

DISCLOSURE BROCHURE

(FORM ADV, PART 2A)



INVESTMENT MANAGEMENT OF VIRGINIA, LLC
File No. 801-57765

919 East Main Street
Suite 1600
Richmond, Virginia 23219
(804) 643-1100
(804) 643-7599 Facsimile

This brochure provides information about the qualifications and business practices of Investment Management of Virginia, LLC. The term “registered investment advisor” refers to our legal status and does not imply a particular level of skill or training. 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.

July 2014

Material Changes

This is Investment Management of Virginia, LLC's ("IMVA") second amendment to our Disclosure Brochure for 2014. The most recent update to our Disclosure Brochure was filed in March 2014. The following changes have been made since our last amendment:

- More detailed disclosures in directed brokerage and trade error policies.

July 2014

TABLE OF CONTENTS

ADVISORY BUSINESS.....	4
FEES AND COMPENSATION.....	8
PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT.....	10
TYPES OF CLIENTS.....	11
METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS.....	12
DISCIPLINARY INFORMATION.....	15
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	16
CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING.....	17
BROKERAGE PRACTICES.....	19
REVIEW OF ACCOUNTS.....	23
CLIENT REFERRALS AND OTHER COMPENSATION.....	24
CUSTODY.....	25
INVESTMENT DISCRETION.....	26
VOTING CLIENT SECURITIES.....	27
FINANCIAL INFORMATION.....	28

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
- Select Equity Income
- Opportunity
- Special
- International

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 (when possible), the IMVA Investment Management Agreement, communications with clients, and the provision of 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 section)

IMVA also participates in model programs, wrap programs, and sub-advisory relationships.

Model Programs

Model programs are defined as professionally managed private investment accounts that are rebalanced regularly by a sponsor generally in accordance with instructions from an outside portfolio manager (in this case, IMVA) or managers. IMVA supplies the sponsor with a model portfolio and notifies the sponsor when changes to the model are made. The sponsor may choose whether or not to implement the changes provided by IMVA.

For example, if the IMVA portfolio manager for a given style purchases a new security with a 2% position, this change is communicated to the sponsor, who theoretically, makes a similar purchase in the investor's portfolio. The sponsor has the actual relationship with the client and the ultimate fiduciary duty to the client, including the discretion to make and implement changes in client accounts (not IMVA). The placement and execution of security transactions are not done by IMVA, nor does IMVA assume any fiduciary duties associated with these tasks.

Model Programs allow the end user to maintain a single account registration at a broker-dealer and invest in one or several different strategies offered by the sponsor, either in the context of separately managed accounts ("SMA", e.g., client has a separate account for each strategy chosen) or a single unified managed account ("UMA", e.g., client has a single separate account that holds securities from a variety of different strategies that the client has chosen). The majority of model programs in which IMVA participates are UMA programs.

In the context of model-based UMA programs, the sponsor pays IMVA a fee for the amount of assets managed within the program. Currently, these fees range from 0.30% to 0.50% on assets per annum paid on a quarterly basis.

The following model-based UMA programs are currently in place (with the respective strategies offered):

Lockwood Advisors, Inc. – Small Capitalization Portfolio*
FDx Advisors Inc. – Small Capitalization* and Large Capitalization Core Equity Portfolios
First Global Advisors, Inc. – Small Capitalization Portfolio*
Alta Capital Management LLC – Small Capitalization Portfolio
Investnet Asset Management Inc. – Small Capitalization* and Opportunity Portfolios
SunTrust Investment Services, Inc. – Small Capitalization Portfolio*
Pitcairn Trust Company – Small Capitalization Portfolio
Natixis Global Asset Management/Credit Suisse Securities LLC (USA) – Small Capitalization Portfolio

*No new assets are being accepted into these programs

In the context of model-based SMA programs the sponsor pays IMVA a fee for the amount of assets managed within the program. Currently, these fees range from 0.30% to 0.50% on assets per annum paid on a quarterly basis.

The following SMA programs are currently in place (with the respective strategies offered):

Lockwood Advisors, Inc. – Small Capitalization* and Large Capitalization Core Equity Portfolios

SunTrust Investment Services, Inc. – Small Capitalization Portfolio

Investment Asset Management, Inc. – Small Capitalization* and Opportunity Portfolios

Pitcairn Trust Company – Small Capitalization Portfolio

*No new assets are being accepted into these programs

Wrap Programs

IMVA also participates in wrap fee programs but is not a sponsor of any program. A wrap fee program is defined to be a program under which any client is charged a specified fee or fees not directly based on transactions in a client's account for investment advisory services and execution of client transactions. Clients in wrap programs generally have separately managed accounts ("SMA"). These accounts may be structured as a single or dual contract; that is to say, clients may sign separate contracts with the wrap plan sponsor and the investment advisor (dual) or only the wrap plan sponsor (single). In the case of most wrap fee programs, the investor is charged one fee which will encompass the management, brokerage, custody, and other services (including commission charges) provided under the program. The fee is generally paid directly to the wrap program sponsor, and a portion is designated for the investment advisor (in this case, IMVA) for its investment advisory services. Currently, the fees paid to IMVA range from 0.00% to 1.00% on assets per annum paid on a quarterly basis. Generally, wrap program clients have lower minimum account balances to maintain than if they were in a non-wrap or stand-alone investment agreement.

Wrap program clients' trades are generally placed with the plan sponsor, barring a best execution issue, since the wrap fees cover all transaction costs. Wrap program clients may find that if trading is low, they may be better off in a non-wrap program. Wrap program clients are treated the same as IMVA's separately managed accounts for trading purposes. Wrap program sponsors participate in the firm's trade randomizer program which seeks to insure that no client is systematically favored over another. This trade randomizer program is explained in greater detail under the 'Code of Ethics, Participation or Interest in Client Transactions and Personal Trading' section of this document.

The following wrap programs are currently in place (with the respective sponsors):

Spectrum Investment Program sponsored by BB&T Scott & Stringfellow

Flexible Managed Account Program sponsored by Davenport and Company

Lockwood Sponsored Program sponsored by Lockwood Advisors

Managed Account Access Program sponsored by Charles Schwab and Company

Private Advisor Network Program sponsored by Wells Fargo Advisors, LLC
Managed Accounts Consulting Program sponsored by UBS Financial Services, Inc.
Preferred Advisors Program sponsored by Credit Suisse Securities (USA) LLC
Discretionary Portfolio Solutions Program sponsored by Credit Suisse Securities (USA) LLC
Monument Premiere sponsored by Capitol Securities Management

Our Small Capitalization, Select Equity Income, Opportunity, Large Capitalization Core Equity, and Large Capitalization Balanced Portfolios are all represented in one or more of these wrap programs. Many of the programs do not have a minimum account size; some programs require a minimum of \$100,000 to \$500,000.

IMVA also has sub-advisory relationships with Howe & Rusling, Mount Yale, TD Ameritrade, Credit Suisse Securities (USA) LLC, and Hereford Funds. A sub-advisory program is defined as one in which another firm hires an outside firm to provide investment advisory services for their clients. These programs primarily utilize IMVA's Small Capitalization, Special, and Opportunity Portfolios for their clients and have minimum account size requirements for participation. Currently, the fees paid to IMVA range from 0.50% to 1.00% on assets per annum paid on a quarterly basis.

As of June 30, 2014, IMVA managed:

Discretionary Assets of **\$ 687,659,601 in 696 accounts**

Non-Discretionary Assets of **\$ 5,042,613 in 9 accounts**

Total Assets under management at 6/30/2014: **\$ 692,702,214**

Total Accounts under management at 6/30/2014: **705**

Total assets and accounts displayed above do not include model-based assets.

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 assets greater than \$1,000,000	0.75% 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.

Pursuant to this payment schedule, individual security transactions (commissions) will be paid by the client at the time of each transaction, if applicable. 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.

Under this fee schedule, the client fee will be based on the cash in the account (including accrued dividends and interest¹) plus the fair market value of the securities in the account managed by IMVA (“Supervised Assets”). The value of the Supervised Assets will be determined on the last business day of each quarter, using security prices provided by custodians or outside pricing sources, if necessary. The fee for the next quarter will be based on this amount and billed in advance. Unsupervised Assets, such as client assets that may be held in the client’s account that are not managed or supervised by IMVA, will not be included in the management fee calculation. Assets deposited into a new client account opened during any calendar quarter will be charged a pro-rated IMVA fee based on the number of days remaining in the calendar quarter versus the total number of days in the calendar quarter. No adjustment will be made to the IMVA fee for appreciation or depreciation in the value of the account during any quarter for which the IMVA fee has already been charged to the client. 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, and unless the client has made other arrangements with the custodian, the client should not expect the custodian to determine whether the fee is properly calculated.

¹ With one exception

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.

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.

IMVA shall not be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion thereof.

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.

In the event of termination of the investment management agreement, any prepaid fees will be refunded on a pro-rated basis to the date such cancellation takes effect and IMVA ceases to supervise the client assets unless otherwise agreed. However, there will be no refund of prepaid IMVA fees with respect to client withdrawals of cash and/or securities.

It is further understood and agreed that the IMVA fee schedule in effect for any account shall continue until thirty (30) days after IMVA has notified the client in writing of any change in the fee schedule that may be applicable to a client account, at which time the new schedule will become effective unless the client notifies IMVA that the account is not to be continued under the revised IMVA fee schedule.

Assets managed under the Spectrum Investment Program sponsored by BB&T Scott & Stringfellow are calculated and collected by BB&T Scott & Stringfellow directly from the client account in accordance with the advisory agreement with Spectrum. IMVA does not calculate this fee and does not collect any fees directly from the client. IMVA is compensated directly by Spectrum based upon the assets managed.

Assets managed under the Credit Suisse Managed Accounts Platform (Preferred Advisors and the Discretionary Portfolio Solutions Program) and Lockwood Advisors (Lockwood Sponsored Program) are calculated and collected by Pershing.

Assets under the Howe & Rusling agreement and in the Schwab Managed Account Access Program are calculated and collected by the respective parties.

Assets managed under the Hereford Funds agreement are calculated and collected by Hereford.

IMVA is compensated directly by Pershing, Howe & Rusling, Hereford Funds, and Schwab for their investment management services in these relationships.

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 management and 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.

Risks in investing in the Large Capitalization Core Equity Portfolio:

The portfolio may not perform as intended.

Past performance is no guarantee of future results.

Individual positions and/or the portfolio as a whole may produce short-term and /or long-term losses.

The portfolio is concentrated and may not provide adequate diversification.

Results may be volatile.

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.

Risks in investing in the Large Capitalization Balanced Portfolio:

The portfolio may not perform as intended.

Past performance is no guarantee of future results.

Individual positions and/or the portfolio as a whole may produce short-term and /or long-term losses.

The portfolio is concentrated and may not provide adequate diversification.

Results may be volatile.

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.

Risks in investing in the Select Equity Income Portfolio:

The portfolio may not perform as intended.

Past performance is no guarantee of future results.

Individual positions and/or the portfolio as a whole may produce short-term and /or long-term losses.

The portfolio is concentrated and may not provide adequate diversification.

Results may be volatile.

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.

Risks in investing in the Small Capitalization Portfolio:

The portfolio may not perform as intended.

Past performance is no guarantee of future results.

Individual positions and/or the portfolio as a whole may produce short-term and /or long-term losses.

The portfolio is concentrated and may not provide adequate diversification.

Results may be volatile.

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.

Risks in investing in the Opportunity Portfolio:

The portfolio may not perform as intended.

Past performance is no guarantee of future results.

Individual positions and/or the portfolio as a whole may produce short-term and /or long-term losses.

The portfolio is concentrated and may not provide adequate diversification.

Results may be volatile.

Special Accounts

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

Risks in investing in Special Portfolios:

The portfolio may not perform as intended.

Past performance is no guarantee of future results.

Individual positions and/or the portfolio as a whole may produce short-term and /or long-term losses.

The portfolio is concentrated and may not provide adequate diversification.

Results may be volatile.

International

The International Portfolio seeks to invest in high quality growth companies that can give investors exposure to economic growth in emerging and developing markets. The primary investment criteria are strong long-term earnings and dividend growth potential. The Portfolio may be over weighted in some countries or regions. The International Portfolio uses the Morgan Stanley Capital International (MSCI) ACWI ex USA Index and MSCI All Countries ex USA Index.

Risks in investing in the International Portfolio:

The portfolio may not perform as intended.

Past performance is no guarantee of future results.

Individual positions and/or the portfolio as a whole may produce short-term and /or long-term losses.

The portfolio is concentrated and may not provide adequate diversification.

Results may be volatile.

This portfolio should only be considered as a small position in the context of a larger, diversified portfolio.

Investment Management of Virginia, LLC defines risk as the potential for permanent impairment or erosion of a security’s value. The risks described with each Portfolio strategy provided are not an exhaustive list of risks. Clients should not be investing in certain strategies without being prepared to bear the associated risks.

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. George J. McVey, Jr. is the Chief Financial Officer of Dynamis Advisors, LLC, and a portfolio manager for the Dynamis Venture Partners, 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.

A passive Member of Dynamis Advisors, LLC (and former Dynamis and IMVA employee, Alexander Bocock) is now employed by and serves as an observer to the Board of Directors of Red Leaf Resources, Inc., the single private company in which Dynamis Venture Partners, LP is invested.

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 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 of securities for its clients' accounts. In some instances, IMVA will trade client securities as a single block trade, if possible, to provide clients with the same execution price. IMVA allows aggregation of orders for clients, employee benefit plans, and other vehicles in which employees invest as long as certain conditions are met. A more detailed explanation of our trading practices can be found under the Brokerage Practices section.

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.

IMVA may use an unaffiliated broker-dealer or custodian to cross investments and/or cash between Client accounts when such a transaction is advantageous for each participant. However, no accounts subject to ERISA may be included in any cross trade.

IMVA will follow the procedures outlined below when effecting cross trades through an unaffiliated broker-dealer or custodian.

- The portfolio manager will complete a trade ticket showing the positions and/or cash that are to be crossed.
- The portfolio manager will provide the trade ticket to a trader, who will ensure that the positions are freely tradable and not subject to any restriction.
- For trades that are part of a periodic rebalancing process, the trader will instruct the broker-dealer(s) and/or custodian(s) to cross the assets at the closing price as of a pre-determined rebalancing day.
- For trades that are not part of a periodic rebalancing process, the trader will instruct the broker-dealer(s) and or custodian(s) to cross the assets at the midpoint between the current national best bid and offer.
- Any transaction costs will be divided equally between the participants.
- The trader will record the cross into IMVA's portfolio accounting system or MOXY and reconcile the trade confirmations against the trade ticket to detect any errors.

Brokerage Practices

If the client does not specify a broker for trading (referred to as “Directed Trading”), Investment Management of Virginia, LLC (IMVA) will select the broker(s) to handle transactions for the account on the basis of commission rates and overall services provided, and will seek to obtain for the client the best price and execution. As is the case with many advisers, IMVA does not require or request that clients to specify a broker-dealer (or a specific broker-dealer) as part of the account opening process or to have any type of directed brokerage throughout the relationship.

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.

In the case of Directed Trading, the broker selected will negotiate the commission rates directly with the client. As a result, the client may pay a higher or lower commission rate than others. Directed trading may cost the client more money. If the client has issued specific directed trading instructions, then IMVA may not be authorized to seek better execution services or prices from other broker-dealers. IMVA may not have the ability to seek better commission rates under a directed trading arrangement, unless you direct or authorize us to do so. IMVA also may be unable to aggregate the client’s transactions for execution through other brokers or dealers with orders for other accounts advised or managed by IMVA. As a result, IMVA may not obtain best execution on behalf of the client under a Directed Trading arrangement. If the client does designate a specific brokerage firm and/or broker through which IMVA is to execute securities transactions for the client’s account, or provide any other trading restrictions to be followed, the client must confirm such specific instructions in the investment management agreement. IMVA is not responsible for the accuracy or verification of the commission rate and minimum ticket charge information between the client and their broker-dealer. The client must notify IMVA if there is any change in trading instructions and/or directed trading commission and minimum ticket charges. In the event that a client is referred to IMVA by a broker-dealer, IMVA has a potential conflict between the client’s interest in obtaining best execution and IMVA’s receiving future referrals from the broker-dealer.

IMVA has adopted a trading randomization procedure to execute a Program Trade on behalf of its clients. A Program Trade is defined as a purchase or sale order for a specific strategy to be applied to all accounts managed in that manner. To help insure that all clients are treated fairly, the trading order for the different custodian or broker-dealer groups are chosen randomly with the aid of an Excel generated randomizer. Each portfolio within that trading group will participate in an aggregated order at the average price for that group if the order is completely filled. The sequence is followed for each trading group until the trade pre-allocation is complete.

In addition, employee related accounts that are a part of a managed strategy are included in the trading sequence described above.

The portfolio manager who created the trade pre-allocation will determine how partially filled orders should be allocated among accounts as promptly and efficiently as possible to ensure price fairness among portfolios. Portfolio managers may elect to distribute shares pro-rata or randomly (primarily if too few shares have been purchased or sold for an even allocation, different investment objectives, restrictions, risks, and other factors specific to the accounts in question).

Since non-discretionary portfolios require the client's preapproval for placing security transactions, these transactions are not placed until receipt of such approval which leads to a delay in execution. Consequently, non-discretionary portfolios may receive a different price.

There may be instances in which IMVA generates an error in implementing investment decisions on the Client's behalf. An IMVA "trade error" is generally considered to include an IMVA mistake that (i) prevents portfolio trading instructions (given by a Portfolio Manager on behalf of a Client) from occurring in substantially the manner intended by the Portfolio Manager; (ii) results in the execution of a trade on behalf of a Client that was not intended for that Client; or (iii) causes a violation of any applicable investment policies or restrictions provided to IMVA in writing by the Client. Trade errors are corrected promptly to mitigate any losses to the Client. IMVA will bear the costs associated with correcting errors that were generated by IMVA. Gains associated with any trade error shall be retained by the affected Client, when permitted by law. Typically, if there are gains and losses associated with an interrelated set of errors, they may be netted. Trade errors are memorialized and may contain suggested changes to future policies or procedures to prevent reoccurrence.

IMVA does not participate in Initial Public Offerings (IPOs) for its clients.

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. IMVA 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.

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 are managed in the style selected by the client.

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 agreements with a number of third party solicitors who refer clients to IMVA for investment advisory services. In these cases, the broker-dealer or investment advisor brings clients to IMVA in exchange for a portion of the compensation received from IMVA for managing these assets. There are specific guidelines and agreements that must be followed and executed by the three parties in order to comply with Rule 206(4)-3. IMVA has policies and procedures outlining these arrangements. IMVA currently has arrangements with brokers from Davenport & Company and with the firm, Gessner & Company.

IMVA has fee sharing arrangements with firms who use IMVA as a money manager for any third party marketer or brokerage firm's clients. Firms currently participating include: Davenport and Company, TD Ameritrade, Charles Schwab and Company, Gessner & Company, Klitzberg Fund Solutions, Inc., and the Hereford Funds. 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. Written agreements are in place for all such arrangements.

IMVA acts as sub-advisor to Howe & Rusling, Inc., Credit Suisse Securities (USA) LLC, PSG (The Portfolio Strategy Group, LLC, and the Mount Yale Capital Group, LLC to provide the Small Capitalization Portfolio strategy to clients brought to IMVA by the aforementioned firms. In the case of the sub-advisor role, IMVA's Small Capitalization Portfolio strategy is offered as an investment option of clients at these sponsors. The accounts in these programs are managed in the same manner as an IMVA managed portfolio in the Small Capitalization Portfolio strategy would be managed. IMVA receives between 0.50% and 0.75% of the client's fee for its investment advisory services. The minimums required for investment range from \$200,000 to \$250,000.

IMVA also acts as sub-advisor to TD Ameritrade in their AdvisorDirect Program. IMVA generally receives its standard fee for these accounts and has a \$500,000 minimum, which may be negotiable.

IMVA acts as sub-advisor to Hereford Funds, managing Hereford Funds Opportunity Portfolio Fund, which is only available to non-US investors.

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. Should you notice any discrepancies, please contact us and/or your custodian as soon as possible.

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.