



Item 1 – Cover Page

**RiverNorth Capital Management, LLC  
Form ADV, Part 2A Brochure  
March 29, 2019**

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**This brochure provides information about the qualifications and business practices of RiverNorth Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at (800) 646-0148 or [info@rivernorth.com](mailto:info@rivernorth.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration with the Securities and Exchange Commission does not imply any particular level of skill or training.**

**Additional information about RiverNorth Capital Management, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 - Material Changes**

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This annual update to RiverNorth Capital Management, LLC's ("RiverNorth" or the "Firm") brochure has been prepared to reflect important information related to changes in our business since the date of the last brochure update dated March 31, 2018. Although there may be other minor changes made to this document, the following are the material changes made since the last amendment:

In Item 5, additional information has been added regarding compensation for accounts managed by the Firm.

In Item 8, additional information has been added regarding the methods of analysis, investment strategy and risks of the Firm's newly launched closed-end fund.

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## **Item 4 - Advisory Business**

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RiverNorth Capital Management, LLC (“RiverNorth” or the “Firm”) is a Delaware limited liability company that provides discretionary and non-discretionary investment management services primarily to registered investment companies, private investment companies, private separately managed accounts and institutional clients. RiverNorth was founded in 2000.

RiverNorth is a wholly-owned subsidiary of RiverNorth Financial Holdings, LLC. RiverNorth Financial Holdings, LLC, in turn, is majority owned by RiverNorth Holding Co. Brian H. Schmucker, President and a manager of RiverNorth, and Patrick W. Galley, Chief Investment Officer and a manager of RiverNorth, each own, directly or indirectly, more than 25% of the voting securities of RiverNorth Holding Co. and, therefore, control the Firm. As of February 28, 2019, the Firm manages approximately \$3.52 billion in discretionary assets and \$1 million in non-discretionary assets. These amounts are the net assets managed by RiverNorth and differ from the “regulatory assets under management” which is required to be reported in Part I of the Form ADV.

The Firm provides discretionary advisory services to private investment companies (“private funds”) consistent with each private fund’s organizational documents and offering memorandums. The Firm also provides discretionary advisory services as the adviser or sub-adviser to registered investment companies (“registered funds”) consistent with each registered fund’s organizational documents and registration statements. The Firm primarily allocates advised assets among exchange-traded funds, individual debt and equity securities, open-end mutual funds, closed-end funds and options on these and other securities in accordance with the investment objectives of the client or fund. The Firm also manages several strategies focused on investing in loans issued by certain marketplace, alternative or peer-to-peer lending platforms.

The Firm provides discretionary advisory services by acting as adviser to separately managed accounts (SMAs) for large, typically institutional, investors. The advisory services provided are in accordance with the investment strategy, restrictions and limitations included in the advisory agreement between the SMA client and the Firm.

The Firm provides non-discretionary advisory services by acting as a model portfolio manager. In the model portfolio manager arrangements, the Firm periodically provides a client with a list of suggested securities for a portfolio, but does not execute any of the suggestions.

For purposes of this Form ADV the registered funds, private funds, SMAs and model portfolios may also be referred to periodically as “clients”.

## **Item 5 - Fees and Compensation**

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The Firm charges an annual fee based upon a percentage of the market value of the assets being managed or overseen by the Firm. For SMAs, the Firm’s annual fee is generally prorated and charged monthly, in arrears, based upon the ending market value of the assets on the last day of that advisory fee period or of the average assets in the account for the relevant period. The Firm calculates its fee for partial periods in accordance with the terms of the advisory agreement, but often on a pro rata basis. The Firm typically deducts its fee from client accounts, either directly or indirectly through the client's custodian.

The Firm’s fee may, depending on negotiated terms with the client, be exclusive of or inclusive of brokerage commissions, transaction fees and other related costs and expenses which may be incurred by the client or the Firm. Clients may incur certain charges imposed by their financial institution and other third parties, such as custodial fees, charges imposed directly by registered funds in the client’s account (which are

disclosed in the fund’s prospectus), short-term trading fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The foregoing list may not be exhaustive of the fees or charges a client may pay. These charges, fees and commissions are exclusive of and in addition to the Firm’s fee and the operating expenses for each product. For more information on RiverNorth’s brokerage practices, see “Brokerage Practices” below.

The Firm’s fee schedule for SMAs may vary depending on size, but is generally between 0.50% and 1.50% of the account’s assets under management. The Firm may reduce or waive certain of its fees for certain accounts or clients.

The Firm provides investment management services to business entities operating as private funds, including limited partnerships and limited liability companies for which the Firm acts as the General Partner or Managing Member, and to other “qualified clients” for a performance-based fee. For those clients, the Firm charges its fees based upon a percentage of the market value of the assets being managed by the Firm (“base fee”) in addition to a fee based on the performance of the account (“performance fee”). The Firm charges a performance fee of up to 20% of the net performance, subject to a high-water mark. The Firm also charges a 0.75% – 1.50% base fee unless otherwise negotiated. The Firm may invest client accounts in the private or registered funds. For assets placed in private or registered funds managed by the Firm, clients are not charged the annual advisory fee for that portion of their portfolio.

The Firm, acting as adviser or sub-adviser, currently manages five open-end registered funds, four closed-end registered funds and a closed-end interval registered fund, all registered with the Securities and Exchange Commission.

Three open-end registered funds are series of RiverNorth Funds, an Ohio business trust. The Firm was the sponsor and organizer of the RiverNorth Funds. All of the open-end registered funds and their respective management fees are:

<b>Open-End Funds</b>	<b>Percent of the Series’ average annual daily net assets</b>
RiverNorth Core Opportunity Fund	1.00%
RiverNorth/DoubleLine Strategic Income Fund	0.75%
RiverNorth/Oaktree High Income Fund	1.00%
Vivaldi Multi-Strategy Fund	1.00%
Brinker Capital Destinations Multi-Strategy Alternatives Fund	0.75% of the first \$100 million; 0.65% of the next \$100 million; 0.60% on assets over \$200 million

The Firm serves as the co-sponsor and sub-adviser to the RiverNorth Opportunities Fund, Inc. a registered closed-end fund. RiverNorth Opportunities Fund, Inc. is a Maryland corporation and commenced operations in December 2015. The Firm serves as the adviser to the RiverNorth/DoubleLine Strategic

Opportunity Fund, Inc. a registered closed-end fund. RiverNorth/DoubleLine Strategic Opportunity Fund, Inc. is a Maryland corporation and commenced operations in September 2016. The Firm also serves as sub-adviser to two other registered closed-end funds. The respective management fees for the registered closed-end funds are:

<b>Closed-End Funds</b>	<b>Percent of the Fund's average daily Managed Assets</b>
RiverNorth Opportunities Fund, Inc.	0.85%
RiverNorth/DoubleLine Strategic Opportunity Fund, Inc.	1.00%
Relative Value Fund	1.00%
Vivaldi Opportunities Fund	1.00%
RiverNorth Opportunistic Municipal Income Fund	1.05%

The Firm serves as the adviser to the RiverNorth Marketplace Lending Corporation a registered closed-end interval fund. RiverNorth Marketplace Lending Corporation is a Maryland corporation and commenced operations in September 2016. The management fees for the registered closed-end interval fund are:

<b>Closed-End Interval Fund</b>	<b>Percent of the Fund's average monthly Managed Assets</b>
RiverNorth Marketplace Lending Corporation	1.25%

In addition to the schedule of fees set forth above, there may be fee schedules with some clients that differ from above. Furthermore, some employees of the Firm may be compensated more as assets in some of the above listed funds increases.

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

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As described under “Fees and Compensation” above, RiverNorth may receive a performance-based fee from “qualified clients,” including those who are limited partners or members in limited partnerships or limited liability companies, respectively, operated as private funds for which the Firm acts as General Partner or Managing Member and those investing in SMAs. RiverNorth manages accounts that are charged a performance-based fee and other accounts that are charged an asset-based fee. RiverNorth and its advisory personnel who have ownership in RiverNorth or its parent holding companies face a potential conflict of interest in managing accounts that are charged a performance-based fee and accounts that are charged asset-based fee at the same time, including the possible incentive to favor accounts which pay a performance-based fee. To mitigate these potential conflicts of interest, the Chief Compliance Officer of the Firm carefully monitors trading and allocation of investment opportunities among the Firm’s clients.

As a manager for the registered funds, private funds and SMAs, the Firm's policy is to treat all clients equitably over time and avoid conflicts of interest.

## **Item 7 - Types of Clients**

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RiverNorth provides discretionary investment management services primarily to registered investment companies, private investment companies, separately managed accounts and non-discretionary investment management services to institutional clients, primarily through model portfolios.

The Firm generally imposes a minimum portfolio value for its discretionary investment management services. The Firm, in its sole discretion, may negotiate or waive its stated account minimum or charge a lesser management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, pre-existing client, account retention, pro bono activities, etc.). The minimum account size in aggregate per client is \$250,000. Account minimums for the registered funds are generally \$5,000 for the registered funds' class R shares and \$100,000 for the registered funds' class I shares, except for the RiverNorth Core Opportunity Fund which has an initial investment minimum of \$5 million for the class I shares. The minimum initial investment for RiverNorth Marketplace Lending Corporation is \$1,000,000.

These stated minimums are negotiable on a discretionary basis by the Firm. The Firm may also aggregate the portfolios/accounts of family members to meet the minimum portfolio size. In addition to the stated account minimums set forth above, there are accounts that are below the stated minimum.

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

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The Firm offers two principal investment strategies for both its discretionary and non-discretionary clients, a Closed-end Fund Trading Strategy and a Marketplace Lending Strategy. Each strategy may be offered in products with slightly different focus, such as focus on certain types of underlying closed-end funds or focus on certain types of loan products in the Marketplace Lending Strategies. The Firm may invest in other assets classes in addition to those listed below as part of the broad overall strategies. Below is a general description of the two principal strategies:

### Closed-end Fund Trading Strategies

The Firm currently manages various investment strategies that invest predominately in and trade closed-end funds. Additionally each strategy may utilize exchange-traded funds and other investments in implementing the strategies.

- Opportunistic investing in closed-end funds is primarily determined by attractiveness of discount in addition to thorough analysis of target closed-end fundamentals.
- Exchange Traded Funds ("ETFs") are typically utilized to acquire asset class exposure.

### Idea Generation

- The Firm attempts to identify and anticipate themes in closed-end funds.
- The security selection process begins with a quantitative screen of the closed-end fund universe (approximately 550 funds).

- The Firm actively monitors SEC filings, news releases and sell-side research for each closed-end fund.
- The Firm also conducts proprietary research – speaking with closed-end fund sponsors, underwriters, sell-side brokers and investors (institutional and advisors).

#### Fundamental Analysis

- Identify probably catalysts for mean reversion and/or discount elimination.
- Rigorous analysis of each fund’s investment strategy and portfolio holdings.
- Investment manager/sponsor due diligence.
- Historical financial statement analysis (e.g. leverage, dividend coverage and fund performance).
- Thorough review of each fund’s registration statements and organizational documents.
- Gauge the fund’s susceptibility to dissident shareholder activity.

#### Decision Making

- Compare risk/reward versus existing positions.
- Analyze impact on portfolio construction and constraints.
- Investment weightings are based on expected risk-adjusted returns.

#### Selling Discipline

- Achieves valuation objective, change in fundamentals or more attractive investment ideas are developed.

#### Marketplace Lending Strategies

Portfolio design begins with the premise that the Marketplace Lending asset class possesses what RiverNorth believes to be attractive characteristics, chiefly with respect to yield and duration (i.e. risk-adjusted returns). Constructing a portfolio that provides broad exposure to the asset class is a reasonable starting point. Investors can benefit from a portfolio that is diversified across several Marketplace Lending platforms to reduce idiosyncratic originator risk. It is RiverNorth’s view that a “beta” or “market-like” approach to the asset class, as opposed to attempting to generate “alpha” or excess returns via superior loan selection, is appropriate.

From there, the investible universe is broadly defined by segmenting the Marketplace Lending asset class into three broad categories, or sub-asset classes: Consumer, Small Business and Specialty Finance (e.g. loan to purchase a small business franchise). This serves as the starting point for a strategic asset allocation within a portfolio.

Next, RiverNorth further segments the portfolio by risk grade. Each Marketplace Lending platform develops and implements its own proprietary grading scale. It makes sense to build a portfolio of loans that



resembles the platform's origination metrics, taking into account any investor- or regulatory-specific limitations. The term, "passive pro-rata" is used to describe the methodology of buying loans in a distribution similar to all loans issued across the platform. RiverNorth believes the Marketplace Lending asset class is not ripe for generating excess return by selecting individual loans.

Rounding out the portfolio construction process is the appropriate use of leverage. The fully-amortizing, short duration nature of the asset combined with large fund-level inflows can create significant cash in a portfolio. A small amount of leverage to purchase loan can often be used to offset potential cash drag of matching inflows and loan payments to the purchase of additional loans.

Because there is no developed secondary market for marketplace loans, loans are generally held to maturity, until prepaid or defaulted by the borrowers. In some cases the Firm may acquire loans from other institutional investors in the asset class through private secondary sales.

Because the Firm manages two different Marketplace Lending products, competition for loans may present a potential conflict. To mitigate this conflict, loan purchases are general matched to the cash flow, or anticipated cash flow of the respective funds.

Below is more information, including the strategies and risks, of the individual products managed by the Firm. Sub-advised mandates share similar strategies and risks. For a more information and a description of the specific strategies and risks of those products, see the prospectuses and statements of additional information of those funds on the sponsors' or funds' websites or on the Securities and Exchange Commission's website at [www.sec.gov](http://www.sec.gov).

### **Registered Investment Companies (Registered Funds)**

The Firm acts as the investment adviser to three proprietary registered open-end investment companies (commonly referred to as mutual funds), two registered closed-end investment companies, one registered closed-end interval investment company, and acts as the sub-adviser to three registered closed-end investment companies and one registered open-end investment company. In some instances the Firm manages the registered funds exclusively and in other instances the Firm manages the fund utilizing its closed-end fund strategy and the strategy or strategies of a sub-adviser. In the case of one of the registered closed-end fund, the Firm acts as the sub-adviser, but manages all of the assets of the fund. The following section includes a summary of the investment objectives, principal investment strategies, and material risks associated with each series of the Registered Funds. The summaries of the investment objectives, principal investment strategies, and material risks provided below are necessarily limited and are presented for general informational purposes in accordance with regulatory requirements. And limited to those in which the Firm is a sponsor. Consequently, these summaries are in all instances qualified and superseded by the prospectuses and statements of additional information of the Registered Funds. Additional information about the investment objectives, investment strategies, risks, and other terms of each series of the RiverNorth Funds is contained in the prospectus and statement of additional information for these funds, which can be obtained free of charge by contacting RiverNorth Funds at 1-888-848-7569, or by visiting [www.rivernorth.com](http://www.rivernorth.com). Additional information about the investment objectives, investment strategies, risks, and other terms of RiverNorth Marketplace Lending Corporation is contained in the fund's prospectus and statement of additional information, which can be obtained free of charge by contacting the fund at 1-844-569-4750, or by visiting [www.rivernorth.com](http://www.rivernorth.com). Additional information about the investment objectives, investment strategies, risks, and other terms of RiverNorth Opportunities Fund, Inc. is contained in the fund's prospectus and statement of additional information, which can be obtained free of charge by contacting the fund at 1-855-830-1222, or by visiting [www.rivernorthcef.com](http://www.rivernorthcef.com). Additional information about the investment objectives, investment strategies, risks, and other terms of RiverNorth/DoubleLine

Strategic Opportunity Fund, Inc. is contained in the fund's prospectus and statement of additional information, which can be obtained free of charge by contacting the fund at 1-855-862-6092, or by visiting [www.rivernorth.com](http://www.rivernorth.com). Additional information about the investment objectives, investment strategies, risks, and other terms of RiverNorth Opportunistic Municipal Income Fund, Inc. is contained in the fund's prospectus and statement of additional information, which can be obtained free of charge by contacting the fund at 1-844-569-4750, or by visiting [www.rivernorth.com](http://www.rivernorth.com). Information regarding other products or mandates for which the Firm is a sub-adviser but not a sponsor or organizer can be obtained from those fund's disclosure documents.

### **RiverNorth Core Opportunity Fund**

*Investment Objective:* The Fund's investment objective is long-term capital appreciation and income.

*Principal Investment Strategies:* The Fund's investments will be allocated among equities, fixed income securities, and cash and cash equivalents. The adviser may allocate to the various asset classes either through the purchase of closed-end investment companies and exchange traded funds ("ETFs" and collectively, "Underlying Funds") or through direct investment in the various securities. The adviser considers a number of factors when making these allocations, including fundamental and technical analysis to assess the relative risk and reward potential throughout the financial markets. As a result, the percentages allocated to equities, fixed income securities and cash and cash equivalents will vary. However, the adviser expects that, under normal circumstances, approximately 40%-80% of the Fund's assets will be allocated to equity related securities, without regard to market capitalization, style and sector. Fixed income related securities of any maturity and credit quality are expected to comprise, under normal circumstances, approximately 20%-60% of the Fund's investment portfolio, which may include investments in debt securities rated below investment grade.

*Risks:* Borrowing Risk – borrowings increase fund expenses and are subject to repayment, possibly at inopportune times. Closed-End Fund Risk – closed-end funds are exchange traded, may trade at a discount to their net asset values and may deploy leverage. Convertible Security Risk – the market value of convertible securities adjust with interest rates and the value of the underlying stock. Derivatives Risk – derivatives are subject to counterparty risk. Equity Risk – equity securities may experience volatility and the value of equity securities may move in opposite directions from each other and from other equity markets generally. Exchange Traded Note Risk – exchange traded notes represent unsecured debt of the issuer and may be influenced by interest rates, credit ratings of the issuer or changes in value of the reference index. Fixed Income Risk – the market value of fixed income securities adjust with interest rates and are subject to issuer default. Foreign/Emerging Market Risk – foreign securities may be subject to inefficient or volatile markets, different regulatory regimes or different tax policies. These risks may be enhanced in emerging markets. Investment Style Risk – investment strategies may come in and out of favor with investors and may underperform or outperform at times. Large Shareholder Purchase and Redemption Risk – The Fund may experience adverse effects when certain large shareholders purchase or redeem large amounts of shares of the Fund. Management Risk – there is no guarantee that the adviser's investment decisions will produce the desired results. Market Risk – economic conditions, interest rates and political events may affect the securities markets. Preferred Stock Risk – preferred stocks generally pay dividends, but may be less liquid than common stocks, have less priority than debt instruments and may be subject to redemption by the issuer. REIT Risk – the value of REITs changes with the value of the underlying properties and changes in interest rates and are subject to additional fees. Security Risk – The value of the Fund may decrease in response to the activities and financial prospects of individual securities in the Fund's portfolio. Short Sale Risk – short positions are speculative, are subject to transaction costs and are riskier than long positions in securities. Small-Cap Risk – small-cap companies are more susceptible to failure, are often thinly traded and have more volatile stock prices. Structured Notes Risk – because of the imbedded derivative feature, structured notes are subject to more risk than investing in a simple note or bond. Swap

Risk – swap agreements are subject to counterparty default risk and may not perform as intended. Tax Risk – new federal or state governmental action could adversely affect the tax-exempt status of securities held by the Fund, resulting in higher tax liability for shareholders and potentially hurting Fund performance as well. Underlying Fund Risk – underlying funds have additional fees, may utilize leverage, may not correlate to an intended index and may trade at a discount to their net asset values.

### **RiverNorth/DoubleLine Strategic Income Fund**

*Investment Objective:* The Fund's investment objective is current income and overall total return.

*Principal Investment Strategies:* RiverNorth, after consultation with the DoubleLine Capital, allocates the Fund's assets among three principal strategies: Tactical Closed-end Fund Income strategy, Core Fixed Income strategy, and Opportunistic Income strategy. The amount allocated to each of the principal strategies may change depending on the adviser's assessment of market risk, security valuations, market volatility, and the prospects for earning income and total return. RiverNorth determines which portions of the Fund's assets are allocated to each strategy based on market conditions, although there is no set minimum for any strategy. Therefore, the amount allocated to any individual strategy may be between 0% and 100%. However, RiverNorth anticipates it will, under normal circumstances, allocate some portion of the Fund's assets to each of the three strategies at any given time. RiverNorth manages the Tactical Closed-end Fund Income strategy. DoubleLine Capital manages the Core Fixed Income and Opportunistic Income strategies.

*Risks:* Asset-Backed Security Risk - The risk that the value of the underlying assets will impair the value of the security. Borrowing Risk - Borrowings increase fund expenses and are subject to repayment, possibly at inopportune times. Closed-End Fund Risk – closed-end funds are exchange traded, may trade at a discount to their net asset values and may deploy leverage. Convertible Security Risk - The market value of convertible securities adjusts with interest rates and the value of the underlying stock. Currency Risk – foreign currencies will rise or decline relative to the U.S. dollar. Defaulted Securities Risk - Defaulted securities carry the risk of uncertainty of repayment. Derivatives Risk - Derivatives are subject to counterparty risk. Equity Risk – equity securities may experience volatility and the value of equity securities may move in opposite directions from each other and from other equity markets generally. Exchange Traded Note Risk -Exchange traded notes represent unsecured debt of the issuer and may be influenced by interest rates, credit ratings of the issuer or changes in value of the reference index. Fixed Income Risk - The market value of fixed income securities adjusts with interest rates and is subject to issuer default. Foreign/Emerging Market Risk - Foreign securities may be subject to inefficient or volatile markets, different regulatory regimes or different tax policies. These risks may be enhanced in emerging markets. Investment Style Risk – investment strategies may come in and out of favor with investors and may underperform or outperform at times. Large Shareholder Purchase and Redemption Risk – The Fund may experience adverse effects when certain large shareholders purchase or redeem large amounts of shares of the Fund. Liquidity Risk - Illiquid investments may be difficult or impossible to sell. Management Risk - There is no guarantee that the adviser's or sub-adviser's investment decisions will produce the desired results. Market Risk - Economic conditions, interest rates and political events may affect the securities markets. Mortgage-Backed Security Risk - Mortgage backed securities are subject to credit risk, prepayment risk and devaluation of the underlying collateral. Preferred Stock Risk – preferred stocks generally pay dividends, but may be less liquid than common stocks, have less priority than debt instruments and may be subject to redemption by the issuer. Rating Agency Risk - Rating agencies may change their ratings or ratings may not accurately reflect a debt issuer's creditworthiness. REIT Risk - The value of REITs changes with the value of the underlying properties and changes in interest rates and are subject to additional fees. Security Risk – The value of the Fund may decrease in response to the activities and financial prospects of individual securities in the Fund's portfolio. Structured Notes Risk - Because of the imbedded derivative feature, structured notes are subject to more risk than investing in a simple note or bond. Swap Risk - Swap

agreements are subject to counterparty default risk and may not perform as intended. Tax Risk – new federal or state governmental action could adversely affect the tax-exempt status of securities held by the Fund, resulting in higher tax liability for shareholders and potentially hurting Fund performance as well. Underlying Fund Risk - Underlying funds have additional fees, may utilize leverage, may not correlate to an intended index and may trade at a discount to their net asset values. Valuation Risk – Loans and fixed-income securities are traded "over the counter" and because there is no centralized information regarding trading, the valuation of loans and fixed-income securities may vary.

### **RiverNorth/Oaktree High Income Fund**

*Investment Objective:* The Fund's investment objective is overall total return consisting of long-term capital appreciation and income.

*Principal Investment Strategies:* The Fund's assets are allocated among three principal strategies: a Tactical Closed-End Fund strategy, a High Yield strategy and a Senior Loan strategy. The amount allocated to each of the principal strategies may change depending on the adviser's assessment of market risk, security valuations, market volatility, and the prospects for earning income and total return. The adviser determines which portions of the Fund's assets are allocated to each strategy, although there is no set minimum for any strategy. Therefore, the amount allocated to any individual strategy may be between 0% and 100%. However, the adviser anticipates it will, under normal circumstances, allocate some portion of the Fund's assets to each of the three strategies at any given time. RiverNorth manages the Tactical Closed-End Fund strategy. Oaktree Capital manages the High Yield and Senior Loan strategies. Under normal circumstances, the Fund will invest at least 80% of its assets in income-producing securities and instruments including, but not limited to, corporate bonds (including high-yield, below investment grade bonds, which are sometimes referred to as "junk bonds"), government-issued bonds, convertible bonds, preferred stocks, senior loans (which the Fund defines as a type of security for purposes of this prospectus), and shares of closed-end funds, exchange-traded funds (ETFs) and other investment companies that invest principally in fixed income securities. The Fund may also invest in unregistered (Rule 144A) securities to the extent permitted by the Investment Company Act of 1940, as amended (the "Investment Company Act").

*Risks:* Borrowing Risk – borrowings increase fund expenses and are subject to repayment, possibly at inopportune times. Closed-End Fund Risk – closed-end funds are exchange traded, may trade at a discount to their net asset values and may deploy leverage. Convertible Security Risk – the market value of convertible securities adjust with interest rates and the value of the underlying stock. Credit Derivatives Risk – the use of credit derivatives is highly specialized, involves default, counterparty and liquidity risks and may not perfectly correlate to the underlying asset or liability being hedged. Currency Risk – foreign currencies will rise or decline relative to the U.S. dollar. Derivatives Risk – derivatives are subject to counterparty risk. Distressed and Defaulted Securities Risk – defaulted securities carry the risk of uncertainty of repayment. Equity Risk – equity securities may experience volatility and the value of equity securities may move in opposite directions from each other and from other equity markets generally. Exchange Traded Note Risk – exchange traded notes represent unsecured debt of the issuer and may be influenced by interest rates, credit ratings of the issuer or changes in value of the reference index. Fixed Income Risk – the market value of fixed income securities adjusts with interest rates and is subject to issuer default. Foreign/Emerging Market Risk – foreign securities may be subject to inefficient or volatile markets, is regulatory regimes or different tax policies. These risks may be enhanced in emerging markets. Floating Interest Rate Risk – loans pay interest based on the London Interbank Offered Rate (LIBOR) and a decline in LIBOR could negatively impact the Fund's return. Investment Style Risk – investment strategies may come in and out of favor with investors and may underperform or outperform at times. Large Shareholder Purchase and Redemption Risk – The Fund may experience adverse effects when certain large shareholders purchase or redeem large amounts of shares of the Fund. Liquidity Risk – illiquid investments may be

difficult or impossible to sell. Loans Risk – loans may be unrated or rated below investment grade and the pledged collateral may lose value. Secondary trading in loans is not fully-developed and may result in illiquidity. Management Risk – there is no guarantee that the adviser’s sub-adviser’s investment decisions will produce the desired results. Market Risk – economic conditions, interest rates and political events may affect the securities markets. Preferred Stock Risk – preferred stocks generally pay dividends, but may be less liquid than common stocks, have less priority than debt instruments and may be subject to redemption by the issuer. Security Risk – value of the Fund may increase or decrease in response to the prospectus of the issuers of securities and loans held in the Fund. Swap Risk - swap agreements are subject to counterparty default risk and may not perform as intended. Tax Risk – new federal or state governmental action could adversely affect the tax-exempt status of securities held by the Fund, resulting in higher tax liability for shareholders and potentially hurting Fund performance as well. Underlying Fund Risk – underlying funds have additional fees, may utilize leverage, may not correlate to an intended index and may trade at a discount to their net asset values. Valuation Risk – Loans and fixed-income securities are traded “over the counter” and because there is no centralized information regarding trading, the valuation of loans and fixed-income securities may vary.

#### Registered Closed-End Funds

##### **RiverNorth Opportunities Fund, Inc.**

*Investment Objective:* The Fund’s investment objective is total return consisting of long-term capital appreciation and current income.

*Principal Investment Strategy:* The Fund seeks to achieve its investment objective by pursuing a tactical asset allocation strategy and opportunistically investing under normal circumstances in closed-end funds and exchange-traded funds (“ETFs” and collectively, “Underlying Funds”). Underlying Funds also may include business development companies (“BDCs”). All Underlying Funds will be registered under the Securities Act of 1933, as amended (the “Securities Act”). The Sub-adviser has the flexibility to change the Fund’s asset allocation based on its ongoing analysis of the equity, fixed income and alternative asset markets. The Sub-adviser considers various quantitative and qualitative factors relating to the domestic and foreign securities markets and economies when making asset allocation and security selection decisions. While the Sub-adviser continuously evaluates these factors, material shifts in the Fund’s asset class exposures will typically take place over longer periods of time.

*Risks:* Asset Allocation Risks – The Fund’s asset allocation strategy may fail to produce the intended result. Convertible Securities Risk – The market value of convertible securities adjusts with interest rates and the value of the underlying stock. Derivatives Risk – Derivatives can be volatile and may entail investment exposures that are greater than their cost would suggest. Distressed and Defaulted Securities Risk – Defaulted securities carry the risk of uncertainty of repayment. Equity Securities Risk – Equity securities may experience volatility and the value of equity securities may move in opposite directions from each other and from other equity markets generally. Exchange Traded Note Risk – Exchange traded notes represent unsecured debt of the issuer and may be influenced by interest rates, credit ratings of the issuer or changes in value of the reference index. Fixed Income Risk – the market value of fixed income securities adjusts with interest rates and the securities are subject to issuer default. Foreign/Emerging Market Risk – Foreign securities may be subject to inefficient or volatile markets, different regulatory regimes or different tax policies. These risks may be enhanced in emerging markets. Forward Contracts Risk – There are no limitations on daily price moves of forward contracts. Certain counterparties may quote unusually wide spreads (the difference between the buy and sell price). Illiquid and Restricted Securities Risk – Illiquid and restricted securities may be difficult to sell at the price at which the Fund has valued the securities and at the times when the Fund believes it is desirable to do so. Initial Public Offerings (IPO) Risk – IPO shares are frequently volatile in price. As a result, their performance can be more volatile and they face greater

risk of business failure. Leverage Risk – Leverage may create greater volatility of net asset value and market price of common shares. Management Risk – There is no guarantee that the adviser’s or sub-advisers’ investment decisions will produce the desired results. Market Discount Risk – The shares may frequently trade at a discount to its Net Asset Value (NAV). Market Disruption and Geopolitical Risk - a disruption of financial markets or other terrorist attacks could adversely affect the Fund’s or an Underlying Fund’s service providers and/or the Fund’s or an Underlying Fund’s operations. Market Risk – Economic conditions, interest rates and political events may affect the securities markets. Master Limited Partnerships Risk –MLPs may be subject to legal and other restrictions on resale or will otherwise be less liquid than publicly traded securities. Micro-, Small- and Medium-Sized Company Risk – These securities may be subject to abrupt or erratic market movements because of their lower volume. These risks are intensified in micro-cap companies. Options Risk – Options may expire worthless or not perform as expected. Portfolio Turnover Risk – Increased portfolio turnover results in higher brokerage expenses and may impact the tax status of distributions. REIT Risk - the value of REITs changes with the value of the underlying properties and changes in interest rates and are subject to additional fees. Securities Lending Risk – The Fund and the Underlying Funds may lose money when they loan portfolio securities if the borrowers fail to return the securities and the collateral provided has declined in value or cannot be converted to cash. Securities Risk – The value of the Fund may decrease in response to the activities and financial prospects of individual securities in the Fund’s portfolio. Senior Loan Risk - there is less readily available and reliable information about most Senior Loans than is the case for many other types of instruments. Senior Loans, like most other debt obligations, are subject to the risk of default. Short Sale Risk – Short positions are speculative, are subject to transaction costs and are riskier than long positions in securities. Structured Notes Risk – Because of the embedded derivative feature, structured notes are subject to more risk than investing in a simple note or bond. Swap Risk – Swap agreements are subject to counterparty default risk and may not perform as intended. Underlying Fund Risk – Underlying funds have additional fees, may utilize leverage, may not correlate to an intended index and may trade at a discount to their net asset values. Warrants Risk – The value of a warrant does not necessarily change with the value of the underlying securities and a warrant ceases to have value if it is not exercised prior to its expiration date.

### **RiverNorth Marketplace Lending Corporation**

*Investment Objective:* The Fund’s investment objective is to seek a high level of current income.

*Principal Investment Strategy:* Under normal market conditions, the Fund will seek to achieve its investment objective by investing, directly or indirectly, at least 80% of its Managed Assets in marketplace lending investments. The Fund’s marketplace lending investments may be made through a combination of: (i) investing in loans to consumers, small- and mid-sized companies (“SMEs”) and other borrowers, including borrowers of student loans, originated through online platforms (or an affiliate) that provide a marketplace for lending (“Marketplace Loans”) through purchases of whole loans (either individually or in aggregations); (ii) investing in notes or other pass-through obligations issued by a marketplace lending platform (or an affiliate) representing the right to receive the principal and interest payments on a Marketplace Loan (or fractional portions thereof) originated through the platform (“Pass-Through Notes”); (iii) purchasing asset-backed securities representing ownership in a pool of Marketplace Loans; (iv) investing in private investment funds that purchase Marketplace Loans, (v) acquiring an equity interest in a marketplace lending platform (or an affiliate); and (vi) providing loans, credit lines or other extensions of credit to a marketplace lending platform (or an affiliate) (the foregoing listed investments are collectively referred to herein as the “Marketplace Lending Instruments”). The Fund may invest without limit in any of the foregoing types of Marketplace Lending Instruments, except that the Fund will not invest greater than 45% of its Managed Assets in the securities of, or loans originated by, any single platform (or a group of related platforms) and the Fund’s investments in private investment funds will be limited to no more than 10% of the Fund’s Managed Assets.

The Fund currently anticipates that the Marketplace Loans in which it will invest will be newly issued and/or current as to interest and principal payments at the time of investment, and that a substantial portion of its Marketplace Lending Instrument investments will be made through purchases of whole loans. As a fundamental policy (which cannot be changed without the approval of the holders of a majority of the outstanding voting securities of the Fund), the Fund will not invest in Marketplace Loans that are of subprime quality at the time of investment. The Fund has no current intention to invest in Marketplace Loans originated from lending platforms based outside the United States or made to non-U.S. borrowers. However, the Fund may in the future invest in such Marketplace Loans.

The Fund intends to invest substantially all of its Managed Assets in Marketplace Lending Instruments; however, the Fund may invest up to 20% of its Managed Assets in other income-producing securities of any maturity and credit quality, including below investment grade securities (which are commonly referred to as “junk” bonds), and equity securities, including exchange-traded funds. Such income-producing securities in which the Fund may invest may include, without limitation, corporate debt securities, U.S. government debt securities, short-term debt securities, asset-backed securities, exchange-traded notes, loans other than Marketplace Loans, including secured and unsecured senior loans, and cash and cash equivalents.

*Risks:* Asset-Backed Securities Risk – Asset-backed securities may be particularly sensitive to changes in interest rates and are subject to prepayment risks. The values of asset-backed securities may be substantially dependent on the servicing of the underlying asset pools. Below Investment Grade Risk – “Junk” or “high yield” securities involve greater risks, including deferral, default or bankruptcy. Controlling Shareholder Risk – A single shareholder or group of shareholders may own a significant percentage of the Fund and therefore control influence in shareholder voting matters. Credit and Interest Rate Analysis Risk – The Adviser is reliant in part on the borrower credit information provided to it or assigned by the platforms when selecting Marketplace Lending Instruments for investment. Credit Risk – As a result of the credit profile of the borrowers and the interest rates on Marketplace Loans, the delinquency and default experience on the Marketplace Lending Instruments may be significantly higher than those experienced by financial products arising from traditional sources of lending. Cyber Risk – Cyber-attacks or other cyber-failures or events affecting the Fund or its Service Providers may adversely impact the Fund or its shareholders or cause an investment in the Fund to lose value. Default Risk – If a borrower is unable to make its payments on a Marketplace Loan, the Fund may be greatly limited in its ability to recover any outstanding principal and interest under such loan. Distressed and Defaulted Instruments Risk – Defaulted securities carry the risk of uncertainty of repayment. Equity Securities Risk– Equity securities may experience volatility and the value of equity securities may move in opposite directions from each other and from other equity markets generally. Exchange-Traded Note Risk – Exchange traded notes represent unsecured debt of the issuer and may be influenced by interest rates, credit ratings of the issuer or changes in value of the reference index. Geographic Concentration Risk –A geographic concentration of the Marketplace Loans may expose the Fund to an increased risk of loss due to risks associated with certain regions. Illiquidity Risk – A reliable secondary market has yet to develop, nor may one ever develop, for Marketplace Loans and such other Marketplace Lending Instruments and, as such, these investments should be considered illiquid. Interest Rate Risk – When market interest rates rise, the market value of fixed rate securities generally will fall. Investments in Platforms Risk – The Fund may invest in listed or unlisted equity securities of platforms or make loans directly to the platforms. Investments in unlisted securities, by their nature, generally involve a higher degree of valuation and performance uncertainties and liquidity risks than investments in listed securities. Issuer Risk – The value of debt securities may decline for a number of reasons which directly relate to the issuer, such as management performance, leverage and reduced demand for the issuer’s goods and services. Leverage Risk – Leverage may create greater volatility of net asset value and market price of common shares. Liquidity Risk – An investment in the Fund may be illiquid, as shares are not redeemable on a daily basis at an investor’s option. The Fund’s investments may also be illiquid. Illiquid investments may be difficult or impossible to sell. Management Risk – There is no guarantee that the adviser’s

investment decisions will produce the desired results. Marketplace Loans Risk – Marketplace Lending Instruments are generally not rated and could constitute a highly risky and speculative investment, similar to an investment in “junk” bonds. Market Risk – Economic conditions, interest rates and political events may affect the securities markets. Non-Diversification Risk – Changes in the market value of a single investment could cause greater fluctuations in share price than would occur in a diversified fund. Offering and Purchase Price Risk – The purchase price at which shares are sold may be greater than the NAV of the Fund. In addition, prospective investors may not know the purchase price per share, and therefore the number of shares they are subscribing for, at the time they submit their subscription agreements in the continuous offering. Platform Concentration Risk – A concentration in select platforms may subject the Fund to increased dependency and risks associated with those platforms than it would otherwise be subject to if it were more broadly diversified across a greater number of platforms. Prepayment Risk – Borrowers may decide to prepay all or a portion of the remaining principal amount due under a borrower loan at any time without penalty or interest. Regulation as Lender Risk – If the Fund were required to comply with additional laws or regulations, it would likely result in increased costs for the Fund and may have an adverse effect on its results or operations or its ability to invest in Marketplace Loans and certain Marketplace Lending Instruments. Reinvestment Risk – Income from the Fund’s portfolio will decline if the Fund invests the proceeds from matured, traded or called bonds at market interest rates that are below the Fund portfolio’s current earnings rate. Restricted Instruments Risk – Restricted securities may be difficult to sell at the price at which the Fund has valued the securities and at the times when the Fund believes it is desirable to do so. Share Repurchase Risk – The Fund may be required to sell its more liquid, higher quality portfolio investments to purchase Shares that are tendered, which may increase risks for remaining Shareholders and increase Fund expenses. Tax Risk – The treatment of Marketplace Loans and other Marketplace Lending Instruments for tax purposes is uncertain. In addition, changes in tax laws or regulations, or interpretations thereof, in the future could adversely affect the Fund. Valuation Risk – Loans and fixed-income securities are traded “over the counter” and because there is no centralized information regarding trading, the valuation of loans and fixed-income securities may vary.

### **RiverNorth/DoubleLine Strategic Opportunity Fund, Inc.**

*Investment Objective:* The Fund’s investment objective is current income and overall total return.

*Principal Investment Strategy:* The Fund seeks to achieve its investment objective by allocating its Managed Assets among the two principal investment strategies described below:

*Tactical Closed-End Fund Income Strategy (10% - 35% of Managed Assets):* This strategy will seek to (i) generate returns through investments in closed-end funds, exchange-traded funds and business development companies (collectively, the “Underlying Funds”) that invest primarily in income-producing securities, and (ii) derive value from the discount and premium spreads associated with closed-end funds.

*Opportunistic Income Strategy (65% - 90% of Managed Assets):* This strategy seeks to generate attractive risk-adjusted returns through investments in fixed income instruments and other investments, including agency and non-agency residential mortgage-backed and other asset-backed securities, corporate bonds, municipal bonds, and real estate investment trusts. At least 50% of the Managed Assets allocated to this strategy will be invested in mortgage-backed securities.

The Fund, or the Underlying Funds in which the Fund invests, may invest in securities of any credit quality, including, without limit, securities that are rated below investment grade, except that, under normal market conditions, no more than 60% of the Fund’s Managed Assets allocated to the Tactical Closed-End Fund Income Strategy will be invested in below investment grade and “senior loan” Underlying Funds, and the



Fund will invest at least 20% of the Managed Assets allocated to the Opportunistic Income Strategy in securities rated investment grade (or unrated securities judged by the Subadviser to be of comparable quality). Below investment grade securities are commonly referred to as “junk” and “high yield” securities and are considered speculative with respect to the issuer’s capacity to pay interest and repay principal.

*Risks:*

*Investment and Market Risks.* An investment in Common Shares is subject to investment risk, including the possible loss of the entire principal amount invested. *Management Risks.* The Adviser’s judgments about the attractiveness, value and potential appreciation of a particular asset class or individual security in which the Fund invests may prove to be incorrect. *Securities Risks.* The value of the Fund or an Underlying Fund may decrease in response to the activities and financial prospects of individual securities in the fund’s portfolio. *Tactical Closed-End Fund Income Strategy Risk.* The Fund may invest in shares of closed-end funds that are trading at a discount to net asset value or at a premium to net asset value. *Underlying Fund Risks.* The Fund will incur higher and additional expenses when it invests in Underlying Funds. There is also the risk that the Fund may suffer losses due to the investment practices or operations of the Underlying Funds. *Illiquid Securities Risks.* The Fund and the Underlying Funds may invest in illiquid securities. It may not be possible to sell or otherwise dispose of illiquid securities both at the price and within the time period deemed desirable by a fund. Illiquid securities also may be difficult to value. *Micro-, Small- and Medium-Sized Company Risks.* Investments in securities of micro-, small- and medium-sized companies may be subject to more abrupt or erratic market movements than larger, more established companies, because these securities typically are traded in lower volume and issuers are typically more subject to changes in earnings and future earnings prospects. *Exchange-Traded Note Risks.* The Fund and the Underlying Funds may invest in exchange-traded notes (“ETNs”), which are notes representing unsecured debt issued by an underwriting bank. ETNs are typically linked to the performance of an index plus a specified rate of interest that could be earned on cash collateral. *Initial Public Offerings Risks.* The Fund and the Underlying Funds may purchase securities in initial public offerings (“IPOs”). Investing in IPOs has added risks because the shares are frequently volatile in price. *Equity Securities Risks.* Equity security prices fluctuate for several reasons, including changes in investors’ perceptions of the financial condition of an issuer or the general condition of the relevant stock market, or when political or economic events affecting the issuers occur. *Preferred Stock Risk.* Preferred stock represents the senior residual interest in the assets of an issuer after meeting all claims, with priority to corporate income and liquidation payments over the issuer’s common stock. As such, preferred stock is inherently more risky than the bonds and other debt instruments of the issuer, but less risky than its common stock. *Warrants Risks.* Warrants do not carry with them the right to dividends or voting rights with respect to the securities that they entitle their holder to purchase and they do not represent any rights in the assets of the issuer. As a result, warrants may be considered to have more speculative characteristics than certain other types of investments. *Derivatives Risks.* Generally, a derivative is a financial contract the value of which depends upon, or is derived from, the value of an underlying asset, reference rate, or index, and may relate to individual debt or equity instruments, interest rates, currencies or currency exchange rates, commodities, related indexes, and other assets. Derivatives can be volatile and involve various types and degrees of risk, depending upon the characteristics of a particular derivative. *Options and Futures Risks.* The Fund and the Underlying Funds may invest in options and futures contracts and such contracts are expected to be utilized by the Fund for hedging purposes. The use of futures and options transactions entails certain special risks. *Swap Risks.* The Fund and the Underlying Funds may enter into interest rate, index, total return and currency swap agreements and, other than total return swap agreements (as discussed herein), such agreements are expected to be utilized by the Fund for hedging purposes. All of these agreements are considered derivatives. *Short Sale Risks.* A short sale is a transaction in which a fund sells a security it does not own in anticipation that the market price of that security will decline. Positions in shorted securities are speculative and riskier than long positions (purchases) in securities because the maximum sustainable loss on a security purchased is limited to the amount paid for the security plus the transaction costs, whereas

there is no maximum attainable price of the shorted security. Therefore, in theory, securities sold short have unlimited risk. *Reverse Repurchase Agreements Risks.* The use by the Fund of reverse repurchase agreements involves many of the same risks associated with the Fund's use of bank borrowings since the proceeds derived from such reverse repurchase agreements may be invested in additional securities. *Emerging Markets Risk.* Investment in emerging market securities involves greater risk than that associated with investment in securities of issuers in developed foreign countries. These risks include volatile currency exchange rates, periods of high inflation, increased risk of default, greater social, economic and political uncertainty and instability, less governmental supervision and regulation of securities markets, weaker auditing and financial reporting standards, lack of liquidity in the markets, and the significantly smaller market capitalizations of emerging market issuers. *Municipal Securities Risk.* Municipal securities are long-term fixed rate debt obligations that generally decline in value with increases in interest rates, when an issuer's financial condition worsens or when the rating on a bond is decreased. *Structured Notes Risks.* Structured notes are subject to a number of fixed income risks including general market risk, interest rate risk, and the risk that the issuer on the note may fail to make interest and/or principal payments when due, or may default on its obligations entirely. *Legislation and Regulatory Risks.* Changing approaches to regulation may have a negative impact on the entities and/or securities in which the Fund or an Underlying Fund invests. *Market Disruption and Geopolitical Risks.* A disruption of financial markets or other terrorist attacks could adversely affect the Fund's or an Underlying Fund's service providers and/or the Fund's or an Underlying Fund's operations as well as interest rates, secondary trading, credit risk, inflation and other factors. *Defensive Measures.* The Fund may invest up to 100% of its assets in cash, cash equivalents and short-term investments as a defensive measure in response to adverse market conditions or opportunistically at the discretion of the Adviser. During these periods, the Fund may not be pursuing its investment objective. *Investment Style Risk.* The Fund is managed by allocating the Fund's assets to two different strategies. This may cause the Fund to underperform funds that do not limit their investments to these two strategies during periods when these strategies underperform other types of investments. *Multi-Manager Risk.* Fund performance is dependent upon the success of implementing the Fund's investment strategies in pursuit of its investment objective. *Asset Allocation Risk.* To the extent that the Adviser's asset allocation between the Fund's principal investment strategies may fail to produce the intended result, the Fund's return may suffer. *Leverage Risks.* Leverage is a speculative technique that exposes the Fund to greater risk and increased costs than if it were not implemented. Increases and decreases in the value of the Fund's portfolio will be magnified when the Fund uses leverage.

*Potential Conflicts of Interest Risk.* The Adviser, and the Fund's portfolio managers may devote unequal time and attention to the management of the Fund and those other funds and accounts, and may not be able to formulate as complete a strategy or identify equally attractive investment opportunities as might be the case if they were to devote substantially more attention to the management of the Fund. *Cyber Security Risk.* With the increased use of the Internet and because information technology ("IT") systems and digital data underlie most of the Fund's operations, the Fund and the Adviser, transfer agent, and other service providers and the vendors of each (collectively "Service Providers") are exposed to the risk that their operations and data may be compromised as a result of internal and external cyber-failures, breaches or attacks ("Cyber Risk"). This could occur as a result of malicious or criminal cyber-attacks. *Confidential Information Access Risk.* The Fund is subject to the risk that the intentional or unintentional receipt of material, non-public information ("Confidential Information") by the Adviser could limit the Fund's ability to sell certain investments held by the Fund or pursue certain investment opportunities on behalf of the Fund, potentially for a substantial period of time.

### **RiverNorth Opportunistic Municipal Income Fund**

*Investment Objective* The Fund's primary investment objective is current income exempt from regular U.S. federal income taxes (but which may be includable in taxable income for purposes of the Federal alternative

minimum tax). The Fund's secondary investment objective is total return. There is no assurance that the Fund will achieve its investment objectives.

*Principal Investment Strategy* Under normal market conditions, the Fund will seek to achieve its investment objectives by investing, directly or indirectly, at least 80% of its Managed Assets in municipal bonds, the interest on which is, in the opinion of bond counsel to the issuers, generally excludable from gross income for regular U.S. federal income tax purposes, except that the interest may be includable in taxable income for purposes of the Federal alternative minimum tax ("Municipal Bonds"). In order to qualify to pay exempt-interest dividends, which are items of interest excludable from gross income for federal income tax purposes, the Fund will seek to invest at least 50% of its Managed Assets directly in such Municipal Bonds. The Fund will seek to allocate its assets among the two principal investment strategies described below:

*Tactical Municipal Closed-End Fund Strategy (25% - 50% of Managed Assets):* This strategy will seek to (i) generate returns through investments in closed-end funds, exchange-traded funds and other investment companies (collectively, the "Underlying Funds") that invest, under normal market conditions, at least 80% of their net assets, plus the amount of any borrowings for investment purposes, in Municipal Bonds, and (ii) derive value from the discount and premium spreads associated with closed-end funds that invest, under normal market conditions, at least 80% of their net assets, plus the amount of any borrowings for investment purposes, in Municipal Bonds.

*Municipal Bond Income Strategy (50% - 75% of Managed Assets):* This strategy seeks to capitalize on inefficiencies in the tax-exempt and tax-advantaged securities markets through investments in Municipal Bonds. Under normal market conditions, the Fund may not directly invest more than 25% of the Managed Assets allocated to this strategy in Municipal Bonds in any one industry or in any one state of origin, and the Fund may not directly invest more than 5% of the Managed Assets allocated to this strategy in the Municipal Bonds of any one issuer, except that the foregoing industry and issuer restrictions shall not apply to general obligation bonds and the Fund will consider the obligor or borrower underlying the Municipal Bond to be the "issuer." The Fund may invest up to 30% of the Managed Assets allocated to this strategy in Municipal Bonds that pay interest that may be includable in taxable income for purposes of the Federal alternative minimum tax. The Fund can invest, directly or indirectly through Underlying Funds, in bonds of any maturity; however, under this strategy, it will generally invest in Municipal Bonds that have a maturity of five years or longer at the time of purchase.

*Risks:*

In addition to the risks delineated with the closed-end fund strategies above the Fund has the following additional risks:

*Municipal Bond Risks* -Economic exposure to Municipal Bonds involves certain risks. The Fund's economic exposure to Municipal Bonds includes Municipal Bonds in the Fund's portfolio and Municipal Bonds to which the Fund is exposed through Underlying Funds and the ownership of TOB Residuals. The municipal market is one in which dealer make markets in bonds on a principal basis using their proprietary capital, and at times these firms' capital may be severely constrained. In such event, some firms may be unwilling to commit their capital to purchase and to serve as a dealer for Municipal Bonds. Municipal Bonds typically are not registered with the SEC or any state securities commission and will not be listed on any national securities exchange. The amount of public information available about the Municipal Bonds to which the Fund is economically exposed is generally less than that for corporate equities or bonds, and the investment performance of the Fund may therefore be more dependent on the analytical abilities of the Adviser and the Subadviser than would be a stock fund or taxable bond fund. The secondary market for Municipal Bonds, particularly non-investment grade bonds, also tends to be less well-developed or liquid than many other

securities markets, which may adversely affect the ability to sell such bonds at attractive prices or at prices approximating those at which the Fund and Underlying Funds currently value them. *Interest Rate Risk* - The value of Municipal Bonds, similar to other fixed income securities, will likely drop as interest rates rise in the general market. Conversely, when rates decline, bond prices generally rise. *Credit Risk* - The risk that a borrower may be unable to make interest or principal payments when they are due. Funds that invest in Municipal Bonds rely on the ability of the issuer to service its debt. This subjects the Fund to credit risk in that the municipal issuer may be unstable or exposed to large liabilities that could impair its ability to honor its obligations. Municipal issuers with significant debt service requirements, in the near-to mid-term, unrated issuers and those with less capital and liquidity to absorb additional expenses may be most at risk. To the extent the Fund invests in lower quality or high yield Municipal Bonds, it may be more sensitive to the adverse credit events in the municipal market. *Liquidity Risk* - The risk that investors may have difficulty finding a buyer when they seek to sell, and therefore, may be forced to sell at a discount to the market value. Liquidity may sometimes be impaired in the municipal market and because the Fund primarily invests in Municipal Bonds, it may find it difficult to purchase or sell such securities at opportune times. *State Specific and Industry Risk* -The Fund may not directly invest more than 25% of its Managed Assets in Municipal Bonds in any one industry or in any one state of origin. However, the Fund's overall exposure to a single industry or a single state of origin may be greater after factoring in the investments of the Underlying Funds, in which case the Fund may be more susceptible to adverse economic, political or regulatory occurrences affecting that particular state or industry. *Credit and Below Investment Grade Securities Risks*- Credit risk is the risk that an issuer of a security may be unable or unwilling to make dividend, interest and principal payments when due and the related risk that the value of a security may decline because of concerns about the issuer's ability or willingness to make such payments. Credit risk may be heightened for the Fund because it and the Underlying Funds may invest in below investment grade securities, which are commonly referred to as "junk" and "high yield" securities; such securities, while generally offering the potential for higher yields than investment grade securities with similar maturities, involve greater risks, including the possibility of dividend or interest deferral, default or bankruptcy, and are regarded as predominantly speculative with respect to the issuer's capacity to pay dividends or interest and repay principal. *Interest Rate Risk* -Generally, when market interest rates rise, bond prices fall, and vice versa. Interest rate risk is the risk that the municipal securities in the Fund's portfolio will decline in value because of increases in market interest rates. As interest rates decline, issuers of municipal securities may prepay principal earlier than scheduled, forcing the Fund to reinvest in lower-yielding securities and potentially reducing the Fund's income. As interest rates increase, slower than expected principal payments may extend the average life of securities, potentially locking in a below-market interest rate and reducing the Fund's value.

### **Private Investment Companies (Private Funds)**

The Firm acts as the investment adviser to three private investment companies, commonly referred to as private funds or hedge funds. Each of the private funds is organized as a limited partnership or limited liability company and the Firm serves as the general partner or managing member for each of the private funds. Potential investors in the private funds must meet certain eligibility requirements to invest in the private funds. The Firm may restrict or limit investments in any of the private funds at any time. The following section includes a summary of the investment objectives, principal investment strategies, and material risks associated with private fund. The summaries of the investment objectives, principal investment strategies, and material risks provided below are necessarily limited and are presented for general informational purposes in accordance with regulatory requirements. Consequently, these

summaries are in all instances qualified and superseded by the private placement memorandum for each of the private funds.

**RiverNorth Capital Partners, L.P.**

*Investment Objective:* The Fund's objective is to achieve higher than average rates of return, relative to the level of risk assumed.

*Principal Investment Strategies:* The Fund is a long/short strategy that invests in and seeks to exploit inefficiencies in the secondary market of closed-end funds. Using a combination of active trading strategies such as statistical arbitrage, corporate actions and shareholder activism, the Fund seeks to derive value from the discount and premium spreads associated with closed-end funds. The Fund uses proprietary quantitative models to identify pricing aberrations on a real-time basis. The Fund may also engage in other trading strategies, at the discretion of the General Partner.

*Risks:* The investment program of the Fund is speculative and involves a significant risk of loss. The risks associated with the Firm's trading approach and methodology, including the use of short selling and possibly leverage, may increase the risks normally associated with investing in securities. Moreover, the 20% Special Allocation payable to the Firm, as described in the private placement memorandum, may create an incentive for the Firm to cause the Fund to make investments that are riskier than it might otherwise make. An investment in the Fund provides limited liquidity, since the interests are not freely transferable and investors have limited redemption rights.

**RiverNorth Institutional Partners, L.P.**

*Investment Objective:* The Fund's objective is to achieve higher than average rates of return, relative to the level of risk assumed.

*Principal Investment Strategies:* The Fund's objective is to achieve higher than average rates of return, relative to the level of risk assumed. The Fund is a long/short strategy that invests in and seeks to exploit inefficiencies in the secondary market of closed-end funds. Using a combination of active trading strategies such as statistical arbitrage, corporate actions and shareholder activism, the Fund seeks to derive value from the discount and premium spreads associated with closed-end funds. The Fund uses proprietary quantitative models to identify pricing aberrations on a real-time basis. The Fund may also engage in other trading strategies, at the discretion of the General Partner.

*Risks:* The investment program of the Fund is speculative and involves a significant risk of loss. The risks associated with the General Partner's trading approach and methodology, including the use of short selling and possibly leverage, may increase the risks normally associated with investing in securities. Moreover, the 20% Special Allocation payable to the General Partner, as described herein, may create an incentive for the General Partner to cause the Fund to make investments that are riskier than it might otherwise make. An investment in the Fund provides limited liquidity, since the Interests are not freely transferable and investors have limited redemption rights.

**RiverNorth Institutional Partners Offshore, Ltd.**

The Firm manages RiverNorth Institutional Partners Offshore, Ltd. as a Cayman chartered company. The Fund serves as an offshore feeder fund to RiverNorth Institutional Partners, LP ("Master Fund") and its only investments are interests in the Master Fund. Accordingly the Fund shares the same strategies and risk as the Master Fund.

### **RiverNorth Specialty Finance, LLC**

*Investment Objective:* The Fund’s principal investment objective is to provide a high level of total return, with an emphasis on current income.

*Principal Investment Strategies:* Under normal market conditions, the Manager will seek to achieve the Fund’s investment objective by investing the Fund’s assets, directly or indirectly, primarily in marketplace lending investments. The Fund’s marketplace lending investments may be made through a combination of: (i) investing in loans to consumers, small- and mid-sized companies (“SMEs”) and other borrowers (including borrowers of student loans) originated through online platforms (or affiliates thereof) that provide a marketplace for lending (collectively, “Marketplace Loans”) through purchases of whole loans; (ii) investing in notes or other pass-through obligations issued by a marketplace lending platform (or an affiliate thereof) representing the right to receive the principal and interest payments on a Marketplace Loan (or fractional portions thereof) originated through such platform (“Pass-Through Notes”); (iii) purchasing asset-backed securities representing ownership in a pool of Marketplace Loans; (iv) investing in other private investment funds that purchase Marketplace Loans, (v) acquiring an equity interest in a marketplace lending platform (or an affiliate thereof); (vi) providing loans, credit lines or other extensions of credit to a marketplace lending platform (or an affiliate thereof); and (vii) other transactions that provide the Fund with investment exposure to Marketplace Loans (collectively, the “Marketplace Lending Instruments”).

Although the Manager intends to invest the Fund’s assets primarily in Marketplace Lending Instruments, the Fund may also invest a portion of its assets (which the Manager currently does not expect to exceed 20%) in (x) other income-producing securities (including, without limitation, corporate debt securities, U.S. government debt securities, short-term debt securities, asset-backed securities, exchange-traded notes (“ETNs”), loans other than Marketplace Loans (including secured and unsecured senior loans, and cash and cash equivalents) of any maturity and credit quality (including below investment grade securities), and/or (y) equity and equity-related investments that are not otherwise Marketplace Lending Instruments, including equity and equity-related securities (e.g., common stock, preferred stock, stock warrants and rights, convertible securities, equity participations, and similar financial instruments), exchange traded funds and mutual fund shares, options, swaps and other derivative instruments on all of the above instruments, whether or not they are publicly traded or readily marketable and whether they are issued or traded in the United States or non-U.S. markets (such equity and equity-related investments collectively, “Equity Investments”). The Manager may, in its sole discretion, invest the Fund’s assets in (pursuant to a contribution of assets or other restructuring transaction), and cause all or a portion of the Fund’s investment and trading activities to be conducted through, a “master fund” or one or more other investment vehicles from time to time.

*Risks:* Asset-Backed Securities Risk – Asset-backed securities may be particularly sensitive to changes in interest rates and are subject to prepayment risks. The values of asset-backed securities may be substantially dependent on the servicing of the underlying asset pools. Below Investment Grade Risk – “Junk” or “high yield” securities involve greater risks, including deferral, default or bankruptcy. Controlling Shareholder Risk – A single shareholder or group of shareholders may own a significant percentage of the Fund and therefore control influence in shareholder voting matters. Credit and Interest Rate Analysis Risk – The Adviser is reliant in part on the borrower credit information provided to it or assigned by the platforms when selecting Marketplace Lending Instruments for investment. Credit Risk – As a result of the credit profile of the borrowers and the interest rates on Marketplace Loans, the delinquency and default experience on the Marketplace Lending Instruments may be significantly higher than those experienced by financial products arising from traditional sources of lending. Cyber Risk – Cyber-attacks or other cyber-failures or events affecting the Fund or its Service Providers may adversely impact the Fund or its shareholders or cause an investment in the Fund to lose value. Default Risk – If a borrower is unable to make its payments on a Marketplace Loan, the Fund may be greatly limited in its ability to recover any outstanding principal and interest under such loan. Distressed and Defaulted Instruments Risk – Defaulted securities carry the

risk of uncertainty of repayment. Equity Securities Risk– Equity securities may experience volatility and the value of equity securities may move in opposite directions from each other and from other equity markets generally. Exchange-Traded Note Risk – Exchange traded notes represent unsecured debt of the issuer and may be influenced by interest rates, credit ratings of the issuer or changes in value of the reference index. Geographic Concentration Risk –A geographic concentration of the Marketplace Loans may expose the Fund to an increased risk of loss due to risks associated with certain regions. Illiquidity Risk – A reliable secondary market has yet to develop, nor may one ever develop, for Marketplace Loans and such other Marketplace Lending Instruments and, as such, these investments should be considered illiquid. Interest Rate Risk – When market interest rates rise, the market value of fixed rate securities generally will fall. Investments in Platforms Risk – The Fund may invest in listed or unlisted equity securities of platforms or make loans directly to the platforms. Investments in unlisted securities, by their nature, generally involve a higher degree of valuation and performance uncertainties and liquidity risks than investments in listed securities. Issuer Risk – The value of debt securities may decline for a number of reasons which directly relate to the issuer, such as management performance, leverage and reduced demand for the issuer’s goods and services. Leverage Risk – Leverage may create greater volatility of net asset value and market price of common shares. Liquidity Risk – An investment in the Fund may be illiquid, as shares are not redeemable on a daily basis at an investor’s option. The Fund’s investments may also be illiquid. Illiquid investments may be difficult or impossible to sell. Management Risk – There is no guarantee that the Manager’s investment decisions will produce the desired results. Marketplace Loans Risk – Marketplace Lending Instruments are generally not rated and could constitute a highly risky and speculative investment, similar to an investment in “junk” bonds. Market Risk – Economic conditions, interest rates and political events may affect the securities markets. Non-Diversification Risk – Changes in the market value of a single investment could cause greater fluctuations in share price than would occur in a diversified fund. Offering and Purchase Price Risk – The purchase price at which shares are sold may be greater than the NAV of the Fund. In addition, prospective investors may not know the purchase price per share, and therefore the number of shares they are subscribing for, at the time they submit their subscription agreements in the continuous offering. Platform Concentration Risk – A concentration in select platforms may subject the Fund to increased dependency and risks associated with those platforms than it would otherwise be subject to if it were more broadly diversified across a greater number of platforms. Prepayment Risk – Borrowers may decide to prepay all or a portion of the remaining principal amount due under a borrower loan at any time without penalty or interest. Regulation as Lender Risk – If the Fund were required to comply with additional laws or regulations, it would likely result in increased costs for the Fund and may have an adverse effect on its results or operations or its ability to invest in Marketplace Loans and certain Marketplace Lending Instruments. Reinvestment Risk – Income from the Fund’s portfolio will decline if the Fund invests the proceeds from matured, traded or called bonds at market interest rates that are below the Fund portfolio’s current earnings rate. Restricted Instruments Risk– Restricted securities may be difficult to sell at the price at which the Fund has valued the securities and at the times when the Fund believes it is desirable to do so. Share Repurchase Risk –The Fund may be required to sell its more liquid, higher quality portfolio investments to purchase Shares that are tendered, which may increase risks for remaining Shareholders and increase Fund expenses. Tax Risk – The treatment of Marketplace Loans and other Marketplace Lending Instruments for tax purposes is uncertain. In addition, changes in tax laws or regulations, or interpretations thereof, in the future could adversely affect the Fund. Valuation Risk – Loans and fixed-income securities are traded "over the counter" and because there is no centralized information regarding trading, the valuation of loans and fixed-income securities may vary.

### **Model Portfolio Services**

RiverNorth provides certain advisers and financial intermediaries with model portfolio services. RiverNorth provides these services on a non-discretionary basis. RiverNorth and the adviser and/or intermediaries negotiate the fees depending on the specific services provided. RiverNorth amends the

model portfolios from time to time. RiverNorth utilizes the same methodology implemented in its' Registered Funds and Private Funds to create the model portfolios.

### **Firm Risks**

The material risks of investing with the Firm include:

**Auction Rate Securities Risks** – The Firm may invest in auction rate securities (“ARS”) issued by closed-end funds. ARS are debt securities or shares of preferred stock that are sold through Dutch auctions. In recent times, many of these auctions have failed, thereby rendering certain issues of ARS illiquid or with a much lower yield than anticipated at the time of purchase.

**Closed-End Fund and ETF Risks** – Clients will incur higher and duplicative expenses when investing in closed-end funds and ETFs. There is also the risk of loss due to the investment practices of the underlying funds (such as the use of derivatives). In addition, one underlying fund may purchase a security that another underlying fund is selling. The ETFs in which the Firm invests may not be able to replicate exactly the performance of the indices they track due to transactions costs and other expenses of the ETFs. The shares of closed-end funds frequently trade at a discount to their net asset value and closed-end funds may not be able to outperform their benchmarks. There can be no assurance that the market discount on shares of any closed-end fund purchased by the Firm will ever decrease, and it is possible that the discount may increase.

**Frequent Trading of Securities** – Although not a primary strategy of the Firm, from time to time the Firm may engage in frequent trading of the portfolios of the Affiliated Funds and Limited Partnerships. Frequent Trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

**Key Personnel Risk** – The effectiveness of the Firm’s strategies is largely dependent upon the continued services of its portfolio managers. The Firm’s portfolio managers, including Messrs. Galley, O’Neill and Bartow, are ultimately responsible for all of the Firm’s strategies. The loss of the services of any portfolio manager could have a material adverse effect on the Firm’s ability to fully and effectively implement its strategies. To mitigate this risk, each of the Firm’s portfolio managers and other key personnel are party to employment agreements which limit a portfolio manager’s ability to manage a similar strategy in the event of his separation from the Firm.

**Market Risk** – Overall stock market risks may affect the value of a client’s account. Factors such as domestic and foreign economic growth and market conditions, interest rate levels and political events affect the securities markets.

**Marketplace Loans and Pass-Through Notes Risk.** Marketplace Lending Instruments are generally not rated and constitute a highly risky and speculative investment, similar to an investment in “junk” bonds. There can be no assurance that payments due on underlying Marketplace Loans will be made. The Shares therefore should be purchased only by investors who could afford the loss of the entire amount of their investment.

**Prime Broker Risk:** Limited partnership positions may be held in accounts maintained for RiverNorth by its prime brokers. The prime brokers, as brokerage firms or commercial banks, are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of the prime brokers’ insolvency. However, the practical effect of these laws and their application to the limited partnerships’ securities positions are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a prime broker, it is impossible to generalize about the effect of a prime broker's insolvency



on the limited partnerships and their securities positions. The insolvency of any limited partnership's prime broker could result in the loss of all or a substantial portion of the partnership's securities positions held by such prime broker, or could result in substantial disruption of the limited partnership's operations, including withdrawals by investors.

**Recent Market Events** – Recent events in the financial sector have resulted in an unusually high degree of volatility in the financial markets and the economy at large. Both domestic and international equity and fixed income markets have been experiencing heightened volatility and turmoil, with issuers that have exposure to the real estate, mortgage and credit markets particularly affected. It is uncertain how long these conditions will continue.

**Regulatory Risk** – Investment management and the securities industry generally are subject to a variety of government rules and regulations. It is possible that regulatory action could impose additional direct or indirect costs or encumbrances on the Firm's management of its funds and products, could limit the strategies that the Firm may pursue or adversely impact the desirability of certain investments or the anticipated return on certain investments.

**Cybersecurity Risk** – RiverNorth relies extensively on computer programs and systems to implement its strategies and to trade, clear and settle securities transactions, to monitor its investment portfolios, and to generate risk management and other reports that are critical to oversight of its activities. These programs or systems may be subject to certain defects, failures or interruptions, including, but not limited to, those caused by computer "worms," viruses and power failures. Any defects, failures or interruptions could have a material adverse effect on the Firm's activities. For example, such failures could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades, and cause inaccurate reports, which may affect RiverNorth's ability to monitor its investment portfolios and its investment risks. The strategies used by RiverNorth also rely heavily on proprietary trading systems and databases and third party data sources. As a result, any errors in the underlying data entry, interruption in the data feeds from outside sources or the assumptions underlying the strategies may result in RiverNorth acquiring or selling investments based on incorrect or inaccurate information. Similarly, any hedging based on faulty information or data may prove to be unsuccessful. As a result, the portfolio could incur losses on such investments before the errors are identified and corrected.

## **Item 9 - Disciplinary Information**

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RiverNorth does not have any material legal or disciplinary events to disclose.

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

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The Firm serves as the investment adviser to the following open-end registered funds: RiverNorth Core Opportunity Fund, RiverNorth/DoubleLine Strategic Income Fund, and the RiverNorth/Oaktree High Income Fund, which are all series of the RiverNorth Funds. The Firm serves as adviser to the following closed-end registered funds: RiverNorth Marketplace Lending Corporation and RiverNorth/DoubleLine Strategic Opportunity Fund, Inc. The Firm serves as the investment sub-adviser to the RiverNorth Opportunities Fund, Inc. Vivaldi Multi-Strategy Fund (a series of Investment Managers Series Trust II), Brinker Capital Destinations Multi-Strategy Alternatives Fund, The Relative Value Fund and Vivaldi Opportunities Fund. The Firm receives a management fee from the open-end and closed-end registered funds and receives from the adviser (not the fund) a sub-advisory fee for services rendered to the sub-advised funds. Client accounts may be invested in affiliated registered funds as an integral part of the Firm's investment services if believed to be in the client's best interest. Clients have the right, at any time, to prohibit the Firm from investing any of their managed assets in affiliated funds.

The Firm acts as the General Partner and adviser to RiverNorth Capital Partners, L.P. (“RNCP”) and RiverNorth Institutional Partners, L.P. (“RNIP”) which are all Delaware limited partnerships, the Managing Member and adviser to RiverNorth Specialty Finance, LLC, (“RNSF”) which is a Delaware limited liability company and the Investment Manager of RiverNorth Institutional Partners Offshore Ltd. Which is a Cayman chartered company (collectively, “private funds”). The private funds utilize the proprietary trading strategies developed by the Firm by primarily actively trading and investing in closed-end funds and exchange-traded funds and in the case of RiverNorth Specialty Finance, LLC, in marketplace loans. The Firm may recommend to advisory clients participation in the private funds. Employees, officers and shareholders of the Firm may also invest in the private funds. Investors in RNCP and RNSF are recommended to be accredited investors and furthermore must be qualified clients in order to pay a performance-based fee. RNCP and RNSF may, in the Firm’s discretion, accept up to 35 non-accredited investors. Investors in RNIP must be accredited investors and furthermore must be qualified purchasers. All investors must submit a subscription agreement and investor questionnaire to establish suitability of investment in the private funds. The Firm charges each qualified investor in the private funds up to a 20% performance fee (as applicable) subject to a high-water mark in addition to a 0.75% – 1.50% asset-based fee. As discussed in “Fees and Compensation” and “Performance-Based Fees and Side-by-Side Management” above, these performance-based fee arrangements create a material conflict of interest with RiverNorth’s other clients who pay asset-based fees.

## **Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

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The Firm has adopted a Code of Ethics that sets forth the standards of conduct expected of its covered persons and requires compliance with applicable securities laws. In accordance with Section 204A of the Advisers Act, the Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by the Firm or any of its covered persons. The Code of Ethics also requires that the Firm’s personnel report their personal securities holdings and transactions and obtain pre-approval of certain investments, reports gifts and entertainment, pre-approve certain political donations and disclose certain charitable contributions. Clients may contact the Firm at 1-800-646-0148 to request a copy of its Code of Ethics.

The Firm may recommend affiliated registered or private funds or investments to other clients. Clients are advised of the possible use of affiliated funds. For more information on these investments and related conflicts of interest, see “Other Financial Industry Activities and Affiliations” above.

The Firm and its employees may buy or sell securities identical to those recommended to our clients consistent with the Firm’s policies and procedures. RiverNorth and its employees face a conflict of interest when they buy or sell securities at or about the same time that RiverNorth buys or sells the same securities for client accounts, because RiverNorth or its employees could take advantage of the information regarding the client transactions and execute their trades prior to the clients (commonly called “front running”). The Firm prohibits its employees from investing directly in closed-end funds (excluding those managed by RiverNorth) and investing in marketplace loans. In addition, the Firm’s Code of Ethics generally requires employees to pre-clear all personal securities transactions in the employee’s beneficial accounts.

## **Item 12 - Brokerage Practices**

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Subject only to a client’s direction to use a particular broker or dealer for the execution of transactions for that client’s account, factors which the Firm considers in using any broker-dealer include the broker’s financial strength, reputation, execution, pricing, and service.

The commissions paid by the Firm's clients will comply with the Firm's duty to seek "best execution". However, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Firm determines, in good faith, that the commission is reasonable in relation to the value of the brokerage services received. In seeking the best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among others, execution capability, commission rates and responsiveness. Consistent with the foregoing, while the Firm will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

The Firm does not have formal soft dollar arrangements or "pay up" for research. However, the Firm may receive proprietary research in the form of email newsletters and market commentaries from the broker-dealers with whom it trades, including advice as to the value of securities; the advisability of investing in, purchasing or selling securities; the availability of securities or purchasers or sellers of securities; and analyses or reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy or the performance of accounts. Research services furnished by broker-dealers through whom the Firm effects securities transactions may be used by the Firm in servicing all its accounts. When a broker-dealer provides the Firm with research services, the Firm receives a benefit because it does not have to produce or pay for the research. The Firm may have an incentive to select a broker-dealer based on its interest in receiving research, rather than on its clients' interest in receiving most favorable execution.

On occasions when the Firm deems the purchase and/or sale of a security to be in the best interest of more than one of its clients, the Firm may aggregate the securities to be sold or purchased for a client with those to be sold or purchased for such other clients in order to obtain best qualitative execution. In such event, allocation of the securities purchased or sold, as well as the expenses incurred in the transaction, will be made by the Firm in the manner considered to be most equitable and consistent with its fiduciary obligations to participating clients and in accordance with the client's investment objectives and goals. Due to use of different broker/dealers for trading activity, clients may experience different execution prices for the same securities traded on the same day.

However, the Firm advises many clients and may make investments in clients' accounts (including those which pay performance-based fees) which may be the same or different as other client accounts. Actions with respect to the same securities may be the same or different (i.e., purchase or sale) depending upon the advisory client and their investment strategies and goals.

From time to time, when it may be appropriate for one client to purchase/sell a security and for another client to sell/purchase the same security, the Firm may simultaneously place cross-trades with one or more broker/dealers in an attempt to seek the best execution for each client by obtaining reduced transaction or execution costs for each client. Since, in such transactions, the Firm will represent both client-seller and client-buyer, it may have a conflict of interest given the obligation to obtain the best price and most favorable execution. Clients, therefore, should consider the possible costs or disadvantages of this potential conflict versus the potential benefit of obtaining reduced transaction or execution costs that may be obtained from such cross-trades. The Firm will not place cross-trades for client accounts that are subject to the Employee Retirement Income Security Act and will do so for registered affiliated funds only in accordance with Rule 17a-7 under the Investment Company Act of 1940.

The Firm may receive from the Qualified Custodians or from broker-dealers, without cost, computer software and related systems support, which allow the Firm to better monitor client accounts. With respect to the Qualified Custodians, the Firm may receive the software and related support without cost because the Firm renders investment management services to clients that, in the aggregate, maintain a certain level of assets with the Custodian.

Specifically, the Firm may receive the following benefits from the Qualified Custodians or from broker-dealers with respect to the private funds: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services advisors; access to block trading which provides the ability to aggregate securities transaction and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

### **Item 13 - Review of Accounts**

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The Firm monitors client portfolios as part of an ongoing process. The Firm reviews an account for compliance with the client's risk tolerance and investment objective, and based on that review, determines whether to rebalance the account. Such reviews are supervised by one of the Firm's investment principals and are overseen by the Firm's Chief Investment Officer.

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

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The Firm may enter into "Solicitor's Agreements" with other investment advisors, broker-dealers, accounting firms, banking or trust institutions, insurance companies or agencies, third party administrators, and individuals. These parties may receive cash compensation, often on an ongoing basis, from the Firm, contingent upon compliance with all applicable state and federal securities laws and guidelines, for direct client referrals. Clients and potential clients receive a solicitor's separate written disclosure statement when applicable.

The Firm may engage the services of a third-party to market the investment products for which it acts as the investment adviser. Fees for such services are paid by the adviser, not the products or investors.

### **Item 15 - Custody**

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The Firm is deemed to have custody of client assets for purposes of the Investment Advisers Act of 1940 when it deducts its advisory fee from client accounts. In its role as general partner or managing member, the Firm has legal access to the private funds' securities or funds in a manner which may result in the Firm having "custody" of the private fund' assets. To mitigate this risk, all private funds are audited by an independent accountant annually and we send copies of these financial statements to the investors.

### **Item 16 - Investment Discretion**

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The Firm accepts discretionary authority to manage securities accounts on behalf of clients pursuant to an investment advisory agreement in which the client appoints the Firm as its agent and attorney-in-fact with full investment power and authority on behalf of the client's account. Clients may place limitations on this authority, including restricting purchases of certain issuers. This discretion does not extend to the arrangements where the Firm simply provides model portfolios to clients.

### **Item 17 - Voting Client Securities**

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The Firm votes proxies for the registered and private funds. The Firm does not vote proxies for securities held in non-discretionary accounts. The Adviser has Proxy Voting Policies and Procedures that set forth the general principles used to determine how the Adviser votes proxies on securities in client accounts for which the Adviser has proxy voting authority. The Adviser's general policy is to vote proxies in the best

interests of clients. In pursuing this policy, the Adviser votes in a manner that is intended to maximize the value of client assets. The Adviser's Proxy Voting Policies and Procedures describe how the Adviser usually votes proxies on various matters, such as proposals on corporate governance, changes to capital structure and routine matters, including the election of directors and ratification of the appointment of independent auditors. The Adviser's Proxy Voting Policies and Procedures describe how the Adviser addresses conflicts of interest between the Adviser and its clients with respect to proxy voting decisions. To resolve conflicts, the Adviser will abstain from making a voting decision and will forward all of the necessary proxy voting materials to the client to cast the votes or engage an independent proxy voting service.

In most instances where the proxy relates to an underlying investment company owned by the registered or private funds, pursuant to requirements of the Investment Company Act of 1940, the Firm must cast proxy votes in the same proportion as all other shareholders of the underlying fund. The same may not be the case for underlying funds owned by the private funds if no shares of the same underlying fund are owned by the registered funds. In some instances, Firm has entered into a Participation Agreement consistent with an exemptive order issued by the Securities and Exchange Commission allowing the registered funds to make investments in excess of the normal limits imposed by Section 12d-1 of the Investment Company Act of 1940.

If you would like a copy of the Proxy Voting Policies and Procedures or information on how proxies were voted with respect to securities held in your account, please call 1-800-646-0148 or write to RiverNorth Capital Management, LLC, 325 North LaSalle St., Suite 645, Chicago, IL 60654. Clients may direct the Firm's vote on a particular solicitation by calling the Firm.

## **Item 18 - Financial Information**

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RiverNorth does not believe there is any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

PATRICK GALLEY, CFA  
STEPHEN O'NEILL, CFA  
PHILIP BARTOW  
ANDREW KERAI, CFA

RIVERNORTH CAPITAL MANAGEMENT, LLC  
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Brochure Supplement  
March 29, 2019

This brochure supplement provides information about Patrick Galley, Stephen O'Neill, Philip Bartow and Andrew Kerai that supplements the RiverNorth Capital Management, LLC brochure. You should have received a copy of that brochure. Please contact Marcus L. Collins, Chief Compliance Officer, if you did not receive RiverNorth Capital Management, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Patrick Galley, Stephen O'Neill, Philip Bartow and Andrew Kerai is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

PATRICK GALLEY, CFA

Educational Background and Business Experience

Year of Birth: 1975

Education: Mr. Galley graduated with honors from Rochester Institute of Technology with a B.S. in Finance.

Business Experience

Mr. Galley is the Chief Investment Officer for RiverNorth. Patrick heads the firm's research and investment team and oversees all portfolio management activities at RiverNorth. Patrick also serves as the President and Chairman of RiverNorth Funds, RiverNorth Marketplace Lending Corporation and RiverNorth/DoubleLine Strategic Opportunities Fund.

Prior to joining RiverNorth in 2004, Patrick was most recently a Vice President at Bank of America in the Global Investment Bank's Portfolio Management group. At Bank of America, he specialized in analyzing and structuring corporate transactions for investment management firms in addition to closed-end and open-end funds, hedge funds, fund of funds, structural investment vehicles and insurance/reinsurance companies.

Professional Designations

Mr. Galley has received the Chartered Financial Analyst (CFA) designation. We must provide you with sufficient explanation of the minimum qualifications required for this designation to allow you to understand the value of the designation.

The Chartered Financial Analyst (CFA) charter is a professional designation established in 1962 and awarded by CFA Institute. To earn the CFA charter, candidates must pass three sequential, six-hour examinations over two to four years. The three levels of the CFA program test a wide range of investment topics, including ethical and professional standards, fixed-income analysis, alternative and derivative investments, and portfolio management and wealth planning. In addition, CFA charterholders must have at least four years of acceptable professional experience in the investment decision-making process and must commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

Disciplinary Information

Mr. Galley does not have any disciplinary information to report.

Other Business Activities

Mr. Galley serves as the President and Chairman of RiverNorth Funds, a mutual fund complex for which RiverNorth serves as the investment adviser. Patrick also serves as a Director for the RiverNorth Opportunities Fund, Inc. Board.

Additional Compensation

Mr. Galley does not have any additional compensation to report.

Supervision

Mr. Galley is the Chief Investment Officer of the firm and a member of the Board of Managers. He has supervisory responsibilities for all of the firm's investment activities. He reports to the firm's Board of Managers.

STEPHEN O'NEILL, CFA

### Educational Background and Business Experience

Year of Birth: 1979

#### Education

Mr. O'Neill graduated magna cum laude from Miami University in Oxford, Ohio with a B.S. in Finance and a minor in Economics.

#### Business Experience

Mr. O'Neill is a Portfolio Manager and trader at RiverNorth. He co-manages the firm's closed-end fund trading strategies. Steve is also a member of the asset allocation team and helps to oversee the research analysts at RiverNorth.

Prior to joining RiverNorth, Mr. O'Neill was most recently an Assistant Vice President at Bank of America in the Global Investment Bank's Portfolio Management group. At Bank of America he specialized in the corporate real estate, asset management and structured finance industries.

#### Professional Designations

Mr. O'Neill has received the Chartered Financial Analyst (CFA) designation.

We must provide you with sufficient explanation of the minimum qualifications required for this designation to allow you to understand the value of the designation.

The Chartered Financial Analyst (CFA) charter is a professional designation established in 1962 and awarded by CFA Institute. To earn the CFA charter, candidates must pass three sequential, six-hour examinations over two to four years. The three levels of the CFA program test a wide range of investment topics, including ethical and professional standards, fixed-income analysis, alternative and derivative investments, and portfolio management and wealth planning. In addition, CFA charterholders must have at least four years of acceptable professional experience in the investment decision-making process and must commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

#### Disciplinary Information

Mr. O'Neill does not have any disciplinary information to report.

#### Other Business Activities

Mr. O'Neill does not have investment-related or other business activities to report.

#### Additional Compensation

Mr. O'Neill does not have any additional compensation to report.

#### Supervision

Mr. O'Neill's investment activities are supervised by Patrick Galley, Chief Investment Officer, (312) 832-1440.



PHILIP BARTOW

Educational Background and Business Experience

Year of Birth: 1980

Education

Mr. Bartow graduated from Williams College with a B.A. in Accounting. He earned his M.B.A. with a concentration in Accounting and Finance from Columbia Business School.

Business Experience

Mr. Bartow is a Portfolio Manager at RiverNorth. He manages the firm's marketplace lending strategies.

Prior to joining RiverNorth, Mr. Bartow was most recently a Principal at Spring Hill Capital in New York. Prior to that, Mr. Bartow worked in the Securitized Products Group at Lehman Brothers..

Professional Designations

Mr. Bartow holds his Series 65 securities license.

Disciplinary Information

Mr. Bartow does not have any disciplinary information to report.

Other Business Activities

Mr. Bartow does not have investment-related or other business activities to report.

Additional Compensation

Mr. Bartow does not have any additional compensation to report.

Supervision

Mr. Bartow's investment activities are supervised by Patrick Galley, Chief Investment Officer, (312) 832-1440.

ANDREW KERAI

Educational Background and Business Experience

Year of Birth: 1980

Education

Mr. Kerai graduated Summa Cum Laude from American University with a dual degree in international finance and accounting.

Business Experience

Mr. Kerai is a Senior Credit Strategist at RiverNorth. He is also co-portfolio manager the firm's marketplace lending strategies.

Prior to joining RiverNorth, Mr. Kerai was most recently a portfolio manager of an actively managed open-end mutual fund which invested in the equity securities of publicly-traded credit-focused investment funds including business development companies.

Professional Designations

Mr. Kerai has received the Chartered Financial Analyst (CFA) designation.

We must provide you with sufficient explanation of the minimum qualifications required for this designation to allow you to understand the value of the designation.

The Chartered Financial Analyst (CFA) charter is a professional designation established in 1962 and awarded by CFA Institute. To earn the CFA charter, candidates must pass three sequential, six-hour examinations over two to four years. The three levels of the CFA program test a wide range of investment topics, including ethical and professional standards, fixed-income analysis, alternative and derivative investments, and portfolio management and wealth planning. In addition, CFA charterholders must have at least four years of acceptable professional experience in the investment decision-making process and must commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

Disciplinary Information

Mr. Kerai does not have any disciplinary information to report.

Other Business Activities

Mr. Kerai does not have investment-related or other business activities to report.

Additional Compensation

Mr. Kerai does not have any additional compensation to report.

Supervision

Mr. Kerai's investment activities are supervised by Patrick Galley, Chief Investment Officer, (312) 832-1440.

# RIVERNORTH<sup>®</sup>

## COMPLIANCE POLICIES AND PROCEDURES MANUAL

### Section 17 - Privacy Policy

#### **Summary**

The Adviser is prohibited from sharing shareholder or client information with third parties unless permitted by an exception to Federal securities laws or state consumer protection laws.

#### **Policy and Procedures**

RiverNorth Capital Management, LLC has adopted a privacy policy and the CCO reviews the policy periodically to insure the firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

#### ***Non-Disclosure of Client Information***

RiverNorth Capital does not share any nonpublic personal information with any nonaffiliated third parties, except in the following circumstances:

- As necessary to provide the service that the client has requested or authorized, or to maintain and service the client's account;
- As required by regulatory authorities or law enforcement officials who have jurisdiction over RiverNorth Capital or as otherwise required by any applicable law; and
- To the extent reasonably necessary to prevent fraud and unauthorized transactions.

Employees are prohibited, either during or after termination of their employment, from disclosing client information to any person or entity outside RiverNorth Capital including family members, except under the circumstances described above. An employee is permitted to disclose personal information only to other employees who need to have access to this information to provide services to the client.

#### ***Security of Client Information***

RiverNorth Capital restricts access to personal information to those employees who need to know such information to provide services to our clients. Any client information is secured in a locked file cabinet after business hours. All electronic or computer files containing such information shall be password secured and firewall protected from access by unauthorized persons. Any conversations involving personal information must be conducted by employees in a manner that protects the information from being overheard.

#### ***Privacy Notices***

RiverNorth Capital provides to client the privacy policy notice (see attached) at the time the client signs the advisory agreement and acknowledges receipt of a copy of the privacy policy. RiverNorth Capital will also mail to each client, on an annual basis, a notice of the firm's current privacy policy. This delivery is made with the first billing statement each year. RiverNorth Capital's privacy policy is also offered quarterly to all clients via the quarterly billing statement.

# RIVERNORTH<sup>®</sup>

## COMPLIANCE POLICIES AND PROCEDURES MANUAL

### Privacy Policy

The policies and procedures detailed below (“Privacy Policy”) establish the guidelines concerning how RiverNorth Capital Management, LLC and its affiliates<sup>1</sup> (referred to herein collectively as “RiverNorth”) gathers and uses information about you. Please review the Privacy Policy carefully.

Financial companies such as RiverNorth choose how they share your personal information. This Privacy Policy provides information about how we collect, share, and protect your personal information, and how you might choose to limit our ability to share certain information about you.

All financial companies need to share customers’ personal information to run their everyday businesses. Accordingly, your information plays an important role in the success of our business. However, we recognize that you have entrusted us with your personal and financial data, and we recognize our obligation to keep this information secure. Maintaining your privacy is important to us, and we hold ourselves to a high standard in its safekeeping and use. Most importantly, RiverNorth does not sell its customers’ non-public personal information to any third parties. RiverNorth uses its customers’ non-public personal information primarily to complete financial transactions that its customers request or to make its customers aware of other financial products and services offered by RiverNorth.

RiverNorth may collect non-public information about you from the following sources:

Information we receive about you on applications or other forms;

Information you may give us orally;

Information about your transactions with us or others;

Information you submit to us in correspondence, including emails or other electronic communications;  
and

Information about any bank account you use for transfers between your bank account and any Fund account, including information provided when effecting wire transfers.

RiverNorth does not disclose any non-public personal information about our customers or former customers without the customer’s authorization, except that we may disclose the information listed above, as follows:

It may be necessary for RiverNorth to provide information to nonaffiliated third parties in connection with our performance of the services we have agreed to provide you. For example, it might be necessary to do so in order to process transactions and maintain accounts. RiverNorth exercises great care in making sure those entities have safeguards to protect your information and that they do not use your information for other purposes.

RiverNorth will release any of the non-public information listed above about a customer if directed to do so by that customer or if RiverNorth is authorized by law to do so, such as in the case of a court order, legal investigation, or other properly executed governmental request.

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<sup>1</sup> This Privacy Policy covers direct clients of RiverNorth Capital Management, LLC and the following funds managed or advised by RiverNorth Capital Management, LLC: RiverNorth Funds, RiverNorth Capital Partners, L.P., RiverNorth Institutional Partners, RiverNorth Specialty Finance, LLC, RiverNorth Marketplace Lending Corp., RiverNorth/DoubleLine Strategic Opportunity Fund, Inc. and RiverNorth Opportunistic Municipal Income Fund.

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## COMPLIANCE POLICIES AND PROCEDURES MANUAL

In order to alert a customer to other financial products and services offered by RiverNorth or an affiliate, RiverNorth may share information with an affiliate, including companies using the RiverNorth name or logo. Such products and services may include, for example, other investment products managed by or affiliated with RiverNorth. If you prefer that we not contact you for this purpose or not disclose non-public personal information about you to our affiliates for this purpose, you may direct us not to make such disclosures (other than disclosures permitted by law) by calling 1-800-646-0148, emailing us at [info@rivernorth.com](mailto:info@rivernorth.com) or mailing us at 325 North LaSalle Street, Suite 645, Chicago, Illinois 60654. If you limit this sharing and you have a joint account, your decision will be applied to all owners of the account.

We will limit access to your personal account information to those agents and vendors who need to know that information to provide products and services to you. Your information is not provided by us to nonaffiliated third parties for marketing purposes. We maintain physical, electronic, and procedural safeguards to guard your non-public personal information.

As required by federal law, RiverNorth will notify customers of RiverNorth's Privacy Policy annually. RiverNorth reserves the right to modify this policy at any time, but in the event that there is a change, RiverNorth will promptly inform its customers of that change.

Revised 2/20/2019