

Item 1: Cover Page

# ADV Part 2A Brochure

RIVER AND MERCANTILE LLC  
DBA “RIVER AND MERCANTILE SOLUTIONS”,  
“RIVER AND MERCANTILE ASSET MANAGEMENT”  
AND “RIVER AND MERCANTILE DERIVATIVES”

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September 2020

This brochure (the “Brochure”) provides information about the qualifications and business practices of River and Mercantile LLC dba River and Mercantile Solutions, River and Mercantile Asset Management and River and Mercantile Derivatives. If you have any questions about the content of this Brochure, please contact us at 781-373-6900 or by email at [usa@riverandmercantile.com](mailto:usa@riverandmercantile.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

We are a registered Investment Advisor with the SEC. Registration as an Investment Advisor does not imply any level of skill or training.

Additional information about River and Mercantile LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for River and Mercantile LLC is 126765.

## Item 2: Summary of Material Changes

This Brochure provides a summary of River and Mercantile LLC's advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things.

This Item is used to provide clients with a summary of material changes as defined by the SEC including additional information we deem to be relevant for our current and prospective clients. The revision(s) are based on the nature of the information detailed below.

- **Material Changes:** Should a material change in our operations occur, depending on its nature, River and Mercantile LLC will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates – any information that is critical to a client's full understanding of who we are, how to find us, and how we do business.
- **Annual Updates:** River and Mercantile LLC will provide clients with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our fiscal year end of June 30 or we will provide clients with our revised Brochure that will include a summary of those changes in this Item.

### Material Changes

River and Mercantile LLC has the following material changes to report since the last filing of the Brochure:

- The Brochure now includes a section describing Collective Investment Vehicles used by River and Mercantile LLC.

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## Item 4: Advisory Business

### Firm Description and History

River and Mercantile LLC (the “Advisor”) is a fee-based, federally-registered investment advisor with its principal place of business located in Waltham, Massachusetts. The Advisor utilizes the following business names:

River and Mercantile Solutions, which provides institutional investment advice and outsourced portfolio management;

River and Mercantile Asset Management or “RAMAM” or “RAMAM ILC Team,” which manages portfolios of emerging market equities; and

River and Mercantile Derivatives, which offers liability-driven investment solutions through structured equity, swaps, and other derivatives.

This Brochure provides detailed information about the business of River and Mercantile Solutions, RAMAM and River and Mercantile Derivatives. If you have any questions about the Advisor or any of its businesses, please see the contact information on the cover of this Brochure. For more information about our investment management team please consult the Brochure Supplement.

### Business Structure

The Advisor was established in 2000 as a Delaware limited liability company. The Advisor is a wholly-owned subsidiary of River and Mercantile US Holdings Limited, which is a wholly owned subsidiary of River and Mercantile Group PLC (“RMG”). Both parent companies are based in London, United Kingdom. RMG’s shares are publicly traded on the London Stock Exchange under the ticker RIV (RIV.L or RIV:LN on US systems).

RMG is also the parent company of River and Mercantile Asset Management LLP (“RAMAM LLP”), which is also based in the United Kingdom (“UK”), and is regulated by the UK Financial Conduct Authority (“FCA”). RAMAM LLP is also registered as an investment adviser with the SEC.

### Tailored Advisory Services

#### River and Mercantile Solutions:

River and Mercantile Solutions advisory services are tailored to the unique needs of our clients. The Advisor provides customized discretionary and non-discretionary investment management services. The Advisor manages both pre-defined, or “model”, as well as fully-customized investment strategies that differ by risk and potential return characteristics. River and Mercantile Solutions’ investment strategies employ multiple underlying managers and investment strategies to provide the desired diversification and risk characteristics. In tandem with River and Mercantile Solutions, River and Mercantile Derivatives is a provider of structured equity and liability driven investments to institutional investors, offering a customized approach that endeavors to be affordable and transparent.

**RAMAM:**

RAMAM manages portfolios of equity securities for institutional investors. Its focus is on emerging markets. RAMAM utilizes a proprietary quantitative methodology, supplemented by qualitative research, to screen stocks that uses the HOLT™ research system.

**Pooled Investment Vehicles:**

The Advisor is the investment manager of Collective Investment Trusts for ERISA plans which are managed pursuant to a number of different strategies. The Advisor has also been selected to manage private investment companies with similar investment strategies.

**Strategy and Objectives****River and Mercantile Solutions:**

River and Mercantile Solutions provides investment advisory services to institutional investors, such as pension plans and insurance companies, as well as actuarial consulting services to pension plans.

The Advisor may allocate client assets among various investment managers used by other clients of the Advisor. This may lead to a conflict with respect to allocating client assets among managers where capacity is limited. The Advisor is not obligated to seek additional capacity from the investment manager and will seek a comparable or similar strategy of a different manager if capacity is unavailable for a client. The Advisor may assist clients with developing investment objectives and an asset allocation strategy, and by providing portfolio structure analysis and asset rebalancing. However, the final decision regarding the strategic asset allocation typically remains with the client.

Client investments are not limited to any specific product or service offered by a broker-dealer, insurance company, or other financial services company and primarily consist of mutual funds, U.S. Treasury obligations, exchange traded funds (“ETFs”), collective investment trusts and over-the-counter derivative contracts.

**RAMAM:**

RAMAM works with clients to establish investment guidelines. RAMAM manages portfolios in accordance with these guidelines. Guidelines may incorporate reasonable restrictions such as country of domicile, industry sectors or exclusions of specific securities. Clients should be aware of investment and other risks, restrictions on withdrawals and other information relevant to their investment.

**Wrap Fee Programs**

Wrap fee programs charge comprehensive fees that cover both portfolio management and brokerage services. The Advisor does not participate in wrap fee programs.

**Assets Under Management**

As of June 30, 2020, the Advisor had approximately \$1.8 billion in discretionary assets under management and approximately \$4.2 billion in non-discretionary assets under management.

## Item 5: Fees and Compensation

### River and Mercantile Solutions:

River and Mercantile Solutions does not have a standard fee schedule. All fees are negotiable and can be calculated as a flat fee or a percentage of assets under management. Generally, asset-based fees range from 0.10% to 0.5% per annum of assets under management and fees based on derivatives notional range from 0.05% to 0.25%, but they may be higher or lower than these ranges, depending on the services to be rendered, the size and complexity of the account and other factors; special one-time projects are generally billed on a flat fee basis or based on hourly rates.

Fees based on assets under management are typically billed to the client quarterly or monthly in arrears, based on the value of assets at quarter or month-end, as appropriate. The Advisor does not deduct fees directly from client accounts. The Advisor's fees do not include fees for services provided by others, such as custody, third-party investment management or transaction costs.

The Advisor does not receive commissions or any other incentive fees from underlying managers that we select or recommend. We do not accept "soft dollars", "sub-TA" fees or any sort of revenue related to the placement of client assets with certain managers.

Certain of the managers hired or recommended by River and Mercantile Solutions to manage client assets may be consulting clients of the Advisor or its UK-based affiliates. The revenue earned from these managers from such consulting activity may create a conflict of interest. Specifically, if the Advisor is paid a fee by a manager, then this could potentially impair its ability to select or terminate this manager objectively and thus may create the appearance of a conflict of interest. The Advisor believes that it has appropriately minimized or eliminated the likelihood that such other business relationships would influence its selection of managers by taking the following steps:

1. The Advisor's manager selection and termination activities follow a defined process. At no time during the evaluation process is the status of a manager as a client of the Advisor or an affiliate considered;
2. The Advisor's portfolio management staff does not receive any form of compensation that is directly linked to services provided to managers or their affiliates. Compensation is linked to the overall business results of the Advisor and its parent company; and
3. The Advisor does not consider other relationships that may exist between a client and the Advisor, its affiliates or its employees when selecting or terminating managers.

### RAMAM:

RAMAM does not have a standard fee schedule. Generally, asset-based fees range from 0.5% to 1.50% per annum of assets under management, but they may be higher or lower than this range, depending on the size and complexity of the account and other factors. Fees based on assets under management typically are billed to the client quarterly or monthly in arrears, based on the value of assets at quarter or month-end, as appropriate. RAMAM does not deduct fees directly from client accounts. RAMAM's fees do not include fees for services provided by others, such as custody, or transaction costs.

RAMAM does not pay or receive "soft dollars" or other non-fee compensation.

### Other Costs Involved

In addition to the above fees, clients are responsible for paying any fees and expenses, such as brokerage commissions, associated with effecting securities trades for client investment portfolios. These fees may include:

- Management fees for mutual funds, closed-end funds, and ETFs. These are fees charged by the managers of the funds and are a portion of the expenses disclosed in the prospectus.
- Mutual fund loads (if applicable). These charges are paid to brokers as a form of commission.
- Brokerage costs, transaction and administrative fees charged by the client's broker or custodian.

Additional details on these fees are described below.

### Mutual Fund, ETF and other Fund Fees and Expenses

If clients invest in mutual funds, closed-end funds, ETFs, collective trusts, partnerships or any other fund, clients will indirectly bear the fees and expenses paid by the funds to their service providers. These fees may include management fees, custody and administration fees and expenses, and in some cases a sales load or distribution fee. These fees and expenses are described in each fund's prospectus.

### Brokerage and Custodial Fees

In addition to the Advisor's management fees, the client will also be responsible for all transaction, brokerage, and custodial fees incurred as part of overall account management. Please see Item 12 of this Brochure for important disclosures regarding the Advisor's brokerage practices.

### Fees in General

Fees are negotiable based upon certain criteria (e.g., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, negotiations with client). The client agreement will specify the fee arrangement in writing.

Under no circumstances will the Advisor collect fees in excess of \$1,200 more than six months in advance of services rendered.

### Account Termination

Generally, clients may terminate their agreement by providing the Advisor with a 30-day written notice. Upon termination of any account, any earned, unpaid fees will be due and payable. In general, such fees are pro-rated to reflect a partial month or quarter, as applicable.

## Item 6: Performance-Based Fees and Side-by-Side Management

### River and Mercantile Solutions:

Performance-based fees are fees calculated on the basis of the investment performance of the account (e.g., fees based on a share of capital gains or capital appreciation in the account). The Advisor does not currently charge performance-based fees.

Generally, because of the Advisor's fee structure and the types of investments that it recommends (mutual funds, treasuries, ETFs and other collective investment funds), the management of multiple accounts with the same investment objectives does not create a conflict of interest.

**RAMAM:**

Because multiple RAMAM accounts could be investing in the same securities with potentially limited availability, RAMAM has developed policy and procedures to assure that all client accounts are treated fairly.

**Item 7: Types of Clients**

The Advisor advises institutional clients such as defined benefit and defined contribution pension plans, mutual funds, insurance companies, endowments and not-for-profit entities.

The Advisor currently does not impose a minimum account size; however, we typically work with institutions with at least \$5 million in investable assets.

**Item 8: Methods of Analysis, Investment Strategies and Risk of Loss****Summary****River and Mercantile Solutions:**

River and Mercantile Solutions uses quantitative and qualitative methods of assessing client investment needs and risk tolerance. Once goals and risk tolerance are established and understood then a portfolio of appropriate assets can be constructed. This construction is done utilizing tools based on Modern Portfolio Theory as well as scenario-based risk analysis.

Even the most robust investment portfolios contain elements of risk that cannot be mitigated and could result in client losses either in absolute terms or relative to a specific financial goal. Any investment strategy contains an element of risk. The primary risks in the investment strategies that we pursue are not loss of principal per se, as we diversify widely, but rather the long-term underperformance of the portfolio versus the desired goals of the client.

**RAMAM:**

RAMAM employs a disciplined approach to buying and selling equity securities that utilizes the HOLT™ system to quantitatively screen and rank potential investments. The HOLT™ system enables vast amounts of data to be collected and analyzed on a consistent basis, enabling the RAMAM ILC Team to focus on assessments of valuation that it deems important, such as Cash Flow Return on Investment, asset growth and a company's life cycle stage. The RAMAM ILC Team has managed assets using the HOLT™ system and RAMAM's proprietary valuation and selection process since 2005.

Clients should always be aware of their risk tolerance level and financial situations. The Advisor cannot guarantee the successful performance of an investment and is expressly prohibited from guaranteeing accounts against losses arising from market conditions.

All investments involve different degrees of risk.

**Methods of Analysis****River and Mercantile Solutions:**



River and Mercantile Solutions utilizes a variety of methods and strategies to make investment decisions and recommendations. The methods of analysis include analysis of economic fundamentals and technical analysis.

#### Economic Fundamental Analysis

This method of analysis examines the economic prospects of various countries, regions, economic sectors and asset classes. It considers economic factors such as GDP growth, unemployment, government debt levels and demographics to determine the financial health of various countries and to assess future growth prospects. Fundamental economic analysis is typically used to generate capital markets expectations for various asset classes around the world over a 3-5-year horizon.

#### Technical Analysis

Technical analysis, or the analysis of the price movements of asset classes and securities, is generally used to make an assessment as to when the right time to make an adjustment to an asset allocation might be or when to buy or sell a particular security. Technical analysis is typically used to provide shorter-term views on markets than fundamental analysis.

The Advisor gathers and utilizes research information from a variety of sources including: *Bloomberg*, *eVestment Alliance* and *Morningstar*, news from other financial magazines and publications, corporate rating services, annual reports, prospectuses, filings with the SEC, and company press releases.

The Advisor's investment professionals meet periodically as an Investment Committee to review portfolio securities to determine whether it is appropriate to increase, decrease, liquidate, or hold their positions.

Clients should be aware that there are risks associated with all types of investments, including investment in securities. Investments are not insured or guaranteed. Investing in securities involves risk of loss that clients should be prepared to bear.

#### RAMAM:

The RAMAM ILC Team programs the HOLT database to narrow the universe of over 20,000 potential companies based on proprietary selection criteria. The analysts focus on the highest rated names from this narrowed universe, conducting qualitative analysis and writing research notes. The Portfolio Manager makes the final buy/sell/hold decision on each name in the portfolio and on names to be introduced to the portfolio. Portfolio positions are monitored daily and portfolios are rebalanced at least monthly.

#### Investment Strategies

##### River and Mercantile Solutions:

River and Mercantile Solutions invests client assets against well-defined objectives, such as outperforming a benchmark based on a client's long-term liability profile. Portfolio asset allocations are customized based on each client's unique requirements. Assets are allocated actively across a diversified group of asset classes and managers, generally with a mix of active and passive strategies. All investment decisions are made within constraints established with the client and with an eye to reducing uncompensated or poorly compensated risk wherever possible.

**RAMAM:**

RAMAM invests client assets in emerging market equities. These strategies are governed by client guidelines and benchmarks agreed to with the client. Currently RAMAM manages two emerging markets strategies: all cap and small cap.

**Market, Security and Regulatory Risks**

Investment programs have certain risks that are borne by the investor, many of which are described below.

**Market Risks**

*Competition. Availability of Investments.* Certain markets in which the investment managers of funds that we may invest are extremely competitive for attractive investment opportunities. As a result, there can be no assurance that Advisor will be able to identify or successfully pursue attractive investment opportunities in such environments.

*Market Volatility.* The profitability of the portfolios substantially depends upon the investment managers correctly assessing the future price movements of stocks, bonds, options on stocks, and other securities and the movements of interest rates.

*The Investment Managers' Investment Activities.* The investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of nor predictable by the Advisor. Such factors include a wide range of economic, political, competitive, technological and other conditions (including acts of terrorism and war) that may affect investments in general or specific industries or companies. The securities markets may be volatile, which may adversely affect the ability to realize profits.

*Material Non-Public Information.* Certain principals or employees of the Advisor and/or its affiliates may, in connection with other activities of the Advisor and/or its affiliates, acquire confidential or material non-public information about a company. As a result, the Advisor may be restricted from initiating transactions in the securities of such a company. Due to these restrictions, the Advisor may not be able to purchase or sell a security which it otherwise might have bought or sold.

*Accuracy of Public Information.* The Advisor as well as the investment managers it may recommend, selects investments, in part, based on information and data filed by issuers with various government regulators or made directly available to the Advisor by the issuers or through sources other than the issuers. They are not always in a position to confirm the completeness, genuineness, or accuracy of such information and data. In some cases, complete and accurate information is not available.

*Options and Other Derivative Instruments.* Investment managers may invest, from time to time, in options and other derivative instruments, including, but not limited to, the buying and selling of puts and calls on some of the securities held in the portfolio. The prices of options are highly volatile and depend on the values of the securities, indexes, currencies, or other instruments underlying them. Price movements of options or currency contracts are also influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. Options on highly volatile securities, currencies or other assets may be more expensive than options on other investments.

*Hedging Transactions.* Any hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio positions should increase.

*Market or Interest Rate Risk.* The price of most fixed income securities moves in the opposite direction of the change in interest rates. For example, as interest rates rise, the prices of fixed income securities generally fall. If a client's portfolio (or the portfolio of a fund in which it invests) holds a fixed income security to maturity, the change in its price before maturity may have little impact on the security's performance; however, if the security is sold before the maturity date, an increase in interest rates could result in a loss.

*Inflation Risk.* Inflation risk results from the variation in the value of cash flows from a security due to inflation, as measured in terms of purchasing power. For example, if an investor purchases a 5-year bond in which it can realize a coupon rate of 5%, but the rate of inflation is 6%, then the purchasing power of the cash flow has declined. For all but inflation-linked bonds, adjustable bonds or floating rate bonds, the investor is exposed to inflation risk because the interest rate the issuer promises to make is fixed for the life of the security.

*Non-U.S. Investments.* Investing in the financial instruments of companies (and, from time to time, governments) outside of the United States involves certain considerations not usually associated with investing in financial instruments of U.S. companies or the U.S. Government, including political and economic considerations, such as greater risks of expropriation, nationalization, confiscatory taxation, imposition of withholding or other taxes on interest, dividends, capital gains, other income or gross sale or disposition proceeds, limitations on the removal of assets, and general social, political and economic instability; the relatively small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; the evolving and unsophisticated laws and regulations applicable to the securities and financial services industries of certain countries; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict the client's investment opportunities. In addition, accounting and financial reporting standards outside of the U.S. may in some emerging markets not be as high as U.S. standards and, consequently, less information may be available concerning companies located outside of the U.S. than for those located in the U.S. As a result, an investment manager may be unable to structure transactions to achieve the intended results or to mitigate all risks associated with such markets. It may also be difficult to enforce the client's rights in such markets. For example, financial instruments traded on non-U.S. exchanges and the non-U.S. persons that trade these instruments are not subject to the jurisdiction of the SEC or the CFTC or the securities and commodities laws and regulations of the U.S. Accordingly, the protections accorded to the client under such laws and regulations are unavailable for transactions on foreign exchanges and with foreign counterparties.

*Emerging Markets Risk.* The risks described above for non-U.S. investments are higher for stocks of companies located in emerging markets, which may be substantially more volatile, and substantially less liquid, than the stocks of companies located in more developed foreign markets. Among other factors, emerging markets can have greater custodial and operational risks; less developed legal, tax, regulatory, and accounting systems; and greater political, social, and economic instability than developed markets. In addition, world events—such as political upheavals, financial troubles, or natural disasters—may have a

more pronounced effect on the value of securities issued by companies in countries or regions with emerging markets.

*Risk of Default or Bankruptcy of Third Parties.* The Advisor may engage in transactions in financial instruments and other assets that involve counterparties. Under certain conditions, investors could suffer losses if a counterparty to a transaction were to default or if the market for certain securities or other financial instruments and/or other assets were to become illiquid.

#### Regulatory Risks

*Strategy Restrictions.* Qualified employee benefit plans and certain other institutional investors may be restricted from directly utilizing investment strategies or making certain specific investments. Such institutions should consult their own advisors, counsel, and accountants to determine what restrictions may apply and whether an investment is appropriate.

*Trading Limitations.* For all securities, instruments and/or assets listed on an exchange, including options listed on a public exchange, the exchange generally has the right to suspend or limit trading under certain circumstances. Such suspensions or limits could render certain strategies difficult to complete or continue. Also, such a suspension could render it impossible to liquidate.

#### Security Specific Risks

*Liquidity.* Liquidity is the ability to readily convert an investment into cash. Securities where there is a ready market that is traded through an exchange are generally more liquid. Securities traded over the counter or that do not have a ready market or are thinly traded are less liquid and may face material discounts in price level in a liquidation situation.

*Currency.* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

*Limited Liquidity.* An investment has limited liquidity because clients may have only limited rights to withdraw or transfer. Clients must be prepared to bear the financial risks of such an investment for an indefinite period of time.

### Item 9: Disciplinary Information

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material in the evaluation of River and Mercantile LLC or the integrity of Advisor's management. The Advisor along with its principal owners and employees have not been disciplined by any governing authority, including any regulatory agency, CFA Board of Conduct, or any industry association of which they are licensed and/or are members.

### Item 10: Other Financial Industry Activities and Affiliations

River and Mercantile LLC has two affiliated companies in the United Kingdom: RAMAM LLP and River and Mercantile Investments Limited ("RAMIL"). RAMIL personnel are members of the US and Global investment committees that set asset allocation policy for the affiliated companies' clients. Derivative portfolio collateral management is provided to the Advisor by RAMIL, which is regulated by the Financial

Conduct Authority in the United Kingdom. RAMAM LLP provides some investment operations support on behalf of River and Mercantile Asset Management's equity investment team. Employees of the Advisor provide marketing support to RAMAM LLP. The Advisor believes that these relationships do not create a conflict of interest for its clients.

The Advisor endeavors at all times to put the interest of its clients first as part of its fiduciary duty as a registered investment advisor and takes the following steps to address potential conflicts of interest:

- the Advisor discloses to clients the existence of all material conflicts of interest;
- the Advisor ensures that each client's investment objectives, risk tolerances, etc. are stated in an investment policy statement ("IPS"); and
- Management conducts regular reviews of client accounts to verify that all allocations are in-line with the client IPS and consistent with client objectives.

Neither the Advisor nor its principal owners are registered or have an application pending to register as a broker-dealer or registered representative of a broker-dealer. In connection with the distribution of interest in private investment companies managed by the Advisor and RAMAM LLP, a number of the Advisor's personnel will be registered representatives of a non-affiliated broker-dealer firm.

Neither the Advisor nor its principal owners are registered or have an application pending to register as a futures commission merchant or commodity pool operator. The Advisor is registered with the National Futures Association as a Commodity Trading Advisor (CTA) Swap Firm.

The Advisor does not recommend or select affiliated investment advisors for clients nor does it have other business relationships with those advisors that create a material conflict of interest.

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

The Advisor strives to observe the highest industry standards of conduct based on its obligation as a fiduciary to its clients. To meet this obligation, the Advisor has adopted a written Code of Ethics (the "Code") that is applicable to all employees. Each employee is provided with a copy, and required to acknowledge, in writing, that they have received, read, understand and will abide by the Code and the Advisor's Compliance Manual, upon commencement of employment, annually and upon any material change to the Code.

The Code requires that employees act in clients' best interests and comply with applicable laws and regulations. Employees are expected to avoid any action that is, or could even appear to be, legally or ethically improper. The principles outlined in the Code apply to all conduct, whether or not the conduct is also covered by more specific standards or procedures set forth in the Code, Compliance Manual, or elsewhere. Employees are required to bring any violations, actual or suspected, of the Code immediately to the attention of the Chief Compliance Officer ("CCO"). Failure to comply with the Code may result in disciplinary action or other sanctions including termination of employment.

The Code also places certain restrictions on the personal trading activities of employees and their immediate family members. Employees may generally engage in personal trading of individual company securities by obtaining prior approval and subject to pre-clearance by the CCO. However, employees may purchase and sell open-end mutual funds, most ETFs, and any other securities not specifically prohibited by the Code without pre-clearance. Employees are required to disclose their personal securities holdings annually and personal securities transactions quarterly to the CCO. Employees may also participate in limited offerings such as hedge funds, private equity funds, or other types of private offerings, subject to pre-clearance procedures.

The Advisor, its employees or affiliates (collectively “Related Persons”), may have an investment in strategies similar to those managed by the Advisor on behalf of clients. As a result, Related Persons may have an interest in an investment that may also be recommended to clients.

A copy of the Code shall be provided to any client or prospective client upon request.

Material components of the Code, in summary form, include:

*Standard of Business Conduct.* It is the responsibility of all employees to ensure that the Advisor conducts its business with the highest level of ethical standards and in keeping with its fiduciary duties. Employees have a duty to place the interest of the clients first, and to refrain from having outside interests that conflict with the interests of its client(s).

*Prohibited Conduct.* The Advisor’s employees must avoid any circumstances that might adversely affect or appear to affect their duty of complete loyalty to clients.

*Conflicts of Interest.* Employees may not use any confidential information or otherwise take inappropriate advantage of their positions for the purpose of furthering any private interest or as a means of making any personal gain. Employees and their immediate families may not accept any benefit from clients or any person who does business with the Advisor, other than business courtesies and non-cash gifts of nominal value.

*Service as a Director.* No employee may serve as a director of a publicly-held company without prior approval by the CCO based upon a determination that service as a director would not be adverse to the interest of clients.

*Reporting of Violations.* Employees are required to promptly report all actual or potential conflicts of interest, violations of any government or regulatory law, rule or regulation, or violations of the Advisor’s policies and procedures.

*Training.* Formal ethics training for all employees will occur on a periodic basis.

*Review and Enforcement.* The CCO is responsible for ensuring adequate supervision over the activities of all persons who act on Advisor's behalf in order to prevent and detect violations of the Code by such persons.

*Participation or Interest in Client Transactions and Personal Securities Trading.* All employees shall comply with the procedures governing personal securities transactions set forth in the Code. Such procedures are designed, among other matters, to assist the CCO in avoiding potential conflicts of interests and detecting and preventing abusive trading practices such as “scalping” or “front running” and to highlight potentially abusive “soft dollar/client commission” or brokerage arrangements. Strict compliance with the Advisor’s personal trading policy is essential to the Advisor and its reputation. Any violation of the Advisor’s personal trading policy can be grounds for immediate dismissal. Every employee of the Advisor is expected to be familiar with the personal trading policy and the procedures contained therein. These matters may be reviewed with the CCO at any time.

The CCO shall maintain current and accurate records of all personal securities transactions in which employees have a direct or indirect beneficial interest. The following restrictions shall apply to securities transaction(s) by employees of the Advisor and their related persons:

*Restricted Securities.* The Advisor shall maintain a restricted list of securities for which no trading by employees is allowed (e.g., because the Advisor may have material non-public information).

*Black-Out Period.* No employee will be permitted to purchase or sell a security at the same time as, or in close proximity to, when Clients buy or sell the same or related security. In no event may any employee execute a personal transaction in a security on any day during which there is pending for Clients any order in the same security until the order is filled or withdrawn.

*Initial Report.* An employee shall, no later than 10 days after the employee begins its relationship with the Advisor, provide brokerage account statements, which are as of a date that is within 45 days of the date the employee submits them to the Advisor, and complete and submit a list of brokerage accounts.

*Quarterly Reports.* On a quarterly basis all employees shall submit to the CCO a personal securities transaction report.

*Annual Holdings Report.* Following the completion of each calendar year, employees must submit a list of personal brokerage accounts or other documents to report all personal securities holdings.

*Record-Keeping Requirements.* The CCO shall establish a form to record personal securities transactions.

### Item 12: Brokerage Practices

The Advisor’s trading activity includes placing orders on behalf of new clients whose current portfolio investments are outside the scope of a new IPS, effect the investment strategy to re-balance portfolios and to reflect changes that are necessitated by changing client needs or changing market conditions.

The Advisor may also place trades with brokers selected by a client. In such cases, the Advisor may not necessarily be able to obtain the best price for execution as may otherwise be obtained through other broker-dealers.

River and Mercantile Solutions:

River and Mercantile Solutions uses dedicated trade order management and portfolio accounting systems. Trades are managed and executed through the Linedata LongView trade order management system and portfolios are tracked using the Advent APX portfolio accounting system.

**RAMAM:**

RAMAM utilizes the Linedata Longview trade order management and portfolio accounting system.

The Advisor has a list of approved brokers who it believes provide reliable execution at competitive prices. Advisor periodically reviews its selection of brokers to ensure they are providing such competitive pricing. The Advisor believes that this arrangement enables the Advisor to obtain favorable prices on its securities trades at reasonable commission rates. The Advisor regularly reevaluates its brokerage practices to ensure that the securities prices and transaction expenses are providing the best net results.

The Advisor does not have any soft-dollar arrangements and it does not contract with any broker dealer to receive soft-dollar benefits. This means that the Advisor does not receive research or gain access to industry analysts or conferences in return for paying higher commissions for trades to a particular broker-dealer. The Advisor does not participate other client commission arrangements.

The Advisor aggregates orders for the same security across client accounts when possible to facilitate obtaining the best price and execution for all clients.

### Item 13: Review of Accounts

**River and Mercantile Solutions:**

Client accounts are reviewed on a periodic and no less than annual basis to confirm that asset allocations are within target ranges and are compliant with the clients' IPSs. These reviews are designed to monitor investment objectives and guidelines, positions, transactions, exposure, risk, and other issues related to current portfolio holdings and potential investment opportunities. The performance of each account is addressed at length with each client on a routine basis. Accordingly, clients are strongly encouraged to keep the Advisor abreast of any changes to their financial status which could affect the composition of their portfolio.

River and Mercantile Solutions also monitors the performance and activities of investment managers that it utilizes for accounts to ensure that they are meeting objectives. Clients are reminded to review their account statements in detail for a full understanding of the services rendered and the associated costs therein. Questions regarding such documentation may be addressed directly to the CCO.

**RAMAM:**

RAMAM continuously ensures client portfolios are within guidelines and will work to revise guidelines as and when necessary.

### Item 14: Client Referrals and Other Compensation

The Advisor engages with other firms from time to time to provide introductions to prospective clients. Such firms may be paid a success fee if the Advisor enters into a contract with a client introduced by such a firm. Employees of the Advisor or affiliates may receive compensation, paid by the Advisor, to the extent



that the employee originates business for the Advisor. Any sales commissions paid for new business are paid by the Advisor and not by the client.

### Item 15: Custody

#### *Account Statements*

Qualified custodians that hold client assets will provide account statements directly to clients at their address of record at least quarterly. Clients are encouraged to carefully review the statements provided by their custodians.

#### *SEC "Custody"*

In all cases, client funds and securities are held with a bank, broker-dealer, or other independent, qualified custodian. The independent, qualified custodian provides account statements directly to clients at their address of record at least quarterly. The Advisor invoices clients directly for its fees, and does not seek client authorization to deduct fees directly from their accounts.

The Advisor does have "custody", as that term is defined by the SEC, only with respect to accounts which hold securities used as collateral for certain derivative transactions. Because it is necessary for the Advisor to move the collateral assets when and where they are needed, without obtaining written client instructions in every case, the Advisor must have a level of authority which constitutes "custody" of the assets. Under Investment Adviser's Act Rule 206(4)-2, the Advisor is required to hire a qualified independent accounting firm to conduct a surprise audit of these accounts on a yearly basis.

#### Reports

Clients will receive periodic reports prepared by the Advisor reflecting account balances, buy/sell/exchange transactions, fees, net changes in the account value, etc. We recommend that clients review such statements carefully and ensure they reconcile to the custodian account statements.

### Item 16: Investment Discretion

The Advisor maintains discretionary authority over the selection and amount of securities to be bought or sold in the accounts of clients that have provided such authority. Transactions in these accounts may be made without obtaining prior consent or approval from clients, as agreed upon in writing. However, these purchases, sales, and selections may be subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by the Advisor. Discretionary authority is only authorized upon full disclosure to the client. The granting of such authority is made evident by the client's execution of a client agreement/advisory contract containing all applicable limitations to such authority. All discretionary trades made by the Advisor are conducted in accordance with each client's investment objectives and goals. We go through a rigorous review of goals, risk tolerance and the development of investment restrictions and guidelines before accepting discretionary authority.

Broker-dealer selection is made according to those specific guidelines previously mentioned in Item 12 of this brochure, with client's written approval.

Clients do have the ability to impose limitations on the Advisor discretionary authority.

## Item 17: Voting Client Securities

Clients may retain the right to vote proxies for shares of portfolio companies or may delegate the proxies to the Advisor. When the Advisor has discretion to vote proxies for clients, the Advisor will vote those proxies in the best interest of the clients and in accordance with the Advisor's established policies and procedures. The Advisor generally seeks to vote proxies in a way that maximizes the value of clients' assets. Consideration is given to both the short and long-term implications of the proposal to be voted on when considering the optimal vote. If the Advisor has a conflict of interest in voting a particular action, the Advisor will notify the impacted client(s) of the conflict and retain an independent third-party to cast a vote. The Advisor has currently not identified conflicts of interest between client interests and its own within its proxy voting process. Nevertheless, if it determines that it faces a material conflict of interest in voting a client's proxy, it has policies as outlined in the Compliance Manual. The Advisor's complete proxy voting policy and procedures are available for review.

The Advisor will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by the Advisor that was material to making a decision how to vote proxies, and a copy of each written request for information on how the Advisor voted proxies. In addition, the Advisor's complete proxy voting record is only available to current clients. Clients may contact the Advisor with any questions or if they would like to review any of these documents.

The Advisor will neither advise nor act on behalf of clients in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct the Advisor to transmit copies of class action notices to the client or a third party. Upon such direction, the Advisor will make reasonable efforts to forward such notices in a timely manner.

### **RAMAM:**

To assist with proxy voting for client accounts, RAMAM has engaged Institutional Shareholder Services Inc. ("ISS"), a registered investment adviser that specializes in the provision of proxy research, vote recommendations and related governance research services. RAMAM has delegated to ISS the authority to vote its clients' proxies consistent with predetermined RAMAM and ISS voting policies.

RAMAM may have a conflict of interest related to voting certain securities of publicly held companies to which the firm provides investment advisory services. Because proxies are voted pursuant to standing RAMAM and ISS voting policies, most votes are made based on overall voting parameters rather than their application to any particular company, thereby eliminating the effect of any potential conflict of interest.

ISS maintains a Code of Ethics and written policies and procedures to identify potential conflicts of interest and prevent any potential conflicts from becoming actual conflicts. If ISS does not provide a recommendation because of a conflict of interest, the CCO will consult with the portfolio manager for a recommendation as needed.

## Item 18: Financial Information

Registered investment advisers are required to provide certain financial information or disclosures about their financial condition.

### **Balance Sheet**

A balance sheet is not required to be provided because the Advisor does not serve as a qualified custodian and does not require prepayment of fees of more than \$1,200 and six months or more in advance.

### **Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients**

The Advisor does not have any financial impairment that will preclude it from meeting contractual commitments to clients.

### **Bankruptcy Petition during the Past Ten Years**

Not applicable to the Advisor or its principal owners.

### Miscellaneous

*Privacy:* The Advisor prohibits the disclosure of any client-related non-public personal information as collected by the Advisor throughout the Client/Advisor relationship. However, the Advisor may make limited disclosure of such information as authorized by the client, or as otherwise provided by law. A copy of the Advisor's Privacy Notice will be provided to each client annually.

*Business Continuity:* The Advisor has made preparations via a planning document to expedite the resumption of business in the event of a major disruption. A summary of the Business Continuity Plan is provided to clients annually.