

Round Hill Asset Management

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This brochure provides information about the qualifications and business practices of Round Hill Asset Management. If you have any questions about the contents of this brochure, please contact us at 626-644-1991. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Round Hill Asset Management also is available on the SEC's website at www.adviserinfo.sec.gov. Being a registered investment adviser does not imply a certain level of skill or training.

March 29, 2011

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N.A.

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- A. Round Hill Asset Management has been in business since 1986. Our principal owner is Channing T. Lushbough.
- B. We invest for our clients primarily in stocks we consider undervalued, pursuant to our appraisal of the issuing company's intrinsic value. We define "intrinsic value" as the estimated value a company's shareholders would receive if a company were acquired, merged or liquidated in a friendly, negotiated transaction.

"Intrinsic value" and "margin of safety" are concepts popularized by the late Benjamin Graham. The margin of safety in a stock, if any, is the amount by which the issuer's intrinsic value exceeds its stock price. While adhering closely to our value oriented investment approach, our principal investment objective is to achieve the highest rate of return which is consistent with preservation of capital.

Although our investments are predominantly in stocks we consider undervalued, we also hold some bonds for many clients, and may occasionally invest or trade in other types of securities, including, but not limited to, options, warrants, rights, and other instruments. We may also occasionally pursue opportunities in arbitrage, junk bonds, short sales, or any situation in which we perceive the potential for an attractive return.

- C. Although we may occasionally tailor a portfolio in response to a specific request from a client, we generally do not treat our clients differently. We believe an attractive opportunity should be available to all clients, to the extent possible. Clients may impose restrictions on investing in certain securities or types of securities.
- D. We participate in certain wrap fee programs. We do not manage wrap fee accounts any differently than we manage other accounts. Our wrap fee clients pay us our standard investment advisory fee, and pay an additional fee to their sponsoring broker-dealer.

- E. As of December 31, 2011 we managed client assets on a discretionary basis totaling about \$163,700,000. We do not manage client assets on a non-discretionary basis.

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- A. Our advisory fees range from 1.50% of assets per annum for “equity” accounts to 0.75% of assets per annum for certain “balanced” accounts. An alternate advisory fee schedule offered only to qualified clients is based on account performance. Qualified clients who choose this fee schedule pay a lower flat fee quarterly, and pay an additional fee each year which is based on the performance of their account(s). Advisory fees are not negotiable.
- B. Advisory fees are billed quarterly at the beginning of each calendar quarter, and are deducted from each client’s account. A few clients ask to make alternative payment arrangements, which we generally attempt to accommodate.
- C. We do not charge any other fees to clients, although clients may incur fees charged by custodians, brokerage firms, and money market funds. Clients will incur brokerage and other transactions costs. Our brokerage arrangements are discussed more fully in Item 12. We do not invest in mutual funds for our clients, other than money market funds.
- D. Advisory fees are charged quarterly at the beginning of each calendar quarter. If an advisory contract is terminated, the quarterly fee is prorated over the portion of the calendar quarter for which the contract was in effect.
- E. Neither our firm nor any supervised person receives compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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Our firm receives performance-based fees from certain clients. We also receive asset-based fees. In theory, we can face a conflict of interest by managing these accounts at the same time, because we can, in theory, have an incentive to favor accounts for which we or our supervised persons receive a performance-based fee. In practice, we manage all our accounts similarly, whether they pay a fee based on performance or based on assets. Our investment approach typically entails buying and holding securities for months or years. It is not possible to predict the performance of any security in the future, so it would be difficult for us to favor one account over another.

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We have a variety of clients, including individuals, trusts, and pension plans. We do not have a fixed minimum account size, but we prefer accounts larger than \$100,000.

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- A. Our investment analysis typically entails a review of a company's publicly available financial statements, including its annual report, proxy statement, and SEC forms 10-K, 10-Q, 8-K and others. We attempt to assess a company's intrinsic value, as opposed to its stock market value. We look for investments where we believe the issuer's intrinsic value significantly exceeds its stock market capitalization. Although our investments are predominantly in stocks we consider undervalued, we also hold some bonds for many clients, and may occasionally invest or trade in other types of securities, including, but not limited to, options, warrants, rights, and other instruments. We may also occasionally pursue opportunities in arbitrage, junk bonds, short sales, or any situation in which we perceive the potential for an attractive return. Although we attempt to avoid losses, investing in securities involves risk of loss that clients should be prepared to bear.