

## Item 1 – Cover Page



March 30, 2012

## Supplemental Information

Part 2A of Form ADV: Uniform Application  
For Investment Adviser Registration

This brochure provides information to clients and prospective clients about the qualifications and business practices of Thompson, Siegel & Walmsley LLC ("TS&W" or the "Firm"). If you have any questions about the contents of this brochure, please contact us at (804) 353-4500 or at the email address listed below. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

TS&W is a SEC registered investment adviser. Registration does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about TS&W is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with TS&W who are registered, or are required to be registered, as investment adviser representatives of TS&W.

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## Item 2 – Material Changes

This item discusses only specific material changes that are made to the brochure and provides clients with a summary of such changes. In this updated brochure dated March 30, 2012, there are no material changes to report.

In the past, we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new brochure as necessary based on changes or new information, at any time, without charge. Currently, our brochure may be requested by contacting Jessica L. Thompson, Chief Compliance Officer at (804) 353-4500 or [tswinfo@tswinvest.com](mailto:tswinfo@tswinvest.com). Our brochure is also available on our web site [www.tswinvest.com](http://www.tswinvest.com), also free of charge.

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## TS&W's MISSION STATEMENT

TS&W's mission is to understand, meet and exceed each client's expectation of value by delivering service excellence and consistent excess returns. To accomplish our mission, we will employ highly motivated individuals who want to grow and prosper in a stimulating, challenging and enjoyable work environment that values focus, integrity, teamwork and excellence.

## Item 4 – Advisory Business

### 4. A. Firm History and Ownership

Thompson, Siegel & Walmsley LLC ("TS&W") was founded in 1969 and is a Delaware limited liability company. Our sole line of business is investment management and 100% of the Firm's revenues are generated from assets under management. TS&W operates as an independent, autonomous subsidiary of Old Mutual (US) Holdings Inc. ("OMUSH").

As of December 31, 2011, OMUSH was a majority owner of TS&W at approximately 80%, and TS&W Investment Holdings LP, comprised of approximately 27 key employees of TS&W, owned approximately 20%. The target ownership breakdown is approximately 75.1% OMUSH / 24.9% TS&W employees. OMUSH is a Boston-based holding company, which is a wholly-owned subsidiary of Old Mutual, plc, a global financial services organization. Shares of Old Mutual plc are publicly traded on the London Stock Exchange and certain other stock exchanges, and the firm is among the Fortune Global 300.

### 4. B. Services

TS&W provides value-oriented investment advisory and management services in the areas of domestic equity, international equity, long/short equity and fixed income securities through a range of market capitalization strategies and a variety of investment vehicles to institutions and high-net-worth individuals. TS&W also acts as an investment adviser to two limited liability companies. In addition, we provide portfolio investment management services as an adviser and a sub-adviser to investment companies registered under the Investment Company Act of 1940 ("1940 Act"), and to certain Unified Managed Account ("UMA") and Separately Managed Account ("SMA") programs. On a case-by-case basis where certain issues may exist, TS&W reserves the right to reject any account not consistent with its investment philosophy and approach; and reserves the right to decline investment management for non-U.S. citizens.

### 4. C. Individual Client Restrictions and Needs

TS&W's management of client portfolios is generally on a fully discretionary basis, although clients have the ability to impose restrictions on investing in certain securities or types of securities through the establishment of their investment objectives and guidelines. In this way, and as described below, TS&W tailors the level of service among varying client types. TS&W's institutional and high-net-worth clients receive the most direct client service and support, as certain TS&W personnel are dedicated to each account. Our institutional and high-net-worth clientele are serviced by a Client Service Representative or Portfolio Manager, as well as a Client Service Specialist. The high-net-worth client arrangements may also include additional advisory services as needed:

- Analysis or review of the client's current financial condition;
- Development of investment objectives, incorporating such factors as time horizons, risk tolerance, return expectations, tax considerations and liquidity needs;
- Design of an asset allocation strategy, including alternative investment vehicles, where appropriate, to meet the investment objectives;
- Periodic evaluation of performance and investment objectives; and
- Education regarding certain estate planning concepts.

## 4. D. Wrap Fee Programs

TS&W manages specific investment strategies in Unified Managed Account (“UMA”) and Separately Managed Account (“SMA”) programs sponsored by unaffiliated financial institutions similar to its management of the same strategies implemented in its institutional and high-net-worth client accounts. In the UMA/SMA programs however, TS&W personnel primarily support the financial sponsor and not the actual underlying client. The primary difference between an SMA and UMA program is that in an SMA program, trading is the responsibility of the investment manager (TS&W); whereas, in a UMA program, the investment manager (TS&W) provides a “model” portfolio and the financial sponsor maintains and retains trading and asset allocation responsibility. The UMA/SMA sponsors may monitor TS&W's performance and may also act as custodian or provide some combination of these or other services--all for a single fee (“wrap fee”). The UMA/SMA sponsor pays a portion of the wrap fee it receives to TS&W.

As part of such UMA/SMA sponsored programs, TS&W may be directed by clients to effect transactions for the accounts through the program's sponsor. In evaluating such a program, a client should understand that brokerage commissions are not negotiated by TS&W, and that TS&W may not be free to seek the best available price and most favorable execution by placing the transactions with other broker/dealers of its choice. Essentially, transactions are effected “net” and a portion of the wrap fee is generally considered in lieu of commissions. Further, should TS&W ever utilize another broker-dealer or participate in step-out transactions, the client may be required to pay a commission, concession or a dealer mark-up or mark-down which is in addition to the fee paid to the program sponsor. TS&W will request UMA/SMA sponsors to allow the use of step-outs for block trades; however, transactions made at account openings, account terminations and for cash flow purposes will be generally executed with the UMA/SMA sponsor/broker, so as to avoid incurring the incremental brokerage costs that would result from use of other brokers. In the UMA relationships, the client’s portfolio transactions are executed without commission. In evaluating a UMA/SMA account arrangement, the client should consider whether, depending on the level of the wrap fee, the amount of portfolio activity, and the value attributed to monitoring, custodial and any other services provided, the total fee would exceed the aggregate cost of such services if they were separately provided and TS&W were free to choose broker-dealers to execute portfolio transactions.

## 4. E. Firm Assets Under Management

As of December 31, 2011, the total assets under management were \$6,758,700,000 of which \$6,047,800,000 were discretionary assets and \$710,900,000 were non-discretionary assets.

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## **Item 5 – Fees and Compensation**

### 5. A. Fee Calculations and Fee Schedules

Most TS&W clients are charged a fixed-percentage fee per annum for investment advisory services based on assets under management calculated as stipulated in the client’s Investment Management Agreement (“IMA”) with TS&W. TS&W requires a minimum asset amount of \$1,000,000 for a new high-net-worth client account and requires a minimum account fee of \$12,000 per year. Minimum asset requirements for institutional accounts are \$10,000,000. TS&W reserves the right to make exceptions from any of these minimums on a case-by-case basis. All fees are subject to negotiation and may vary from the fee schedules shown below.

# Thompson, Siegel & Walmsley LLC

TS&W's basic fee schedules for the strategies listed below are as follows:

| Strategy   | Fee Schedule:<br><i>Value of the Portfolio Annual Fee</i>  | Special Notes   |
|--|--|---|
| <b>TS&amp;W Large Cap Core and Balanced Core</b>                                   | First \$ 5.0 Million .75%<br>Next \$15.0 Million .65%<br>Next \$30.0 Million .55%<br>Next \$50.0 Million .45%<br>Over \$100 Million – Negotiable |   |
| <b>TS&amp;W Large Cap Value</b>  | First \$10.0 Million .70%<br>Next \$10.0 Million .65%<br>Next \$30.0 Million .55%<br>Next \$50.0 Million .45%<br>Over \$100 Million - Negotiable |   |
| <b>TS&amp;W Small Cap Value</b>  | First \$100.0 Million 1.00%<br>Over \$100.0 Million - Negotiable   | TS&W Small Cap Value strategy is closed to new investors. The Touchstone Small Cap Value Opportunities Fund* remains open to new investors. |
| <b>TS&amp;W International Small Cap</b>  | First \$100.0 Million 1.00%<br>Over \$100.0 Million - Negotiable   |   |
| <b>TS&amp;W Mid Cap Value &amp; SMID Cap Value</b>                                 | First \$ 50.0 Million .85%<br>Next \$ 50.0 Million .75%<br>Over \$100.0 Million - Negotiable   | TS&W SMID Cap Value strategy is closed to new investors.  |
| <b>TS&amp;W International Equity</b>   | First \$25.0 Million .70%<br>Next \$25.0 Million .60%<br>Over \$50.0 Million .50%<br>Over \$100.0 Million - Negotiable                           |   |
| <b>TS&amp;W Fixed Income –<br/>Aggregate/Intermediate/Core<br/>Plus/Municipal</b>  | First \$25.0 Million .45%<br>Next \$25.0 Million .35%<br>Over \$50.0 Million .30%  |   |
| <b>TS&amp;W High Yield Bond/High Yield<br/>Equity/Strategic High Income Equity</b> | First \$50.0 Million .65%<br>Over \$50.0 Million .50%  |   |
| <b>WPS Strategy</b>  | 1% Annually  | See note below**  |

\*Touchstone Advisors, Inc. Funds (formerly distributed through Old Mutual Funds II)

\*\*Performance incentive equals 20% of "New High", the highest previous period-end value or, if higher, the value of the account when it was initiated. Please read the Confidential Private Placement Memorandum, Limited Liability Company Agreement and Subscription Agreement for a complete performance incentive fee description. A Fund Member or investor's return will be reduced by these and other related expenses. The actual fees charged to a Fund Member or investor may vary.

## 5. B. Fee Billing Process

Clients have a choice of receiving an invoice for the investment management fee or having fees deducted from their custody account. This is specified in the client's IMA with TS&W. In the event a client chooses to have the fee deducted from the custody account, a duplicate bill will be sent to the client for their records outlining the appropriate fee schedule and actual fee billed. Clients are encouraged to review the duplicate invoice to ensure the proper fee calculation has been made. One quarter of the annual investment management fee is payable quarterly, either in advance or arrears, and is generally based on the portfolio's quarter ending market value. The methodologies for assessing values and calculating

the fees may vary and are detailed in the IMA. All IMA's may be cancelled by either party on thirty (30) days' written notice unless the IMA states otherwise.

## 5. C. Other Types of Fees and Expenses

TS&W advises/sub-advises a series of no-load mutual funds which may be viewed as an economical alternative to individual security holdings in certain cases. Although a TS&W client will pay an annual advisory fee to the mutual fund(s) in accordance with the fund's stated fee schedule found in its prospectus/SAI, TS&W will not charge the account an additional advisory fee with respect to account assets that are invested in mutual funds where TS&W acts as the adviser or the sub-adviser. In some cases and from time to time, TS&W may invest clients' funds in non-TS&W advised or sub-advised mutual funds, ETFs or iShares. In these instances, the client may be paying two fees for the management of those assets; one to TS&W and one to the mutual fund /ETF/iShare manager. This is further detailed in the IMA.

TS&W's investment management fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as fees charged by managers, custodial 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. In addition, open-end mutual funds advised /sub-advised or invested in by TS&W may apply redemption fees. Please review the appropriate prospectus for timing and level of fees imposed. All such other charges, fees, and commissions, as described above, are exclusive of and in addition to TS&W's fee, and TS&W shall not receive any portion of these commissions, fees, and costs. Brokerage Practices (Item 12) further describes the factors that TS&W considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

In some instances, TS&W is retained under a UMA/SMA sponsor arrangement in which a broker-dealer or investment adviser recommends TS&W as manager. In such cases, TS&W manages specific investment strategies in UMA/SMA programs similar to its management of the same TS&W institutional strategy. The UMA/SMA sponsor pays a portion of the management fee it receives to TS&W. Typically, in a UMA/SMA sponsor arrangement, TS&W will receive a management fee in the range of 0.22% to 0.65% of assets managed, depending on the sponsor and investment strategy.

Finally, TS&W may participate in performance-based fee structures. See Performance-Based Fees and Side-by-Side Management (Item 6) below for further details.

## 5. D. Fee Refunds Upon Account Termination

When an account relationship terminates, a pro rata portion of the fee will be refunded or billed depending on whether the account is billed in advance or arrears, and according to the termination clause of the IMA. TS&W reserves the right to make exceptions from this procedure on a case-by-case basis.

## 5. E. Compensation for Sale of Securities or Other Investment Products

Not Applicable

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

In some cases, TS&W has entered into performance-based fee arrangements with qualified clients on a limited basis. TS&W will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisers Act of 1940 (The Advisers Act) in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In measuring clients' assets for the calculation of performance-based fees, TS&W shall include realized and unrealized capital gains and losses. Potential conflicts of interest exist in the side-by-side management of these performance-based fee accounts with asset-based or fixed fee accounts. Performance-based fee arrangements may create an incentive for TS&W to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an



incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. For example, in such performance-based accounts, to the extent performance targets are realized, compensation may be higher than it otherwise would be on portfolios with a flat fee or asset-based fee.

TS&W adheres to policies and procedures designed and implemented to minimize any potential conflicts as a result of performance-based fees, and to ensure that all clients are treated fairly and equally. Such procedures are designed to cover issues which may arise during order aggregation, trade allocations, Initial Public Offering (“IPO”) allocations, and include trade restrictions and trade monitoring, among other actions. Details of certain procedures are further outlined in Brokerage Practices (Item 12) and in the following conflict of interest examples:

## **Definitions/Account Types which are Described Below:**

**Primary Strategies:** Those investment strategies which utilize TS&W’s proprietary four-factor screening process. These are sometimes also referred to as “long-only equity strategies”.

**WPS Capital Fund, LLC (“WPS Fund”) and WPS Strategy, together (“WPS” or “WPS Strategy”)** which TS&W manages, has performance-based fees and is not considered a TS&W “Primary Strategy” nor managed using the standard four-factor screening process. See Investment Strategies and Material Risks (Item 8. B.) for more details.

- **Conflict Example: Side-by-Side Management**
  - A conflict could occur with portfolio managers managing multiple strategies, funds, and accounts (which may include the WPS Fund with performance-based fees), whereby managers may devote unequal time and attention to each strategy or fund.
  - **Mitigation of Conflict:** TS&W seeks to minimize these conflicts by 1) having all long-only equity strategies driven by the same four-factor screening process, thereby focusing managers’ time more efficiently on security selection; 2) designating co-portfolio managers for most strategies; and 3) making all portfolio managers aware of all trades contemporaneously. The WPS portfolio manager does not manage any other strategy for the Firm in order to further mitigate this conflict.
- **Conflict Example: Long-only Strategies vs. Short Sales**
  - A conflict could occur with TS&W’s long-only strategies holding securities (taking long positions) for certain accounts while TS&W simultaneously engages in short sales of those same securities in WPS.
  - **Mitigation of Conflict:** TS&W seeks to mitigate these conflicts by prohibiting any TS&W Primary Strategy from shorting any TS&W primary equity holding. A “primary equity holding” is defined as any core holding in TS&W’s long-only equity strategies derived using the four-factor screening process. It excludes miscellaneous securities held in TS&W’s high-net-worth clients’ taxable portfolios or in WPS. WPS is managed with a different investment process from the four-factor screening process and has significantly higher turnover than TS&W’s traditional strategies. WPS may not short a TS&W primary equity security holding unless it is greater than \$10 billion in market capitalization. Although TS&W takes steps to minimize such conflicts of interest, these conflicts cannot be alleviated entirely.
- **Conflict Example: Performance-based Fees vs. Other Fee Structures**
  - An additional conflict could occur since WPS has a performance-based incentive fee, and may own the same securities as those purchased in long-only equity strategies driven by the four-factor screening process. The independence of the trading responsibilities could result in clients being disadvantaged on specific trades since WPS may trade at a different time, and sometimes does not participate in block trading.
  - **Mitigation of Conflict:** TS&W has established procedures to mitigate this conflict which essentially allow all portfolio managers, including the WPS portfolio manager, to have complete access to all orders contemplated by portfolio managers or already on the desk. This allows both the long-only portfolio managers and the WPS manager to participate in each other’s orders at the same average price, if it is appropriate for the respective strategy. TS&W’s Compliance Department monitors this trading activity weekly as part of its forensic testing to reduce this potential conflict. TS&W’s approach is to provide open transparency of the trading process and allow an equal opportunity for the long-only equity strategies and WPS to participate on an equal basis.



## Item 7 – Types of Clients

TS&W provides investment advice to institutions and individuals typically falling in one of the following categories:

|   |                              |
|---|------------------------------|
| Public Funds                                    | Individuals                  |
| Pension and Profit-sharing Plans                | Trusts/Estates               |
| Taft Hartley Plans                              | Investment Companies         |
| Hospitals                                       | Collective Investment Trusts |
| Limited Liability Companies                     | Insurance companies          |
| UMA/SMA Sponsors                                |                              |
| Endowments/Foundations/Charitable Organizations |                              |

See Advisory Business (Item 4) and Fees and Compensation (Item 5) for further details regarding account opening requirements and minimums.

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

### 8. A. Investment Types and Analysis

TS&W may offer investment advice on the following types of investments:

| EQUITY SECURITIES  | FIXED INCOME SECURITIES  | OTHER   |
|--|--|---|
| <ul style="list-style-type: none"> <li>- Common Stocks</li> <li>- International Stocks</li> <li>- Preferred Stocks</li> <li>- Interests in Publicly Traded Limited Partnerships</li> <li>- American Depositary Receipts ("ADRs")</li> <li>- European Depositary Receipts ("EDRs")</li> <li>- Global Depositary Receipts ("GDRs")</li> <li>- Exchange Traded Funds ("ETFs")</li> <li>- Mutual Funds (Stock and Bond)</li> </ul> | <ul style="list-style-type: none"> <li>- U.S. Government Bonds and Obligations</li> <li>- U.S. Government Agency Obligations</li> <li>- Corporate Bonds</li> <li>- High Yield Securities</li> <li>- Mortgage-Backed Securities</li> <li>- Other Asset-Backed Securities</li> <li>- Collateralized Mortgage Obligations</li> <li>- Mortgage Dollar Rolls</li> <li>- Repurchase Agreements</li> <li>- Inflation-Protected Securities ("TIPS")</li> <li>- Municipal Bonds</li> <li>- TRAC-X Securities</li> </ul> | <ul style="list-style-type: none"> <li>- Options contracts (puts and calls) on securities and/or indexes</li> <li>- Foreign Currencies</li> </ul> |

TS&W uses a combination of fundamental and quantitative analysis as the basis for its investment processes. TS&W's typical assignments involve a specific strategy, such as "small cap value" or "fixed income core" whereby TS&W utilizes the equity or fixed income process outlined below to select securities that are designed to outperform a specific industry benchmark. In other instances, usually those involving high-net-worth clients, the processes summarized below might be mixed in order to produce a "balanced portfolio" to meet a specific client asset allocation objective or industry benchmark.

**For all of the following investment strategies and risks described, it should be noted that investing in securities involves a risk of loss that clients should be prepared to bear. Certain investments may be considered to be higher risk than others due to such factors as individual security trading liquidity, foreign and domestic market liquidity, exposure to changes in the dollar/foreign currencies among others and further described in this section under risks.**

### 8. B. Investment Strategies and Material Risks

#### Equity Strategy Description

TS&W long-only equity strategies are driven by a bottom-up process that combines a quantitative tool and fundamental analysis to build a portfolio of securities designed to outperform a specific style index. The initial universe for each strategy consists of actively traded stocks with a market capitalization range similar to the designated index,

approximately 1000 - 2500 stocks. This universe is further refined utilizing a proprietary four-factor screen. The screen combines cash flow yield, relative cash flow multiple analysis, earnings potential and recent price action. From the screen, approximately 200 – 400 stocks are identified for further research.

The Portfolio Managers meet to review portfolio holdings and discuss sector weightings and stocks identified by the screen as being attractive. Each week, a few stocks are earmarked for further fundamental analysis. The Firm's research team focuses its research on three key drivers of performance: 1. Why is the stock inexpensive? 2. What is changing? 3. Is that change sustainable? Research Analysts evaluate proprietary and publicly available information, including broker and independent research, company filings, and trade periodicals. They may speak with company management to hear their perspectives and outlook on the pertinent business issues.

Portfolio Managers are responsible for portfolio construction, focusing on building diversified portfolios designed to generate excess return versus the benchmark. The Portfolio Managers also make the buy and sell decisions, working with TS&W's trading desk to implement trades across all accounts employing the strategy. Established positions in the portfolio are continually reviewed for their risk/reward potential and re-ranked using the four-factor screen. Finally, at the end of this process, TS&W employs a strong sell discipline and stocks are sold for quantitative and/or fundamental reasons.

The small cap value strategy employed only by the Touchstone Small Cap Value Opportunities Fund follows the process described above with approximately 70%-85% overlap of the TS&W Small Cap Value strategy's same securities. The remaining 15%-30% are determined using a quantitative overlay methodology.

## **High Yield Equity Strategy Description**

The overall objective of the High Yield Equity strategy is to produce an attractive total return from a well-diversified portfolio of primarily large capitalization, U.S. based companies and preferred stocks. The common stock portion is derived using the proprietary four-factor screening process, but places more emphasis on dividend yields during the fundamental analysis component of the process.

## **Strategic High Income Equity Strategy Description**

The Strategic High Income Equity strategy is designed for investors seeking a high level of income while retaining the potential to achieve capital appreciation through an allocation to common stocks. This strategy is intended as a pure equity substitute with defensive attributes. This strategy consists of a well-diversified portfolio of primarily large capitalization, U.S. based companies, preferred stocks, investment grade and high yield (less than investment grade) fixed income securities. The common stock position will be derived using the proprietary four-factor screening process described above.

## **Fixed Income Strategy Description**

The fixed income investment process focuses on portfolio duration, yield curve position, sector allocation and security selection. The decision making process utilizes top-down macro-economic analysis, yield curve analysis, relative value analysis, and fundamental credit analysis in constructing a diversified portfolio of investment grade fixed income securities. The TS&W Core Plus Fixed Income strategy allows up to 20% of less than investment grade fixed income securities to be held in accounts. TS&W seeks to add value through active management, and the fixed income investment objective is to outperform the appropriate Barclays Capital index or Bank of America Merrill Lynch Municipal index over market cycles.

## **High Yield Fixed Income Strategy Description**

The High Yield Fixed Income strategy is designed to produce an attractive income rate of return from a well-diversified portfolio consisting primarily of high yield, less than investment grade, fixed income securities. This strategy is designed to generally focus on the "higher quality" spectrum of high yield securities, particularly those rated BB and B; not on "lower quality" high yield securities, i.e. rated C or below.

## Custom Balanced Strategy Description

TS&W works with clients to establish their investment policy guidelines and risk tolerance to tailor balanced portfolios to meet their objectives. Balanced portfolios generally are comprised of a mix of stocks, core or value, and fixed income securities. The mix may include small to large capitalization, domestic or international equities, investment grade and less than investment grade fixed income securities, as well as alternative investment strategies. The long-only stock positions will be derived using the proprietary four-factor screening process described above.

## WPS Strategy Description

WPS is a long/short equity strategy that emphasizes individual stock selection within the discipline of a conservative hedge fund model. WPS generally focuses on companies with mid-cap market capitalizations (at time of purchase) and uses fundamental and technical analysis in selecting investment opportunities. Investments are further categorized by the immediacy of potential catalysts that could impact a stock's valuation. WPS's goal is to create a repeatable investment process that generates consistent returns while limiting downside risk. WPS is an active trading strategy and only available to qualified purchasers. This strategy may be available through a private equity offering. The risks involved in investing in private equity are numerous and are outlined in the fund's Confidential Private Placement Memorandum, Limited Liability Company Agreement and Subscription Agreement. The WPS strategy invests in options. TS&W personnel will only introduce or recommend WPS as appropriate.

## Domestic Equity Risks

Under strategies utilizing equity securities, the portfolio is subject to the risk that stock prices may fall over short or extended periods of time. Historically, the equity markets have moved in cycles, and the value of the equity securities may fluctuate drastically from day-to-day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies may suffer a decline in response. These factors contribute to price volatility, which is the principal risk of investing in equity securities.

Undervalued companies may have experienced adverse business developments or other events that have caused their stocks to be out of favor. If TS&W's assessment of a company is inaccurate, or if the market does not recognize the value of a company, the price of its stock may fail to meet expectations and the company's share price may suffer. Value oriented securities may not perform as well as certain other types of securities using different approaches during periods when value investing is out of favor.

Options are involved in some equity strategies, involve risks and are not suitable for everyone. Option trading can be speculative in nature and can carry substantial risk of loss.

## International Equity Risks

Investing in foreign companies, whether through investments made in foreign markets or made through the purchase of ADRs, which are traded on U.S. exchanges and represent an ownership in a foreign security, poses additional risks since political and economic events unique to a country or region may affect those markets and their issuers. In addition to such general international risks, the portfolio may also be exposed to currency fluctuation risks and emerging markets risks as described further below. These risks will not necessarily affect the U.S. economy or similar issuers located in the U.S. While ADRs provide an alternative to directly purchasing the underlying foreign securities in their respective national markets and currencies, investments in ADRs continue to be subject to many of the risks associated with investing directly in foreign securities.

In addition, investments in foreign companies are generally denominated in a foreign currency. As a result, changes in the value of those currencies compared to the U.S. dollar may affect (positively or negatively) the value of the portfolio's investments. Such currency movements may occur separately from, and in response to, events that do not otherwise affect the value of the security in the issuer's home country. Also, the value of the portfolio may be influenced by currency exchange control regulations. The currencies of emerging market countries may experience significant declines against the U.S. dollar, and devaluation may occur subsequent to investments in these currencies by the portfolio. See Item 12 Brokerage Practices for a further discussion of foreign currency risks and TS&W's process regarding those transactions.

Finally, foreign investments, especially investments in emerging markets, can be riskier and more volatile than investments in the U.S. and are considered speculative and subject to heightened risks in addition to the general risks of investing in non-U.S. securities. Adverse political and economic developments can make it more difficult for the portfolio to sell its securities and could reduce the value of the portfolio. Differences in tax and accounting standards, and difficulties in obtaining information about foreign companies, can negatively affect investment decisions. Unlike more established markets, emerging markets may have governments that are less stable, markets that are less liquid and economies that are less developed. In addition, emerging markets securities may be issued by companies with smaller market capitalizations and may suffer periods of relative illiquidity; significant price volatility; restrictions on foreign investment; and possible restrictions on repatriation of investment income and capital. Furthermore, foreign investors may be required to register the proceeds of sales, and future economic or political crises could lead to price controls, forced mergers, expropriation or confiscatory taxation, seizure, nationalization or creation of government monopolies. Also, inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and securities markets of certain emerging market countries.

### **Fixed Income Risks**

Under strategies utilizing debt securities, changes in interest rates are one of the most important factors that could affect the value of a client's investment. Rising interest rates tend to cause the prices of debt securities (especially those with longer maturities) to fall. Rising interest rates may also cause investors to pay off mortgage-backed and asset-backed securities later than anticipated; forcing the portfolio to keep its money invested at lower rates. Falling interest rates, however, generally cause investors to pay off mortgage-backed and asset-backed securities earlier than expected, forcing the portfolio to reinvest the money at a lower interest rate.

The concept of duration is useful in assessing the sensitivity of a fixed income portfolio to interest rate movements, which are the main source of risk for most fixed income securities. Duration measures price volatility by estimating the change in price of a debt security for a 1% change in its yield. For example, a duration of five years means the price of a debt security will change about 5% for every 1% change in its yield. Thus, the higher the duration, the more volatile the security.

Debt securities have a stated maturity date when the issuer must repay the principal amount of the bond. Some debt securities, known as callable bonds, may repay the principal earlier than the stated maturity date. Debt securities are most likely to be called when interest rates are falling because the issuer can refinance at a lower rate.

The credit rating or financial condition of an issuer may affect the value of a debt security. Generally, the lower the quality rating of a security, the greater the risk that the issuer will fail to pay interest fully and return principal in a timely manner. Credit ratings are not an absolute standard of quality, but rather general indicators that reflect only the view of the originating rating agencies from which an explanation of the significance of such ratings may be obtained. If an issuer defaults or becomes unable to honor its financial obligations, the security may lose some or all of its value. The issuer of an investment-grade security is more likely to pay interest and repay principal than an issuer of a lower rated bond. Adverse economic conditions or changing circumstances, however, may weaken the capacity of the issuer to pay interest and repay principal.

High yield or "junk" bonds are highly speculative securities that are usually issued by smaller, less credit worthy and/or highly leveraged (indebted) companies. Compared with investment-grade bonds, high yield bonds carry a greater degree of risk and are less likely to make payments of interest and principal. Market developments and the financial and business conditions of the corporation issuing these securities influences their price and liquidity more than changes in interest rates, when compared to investment-grade debt securities. Insufficient liquidity in the junk bond market may make it more difficult to dispose of junk bonds and may cause the portfolio to experience sudden and substantial price declines. A lack of reliable, objective data or market quotations may make it more difficult to value junk bonds accurately.

## Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client’s evaluation of TS&W or the integrity of TS&W’s management. Neither TS&W nor any of its employees has had any material legal action, disciplinary action, or administrative proceeding or action taken against it since its inception in 1969. Through the affiliations created under OMUSH, TS&W is not aware of the day-to-day operations, finances, trading, legal or any other aspect of any affiliate's business practices. Therefore, TS&W is not able to respond on their behalf. TS&W has no information to report that is applicable to this item.

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## Item 10 – Other Financial Industry Activities and Affiliations

### Broker-Dealers

TS&W has an affiliation with a FINRA registered broker/dealer, Old Mutual Investment Partners (“OMIP”). OMIP is located at 200 Clarendon Street, 53rd Floor, Boston, MA 02116. As a limited capacity broker-dealer, OMIP holds the securities licenses for several of TS&W's associates. For more information on OMIP, please visit their website at: [www.oldmutualus.com](http://www.oldmutualus.com). The following TS&W personnel are either registered representatives of a broker-dealer or have an application pending to register:

*Catherine M. O'Driscoll -Supervising Principal*

|                           |                         |
|---------------------------|-------------------------|
| Thomas W. Coleman         | Michele P. Lifsey       |
| S. Preston Dillard        | Dawn L. Matty (Pending) |
| G. Gray Garland           | Tracy L. Musser         |
| Brandon H. Harrell        | John L. Reifsnider      |
| Tracey H. Ivey            | Elizabeth S. Ware       |
| Elizabeth Cabell Jennings | Pieter E. Van Saun      |

To avoid any conflict of interest, TS&W does not direct any trades through OMIP or any other affiliated broker- dealer.

### Investment Companies

TS&W serves as adviser to a series of no-load mutual fund portfolios within The Advisors' Inner Circle Funds. TS&W has several relationships with other non-affiliated investment companies acting in a sub-advisory capacity. Investment strategies for those funds are identical or similar to the strategies employed by TS&W for its clients. In some situations, the funds may be viewed as an economical alternative to individually managed separate accounts.

TS&W serves as an investment adviser to two related limited liability companies: WPS Capital Fund, LLC (the “WPS Fund”) and the TS&W International Small Cap Equity Fund together the (“LLCs”). As managing member for the WPS Fund, TS&W has day-to-day responsibility for the management of the WPS Fund, including sole discretion with respect to its investment transactions. Old Mutual Asset Management Trust Company (“OMAMTC”) is the managing member of the TS&W International Small Cap Equity Fund. Each of the LLCs offers units in private placements that are exempt from registration under the Securities Act of 1933, is exempt from registration as an investment company under the Investment Company Act of 1940, and is a private fund as defined under the Investment Advisers Act of 1940. Qualifying clients, TS&W’s affiliates and, in certain cases principals/employees of TS&W, may be investors in the LLCs. The offering of interests of the LLC’s has not been approved or disapproved by the U.S. Securities and Exchange Commission or by the securities regulatory authority of any state or of any other jurisdiction.

Side-by-side management could be considered a potential conflict of interest. These details and discussions of how such possible conflicts are mitigated are further outlined in Performance-Based Fees/Side-by-Side Management (Item 6) and Brokerage Practices (Item 12).



## Other Investment Advisers

TS&W provides investment advisory services to an affiliated investment adviser, Larch Lane Advisors LLC, by providing the WPS Strategy as a choice on Larch Lane's fund-of-funds platform.

## Banking or Thrift Institutions

TS&W serves as investment adviser to a mid cap collective investment trust for which OMAMTC is the trustee and to a LLC, as mentioned above, to which OMAMTC acts as the managing member. OMAMTC is a Maryland chartered banking institution that is under common control with TS&W. In addition to service as trustee/managing member, OMAMTC provides or contracts for various administrative, accounting and support services for the trust/LLC, including supervision of investment compliance by TS&W and appointing a qualified custodian. OMAMTC is paid a fee for providing these services. TS&W is compensated with an investment management fee for their services. These vehicles may be used as an alternative to separate account management, although the collective investment trust is exclusively for ERISA plans.

The investment strategy for the above collective trust is identical to the mid cap strategy employed by TS&W for its other clients. In some situations, this trust may be viewed as an economical alternative to individually managed separate accounts. Side-by-side management could be considered a potential conflict of interest. These details are further outlined in Brokerage Practices (Item 12).

## Insurance Companies or Agencies

As TS&W's parent company, OMUSH may provide "seed capital" to support potential new strategies at TS&W. They may also support TS&W in non-core areas of business such as product packaging, distribution, compliance, risk management, technology and legal counsel.

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## Item 11 – Code of Ethics

### 11. A. Overview of TS&W's Code of Ethics

The TS&W Board of Managers has adopted the Firm's Code of Ethics ("Code") which sets forth the standards of business conduct and fiduciary obligations that TS&W requires of all of its associates. TS&W's Code of Ethics is based upon the principle that all associates of the Firm owe a fiduciary duty to, among others, the clients of the Firm to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of clients; (ii) taking inappropriate advantage of their position with the Firm; and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility. TS&W's Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things.

TS&W's employees are permitted to invest in the same securities that the Firm might purchase for its client's accounts. TS&W has procedures in place to mitigate the potential conflict that an employee might "front run" a client transaction or otherwise benefit personally from market activity by a client in a common security. Each access person must receive prior written approval (pre-clearance) from the Firm's Review Officer or alternate designee before purchasing or selling securities in an account of which such access person has beneficial ownership. Blackout periods and restricted lists have been established to further deter inappropriate events. Details of the pre-clearance and prohibition process are found in TS&W's Code.

TS&W has adopted various procedures and internal controls to review, monitor and ensure the Firm's policy on personal securities transactions is observed, implemented properly and amended or updated, as appropriate, which are described in detail in the Code and summarized below:

- All TS&W associates will acknowledge, in writing, an understanding of the Code and will renew that acknowledgement annually;
- Access persons must initially identify all personal investment accounts and any accounts opening or closing on a quarterly basis;
- All personal securities transactions are reportable on a quarterly basis; and
- All access persons are required to deliver their account statements on the cycle they are produced for review.

**A complete copy of TS&W's Code of Ethics will be provided to any current or prospective client upon request.**

## 11. B. Interest in Client Transactions

It is TS&W's policy that the Firm will not affect any principal or agency cross securities transactions for client accounts. TS&W also will not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

In some instances, TS&W may recommend, as part of a client's asset allocation decision, investment strategies in which TS&W has some financial interest. Specifically, TS&W advises a series of no-load mutual fund portfolios within The Advisors' Inner Circle Fund family in which it earns an advisory fee. TS&W also acts as a sub-adviser and earns a sub-advisory fee for certain non-affiliated mutual fund families. In instances where TS&W has recommended the use of such advised or sub-advised funds in a client's account, TS&W will exclude those assets when calculating its fees in order to mitigate any conflict of interest.

Additionally, TS&W acts as an investment adviser to two limited liability companies ("LLCs"), as previously described in Performance-Based Fees and Side-by-Side Management (Item 6), , in Investment Strategies and Material Risks (Item 8.B.) and Other Financial Industry Activities and Affiliations (Item 10). TS&W's financial interests are disclosed in the Confidential Offering Memorandum, Limited Liability Company Agreement and Subscription Agreement for these LLC interests. The LLCs are managed on an independent basis, as are all investment strategies, and may invest in the same securities as other TS&W clients. A conflict of interest may occur if the price of securities held in the LLCs is affected by the independent trading of TS&W's other advisory clients. TS&W may give advice and make recommendations to buy or sell securities for the LLCs which may differ from advice given to, or securities recommended for, other accounts and clients. TS&W may employ different trading strategies for the LLCs than for its other clients and may select investments for the LLCs that are not suitable for other clients. Consequently, there can be no assurance that other clients' trades will not be different from, opposite to, or entered ahead or behind trades entered into by the LLCs. The performance of the LLCs or other client's investments could be adversely affected by the manner in which particular orders are entered by TS&W for all such accounts.

Although investment decisions for the LLCs may be made independently from those for other accounts managed by TS&W as previously described, TS&W has implemented a policy and process under which it provides open transparency to the trading process so that all managers can participate in trades on an equal basis where appropriate. Therefore, if an LLC and one or more accounts managed by TS&W are prepared to purchase or desire to sell the same security, the orders may be bunched and available investments will be allocated, at the same average price, as described in TS&W's allocation policy. In some cases, it is possible that this procedure may have an adverse affect on the price paid or received, or the size of the position purchased or sold by the LLC's and/or other accounts. However, in most cases, TS&W believes such joint purchases and sales may result in savings in brokerage costs and the availability to effect a bunched transaction or block trade at a better price.



As an investment adviser, TS&W seeks to provide high quality investment management services to all clients. TS&W's portfolio managers generally manage multiple portfolios for various client types. As a fiduciary to its clients, TS&W seeks to treat all clients fairly and to always put clients' interests first. When a portfolio manager manages more than one strategy or account, a potential for conflict exists for the portfolio manager to intentionally or unintentionally treat one account more favorably than another or to spend unequal time and attention on each strategy. These potential conflicts can be elevated when one portfolio has a higher fee than another portfolio, including a performance-based fee for example. TS&W seeks to manage this potential conflict through:

- additional investment restrictions on portfolio managers who manage LLCs and other accounts with performance-based fees;
- common use of the four-factor screening process where appropriate;
- transparency of trading activities by all managers;
- assignment of co-portfolio managers for each strategy wherever possible; and
- internal review processes and supervisory oversight which may include reviewing performance measurement across different account types run by the same portfolio manager and the oversight of the Trade Order Management Committee to ensure trade executions and allocations are reasonably equitable.

Although policies and procedures are in place, as described above, to mitigate conflicts of interest that arise due to side-by-side trading and other such scenarios, TS&W's portfolio managers are generally afforded the independent judgment to effectively manage their accounts. TS&W generally does not expect portfolios to be managed identically; rather, it is expected that a portfolio manager will endeavor to: (i) manage the portfolio in accordance with the strategy investment guidelines, risks and restrictions of the client; (ii) make the best investment decisions for each client according to that client's needs; and (iii) ensure that no one client is advantaged or disadvantaged at the expense or benefit of another client.

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## Item 12 – Brokerage Practices

### Broker-Dealer Selection and Client-Directed Brokers

Generally, the client leaves the selection of the broker-dealers/Electronic Communications Networks (“ECN’s”), persons executing portfolio transactions, to TS&W, although occasionally a client may direct the use of a particular broker or dealer to execute portfolio transactions. Some of the following factors, among others, may be considered in broker-dealer selection where TS&W has discretion to select the broker-dealer:

- Broker-dealers’ ability to minimize total trading costs;
- Broker-dealers’ level of trading expertise;
  - Complete trades
  - Provide market intelligence
  - Execute and settle difficult trades
  - Maintain anonymity
- Broker-dealers’ infrastructure;
  - Order entry systems
  - Adequate lines of communication
  - Timely order of execution reports
  - Capabilities to implement step-outs
  - Account for client-directed brokerage arrangements
- Broker-dealers’ financial condition; and
- Broker-dealers’ research capability
  - Research coverage
  - Conference calls with analysts and strategists
  - Quality of research

A client who designates use of a particular broker-dealer, including a client who directs use of a broker who will also serve as custodian of the client's securities, should recognize that such designation may operate to the client's

disadvantage, as TS&W may not be authorized under those circumstances to negotiate commissions and may not be able to obtain volume discounts or best execution. In addition, a disparity in commission charges may exist between the commissions charged to clients who direct the broker-dealer selection and other clients who do not direct the selection. A client receiving services other than execution and custody may incur a higher commission expense from the designated broker than a client receiving only execution and custody from the same broker.

If the client directs the use of a particular broker or dealer, TS&W asks that the client also specify (1) the general types of securities for which the designated firm should be used and (2) whether the designated firm should be used for all transactions, despite the ability of TS&W to obtain more favorable commission discounts/executions and/or municipal bond selection in particular transactions.

For accounts, including ERISA accounts, when a client uses a broker as custodian, commission rates will generally exceed those normally obtainable by TS&W for other accounts. Higher commissions may be viewed as an offset to normal bank custody fees, but the client is expected to weigh the pros and cons of this approach when deciding on the selection of a broker custodian.

An ERISA client may direct all or a portion of brokerage transactions for its account through a specific broker-dealer in order to obtain goods and/or services on behalf of the plan. Such direction is permissible under ERISA, provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business, and that the allocation is consistent with TS&W being able to obtain best execution. ERISA prohibits directed brokerage arrangements when the goods and/or services procured are not for the exclusive benefit of the plan. Accordingly, TS&W may request that plan sponsors who direct plan brokerage provide a letter documenting that this arrangement will be for the exclusive benefit of the plan.

Finally, clients should recognize that the selection of brokers who have referred, or may refer, clients creates a potential conflict of interest between the client's interest in best price and execution and the adviser's interest in referrals.

### **Foreign Currency Transactions**

Clients of TS&W may choose to have foreign currency (FX) transactions effected either through their custodian or through TS&W. Where TS&W has been given authority to effect FX trades for a client, TS&W follows a standard process to effect such transactions. Each client's portfolio will be set on TS&W's trading system with a single operating currency (which may not be the same as the reporting currency of the account). Client account trades and flows that occur in currencies other than the operating currency will be converted to the operating currency by processing an FX transaction. TS&W will direct the client's custodian bank to repatriate all income to the operating currency of the account unless directed otherwise by the client. TS&W is permitted to execute FX transactions for a client account with brokers it selects at its discretion for currency management purposes unless directed otherwise by the client. TS&W recognizes that FX transactions may positively or negatively affect trades and does not seek to make currency bets on client accounts it manages. Where a client directs TS&W to use its custodian to repatriate foreign currency in the client's account, the client generally negotiates commission rates on transactions executed through such custodian, and TS&W generally does not evaluate the repatriation services provided to the client.

### **Bunched Trades/Block Trades and Partial Fill Process**

Where practical, TS&W uses bunched trades or block trades in order to more efficiently execute orders on behalf of clients. In doing so, the size of each bunched order may influence the commission costs and the choice of the broker executing the trade. TS&W's proprietary account, the TS&W Employees' Retirement Plan, may participate in bunched trades. Clients who custody their accounts at a broker-dealer may not be able to participate in bunched trades. Occasionally, some client-directed broker trades may be able to participate in bunched trades, and TS&W seeks to include as many clients as possible in bunched trades, including SMA accounts. Policies and procedures are in place to ensure an equitable rotation between institutional and UMA/SMA orders and the allocation of partial executions of bunched orders; typically on a pro-rata basis.

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TS&W allocates bunched purchase and sale transactions on a fair and consistent basis to ensure that no client or group of clients receive more favorable treatment than other client accounts. Equity portfolio managers will allocate their orders by account prior to electronically transmitting an order to the trading desk, and if the entire order is filled completely, the price paid by each account shall be the average price of the order.

Below is an overview of the process for specific strategies or types of accounts/clients:

Large Cap- If 50% or more of the order is filled, a pro-rata allocation, rounded to the nearest 100 shares, is generally followed. If less than 50% is filled, a random allocation is done based on the size of each client's order and/or cash position. When individual orders comprising a block are 500 shares or less, generally no partial executions are given in order to keep client transaction costs to a minimum.

Small Cap/Smid Cap/Mid Cap - Partial completions occur more often than not, and some orders may take several days to complete. All partial fills are allocated pro-rata by the trading system unless a manual override is necessary due to cash considerations in specific accounts or a fill is extremely small.

SMA Accounts – In general these accounts participate in block trade allocations on a pro-rata basis. Occasionally, partial buys and sells are allocated depending on specific account cash positions, relative total equity positions, and percentage of the specific security per account. Category considerations i.e., equity, balanced, etc. may also be taken into account.

UMA Accounts – TS&W provides a “model” and is not responsible for the trading activity in such accounts.

TS&W recognizes trades may not always fit a formula allocation and, therefore, allows its traders to allocate based on their best ability to ensure equity between clients.

## Trading Rotation

It is the intent of our trade rotation policy to prohibit any portfolio manager or strategy manager (used interchangeably) from placing the investment interest of one client or group of clients above the investment interest of any other client or group of clients. The potential for conflict does exist, as some of TS&W's equity strategies have overlapping market capitalizations and performance-based fees, and thus different strategy managers may be making simultaneous investment decisions.

Trade rotation creates inherent challenges for best execution. It is the policy of the Firm to seek to reduce or eliminate the need for trade rotation over time by including as many accounts as possible in non-directed brokerage trading and step-out trades. Non-directed trades gain access to all sources of liquidity available to TS&W, which may improve execution and benefit all participating clients. Rotation order is primarily based on asset level by strategy.

Any directed-brokerage relationship agreeing to the following conditions will be included in the non-directed trading group, both operationally and for the purposes of our trade rotation policy:

Agree to receive step-out trades;

Understand that we reserve the right to ensure that the executing broker in a step-out trade will be compensated by all participating accounts when we consider it necessary to complete the trade.

## Commission Rates

The rates charged to TS&W are required to be generally consistent with the level being charged other firms similar to TS&W. Actual commissions paid and services rendered are reviewed periodically by the Director of Trading and the Director of Research to determine the reasonableness of commissions paid and the appropriate levels of services provided. Except where the client has directed brokerage, there is no agreement or understanding with any broker or dealer that it will be selected to receive any particular amount of commission. For TS&W's client accounts whose custody is maintained at a broker/dealer (vs. a bank custodian), the broker/dealer generally does not charge separately for custody. Instead, the broker/custodian is compensated by the account holder through commissions or other transaction-related fees for securities trades that are executed through the broker/dealer or that settle into their accounts, including Schwab relationships.

## Soft Dollars

TS&W receives research and other products or services, other than execution, from broker-dealers or third parties in connection with client securities transactions ("soft dollar benefits"). TS&W's proprietary account, the TS&W Employees' Retirement Plan, may participate in soft dollar commission transactions. By utilizing client brokerage commissions to obtain research or other products and services, TS&W receives a benefit because it does not have to produce or pay for the research, products or services. This practice presents a potential conflict of interest, as TS&W has the incentive to select a broker-dealer based on its interest in receiving the research or other products or services, rather than on its client's interest in receiving most favorable execution. TS&W has taken steps, however, to mitigate this potential conflict. Any research, products or services considered for use under TS&W's soft dollar policy must pass the SEC's three-fold test: 1.) Does the product or service meet the eligibility criteria for brokerage or research, as defined in Section 28(e)(3)? 2.) Does the item actually provide lawful and appropriate assistance in the performance of the adviser's investment decision making responsibilities? 3.) Has the adviser made a good faith determination that the commissions paid are reasonable in relation to the value of the goods and services provided by the broker-dealer?

As indicated below, if research or other services are provided by a particular broker, TS&W may pay a brokerage commission in excess of that which another broker customarily used by TS&W and who does not supply research or other services might have charged for the same transaction. TS&W will ensure that any cost for the additional research services will be in line with the services provided. TS&W will make all such determinations in good faith. Research and brokerage services obtained and permitted by Section 28(e) of the Securities Exchange Act of 1934 that are obtained from various industry sources may include services such as historical and forecasted financial and valuation information on individual companies, indices, markets and the economy; industry and individual company analysis; comparative information on individual companies and industries; charting services; and proprietary database information. Specific services TS&W utilizes may include, but are not limited to:

| Soft Dollar Research/Trade Execution Services        | Description of Service   |
|--|--|
| - <b>Aitken Advisors</b>                             | Independent "think piece" on economics and other subjects          |
| - <b>BCA Monthly</b>                                 | Macroeconomic research   |
| - <b>BCA US Investment Strategy</b>                  | Investment Strategy  |
| - <b>Behind The Numbers</b>                          | Forensic accounting research                                       |
| - <b>Bloomberg Financial</b>                         | Research and news database   |
| - <b>Bond Edge</b>                                   | Bond/credit research   |
| - <b>Call Street Transcripts (Paid thru FactSet)</b> | Research conference call transcripts/scheduling                    |
| - <b>Exchange fees</b>                               | Exchange fees - variable   |
| - <b>FactSet</b>                                     | TS&W's primary research database (mixed use item)                  |
| - <b>FactSet Portfolio Analysis</b>                  | Portfolio attribution and characteristics                          |
| - <b>GS Execution &amp; Clearing</b>                 | Trade execution and settlement-variable                            |
| - <b>ISS Data feeds</b>                              | Restricted security lists by category: e.g. defense, tobacco, etc. |
| - <b>MSCI Barra Risk Analytics &amp; Optimizer</b>   | Risk attribution including Global and US Equity Long models        |
| - <b>MSCI DM Core Monthly Index Data</b>             | Developed markets data for core int'l and global portfolios        |
| - <b>MSCI DM Small Cap Monthly Data</b>              | Developed markets data for small cap int'l portfolios              |
| - <b>Ned Davis Research</b>                          | Market and economic database history                               |
| - <b>Omgeo Alert</b>                                 | Trade settlement instruction warehouse                             |
| - <b>Options Price Reporting - Redi</b>              | Price information  |

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| Soft Dollar Research/Trade Execution Services | Description of Service                                       |
|---|--|
| - <b>Russell Investments</b>                  | Russell indices and constituents                             |
| - <b>S&amp;P Compustat</b>                    | S&P company financial data                                   |
| - <b>S&amp;P Industry History</b>             | S&P indices and constituents                                 |
| - <b>SNL Financial</b>                        | Financial data and expert analysis                           |
| - <b>Spinoff and Reorganization Profile</b>   | Monthly corporate spin-off ideas - GemFinder                 |
| - <b>Street Account</b>                       | Event and News Service                                       |
| - <b>Style Research</b>                       | Portfolio analysis, back-testing and performance attribution |
| - <b>Thomson Reuters Starmine</b>             | Estimate revisions and earnings quality analysis             |
| - <b>Worden TeleChart</b>                     | Charting services  |
| - <b>Zacks Investment Services</b>            | Primary earnings estimate provider for four-factor screen.   |
| - <b>13D Research</b>                         | Independent "think piece" on economics                       |

Additionally, TS&W has determined that several research services are “mixed use” whereby a portion of the research service constitutes eligible research and a portion does not (e.g. performance attribution which is used for investment research and marketing). Should TS&W determine a product or service is mixed use, it will (1) make a reasonable allocation of the cost of the service according to its use and (2) keep adequate books and records concerning the allocation so as to be able to make a good faith showing of the reasonableness of the commissions paid in relation to the value of the portion of the product or service allocated as brokerage and research under Section 28(e).

TS&W also receives proprietary research from some broker/dealers on a bundled fee basis where TS&W cannot determine the allocation of commission charges between execution costs and research. TS&W does not make any agreement with any broker or dealer that they will receive a specific commission amount during the course of a year. Research furnished by brokers through whom TS&W effects securities transactions may be used in servicing any or all of the Firm's accounts. Such research may, therefore, be used by TS&W in connection with accounts other than those which pay commissions to the broker providing such services. All advised and sub-advised funds, as well as managed LLCs and SMA accounts, may participate in bunched trade orders and soft dollar commission transactions.

Annually, the Director of Research is responsible for reviewing the "soft dollar" budget and ensuring that all soft dollar research and brokerage services fall within the Section 28(e) safe harbor. TS&W uses commission sharing arrangements (“CSAs”) to pay for all of its soft dollar obligations. CSAs allow investment managers to separately pay an executing broker for trade execution and allocate a portion of the commission directly to the executing broker from which TS&W can direct payments for soft dollar eligible services. TS&W may accumulate or receive soft dollar credits with a CSA broker/dealer which are derived from the brokerage commissions of one client or a group of clients and may be used for another client or group of clients. The management fees paid by TS&W clients are not reduced because TS&W receives these services, even though TS&W might otherwise be required to purchase some of these services for cash.

While TS&W has an incentive to continue to use a broker/dealer who provides research, TS&W evaluates a broker/dealer’s ability to achieve best execution on a regular basis and reasonableness of each brokerage arrangement is evaluated on an ongoing basis. Finally, the TS&W Trade Management Oversight Committee (“TMO”) is responsible for monitoring all firm trading activity on a periodic basis and ensuring TS&W Trading Policies are adhered to.

## Item 13 – Review of Accounts

Strategies are primarily managed by an investment team consisting of co-portfolio managers and each investment advisory client is assigned a relationship manager and client service specialist. The responsibilities of the portfolio manager include knowing the client's specific investment objectives, specific portfolio restrictions, income requirements, risk tolerance, and structuring the portfolio to meet the respective client's objectives. The relationship manager's



responsibilities include: maintaining open and continual communications with clients, client reporting requirements including market commentary and performance updates, and periodic meetings. TS&W has 16 portfolio managers and relationship managers that may manage or service several types of portfolios that may include equity (Large Cap Value, Large Cap Core, Mid Cap, Smid Cap, Small Cap, International Equity, and International Small Cap); balanced; fixed income; UMA/SMA accounts; mutual funds; a collective investment trust; and LLCs. Additional products include long/short strategies, like WPS.

The portfolio managers and client relationship managers are:

**William M. Bellamy, CFA**, Director of Fixed Income- Fixed Income, High Yield and Strategic High Income Equity portfolios  
**S. Preston Dillard**, Portfolio Manager- High-Net-Worth and Regional Institutional  
**Paul A. Ferwerda, CFA**, Portfolio Manager- Large Cap Value, Strategic High Income Equity and High-Net-Worth  
**G. Gray Garland, CFA**, Portfolio Manager – High-Net-Worth and Regional Institutional  
**Brandon H. Harrell, CFA**, Portfolio Manager- International portfolios  
**Brett P. Hawkins, CFA, CPA**, Portfolio Manager - Mid Cap, Smid Cap and Small Cap portfolios  
**J. Shelton Horsley IV, CFA** – Director of Institutional Client Service  
**Jerry W. Jenkins** - Director of Wealth Management  
**Elizabeth Cabell Jennings, CFA**, Portfolio Manager - Large Cap Core, Large Cap Value, High-Net-Worth and Regional Institutional portfolios  
**Thomas VC Minnick, CFA, CIMA**, Client Relationship Manager- SMA  
**Tracy L. Musser** – Institutional Client Service Manager  
**Stedman D. Oakey, CFA**, Portfolio Manager - International Small Cap Portfolios  
**Frank H. Reichel, CFA**, Portfolio Manager -Small Cap and Smid Cap  
**W. Patrick Schubmehl, Jr**, Portfolio Manager - WPS Capital Fund, LLC and WPS portfolios  
**Pieter E. Van Saun, CFA**, Associate Portfolio Manager - High-Net-Worth and Regional Institutional portfolios  
**Charles J. Wittmann, CFA**, Portfolio Manager -Large Cap Value and Large Cap Core

The Portfolio Management Committee (“PMC”) focuses attention on the high net worth segment of TS&W’s business. It consists of Elizabeth Cabell Jennings (Chair), S. Preston Dillard, G. Gray Garland, Jerry W. Jenkins, Pieter Van Saun and Jessica L. Thompson, CCO and they review on, not less than a quarterly basis and primarily with the use of exception reports, the following: portfolio objectives, policies and structure vs. objectives; performance by manager; performance by type of account; new account transition and portfolio diversification by the portfolio manager and track and evaluate non-primary TS&W holdings and concentrated positions.

The Investment Policy Committee (“IPC”) has ultimate responsibility for TS&W’s investment results. In this regard, the IPC has primary responsibility for oversight of TS&W’s institutional portfolios. Members of the IPC include: Frank H. Reichel, CIO,(chair), William M. Bellamy, Paul A. Ferwerda, Brett P. Hawkins, Elizabeth Cabell Jennings, H. B. (Tom) Thomson, Charles (Chip) Wittmann and Jessica L. Thompson, (ex officio). This committee reviews all TS&W product performance and attribution vs. benchmarks and manager universes. It also monitors product risk using Barra Risk Analytics, Style Research and other analyses.

### Regular Reports to Clients

TS&W provides monthly and/or quarterly statements to its clients. These reports summarize the account's portfolio holdings for the month/quarter by sector and possibly by industry. Other special reporting is available upon the client's request. A detailed invoice is also sent on a quarterly basis to each client, noting that they are responsible for reviewing the fee calculation even though the accounts' custodian may be paying the invoice. Generally, each portfolio is formally reviewed periodically with the client. Additional reviews may take place during the year as requested by the client. The reviews are generally presented by the respective portfolio manager(s) and/or a client service representative. The formal review provides the client with a review of their investment guidelines and the performance of the portfolio in the context of the preceding and anticipated future economic environment.

Clients in the UMA/SMA programs receive reports required by each specific program through the UMA/SMA sponsor. Although TS&W does not normally have direct client contact, TS&W will also be available, on a reasonable basis, to consult with a sponsor's Financial Advisor or the underlying UMA/SMA client. Required disclosures are generally sent to the UMA/SMA sponsors for distribution to their client base.

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## Item 14 – Client Referrals and Other Compensation

### Direct or Indirect Compensation for Client Referrals

TS&W, as a matter policy and practice, may compensate persons, i.e., individuals or entities, for the referral of advisory clients to the Firm, provided appropriate disclosures and regulatory requirements are met. Under the SEC Cash Solicitation Rule (Rule 206(4)-3) and comparable rules adopted by most states, investment advisers may compensate persons who solicit advisory clients for a firm if appropriate agreements exist, specific disclosures are made, and other conditions are met under the rules. TS&W's Board and Chief Compliance Officer must approve any solicitor arrangement. TS&W currently does not have any such arrangements.

TS&W's overriding objective in effecting portfolio transactions is to seek the best combination of price and execution. TS&W does not enter agreements with, or make commitments to, any broker that would bind the Firm to compensate that broker, directly or indirectly, for client referrals. Nevertheless, clients should recognize that the selection of brokers who have referred, or may refer clients, creates a potential conflict of interest between the client's interest in best price and execution and the adviser's interest in referrals.

### Other Compensation

TS&W may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab"), a registered broker dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. TS&W is not affiliated with Schwab. Schwab provides TS&W with access to its institutional trading and custody services, which are typically not available to Schwab retail clients. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab, and are not otherwise contingent upon adviser committing to Schwab any specific amount of business (assets in custody or trading). Schwab's services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Schwab also makes available to TS&W other products and services that benefit TS&W but may not benefit all of its clients' accounts. Some of these other products and services assist TS&W in managing and administering client's accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of TS&W's fees from its clients' accounts; and assist with back-office functions, recordkeeping and client reporting. Some of these services generally may be used to service a substantial number of TS&W's accounts, including accounts not maintained at Schwab. Schwab also makes available to TS&W other services intended to help TS&W manage its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to TS&W by independent third parties. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to TS&W. While as a fiduciary, TS&W endeavors to act in its clients best interests, and TS&W's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to TS&W of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.



## Item 15 – Custody

As a matter of policy and practice, TS&W does not permit its employees or the Firm to accept or maintain custody of client assets. It is our policy that we will not accept, hold, directly or indirectly, client funds or securities, or have any authority to obtain possession of them. TS&W will not intentionally take custody of client cash or securities. In the event any employee of TS&W inadvertently receives funds, securities, or other assets from a client, such employee must immediately arrange to return such funds, securities or other assets to the client within three business days of receiving them.

TS&W requires each client to designate a "qualified custodian". Clients should receive, at least quarterly, statements from the broker-dealer, bank or other qualified custodian that holds and maintains client's investment assets. TS&W urges clients to carefully review such statements and compare such official custodial records to the account statements that TS&W may provide to them. TS&W's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

As the managing member of the WPS LLC, TS&W is deemed to have sufficient control over the LLC's assets to be viewed as having custody, even though they are not the qualified custodian. To qualify for an exemption to the custody rule's surprise exam requirement, TS&W has taken the following steps: 1) all transactions and assets in the LLC will be held at a qualified custodian; 2) either TS&W or the participant accountant will send, not less than quarterly, statements to all members participating in the LLC; 3) audited financial statements will be prepared annually by a member of the Public Company Accounting Oversight Board ("PCAOB") in accordance with "generally accepted accounting principles" and will be distributed to all members of the LLC within 120 days of the end of each fiscal year; and 4) In the event of liquidation of the pool, TS&W would obtain a final audit of the pool's financial statements and distribute the financial statements to pool investors promptly after completion of the audit.

In a similar situation, since TS&W associates serve in the capacity as trustees for the Firm's TS&W Employees' Retirement Plan (the "Plan"), TS&W is also deemed to have sufficient control of the Firm's Plan to be viewed as having custody, even though they are not the qualified custodian. TS&W has taken the following steps to satisfy the requirements under the rule: 1) all transactions and assets in the Plan are held at a qualified custodian; 2) either TS&W or the participant accountant makes available, not less than quarterly, statements to all participants in the Plan; and 3) a surprise exam is scheduled and performed by a Public Company Accounting Oversight Board ("PCAOB") member.

Occasionally in the past and possibly in the future, some of TS&W's associates may be appointed as a trustee or other fiduciary position involving TS&W clients. If these trustee appointments are initiated on the basis of a personal or family relationship the client has with the TS&W associate, rather than that associate's employment with the Firm, then TS&W would not be viewed as having custody. This is especially true where an outside third party co-trustee serves alongside the TS&W associate.

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## Item 16 – Investment Discretion

Generally, TS&W is retained on a discretionary basis, set forth in the IMA, in which the client gives TS&W authority to determine the types of securities, the quantity, and directs execution of portfolio transactions within the client's investment objectives. Occasionally, TS&W is requested to restrict securities or industry types for a client's portfolio(s). As long as those restrictions do not interfere with the overall strategy guidelines, TS&W will accept those instructions and so code them into the automated order management system. If the restrictions impede implementing the strategy, the client will be notified.

The prospectus and statement of additional information for funds that TS&W advises or sub-advises set forth the types and amounts of securities that may be bought or sold by TS&W on behalf of the funds. In addition, the LLCs' documents, Confidential Private Placement/Offering Memorandum, Limited Liability Company Agreement and the Subscription Agreement outline the parameters of those investments.

Investment guidelines and restrictions must be provided to TS&W in writing.

## Item 17 – Voting Client Securities

TS&W acknowledges it has a fiduciary obligation to its clients that requires it to monitor corporate events and vote client proxies. The Firm has adopted and implemented written policies and procedures reasonably designed to ensure that proxies for domestic and foreign stock holdings are voted in the best interests of our clients. TS&W recognizes that it (i) has a fiduciary responsibility under the Employee Retirement Income Securities Act (ERISA) to vote proxies prudently and solely in the best interests of plan participants and beneficiaries (ii) will vote proxies in the best interest of the client (non-ERISA) when directed (together, our “clients”). TS&W has developed its policy to be consistent with, wherever possible, enhancing long-term shareholder value and leading corporate governance practices. TS&W has retained the services of Institutional Shareholder Services, Inc. (“ISS”). ISS provides TS&W proxy proposal research and voting recommendations and votes accounts on TS&W’s behalf under the guidance of ISS’s standard voting guidelines. TS&W’s proxy coordinator is responsible for monitoring ISS’s voting procedures on an ongoing basis. TS&W’s general policy regarding the voting of proxies is as follows:

### Proxy Voting Guidelines:

Routine and/or non-controversial, corporate governance issues are normally voted with management; this would include the approval of independent auditors. Occasionally, ISS may vote against management’s proposal on a particular issue; such issues would generally be those deemed likely to reduce shareholder control over management, entrench management at the expense of shareholders, or in some way diminish shareholders’ present or future value. From time to time TS&W will receive and act upon the client’s specific instructions regarding proxy proposals. TS&W reserves the right to vote against any proposals motivated by political, ethical or social concerns. TS&W and ISS will examine each issue solely from an economic perspective.

A complete summary of ISS's voting guidelines, domestic and foreign, are available at:

<http://www.issgovernance.com/policy>

Conflicts of interest may arise during the voting process in which the best interests of the clients conflicts with TS&W's interests. Conflicts of interest generally include (i) business relationships where TS&W has a substantial business relationship with, or is actively soliciting business from, a company soliciting proxies (ii) personal or family relationships whereby an employee of TS&W has a family member or other personal relationship that is affiliated with a company soliciting proxies, such as a spouse who serves as a director of a public company. A conflict could also exist if a substantial business relationship exists with a proponent or opponent of a particular initiative. If TS&W determines that a material conflict of interest exists, TS&W will instruct ISS to vote using ISS's standard policy guidelines which are derived independently from TS&W.

### Proxy Voting Process:

Upon timely receipt of proxy materials, ISS will automatically release recommended vote instructions on client’s behalf as soon as custom research is completed. TS&W retains authority to override the votes (before cut-off date) if they disagree with the vote recommendation.

TS&W's Proxy Coordinator will monitor the voting process at ISS via Proxy Exchange website (ISS's online voting and research platform). Records of which accounts are voted, how accounts are voted, and how many shares are voted are kept electronically with ISS. For proxies not received at ISS, TS&W and ISS will make a best efforts attempt to receive ballots from the clients' custodian.

- TS&W will be responsible for account maintenance – opening and closing of accounts, transmission of holdings and account environment monitoring.
- An Associate Portfolio Manager (proxy oversight representative) will keep abreast of any critical or exceptional events or events qualifying as a conflict of interest via Proxy Exchange website and via email.
- TS&W has the ability to override vote instructions and the Associate Portfolio Manager will consult with TS&W’s Investment Policy Committee or strategy managers in these types of situations.
- All proxies are voted solely in the best interests of clients.
- Proactive communication takes place via regular meetings with ISS’s Client Relations Team.

## Practical Limitations Relating to Proxy Voting

While TS&W makes a best effort to vote proxies, in certain circumstances it may be impractical or impossible for TS&W to do so. Identifiable circumstances include:

- Limited Value. TS&W may abstain from voting in those circumstances where it has concluded to do so would have no identifiable economic benefit to the client-shareholder.
- Unjustifiable Cost. TS&W may abstain from voting when the costs of or disadvantages resulting from voting, in TS&W's judgment, outweigh the economic benefits of voting.
- Securities Lending. Certain of TS&W's clients engage in securities lending programs under which shares of an issuer could be on loan while that issuer is conducting a proxy solicitation. As part of the securities lending program, if the securities are on loan at the record date, the client lending the security cannot vote that proxy. Because TS&W generally is not aware of when a security may be on loan, it does not have an opportunity to recall the security prior to the record date. Therefore, in most cases, those shares will not be voted and TS&W may not be able to fully reconcile the securities held at record date with the securities actually voted.
- Failure to Receive Proxy Statements. TS&W may not be able to vote proxies in connection with certain holdings, most frequently for foreign securities, if it does not receive the account's proxy statement in time to vote the proxy.

## Proxy Voting Records and Reports

The proxy information is maintained by ISS on TS&W's behalf and includes the following: (i) name of the issuer, (ii) the exchange ticker symbol, (iii) the CUSIP number, (iv) the shareholder meeting date, (v) a brief description of the matter brought to vote; (vi) whether the proposal was submitted by management or a shareholder, (vii) how the proxy was voted (for, against, abstained), (viii) whether the proxy was voted for or against management, and (ix) documentation materials to make the decision. TS&W's Proxy Coordinator coordinates retrieval and report production as required or requested.

A copy of how TS&W voted on securities held in a client's account is available free of charge upon request or by calling us toll free (800) 697-1056.

**A complete copy of TS&W's Proxy Policy will be provided to any current or prospective client upon request.**

In some instances, clients of TS&W have reserved the right to vote their own proxies. In these cases, TS&W does not have the authority to vote on the client's behalf. Arrangements should be made by the client to have the custodian and/or transfer agent deliver the proxy solicitations directly to them.

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## Item 18 – Financial Information

Registered investment advisers are required in this item to provide you with certain financial information or disclosures about TS&W's financial condition. TS&W has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

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## Additional Information

### Class Actions/Bankruptcy Claims/Legal Proceedings

Class actions, bankruptcy claims and other legal proceedings involve legal decisions for which TS&W is not qualified to render advice. Therefore, in most cases, the Firm is unable to facilitate the filing of any such claim on a client's behalf. It is the client's responsibility to consult a legal advisor if necessary, determine whether to pursue such matters, and make

any necessary filings. Clients should recognize that there is no duty upon TS&W to provide information regarding class action or bankruptcy claims notices or to monitor such proceedings. Wherever possible, TS&W will assist clients by forwarding them copies of class action and bankruptcy notices when received, but will undertake only commercially reasonable efforts to do so, and will not be responsible for any unreasonable delays in transmission or omissions.

## **Privacy Policy**

TS&W recognizes that our relationships with current and prospective clients are based on integrity and trust. We work hard to maintain your privacy and are very careful to preserve the private nature of our relationship with you. Over our long history as a financial services provider, we have placed the highest value on the information you share with us. We believe that all of our clients value their privacy, so we will not disclose your personal information to anyone unless it is required by law, at your direction, or is necessary to provide you with our services. We adhere to the same high standards to protect nonpublic personal information regarding our former clients as we do for our current clients. We have not sold, and will not sell, your personal information at anytime.

We want our clients to understand what information we collect, how we use it and how we protect it responsibly.

### Why We Collect Your Information

We gather information about you and your accounts so that we can:

- Help design and implement the investment related services we provide you;
- Design and improve the services and products we offer; and
- Comply with the laws and regulations that govern us.

### What Information We Collect and Maintain

We may collect the following types of “nonpublic personal information” about you:

- Information from our initial meeting and subsequent consultations about your identity, such as your name, address, social security number, and financial information (income and assets);
- Information that we generate to service your account (such as trade tickets and account transactions); and
- Information that we may receive from third parties with respect to your accounts (such as trade confirmations from brokerage firms and custodial account information).

### What Information We Disclose

We are permitted by law to disclose nonpublic personal information about you to unaffiliated third parties in certain circumstances. For example, in order for us to provide investment management services to you, we may disclose your personal information in limited circumstances to various service providers, such as brokers and custodian banks.

Otherwise, TS&W will not disclose any personal information about you or your account(s) unless one of the following conditions is met:

- We receive your prior written consent;
- We believe the recipient is your authorized representative; or
- We are required by law to disclose information to the recipient.

Arrangements with companies not affiliated with TS&W will be subject to confidentiality agreements.

### How We Protect Your Personal Information

Privacy has always been important to TS&W. We restrict and limit employee access to client information only to those who need it to carry out their business functions. We educate our employees about safeguarding client information and preventing its unauthorized access, disclosure or use. We also maintain physical, electronic and procedural safeguards to protect your nonpublic information.