

FORM ADV PART 2

INVESTMENT ADVISER

BROCHURE

RIVERSIDE PARTNERS L.L.C.

Riverside Partners L.L.C.
45 Rockefeller Center
630 Fifth Avenue, Suite 400
New York, New York 10111
(212) 265-6575

<http://www.riversidecompany.com>

March 29, 2021

This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Riverside Partners L.L.C. (“Riverside Partners”). If you have any questions about the contents of this Brochure, please contact us at (212) 265-6575. 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 authority.

Riverside Partners is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

Additional information regarding Riverside Partners is also available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2 - MATERIAL CHANGES

Since our last annual updating amendment in March 2020, Riverside Partners has not made any material changes to the Brochure, except for certain other updates to the description of the business practices and advisory services.

ITEM 3 - TABLE OF CONTENTS

	<u>Page</u>
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	9
Item 7 – Types of Clients.....	10
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	10
Item 9 – Disciplinary Information	29
Item 10 – Other Financial Industry Activities and Affiliations	30
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	31
Item 12 – Brokerage Practices	32
Item 13 – Review of Accounts.....	33
Item 14 – Client Referrals and Other Compensation.....	34
Item 15 – Custody	34
Item 16 – Investment Discretion.....	35
Item 17 – Voting Client Securities.....	35
Item 18 – Financial Information	35
Supplemental Information About Certain Principals of Riverside	35

ITEM 4 - ADVISORY BUSINESS

Riverside Partners, the registered investment adviser, is a Delaware limited liability company. Riverside Partners and its affiliates (d/b/a The Riverside Company and referred collectively herein as “**Riverside**” and/or “**Adviser**” or “**Advisers**” where context permits) provide investment advisory services to investment funds privately offered to qualified investors in the United States and elsewhere and a limited number of separately managed accounts, including its affiliated investment advisers such as Riverside Europe Partners, LLC and Riverside Asia Partners, LLC (“Relying Advisers”). Such affiliates are currently and would typically be under common control with Riverside Partners and possess a substantial identity of personnel and/or equity owners with Riverside Partners. These affiliates have been and may in the future be formed for tax, regulatory or other purposes in connection with the organization of the Funds. One or more of these affiliates currently serve as the general partners of the Funds. The Relying Advisers and general partners of the Funds are subject to the Advisers Act pursuant to Riverside Partners’ registration in accordance with SEC guidance.

The Advisers provide investment supervisory services to the clients listed below, and to co-investment vehicles (“**Co-Invest Fund**” or “**Co-Invest Funds**”) (the clients below and the Co-Invest Funds are collectively referred to in this Brochure as “**Funds**”):

- Riverside Capital Appreciation Fund V, L.P. and Riverside Capital Appreciation Fund V-A, L.P. (collectively, “**RCAF V**”);
- Riverside Capital Appreciation Fund VI, L.P.; Riverside Capital Appreciation Fund VI-A, L.P.; RCAF VI AIV II, L.P.; RCAF VI AIV I-A, L.P.; and RCAF VI AIV I-B, L.P. (collectively “**RCAF VI**”);
- Riverside Capital Appreciation Fund VII, L.P.; Riverside Capital Appreciation Fund VII-A, L.P.; and RCAF VII AIV I, L.P. (collectively “**RCAF VII**”);
- Riverside Micro-Cap Fund I, L.P. (“**RMCF I**”);
- Riverside Micro-Cap Fund II, L.P. (“**RMCF II**”);
- Riverside Micro-Cap Fund III, L.P. (“**RMCF III**”);
- Riverside Micro-Cap Fund IV, L.P.; Riverside Micro-Cap Fund IV-A, L.P.; and RMCF IV AIV I, L.P. (collectively “**RMCF IV**”);
- Riverside Micro-Cap Fund IV B, L.P.; Riverside Micro-Cap Fund IV B A, L.P.; and RMCF IV B AIV I, L.P. (collectively “**RMCF IV B**”);
- Riverside Micro-Cap Fund V, L.P.; Riverside Micro-Cap Fund V-A, L.P.; and RMCF V AIV I, L.P. (collectively “**RMCF V**”);
- Riverside Strategic Capital Fund I, L.P. and Riverside Strategic Capital Fund I-A, L.P. (collectively “**RSCF I**”);

- Two separate managed accounts that invest in parallel with RSCF I;
- Riverside Asia-Pacific Fund II, L.P. (“**RAF II**”);
- Riverside Australia Fund III, L.P. and its feeder funds, including Riverside Australia Fund III Feeder Trust (“**RAF III**”);
- Riverside Europe Fund III, L.P. (“**REF III**”);
- Riverside Europe Fund IV, L.P. (“**REF IV**”);
- Riverside Europe Fund V, L.P. (“**REF V**”);
- Riverside Europe Fund VI, SCSp (“**REF VI**”);
- REF Fadata, L.P. (“**REF Fadata**”);
- Riverside Software Lending Fund I, L.P. d/b/a Riverside Acceleration Capital (“**RAC I**”);
- Riverside Acceleration Capital Fund II, L.P. (“**RAC II Fund**”) and RAC II Opportunity Fund, L.P. (“**RAC II Opportunity Fund**” and collectively with RAC II Fund “**RAC II**”);
- Riverside Credit Solutions Fund I, L.P. (“**RCS I**”);
- Riverside Technology Capital Solutions I, L.P. (“**RTCS I**”); and
- RVF LMG, L.P. (“**RVF LMG**”).

The Funds invest through negotiated transactions in operating entities, generally referred to herein as “**Portfolio Companies**” (and individually as a “**Portfolio Company**”). The Advisers’ investment advisory services to the Funds consist of identifying and evaluating investment opportunities, typically in the smaller end of the middle market, negotiating the terms of investments, overseeing such investments during the time they are held by a Fund and achieving dispositions for such investments.

Riverside has been in business since 1988 and became registered with the SEC in 2012. Riverside’s principal U.S. offices are in New York, New York and Cleveland, Ohio. As of December 31, 2020, Stewart Kohl and Béla Szigethy (together, the “**Managing Members**”), through intermediate entities, control and are the majority owners of Riverside. As of December 31, 2020, the Advisers managed approximately \$11,126,670,500 in client assets on a discretionary basis.

All discussions of the Funds in this Brochure, including but not limited to their investments, the strategies used in managing the Funds, the fees and other costs associated with an investment in the Funds and other terms, are qualified in their entirety by reference to each Fund’s respective private placement memorandum (if any) (each, a “Memorandum”) and limited partnership or similar agreement or other governing document (each, a “Partnership Agreement”). Investment advice is provided directly to the Funds, subject to the discretion

and control of the applicable Fund's general partner (collectively "General Partner" or "General Partners", as context permits), and not individually to the limited partners (each, a "Limited Partner" and collectively, the "Limited Partners") in the Funds. Services are provided to the Funds in accordance with each Fund's Partnership Agreement.

ITEM 5 - FEES AND COMPENSATION

Management Fees

For each Fund (except certain Co-Invest Funds, all but one Limited partner in RCS I and certain Funds where (a) the partnership term has ended or (b) the Limited Partners have negotiated with the Advisers that no management fee will be charged during a partnership term extension), Riverside is paid a management fee quarterly in advance, pursuant to each Fund's Partnership Agreement ("Management Fee"). Management Fees are paid from the assets of the Funds and are allocated to the capital accounts of the Limited Partners. The cash to pay such Management Fees are almost always funded from drawdowns of Limited Partners' unfunded capital commitments. Management Fees may also be paid using cash from interest, dividend or disposition proceeds. If a capital call subscription line of credit (a "Fund Line") is in place, the Management Fee will be paid by borrowing from the Fund Line which will generally be repaid from capital calls. The Management Fee payable for any period other than a full three-month period generally is adjusted on a *pro rata* basis according to the actual number of days in such period, pursuant to the Partnership Agreement of each Fund. Riverside may also be entitled to receive interest on Management Fees from investors admitted to a Fund after its initial closing. Management Fees generally will be payable until the end of a Fund's term (or extended term, as applicable) or until the Fund is terminated for other reasons. Riverside does not have a Management Fee schedule. The Management Fees are negotiated collectively with the Limited Partners of each Fund and are subject to waiver or reduction to certain investors at Riverside's discretion. Generally, the stated rate, calculation, and other terms of the Management Fees for each Fund are disclosed in each Fund's Partnership Agreements.

Adviser employees, independent contractors and certain consultants invest in a Fund through the General Partner or an affiliate of the General Partner. Because the Funds do not pay the Advisers a Management Fee on the capital commitments of the General Partners, the General Partners do not contribute capital to the Funds to pay for the Management Fee nor are they allocated any Management Fee expense to their capital accounts. Therefore, Adviser employees, independent contractors and certain consultants who are investors in the General Partners do not pay a Management Fee.

As described further under "Other Compensation," the Management Fee may be reduced in some circumstances in connection with the receipt by Riverside of various fees paid by actual or prospective portfolio companies.

Performance-Based Fees

See Item 6 below for information regarding performance-based fees received by the General Partners with respect to the Funds.

Other Compensation

Portfolio Companies may compensate Riverside for performing certain management and other services through monitoring, directors', break-up, diligence and/or closing fees or, in the case of RCS I, commitment fees, upfront or closing fees, unused fees and administrative agent fees (together, "**Advisory Fees**"), and all or a portion of such Advisory Fees will either offset in whole or in part Management Fees otherwise payable to Riverside by the Funds or be distributed to the Limited Partners, as specified in the applicable Partnership Agreements. In certain instances where a Fund does not charge a Management Fee, such as RVF LMG, all Advisory Fees are retained by the Adviser in accordance with the Partnership Agreement.

Riverside generally has discretion over whether to charge Advisory Fees or other similar fees to a Portfolio Company and, if so, the rate, timing and/or amount of such fees. The receipt of such fees may give rise to conflicts of interest which are further discussed under Item 8 herein.

Use of Operating Partners

As further detailed in the applicable Memorandum and Partnership Agreements of the respective Funds, Riverside and the Portfolio Companies may retain or engage certain experienced operating, financial and sales executives, who may be employees of the Adviser or independent contractors engaged by the Adviser or the Portfolio Companies ("**Operating Partners**") to provide services to certain Portfolio Companies in which the Funds invest. Such Operating Partners generally provide services related to the acquisition, holding, growth and improvement of Portfolio Companies, primarily focused on the operational aspects of such companies. In performing these services, Operating Partners may serve in management or policy-making positions at Portfolio Companies.

Operating Partners who are not employees of an Adviser generally receive compensation directly from Portfolio Companies and/or, to a very limited extent, the applicable Funds subject to the Partnership Agreements of each Fund. Operating Partners who are employees of an Adviser receive compensation from such Adviser. As permitted by the applicable Partnership Agreements (and, if required, approval by each Fund's advisory committee (each, an "**Advisory Committee**")), Portfolio Companies, and in limited circumstances, the Funds, may reimburse an Adviser for some or all of the compensation paid to Operating Partners. The costs of such compensation are wholly (in the case of a Fund reimbursement) or partially (generally in the case of a Portfolio Company reimbursement) borne by investors. Compensation received by Operating Partners that are not employees of an Adviser will not offset or reduce Management Fees. Compensation received by Operating Partners that are employees of an Adviser will be applied pro-rata to a respective Fund's offset provision, except for Funds that have Partnership Agreements that specifically permit the reimbursement of Operating Partners who are employees of an Adviser without applying such reimbursement to such Fund's offset provision.

Operating Partners (whether or not they are employees of an Adviser) may be given the opportunity to invest in one or more Funds through the General Partners. Additionally, under certain Funds' Partnership Agreements, Operating Partners (whether or not they are employees of an Adviser) may receive a profits or equity interests (e.g., options) in each Portfolio Company for whom they perform services.

Operating Partners who are not employees of an Adviser may make use of certain Adviser resources in the course of any such Operating Partner's service to the Portfolio Companies. These resources include, for example, use of an Adviser's conference call system and travel booking service.

A further description regarding services performed by Operating Partners for Portfolio Companies and associated conflicts of interest is discussed under Item 8 herein.

Direct and Indirect Fund Expenses

As described in the applicable Partnership Agreements, a Fund typically pays (or reimburses the relevant Adviser) its organizational expenses up to a specified amount. Typically, a Fund generally pays (or reimburses the relevant Adviser) for its proportionate share of expenses associated with such Fund's operation, including, without limitation: (i) expenses, including travel and travel-related expenses (such as meal and entertainment expenses of individuals affiliated and unaffiliated with an Adviser), related to evaluating and negotiating prospective and actual investments (including, but not limited to, temporary investments and transactions not consummated (the latter expenses hereinafter referred to as "**Broken Deal Expenses**"), including all Broken Deal Expenses relating to transactions that have been offered or would have been offered to co-investors; (ii) certain expenses related to acquiring, holding, managing, monitoring and disposing of actual investments; (iii) Fund indemnification obligations; (iv) expenses associated with the engagement of professionals, including legal, accounting, auditing, valuation, fund administration and investment banking; (v) expenses associated with tax and accounting reports; (vi) tax payment obligations of the Fund; (vii) financing, real estate, title, appraisal, printing, reporting, custody, depositary, transfer and registration expenses; (viii) premiums for insurance (including, for the avoidance of doubt, any payments to a captive insurance company); (ix) expenses associated with Advisory Committee meetings and Limited Partner meetings; (x) expenses incurred in connection with temporary investments, (xi) expenses associated with the restructuring, winding up or liquidation, or amendments to the organizational documents, of the Fund and any related alternative investment vehicles or subsidiaries of the Fund; (xii) regulatory expenses of the applicable General Partner and Adviser; *provided* that such expenses shall not include any expenses incurred in connection with registration of the General Partners, the Advisers or their affiliates as an investment adviser under the Advisers Act or compliance with such registration; (xiii) expenses not otherwise reimbursed relating to defaults or transfers; (xiv) the proportionate share, as determined in good faith by the General Partner, of the fees, costs and expenses related to maintaining and operating Riverside's automated database; (xv) the proportionate share, as determined in good faith by the General Partner, of base compensation, bonuses and benefits paid to employees of the Adviser for their time spent (A) working on FATCA, CRS, BE 10, BE 11 and similar filings on behalf of the Funds and Portfolio Companies, (B) working as attorneys on behalf of the Funds, and (C) assisting Portfolio Companies in strategic sourcing opportunities in Asia; and (xvi) expenses incurred in connection with any indebtedness or guarantees of the Fund or any proposed or definitive subscription credit facility or other credit arrangement, in each case that are not (A) borne by the relevant Adviser or (B) allocable to a Co-Invest Fund. Riverside's policy is to allocate expenses applicable to multiple Funds among such Funds in a fair and equitable manner, consistent with its fiduciary obligations. Co-Invest Funds generally are formed in connection with the consummation of a transaction. Accordingly, where a proposed transaction is not consummated, no Co-Invest Fund generally will have been formed,

and the full amount of any Broken Deal Expenses relating to any such proposed transaction would therefore be borne by the Fund or Funds selected by the applicable General Partner as proposed investors for such proposed transaction, unless the proposed co-investors agree to pay their portion of Broken Deal Expenses in advance of consummating the transaction. Co-Invest Funds that have been formed will not be allocated Broken Deal expenses unless the Co-Invest Fund has determined to participate, in situations in which co-investors have discretion, and the Co-Invest Fund governing documents provide for the allocation of Broken Deal expenses.

Riverside assists Portfolio Companies by leveraging economies of scale to offer various third-party services at a discount. Examples of these expenses borne by Portfolio Companies (and indirectly by Limited Partners) include but are not limited to: (i) third-party fees, costs and expenses such as Directors' & Officers' Insurance, Director & Officers' captive premiums and cybersecurity and data privacy consultation, advice and insurance; (ii) the proportionate share, as determined in good faith by the General Partner, of the fees, costs and expenses related to managing any pooled supplies or materials purchasing program used by Portfolio Companies; and (iii) attendance at industry, trade or similar conferences. In no instance will the costs and expenses described in the preceding sentence exceed the actual costs and expenses incurred by Riverside. In addition, the Portfolio Companies (and indirectly, the Limited Partners) will reimburse Riverside for third party expenses associated with (i) educational and training conferences or events sponsored by the Adviser, including Riverside University, that are attended by employees of Portfolio Companies and (ii) services, seminars, resources or other similar programs that are paid for by the Adviser and benefit the Portfolio Companies. Some of the services paid for by Portfolio Companies may serve to benefit Riverside (e.g., Directors' and Officers' Insurance).

As described in the applicable Memorandum and Partnership Agreements, under specific circumstances, certain Adviser employees or consultants may provide services to Portfolio Companies (in addition to the services they provide to the Advisers), whether on a one-time or more substantive basis, that typically could otherwise be performed by unaffiliated third-party consultants or other service providers. In connection with such services, the applicable Advisers may be reimbursed for these costs by such Portfolio Companies or the Funds, including reimbursement for the compensation, bonuses, and benefits of a Riverside employee or consultant working (i) full time as a Portfolio Company executive, (ii) providing Asian sourcing advice to the Portfolio Company; (iii) providing legal advice to the Fund or Portfolio Company; (iv) on FATCA, CRS, BE 10, BE 11 and similar filings on behalf of the Funds and Portfolio Companies or (v) providing technology advisory services, in any case as such applicable Partnership Agreement may permit. The relevant Adviser approves these reimbursements to ensure such reimbursements are appropriate in light of the position, as well as the Portfolio Company's industry and stage of development. Such reimbursements do not offset the Management Fee payable by a Fund, unless such Fund's Partnership Agreement does not provide for such services as a fund expense or the reimbursement exceeds a cap for such expense specified in the Partnership Agreement.

Subject to the relevant Partnership Agreements and the paragraphs above, Riverside generally will bear all its own operating and overhead costs and expenses, including rent and, in general, salaries and benefits of its employees.

Brokerage Fees

Although the Adviser does not generally utilize the services of broker-dealers to effect portfolio transactions for the Funds, in the event that it chooses to use a broker-dealer for limited purposes relating to a particular Fund, such Fund will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Each General Partner receives a carried interest allocation from Limited Partners' proceeds from the Funds generally equal to 20% of all realized gains after return of all capital contributed by the Limited Partners for partnership expenses (including management fees and organizational expenses), subject to a preferred return generally equal to 8% (as more fully described in the Partnership Agreements of each Fund). The carried interest received by a General Partner from the Funds is subject to a potential clawback, most often at the end of the life of the applicable Fund, if the General Partner has received cumulative distributions in excess of the carried interest, as defined in the relevant Funds' Partnership Agreements. In certain Funds, the General Partner may be required to hold back a reserve of carried interest earned to fund a potential clawback obligation, the release of which is conditioned on the approval of the Fund's Advisory Committee. Certain Funds may have an interim claw back test whereby the Funds would have to return any claw back owed to the Limited Partners on the interim claw back test dates. The precise amount of, and the manner and calculation of, carried interest and incentive allocations are detailed in each applicable Fund's Partnership Agreement. Carried interest may differ from one Fund to another, as well as among Investors in the same Fund. Riverside has authority to waive or reduce carried interest. In addition, Adviser employees, independent contractors and certain consultants who are investors in the General Partners do not pay carried interest.

The General Partner may receive carried interest from Limited Partners in certain of the Co-Invest Funds and separately managed accounts in an amount generally between 10% and 20% of all realized gains, sometimes subject to a preferred return (as more fully described in each Fund's Partnership Agreement). Some of the Co-Invest Funds managed by Riverside are not charged a carried interest. This practice could present a conflict of interest because the General Partners has an incentive to favor co-investors who will pay a carried interest or to offer co-investment amounts higher than it otherwise would. However, the Advisers address this conflict by disclosing in applicable Memorandums that they may accept co-invest from parties that will pay a carried interest.

The existence of performance-based compensation has the potential to create an incentive for the General Partner to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although Riverside generally considers performance-based compensation to better align its interests with those of its investors.

Additional conflicts with respect to carried interest are discussed under Item 8 herein.

ITEM 7 - TYPES OF CLIENTS

The Advisers provide investment advice to the Funds, which include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”), and a small number of separately managed accounts for third-party institutional clients. The investors participating in the Funds may include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, public and private pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, principals, senior advisors or other current and former employees of the Advisers, members of their families or service providers or their employees retained by the Advisers to perform work for the Advisers, the Funds or the Portfolio Companies. The Adviser does not have a minimum amount size for a Fund.

Minimum investment commitments are established for Limited Partners in each of the Funds; however, the General Partner of each Fund may, in its sole discretion, permit investments below such minimum.

The Funds may include alternative investment vehicles established from time to time in order to permit one or more investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. Alternative investment vehicle general partners generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicle and its related Fund.

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General Investment and Operating Strategy – Private Control Funds

The four key elements of the Advisers’ private equity investment strategy and process are: deal origination; transaction review and execution process; post-acquisition management; and exiting and value creation. The Advisers generally seek to acquire Portfolio Companies with attractive market positions that can grow significantly during its period of ownership. After acquiring a Portfolio Company, a Fund will attempt to grow that Portfolio Company, both organically and through add-on acquisitions.

While Riverside is a generalist investor, the Advisers have developed industry specializations in areas where they have completed a significant number of transactions or they see as attractive industries. These areas of specialization include health care, specialty manufacturing and distribution, education and training, consumer brands, franchising, business service, and software and IT services. Riverside uses its industry specialization to make more informed investment decisions and as a marketing tool to reach out to intermediaries serving these niches, and to sellers seeking a buyer that has a competitive advantage in their industry.

For each Portfolio Company owned by a Fund, the Advisers seek to identify a clear and credible strategy both to increase earnings and qualitatively improve the Portfolio Company, thereby optimizing its exit valuation. A primary focus is to find and acquire add-on acquisitions for Portfolio Companies. Add-ons are generally smaller and often have lower purchase price multiples helping not only grow the Portfolio Company's business but average down the acquisition cost through multiple arbitrage. The Managing Members and the managers of the relevant Fund (together with the Managing Members, the "**Principals**"), or other personnel of the Advisers serve on a Portfolio Company's board of directors or otherwise act to influence control and management of Portfolio Companies in which the Funds have invested. Additionally, as further described below, the Advisers generally utilize Operating Partners who work with the Portfolio Companies to increase sales, EBITDA and growth rate.

On a selective and limited basis, a Fund may acquire minority equity positions, including positions in public companies where the intent is to gain control of the public company.

Following a Fund's Investment Period, such Fund will no longer actively seek to make new Portfolio Company investments but will pursue add-on acquisitions for existing Portfolio Companies prior to exit and the end of the term of the Fund's Limited Partnership Agreement.

General Investment and Operating Strategy – Non-Control Funds

The Adviser manages four different non-control strategies: (i) structured capital (RSCF I), (ii) small loans to SaaS businesses (RAC I and RAC II Fund), as well as RAC II Opportunity Fund, a minority equity investment fund, (iii) senior credit facilities (RCS I) and (iv) minority investments in technology companies (RTCS I).

RSCF I generally invests junior capital in private equity transactions of other private equity sponsors. The investments are generally preferred stock or subordinated debt with warrants or options. Because these are non-control investments, the Adviser relies on the majority owner to execute an exit plan to realize returns on its investments.

RAC II Fund makes loans to privately held companies in the software as a service industry. These investments are generally made prior to a broad capital raise by the owner of the company. In addition to the loans, RAC II Fund seeks to obtain warrants and the right to participate in future equity rounds (though that right may not necessarily be exercised by RAC II Fund). With the launch and first close in 2019 of the RAC II Fund, Limited Partners may also commit to the side car RAC II Opportunity Fund which makes equity investments, primarily consisting of preferred stock, convertible preferred stock or similar investments, in the portfolio companies of RAC I and RAC II Fund. RAC II Opportunity Fund may also make venture capital and "growth equity" investments in software companies that are headquartered in the United States, Canada or Europe, but are not portfolio companies of RAC I or RAC II Fund. Generally, a Limited Partner must commit to RAC II Fund to be given an opportunity to invest in the RAC II Opportunity Fund.

RCS I invests in senior debt of other private equity sponsors, either as lead investor or part of a syndicate.

RTCS I makes growth-stage non-control secondary investments in technology and technology-enabled private companies.

Riverside Fund Families

Riverside's investment strategies are generally classified within the following fund families. Limited Partners should refer to each Fund's Partnership Agreement for a more detailed description of each strategy.

Riverside Capital Appreciation Fund Family

- *RCAF V* seeks to realize long-term capital appreciation primarily through the purchase of a broad and varied portfolio of controlling private equity investments in small to medium-sized companies headquartered in North America, which generally have enterprise values ranging from approximately \$10 million to \$150 million and earnings before interest, taxes, depreciation, and amortization ("**EBITDA**") between \$5 million and \$15 million.
- *RCAF VI and RCAF VII* seek to realize long-term capital appreciation primarily through the purchase of a broad and varied portfolio of controlling private equity investments in small to medium-sized companies headquartered in North America, which generally have enterprise values ranging from approximately \$10 million to \$150 million and (i) in the case of *RCAF VI*, EBITDA less than \$25 million (although investments in companies with more than \$25 million EBITDA may be considered) and (ii) in the case of *RCAF VII*, EBITDA of \$10 million to \$35 million (although investments in companies with more than \$35 million EBITDA may be considered).

Riverside Micro-Cap Fund Family

- *RMCF I* seeks to realize long-term capital appreciation primarily through the purchase of a broad and varied portfolio of controlling private equity investments in small to medium-sized companies which typically have enterprise values ranging from approximately \$1 million to approximately \$40 million and EBITDA up to approximately \$5 million and, subject to the Small Business Investment Act of 1958, as amended (the "**SBIC Act**"), in the case of *RMCF II* and *RMCF III*, which are organized, headquartered or principally operating in the United States.
- *RMCF IV* and *RMCF V* seek to realize long-term capital appreciation primarily through the purchase of a broad and varied portfolio of controlling private equity investments in companies that generally have EBITDA (i) in the case of *RMCF IV* of less than \$7 million (although investments in companies with more than \$7 million may be considered) and (ii) in the case of *RMCF V*, of less than \$10 million (although investments in companies with more than \$10 million EBITDA may be considered) and for both *RMCF IV* and *RMCF V*, such companies are organized, headquartered, principally operating, have a majority of their assets or generate a majority of their revenues in the United States or Canada. *RMCF IV B* was formed to co-invest in *RMCF IV* Portfolio Companies on a pro rata basis with *RMCF IV*.

Riverside Strategic Capital Fund Family

- *RSCF I* seeks to realize long-term capital appreciation, as well as fixed income returns, through non-control junior capital investments primarily to companies which typically have EBITDA ranging from approximately \$5 million to approximately \$25 million (although investments in companies with less than \$5 million EBITDA and more than \$25 million EBITDA may be considered).

Riverside Asia Fund Family

- *RAF II* seeks to realize long-term capital appreciation primarily through the purchase of a broad and varied portfolio of controlling private equity investments in small to medium-sized companies headquartered in developed Asia, primarily in Australia, New Zealand, The Republic of China's special administrative region of Hong Kong, Japan, the Republic of Korea and Singapore, which generally have EBITDA between \$5 million and \$15 million.
- *RAF III* seeks to realize long-term capital appreciation primarily through the purchase of a broad and varied portfolio of controlling private equity investments in small to medium-sized companies primarily headquartered in Australia and New Zealand, which generally have EBITDA less than AUD 25 million.

Riverside Europe Fund Family

- *REF III* seeks to realize long-term capital appreciation primarily through the purchase of a broad and varied portfolio of controlling private equity investments in small to medium-sized companies (i) which have enterprise values ranging from approximately €10 million to €75 million and (ii) which are organized, headquartered or principally operating in Europe.
- *REF IV* seeks to realize long-term capital appreciation primarily through the purchase of a broad and varied portfolio of controlling private equity investments in small to medium-sized companies (i) which have enterprise values ranging from approximately €10 million to €150 million and (ii) which are organized, headquartered or principally operating in the European Union, Switzerland, Norway, Croatia or Turkey.
- *REF V* seeks to realize long-term capital appreciation primarily through the purchase of a broad and varied portfolio of controlling private equity investments in small to medium-sized companies (i) which have EBITDA of more than €5 and less than €25 million (although investments in companies with more than €25 million EBITDA may be considered) and (ii) which are organized, headquartered, principally operating, have a majority of their assets or generate a majority of their revenues in the European Union, central Europe, Switzerland, Norway or Turkey.
- *REF VI* seeks to realize long-term capital appreciation primarily through the purchase of a broad and varied portfolio of controlling private equity investments in small to medium-sized companies (i) which have EBITDA of between €7.5 million and €35 million

(although investments in companies with less than €7.5 million EBITDA and more than €35 million EBITDA may be considered) and (ii) which are organized, headquartered, principally operating, have a majority of their assets or generate a majority of their revenues in a member state or former member state of the European Union, Norway and Switzerland.

Riverside Acceleration Capital Fund Families

- *RAC I* and *RAC II Fund* seek to generate attractive risk-adjusted returns by issuing fully amortizing, senior secured loans with equity upside through warrants to growing SaaS software companies in the United States, Canada and Europe with annual revenue between approximately \$1.5 million and \$10 million. *RAC I* and *RAC II Fund* do not take controlling positions in their respective portfolio companies, except, in situations in connection with a debt restructuring or default. *RAC II Opportunity Fund* seeks to generate capital appreciation through minority equity investments, primarily consisting of preferred stock or convertible preferred stock, in the portfolio companies of *RAC I*, *RAC II Fund* and their successor funds and by making venture capital and “growth equity” investments in SaaS software companies in the United States, Canada and Europe that are not portfolio companies of *RAC I*, *RAC II Fund* or their successor funds.

Riverside Credit Solutions Fund Family

- *RCS I* seeks to generate attractive risk-adjusted returns primarily through direct investments in senior secured loans to middle market private equity sponsor-backed companies based in United States with approximately \$5 million to \$50 million in EBITDA, with a particular focus on such companies with up to \$35 million EBITDA.

Riverside Technology Capital Solutions Fund Family

- *RTCS I* makes growth-stage non-control secondary investments in technology and technology-enabled private companies. *RTCS I*’s investments will generally be in the form of common and preferred equity secondary investments, which will typically range in size from \$1 to \$10 million

Investment Related Risks

The summary below is not a complete or exhaustive list or explanation of all risks involved in an investment in the Funds. Prospective and existing investors are advised to review the Partnership Agreements for full details on the investment, operational and other actual and potential risks associated with a particular Fund. The risks involved include, but are not limited to:

Long-Term Nature of Investment; No Assurance of Investment Return. The task of identifying and negotiating investment opportunities, managing such investments and realizing a significant return for investors is typically a long, time-consuming process with no certainty of return of investment. With the exception of *RAC I*, *RAC II Fund*, *RCS I* and a limited number of investments in *RSCF I*, there will likely be little if any near-term cash flow available to the Limited Partners in Funds, and there is no assurance that any Fund will be able to invest its capital on attractive terms, generate returns for the Limited Partners or return the capital contributed by them.

Dependence on Key Personnel. The success of each Fund will be highly dependent on the financial and managerial expertise of the Managing Members and the Principals, and other individuals employed by Riverside. Limited partners will be relying entirely on the Principals to manage the business of the relevant Fund. There can be no assurance that the Principals or the other key investment professionals will continue to be associated with or employed by Riverside throughout the life of the relevant Fund. The loss of one or more of these individuals could have a material adverse effect on the performance of such Fund.

Limited Prior History; Relation of Previous Investment Programs. Certain of the Funds have limited or no operating history. The prior investment results of the Advisers are not indicative of such Funds' future investment results. The nature of and risk associated with a Fund's future investments may differ substantially from those investments and strategies undertaken historically by the Principals or other individuals employed by the Advisers. Past performance is not necessarily indicative of future results, and is no guarantee of future performance. There can be no assurance that a Fund's investments will perform as well as the past investments of the Principals or other individuals employed by Riverside or that such Fund will be able to avoid losses.

Risks Relating to Non-U.S. Investments. Certain non-U.S. investments involve risks and special considerations not typically associated with U.S. investments. Such risks may include but are not limited to (i) differing business cultures and legal regimes, (ii) greater price fluctuations and market volatility, less liquidity and smaller capitalization of securities markets, (iii) currency exchange rate fluctuations, (iv) higher rates of inflation, (v) controls on, and changes in controls on, foreign investment and limitations on repatriation of invested capital and on a Fund's ability to exchange local currencies for U.S. dollars, (vi) greater governmental involvement in and control over the economies, (vii) differences in auditing and financial reporting standards, which may result in the unavailability of material information about issuers, (viii) less extensive regulation of the securities markets, (ix) longer settlement periods for securities transactions, (x) differences in tax regimes (including potential withholding obligations on proceeds paid from a Fund) and changes in tax treaties or U.S. tax law regarding foreign investments and (xi) less developed corporate laws regarding fiduciary duties and the protection of investors. Although the Advisers may attempt to enter into certain currency hedges at the Fund level to mitigate currency risk, there is no guaranty the hedging will be successful or sufficient to protect the entire investment and any gain on such investment.

Dynamic Investment Strategy. While Riverside generally intends to seek attractive returns for a Fund through the investment strategy and methods described herein, Riverside may pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process or investment techniques to the extent it determines such modification or departure to be appropriate and consistent with the relevant Partnership Agreements.

Cybersecurity Risks. Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject, particularly operating companies in historically vulnerable industries such as the food services and retail industries. To the extent that a Portfolio Company is subject to cyber-attack or other unauthorized access is gained to a Portfolio Company's systems, such Portfolio Company may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or Portfolio Company financial information; (iii) Portfolio Company software, contact lists or other databases; (iv) Portfolio

Company proprietary information or trade secrets; or (v) other items. In certain events, a Portfolio Company's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a Portfolio Company, or the relevant Fund, to substantial losses. In addition, in the event that such a cyber-attack or other unauthorized access is directed at Riverside or one of its service providers holding its financial or investor data, Riverside or the Funds may also be at risk of loss, despite efforts to prevent and mitigate such risks under Riverside's policies.

Deemed Joint Employment or Control. There is a risk to the Funds if the Fair Labor Standards Act, the Migrant and Seasonal Agricultural Worker Protection Act or other laws, rules or regulatory interpretations would deem the Funds, the Advisers or various Portfolio Companies to be a single "employer," "control group" or similar term. In some cases, it may not be possible to limit liabilities across such entities.

Difficulty of Locating Suitable Investments; Competitive Marketplace. The success of each Fund will depend on the relevant Principals' ability to identify suitable investments, to negotiate and arrange the closing of appropriate transactions and to arrange the timely disposition of portfolio investments on terms favorable to such Fund. Generally, Riverside employs dedicated personnel ("**Origination Professionals**") to identify attractive investment opportunities suitable for each Fund. Although in the past, the Origination Professionals have found a sufficient number of suitable investment opportunities that meet the Funds' investment objectives, there are no assurances that there will be, or the Origination Professionals will find a sufficient number of, suitable investment opportunities to enable a Fund to invest all of its committed capital in opportunities that satisfy such Fund's investment objectives, or that such investment opportunities will lead to completed investments by such Fund. Many of the investment opportunities identified by the Origination Professionals are through auctions or limited auctions where there is a substantial amount of competition among prospective investors of these companies, including other private equity firms. There can be no assurances that once Riverside identifies an investment opportunity the seller will select Riverside to invest in the relevant Portfolio Company. Further, even if Riverside is selected as the investor, there can be no assurances that the Portfolio Company will still be deemed an appropriate investment opportunity for the Fund after due diligence is completed.

Nature and Illiquidity of Fund Investments. Almost all of the Funds' investments will be highly illiquid, and there can be no assurances that any Fund will be able to realize a positive return on such investments. The illiquidity of the Funds' investments is the result of several factors, including the following:

- Each Fund generally will invest in illiquid securities of privately held companies, and will often seek to generate returns by selling these securities in a private sale to a strategic buyer or to another private equity firm. There can be no assurances that any Fund will be able to complete sales of Portfolio Company securities at attractive prices and otherwise on acceptable terms and conditions.
- Each Fund is generally permitted to sell Portfolio Company securities in a public offering. Any such public offering of securities would require a substantial investment of time and attention by the Principals and other key investment professionals and a substantial cash

expense by the Portfolio Company whose securities are being registered, in part because the laws of the U.S. and non-U.S. jurisdictions where the Portfolio Companies are located and the regulations of applicable securities exchanges can be quite burdensome and complex in connection with such an offering. There can be no assurances a market for the securities of any Portfolio Company would exist even following a public offering.

- The cultivation of an investment for disposition, together with the disposition itself, may involve a substantial amount of time. Even when an investment is successfully disposed, some of the consideration may be deferred through the use of lock ups, earn-outs, promissory notes, escrows, holdbacks and other similar arrangements.

A significant portion of most Fund investments (other than RSCF I, RAC I, RAC II Fund and RCS I) will be in common equity or equity-related investments which, 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 can result in substantial loss of principal. Although RSCF I, RAC I, RAC II Fund and RCS I will invest in securities higher in the capital structure, similar risks apply to these investments. There can be no assurance that the Principals and other key investment professionals will correctly evaluate the nature and magnitude of the various factors that could affect the value of such investments. A variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of a Fund's activities. As a result, such Fund's performance over a particular period may not necessarily be indicative of the results that may be expected in future periods or over the life of the Fund.

A small portion of each Fund's investments may become turnaround or under-performing Portfolio Companies. Private equity Fund Portfolio Companies may be identified by Riverside as being in need of additional capital. In addition, Portfolio Companies in RAC I, RAC II, RSCF I, RCS I and RTCS I may also suffer from financial distress but the ability to invest capital and to take control in these situations will be limited. The financial condition of such companies may be weak or their balance sheets highly leveraged and any subsequent investments in them may involve additional risk. In general, the Funds do not invest in Portfolio Companies that Riverside believes at the time of investment to be "turnarounds"; however, should they do so, the risks above would be relevant at the point of acquisition.

Uncertain Economic, Social and Political Environment. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, catastrophic events (including the COVID-19 global pandemic), localized or global financial crises or other sources of political, social or economic unrest (including Brexit). Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Fund and its Portfolio Companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by such Fund and result in longer holding periods for investments.

Furthermore, such uncertainty or general economic downturn may have an adverse effect upon such Fund's Portfolio Companies.

Health Care Regulation, Reimbursement and Reform. Various segments of the health care industry are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally, (ii) subject to frequent regulatory change and (iii) dependent upon various government or private insurance reimbursement programs. While the Funds intend to make investments in companies that comply with relevant laws and regulations, certain aspects of their operations may not have been subject to judicial or regulatory interpretation. An adverse review or determination by any one of such authorities, or an adverse change in the regulatory requirements or reimbursement programs, could have a material adverse effect on the operations of the companies in which a Fund invests. Recent legislative changes have had, and will likely continue to have, a significant impact on the health care industry. In addition, various legislative proposals related to the health care industry are introduced from time to time at the United States federal and state level, and any such proposals, if adopted, could have a significant impact on the health care industry.

Leverage. In general, each Portfolio Company will be acquired using a combination of equity and debt as part of the purchase consideration. Although the relevant Adviser will seek to use leverage on behalf of each Portfolio Company in a manner the Principals believe is prudent, the leveraged capital structure of Portfolio Companies will increase the exposure of those companies to adverse economic factors such as rising interest rates (which recently have been at or near historic lows), downturns in the economy or deterioration in the condition of the Portfolio Company or its industry. Because a majority of the securities in which a Fund (except RSCF I, RAC I, RAC II Fund and RCS I) will invest will be among the most junior in a Portfolio Company's capital structure, the Fund's payout would be junior to a Portfolio Company's debt obligations and therefore could result in a loss of principal in such Fund's investments. Furthermore, the companies in which a Fund invests generally will not be rated by a credit rating agency. The use of leverage by a Portfolio Company will result in additional expense (e.g., interest and other costs associated with borrowing) at a Portfolio Company.

Fund Line of Credit. Each Fund generally employs a Fund Line to provide flexibility in closing transactions and to reduce the frequency of capital calls issued to investors. The Fund Line is secured by the capital commitments made by such Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of such Fund should the Fund default on repayment of the Fund Line. In addition, the Fund Line may be used to provide guaranties to banks or other financial institutions who are lenders directly to the Portfolio Companies or, in limited circumstances, to lend directly to Portfolio Companies. The Fund Line may remain outstanding from 90 days to twelve months, depending on each Fund's Partnership Agreement. The use of the Fund Line by the Fund will result in additional expense (e.g., interest and other costs associated with borrowing) at the Fund.

Need for Additional Capital, Support Equity and Add-on Acquisitions. The Advisers may recommend that a Fund provide follow-on funding for Portfolio Companies to finance add-on acquisitions or to provide support equity or loans. There can be no assurance that such Fund will have sufficient capital to do so, and, even if it does have sufficient capital, it may be limited by restrictions on the amount of capital it can invest in any one Portfolio Company. Any decision by

the General Partner not to invest additional capital, or such Fund's inability to invest additional capital, may have a substantial negative impact on a Portfolio Company in need of such an investment or may diminish such Fund's ability to influence the Portfolio Company's future development.

Funds Acting as Guarantor. Certain Funds may use the Fund Line or otherwise originate and serve as a guarantor for acquisition financing or refinancing for an existing or potential Portfolio Company. As described under the "Conflicts of Interest" section herein, any lenders selected may also be investors or co-investors in Funds. There can be no assurance that the Portfolio Company will repay such loans and therefore the Fund capital may be called upon in the event loans are not repaid in full.

Growth Equity Transactions. The Funds (other than RAC I, RAC II Fund and RCS I) are generally not prohibited from making growth-equity investments, though this is not a primary strategy of the Funds. While growth-equity investments offer the opportunity for significant capital gains, such investments may involve a higher degree of business and financial risk that can result in substantial or total loss. Growth-equity Portfolio Companies may operate at a loss or with substantial variations in operating results from period to period, and many will need substantial additional capital to support additional research and development activities or expansion, to achieve or maintain a competitive position, and/or to expand or develop management resources. Growth-equity Portfolio Companies may face intense competition, including from companies with greater financial resources, better brand recognition, more extensive development, marketing and service capabilities and a larger number of qualified managerial and technical personnel. The RAC II Opportunity Fund's and RTCS I's investment objective includes growth equity companies.

Portfolio Concentration. Generally, without the approval of each Fund's Advisory Committee or a certain percentage of Limited Partner interests (generally ranging from 50% to 67%), the amount each Fund may invest in each Portfolio Company is generally limited to 15%-20% of total capital commitments of the Fund (and, in the case, of RMCF II and RMCF III, a specified percentage of the regulatory capital as defined in the SBIC Act). Therefore, a Fund's portfolio may include a number of large positions. While the related portfolio concentration may enhance total returns to Limited Partners, if any large position has a material loss, then returns to the Limited Partners may be lower than if they had invested in a more diversified portfolio.

Bankruptcy of Portfolio Companies. A Fund may hold investments in the securities and obligations, including debt obligations that are in covenant or payment default, of Portfolio Companies experiencing significant financial difficulties and material operating issues, including Portfolio Companies that may become involved in regulatory violations, bankruptcy proceedings or other restructuring, recapitalization or liquidation processes ("**Difficult Situations**"). Given the heightened difficulty of the financial analysis required to turn around distressed companies, there can be no assurance that the Adviser will be able to execute the successful restructuring or recapitalization of such company. Therefore, in the event that a Portfolio Company does become involved in a Difficult Situation, a Fund may lose some or all of its investment or may be required to accept illiquid securities with rights that are materially different than the original securities in which such Fund invested. A Portfolio Company under regulatory scrutiny may be subject to fines, revenues held in escrows and other procedures which could have a negative impact on a Portfolio Company's ability to operate. Additionally, various U.S. federal and state and non-U.S. laws in

connection with such bankruptcy proceedings could operate to the detriment of such Fund. There is also a risk that a court may subordinate a Fund's investment to other creditors or require a Fund to return amounts previously paid to it by a Portfolio Company that became insolvent or files for bankruptcy, a risk that could increase if such Fund has management rights in such Portfolio Company.

Reliance on Adviser for Use of Proceeds. Purchasers of interests in a Fund will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding any future investments made by such Fund and, accordingly, will be dependent upon the judgment and ability of the Advisers to invest and manage the capital of such Fund.

Material Non-public Information. Although the Funds generally invest in the securities of private companies, the Advisers may have access to material, non-public information that may be relevant to an investment decision to be made by a Fund related to the acquisition of public securities. Consequently, a Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or the Advisers' internal policies. Due to these restrictions, a Fund may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold.

Risks Arising from Provisions of Managerial Assistance. The Advisers generally seek to conduct each Fund's operations so that such Fund's assets are not treated as plan assets as defined under Section 3(42) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), and the regulations thereunder (the "**Plan Asset Regulations**"), which may include qualifying a Fund as a "venture capital operating company." To qualify as a venture capital operating company, at least 50% of the relevant Fund's assets must be invested in qualifying venture capital investments under the Plan Asset Regulations, which will require the Fund to obtain certain management rights with respect to the Portfolio Companies. These management rights may include designating directors to serve on the boards of directors of Portfolio Companies. The designation of directors and other measures contemplated could expose the assets of such Fund to claims by a Portfolio Company, its security holders and its creditors. While the Advisers intend to manage each Fund in a way that will reduce exposure to such risks, the possibility of successful claims cannot be precluded.

ERISA-Related Risks. To the extent a Fund is operated to maintain qualification as a venture capital operating company, such Fund could be precluded from making certain investments. In addition, attempting to maintain such qualification could further require such Fund to accelerate or delay the liquidation of Fund investments, resulting in lower proceeds to such Fund than might have been the case without the need for qualification. If a Fund's assets are treated as plan assets, interests of certain investors that are "benefit plan investors" within the meaning of Section 3(42) of ERISA could be fully or partially redeemed, or the Fund could be dissolved, in certain circumstances. In addition, for any period of time that a Fund's assets are deemed to be plan assets, the operations of such Fund and its investments could be restricted by ERISA's prohibited transaction and fiduciary rules. These risks may adversely affect all investors, not just those that are benefit plan investors.

Time and Attention of Principals. The non-Managing Member Principals intend to devote substantially all of their business time and attention to the management of each of their respective Funds. The Managing Members are also responsible for spending substantially all of their business time and attention managing all Funds, and may in the future, also spend time to organize, sponsor, manage and operate additional investment funds (subject to any limitations described in the relevant Partnership Agreements). The Principals are also permitted to pursue certain other business activities outside the Fund. Nothing contained herein or in any Offering Document will restrict or prohibit the Principals or their respective affiliates in this regard.

Diverse Investor Group. The Limited Partners include U.S. taxable and tax-exempt entities, and institutions from jurisdictions outside of the United States. The members of the General Partners include U.S. residents and residents from jurisdictions outside of the United States. The Managing Members are U.S. residents who indirectly control each underlying Portfolio Company through their control of each Fund's General Partners. As a result, Limited Partners may have conflicting investment, tax and other interests with respect to their investments in any Fund. The conflicting interests of individual Limited Partners may relate to or arise from, among other things, the nature of investments made by such Fund, the structuring of the acquisition of investments and the timing of the disposition of investments and the various tax laws applicable to various Limited Partners. As a consequence, conflicts of interest may arise in connection with decisions made by the Advisers, including with respect to the nature or structuring of investments, that may be more beneficial for one Limited Partner than for another Limited Partner, especially with respect to Limited Partners' individual tax situations. Subject to specific provisions outlined in each Fund's Partnership Agreement, the relevant Advisers will generally consider the investment and tax objectives of the relevant Fund and its Limited Partners as a whole in making investments, and will use reasonable best efforts to structure portfolio investments in as tax-efficient a manner as possible.

Public Disclosure Obligations. A Fund may be required to disclose confidential information relating to its investments and its financial results to third parties and foreign regulatory bodies that may request such information if and to the extent required by law. Such disclosure obligations may adversely affect certain Limited Partners, particularly Limited Partners who are not otherwise subject to public disclosure of information relating to the private holdings of the Fund in which they invest.

Distributions in Kind. Although each Fund intends to make distributions in cash, it is possible that under certain very limited circumstances (including the liquidation of a Fund), distributions may be made in kind and could consist of securities for which there is no readily available public market or securities of entities unable to meet required interest or sinking fund payments. Distributions in kind to the partners of a Fund may be difficult to liquidate at a price or within a time period that is determined to be ideal by such partners. After a distribution of securities is made to the partners, many partners may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such partners may be lower than the value of such securities determined pursuant to the Partnership Agreement, including the value used to determine the amount of carried interest available to the applicable General Partner with respect to such investment.

Valuation of Investments. Generally, the relevant General Partner will determine the value of all the related Fund's investments for which market quotations are available based on publicly available quotations. However, market quotations will not be available for virtually all of a Fund's investments because, among other things, the securities of Portfolio Companies held by such Fund generally will be illiquid and not quoted on any exchange. Riverside will determine the value of each Fund's investments that are not readily marketable based on ASC 820 guidelines as promulgated by the Financial Accounting Standards Board and any subsequent valuation guidelines required of an investment fund reporting under generally accepted accounting principles as promulgated in the United States ("GAAP") (except in the case of RAC I). There can be no assurance that Riverside will have all the information necessary to make valuation decisions in respect of these investments, that any information provided by third parties on which such decisions are based will be correct, or that the valuation decision with respect to an investment will represent the value realized by the relevant Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation. Accordingly, the valuation decisions made by Riverside may cause it to ineffectively manage the relevant Fund's investment portfolios and risks and may also affect the diversification and management of such Fund's portfolio of investments.

Risks Specific to RCAF V, RCAF VI and RCAF VII

Certain Investments May Be Made Outside of a Fund's Investment Objectives). Subject to certain investment restrictions set forth in RCAF V's, RCAF VI's and RCAF VII's Partnership Agreements, each of RCAF V, RCAF VI and RCAF VII is permitted to invest up to 15% of its committed capital in transactions that fall outside the investment objectives described in the applicable Partnership Agreement. As a result, there are few limitations on the types of investments that Riverside may make using this capital. For example, this capital may be invested in the following types of transactions that would otherwise be prohibited under the Partnership Agreement: real estate; oil and gas; derivatives; or other securities as determined by Riverside in its sole discretion. Additionally, RCAF V and RCAF VII may invest up to 15% of total commitments and RCAF VI may invest up to 10% of total commitments in Portfolio Companies outside of the United States and Canada. Purchasers of interests in RCAF V, RCAF VI and RCAF VII are dependent upon the judgment of Riverside in selecting these investments.

Risks Specific to Riverside Acceleration Capital Fund Family

General. Even though RAC I and RAC II Fund will receive interest payments on its loans to Portfolio Companies, a substantial portion of the success of the RAC I and RAC II Fund will depend on gains generated from the equity participation of such loans and gains generated from preferred stock and other equity investments. It is uncertain as to when such gains, if any, will be realized. There is no assurance that the Fund will be able to invest its capital on attractive terms, generate returns for its investors or return the capital contributed by them. There can be no assurance that the actual rates of return achieved by the Fund will equal or exceed the targeted returns.

Concentration of a Fund's Investments in the Software Industry. Enterprise software companies serve virtually every vertical market. The vertical market focus of such companies is a core reason for their stability and longevity, as these businesses offer their customers unique, industry specific

capabilities typically not available from general purpose software vendors or new technology startups. The software sector as a whole is highly cyclical. Companies require software to operate their businesses without regard to other market conditions. Further, RAC I and RAC II may be concentrated in a limited number of investments, geographical regions, asset types or sectors. To the extent RAC I and RAC II concentrates investments in a particular issuer, industry, security or geographic region, its investments may be more susceptible to fluctuations in value resulting from adverse economic or business conditions than investment portfolios that are more diversified.

Non-Controlling Investments. RAC I and RAC II Fund generally expect to hold non-controlling debt interests in Portfolio Companies while RAC II Opportunity Fund will hold minority equity positions in Portfolio Companies. As a condition of making such investments, RAC I and RAC II Fund typically seek to obtain appropriate covenants to protect the Fund's investment, but it may not be possible to obtain such rights in all cases. If RAC I or RAC II Fund does not have these covenants to protect its interests, it is possible the Portfolio Company or other shareholders could take actions that negatively impact the value of the Fund's investments or that prevent the Fund from disposing of its investments in the Portfolio Company.

Credit Risks of Debt Securities. Debt portfolios are subject to credit risk. "Credit risk" refers to the likelihood that an issuer will default in the payment of principal and/or interest on an instrument. Financial strength and solvency of an issuer are the primary factors influencing credit risk. In addition, subordination, lack or inadequacy of collateral, or credit enhancement for a debt instrument may affect its credit risk. Credit risk may change over the life of an instrument.

Risks Specific to Riverside Strategic Capital Fund Family

Minority Investments. A Fund may invest in junior loans or take minority positions in companies for which such Fund has no right to exert significant influence. Although the Fund will generally seek a board seat as part of its investment, there can be no guarantee it will obtain one. A Fund will be significantly reliant on the existing management and board of directors of such companies, which may include representatives of other investors with whom such Fund is not affiliated and whose interests may conflict with the interests of such Fund.

Risks Specific to Riverside Credit Solutions Fund Family

Investments. While RCS I will seek to invest primarily in senior secured loans, any preferred equity and mezzanine loans in which RCS I may invest generally will be unsecured and may be subordinated to substantial amounts of senior debt, all or a significant portion of which may be secured. In addition, these loans may not be protected by any or all the financial covenants (such as covenants limiting the incurrence of additional indebtedness) that protect holders of senior debt. Holders of mezzanine debt and other junior capital loans generally are not entitled to receive any payments in bankruptcy or liquidation until senior creditors are paid in full. Holders of preferred equity are not entitled to payments until all creditors are paid in full. In addition, the remedies available to holders of mezzanine debt normally are limited by restrictions benefitting senior creditors. In the event any Portfolio Company cannot generate adequate cash flow to meet senior debt obligations, RCS I may suffer a partial or total loss of capital invested in any such preferred

equity and/or debt. There can be no assurances that Portfolio Companies will not experience financial difficulties that may result in significant losses.

Warehouse Facility. RCS I has entered into a warehouse facility revolving credit agreement. All advances under the warehouse facility are collateralized by a grant of security interest in RCS I. Should the investments in the Portfolio Companies default, the RCS I Limited Partners may be required to contribute capital to repay the loans.

Risks Specific to Riverside Technology Capital Solutions Fund Family

Investing in Private Secondary Transactions. RTCS I intends to primarily invest in private secondary transactions (i.e., purchasing securities from persons or entities other than the issuer thereof). The lack of an established resale market for these types of securities may require investments by RTCS I in circumstances where limited, if any, information is available regarding the subject issuer and its securities. In some instances, sellers may have privileged material non-public information which RTCS I does not. The lack of or asymmetry of such information could materially and adversely affect RTCS I and the performance of its investments. RTCS I will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. RTCS I will rely on resources available when making an assessment regarding an investment, but the due diligence investigation may not reveal or highlight all relevant facts (including fraud) that may be necessary or helpful in evaluating each opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

Non-Controlling Investments. RTCS I expects to hold non-controlling interests in Portfolio Companies. The majority of these non-controlling interests are expected to be small minority positions with limited control and information rights. The General Partner does not expect that RTCS I will be able to renegotiate side letters provided by issuers to the original holder of such securities. Accordingly, RTCS I will typically not possess appropriate, or any, covenants from the issuer of such securities. If RTCS I does not have these covenants to protect its interests, it is possible the Portfolio Company or other shareholders could take actions that negatively impact the value of RTCS I's investments or that prevent RTCS I from disposing of its investments in the Portfolio Company.

Use of Derivatives. Certain circumstances may arise where the direct acquisition of securities of an issuer is not possible (for example, where the issuer has required onerous restrictions on the transfer of the securities until a certain "release" date such as an acquisition or public offering). In these circumstances, RTCS I may utilize derivative instruments to acquire an economic interest in the subject securities from the holder thereof. Valuation of these derivative instruments is very challenging. In addition, if the value of the subject securities diminishes below the "effective" per-share purchase price negotiated, the derivative instrument may have no value. This would be likely to occur if the issuer of the securities is not able to achieve a public offering or profitable acquisition or other liquidity event. Finally, there may be issues with the interpretation and enforcement of derivative contracts. The occurrence of any of the foregoing could have a material negative impact on the value of RTCS I's investments and overall performance.

Conflicts of Interest

As a general matter, Riverside will determine all matters relating to conflicts of interest using its best judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to required approvals by the Advisory Committees of each Fund and subject to each Fund's Partnership Agreement. Riverside has also implemented a conflicts of interest policy and formed a Conflicts Committee (the "**Conflicts Committee**") that will review, as appropriate, certain conflicts that may arise.

The material conflicts of interest encountered by one or more Funds include those discussed below, although the discussion below does not necessarily describe all of the conflicts that the Funds may face. The interests of a Fund may conflict with the interests of Riverside, one or more other Funds, portfolio companies, co-investors and other investors.

Allocation of Investment Opportunities

Riverside has adopted a deal allocation policy ("**Deal Allocation Policy**") that sets forth how investment opportunities are allocated among the Funds. In the event an investment opportunity may be suitable for more than one Fund, Riverside attempts to allocate investment opportunities in good faith and in accordance with the Deal Allocation Policy. In allocating investment opportunities, Riverside takes into account various factors, including: investment objectives; contractual provisions in the Partnership Agreements and side letters or similar agreements ("**Side Letters**"); targeted returns; diversification and suitability requirements or considerations; risk profile of the investment opportunity; available capital commitments; the Funds' ability to execute on the transaction; the size of the investment opportunity; the expected duration of any particular investment; the composition of the various Fund portfolios individually and as a whole; legal, tax or regulatory issues; whether the investment represents an "add-on" investment opportunity for the Fund; whether an opportunity exists to invest in different layers in the capital structure of a company; and any other considerations Riverside deems relevant in good faith.

Investment opportunities may arise where it would be appropriate for multiple Funds to invest at the same, different or overlapping levels of a Portfolio Company's capital structure, and therefore conflicts may arise in determining the terms of each such investment, particularly where certain Funds are intended to invest in different types of securities in a single Portfolio Company. Investments by more than one Fund in a Portfolio Company may also raise the risk of using assets of one Fund to support positions taken by other Funds. Questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any workout or restructuring may raise conflicts of interest, particularly with respect to Funds that have invested in different securities within the same Portfolio Company. Generally, more than one Fund does not invest in the same Portfolio Company and RCS I does not intend to invest in the same Portfolio Company with any equity fund. The Advisers will establish appropriate information barriers so that if RCS I and an equity fund are evaluating the same transaction, information will not be shared.

Riverside's allocation of investment opportunities may not, and often will not, result in proportional allocations among Funds, and such allocations may be more or less advantageous to some Funds relative to others. While Riverside will allocate investment opportunities in a manner that it believes in good faith is fair and equitable to the Funds under the circumstances over time and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the conflicts of interest to which an Adviser may be subject, discussed herein, did not exist.

In order to seek to mitigate allocation-related conflicts, Riverside will not allocate investment opportunities based solely on (i) the relative fee structure or amount of fees paid by any Fund, (ii) the profitability of any Fund, or (iii) any person's interest in offering or participating in co-investment opportunities outside of any Fund. Where necessary, the General Partner consults with and receives consent to conflicts from the Advisory Committee of the relevant Fund(s) and such other investment vehicles.

Co-investment Opportunities

Decisions regarding whether and to whom to offer co-investment opportunities may be made by an Adviser or its related persons in consultation with other participants in the relevant transactions, such as a co-sponsor. Co-investment opportunities may, and typically will, be offered to some and not to other investors, as well as other persons, including other sponsors, market participants, finders, consultants, lenders and other service providers and/or certain other persons associated with Riverside. In general, the General Partner of a Fund will make a de minimis investment in a co-invest vehicle for tax and legal purposes, unless the co-investors request a larger amount (and, if applicable, approval of the Advisory Committee is obtained). If a Fund's Memorandum, Partnership Agreements and/or Side Letters address co-investment opportunities, the Adviser will first allocate such opportunities in accordance with the terms in those documents. The Adviser selects which investors are permitted to invest in the Co-Invest Funds based on various factors, including the perceived ability of the investor to fund and complete the investment on a timely basis, perceived ability to participate in add-on investments, historically expressed interest in co-investments, alignment of management interests, as an incentive for the investor to invest in other products sponsored by the Advisers, any agreement by the co-investor to pay management fees and/or carried interest on its co-investment, and for strategic or other reasons as more fully described in the applicable Partnership Agreements and in Item 10 of this Brochure. Unless required by Riverside's co-investment policy, the relevant Partnership Agreements and/or Side Letters, no General Partner is obligated to make co-investment opportunities available to any or all Limited Partners of a Fund or other persons.

Co-investments may be held directly by the co-invest party or through a co-invest vehicle managed by the Fund's General Partner or an affiliate of the Fund's General Partner. Co-investment is typically on the same terms as the Fund making the investment and typically is disposed of at the same time and on the same terms as the Fund making the investment. However, for strategic and other reasons, a co-investor or Co-Invest Fund may purchase a portion of an investment from one or more Funds after such Funds have consummated their investment in the Portfolio Company (also known as a post-closing sell-down or transfer). Any such purchase from a Fund by a co-investor or Co-Invest Fund is permitted pursuant to the applicable Partnership Agreements or

would be approved by the Fund's Advisory Committee and generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment, and the co-investor or Co-Invest Fund is generally charged interest on the purchase to compensate the relevant Fund for the holding period and generally will be required to reimburse the relevant Fund for related costs, including any costs associated with using the Fund Line to backstop the co-investment prior to sell down.

Service Providers

The Advisers generally exercise their discretion to recommend to a Fund or to a Portfolio Company thereof that it contract for services with (i) the applicable Adviser or a related person of such Adviser (which may include a Portfolio Company of such Fund), (ii) an entity with which such Adviser or current or former members of their personnel has a relationship or from which such Adviser or their personnel otherwise derives financial or other benefit or (iii) certain Limited Partners or their affiliates. For example, an Adviser may be presented with opportunities to receive financing and/or other services in connection with a Fund's investments from certain Limited Partners or their affiliates that are engaged in lending or a related business. This subjects the Advisers to conflicts of interest, because although the Advisers select service providers that they believe are aligned with their operational strategies and will enhance Portfolio Company performance and, relatedly, returns of the relevant Fund, the Advisers may have an incentive to recommend the related or other person (including a Limited Partner) because of their financial or other business interest. There is a possibility that the Advisers may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person, because of such belief or for other reasons (including whether the use of such person could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Fund(s) or Riverside). Whether or not the Advisers have a relationship or receive financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Additionally, a Portfolio Company typically will reimburse the applicable Adviser or service providers retained at the Adviser's discretion for expenses (including without limitation travel and travel-related expenses) incurred by such Adviser or such service providers in connection with the services for such Portfolio Company. The Advisers determine the amount of these reimbursements for such services in their own discretion, subject to internal expense reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, their effect is reflected in each Fund's audited financial statements, and any fee paid or expense reimbursed to the Advisers or service providers generally is subject to: agreements with sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to Portfolio Companies; and/or third party co-investors in its transactions. These factors help to mitigate related conflicts of interest.

In certain circumstances, typically in organizing Riverside University, Riverside may permit third parties to pay to sponsor certain events associated with Riverside University. As described under Item 5, a portion of the expenses related to Riverside University are borne by Portfolio Companies, and such sponsorship payments serve to reduce the overall costs of the program. Accepting paid sponsorships from third parties may create an incentive for Riverside to continue doing business

with such a service provider. However, Riverside does not believe an actual conflict of interest exists because the Portfolio Companies are the ultimate beneficiaries of any sponsorship payments.

Operating Partners

Operating Partners are engaged as both employees of the Advisers and independent contractors engaged by Riverside or the Portfolio Companies. The Advisers believe the use of Operating Partners who are independent contractors allows Riverside to scale the operating function up or down as the portfolio changes, to find the best operating talent with the appropriate industry experience and to utilize the Operating Partners based on their ability to add value to their assigned Portfolio Companies.

The compensation paid to Operating Partners by the Advisers, Funds, and/or the Portfolio Companies described under Item 5 of this Brochure subjects the Advisers to potential conflicts of interest. Although the Advisers seek to use Operating Partners with a view to increasing EBITDA of the Portfolio Companies, there is no guarantee or assurance that such use of the Operating Partners will result in cost savings or growth. The Advisers also seek to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for the Operating Partners in a manner that the Advisers believe will align the Operating Partners' interests with those of the Limited Partners, and to use only Operating Partners which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Carried Interest

Because a General Partner's carried interest is based on a percentage of net realized profits, it may create an incentive for such General Partner to cause the relevant Fund to make riskier or more speculative investments than would otherwise be the case. Because there is a fixed investment period after which capital from investors in a Fund may only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure may create an incentive to deploy capital when the General Partners may not otherwise have done so. In addition, the existence of carried interest may create conflicts of interest with respect to the management and disposition of investments, including the timing of dispositions. Because the Principals have economic interests in multiple Funds and receive Management Fees and carried interest therefrom, investments that the Principals control may potentially compete with companies acquired by the relevant Fund.

Management Fee and Fund Expenses

As set forth in the applicable Partnership Agreements, each Fund pays a Management Fee and certain relevant expenses, which impacts returns to investors. These expenses will be paid regardless of whether the Fund produces positive investment returns. If a Fund does not produce significant positive investment returns, its fees and expenses could reduce the amount of the investment recovered by a Limited Partner to an amount less than the amount contributed by the Limited Partner to such Fund for investments in Portfolio Companies.

Allocation of Expenses

Where it is not apparent that a particular expense is a direct cost of a Fund, subject to any relevant restrictions or other limitations contained in the Partnership Agreements of the Funds, an Adviser will allocate expenses in a manner that it believes in good faith is fair and equitable to its clients under the circumstances and considering such factors as it deems relevant, but in its sole discretion. In exercising such discretion, an Adviser may be faced with a variety of potential conflicts of interest. As a general matter, Fund expenses typically will be allocated among all relevant Funds eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions will generally be made by Riverside using its best judgment, considering such factors as it deems relevant, but in its sole discretion. The allocations of such expenses may be proportional. In cross fund investments, the Funds may have different expense reimbursement terms and different functional currencies which may result in the Funds generating different returns on the same investment. In many instances an Adviser may incur an expense on behalf of more than one Fund and will seek reimbursement based on the principles described above.

Fringe Benefits

The Advisers and their respective personnel can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the Funds that will neither be subject to an offset against any Management Fees payable to the Funds nor will otherwise be shared with the Funds, investors and/or Portfolio Companies. For example, airline travel or hotel stays incurred as Fund or account expenses typically result in cash rebates, “miles,” “points” or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not de minimis or difficult to value, inure exclusively to the Advisers and/or such personnel (and not the Funds, investors and/or Portfolio Companies) even though the cost of the underlying service is borne by the Funds, investors and/or Portfolio Companies.

Side Letters

The Advisers may enter into Side Letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to preferential fee and carried interest structures, information rights, co-investment rights and first-look provisions, and liquidity or transfer rights that may be material. These side letter rights are generally subject to “most favored nation” rights in most Funds (except for RAC I, RTCS I, REF VI and certain RAF II, REF V and RCS I Side Letter provisions). Certain provisions that are subject to these “most favored nation” rights require an investor to have the same underlying need for such rights. See Item 10 herein for additional disclosures related to specific Side Letters.

ITEM 9 - DISCIPLINARY INFORMATION

The Advisers and their 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

Advisory Affiliates

The affiliated investment advisers, Riverside Asia Partners LLC, Riverside Europe Partners LLC, Riverside Asia Partners Pty. Limited and Riverside Europe Partners S.à r.l. are under common control with Riverside Partners and possess substantially the same personnel and/or equity owners as Riverside Partners. The General Partners are under common control with Riverside Partners. General Partner affiliates are typically formed for legal, tax, regulatory, or other purposes. A complete list of the affiliated General Partners may be found in Section 7.B of Schedule D of Form ADV Part 1A, publicly available at <https://www.adviserinfo.sec.gov/>.

This Brochure describes the business practices of Riverside Partners as well as the General Partners and advisory affiliates, which operate as a single advisory business.

Should conflicts of interest arise in the context of these relationships, they will be addressed in accordance with the Code of Ethics (described in further detail in Item 11 herein), and in the Partnership Agreements of the Funds, as applicable.

Strategic Relationships

Riverside has entered into Side Letters with two strategic investors who have made substantial investments in RAF II prior to the final closing of RAF II (each, a “**RAF II Strategic Investor**” and together the “**RAF II Strategic Investors**”) which grant them rights not granted to other Limited Partners. In particular, the RAF II Strategic Investors have priority rights to co-invest in certain RAF II Portfolio Companies and will pay carried interest in respect of such co-investments. One of the RAF II Strategic Investors also owns an interest in RAF II GP, which entitles it to receive a percentage of the aggregate carried interest payable to RAF II GP.

The RAF II Strategic Investors may be provided with certain information regarding the Funds’ portfolios and prospective investments that are not made available to other Limited Partners. As a result, the RAF II Strategic Investors have certain rights to observe certain investment activities relating to RAF II Portfolio Companies, including, but not limited to, discussions involving potential investments, add-on investments or exits; deal sourcing; and due diligence activities. The RAF II Strategic Investors will also be provided with access to certain Riverside business contacts, resources and events. The RAF II Strategic Investors may also introduce Riverside to certain resources and people in its network, including potential investors or investment opportunities. Notwithstanding the rights outlined above, neither of the RAF II Strategic Investors has any discretion over or power to make decisions regarding RAF II’s investments as Riverside retains full investment discretion for all investment and investment-related activities for its Funds.

Riverside has entered into Side Letters with several strategic investors, some of whom have made a substantial investment in REF V and/or REF VI (each, a “**REF Strategic Investor**” and together the “**REF Strategic Investors**”) which grant them rights not granted to other Limited Partners. Riverside may offer the REF Strategic Investors a priority right to co-invest in certain REF V Portfolio Companies on a no-fee and no-carry basis. In certain instances, the REF Strategic Investors have contracted to receive board observation rights with respect to such REF Portfolio

Companies. Riverside has agreed to rebate a portion of certain of the REF Strategic Investors' REF V management fee if they have not been offered a minimum amount of co-investment opportunities in REF Portfolio Companies, or Portfolio Companies of other Funds.

On April 1, 2017, Riverside Investment Management Company, LLC ("**RIMCO**"), which indirectly owns 99% of Riverside Partners, sold approximately 9.1% of non-voting interests to Lakeside Partners I, LP ("**Lakeside**"). Lakeside is an affiliate of Parkwood LLC, which is an existing investor in certain Funds. In connection with this transaction, if Lakeside participates in the first closing of any Fund which had its first closing after April 1, 2017, Lakeside will be granted co-investment rights if co-investment is offered in a deal in such Fund. Lakeside does not have authority over the day-to-day operations or investment decisions at Riverside as such relates to the Funds, although Lakeside has negotiated certain minority protections, consent rights and information rights in connection with its investment in RIMCO.

ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

The Advisers have adopted Riverside's Code of Ethics and Securities Trading Policy and Procedures (the "**Code**"), which sets forth standards of conduct that are expected of Riverside Principals and employees and addresses conflicts that arise from personal trading. The Code requires Riverside personnel to report their personal securities transactions and prohibits Riverside personnel from directly or indirectly acquiring or disposing of beneficial ownership of securities, with limited exceptions, without first obtaining approval from Riverside's Chief Compliance Officer. In addition, the Code requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material non-public information. A copy of the Code will be provided to any investor or prospective investor upon request to Jennifer H. Boyce, Riverside's General Counsel and Chief Compliance Officer, at (216) 706-3488. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client eligible investments.

The Advisers and their affiliated persons may come into possession, from time to time, of material non-public or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, the Advisers and their affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of an Adviser.

Accordingly, should the Advisers or any of their affiliated persons come into possession of material non-public or other confidential information with respect to any public company, the Advisers generally would be prohibited from communicating such information to clients, and the Advisers will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Riverside personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Funds.

Principals and current and former employees of the Advisers and their affiliates may directly or indirectly own an interest in one or more Funds, including certain Co-Invest Funds. Co-Invest

Funds may invest in one or more Portfolio Companies in a Fund. In the case of co-investment, the Advisers may grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in Portfolio Companies or otherwise to have priority in co-investment opportunities. In considering whether to offer co-investment opportunities to a prospective investor, the Advisers may take into consideration factors described in “Co-investment Opportunities” in Item 8 herein.

Adviser employees, related persons and consultants may carry on investment activities for their own account and for family members, friends or others who do not invest in the Funds, and may give advice and recommend securities which may differ from advice given to, or securities recommended or bought for, the Funds, even though their investment objectives may be the same or similar. Such transactions are subject to the policies and procedures set forth in the Advisers’ Code of Ethics. In addition, and in limited circumstances, Riverside employees, related persons, and consultants may invest in companies or other securities or instruments that were offered to but passed on by a Fund. Such investments are also subject to the policies and procedures set forth in the Advisers’ Code of Ethics and may be subject to Advisory Committee approval.

ITEM 12 - BROKERAGE PRACTICES

The Advisers focus on securities transactions of private companies and generally purchase and sell such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, the Advisers may also distribute securities to investors in a Fund or sell such securities, including through using a broker-dealer, if a public trading market exists for the securities of a Portfolio Company. Although the Advisers do not intend to regularly engage in public securities transactions, to the extent they do so, they follow the brokerage practices described below.

If a Fund sells publicly traded securities, the Advisers are responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by the Advisers. In such event, the Advisers will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute transactions, the Advisers may consider a variety of factors, including:

- (i) execution capabilities with respect to the relevant type of order;
- (ii) commissions charged;
- (iii) the reputation of the firm being considered; and
- (iv) responsiveness to requests for trade data and other financial information.

The Advisers have no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular transaction or to select any broker on the basis of its purported or “posted” commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although the Advisers generally seek competitive commission rates, they may not necessarily pay the lowest commission

or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

As a matter of practice, the Advisers currently do not engage in soft dollar transactions, and although they are permitted to do so and may engage in soft dollar transactions in the future in accordance with the limitations of Section 28(e) of the Securities Exchange Act of 1934, as amended, it is not anticipated that they will do so. Although Riverside may receive proprietary research from certain brokerage firms, it does not take the value of such research into account when selecting brokers. In addition, gifts and other entertainment are monitored.

Although the Advisers do not anticipate engaging in significant public securities transactions, to the extent that an Adviser engages in any such transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for the Funds are completed independently, an Adviser may also purchase or sell the same securities or instruments for several Funds simultaneously. From time to time, an Adviser may, but is not obligated to, purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or “batched” to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Fund is favored over any other Fund. When an aggregated order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. To the extent such orders are not batched, they may have the effect of increasing brokerage commissions or other costs.

When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a *pro rata* basis to each Fund participating in such buy or sell order in accordance with the amount of securities originally requested for such Funds.

Each Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to *pro rata* allocations are permissible provided they are fair and equitable to the Funds over time.

In the Advisers’ private company securities transactions on behalf of the Funds, the Advisers may retain one or more broker-dealers or investment banks, the costs of which will be borne by the relevant Fund and/or its Portfolio Companies. In determining to retain such parties, the Advisers may consider a variety of factors, including: (i) capabilities with respect to the type of transaction being contemplated; (ii) commissions or fees charged; (iii) reputation of the firm being considered; and (iv) responsiveness to requests for information. As a result, although the Advisers generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Funds may not pay the lowest commission or fee for such services.

ITEM 13 - REVIEW OF ACCOUNTS

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of

securities. However, the Principals closely monitor companies in which the Funds invest, and Riverside's Chief Compliance Officer periodically checks to confirm that each Fund is maintained in accordance with its stated objectives.

At least quarterly, Riverside reviews the valuation of investments in the Fund portfolios, and throughout the year monitors transactions that may affect valuations. Items which may impact the valuation of each investment include, but are not limited to: operating performance, financial strength and stability, market or industry dynamics, potential exit strategies, third-party independent appraisals, public comparables and broker or dealer quotations (if the investment is quoted on a public trading market).

Client Reports

Each investor typically receives a quarterly partner statement for the Fund as well as annual audited financial statements for the Fund (except in the case of the two separate managed accounts that invest in parallel with RSCF I). Outside tax, accounting, and legal professionals are engaged on an as-needed basis to assist with year-end financial and tax reporting and other complex administrative issues.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

Riverside may provide certain business or consulting services to Portfolio Companies and may receive compensation from these Portfolio Companies in connection with such services. As described in the applicable Partnership Agreements, this compensation may, in many cases, offset all or a portion of the Management Fees paid by the Funds. Reimbursements for out-of-pocket expenses directly related to a Portfolio Company may be paid to Riverside in addition to Management Fees. See Item 5 herein for additional information.

From time to time, Riverside may enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a Limited Partner in a Fund. Any fees and expenses payable to any such third-party placement agents will generally be borne by the relevant Adviser, subject to the provisions of the applicable Partnership Agreements. The use of any placement agent is fully disclosed to investors referred by such placement agent.

ITEM 15 - CUSTODY

With respect to most Funds, Riverside is deemed to have custody because its affiliates serve as the general partners of the Funds. With the exception of certain privately offered securities, all assets of the Funds are held in custody by unaffiliated broker/dealers or banks. Limited Partners will not receive statements from the custodians. Instead, most Funds are subject to an annual audit and the audited financial statements are distributed to each Limited Partner. The audited financial statements (except with respect to RAC I as described below) will be prepared in accordance with GAAP and distributed within 120 days of each Fund's fiscal year end.

With respect to the RAC I, Riverside complies with the Custody Rule by maintaining the Fund's assets with qualified custodians which send quarterly statements to all investors. RAC I is subject

to an annual surprise examination by an independent public accountant. Riverside recommends investors in RAC I to compare the quarterly statements provided by the qualified custodian with statements provided by Riverside and notify Riverside immediately of any discrepancies.

ITEM 16 - INVESTMENT DISCRETION

Each Adviser has discretionary authority to manage investments on behalf of the Funds. As a general policy, the Advisers do not allow clients to place limitations on this authority. The Advisers assume this discretionary authority pursuant to the terms of the Partnership Agreements.

ITEM 17 - VOTING CLIENT SECURITIES

In accordance with SEC requirements, Riverside has adopted a Proxy Voting Policy (the “**Proxy Policy**”) to address how it will vote proxies, as applicable, for each Fund’s portfolio investments. The Proxy Policy seeks to ensure that the Advisers vote proxies (or similar instruments) in the best interest of the applicable Fund, including where there may be material conflicts of interest in voting proxies. The Advisers generally believe their interests are aligned with those of the Funds’ investors through the Principals’ beneficial ownership interests in the Funds and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest between an Adviser and a Fund in voting proxies, the Proxy Policy provides that such Adviser may address the conflict using several alternatives, including by seeking the approval or concurrence of the relevant Advisory Committee on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. The Advisers do not consider service on Portfolio Company boards by Riverside personnel or the Advisers’ receipt of management or other fees from Portfolio Companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by the Advisers when voting proxies on behalf of the Clients. A copy of the Advisers’ complete Proxy Policy or information regarding how the Advisers voted proxies for particular Portfolio Companies will be provided to investors or prospective investors at no charge upon request to Jennifer H. Boyce, Riverside’s General Counsel and Chief Compliance Officer, at (216) 706-3488.

ITEM 18 - FINANCIAL INFORMATION

The Advisers do not require prepayment of Management Fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.

SUPPLEMENTAL INFORMATION ABOUT CERTAIN PRINCIPALS OF RIVERSIDE

Béla Szigethy

Educational Background and Business Experience

Together with Stewart Kohl, Mr. Szigethy oversees all aspects of Riverside’s activities. He has 39 years of corporate finance experience, including 32 years as a leveraged buyout investor with Riverside. Prior to founding The Riverside Company in 1988, he was a vice president in the

leveraged acquisition department of Citibank, where he worked for seven years. Mr. Szigethy holds a BA from Oberlin College and a Master's of International Affairs in International Finance from Columbia University. Mr. Szigethy was born in 1955.

Disciplinary History

There are no legal or disciplinary events to disclose with respect to Mr. Szigethy.

Other Business Activities

Mr. Szigethy is not currently engaged in any significant private equity investment-related activities as a general partner outside of his roles with Riverside and its affiliated investment advisors. Mr. Szigethy is the owner of small local businesses and real estate in Lake Hopatcong, New Jersey and the owner of an opportunity zone fund which invests in real estate in Dover and Wharton, New Jersey as well as its tenants.

Additional Compensation

Mr. Szigethy does not receive any additional compensation that is required to be disclosed.

Supervision

As the founder and a co-CEO of Riverside, Mr. Szigethy is part of a team that is responsible for implementing and overseeing the investment strategy of Riverside. Mr. Szigethy is not subject to the direct supervision of any other individual. The General Counsel and Chief Compliance Officer of Riverside, Jennifer H. Boyce, supervises the actions of Mr. Szigethy with respect to Riverside's Compliance Program, which includes policies governing giving advice to clients. Ms. Boyce can be reached by calling (216) 706-3488.

Stewart Kohl

Educational Background and Business Experience

Together with Mr. Béla Szigethy, Mr. Stewart Kohl oversees all aspects of Riverside's activities. He has 32 years of leveraged buyout investing experience, including 27 years with Riverside. Prior to joining Riverside in 1993, he was a vice president of Citicorp Venture Capital, the private equity arm of Citibank. Mr. Kohl holds a BA from Oberlin College. Mr. Kohl was born in 1955.

Disciplinary History

There are no legal or disciplinary events to disclose with respect to Mr. Kohl.

Other Business Activities

Mr. Kohl is not engaged in any investment-related business outside of his roles with Riverside and its affiliated investment advisors. Mr. Kohl serves as an Honorary Trustee on the Oberlin College Board of Trustees, as a Director on the Cleveland Clinic Foundation Board of Directors and as an Honorary Director at the Cleveland Museum of Contemporary Art.

Additional Compensation

Mr. Kohl does not receive any additional compensation that is required to be disclosed.

Supervision

As a co-CEO of Riverside, Mr. Kohl is part of a team that is responsible for implementing and overseeing the investment strategy of Riverside. Mr. Kohl is not subject to the direct supervision of any other individual. The General Counsel and Chief Compliance Officer of Riverside, Jennifer H. Boyce, supervises the actions of Mr. Kohl with respect to Riverside's Compliance Program, which includes policies governing giving advice to clients. Ms. Boyce can be reached by calling (216) 706-3488.