a number of variables, including expertise and time commitment to the Portfolio Companies. From time-to-time, these individuals may also co-invest in transactions in which they are involved. Any such consulting fee will be in addition to and will not offset the Management or Monitoring Fees. A Senior Advisor may take on a more active role, including, for example, serving on the board of directors or providing additional services directly to the Portfolio Company. In such cases, the Senior Advisor may receive direct compensation from the Portfolio Company under terms agreed to by the Portfolio Company and the Senior Advisor.

Other Third-Party Advisors

River Associates has a network of trusted third-party advisors with whom it works across multiple Funds and Portfolio Companies for matters such as market research, legal, accounting, tax, information technology, operations, and human resources, among others. As discussed above, River Associates may recommend the services of these advisors to the Funds or Portfolio Companies from time-to-time, and the expenses of the advisors are borne by the Funds or the Portfolio Companies, as the case may be, and in the case of expenses borne by the Funds, such expenses will be in addition to, and not offset, the Management Fee. Although River Associates believes that the selection of such advisors is predominantly motivated by its interest in creating value for the Fund, River Associates may have a conflict of interest in recommending these advisors to the Funds or Portfolio Companies if such recommendation is motivated by the belief that doing so preserves goodwill between the advisor and River Associates. Further, because such expenses are borne by the Funds or the Portfolio Companies, as the case may be, River Associates may be motivated to seek the best advisor possible, regardless of cost, when the services of a satisfactorily qualified advisor could be retained for less cost.

Termination of Advisory Relationship

Withdrawals of capital are generally not permitted. Investments in the Funds are generally long-term in nature with no ability to liquidate prior to the termination of a Fund. Limited Partners in the Funds are requested to refer to the LPA of each Fund for information on investment restrictions. Appropriate treatment will be given to all Management Fees collected in advance. For example, upon the termination of an investment management relationship, any unearned, pre-paid advisory fees will generally be prorated and refunded.

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

As described in Item 5 above and detailed in each Fund’s LPA, the general partner or SLP may be entitled to receive performance-based compensation in the form of Carried Interest from the Funds. Carried Interest payments to the general partner or to the SLP directly benefit the Principals of River Associates through their ownership of these entities. The performance-based compensation may therefore create an incentive for River Associates to cause the Funds to make investments which may be riskier or more speculative than those which would be made under a different compensation arrangement; however, River Associates believes that performance-based compensation generally serves to better align its interests with the interests of the Funds and their Limited Partners.

Additionally, a general partner or SLP may receive Carried Interest from any alternative investment vehicle that is managed by River Associates that co-invests with the Funds in a Portfolio Company (“Co-Invest Funds”). Each Co-Invest Fund, if any, could have materially different Carried Interest allocation provisions from one another, including no provision for Carried Interest allocation, or a higher Carried Interest allocation than the Funds. As such, River Associates could have an incentive to allocate co-investment opportunities to those Co-Invest Funds that provide a more favorable Carried Interest allocation to the general partners or SLP.

Item 7 – Types of Clients

River Associates provides investment advisory services to the Funds. Investment advice is provided directly to each Fund, subject to the direction and control of the general partner of the Fund, and not individually to the Limited Partners of the Funds. The Limited Partners participating in the Funds may include individuals, banks, trusts, charitable organizations, profit sharing plans, public and private institutional pension plans, endowments and foundations, and may include, directly or indirectly, principals or other employees of River Associates and its affiliates as disclosed in the governing documents.

As a purchaser of the limited partnership interests in a private placement not registered under the Securities Act of 1933 (the “Securities Act”), each purchaser will be required to represent that it is acquiring the limited partnership interests purchased by it for investment and not with a view to resale or distribution and that it is an accredited investor within the meaning of Regulation D of the Securities Act. Further, each purchaser must be prepared to bear the economic risk of the investment for an indefinite period, since the limited partnership interests cannot be sold unless they are subsequently registered under the Securities Act or an exemption from such registration is available. It is unlikely that the limited partnership interests will ever be registered under the Securities Act.

Minimum investment commitments established for Limited Partners in the Funds are stated in each Fund’s PPM. Each Fund’s general partner reserves the right to waive this minimum in its sole discretion.

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

Method of Analysis and Investment Strategies

The Funds seek to create long-term capital appreciation through the purchase of a portfolio of controlling private equity investments in lower middle market operating companies headquartered in the U.S. and Canada. Each Fund's LPA may dictate restrictions on certain types of investments and limit the percentage of the Fund's total commitment amount that can be invested in any one Portfolio Company. River Associates' investment advisory services to the Funds generally consist of sourcing and evaluating relevant investment opportunities, negotiating the terms of investments, monitoring, managing, and controlling the investments through the Principals' roles as directors of each Portfolio Company, and overseeing the disposition of investments, including management of any post-disposition issues.

The Funds will generally target investments in companies where River Associates believes it can add value through the Principal's operating experience in working with small business management teams. River Associates seeks to add value to the Fund's investments by creating a capital structure that allows for growth, allocating capital between internal needs and acquisitions, finding and negotiating add-on acquisitions, recruiting and incentivizing key personnel, and assisting the Portfolio Company management team with strategic planning.

There can be no assurance that River Associates will be successful in achieving these objectives, and a partial or total loss of the Fund's investment is therefore possible. Prospective Limited Partners should carefully consider the risk factors set forth in each Fund's PPM, certain of which are discussed below.

Material Risks

The purchase of an interest in the Funds is speculative and involves a number of significant risks relating to investments in limited partnerships generally and relating to the structure and investment objectives of the Funds in particular. There can be no assurance that the Funds' investment objectives will be achieved, or that a Limited Partner will receive a return of its capital. Risks associated with investments in the Funds include, but are not limited to, the risks discussed below and should be carefully evaluated, along with each description of risk in each Fund's respective PPM, before making an investment in the Funds.

No Assurance of Investment Return

Each Fund's general partner cannot provide assurance that it will be able to choose, make and/or realize investments in any particular company or portfolio of companies. There can be no assurance that the Funds will be able to generate returns for their Limited Partners or that the returns will be commensurate with the risks of investing in the types of companies and transactions described in the Fund's PPM. There can be no assurance that any Limited Partner will receive any distribution from the Funds. Any return on investment to the Limited Partners will depend upon successful investments being made by the Funds. The marketability and value of any such investment will depend upon many factors beyond the control of the Funds. The

expenses of the Funds, including but not limited to the Management Fees, may exceed their income, and a Limited Partner could lose the entire amount of its contributed capital. Therefore, a prospective Limited Partner should only invest in the Funds if the Limited Partner can withstand a total loss of its investment.

Lack of Operating History

The Funds are newly-formed entities upon their inception, and, accordingly, have no operating history upon which prospective Limited Partners may evaluate their likely performance. Although River Associates has prior experience relating to investments in Portfolio Companies, each Fund has no basis upon which an evaluation of its prospects can be made upon inception. There can be no assurance that the investments by the Funds will achieve returns comparable to the historical performance of other Funds, or that the Funds will be able to avoid losses.

Nature of the Funds' Investments

A substantial portion of the Funds' investments will be in equity or equity-related investments that by their nature involve business, financial, market and/or legal risks. While such investments offer the opportunity for significant capital gains, they also involve a high degree of risk that may result in substantial losses. There can be no assurance that the Funds will correctly evaluate the nature and magnitude of the various factors that could affect the value of such investments. Prices of the investments may be volatile, and a variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments or force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.), may significantly affect the results of the Funds' activities. As a result, the Funds' performance over a particular period may not necessarily be indicative of the results that may be expected in future periods.

Highly Competitive Market for Investment Opportunities

There can be no assurance that there will be a sufficient number of suitable investment opportunities to enable the Funds to invest all of their commitments in opportunities that satisfy the Funds' investment objectives or that such investment opportunities will lead to completed investments by the Funds. Identifying, structuring, implementing and realizing on attractive investments is highly competitive. The Funds compete for investments with other private equity investors, as well as strategic purchaser operating companies, individuals, financial institutions and other institutional investors. Additional funds and other sources of investment capital with the same or similar investment objectives may be created in the future by other unrelated parties, which may compete with the Funds for investment opportunities. It is possible that such competition for appropriate investment opportunities may limit significantly the number of opportunities available to the Funds and/or adversely affect the terms upon which investments can be made. There can be no assurance that the Funds will be successful in their efforts to identify and complete attractive investment opportunities, and it is possible that the Funds'

commitments will not be fully utilized if sufficient attractive investments are not identified and consummated by the Funds during their investment periods.

Illiquid Fund Investments

The Funds' investment portfolios will consist primarily of controlling investments in private companies. It is unlikely that there will be a readily available market for the Funds' investments. The Funds will generally not be able to sell their investment securities publicly unless such sale is registered under applicable securities laws or unless an exemption from such registration requirement is available. It is highly speculative as to whether and when a Portfolio Company will be able to register its securities so that the securities become eligible for trading in public markets. In addition, in some cases, the Funds may be prohibited by contract or legal or regulatory reasons from selling securities for a period of time. There can be no assurance that the Funds will be able to realize such investments at attractive prices or otherwise be able to effect a successful realization or exit strategy. Consequently, dispositions of such investments may require a lengthy time period or may result in distributions in-kind to Limited Partners in the Funds.

Lack of Diversification

Although the Funds are generally restricted from investing more than a specified percentage of their aggregate Commitments in any one Portfolio Company, diversification is not an objective of the Funds. The Funds' portfolios may include a small number of large positions. As a consequence, the aggregate returns to Limited Partners may be substantially adversely affected by the unfavorable performance of even a single investment.

Uncertainty of Financial Projections

Each Fund's general partner will generally establish the capital structure of a Portfolio Company on the basis of financial projections for such Portfolio Company. Projections are inherently subject to uncertainty and factors beyond the control of the applicable general partner and the Portfolio Company. The inaccuracy of certain assumptions and general economic conditions, which are unpredictable, can have a materially adverse impact on the reliability of such projections. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from such projections.

Leverage

The Funds' investments may involve Portfolio Companies whose capital structures have significant leverage. These companies may be subject to restrictive financial and operating covenants. The leverage may impair these companies' ability to finance their future operations and capital needs. Such investments will be inherently more sensitive to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the Portfolio Company or its industry.

Market Volatility

Volatility in the capital, credit, and securities markets could negatively impact the Funds in a number of ways. Many of the investments purchased, held and sold on behalf of the Funds may

be complex, and their market values will be highly sensitive to market changes. Overall Fund returns may be reduced as relatively small changes in the capital, credit or securities markets may have significant impacts on the profitability of Fund investments. In addition, Congress and regulatory agencies may adopt new financial regulations and tax policies which could restrict the Funds' investment options and be otherwise unfavorable to the Funds.

Financial Markets and Regulatory Change

The laws and regulations affecting businesses continue to evolve in an unpredictable manner. Laws and regulations, particularly those involving taxation, investment and trade, applicable to the Funds' activities can change quickly and unpredictably, and may at any time be amended, modified, repealed or replaced in a manner adverse to the interests of the Funds. The Funds, the general partners and each Management Company may be or may become subject to unduly burdensome and restrictive regulation. In particular, in response to significant recent events in international financial markets, governmental intervention and certain regulatory measures have been or may be adopted in certain jurisdictions, including restrictions on short selling of certain securities in certain jurisdictions. The extent to which the underlying causes of these recent events are pervasive throughout global financial markets and have the potential to cause further instability is not yet clear. These recent events, and their underlying causes, are likely to be the catalyst for changes in global financial regulation for some time, and may result in major and unavoidable losses to the Funds.

Reliance on Portfolio Company Management

The day-to-day operations of each Portfolio Company in which the Funds invest will be the responsibility of such Portfolio Company's management team. Although River Associates will be responsible for monitoring the performance of each Fund investment and generally intends to cause each Fund to invest in Portfolio Companies operated by strong management, there can be no assurance that the existing management team or any successor will be able to operate any such Portfolio Company in accordance with the Funds' expectations.

Risks in Effecting Operating Improvements

In some cases, the Funds' investment strategies will depend, in part, on the ability of the Funds to restructure, and effect improvements in the operations of, a Portfolio Company. The activity of identifying and implementing restructuring programs and operating improvements at Portfolio Companies entails a high degree of uncertainty. There can be no assurance that the Funds will be able to successfully identify and implement such restructuring programs and improvements.

Investments Longer than Term

The Funds may make investments that may not be advantageously disposed of prior to the date that a Fund will be dissolved, either by expiration of a Fund's term or otherwise. Although the general partners expect that the Funds' investments will either be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution, the Funds may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution.

Non-Controlling Investments; Investments with Third Parties

The Funds may hold non-controlling interests in Portfolio Companies where they may have limited or no influence. Such Portfolio Companies may have economic or business interests or goals that are inconsistent with those of the Funds, and the Funds may not be in a position to protect the value of their investments in such Portfolio Companies, although as a condition of making such investments, it is expected that appropriate shareholder rights generally will be sought to protect the Funds' investments. The Funds may also co-invest in a Portfolio Company with financial, strategic or other third-party investors through partnerships, joint ventures or other entities. Such investments may involve additional risks not present in investments where a third-party co-investor is not involved, including the possibility that a third-party co-investor may have economic or business interests or objectives that are inconsistent with those of the Funds or may be in a position to take (or block) action in a manner contrary to the Funds' interests or objectives. In addition, the Funds may, in certain circumstances, be liable for actions of its third-party co-investors.

Non-U.S. Investments

Subject to any limitations in the respective LPA, the Funds may invest in Portfolio Companies (or add-on acquisitions to Portfolio Companies) whose principal executive offices or corporate headquarters are, at the time of initial investment, outside of the United States or Canada. Investing in non-U.S. securities may involve substantially greater risks than investing in U.S. securities including risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various foreign currencies in which the Funds' non-U.S. investments are denominated, and costs associated with conversion of investment principal and income from one currency to another; (ii) differences between the U.S. and non-U.S. securities markets, including potential price volatility in and relative illiquidity of some non-U.S. securities markets; (iii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and differences in government supervision and regulation; (iv) certain economic and political risks, including potential exchange control regulations, potential restrictions on foreign investments and repatriation of capital and the risks associated with political, economic or social instability, diplomatic developments and the possibility of expropriation or confiscatory taxation; and (v) the possible imposition of non-U.S. taxes on income and gains recognized with respect to such securities. While the general partners will take these factors into consideration in making investment decisions for the Funds and intend to manage the Funds in a manner to minimize exposure to the foregoing risks, there can be no assurance that the general partners will be able to evaluate the risks accurately or that adverse developments with respect to such risks will not adversely affect the value or realization of investments that are held by the Funds in certain countries.

Foreign Currency and Exchange Rate Risks

A portion of the Funds' investments and the income received by the Funds with respect to such investments may be denominated in non-U.S. currencies. However, the Funds' books will be maintained, and the contributions and distributions from a Fund generally will be made, in U.S. dollars. Accordingly, changes in currency exchange rates may adversely affect the dollar value of investments, interest and dividends received by the Funds, gains and losses realized on the sale

of investments and the amount of distributions, if any, to be made by the Funds. In addition, the Funds may incur costs in converting investment proceeds from one currency to another. Although the general partners may enter into hedging transactions designed to reduce such currency risks, subject to restriction in each Fund's LPA, there can be no assurance that the general partners will be able to do so successfully or cost-effectively, and the general partners may decide not to hedge against such risks.

Bridge Financings

From time to time, the Funds may lend to Portfolio Companies on a short-term, unsecured basis or otherwise invest on an interim basis in Portfolio Companies in anticipation of a future issuance of equity or long-term debt securities or other refinancing or syndication. Such bridge loans will typically be convertible into a more permanent, long-term security; however, for reasons not always in the Funds' control, such long-term securities issuance or other refinancing or syndication may not occur and such bridge loans and interim investments may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Funds.

Contingent Liabilities on Disposition of Investments

In connection with the disposition of an investment in a Portfolio Company, the Funds may be required to make representations about the business and financial affairs of such company typical of those made in connection with the sale of a business. The Funds may be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate or with respect to certain potential liabilities. These arrangements may result in the incurrence of contingent liabilities for which the general partners may establish reserves and/or escrow accounts. In that regard, distributions may be delayed or withheld until such reserves are no longer needed or the escrow periods expire. In addition, Limited Partners may be required to return amounts distributed to them to satisfy Fund obligations, including indemnity obligations.

Dependence on Key Personnel

The general partners will have exclusive responsibility for the Funds' activities, and other than as may be set forth in the respective PPM or LPA, Limited Partners will not be able to make investment or any other decisions in the management of the Funds. Limited Partners will therefore be relying on the ability of the general partners to select the investments to be made by the Funds. The success of the Funds will also be highly dependent on the expertise and performance of the Principals and the other members of River Associates' professional staff. There can be no assurance that these professionals will continue to be associated with the general partners or any of their affiliates throughout the life of the Funds.

Need for Follow-on Investments

The Funds may be called upon to provide follow-on funding for their Portfolio Company investments or may have the opportunity to increase their investments in Portfolio Companies. There can be no assurance that the Funds will wish to make such follow-on investments or that the Funds will have sufficient capital to do so. The Funds' decision not to make follow-on investments or their inability to do so may have an adverse impact on such Portfolio Companies.

in need of such investments or may diminish the Funds' proportionate ownership in such Portfolio Companies and thus its ability to influence such Portfolio Companies' future development.

Illiquidity of Limited Partner Interests; Restrictions on Transfer

Interests in the Funds have not been registered under the Securities Act, the securities laws of any U.S. state, or the securities laws of any other jurisdiction, and, therefore, cannot be sold unless they are subsequently registered under the Securities Act and other applicable securities laws or an exemption from registration is available. It is not contemplated that registration under the Securities Act or other securities laws will ever be affected. There is no public market for interests in the Funds, and one is not expected to develop. A Limited Partner may not sell, assign or transfer any of its interests, rights or obligations with respect to its interest in the Funds without the prior written consent of the applicable general partner, which the applicable general partner may grant or withhold in its sole and absolute discretion. Further, a Limited Partner may not withdraw any amount from the Funds except in limited circumstances for legal or regulatory reasons. Consequently, a Limited Partner may not be able to liquidate its investment in the Funds and must be prepared to bear the risks of owning an interest in the Funds for an extended period of time.

Reinvestment of Capital

A general partner may have the option to reinvest or recall certain amounts with respect to investments that have been fully or partially realized within a certain time period after the date such investment was made. In addition, bridge financings recouped or recapitalized within a certain time period following the date of closing of such financings may also be subject to reinvestment or recall by the Funds. Accordingly, during the term of the Funds, a Limited Partner may be required to make capital contributions in excess of its commitment amounts, and to the extent such amounts are reinvested in investments, a Limited Partner will remain subject to investment and other risks associated with such investments.

Inside Information

From time to time, the Principals, a general partner or their respective affiliates may come into possession of material, non-public information concerning an entity in which the Funds have invested or propose to invest, and the possession of such information may limit the ability of the Funds to buy or sell securities of such entity or to distribute such securities to the Limited Partners.

Failure of Limited Partners to Fund their Commitment Obligations

The Funds' investments in Portfolio Companies will require capital calls on Limited Partners over an extended period of time. If a Limited Partner fails to pay installments of its Commitment and the payments made by non-defaulting Limited Partners and borrowings by a Fund are inadequate to cover the defaulted amounts, a Fund may be unable to pay its obligations. As a result, the Funds' ability to complete their investment programs or otherwise to continue operations may be substantially impaired and thus materially adversely affect the returns to the Limited Partners (including non-defaulting Limited Partners) in the Funds. In the event that a Limited Partner

defaults, such Limited Partner may be subject to various penalties, including forfeiture of a substantial portion of its interest, as provided in the LPAs.

Dilution from Subsequent Closings

Limited Partners subscribing for interests in the Funds at subsequent closings, if applicable, will participate in existing investments of the Funds, diluting the interest of existing Limited Partners in such existing investments. Although such Limited Partners will contribute their *pro rata* share of capital contributions previously drawn down by the Funds (plus an additional amount thereon), there can be no assurance that such payment will reflect the fair value of the Funds' existing investments at the time such additional Limited Partners subscribe for such interests.

Indemnification

The Funds are generally required to indemnify, among others, the general partners, the SLPs, the relevant Management Company, the Principals and their respective partners, members, employees, agents, and other affiliates and other persons who serve or provide advisory services and resources at the request of a general partner on behalf of the Funds and members of the Funds' Advisory Boards for liabilities incurred in connection with the affairs of the Funds. Such liabilities may be material. For example, in their capacity as directors of Portfolio Companies, the members, managers, or affiliates of the general partners may be subject to derivative or other similar claims brought by security holders of such companies. The indemnification obligations of the Funds would be payable from the assets of the Funds, including the unused commitments of the Limited Partners. If the assets of the Funds are insufficient to pay such indemnification obligations, the Limited Partners may be required to return distributions previously made to them in order to satisfy such obligations.

Absence of Regulatory Oversight

None of the Funds are currently registered as an investment company under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"), as a result of an exemption under Sections 3(c)(1) and/or 3(c)(7) of the Investment Company Act. The Investment Company Act provides various protections to investors and imposes certain restrictions on registered investment companies, none of which will be applicable to the Limited Partners, the Funds, the general partners or the Management Company. Neither the general partners nor the Management Company are registered as a broker/dealer under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), or with the Financial Industry Regulatory Authority, Inc. ("FINRA"), and is consequently not subject to the record keeping and specific business practice provisions of the Exchange Act and FINRA.

Monetary Policy and Governmental Intervention

As part of the response to the recent global financial crisis, the Federal Reserve and global central banks, including the European Central Bank, have, in addition to other governmental actions to stabilize markets and seek to encourage economic growth, acted to hold interest rates to historic lows. It cannot be predicted with certainty when, or how, these policies will change, but actions by the Federal Reserve and other central bankers may have a significant effect on interest rates and on the U.S. and world economies generally, which in turn may affect the performance of the

Funds' investments. Further financial crises may result in additional governmental intervention in the markets. In addition, the consequences of the extensive changes to the regulation of various markets and market participants contemplated by the legislation and increased regulation arising out of the financial crisis are difficult to predict or measure with certainty.

Pay-to-Play Laws, Regulations and Policies.

In light of recent scandals involving money managers, a number of states and municipal pension plans have adopted so-called "pay-to-play" laws, regulations or policies which prohibit, restrict or require disclosure of payments to (and/or certain contacts with) state officials by individuals and entities seeking to do business with state entities, including investments by public retirement funds. The SEC also has adopted rules that, among other things, prohibit an investment adviser from providing advisory services for compensation with respect to a government plan investor for two years after the adviser or certain of its executives or employees make a contribution to certain elected officials or candidates. If the Management Company, the general partners, or their respective employees or affiliates fail to comply with such pay-to-play laws, regulations or policies, such non-compliance could have an adverse effect on the Funds by, for example, providing the basis for the withdrawal of the affected government plan investor.

Terrorist Activities

Terrorist activities, anti-terrorist efforts, armed conflicts involving the U.S. or its interests abroad and natural disasters may adversely affect the U.S., its financial markets and global economies and could prevent the Funds from meeting their investment objectives and other obligations. The potential for future terrorist attacks, the national and international response to terrorist attacks, acts of war or hostility and natural disasters have created many economic and political uncertainties in the past and may do so in the future, which may adversely affect the U.S. and world financial markets and the Funds for the short or long-term in ways that cannot presently be predicted.

Litigation Risks

The Funds may be subject to a variety of litigation risks, particularly due to the likelihood that one or more Portfolio Companies will face financial or other difficulties during the term of the Funds. The Funds may also participate in Portfolio Company financings at implicit valuations lower than the valuations implicit in preceding rounds of financing. Legal disputes, involving any or all of the Funds, the general partners, their members or its affiliates, may arise from the Funds' activities and investments (or any other activities relating to the operation of the Funds or the general partners) and could have a significant adverse effect on the Funds.

Controlled Group Risks

Under ERISA, members of certain "controlled groups" of "trades or businesses" may be jointly and severally liable for contributions required under any member's tax-qualified defined benefit pension plan and under certain other benefit plans. Further, if any member's tax-qualified defined benefit pension plan were to terminate, underfunding at termination would be the joint and several responsibility of all controlled group members, including members whose employees did not participate in the terminated plan. Similarly, joint and several liability may be imposed

for certain pension plan related obligations in connection with the complete or partial withdrawal by an employer from a multiemployer pension plan. Depending on a number of factors, including the level of ownership held by the Funds in a particular Portfolio Company, the Funds may be considered to be a member of one or more Portfolio Company's "controlled group" for this purpose.

Tax Risks

There is no certainty that the structure of a Fund or of any investment will be tax-efficient to any particular Limited Partner. Additionally, there can be no assurance that a Fund will generate sufficient cash flows to its Limited Partners during a tax period in an amount that is adequate to pay for its Limited Partners' tax liabilities generated by the Fund in that period. Each prospective Limited Partner is advised to consult its own tax counsel as to the specific U.S. federal income tax consequences of an investment in the Funds and as to applicable state, local, estate, foreign or other tax laws.

Cybersecurity Risks

River Associates, the Funds' service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Funds and their Limited Partners, despite the efforts of River Associates and the Funds' service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Funds and their Limited Partners. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to the systems of River Associates, the Funds' service providers, counterparties or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of River Associates' systems to disclose sensitive information in order to gain access to River Associates' data or that of the Funds' Limited Partners. A successful penetration or circumvention of the security of River Associates' systems could result in the loss or theft of a Limited Partner's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Funds, River Associates or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. Similar types of operational and technology risks are also present for the underlying Portfolio Companies in which the Funds invest, which could have material adverse consequences for such Funds, and may cause the Funds' investments to lose value.

Conflicts of Interest

River Associates, in the ordinary course of conducting its business, may encounter situations when the interests of the Funds conflict with the interests of River Associates, other Funds, a Co-Investment Fund managed by River Associates, or any of their respective affiliates. If any matter

arises which River Associates determines in good faith, and in its sole discretion, to be a material conflict of interest, its policy is to disclose such conflict of interest to the effected Funds. To the extent such conflict of interest can be resolved, River Associates' Code of Ethics requires it to resolve the conflict of interest in the best interests of the Funds, subject to the requirements and restrictions of each Fund's governing documents. Employees of River Associates must certify on an annual basis that he or she has read and understands the Code of Ethics. The following discussion enumerates certain conflicts of interest that are encountered by the Funds. Other conflicts may be disclosed throughout this brochure and this brochure should therefore be read in its entirety for such disclosures.

Other Activities of the Principals

The Principals will devote such time as is necessary to conduct the business affairs of each Fund in an appropriate manner. However, the Principals are not required to devote all their business time to one particular Fund's affairs and will be engaged in some activities unrelated to that particular Fund. For example, the Principals will manage and monitor of the investments of certain other Funds and Co-Investment Funds managed by River Associates, including other limited partnerships. The Principals also may organize or manage one or more additional investment pools or advise individual accounts in the future. In so doing, conflicts of interest may arise in allocating management time, services and other functions between the Funds due to, among other considerations, different economic benefits or potential benefits to River Associates directly or indirectly related to the activities of the Principals at certain Funds.

Allocation of Investment Opportunities

In certain circumstances, River Associates may be presented with an investment opportunity that is suitable for more than one Fund and that is within the overlapping investment period of those Funds. The allocation of such investment opportunities between Funds could present a conflict of interest due to, among other considerations, different economic benefits or potential benefits to River Associates directly or indirectly related to the allocation of such opportunity.

If such investment opportunity is a suitable add-on acquisition for a Portfolio Company of one of those Funds, then the investment will typically be allocated to the Fund that owns that Portfolio Company for which the investment is a suitable add-on acquisition.

Otherwise, River Associates will make a good faith determination of a fair and reasonable allocation of such investment opportunity between the Funds. In making such determination, River Associates may consider, among other things, the size of the investment opportunity and the likely size of any follow-on investments relative to the total and uncalled commitments of each Fund, the investment strategy and objectives of each Fund, the contractual provisions of the LPA and Side Letters of each Fund, the suitability requirements, risk profile, and diversification of each Fund, and the likely hold period of the investment relative to the remaining life of each Fund. Such allocation may not result in proportional allocation among the Funds, and such allocations therefore may be more or less advantageous to some Funds relative to others.

Additionally, such allocations may not result in proportional allocations between individual Limited Partners who are invested in more than one Fund, and therefore such allocations may result in a more or less favorable outcome for one such individual Limited Partner versus another.

In circumstances where an investment opportunity is allocated to more than one Fund, River Associates will use its reasonable best efforts to ensure that each Fund's allocation has the same proportion of the same securities with the same liquidation preference and subject to generally the same terms as the other Fund's. However, in circumstances where River Associates is unable to do so, future events could arise, particularly in distressed situations, where the Funds have conflicting interests in their overall strategies for their investments in the Portfolio Company.

Co-Investment Opportunities

River Associates may, in consultation with other participants in a transaction, decide to offer co-investment opportunities alongside a Fund from time-to-time, particularly in circumstances where (a) such co-investor is a third party lender who also proposes to provide debt financing to the transaction, (b) such co-investor is a third party consultant, outside director, other sponsor, or other service provider whose involvement in the transaction is believed by River Associates to be in the best interests of the Funds and other investors, or (c) such co-investor is needed because the proposed total equity investment, including any anticipated future equity investment to support add-on acquisitions, is believed by River Associates to be too large for the Fund, regardless of the maximum investment amount mandated by the Funds' LPA. Such investments may present risk to the Funds that are not present in investments without third-party co-investments due to, among other considerations, the possibility that such third-party co-investors may have future business, economic, or other interests or goals that are inconsistent with those of the Funds.

River Associates may offer co-investment opportunities either directly to co-investors or through a Co-Investment Fund managed by River Associates or an affiliate thereof. Such Co-Investment Funds may or may not provide management fees and carried interest allocation to River Associates or its affiliates. If a Fund's LPA and/or side letters address the allocation of co-investment opportunities, River Associates will allocate such opportunities in accordance with these provisions. Otherwise, River Associates will decide, in its sole discretion, to whom and on what terms to offer co-investment opportunities. In exercising its sole discretion, River Associates may consider a number of factors, including but not limited to the size and financial resources of the potential co-investor, the ability of the co-investor to respond promptly and affirmatively to co-investment opportunities, the cultural fit with the potential co-investor and River Associates and the management team of the co-investment target company, prior industry experience or other strategic value that the co-investor may provide, and the likelihood that allocating a co-investment opportunity to a particular co-investor will provide future benefit to current or future Funds or to River Associates.

River Associates may be incentivized to offer co-investment opportunities to certain persons over others based on its economic arrangements with such persons, or the perceived future benefits

of the long-term relationships with certain co-investors, such as investments in future Funds. As such, there can be no assurance that co-investment opportunities will be allocated proportionately among all interested parties, nor can there be any assurance that co-investment opportunities will be allocated as favorably to a participating party as would be the case if the conflicts of interest to which River Associates may be subject did not exist.

Economic Interest of the Special Limited Partner

Because the percentage of profits allocated to the Special Limited Partner in each Fund exceed the SLP's (and its affiliates') capital commitment percentage, the SLP (which is an affiliate of the General Partner) may have an incentive to make investments that are riskier or more speculative than if it received allocations on a basis identical to that of the investors in the Fund or was compensated on a basis not tied to the performance of the Fund. In addition, the carried interest allocation may create an incentive to maximize the amount of capital deployed within each respective Fund's investment period. Also, the taxation of carried interest or other proceeds to the Special Limited Partner and other General Partner affiliates may create conflicts of interest concerning the timing of investment dispositions.

Board Service

The Funds are typically the majority shareholders of each portfolio company, and the General Partners of each Fund thereby typically have the right to appoint the board members of the Funds' Portfolio Companies. The General Partner typically appoints certain Principals of River Associates to occupy the majority of the board seats at each portfolio company. From time-to-time, the board members approve certain compensation, including monitoring fees and other amounts payable to River Associates. While River Associates believes that its Principals' service on the board of directors of the Portfolio Companies is generally in the best interests of the Funds, the Principals' ability to vote on compensation issues which indirectly impact the value of the Funds' investments could be a potential conflict of interest.

In their capacity as directors of each Portfolio Company, the Principals of River Associates will be required to make decisions that consider the best interests of such Portfolio Company and its respective shareholders. In certain circumstances, the best interests of the Company may be in conflict with the best interests of the Funds.

Fees and Expenses from Portfolio Companies

River Associates receives certain customary fees from Portfolio Companies in connection with the purchase, monitoring or disposition of the Funds' investments or in connection with unconsummated transactions (e.g., director's fees, consulting fees, commitment fees, monitoring fees, break-up fees, success fees or other remuneration paid by portfolio companies or prospective portfolio companies). Portfolio Companies managed by River Associates typically pay River Associates a first year monitoring fee in connection with such fund's investment in such portfolio company, an annual monitoring fee during such fund's ownership of such portfolio

company, and also a closing fee in connection with the fund's sale of such portfolio company, as well as similar fees in connection with certain add-on investments at such Portfolio Companies. Limited Partners will not receive the benefit of any such fees paid by Portfolio Companies other than management fee offsets, if applicable, as further described in Item 5 herein. Because the amount of such fees retained by River Associates could be substantial, such fees could create a conflict of interest between the Funds and River Associates, particularly in instances where the Funds' ownership percentage of the Portfolio Company exceeds the percentage by which such fees paid by the portfolio company offset the Management Fee.

In addition to the fees charged to Portfolio Companies, River Associates and its affiliates will be entitled to the reimbursement of certain expenses, such as travel expenses or third-party consulting expenses, related to their activities with each Portfolio Company. Such expense reimbursement will not be subject to the management fee offset mechanism described in Item 5 herein. River Associates and its affiliates do not have an obligation to seek out the lowest cost option when incurring such expenses.

Expense Allocations

Subject to the terms of the LPA and similar governing documents of each Fund, River Associates will be entitled to charge each Fund for certain expenses borne by River Associates on behalf of the Fund. In certain circumstances, River Associates may incur expenses that should properly be borne by more than one Fund (or Co-Investment Fund). River Associates will endeavor to allocate such expenses between the Funds in a manner that is fair and reasonable to all Funds, which may or may not be based on the relative amount of invested capital of each Fund. Because certain Funds have expense allocation provisions that are more favorable than other Funds, River Associates could have an incentive to allocate expenses to those Funds with more favorable expense allocation provisions in a disproportionate amount versus those Funds with less favorable expense allocation provisions.

Fund-Level Borrowing

The Funds typically enter into financing arrangements and from time-to-time borrow money to fund an acquisition transaction in advance of the receipt of capital contributions from the respective Fund's investors. Such borrowing is generally used for the benefit of all partners in such Fund on a pro-rata basis, including the General Partner, the Special Limited Partner, and other GP-affiliated Partners. The Fund bears the interest expense of all such borrowings, and all borrowings are secured by capital commitments made by Fund investors to the respective Fund, as well as by the Fund's assets. The documentation related to such financing arrangements typically provides that during a continuance of a default under such agreement, the interests of the Fund investors may be subordinated to any outstanding Fund-level borrowings.

Although such Fund-level borrowing is not a strategy employed by River Associates to improve the performance of the Funds, to the extent the Funds use borrowed funds in advance of capital contributions, certain performance metrics of the Funds that are based on the timing of capital

contributions, such as net IRR, may be higher than they otherwise would be without such fund-level borrowing. Also, to the extent that fund-level borrowing positively impacts the preferred return metric of certain Funds, such borrowing could cause the General Partner or the SLP, as the case may be, to earn more carried interest than it otherwise would have earned without such fund-level borrowing. The General Partner therefore has a potential conflict of interest in deciding whether to cause the Fund to borrow funds to the extent it or its affiliates may receive direct or indirect benefits from such borrowings.

Fringe Benefits

The Principals of River Associates may receive certain intangible benefits (such as airline miles, hotel loyalty programs, cash rebates from personal credit cards used to incur business expenses, etc.) in connection with their activities on behalf of the Funds or their portfolio companies. None of these intangible benefits will be subject to the Management Fee offset, or otherwise reimbursed to the Funds or the Portfolio Companies.

Diverse Limited Partner Group

The Limited Partners of the Funds may have conflicting investment, tax and other interests with respect to their Fund investments. The conflicting interests of individual Limited Partners may relate to or arise from, among other things, the nature of the Funds' investments, the structuring or the acquisition of investments and the timing of disposition of the Funds' investments. As a consequence, conflicts of interest may arise in connection with decisions made by River Associates, including with respect to the nature or structuring of investments, that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for the Funds, River Associates will consider the investment and tax objectives of the Funds and the investors as a whole, and not the investment, tax or other objectives of any investor individually.

Formation of Successor Funds

Pursuant to the terms of the Fund Agreements, after the end of the Commitment Period, the General Partner may establish successor funds that may be competitive with the Funds. There can be no assurance that the creation of such successor funds will not give rise to conflicts of interest between the investors of the respective funds.

Service Providers

Certain advisors and other service providers, or their affiliates (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, investment or commercial banking firms, and certain other advisors and agents) to River Associates, the Funds or any of their affiliates may also provide goods or services to or have business, personal, political, financial or other relationships with River Associates and its affiliates. Such advisors and service providers may be investors in the Fund, affiliates of River Associates, sources of investment opportunities,

or co-investors or counterparties therewith. These relationships may influence River Associates in deciding whether to select or recommend such a service provider to perform services for the Fund (the cost of which will generally be borne directly or indirectly by the Fund). Notwithstanding the foregoing, investment transactions for the Fund that require the use of a service provider will generally be allocated to service providers on the basis of River Associates' judgment as to best execution as further described herein. In certain circumstances, advisors and service providers, or their affiliates, may charge different rates or have different arrangements for services provided to the Management Company or their respective affiliates as compared to services provided to the Fund, which may result in more favorable rates or arrangements than those payable by the Fund.

Side Letters

River Associates has entered into side letter agreements with certain investors in certain Funds that afford such investors expanded rights or terms outside of those of the respective governing documents of each Fund. Such side letter provisions could therefore create conflicts of interest between the investors who have entered into side letter agreements, on the one hand, and investors who have not entered into side letter agreements on the other hand.

Legal Representation

River Associates, its Advisory Clients, and the portfolio companies will often engage a common law firm for transaction work and other legal matters. One such law firm employs an employee of River Associates on a part-time, contracted basis. A potential conflict of interest could exist due to the employee's dual role with River Associates and the law firm, which is a material service provider to the Advisory Clients and their portfolio companies. River Associates believes that the employment of such employee is generally in the best interests of the Firm and the Funds. In an effort to mitigate any conflict of interest risk associated with the employee's dual role, River Associates has implemented controls whereby the employee, in the performance of his duties, has no authority to (i) refer legal work on behalf of River Associates or the Funds, or (ii) approve invoices for legal fees.

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 River Associates or the integrity of River Associates' management. River Associates and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

Item 10 – Other Financial Industry Activities and Affiliations

River Associates acts as the investment adviser for several private funds including: River IV, LP; Hiawasse River, LP; River KO, LP; River V, LP; Tellico River, LP; River VI, LP, River VI Parallel, LP;

and River VII, LP. For some of the funds, River Associates serves as the general partner as well as the investment adviser. For those funds in which River Associates does not also serve as the general partner, an affiliated entity acts as general partner as detailed in the table in Item 4. Further, some funds also include an affiliated SLP as detailed in Item 4. The SLP is entitled to receive Carried Interest as described in Item 6.

River Associates is not a broker-dealer, commodity pool operator, commodity trading adviser or futures commission merchant and none of its management persons are associated representatives of a broker-dealer or such other regulated entities.

A certain anchor investor has an ownership interest in River Associates Investments (TN), LLC, River Associates Investments, L.P. and certain SLPs. This investor invests alongside River IV, L.P. through a parallel fund, and alongside River V, L.P. through a second parallel fund and is a Limited Partner of River VI, L.P. and River VII, L.P. This investor has a substantial investment in each of these Funds, and its ownership of the Management Companies and the SLPs has the net effect of reducing the total Management Fees and Carried Interest paid by it as an investor in those Funds. This investor is not active in the day-to-day management of River Associates. A representative of this investor serves on the Advisory Boards of River VI, L.P. and River VII, L.P.

Certain of the Funds' Limited Partners, or affiliates thereof, are financial companies who at times seek to provide debt and other financing to the Funds' Portfolio Companies. Although River Associates believes that the selection of such financing proposals is predominantly motivated by its interest in creating value for the Fund, this circumstance may create a conflict of interest, as River Associates may have an incentive to recommend the financing proposal of such Limited Partner over other proposals if such recommendation is motivated by the belief that such Limited Partner will continue to invest in Funds managed by River Associates.

Certain related persons of River Associates are general partners to River Associates Partners, which is a pooled investment vehicle for certain of their personal investments in locally-managed private funds-of-funds. None of the investments held by River Associates Partners are believed to be suitable investments for the Funds, and therefore River Associates does not view the investment activities of River Associates Partners to be in conflict with those of the Funds. River Associates Partners does not, and will not, participate in co-investment opportunities with the Funds. River Associates Partners is not advised by or considered a client of River Associates. Nor does River Associates provide continuous and regular supervisory or management services to River Associates Partners. River Associates performs limited accounting services for River Associates Partners, but does not receive any management fee, Carried Interest, or other compensation from River Associates Partners. River Associates Partners may receive, from time-to-time, the benefit of River Associates' negotiated rates with certain service providers, such as its tax advisers. The economic impact of these discounted services is believed to be immaterial.

Employees of River Associates and its affiliates may serve as officers, advisers, directors or in comparable management functions for Portfolio Companies in which the Funds invest, or provide other services to Portfolio Companies. The foregoing individuals may spend a substantial portion

of their time with these Fund-related management activities. Employees may also from time-to-time serve on the board of directors of a Portfolio Company, or be given access for other reasons to confidential information relating to Portfolio Companies in which the Funds invest and/or be subject to legal or contractual restrictions on their ability to effect transactions for the Funds. As a result, the Funds may, under certain circumstances, be prohibited for a period of time from engaging in transactions with respect to the debt or equity securities of certain Portfolio Companies, or in certain cases with competitors of those Portfolio Companies, which prohibition may have an adverse effect on the Funds.

From time-to-time, in their roles as board members of Portfolio Companies, employees of River Associates may approve certain compensation, including Monitoring Fees, and other amounts payable to River Associates. While River Associates believes that its Principals' service on the boards of directors of the Portfolio Companies is generally in the best interests of the Funds, the Principals' ability to vote on compensation issues which indirectly impact the value of the Funds' investments could present a potential conflict of interest.

In limited circumstances, certain employees of River Associates may serve as directors or advisers to companies that are not Portfolio Companies or otherwise affiliated with the Funds, subject to approval by River Associates after confirming that such service does not create a material conflict of interest with the Funds.

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

River Associates has adopted a Code of Ethics (the "Code of Ethics") which sets forth appropriate ethical standards of business conduct required of its employees, including compliance with its fiduciary duty and applicable federal and state securities laws. River Associates' Code of Ethics permits its partners, officers and employees to trade in securities, subject to review and reporting of such transactions according to the firm's policies.

River Associates and its affiliates may, in the ordinary conduct of their business or through the Principals' conduct of business outside of River Associates, become party to material non-public or otherwise confidential information about public companies which could, if disclosed, influence an investor's decision to transact in an investment security of that company. River Associates and its Principals and affiliates would be prohibited under applicable law from improperly disclosing such information or using such information for their own benefit or the benefit of a Fund or any other person. Likewise, River Associates, its Principals, and affiliates have no responsibility or liability to disclose such information to the Funds where such disclosure would violate its Code of Ethics or not comply with applicable law, even though such failure to disclose may have a materially negative consequence to the Funds.

Subject to River Associates' Code of Ethics, Principals of River Associates and its affiliates may own, directly or indirectly, subject to the terms and conditions of the applicable LPA, an interest

in one or more of the Funds, including co-investments in Portfolio Companies alongside the Funds. Such investments are typically not subject to the Management Fees or Carried Interest allocation of the Funds. Although River Associates believes that such investments serve to align the interests of the Principals and the Funds, there may be a conflict of interest with the Funds to extent the Principals potentially benefit to a greater extent from such investments than do the Funds' other investors.

River Associates, its employees, and affiliates may conduct investment activities for their own accounts or the accounts of family members or others who do not invest in the Funds, and may provide investment advice or recommend securities that are different from the advice and securities recommended to the Funds, even if their investment objectives are the same. Likewise, such persons may invest in opportunities that were provided to, but rejected by, the Funds.

A copy of River Associates' Code of Ethics is available to River Associates' current or prospective Limited Partners or the Funds upon request to the Chief Compliance Officer at River Associates' principal office address, or by contacting us at (423) 755-0888.

Item 12 – Brokerage Practices

Best Execution

River Associates focuses on securities transactions of private companies, the purchases and sales of which are conducted through privately negotiated transactions. The services of one or more broker-dealers may be retained in connection with the purchase or sale of such private companies. When determining to retain such broker-dealers, River Associates considers a variety of factors, including but not limited to: expertise in the particular industry of the Portfolio Company, expertise with the type of anticipated transaction, reputation of the broker-dealer, the broker-dealer's prior track record of selling Portfolio Companies of the Funds, current capacity of the broker-dealer to manage the transaction process, and fees and commissions charged. As a result of this subjective evaluation process, the broker-dealer ultimately selected may not be the lowest cost provider available for the transaction.

River Associates has never sold publicly traded securities for the Funds, nor is it anticipated that it ever will. As such, River Associates has not adopted formal policies to insure best execution for such transactions, but recognizes that it has an obligation to do so before engaging in such transactions.

Soft Dollars

River Associates does not obtain third-party research services or products with commissions ("Soft Dollars"). As is customary in the industry, broker-dealers may provide their own proprietary research to investment advisers, including River Associates, such as economic studies and forecasts, statistics and pricing or appraisal services, and access to research analysts and company executives. In the event that River Associates adopts a policy whereby it agrees to

engage in soft dollar arrangements, it expects to only do so within the parameters of Section 28(e) of the Exchange Act.

Trade Aggregation & Allocation

Given the nature of River Associates' Funds, trade aggregation is generally not applicable. In limited circumstances certain of the private Funds that River Associates manages will invest in common Portfolio Companies. In such circumstances, upon a disposition of the investment, all Funds' positions are typically transacted simultaneously, in their entirety, and for the same aggregate purchase price amount for all securities. As discussed in Item 8, in circumstances where River Associates is presented with an investment opportunity that is suitable for more than one Fund, it will make a good faith determination of a fair and reasonable allocation of such investment opportunity between the Funds

Item 13 – Review of Accounts

The Funds generally invest in long-term, illiquid securities of privately held companies. As such, River Associates' review process is typically not tailored to the near-term decision to dispose of securities. However, River Associates closely monitors the portfolio investments of the Funds through the Principals' participation on the boards of directors of the Portfolio Companies, monthly unaudited financial statements and related reports submitted by each Portfolio Company to River Associates, and annual audited financial statements of each Portfolio Company. River Associates' Principals are responsible for maintaining the Funds' investments in accordance with each Fund's objectives, which is reviewed periodically by the Chief Compliance Officer.

Each Investor in each Fund will receive, on an annual basis (i) audited financial statements of the applicable Fund, and (ii) annual tax information necessary for completion of such partner's US federal income tax returns. In addition, on a quarterly basis, the Limited Partners in River V, L.P., River VI, L.P., River VII, L.P. and their related parallel funds will receive unaudited financial statements of the applicable Fund and other information about the Portfolio Companies in which each applicable Fund is invested.

All of the Funds' investments typically do not consist of readily marketable securities. The general partners must therefore determine the valuation of all of the Funds' held investments in accordance with its internal valuation policy, which they believe to be consistent with Accounting Standards Codification (ASC) 820 guidelines. Because the valuation policy requires the use of estimates and assumptions, there can be no assurance that the general partners will have all information necessary to determine the value of such investments in a manner that represents the actual value that would be realized by the Funds on the disposition of such investments. River Associates may have a conflict of interest to the extent that such valuations are perceived to influence a current or prospective Limited Partner's decision to participate in a subsequent Fund. For the Funds that currently own investments in Portfolio Companies, the respective advisory

board will review such quarterly valuations before publication. Likewise, such valuations are reviewed annually by the Funds' auditors.

Item 14 – Client Referrals and Other Compensation

Economic Benefits Received from Third Parties

Portfolio Companies of the Funds generally compensate the relevant Management Company for performing certain management and advisory services through the acquisition, ownership, disposition, and in certain cases post-closing periods of the Funds' investment ("Monitoring Fees"). In certain cases the Monitoring Fees paid by Portfolio Companies to the Management Company of a specific Fund will partially offset the Management Fee payable by that Fund to that Management Company, as specified in the applicable LPA and further described in Section 5.

Third Party Compensation for Client Referrals

From time-to-time, River Associates and related entities may enter into cash compensation arrangements with unaffiliated placement agents or other third parties for introducing potential Limited Partners to the Funds. Any sales charge associated therewith is typically payable by River Associates and/or its related entities, either directly or through an offset of the advisory fee payable by the applicable Fund to River Associates, subject to the terms of the applicable LPA.

Item 15 – Custody

For purposes of Rule 206(4)-2 under the Adviser's Act, River Associates is deemed to have custody of the assets of the Funds as a result of its, or its affiliates, authority over the Funds. All of the Funds' assets, except for certain securities purchased in private transactions, are held with a qualified custodian, which generally includes a bank or broker-dealer. Limited Partners will not receive statements from the custodian. Pursuant to Rule 206(4)-2, River Associates has retained an independent accounting firm that is both registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board to conduct an annual audit of the Funds. The applicable audited financial statements are distributed to each Limited Partner in the Funds (or their independent representative) within 120 days of the fiscal year end of the Funds. River Associates generally maintains custody of the Funds' assets held in the applicable Fund's name with the following qualified custodians:

- First Horizon Bank; Chattanooga, Tennessee
- Regions Bank; Chattanooga, Tennessee

Item 16 – Investment Discretion

As adviser to the Funds, River Associates is granted discretionary authority in the advisory agreement with the general partners of each fund to determine which securities and the amounts of securities that are bought or sold, as well as the brokers, dealers or counterparties to be used,

and the associated commissions or other rates to be paid. Limited Partners subscribe to the Funds through subscription documents which, together with the applicable PPM, set forth any limitations and restrictions on the Funds' investments. Additionally, certain Limited Partners have entered into Side Letters with the general partners of certain Funds which may alter such Limited Partner's investment restrictions by, for example, allowing such Limited Partner to not participate in certain investments for regulatory, tax, or similar reasons.

Item 17 – Voting Client Securities

River Associates has adopted policies and procedures which have been designed to ensure that it complies with the requirements of Rule 206(4)-6 and Rule 204-2(c)(2) under the Advisers Act and that reflect its commitment to vote all securities for which it exercises voting authority in a manner consistent with the best interests of the Funds.

Given the nature of the Funds' investments, it is unlikely that River Associates will ever receive proxies with respect to securities held on behalf of the Funds. In such cases, however, River Associates' general policy is to vote such proxies in a manner that: (i) it determines is in the best interests of the relevant Fund(s), and (ii) is consistent with how the Principals voted in their roles as directors to the Portfolio Company, if applicable.

Limited Partners may obtain a copy of River Associates' Proxy Voting Policies and Procedures and information on how proxies were voted in connection with a particular Fund, by contacting River Associates' Chief Compliance Officer at (423) 755-0888.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about River Associates' financial condition under certain conditions. River Associates has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to the Funds, and has not been the subject of a bankruptcy proceeding. River Associates does not currently manage a Fund with an ongoing Management Fee obligation that requires a payment of such fees more than six months in advance.