

# Presentation to the Employees' Retirement System of Rhode Island

June 27, 2018



*Riverside*

This presentation ("**Presentation**") is not an offer or sale of, or a solicitation to any person to buy, any security or investment product or investment advice. The information contained in this Presentation has been prepared by one or more general partners, management companies and/or other entities affiliated with Riverside Partners L.L.C. (collectively, "**Riverside**") and is furnished on a limited basis for the sole and exclusive purpose of providing general and background information concerning various private equity funds (each, a "**Fund**") sponsored by Riverside. Any such offer, sale or solicitation of interests in any Fund will be made only pursuant to a Fund's confidential Private Placement Memorandum (as amended and/or supplemented from time to time, and including, without limitation, the legends contained therein, the "**Memorandum**") and subscription documents, and will be subject to the terms and conditions contained in such documents and the Memorandum. This Presentation is qualified in its entirety by reference to any Memorandum.

This Presentation is not intended to be relied upon as investment advice and is not, and should not be assumed to be, complete. Each recipient of this Presentation agrees that Riverside and its affiliates, members, partners, stockholders, managers, directors, officers, employees and agents shall have no liability for any misstatement or omission of fact or any opinion expressed herein. The contents herein are not to be construed as legal, business or tax advice, and each recipient should consult its own attorney, business advisor and tax advisor as to legal, business and tax advice. Each recipient further agrees that it will use the Presentation solely for the purpose set forth in the paragraph above.

## 30 years focused on the smaller end of the middle market

- **\$7.6 billion** in assets under management<sup>(1)</sup>
- **16 offices** in **11 countries** on **four continents**
- **200+ people** organized by function
- **524 investments** (225 platforms, 299 add-ons)
- **146 exits** (146 platforms and their corresponding 168 add-ons)
- **Realized** a 45% gross IRR and a 2.5x gross cash-on-cash return (33% net IRR and 2.1x net cash-on-cash return)<sup>(2)</sup>
- **Seven fund families** in North America, Europe and the Asia-Pacific region, including four control and three non-control



# The RMCF Opportunity

**RMCF is a leading private equity fund exclusively focused on small, growing businesses with LTM EBITDA generally below \$10 million**

- Target growth companies that benefit from Riverside's ability to create value organically and through add-on acquisitions

**RMCF has invested in 142 acquisitions (63 platforms, 79 add-ons)<sup>(1)</sup>**

- RMCF has four vintages, each of which is a top-quartile or top-decile performer<sup>(2)</sup>

**RMCF has realized 28 investments, generating a combined 34% gross IRR and a 4.6x gross cash-on-cash return (30% net IRR and 3.8x net cash-on-cash return)<sup>(3)</sup>**

- Fund Manager Loren Schlachet and his four-person senior transacting team have more than 90 combined years of relevant experience
- Riverside Co-CEOs, Stewart Kohl and Béla Szigethy, have invested together for more than 20 years

**RMCF's process orientation leads to repeatable and consistent results in buying, building and selling companies**

- Transacting team includes 22 professionals that operate out of three offices in Cleveland, Los Angeles and New York
- Operating team includes 21 operating and finance professionals dedicated to RMCF's portfolio companies<sup>(4)</sup>

**Leverage the scope and scale of Riverside's global resources**

- 200+ professionals in 16 offices across 11 countries
- Experienced and regionally diversified origination team generates attractive and compelling deal flow

***The only global private equity firm with a dedicated platform  
focused on the micro-cap market***

Note: As of June 15, 2018, unless otherwise noted. Past performance is not necessarily indicative of future results. See Important Information slide at the end of the presentation. (1) Includes investments led and managed by RMCF funded by RCAF and Riverside-controlled third-party co-investment vehicles. (2) Based on Cambridge Associates Benchmark Statistics for U.S. Buyouts as of December 31, 2017. (3) Includes investments led and managed by RMCF funded by RMCF, RCAF and Riverside-controlled third-party co-investment vehicles. The returns presented above aggregate data across multiple investment vehicles which may have different fund economics, amongst other factors. Therefore, the returns received by an investor may differ from the returns shown above. (4) Includes 18 third-party contractors who work as operating professionals for select RMCF portfolio companies. Please see Important Information for further detail on the compensation program for RMCF Operators.



*Riverside*

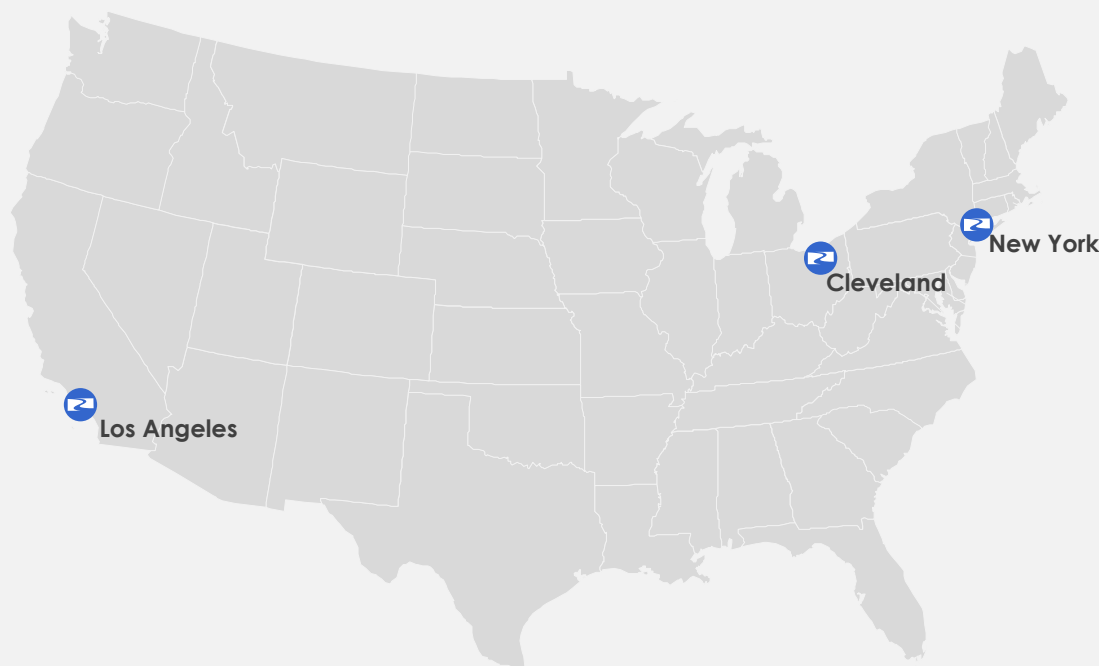
# The RMCF Platform

## Riverside Micro-Cap Fund ("RMCF")

Founded in 2005

43 professionals<sup>(1)</sup> / 3 offices

Control buyouts of North American companies with generally up to \$10 million in LTM EBITDA



### Riverside Capital Appreciation Fund ("RCAF") - Founded in 1988

- Control buyouts of North American companies with typically \$10 million to \$35 million in LTM EBITDA
- RCAF VII: First close in April 2018 on over \$500 million towards a \$1.5 billion PPM target

### Riverside Europe Fund ("REF") - Founded in 1997

- Control buyouts of European companies with less than €25 million in LTM EBITDA
- REF V: €340 million 2015 vintage

### Riverside Asia-Pacific Fund ("RAF") - Founded in 2008

- Control buyouts of developed Asia-Pacific companies with less than \$15 million in LTM EBITDA
- RAF II: \$235 million 2012 vintage

### Riverside Strategic Capital Fund ("RSCF") - Founded in 2013

- Non-control, junior capital investments in companies with \$5 million to \$25 million in LTM EBITDA
- RSCF I: \$418 million 2015 vintage<sup>(2)</sup>

### Riverside Acceleration Capital ("RAC") - Founded in 2015

- Senior secured loans in growing, enterprise software companies with \$1.5 million to \$10 million in LTM revenue
- RAC I: \$50 million 2016 vintage

### Riverside Credit Solutions ("RCS") - Founded in 2016

- Senior secured loans in primarily sponsor-backed companies with typically \$5 million to \$35 million in LTM EBITDA
- RCS I: First close in October 2017 on \$113 million towards a target of \$350 million

**RMCF leverages the firm's global resources to find, buy, build and sell micro-cap companies across North America**

Note: As of April 30, 2018. Past performance is not necessarily indicative of future results. See Important Information slide at the end of the presentation. Reflects known team transitions.  
(1) Includes 18 third-party contractors who work as operating professionals for select RMCF portfolio companies. Please see Important Information for further detail on the compensation program for RMCF Operators. (2) Total investible capital includes \$22 million in separate accounts.

# Deep and Experienced RMCF Team



**Béla Szigethy**  
Co-CEO  
Joined in 1988



**Stewart Kohl**  
Co-CEO  
Joined in 1993

## RMCF Fund Family



**Loren Schlachet**  
RMCF Fund Manager  
Joined in 2000

### Transacting Team



**Joe Lee**  
Partner  
Joined in 2006



**Joe Manning**  
Partner  
Joined in 2006



**Alan Peyrat**  
Partner  
Joined in 2007



**Brian Sauer**  
Partner  
Joined in 2004



**Dan Haynes**  
Principal  
Joined in 2008



**John McKernan**  
Principal  
Joined in 2010



**Brad Resnick**  
Principal  
Joined in 2008



**Stephen Rice**  
Principal  
Joined in 2010



**Garrett Monda**  
Vice President  
Joined in 2013



**Jason Thorn**  
Asst. Vice  
President  
Joined in 2015



**David Bao**  
Sr. Associate  
Joined in 2015



**Ken Johnson**  
Sr. Associate  
Joined in 2016



**Chris Shea**  
Sr. Associate  
Joined in 2015



**Joshua Smith**  
Sr. Associate  
Joined in 2015



**Rahul Mohan**  
Associate  
Joined in 2015



**Blake Tokheim**  
Associate  
Joined in 2015



**David Jacob**  
Associate  
Joined in 2017



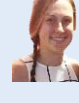
**Sara Mostatabi**  
Associate  
Joined in 2017



**Max Weber**  
Credit Assoc.  
Joined in 2017



**Caroline Peck**  
Analyst  
Joined in 2017



**Elizabeth Warner**  
Analyst  
Joined in 2017



**Aakeem Andrada-Allahjah**  
Analyst  
Joining 2018



**Nancy Graham**  
Analyst  
Joining 2018

### Operating and Finance Team



**Jeff Goodman**  
Senior Operating  
Partner  
Joined in 2006



**Dave Tiley<sup>(1)</sup>**  
Senior Operating  
Partner  
Joined in 2010



**Ervin Cash<sup>(1)</sup>**  
Operating Partner  
Joined in 2018



**Frank Coliano<sup>(1)</sup>**  
Operating Partner  
Joined in 2017



**Brian Dunn<sup>(1)</sup>**  
Operating Partner  
Joined in 2017



**Michael Eblin<sup>(1)</sup>**  
Operating Partner  
Joined in 2014



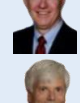
**Dale Fuller<sup>(1)</sup>**  
Operating Partner  
Joined in 2013



**Keith Kerman<sup>(1)</sup>**  
Operating Partner  
Joined in 2012



**John Kish<sup>(1)</sup>**  
Operating Partner  
Joined in 2014



**Rex Niles<sup>(1)</sup>**  
Operating Partner  
Joined in 2012



**Tim Spring<sup>(1)</sup>**  
Operating Partner  
Joined in 2016



**Jonathan Temple<sup>(1)</sup>**  
Operating Partner  
Joined in 2016



**Bill White<sup>(1)</sup>**  
Operating Partner  
Joined in 2013



**TBD**  
Operating Partner  
Joining 2018



**TBD**  
Operating Partner  
Joining 2018



**TBD**  
Managing Director,  
Sales  
Joining 2018



**TBD**  
Director, CRM & Sales  
Implementation  
Joining 2018



**TBD**  
Director, Sales  
Hiring  
Joining 2018



**Kim Katzenberger**  
Group CFO  
Joined in 2011



**Ross Fuller<sup>(1)</sup>**  
Finance Director  
Joined in 2015



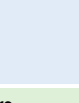
**Doug Guess<sup>(1)</sup>**  
Finance Director  
Joined in 2017



**David Kralic<sup>(1),(2)</sup>**  
Finance Director  
Joined in 2007



**Mark Pigott<sup>(1)</sup>**  
Finance Director  
Joined in 2016



**Mike Rath<sup>(1)</sup>**  
Finance Director  
Joined in 2015



**Gary Schlegel<sup>(1)</sup>**  
Finance Director  
Joined in 2017



**John Macsurak**  
Manager, FP&A  
Joined in 2018

## Shared Global Resources

**Global Deal Origination**  
16 professionals

## Administration

## Asia Strategy Group

## Compliance

## Finance

## Fund Administration

## Human Resources

## Investor Relations

## Legal

## Marketing

## Riverside Operating Council

## Riverside University

## Strategic Analysis & Sourcing

## Technology

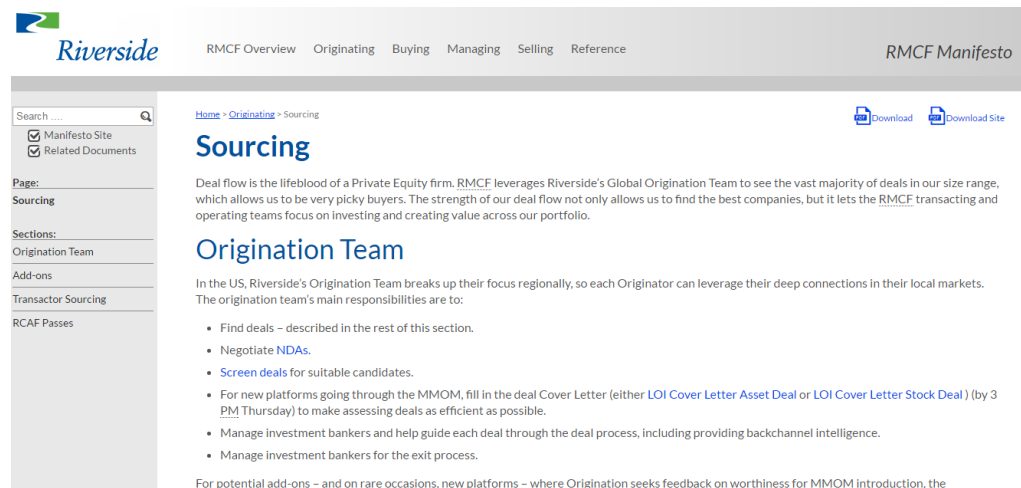
**10 Senior Advisors<sup>(3)</sup> – 50+ Riverside Toolkit Resources – 100+ Outside Directors**

Note: As of April 30, 2018. (1) Third-party contractors who work as operating professionals for select RMCF portfolio companies. Please see Important Information in the Appendix for further detail on the RMCF compensation program for RMCF Operators. (2) David Kralic joined RMCF's operating team in 2007 and left in 2011. He re-joined the team in 2014. (3) All Senior Advisors are consultants engaged to provide expertise with respect to portfolio companies and are paid by those respective portfolio companies. Includes Keith Kerman who serves as both an Operating Partner and a Senior Advisor.

# RMCF Manifesto

## A unique, standardized system that benefits RMCF portfolio companies and RMCF's returns

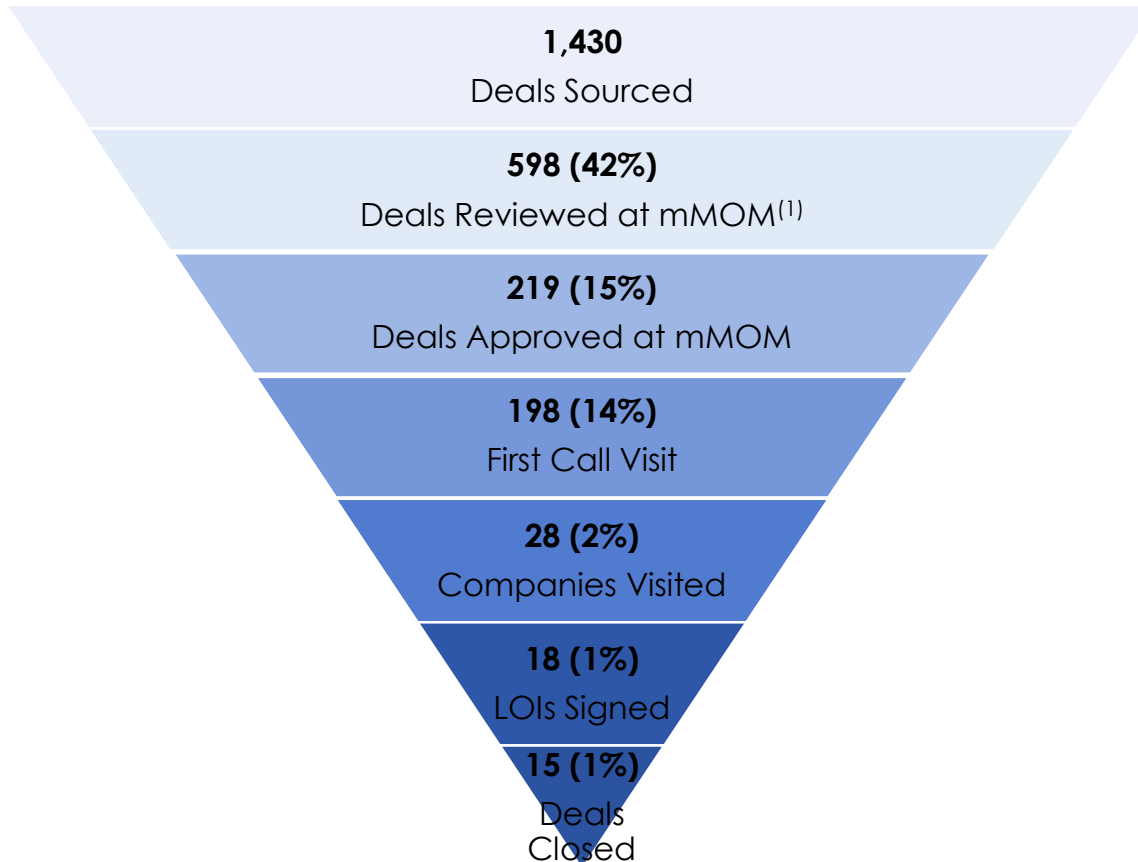
- Outlines RMCF's major processes relative to identifying, buying, managing and exiting companies
- Defines and memorializes RMCF best practices
- Contains important analytical tools and checklists for buying, managing and exiting companies
- Playbook for Riversiders to understand how we operate
- Recently made into a more user-friendly web-based tool



# Robust and Consistent Micro-Cap Deal Flow

**Unique Origination Model:** regionally-based origination professionals focused exclusively on identifying investment opportunities

## RMCF 2017 Deal Waterfall



## North American Origination



**Jeremy Holland**  
Joined in 2010  
Los Angeles



**Robert Landis**  
Joined in 2002  
New York



**Jim Butterfield**  
Joined in 2002  
Dallas



**Matt Delly**  
Joined in 2017  
Cleveland



**Cheryl Strom**  
Joined in 2006  
Cleveland



**Polly Mack**  
Joined in 2018  
New York

**Riverside's unique origination model generates consistent, high-quality deal flow of which RMCF acquires 1%**

Note: (1) mMOM is the weekly Micro Meeting of the Minds where RMCF's investment team reviews all active deals in the pipeline.









# Unique Value Creation Formula

	Originators	Transactors	Operators
Deal Brought to mMOM	Identify new opportunities, prepare weekly deal write-ups and present new deals at mMOM	Discuss deal at mMOM and decide whether it warrants additional diligence	Participate at mMOM and provide operational insight on opportunities
Initial DD	Facilitate communication with banker or seller	Staff deal team, conduct primary due diligence, prepare pitch to management, visit company	Assist transacting team with initial diligence
Advanced DD through Closing	Continue to facilitate communication with banker or seller	Complete internal and third-party due diligence, structure deal, gain IC approval	Develop value creation plan, build relationship with management
First 100 Days	Assist deal team and management in sourcing potential add-on acquisitions	Assume role as director, implement 100-day plan, drive add-on search	Assume role as chair of board, institute RMCF Operating Rhythm, implement financial controls
Ownership Period	Continue search for add-on acquisitions	Monitor company performance, conduct financial and strategic analysis	Drive strategic initiatives, focus management on revenue and EBITDA growth, integrate add-ons
Exit	Facilitate process of selecting broker for exit	Lead negotiations on exit process	Prepare management team for sale process

**Operating orientation drives value creation**

# Proven Investment Strategy

Control		Seek control of privately-owned businesses
Size		Target companies with generally less than \$10 million in LTM EBITDA
Growth businesses		Healthy companies that are growing sales at over 10% per annum
Domain expertise		Capitalize on Riverside's domain expertise in sectors such as business services, consumer goods, education & training, healthcare, software & IT services, specialty manufacturing & distribution and franchised businesses
Strengthen management		Work with and enhance existing or new management team
Ability to scale		A clear plan to double or triple EBITDA through organic growth, add-on acquisitions and/or international expansion

***Transform small, growth businesses and sell them to middle-market buyers***

# Transforming Companies

Company	Management Upgrade		New Growth Initiatives			Margin & Working Capital Improvement			Add-Ons
	CEO	CFO	New Products	Sales Reps	Geographic Expansion	Price Increase	Working Capital	Procurement	Completed
<b>RMCF I</b>									
Adventures in Advertising			✓	✓	✓	✓	✓		
Align Networks		✓		✓	✓		✓		✓
Eemax	✓	✓	✓	✓	✓	✓	✓	✓	✓
Express	✓	✓		✓	✓	✓		✓	✓
GTI Diagnostics			✓	✓	✓	✓	✓	✓	
Health & Safety Institute	✓	✓	✓	✓	✓	✓	✓	✓	✓
HEALTHCAREfirst		✓	✓	✓		✓	✓		✓
iAutomation	✓	✓	✓	✓	✓	✓	✓	✓	✓
Junior Sports Corporation	✓	✓	✓	✓	✓	✓	✓	✓	
LocalTel Yellow Pages	✓	✓	✓	✓		✓	✓	✓	
OnCourse Learning	✓	✓	✓	✓	✓	✓	✓	✓	✓
Polar Windows	✓	✓	✓	✓	✓	✓	✓	✓	
PROFITsystems	✓		✓	✓		✓	✓		✓
Results Weight Loss	✓	✓	✓	✓	✓			✓	
Thibaut	✓	✓	✓	✓	✓	✓	✓	✓	✓
UltraVolt		✓	✓	✓	✓	✓	✓	✓	
<b>RMCF II</b>									
Brandmuscle	✓		✓			✓	✓	✓	✓
DISA, Inc.		✓	✓	✓	✓	✓	✓	✓	✓
Kyjen			✓	✓	✓		✓	✓	✓
IDOC	✓	✓	✓	✓		✓		✓	✓
NAVEX Global	✓	✓	✓	✓	✓	✓	✓		✓
WhatCounts		✓	✓	✓		✓	✓		✓
Wildlife		✓	✓		✓	✓	✓		
YourMembership	✓	✓	✓	✓	✓	✓			✓
<b>RMCF III</b>									
Grace Hill	✓	✓	✓	✓		✓			✓
Tate's Bake Shop	✓	✓	✓	✓	✓	✓		✓	
<b>RMCF-led Deals</b>									
FoodState	✓		✓	✓	✓	✓	✓	✓	
Lumen Dynamics Group	✓	✓	✓	✓			✓	✓	

**RMCF actively initiates operating improvements across the portfolio**

Note: As of June 15, 2018. Includes realized RMCF portfolio companies.

# Grace Hill (RMCF III Realization)

## The Company

Grace Hill is a provider of online training solutions to the multi-family rental housing industry.



## Add-on Acquisitions



Arizona  
2014

Increased Grace Hill's customer count, acquired complementary content and reduced the risk of large, integrated multi-family housing software providers entering the online market.



Georgia  
2014

Acquired the number two player in the market behind Grace Hill, enhancing Grace Hill's competitive position while increasing Grace Hill's customer count and acquiring a complementary course library.

*In USD millions*

Acquisition Statistics		Exit Statistics	
Close Date	Aug-14	Exit Date	Feb-18
Location	Augusta, GA	Buyer Type	Financial
Enterprise Value	\$45.5	Enterprise Value	\$125.0
Purchase Multiple	11.4x	Exit Multiple	9.8x
LTM Revenue	\$11.3	LTM Revenue	\$24.0
LTM EBITDA	\$4.0	LTM EBITDA	\$12.8

## Exit Summary

- Grace Hill was sold to Stone Point Capital in February 2018, marking the first exit in RMCF III.
- Riverside upgraded the management team, adding a new CEO, CFO, COO, VP of sales and Chief Product Officer.
- Grace Hill grew both organically and through two add-on acquisitions.
- Grace Hill released the new Validate mystery shopping product that further boost its sales. The Validate product provided customers with both faster responses and a better overall mystery shopping experience.
- By adding new products such as Vision, Validate and Visto, Grace Hill's addressable market doubled, which further improved the attractiveness of this asset during the exit process.

# RMCF Realizations

Portfolio Company	Riverside Fund	Exit Date	Hold Period (Years)	Cash In (MM)	Cash Out <sup>(1)</sup> (MM)	Gross IRR	Gross CoC	Net IRR	Net CoC
Tate's Bake Shop	RMCF III	Jun-18	3.8	\$52.5	\$345.1	66%	6.6x	58%	5.4x
Grace Hill	RMCF III	Feb-18	3.5	18.7	67.3	47%	3.6x	43%	3.2x
Kyjen	RMCF II	Dec-17	4.3	15.1	54.9	41%	3.6x	35%	3.0x
YourMembership	RMCF II	Jan-17	5.0	19.8	182.0	78%	9.2x	71%	7.6x
Polar Windows	RMCF I	Jan-17	9.1	17.7	0.0	(100%)	0.0x	(100%)	0.0x
iAutomation	RMCF I	Jan-17	9.6	10.0	42.7	16%	4.3x	15%	3.8x
Independent Doctors of Optometry	RMCF II	Nov-16	4.3	8.5	37.8	45%	4.4x	40%	3.9x
WhatCounts (Mansell)	RMCF II	Sep-16	6.3	6.9	2.8	(18%)	0.4x	(20%)	0.4x
Eemax	RMCF I	Dec-15	7.2	11.9	73.6	31%	6.2x	26%	4.8x
Brandmuscle	RMCF II	Dec-15	4.2	20.6	104.4	51%	5.1x	44%	4.3x
Express Courier	RMCF I	Dec-14	8.5	10.7	0.5	(48%)	0.0x	(49%)	0.0x
FoodState	RCAF V	Dec-14	3.7	15.4	42.7	37%	2.8x	30%	2.3x
DISA <sup>(2)</sup>	RMCF II, RCAF V	Dec-14	3.9	20.3	268.0	101%	13.2x	88%	10.2x
NAVEX <sup>(2)</sup>	RMCF II, RCAF V	Nov-14	3.9	70.5	309.5	56%	4.4x	48%	3.6x
Junior Sports Corporation	RMCF I	Aug-14	7.3	9.3	0.0	(100%)	0.0x	(100%)	0.0x
Ultraviolet	RMCF I	Aug-14	6.9	12.9	28.5	12%	2.2x	10%	1.9x
Thibaut	RMCF I	Jun-14	8.4	6.1	30.1	23%	4.9x	19%	3.8x
OnCourse Learning	RMCF I	Feb-14	7.0	15.2	83.2	30%	5.5x	25%	4.4x
Align (SmartComp)	RMCF I	Dec-13	5.8	15.0	189.0	56%	12.6x	49%	9.6x
PROFITsystems	RMCF I	Nov-13	7.3	3.4	10.1	16%	3.0x	14%	2.6x
Lumen Dynamics	RCAF V	Nov-13	3.1	16.3	20.7	8%	1.3x	8%	1.2x
Adventures in Advertising	RMCF I	Aug-13	8.1	4.6	22.7	23%	4.9x	21%	4.2x
Wildlife	RMCF II	Dec-12	2.4	2.4	34.0	177%	14.0x	163%	12.1x
HEALTHCAREfirst	RMCF I	Aug-12	4.0	14.0	40.3	33%	2.9x	22%	2.1x
Health & Safety Institute	RMCF I	Aug-12	6.1	9.6	36.0	25%	3.7x	24%	3.5x
Results Weight Loss	RMCF I	Nov-11	3.3	12.5	0.0	(100%)	0.0x	(100%)	0.0x
GII Diagnostics	RMCF I	Dec-10	2.5	16.9	43.8	46%	2.6x	43%	2.5x
LocalTel	RMCF I	Feb-08	1.6	8.4	0.0	(100%)	0.0x	(100%)	0.0x
<b>TOTAL/AVERAGE</b>			<b>5.4</b>	<b>\$445.4</b>	<b>\$2,069.4</b>	<b>34%</b>	<b>4.6x</b>	<b>30%</b>	<b>3.8x</b>

**28 realizations generating a combined 34% gross IRR and a 4.6x gross cash-on-cash return (30% net IRR and 3.8x net cash-on-cash return)**

Note: As of June 15, 2018. Past performance is not necessarily indicative of future results. See Important Information slide at the end of the Appendix. (1) Includes all escrows and holdbacks. (2) Includes equity from RMCF, RCAF and third-party co-invest via a Riverside-controlled entity. The returns presented above aggregate data across multiple investment vehicles which may have different fund economics, amongst other factors. Therefore, the returns received by an investor may differ from the returns shown above.





# Tate's Bake Shop (RMCF III Realization)

## The Company

Tate's Bake Shop ("Tate's") sells premium, branded gourmet cookies and other baked goods.



## Why Riverside Invested

- Strong historic sales growth: Tate's had grown at a 30% CAGR from 2011-2013 and grew every SKU each year during that time.
- Growth potential: At acquisition, Tate's was only 19% penetrated within 19 of its key existing retailers and had a strong pipeline of potential new customers.
- Strong brand and market position: Tate's cookies were rated #1 by Consumer Reports with the highest repurchase intent of its top 18 competitors.
- Compelling retailer economics: Compared to other cookies, Tate's had a high price point and higher sales velocity providing higher margins and profits to the grocery retailer.

*In USD millions*

Acquisition Statistics		Exit Statistics <sup>(1)</sup>	
Close Date	Aug-14	Exit Date	Jun-18
Location	Southampton, NY	Buyer Type	Strategic
Enterprise Value	\$100.0	Enterprise Value	\$530.0
Purchase Multiple	14.9x	Exit Multiple	30.8x
LTM Revenue	\$24.3	LTM Revenue	\$75.1
LTM EBITDA	\$6.7	LTM EBITDA	\$17.2

## Exit Summary

- Tate's was sold to Mondelēz International, Inc in June 2018, marking the second exit in RMCF III.
- During its 3.8-year hold, Riverside upgraded the management team, adding a new CEO, CFO, VP of Sales, VP of Marketing, VP of Operations and Plant Manager, among others.
- Growth was driven by a combination of increased distribution, in-store execution and new products, including Tiny Tate's, which are quarter sized cookies in a snack pack that drove strong demand.
- Riverside expanded manufacturing, putting in an enterprise resource planning system and two new automated lines, after moving the warehouse and management offices to a new location.
- Tate's upgraded their packaging and expanded marketing to double their brand awareness.

# Summary of Terms

<b>Target Fund Size:</b>	\$750 million
<b>Management Fee:</b>	2%
<b>Waterfall:</b>	Deal-by-Deal ("American")
<b>Fee Sharing:</b>	100% to LPs
<b>Carried Interest:</b>	20%
<b>Key Person:</b>	Yes
<b>Preferred Return:</b>	8%
<b>GP Commitment:</b>	5%

# RMCF Investment Highlights

- The only global private equity firm with a dedicated platform focused on micro-cap companies
- RMCF has created top-quartile or top-decile results across all fund vintages<sup>(1)</sup>
- RMCF has completed 28 realizations, generating a combined 34% gross IRR and a 4.6x gross cash-on-cash return (30% net IRR and a 3.8x net cash-on-cash return)<sup>(2)</sup>
- Deep and experienced team with 22 transacting professionals and 21 operating professionals<sup>(3)</sup>
- Riverside will commit 5% of RMCF V's capital, strongly aligning itself with investors

Note: As of June 15, 2018. Past performance is not necessarily indicative of future results. See Important Information slide at the end of the presentation. (1) Based on Cambridge Associates Benchmark Statistics for U.S. Buyouts as of December 31, 2017 for all RMCF vintages (RMCF I, RMCF II, RMCF III and RMCF IV). (2) Includes investments led and managed by RMCF funded by RMCF, RCAF and Riverside-controlled third-party co-investment vehicles. The returns presented above aggregate data across multiple investment vehicles which may have different fund economics, amongst other factors. Therefore, the returns received by an investor may differ from the returns shown above. (3) Includes 18 third-party contractors who work as operating professionals for select RMCF portfolio companies. Please see Important Information for further detail on the compensation program for RMCF Operators.





# Detailed Track Record



*Riverside*

# RMCF I Track Record

As of March 31, 2018

In USD millions

Portfolio Company	Investment Date	Exit Date	Fund Cost <sup>(1)</sup>	Realized Proceeds	Unrealized Value <sup>(2)</sup>	Total Value <sup>(3)</sup>	Gross IRR <sup>(4)</sup>	Gross Cash-on-Cash Return <sup>(5)</sup>	Net IRR <sup>(6)</sup>	Net Cash-on-Cash Return <sup>(7)</sup>
Adventures in Advertising	Jul-05	Aug-13	\$4.6	\$22.7	-	\$22.7	23%	4.9x	21%	4.2x
Thibaut	Jan-06	Jun-14	6.1	30.1	-	30.1	23%	4.9x	19%	3.8x
Express Courier	Jun-06	Dec-14	10.7	0.5	-	0.5	(48%)	0.0x	(49%)	0.0x
LocalTel	Jun-06	Feb-08	8.4	-	-	-	(100%)	0.0x	(100%)	0.0x
Health & Safety Institute	Jul-06	Aug-12	9.6	36.0	-	36.0	25%	3.7x	24%	3.5x
PROFITsystems	Jul-06	Nov-13	3.4	10.1	-	10.1	16%	3.0x	14%	2.6x
OnCourse (Specialized Solutions)	Feb-07	Feb-14	15.2	83.2	-	83.2	30%	5.5x	25%	4.4x
Junior Sports Corporation	May-07	Aug-14	9.3	-	-	-	(100%)	0.0x	(100%)	0.0x
iAutomation	Jun-07	Jan-17	10.0	40.5	2.2	42.7	16%	4.3x	15%	3.8x
Ultravolt	Sep-07	Aug-14	12.9	28.5	-	28.5	12%	2.2x	10%	1.9x
Polar Windows	Dec-07	Jan-17	17.7	-	-	-	(100%)	0.0x	(100%)	0.0x
Align (SmartComp)	Mar-08	Dec-13	15.0	189.0	-	189.0	56%	12.6x	49%	9.6x
GTI Diagnostics	Jul-08	Dec-10	16.9	43.8	-	43.8	46%	2.6x	43%	2.5x
Results Weight Loss	Aug-08	Nov-11	12.5	-	-	-	(100%)	0.0x	(100%)	0.0x
HEALTHCAREfirst	Aug-08	Aug-12	14.0	40.3	-	40.3	33%	2.9x	22%	2.1x
Eemax	Sep-08	Dec-15	11.9	73.6	-	73.6	31%	6.2x	26%	4.8x
<b>Realized<sup>(8)</sup></b>			<b>\$178.2</b>	<b>\$598.2</b>	<b>\$2.2</b>	<b>\$600.4</b>	<b>24%</b>	<b>3.4x</b>	<b>19%</b>	<b>2.7x</b>
<b>Unrealized</b>			<b>\$65.1</b>	<b>\$49.5</b>	<b>\$150.9</b>	<b>\$200.4</b>	<b>12%</b>	<b>3.1x</b>	<b>10%</b>	<b>2.5x</b>
<b>Fund Level Activity<sup>(9)</sup></b>			<b>-</b>	<b>(3.2)</b>	<b>1.2</b>	<b>(2.0)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>RMCF I</b>			<b>\$243.4</b>	<b>\$644.5</b>	<b>\$154.4</b>	<b>\$798.9</b>	<b>20%</b>	<b>3.3x</b>	<b>14%</b>	<b>2.4x</b>

Note: Past performance is not necessarily indicative of future results. See Important Information slide at the end of this presentation. Please see Detailed Track Record Footnotes slide at the end of this presentation for the chart's corresponding notes. Unrealized returns and Fund-level returns are available upon request.



# RMCF-led Track Record

As of March 31, 2018

In USD millions

Portfolio Company	Investment Date	Exit Date	Fund Cost <sup>(1)</sup>	Realized Proceeds	Unrealized Value <sup>(2)</sup>	Total Value <sup>(3)</sup>	Gross IRR <sup>(4)</sup>	Gross Cash-on-Cash Return <sup>(5)</sup>	Net IRR <sup>(6)</sup>	Net Cash-on-Cash Return <sup>(7)</sup>
Lumen Dynamics Group	Oct-10	Nov-13	\$16.3	\$20.7	-	\$20.7	8%	1.3x	-	-
DISA, Inc.*	Dec-10	Dec-14	17.1	228.0	-	228.0	97%	13.3x	-	-
NAVEX Global*	Dec-10	Nov-14	61.9	272.7	-	272.7	55%	4.4x	-	-
FoodState	Apr-11	Dec-14	15.4	42.3	0.4	42.7	37%	2.8x	-	-
<b>Realized</b>			<b>\$110.7</b>	<b>\$563.7</b>	<b>\$0.4</b>	<b>\$564.1</b>	<b>60%</b>	<b>5.1x</b>	<b>-</b>	<b>-</b>
<b>Unrealized</b>			<b>\$114.5</b>	<b>-</b>	<b>\$59.0</b>	<b>\$59.0</b>	<b>(18%)</b>	<b>0.5x</b>	<b>-</b>	<b>-</b>
<b>RMCF-led</b>			<b>\$225.2</b>	<b>\$563.7</b>	<b>\$59.4</b>	<b>\$623.1</b>	<b>41%</b>	<b>2.8x</b>	<b>-</b>	<b>-</b>

Note: Past performance is not necessarily indicative of future results. See Important Information slide at the end of this presentation. Please see Detailed Track Record Footnotes slide at the end of this presentation for the chart's corresponding notes. Includes equity invested through RCAF and third-party co-invest via a Riverside-controlled entity. The returns presented above aggregate data across multiple investment vehicles which may have different fund economics, amongst other factors. Therefore, the returns received by an investor may differ from the returns shown above. Unrealized returns are available upon request.

# RMCF II Track Record

As of March 31, 2018

In USD millions

Portfolio Company	Investment Date	Exit Date	Fund Cost <sup>(1)</sup>	Realized Proceeds	Unrealized Value <sup>(2)</sup>	Total Value <sup>(3)</sup>	Gross IRR <sup>(4)</sup>	Gross Cash-on-Cash Return <sup>(5)</sup>	Net IRR <sup>(4)</sup>	Net Cash-on-Cash Return <sup>(7)</sup>
WhatCounts (Mansell)	Apr-10	Sep-16	\$6.9	\$2.8	-	\$2.8	(18%)	0.4x	(20%)	0.4x
Wildlife	Jul-10	Dec-12	2.4	34.0	-	34.0	177%	14.0x	163%	12.1x
Brandmuscle (Centiv)	Sep-11	Dec-15	20.6	104.4	-	104.4	51%	5.1x	44%	4.3x
NAVEX (Employment Law)*	Dec-11	Nov-14	8.6	36.7	-	36.7	66%	4.3x	58%	3.7x
DISA*	Dec-11	Dec-14	3.2	40.0	-	40.0	156%	12.3x	136%	10.1x
YourMembership <sup>†</sup>	Jan-12	Jan-17	19.8	182.0	-	182.0	78%	9.2x	71%	7.6x
Independent Doctors of Optometry <sup>†</sup>	Aug-12	Nov-16	7.5	33.1	0.6	33.7	46%	4.5x	41%	3.9x
Kyjen <sup>†</sup>	Aug-13	Dec-17	15.1	53.9	1.0	54.9	41%	3.6x	35%	3.0x
<b>Realized<sup>(6)</sup></b>			<b>\$84.2</b>	<b>\$486.9</b>	<b>\$1.6</b>	<b>\$488.5</b>	<b>67%</b>	<b>5.8x</b>	<b>59%</b>	<b>4.9x</b>
<b>Unrealized</b>			<b>\$82.2</b>	<b>\$69.4</b>	<b>\$343.9</b>	<b>\$413.3</b>	<b>44%</b>	<b>5.0x</b>	<b>38%</b>	<b>4.2x</b>
<b>Fund Level Activity<sup>(9)</sup></b>			<b>(52.2)</b>	<b>(165.0)</b>	<b>47.4</b>	<b>(117.5)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>RMCF II</b>			<b>\$114.1</b>	<b>\$391.4</b>	<b>\$392.9</b>	<b>\$784.3</b>	<b>53%</b>	<b>6.9x</b>	<b>43%</b>	<b>5.2x</b>

Note: Past performance is not necessarily indicative of future results. See Important Information slide at the end of this presentation. Please see Detailed Track Record Footnotes slide at the end of this presentation for the chart's corresponding notes. Unrealized returns and Fund-level returns are available upon request.

# RMCF III Track Record

As of March 31, 2018

In USD millions

Portfolio Company	Investment Date	Exit Date	Fund Cost <sup>(1)</sup>	Realized Proceeds	Unrealized Value <sup>(2)</sup>	Total Value <sup>(3)</sup>	Gross IRR <sup>(4)</sup>	Gross Cash-on-Cash Return <sup>(5)</sup>	Net IRR <sup>(6)</sup>	Net Cash-on-Cash Return <sup>(7)</sup>
Grace Hill	Aug-14	Feb-18	\$18.7	\$65.9	\$1.3	\$67.3	47%	3.6x	43%	3.2x
<b>Realized<sup>(8)</sup></b>			<b>\$18.7</b>	<b>\$65.9</b>	<b>\$1.3</b>	<b>\$67.3</b>	<b>47%</b>	<b>3.6x</b>	<b>43%</b>	<b>3.2x</b>
<b>Unrealized<sup>(8)</sup></b>			<b>\$379.9</b>	<b>\$38.6</b>	<b>\$824.9</b>	<b>\$863.6</b>	<b>33%</b>	<b>2.3x</b>	<b>27%</b>	<b>2.0x</b>
<b>Fund Level Activity<sup>(9)</sup></b>			<b>(108.8)</b>	<b>(79.7)</b>	<b>(86.2)</b>	<b>(165.9)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>RMCF III</b>			<b>\$289.8</b>	<b>\$24.9</b>	<b>\$740.0</b>	<b>\$764.9</b>	<b>35%</b>	<b>2.6x</b>	<b>27%</b>	<b>2.2x</b>

Note: Past performance is not necessarily indicative of future results. See Important Information slide at the end of this presentation. Please see Detailed Track Record Footnotes slide at the end of this presentation for the chart's corresponding notes. Unrealized returns and Fund-level returns are available upon request.

# RMCF IV Track Record

As of March 31, 2018

In USD millions

Portfolio Company	Investment Date	Exit Date	Fund Cost <sup>(1)</sup>	Realized Proceeds	Unrealized Value <sup>(2)</sup>	Total Value <sup>(3)</sup>	Gross IRR <sup>(4)</sup>	Gross Cash-on-Cash Return <sup>(5)</sup>	Net IRR <sup>(6)</sup>	Net Cash-on-Cash Return <sup>(7)</sup>
Unrealized <sup>(8)</sup>			\$259.5	-	\$386.9	\$386.9	45%	1.5x	37%	1.4x
Fund Level Activity <sup>(9)</sup>			(6.6)	-	(6.6)	(6.6)	-	-	-	-
RMCF IV			\$253.0	-	\$380.4	\$380.4	45%	1.5x	21%	1.2x

Note: Past performance is not necessarily indicative of future results. See Important Information slide at the end of the Appendix. Please see Detailed Track Record Footnotes slide at the end of the Appendix for the chart's corresponding notes. The fund-level returns presented above aggregate the returns of companies that are owned by multiple vehicles which have different tax structures and consequently different returns. Therefore, the returns actually received by an investor will differ from the returns shown above.

# Appendix



*Riverside*



**Stewart Kohl, Co-CEO**

Together with Mr. Béla Szigethy, Mr. Stewart Kohl oversees all aspects of Riverside's activities. He has more than 30 years of leveraged buyout investing experience, including over 25 years with Riverside. Prior to joining Riverside in 1993, he was a Vice President of Citicorp Venture Capital, the private equity arm of Citibank. In addition to his work with Riverside, Mr. Kohl serves on the following boards of Trustees: Oberlin College (Honorary), the Museum of Contemporary Art Cleveland and the Cleveland Clinic. Mr. Kohl holds a BA from Oberlin College.

**Béla Szigethy, Co-CEO**

Together with Mr. Stewart Kohl, Mr. Béla Szigethy oversees all aspects of Riverside's activities. He has more than 37 years of corporate finance experience, including 30 years as a leveraged buyout investor with Riverside. Prior to founding Riverside 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.

# RMCF Management Team



## **Loren Schlachet, Managing Partner, RMCF Fund Manager**

Mr. Loren Schlachet joined Riverside in 2000. In 2005, Mr. Schlachet co-founded RMCF and is the Fund Manager. He leads RMCF's investing and operating teams in the acquisition, growth and sale of portfolio companies. Before joining Riverside in 2000, Mr. Schlachet was an Associate for Claremont Capital Corporation and TCW Capital, and an Analyst for Deutsche Morgan Grenfell. Mr. Schlachet has been an active participant in over 65 platform investments and has been involved with over 150 total acquisitions during his tenure at Riverside. As a leader of the RMCF fund family, RMCF I, RMCF II, RMCF III and RMCF IV have become top performing funds.<sup>(1)</sup> In 2013, he was recognized as the PE Dealmaker of the Year by the Global M&A Network. Also in 2012, he was recognized as M&A Advisor's 40 under 40. In addition to his work with Riverside, he serves on the board of trustees for the Portland Oregon Art Museum. Mr. Schlachet holds a BA in History, cum laude, from the University of Pennsylvania and an MBA in Finance from New York University's Stern School of Business.



## **Jeffrey Goodman, RMCF Senior Operating Partner**

Mr. Jeffrey Goodman joined Riverside in 2006. Prior to joining the Firm, Mr. Goodman worked as a corporate officer and President of Intuit Eclipse, an enterprise software provider serving electrical, plumbing and industrial distribution. At Intuit, he also led a turnaround of the financial supplies group. Before joining Intuit, Mr. Goodman held a series of increasingly responsible line management jobs at GE Industrial Systems and Saint-Gobain Abrasives. While at GE, Mr. Goodman led the residential electrical business and was trained as a Six Sigma Master Black Belt. Mr. Goodman is the holder of two U.S. patents for electromechanical devices (patent numbers 6,950,725 and 6,741,439). He holds a BS in Economics from Colgate University and an MBA from Dartmouth College's Tuck School of Business.



## **Kim Katzenberger, RMCF Group CFO**

Mr. Kim Katzenberger joined Riverside in 2012. Prior to joining the Firm, Mr. Katzenberger served as Chief Financial Officer of Fiji Water Company, an international consumer products company. Previously, he held various positions at GE's National Broadcasting Company and Consumer Divisions, including Vice President FP&A at NBC's TV Group and CFO of GE Lumination. Prior to GE, Mr. Katzenberger worked in public accounting at KPMG. Mr. Katzenberger holds an AB in Economics from Dartmouth and an MBA from New York University's Stern School of Business.

# RMCF Senior Transacting Team



## **L. Joseph Lee, *RMCF Transacting Partner***

Mr. Joseph Lee joined Riverside in 2006. Prior to joining the Firm, Mr. Lee led standalone and portfolio company acquisitions and divestitures as Director of Corporate Development at RPM International Inc. Prior to that, he was a Corporate Finance Associate with First National Bank of Chicago's Leveraged Lending Department, a Corporate Banking Associate at Sanwa Bank and a Financial Analyst at Merrill Lynch Capital Markets. Mr. Lee holds a BA in Modern European History from Harvard College and an MMA from Northwestern University's Kellogg School of Management.



## **Joseph Manning, *RMCF Transacting Partner***

Mr. Joseph Manning joined Riverside in 2006. Prior to joining the Firm, Mr. Manning worked as a Consulting Associate with Charles Riverside Associates and as a Consultant for TechnoServe (Tanzania). Mr. Manning holds a BS in Finance from Miami University and an MBA from Northwestern University's Kellogg School of Management.



## **Alan Peyrat, *RMCF Transacting Partner***

Mr. Alan Peyrat started at Riverside in 2007. Prior to joining the Firm, Mr. Peyrat was a Principal at Apax Partners, where he served on deal teams and portfolio company boards with a focus on the technology and telecommunications sectors. Previously, Mr. Peyrat helped found Telephia, where he served as Director of Sales and Director of Engineering and Operations. He has also worked at the Mayfield Fund, A.T. Kearny, and Public Financial Management, Inc. Mr. Peyrat holds a BS in Physics from the Massachusetts Institute of Technology and both an MBA and an MA in Education from Stanford University.



## **Brian Sauer, *RMCF Transacting Partner***

Mr. Brian Sauer joined Riverside in 2004. Prior to joining the Firm, Mr. Sauer spent three years as an Analyst and Associate at KeyBanc Capital Markets/McDonald Investments, where he was involved in numerous M&A and capital raising transactions. Mr. Sauer holds a BS in Business Administration, with a concentration in Finance, magna cum laude, from Colorado State University.

# Shared Global Resources



**Pam Hendrickson, COO, Vice Chairman, Strategic Initiatives**

Ms. Pamela Hendrickson is the Chief Operating Officer and Vice Chairman of Strategic Initiatives at The Riverside Company. As COO, Ms. Hendrickson manages a number of teams, including deal origination and fundraising, and as Vice Chairman she oversees the development of new initiatives and supervises three of Riverside's fund strategies. Ms. Hendrickson also sits on the global Riverside Investment Council, which considers investments in all of Riverside's fund strategies. Since her arrival in 2006, Riverside has invested in over 200 companies and raised approximately \$5 billion. Ms. Hendrickson has been an active advocate for private equity through Congressional testimony, television interviews, various printed interviews and op-eds that she has written. Ms. Hendrickson is a past Chairman of the Board of the Association for Corporate Growth and a member of the advisory board of the Kenan Institute for Ethics at Duke University. Prior to joining Riverside, Ms. Hendrickson spent 22 years at JPMorgan Chase, 15 of them as a Managing Director in a variety of leadership roles. Ms. Hendrickson graduated from Duke University in 1982 with an AB in Public Policy and History and has an MBA from the Kellogg Graduate School of Management at Northwestern University.



**Ron Sansom, Global Executive Operating Partner**

Mr. Ron Sansom joined Riverside in 2005 and serves as Riverside's Global Executive Operating Partner, working with the Firm's global operating team to maximize productivity and share best practices. Previously, Mr. Sansom served as Co-Fund Manager for RMCF overseeing the operating team. Prior to joining Riverside, Mr. Sansom worked with some of the most respected names in corporate America, having spent 15 years at GE, six years at Kinetek, and nearly three years at Honeywell, where he was President of the Sensing and Control business. His background includes restructuring operations for cost savings, refocusing businesses on core competencies, pursuing and integrating add-on acquisitions, accelerating revenue growth, and implementing operational improvements and new product introductions. Mr. Sansom holds a BS in Industrial Engineering from Auburn University and an MBA from Purdue University's Krannert School of Management.

# Riverside Global Platform



**Béla Szigethy**  
Co-CEO  
New York



**Stewart Kohl**  
Co-CEO  
Cleveland

**Graham Hearn**  
Chief of Staff

## Riverside Capital Appreciation Fund



**Suzy Kriscunas**  
Co-Fund  
Manager  
Dallas



**Peggy Roberts**  
Co-Fund  
Manager  
Cleveland



**Mike Michienzi**  
Senior Operating  
Partner  
Dallas

## Transacting Team

10 Partners 7 Sr. Assoc.  
1 Principal 7 Assoc.  
3 VPs

## Operating Team

12 Professionals<sup>(1)</sup>

## Riverside Micro- Cap Fund



**Loren Schlachet**  
Fund Manager  
Los Angeles



**Jeff Goodman**  
Senior Operating  
Partner  
Cleveland

## Transacting Team

5 Partners 4 Sr. Assoc.  
4 Principals 5 Assoc.  
1 VP 2 Analysts  
1 Asst. VP

## Operating Team

21 Professionals<sup>(1)</sup>

## Riverside Europe Fund



**Tony Cabral**  
Fund Manager  
Brussels



**Fabio Pesiri**  
Senior Operating  
Partner  
Brussels

**Dörte Höppner**  
COO - REF

## Transacting Team

6 Partners 4 Assoc.  
4 Principals  
2 VPs

## Operating Team

6 Professionals<sup>(1)</sup>

## Riverside Asia- Pacific Fund



**Simon Feiglin**  
Fund Manager  
Melbourne

## Transacting Team

4 Partners 1 Assoc.  
1 VP  
1 Sr. Assoc.

## Operating Team

2 Professionals<sup>(1)</sup>

## Riverside Operating Team



**Ron Sansom**  
Global Executive  
Operating  
Partner  
Cleveland

## Riverside Acceleration Capital



**Jim Toth**  
Fund Manager  
New York

## Transacting Team

1 Partner 1 Associate  
1 Principal

## Riverside Credit Solutions



**Dave Dobies**  
Fund Manager  
Boston

## Transacting Team

3 Partners



**Pam Hendrickson**  
COO, Vice Chairman  
Strategic Initiatives  
New York

## Strategic Initiatives

## Riverside Strategic Capital Fund



**George Cole**  
Co-Fund  
Manager  
New York



**Hal Greenberg**  
Co-Fund  
Manager  
New York

## Transacting Team

4 Partners 1 Sr. Assoc.  
1 Principal 1 Assoc.



**Jennifer Boyce**  
General Counsel &  
Chief Compliance  
Officer  
Cleveland

## Compliance

## Shared Global Resources

## Global Deal Origination

16 professionals

**Erick Bronner**  
Global Head of  
Fundraising and Investor  
Relations  
New York

## Investor Relations

**Jon Kinney**  
Managing Director,  
Strategic Analysis &  
Sourcing  
San Francisco

## Strategic Analysis & Sourcing

**Eric Feldman**  
Chief Information Officer  
New York

## Technology

**Brian Bunker**  
Managing Director  
Hong Kong

## Asia Strategy Group

**Béla Schwartz**  
CFO  
New York

## Legal

## Fund Administration

**Graham Hearn**  
Managing Director  
Cleveland

## Riverside University

## Human Resources

## Marketing

## Administration

**Jason Murphy**  
Management  
Company CFO  
New York

## Finance

**Senior Advisors** – 10 professionals with 20+ years of experience providing financial, industry and operational expertise<sup>(2)</sup>

**Riverside Toolkit** – Over 50 vetted outside consultants that portfolio companies can hire to provide operational assistance

**Outside Directors** – 100+ professionals with director-level experience available to serve on portfolio company boards

Note: As of March 31, 2018. Includes known senior-level promotions, hires and departures. Transacting Partner and Operating Team counts include the Fund Manager and Operating Partner shown above. REF team shown excludes one Partner-level professional who is not primarily in a transacting role. (1) Includes 27 third-party contractors who work as operating professionals for select portfolio companies for the fund in which they are assigned. Professionals by fund is as follows: RCAF (5), RMCF (18), REF (3) and RAF (1). (2) All Senior Advisors are consultants engaged to provide expertise with respect to portfolio companies and are paid by those respective portfolio companies. Includes Keith Kerman who serves as both an Operator and a Senior Advisor.



Riverside



# Detailed Track Record Footnotes

\* Indicates cross-fund investment

‡ A portion or all of the Fund Cost was funded using a combination of either SBA debentures and/or realized proceeds that were reinvested.

- (1) Fund Cost for each portfolio company represents actual cash invested in a portfolio company, not capital called from investors. The Totals for Fund Cost represents actual cash contributed by investors of the particular fund and excludes fund borrowings and reinvested proceeds, if applicable.
- (2) Unrealized investments are valued at their estimated fair market value in accordance with ASC Topic 820. Because of the inherent uncertainty of valuation, estimates of market values may differ significantly from the values that would have been used had a ready market existed for the investments, and the differences could be material. For Realized investments, the Unrealized Value amount shown represents any cash in escrow less any appropriate reserve. There can be no assurance that partially realized or unrealized investments will be sold for values comparable to the values reported herein. Actual returns on unrealized investments will depend on, among other factors, future operating results, value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions on which the valuations reported herein are based. Accordingly, the actual realized returns on investments that are partially realized or unrealized may differ from the returns indicated here. Upon realization of these investments, the returns will be reduced due to the deduction of fees and expenses, which will be material.
- (3) Total Value is equal to the sum of Realized Proceeds and Unrealized Value and includes projected distributions, assuming full distribution of escrows and holdbacks.
- (4) IRRs are compound, annualized internal rates of return on investments and, except as noted herein, are based on actual cash inflows and outflows. All IRRs are calculated for the relevant investment or fund. Gross IRRs are gross of management fees, carry, and expenses using daily cash flows.
- (5) Gross cash-on-cash returns are calculated by Total Value of investment before management fees, expenses, and carry divided by Fund Cost.
- (6) IRRs are compound, annualized internal rates of return on investments and, except as noted herein, are based on actual cash inflows and outflows. All IRRs are calculated for the relevant investment or fund. Net realized deal level IRRs are only net of carried interest, using daily cash flows. Net fund level IRRs are net of management fees and carried interest, partnership expenses and other costs to be borne by investors, all of which could be material, using daily cash flows.
- (7) Net deal and realized/unrealized level cash-on-cash returns are calculated by Net to LP Value of investment after carry divided by Net to LP Cost of investment. Net fund level cash-on-cash returns are calculated by Net to LP Value of investment after management fees, expenses, and carry divided by Net to LP Cost of investment.
- (8) Realized totals represent all cash contributed by and distributed to investors. See footnote 2 for information on unrealized investments.
- (9) Fund Level Activity represents the value of fund borrowings for investments and capital called but not invested, which is included in the fund totals.

# Important Information

*Calculation of Gross Returns:* Unless otherwise indicated, (i) any references to “gross IRR” are to the aggregate, annual, compound, gross internal rate of return on investments and (ii) any references to “gross cash-on-cash” are to gross cash multiples of invested capital. All data herein labeled as “gross” data are calculated at the investment level and, accordingly, do not reflect management fees, carried interest or transaction costs or other expenses to be borne by investors in a Fund, which will reduce returns and in the aggregate are expected to be material.

*Calculation of Net Returns:* Unless otherwise indicated, any references to “net IRR” or “net cash-on-cash” are to the internal rate of return or cash multiple of invested capital calculated at the relevant Fund level, after payment of applicable management fees, carried interest and other applicable expenses. An individual limited partner's net IRR may vary based on the timing of capital contributions and distributions.

*Change in Gross Portfolio Values:* Unless otherwise indicated, any references to changes in gross portfolio value during a particular period is computed as a percentage of the aggregate unrealized gross value of the investments of one or more funds at the beginning of the period plus cash invested during the period, and before carried interest and Fund-level fees and expenses.

*Forward-looking Information:* This presentation contains forward-looking statements that are based upon certain assumptions. Other events which were not taken into account, including general economic factors which are not predictable, may occur and may significantly affect the actual returns or performance of the Funds and/or any of the companies in which the Funds have invested. Any assumptions should not be construed to be indicative of the actual events which will occur. Actual events are difficult to project and depend upon factors that are beyond the control of any Fund, Riverside or their respective affiliates, members, partners, stockholders, managers, directors, officers, employees and agents. Certain assumptions have been made to simplify the presentation and, accordingly, actual results may differ, perhaps materially, from those presented herein. All information with respect to portfolio companies and industry data has been obtained from sources believed to be reliable and current, but accuracy cannot be guaranteed.

*Potential Future Returns:* In the case of estimated unrealized value of investments, the value estimates are based on internal analyses by Riverside generally based on financial information provided by the management of the underlying portfolio company (e.g. EBITDA and net funded debt). Using its judgment based on its knowledge of the portfolio companies, the applicable industries and the market therefore, Riverside has created valuation estimates based on such information. Actual realized returns on a Fund's unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions on which the valuations used in the performance data contained herein are based. Accordingly, the actual realized return of these unrealized investments may differ materially from the returns indicated herein.

*Risk of Loss; Past Performance is Not a Guarantee:* Prospective investors must be aware that investments in private equity funds such as the Funds are speculative and involve substantial risk of loss. No assurance can be given that any Fund will achieve its investment objectives or avoid substantial losses. Information about any Fund and investments made by such Fund, including past performance of such Funds and investments, is provided solely to illustrate Riverside's investment experience, and processes and strategies used by Riverside in the past with respect to such Funds. The performance information relating to Riverside's previous investments is not intended to be indicative of any Fund's future results. **Past performance is not necessarily indicative, or a guarantee, of future results.** There can be no assurance that any Fund will achieve comparable results as those presented or that investors in a Fund will not lose any of their invested capital.

*No Investment Advice:* References to the portfolio companies of the Funds should not be considered a recommendation or solicitation for the portfolio company mentioned, nor should individual portfolio company performance be considered representative of all portfolio companies held by the Funds.

*Comparisons to Benchmarks:* The Cambridge Associates LLC U.S. Private Equity Index® for U.S. Buyouts is an end-to-end calculation based on data compiled from 748 U.S. private equity buyout funds, including fully liquidated partnerships, formed between 1986 and 2013. Partnership financial statements and narratives are the primary source of information concerning cash flows and ending residual/ net asset values (NAV) for both partnerships and portfolio company investments. The benchmark herein is a broad-based index which is used for comparative purposes only and has been selected as it is well known and easily recognizable by investors. Comparisons to benchmarks have limitations because benchmarks have material characteristics that may differ from a Riverside Fund. For example, investments made for a Riverside Fund may differ significantly in terms of security holdings, industry weightings and asset allocation from those of the benchmark. Accordingly, investment results of a Riverside Fund may differ from those of the benchmark. Investors should carefully consider these limitations and differences when evaluating the comparative benchmark data performance.

*Use of Third-Party Contractors as Operating Professionals:* Riverside maintains a group of third-party contractors who work as operating professionals for select Riverside portfolio companies. These operating professionals contract directly with and are compensated directly by the portfolio companies with which they work. In some instances, an operating professional's compensation may be supplemented by the Fund. Please consult the respective limited partnership agreement for complete details.

*Case Studies:* The case studies included in this Presentation represent examples of how RMCF's investment strategy and process was executed across its portfolio companies in various stages of ownership. All case studies and examples used in this Presentation are presented for illustrative purposes only and should not be relied upon as an indication of how RMCF has performed in the past or will perform in the future. The inclusion of any particular investments in this Presentation is not intended to reflect the merits of such investment. Prospective investors should note that RMCF V will not participate in these investments and there is no guarantee that RMCF V will be able to invest in similar opportunities. Investment results for all RMCF portfolio companies are available upon request.

# Riverside Business Principles

## Investors First

Our investors' interests always come first. Our existence and our compensation are predicated on consistently strong returns in all of our funds and regions around the world. We invest meaningfully in our own funds because they represent exceptional investment opportunities and to align our interests with those of our investors.

## Next Level

We take our portfolio companies to the next level. We like growth. We will accelerate the growth and the qualitative enhancement of the companies we invest in, as well as the growth of Riverside itself. Growth will be both planned and opportunistic but always building off of existing expertise.

## Values Matter

We believe that values determine the fate of businesses. Businesses that live by a shared set of good values are more likely to thrive because they perform better and are more rewarding (financially and psychically) places to invest, do business and work. Our core value is to treat others in the same way we would want to be treated. Honesty, integrity and high ethical standards are crucial to every thing we do. We will comply with the letter and spirit of the agreements into which we enter as well as the laws and rules that govern us. We value health, safety and social responsibility and will invest accordingly. We do not believe that investing profitably conflicts with these goals, but faced with the choice we would not make an investment that is not responsible in these or other socially important ways. A simple test is to do what you'd be comfortable seeing reported on the front page of the newspaper.

## Enjoy!

We believe that a passion for what we do makes us better investors and better contributors. And we believe that having fun and being productive go hand in hand and that appropriate humor enlivens the workplace.

## Superior Work

We take pride in our work, making sure it is always of excellent quality. We stress teamwork in everything we do, while nurturing individual creativity as a powerful source of excellence. And, because success can lead to complacency, we worry in a healthy way and look critically at our activities on a regular basis with an eagerness to improve our methods.

## Top Talent

We are who we hire, and so we select Riversiders carefully, seeking a diverse group of individuals who meet our high standards in ability and fit our team oriented culture of intellectual honesty, candid discourse and humor. As a global firm we embrace the cultural differences that make our world richer even while acting as a melting pot. While growing Riverside's assets, reach and people, we will maintain individual "tribes" that are small enough to feel empowered. We push down responsibility to the maximum extent possible thereby creating interesting and challenging work at all levels. We seek to promote from within whenever possible. We give abundant feedback and training. We believe that after open, frank and well-balanced dialogue, the wisdom of the team trumps the wisdom of the individual.

***We believe that we win deals and generate higher returns because of our values***