

DISCLOSURE BROCHURE

(FORM ADV, PART II)

INVESTMENT MANAGEMENT OF VIRGINIA, LLC

File No. 801-57765

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This brochure provides information about the qualifications and business practices of Investment Management of Virginia, LLC. If you have any questions about the contents of this brochure, please contact us at (804) 643-1100 or email George J. McVey, Jr., at gmcvey@imva.net. 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 Investment Management of Virginia, LLC also is available on the SEC's website at www.adviserinfo.sec.gov and firm's website, www.imva.net.

April 2012

Material Changes

Investment Management of Virginia, LLC's ("IMVA") most recent update to our Disclosure Brochure (also known as Form 2A) was filed in March 2012. The following changes to the Disclosure Brochure since the last annual update in March 2012 have been made:

- John H. Bocock resigned his Chief Compliance Officer duties; they will be assumed by George J. McVey, Jr., effective April 1, 2012.
- Gary T. Clark, one of the Energy Portfolio managers, has left IMVA to pursue other opportunities.

April 2012

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Advisory Business

Investment Management of Virginia, LLC (“IMVA”) was originally established as Scott & Stringfellow Capital Management, Inc., in 1982 with the sole objective of providing professional money management to both institutional and individual investors. In March 1999, the firm became a wholly owned subsidiary of Branch Banking and Trust Company (BB&T). Investment Management of Virginia, LLC became an independent investment advisor in July 2000 when the former principals of Scott & Stringfellow Capital Management, Inc., purchased the firm from BB&T.

John H. Bocock, one of the principal owners of the firm, has a greater than 50% ownership in Investment Management of Virginia, LLC. He assumed the role of Chairman of the Board as of January 1, 2012.

IMVA’s main business is providing investment supervisory services to our clients with investment fees charged according to supervised assets under management. There are some relationships in which we provide investment advice to clients but do not actively manage the assets. Most client accounts are managed with discretionary authority, but others are non-discretionary, and their transactions are subject to client approval. Should we have discretionary authority in a relationship, IMVA may engage in security transactions on behalf of the client without prior consultation. In a non-discretionary relationship, the client approves all investment transactions in advance.

IMVA offers the following Portfolios to our clients:

- Large Capitalization Core Equity
- Large Capitalization Balanced
- Small Capitalization
- Energy
- Select Equity Income
- Opportunity
- Special

To the extent possible, IMVA portfolio managers shall attempt to ensure that a client’s investment choices at IMVA are appropriate and suitable for that client’s investment needs. The primary means of ensuring that a client’s investments are appropriate include: initial discussions between the client and a portfolio manager at IMVA, the IMVA Investment Management Agreement, communications with clients, and the provision the Disclosure Brochure at the start of the relationship as well as the sending of the Summary of Material Changes to the Disclosure Brochure and the offer to send the entire brochure on an annual basis. Clients may impose restrictions on certain securities or types of securities. Clients may also direct trading preferences although they may lose some important advantages that may be afforded if IMVA were able to choose the broker. (see Brokerage Practices)

IMVA participates in wrap fee programs but is not a sponsor of such programs. IMVA currently participates in the following wrap fee programs:

Outside Money Manager Program (“OSM”) sponsored by Raymond James
Spectrum Investment Program sponsored by Scott & Stringfellow
Flexible Managed Account Program (“FMA1”) sponsored by Davenport & Company
CSM Monument Select Program sponsored by Capitol Securities Management
Morgan Stanley Smith Barney Advisor Program sponsored by Morgan Stanley Smith Barney
Private Advisor Network Program sponsored by Wells Fargo Advisors, LLC
Managed Account Access Program sponsored by Charles Schwab & Company
Unbundled Managed Account Solutions (“UMAS”) sponsored by Brown Associates

The investment strategies used in these programs are determined by the IMVA portfolios being utilized. In general, the IMVA accounts in these programs are managed in the same way as the other accounts in that specific portfolio. IMVA also provides a model of certain of its portfolios to outside advisors and/or brokers. IMVA currently participates with these advisors in their model programs (also known as Unified Management Accounts):

Lockwood Advisors, Inc.
FDx Advisors Inc.
Mount Yale Asset Management, LLC
First Global Advisors, Inc.
Placemark Investments, Inc.
Alta Capital Management LLC
SunTrust Investment Services, Inc.

In these arrangements, IMVA does not have a relationship with the final client and is not responsible for the implementation of its changes to the models provided.

As of December 31, 2011, IMVA managed:

Discretionary Assets of **\$ 381,226,749 in 519 accounts**
Non-Discretionary Assets of **\$ 28, 281,745 in 10 accounts**

Total Assets under management at 12/31/2011: **\$ 409,508,494**
Total Accounts under management at 12/31/2011: **529**

Fees and Compensation

Investment Management of Virginia, LLC (“IMVA”) is compensated for investment advisory services provided to its direct investment management clients by receiving a fee based on the fair market value of assets under management. The standard fee schedule is as follows:

| <u>Asset Value of Client’s Account</u> | <u>Fee as Percentage of Assets</u> |
|--|------------------------------------|
| On the first \$1,000,000 of assets | 1.00% per annum |
| On the next \$4,000,000 of assets | 0.75% per annum |
| On assets greater than \$5,000,000 | 0.50% per annum |

Fees are negotiable. There are some accounts that are charged a fixed management fee. There are also a few accounts in which IMVA provides only a reporting service to clients, where it will collect information on brokerage accounts controlled by clients and report such information to clients in a user-friendly format.

In calculating any percentage-of-assets client fee, the value of the assets will be determined on the last business day of each quarter according to an account’s billing cycle and charged in advance on a quarterly basis. There are some accounts that are charged, in arrears, at the client’s request, on a quarterly basis based on the last business day of each quarter. The manner of payment is described at the onset of the relationship in the investment advisory agreement. The client may elect to pay the investment advisory fee directly to IMVA or instruct IMVA to mail the fee invoice to the custodian to pay from the account under management. In the instance that the invoice is sent to the custodian to be paid out of the account, a copy will be sent to the client disclosing the fee and its calculation for their records, permitting the client to verify the amount of the invoice in advance. It is the client’s responsibility to verify the accuracy of the fee calculation. The custodian will not determine whether the fee is properly calculated.

Should the advisory contract be terminated before the end of the billing period, the client is entitled to a refund. A full refund will be provided to the client should they terminate the investment advisory agreement within five business days of signing an Investment Management Agreement with IMVA. Termination of any investment advisory service may be effected upon receipt of written or email notice by either party. Prepaid fees for such cancelled services will be refunded on a prorated basis with the date of receipt of written or email notice being the date upon which refund is calculated based on the number of days remaining before the end of the billing period.

A client’s fee schedule may be amended from time to time by IMVA, in which case the client would receive thirty (30) days written notice. Advisory fees charged by IMVA are separate and distinct from fees and expenses charged by custodians or charged by mutual fund companies, if mutual funds are recommended to clients. A description of these fees and expenses is available in each mutual fund’s prospectus.

Commissions on trades placed by IMVA as part of our investment advisory agreement with the client are charged directly to the client’s custodial account; if the client has specified directed

trading, the commission rate is determined by agreement between the client and the respective custodian.

Neither IMVA nor any of its supervised persons accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

There may be instances in which clients may be able to purchase investment products through brokers or agents that are not affiliated with IMVA.

Performance Based Fees and Side-by-Side Management

IMVA does not offer performance-based fees to its clients. The standard fee schedule may be found under item 5.

Supervised persons at IMVA own and/or manage a fund for Dynamis Advisors, LLC (DA). DA charges a performance fee on the fund it manages. The differences in fee arrangements between IMVA and DA have potential to create conflicts of interest, in situations where the two firms own the same securities. Presently, this potential conflict is not an issue as the fund managed by Dynamis Advisors, LLC, is invested in a single private company. If necessary, IMVA and DA portfolio managers would address and ameliorate this potential by placing client interests first in all circumstances and, through IMVA's compliance and trading procedures, ensuring that no client account, or general investment strategy, is systematically disadvantaged in investment decisions or the trading order.

Types of Clients

Investment Management of Virginia, LLC (“IMVA”) currently provides investment advisory services directly to the following types of clients:

- Individuals including high-net worth individuals
- Pension and Profit Sharing Plans
- Trusts and Estates
- Charitable Organizations
- Corporations

The minimum account size for a new account is \$500,000, but this amount is negotiable. Clients introduced to IMVA through certain wrap program sponsors may have lower minimums.

IMVA also provides services to clients of other investment or brokerage firms through wrap fee arrangements, and other programs, where IMVA is not aware of the final client and is not responsible for the implementation of its recommendations by the program provider.

Methods of Analysis, Investment Strategies and Risk of Loss

Large Capitalization Core Equity Portfolio

The Large Capitalization Core Equity Portfolio's equity investment style emphasizes steady, large capitalization growth companies. Potential equity investments should exhibit good/consistent earnings growth, a solid financial position, high-quality management, product or service leadership relative to peers, and a reasonable valuation relative to its own growth rate and the comparable metrics for the S&P 500.

Large Capitalization Balanced Portfolio

The Large Capitalization Balanced Portfolio includes a blend of high-quality equity securities and fixed income instruments. The portfolio's equity investment style emphasizes steady, large capitalization growth companies. Potential equity investments should exhibit good/consistent earnings growth, a solid financial position, high-quality management, product or service leadership relative to peers, and a reasonable valuation relative to its own growth rate and the comparable metrics for the S&P 500. The fixed income style generally emphasizes Treasury securities with short-to-intermediate maturity and duration and comparable metrics for the Barclay's Capital Intermediate Treasury Index.

Select Equity Income Portfolio

The Select Equity Income Portfolio is conservatively managed with a primary goal of capital appreciation through consistent, absolute returns. The portfolio's guiding principle is to invest in high quality small, medium, and large capitalization companies that have strong positions within their markets. Companies considered for investment generally will have an excellent balance sheet, a consistent record of profitability, sizable free cash flow, and an experienced management team. The Select Equity Income Portfolio uses the S&P 500 for its index.

Small Capitalization Portfolio

The Small Capitalization Portfolio seeks an attractive total return through capital appreciation in small capitalization companies. Critical investment attributes normally include relatively low price multiples on projected earnings and cash flow, strong or improving profit margins, a solid financial position, high-quality management, and "out of favor" investor sentiment. Corporations generating increasing levels of free cash flow where management owns significant equity interests in the business are particularly favored. The Small Capitalization Portfolio uses the Russell 2000 Index.

Energy Portfolio

The Energy Portfolio seeks to generate strong long-term investment returns and diversification benefits from exposure to the energy sector. Critical investment attributes include relatively low price multiples on projected earnings and cash flow, strong or improving profit margins, a solid financial position, high-quality management, and assets selling at a discount to their replacement or acquisition value. Corporations generating increasing levels of free cash flow where management owns significant equity interests in the business are particularly favored. The Energy Portfolio employs a very concentrated investment style and may produce results that are considerably more volatile than those of the broader market. The Energy Portfolio uses the S&P Energy Index for its index.

Opportunity Portfolio

The Opportunity Portfolio seeks to invest in equity securities that represent unique opportunities for capital appreciation with reasonable risk. Considerable appreciation potential at an attractive price is the primary investment criterion, and both value and growth companies of any capitalization are considered for purchase. Typical investment attributes include reasonable price/earnings multiples relative to projected earnings and cash flow growth, strong or improving profit margins, a solid financial position, and impressive management. The Opportunity Portfolio employs a very concentrated investment style and may produce results that are considerably more volatile than those of the broader market. The Opportunity Portfolio uses the S&P 500 and S&P 1500 for its indices.

Special Accounts

IMVA manages a wide variety of accounts with slightly different investment styles or individual account restrictions. These accounts are labeled “Special”.

Investment Management of Virginia, LLC defines risk as the potential for permanent impairment or erosion of a security’s value.

Disciplinary Information

Investment Management of Virginia, LLC and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to the client's evaluation of the company or its personnel.

Other Financial Industry Activities and Affiliations

Neither Investment Management of Virginia, LLC nor any of the firm's personnel are registered or have a pending registration as a broker-dealer, registered representative of a broker-dealer, a futures commission merchant, a commodity pool operator, a commodity trading advisory, or as an associated person with any of the aforementioned entities.

Several Members and employees of Investment Management of Virginia, LLC are Members and/or employees of Dynamis Advisors, LLC (DA) which acts as the investment advisor to the Dynamis Venture Partners, LP Fund. Dynamis Advisors, LLC is also a SEC registered investment advisor. With the closing of Dynamis Energy Fund, LP in March 2012, the potential conflicts of interest between Dynamis Advisors, LLC and IMVA in the future should be significantly reduced.

Mr. John H. Bocock is a Member of the General Partner of Dynamis Advisors, LLC, and a portfolio manager for the Dynamis Venture Partners, LP, Fund.

Mr. Alexander H. Bocock is a Member of the General Partner of Dynamis Advisors, LLC, and a portfolio manager for the Dynamis Venture Partners, LP, Fund.

Mr. George J. McVey, Jr. is the Chief Financial Officer of Dynamis Advisors, LLC, and a portfolio manager for the Dynamis Venture Partner, LP, Fund. He also serves as Chief Compliance Officer to IMVA and Dynamis Advisors, LLC.

The two firms have a very close relationship. They share office space, various employees including portfolio managers, some operational functions, and expenses and research.

Dynamis Venture Partners is invested in a single private company, and a Member of DA serves on the Board of that company. Should this company go public in the future, IMVA portfolio managers could have a conflict of interest if they wanted to purchase shares in that public company. This situation is highly unlikely and would be disclosed to the affected IMVA clients before any investment was made.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Investment Management of Virginia, LLC strives to conduct its business in accordance with the fundamental principles of openness, integrity, honesty, and trust. The IMVA Code of Ethics reflects those principles and applies to all employees at IMVA. Mr. George J. McVey, Jr. is the Chief Compliance Officer for IMVA. The Code of Ethics contains employee limitations and restrictions on their personal security trading activities. The Code of Ethics also contains specific required reporting requirements.

A copy of Investment Management of Virginia, LLC's Code of Ethics will be provided upon request to any client or prospective client. Requests should be made to Mr. George J. McVey, Jr., Chief Compliance Officer, at gmcvey@imva.net or (804) 643-1100.

Investment Management of Virginia, LLC ("IMVA") is engaged in the buying and selling securities for its clients' accounts. In some instances, IMVA will trade client securities as a single block trade, with the intention of reducing the trading costs to clients. IMVA allows aggregation of orders for clients, employee benefit plans, and other vehicles in which employees invest as long as certain conditions are met.

IMVA has established a computer generated randomizer program to prioritize the different trading groups for each trade so that no one client or trading group will be systematically favored over any other. Related Account transactions that are placed as part of a General Allocation across a portfolio of accounts (Related and Non-Related accounts) are treated/traded equally with the other accounts in that Portfolio. Individual trades in any Related Account will always be the last group traded if not part of a general allocation.

Members and employees of IMVA may own many of the securities that are bought/sold for its clients. IMVA has adopted a "48 hour rule" in regard to client and Related Accounts' transactions. Related Accounts include Access accounts and brokerage accounts in which an IMVA employee or Member or a relative in their household has beneficial ownership of the assets. The fundamental premise of the "48 hour rule" is that Related Accounts should not receive better prices or market conditions than Non-Related Accounts (otherwise known as Client Accounts). The rule states that no Related Person shall place or execute a personal or Related Account securities' transaction if any client of IMVA or any affiliated advisor (collectively, the "Advisor), including a Fund that is a client: (1) has a pending buy or sell order in that security, or (2) any portfolio manager is contemplating or otherwise evaluating a transaction in that same security (collectively, the "triggering event"). This prohibition is applicable to the placement or execution of any transaction in the security that will occur within two business days before or after a triggering event unless the trade is exempt as described below, or specific, prior, written approval is granted by the Chief Compliance Officer. Should an IMVA employee seek to execute a trade on the opposite side of IMVA's client's order, the employee must wait two business days after the client's trade to enter his or her trade. Exceptions to the "48 hour rule" will normally be limited to: (1) trading in securities with greater than \$10 billion equity market capitalization at time of execution; (2) trades in Related Accounts

that are anticipated to have a beneficial impact on a pending trade in a client account, (3) transactions necessary to follow client instructions for immediate investing or liquidation of a client account or (4) other circumstances where immediate execution is in the clients' best interests.

Brokerage Practices

Broker-dealers are selected on the basis of overall services rendered. The following factors are considered:

- Execution capabilities required by the transaction(s)
- Ability and willingness of the broker-dealer to facilitate the portfolio's transactions promptly and at a reasonable cost
- Importance to the portfolio manager of speed, efficiency or confidentiality
- Broker-dealer's apparent familiarity with sources from or to whom a particular security might be purchased or sold.

Investment Management of Virginia, LLC may recommend custodians and/or brokers to clients based on the broker-dealer's execution ability, settlement efficiency, and competitive fee or commission schedule.

Brokerage commissions paid may be in excess of what another broker might have charged for effecting the same transactions in recognition of the value of research services provided by that broker. IMVA does not participate in any formal "soft dollar" arrangements with any broker-dealer in exchange for any products or services.

Research services provided by brokers may be used in servicing all clients although not all accounts pay commissions to brokers providing research services. IMVA may have an incentive to select a particular broker-dealer based on our interest in receiving such research information, rather than on receiving a most favorable execution.

Clients have the ability to direct IMVA to use a certain broker-dealer for the execution of trades in their accounts. In this instance, the client and the broker-dealer determine a commission rate or schedule. While IMVA may recommend a commission schedule, the final decision is determined by the client and broker-dealer/custodian. It is important that the designated broker-dealer be able to provide electronic trade confirmations to IMVA. If clients direct brokerage to a particular broker-dealer, they should be aware that they may be charged higher commission rates than those clients who allow IMVA to choose their broker-dealers. For example, in block transactions (aggregation of orders), IMVA would, in some instances, be in a better position to negotiate brokerage commissions if the brokerage was not directed by the client.

IMVA participates in the institutional advisor program (the "program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. IMVA receives some benefits from TD Ameritrade through its participation in the program. Such benefits are further disclosed in the Client Referrals and Other Compensation section.

Review of Accounts

The day-to-day supervision of each account is the responsibility of the account's portfolio manager. The portfolio managers review their portfolios or specific accounts on a regular basis. Account reviews take into account client objectives (as indicated by the portfolio selection, if applicable), portfolio holdings, and market risk. On a quarterly basis, accounts are reviewed by portfolio managers to ensure that the holdings appear suitable for the client's objectives.

Clients receive written notification of all portfolio transactions (purchases and sales) from their custodian. IMVA furnishes clients with a written quarterly analysis of their account including the following for each security: cost basis, market value, annual income, current yield, performance, industry group, and security class. Portfolio managers generally send a written market discussion to clients at the end of each quarter.

Client Referrals and Other Compensation

IMVA has fee sharing arrangements with firms who use IMVA as a money manager for the brokerage firm's clients. Firms currently participating include: Davenport and Company, Scott & Stringfellow, TD Ameritrade, Charles Schwab and Company, Gessner & Company, Klitzberg Fund Solutions, Inc., and Alta Capital Management LLC. Client consent is required for any fee sharing arrangements and any directed trading. IMVA may recommend these firms to clients for custodial and brokerage services. Alta Capital also acts as a third party marketer for IMVA's Small Capitalization Portfolio. Written agreements are in place for all such arrangements.

As disclosed under the "Brokerage Practices" section, IMVA participates in TD Ameritrade's institutional customer program and may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between IMVA's participation in the program and the investment advice it gives to its clients, although IMVA receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statement and confirmations; research related products and tools; consulting services; access to a trading desk serving IMVA participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to IMVA accounts); the ability to have advisory fees deducted directly from IMVA accounts; access to an electronic communications network for IMVA order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers and discounts on compliance, marketing, research, technology, and practice management products or services provided to IMVA by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by IMVA's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit IMVA but may not benefit all client accounts. These products or services may assist IMVA in managing and administering IMVA accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help IMVA manage and further develop its business enterprise. The benefits received by IMVA or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary responsibilities to clients, IMVA endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by IMVA or its related persons in and of itself creates a potential conflict of interest and may indirectly influence IMVA's choice of TD Ameritrade for custody and brokerage services.

IMVA may receive client referrals from TD Ameritrade through its participation in TD Ameritrade AdvisorDirect. In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, IMVA may have been selected to participate in AdvisorDirect based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with IMVA and there is no employee or agency relationship between them. TD Ameritrade has established AdvisorDirect as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors. TD Ameritrade does

not supervise IMVA and has no responsibility for IMVA's management of clients' portfolios or IMVA's other advice or services. IMVA pays TD Ameritrade an on-going fee for each successful client referral. This fee is usually a percentage (not to exceed 25% of the advisory fee that the client pays to IMVA ("solicitation fee"). IMVA will also pay TD Ameritrade the solicitation fee on any advisory fees received by IMVA from any of a referred client's family members, including a spouse, child or any other immediate family member who resides with the referred client and hired IMVA on the recommendation of such referred client. IMVA will not charge clients referred through AdvisorDirect any fees or costs higher than its standard fee schedule offered to its clients or otherwise pass solicitation fees paid to TD Ameritrade to its clients. For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form.

IMVA's participation in AdvisorDirect raises potential conflicts of interest. TD Ameritrade will most likely refer clients through AdvisorDirect to investment advisors that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, IMVA may have an incentive to recommend to clients that the assets under management by IMVA be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. In addition, IMVA has agreed not to solicit clients referred to it through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when its fiduciary responsibilities require doing so. IMVA's participation in AdvisorDirect does not diminish its duty to seek best execution of trades for client accounts.

Custody

All Investment Management of Virginia, LLC accounts are held in custody by unaffiliated broker-dealers or banks. There are a significant number of IMVA clients that have granted IMVA the ability to receive advisory fees directly from their custodian account. This is done only with written permission, and a duplicate invoice is sent to the client.

Account custodians send statements directly to clients on at least a quarterly basis. IMVA receives a duplicate copy of statements sent to clients. This duplicate copy is used to conduct reconciliations for trading, client cash flows, fees, security positions and other changes. Clients should carefully review these statements and should compare these statements to account information provided by IMVA.

Investment Discretion

IMVA accepts both discretionary and non-discretionary authority in managing accounts. If the client grants IMVA discretionary authority, IMVA is authorized to invest and make transactions in the client's account without obtaining the client's prior confirmation of any proposed action. Clients are able to place reasonable restrictions on IMVA's investment discretion. For example, some clients may have asked IMVA not to invest in a specific stock or type of industry or not to sell certain securities where the client has a particularly low tax basis. If IMVA has non-discretionary authority over the management of a client's account, IMVA is only authorized to proceed after obtaining the client's approval of any proposed action. Discretionary accounts may receive more favorable pricing when purchasing or selling securities than accounts managed on a non-discretionary basis due to the fact that IMVA must wait to receive client authorization to proceed with a transaction.

Discretionary authority may also be restricted by the client in instances where the client designates a particular broker for the execution of trades in their accounts.

Voting Client Securities

Clients decide if they want to vote the proxies of the securities held in the account managed by IMVA. This decision is made at the outset of the client relationship by allocating or withholding voting authority for IMVA or not in the client's investment advisory agreement. This decision may be changed at any time by notifying IMVA.

If the client grants authority to IMVA to vote proxies on their behalf, IMVA will vote in accordance with its Proxy Voting Policies and Procedures. If the client wishes to cast their vote in a particular situation in opposition to IMVA's stated policy, the client may contact his or her portfolio manager directly.

Investment Management of Virginia, LLC exercises its voting responsibilities as a fiduciary, with the goal of maximizing the value of clients' investments. Any conflict of interest must be resolved in a way that will benefit the most shareholders or clients. Since the quality and depth of management is a primary factor considered when investing in a company, IMVA will give substantial weight to the recommendation of management on most issues.

IMVA will vote proxies for ERISA clients unless the plan document expressly reserves proxy voting as a responsibility of the plan trustee.

If the client wishes to vote their own proxies, the custodian will be set up to provide the proxy voting materials directly to the client.

A copy of IMVA's Proxy Voting Policies and Procedures as well as a copy of the client's proxy voting record may be obtained from IMVA upon request by emailing Mr. George J. McVey, Jr., at gmcvey@imva.net or (804) 643-1100.

Financial Information

Investment Management of Virginia, LLC has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.