

Avondale Investment Company, LLC

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This brochure provides information about the qualifications and business practices of Avondale Investment Company, LLC. If you have any questions about the contents of this brochure, please contact us at Skriloff@avondaleam.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration as an investment advisor does not imply a certain level of skill or training.

Additional information about Avondale Investment Company, LLC is also available on the SEC website at www.adviserinfo.sec.gov.

Item 2. Material Changes

On July 28, 2010, the United States Securities and Exchange Commission (“SEC”) adopted amendments to Form ADV and the rules concerning delivery of brochures to clients of registered investment advisers. This Brochure, dated December 12, 2014 is an amended document to the previous document dated July 7, 2014 as according to the SEC’s new requirements and rules. As such, this amended document contains materially new information that our previous brochure, dated July 7, 2104, did not include.

In the future, this Item will discuss material changes, if any, made to this Brochure as part of our annual update.

A summary of any material changes to this and subsequent Brochures will be provided to you within 120 days of the close of our business’ fiscal year. We may also provide you with additional updates or other disclosure information at other times during the year in the event of any material changes to our business.

You may request the most recent version of this brochure by contacting Scott Krisiloff at 310-779-7383 or at Skrisiloff@avondaleam.com.

The following material changes have been reflected in this Brochure and are changes from our prior Brochure.

- **Item 4 was amended to reflect current assets under management and the addition of a mutual fund as a new type of client**
- **Item 5 was amended to include mutual fund fee disclosure**
- **Item 7 was amended to include mutual fund disclosures**
- **Item 12 was amended to include mutual fund disclosures**
- **Item 15 was amended to clarify custody status**
- **Item 16 was amended to clarify proxy voting policies**
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Item 4. Advisory Business

Avondale Investment Company, LLC (“Avondale” or the “Firm”) is an independent investment management firm established in 2011 in the State of California. The firm is a single member LLC with 100% of its ownership vested in Scott Krisiloff.

Avondale offers investment management services to individuals including high net worth individuals, through separately managed accounts (“Clients”). Normally, accounts are fully discretionary and managed in accordance with the Client’s risk and return objectives and portfolio constraints including investment time horizon, liquidity needs, tax considerations, unique circumstances and other reasonable guidelines established by Client and accepted by the Firm. As of December 31, 2014, the Firm had \$7,300,000.00 in assets under management to which we provide advice on a discretionary basis and \$1,500,000 in assets under management to which we provide advice on a non-discretionary basis. The firm does not participate in wrap fee arrangements.

Avondale manages portfolios with the objective to grow the inflation adjusted purchasing power of invested capital over time in a way that is consistent with individual Client risk tolerance.

We also serve as the investment adviser to the Avondale Core Investment Fund (the “Fund”), a ‘40 Act mutual fund.

Throughout this brochure, we disclose a number of conflicts of interest and provide summaries of a number of our policies and procedures designed to detect and address these conflicts and others. We encourage Fund investors, Clients and prospective clients to review our policies and procedures and inquire directly with us about our conflicts. Our compliance policies and procedures are available for review in our offices. In addition, conflicts of interest and specific risks are identified in the offering materials of the Fund that we manage. Please request a copy of the Fund’s most current offering materials for a description of other conflicts and risks that might exist.

Item 5. Fees and Compensation

Avondale is compensated by an investment advisory fee based on a percentage of assets under management. All fees are negotiable. Lower fees for comparable services may be available from other sources. Our standard investment advisory fee schedule is as follows:

Account Value	Annual Fee Rate
On amounts up to the first \$10 million:	1.00%
On amounts over \$10 million up to \$25 million:	0.75%
On amounts over \$25 million up to \$50 million:	0.65%
On amounts over \$50 million up to \$75 million:	0.55%
On amounts over \$75 million up to \$100 million:	0.50%
On amounts in excess of \$100 million:	0.45%

Fees are normally calculated and billed quarterly in arrears at the end of the calendar quarter. The Client has discretion over whether to deduct the fees directly from assets or pay the fees from other Client sources. Clients are responsible for paying brokerage commissions related to the purchase and sale of securities for their account.

Clients have the right to terminate managed accounts with Avondale at any time upon written notice. Avondale may also terminate its investment advisory contract with a Client at any time, for any reason, upon not less than thirty (30) calendar days written notice provided to the Client. Upon termination, Avondale will bill the Client for any earned, unpaid fees which will be payable upon your receipt of our bill. There are no closing or penalty fees for terminating a Client's investment advisory contract.

Clients should be aware that they are likely to incur fees beyond Avondale's advisory fees, including fees charged by the Client's custodians and imposed by broker-dealers. Such fees may include, but are not limited to, custodial fees, transaction costs, fees for duplicate statements and transaction confirmations, brokerage commissions, and fees for electronic data feeds and reports.

Fund

If the Avondale Fund is profitable (i.e. does not exceed the expense cap) the fund will pay us a management fee up to 1.50% annually of the Net Asset Value ("NAV") of the Fund. The management fee is accrued daily as part of the daily NAV

Additional Expenses

Our fees are exclusive of brokerage commissions, transaction fees, custodial fees, and other related costs and expenses, all of which are incurred by the Client. Please refer to Item 12 for additional information regarding the factors we consider in selecting broker-dealers for Client transactions, and in determining the reasonableness of their compensation.

Item 6. Performance Based Fees

Avondale does not manage any accounts on the basis of a performance-based fee or side by side management arrangements.

Item 7. Types of Clients

As noted in Item 4 above, we advise separately managed accounts for individuals and high net worth individuals and also provide portfolio management services to the Fund (which is organized as Registered Investment Management Company pursuant to the rules and regulations of the Investment Company Act of 1940). Avondale does not have a minimum dollar value requirement for establishing an investment advisory account and maintaining an investment account.

Termination provisions for advisory contracts for separately managed accounts are subject to negotiation but generally may be terminated on 30 days written notice. Generally, the

Funds' investment advisory contracts may be terminated at any quarter end with 30 days written notice.

The beneficial owners of separately managed accounts generally receive more information (including portfolio composition information) and have more favorable liquidation rights than investors in the Funds. We may also negotiate fees with beneficial owners of separately managed accounts that may be more favorable than the fees in place for comparable Fund.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

As noted above, Avondale provides Investment Advisory services for separately managed accounts and the Avondale Core Investment Fund. Shareholders of the Fund should refer to the fund's prospectus for investment strategy and risk disclosures.

Generally, Avondale manages SMA accounts in accordance with the investment strategy outlined below. Note that individual account holdings and performance may vary based on many factors which includes, but is not limited to, suitability for unique risk objectives. Also note that guidelines involving allocation thresholds are not absolute and may be altered without notice based on the investment environment.

Objective

Our general investment objective is to grow the inflation adjusted purchasing power of invested capital over time.

Investment Universe

Generally, our investment program consists of a portfolio invested in a broad universe of publicly traded securities. This includes individual equities, bonds, ETFs and other securities. The portfolio may hold investments in foreign companies but typically would do so through US listed vehicles.

Investment Strategy

We take a long-term investment perspective and seek to invest in assets that are undervalued by the market relative to their fundamental characteristics. In order to find opportunities we rely on internally developed research including macroeconomic forecasts, fundamental Firm research and quantitative models, which screen for important investment criteria.

Portfolio Construction/Risk Management

Avondale believes that this investment strategy is suitable for investors with a moderate to moderately aggressive risk tolerance. Depending on circumstances it can be modified for investors with other risk tolerances. The portfolio will typically hold fewer than 20 individual

positions. Our general investment guidelines (measured at time of purchase) are as follows:

- Maintain a reasonable level of diversification among asset class and economic sector as dictated by the investment environment. The portfolio will tend to have a focus on corporate securities;
- Maximum 35% of portfolio in any single diversified asset position (ETF, mutual fund); and
- Maximum 10% of portfolio for any non-diversified security (individual equity, bond, ETN, inverse/leveraged ETF).

Sell Discipline

Our investment program is designed to limit turnover which typically minimizes trading costs and negative tax consequences. Some factors that would lead to a sale of an investment are:

- Market realization of expected asset value;
- Existence of superior alternative investment opportunity; and
- Change in underlying fundamental environment.

Risks inherent to the investment process:

Risk of Loss – Investing in equity securities involves substantial risks, investors should be prepared for the possibility of losing some or all of their investment.

Concentration Risk – Avondale’s portfolios are concentrated, which may cause performance to be more volatile than a more diversified portfolio. Avondale’s portfolios may also be over-weighted and under-weighted in various economic sectors, industries and Firm sizes. This can contribute to a negative impact on Avondale’s absolute and relative returns if the portfolio is over-weighted in a weak performing sector or under-weighted in a strong performing sector.

Model Risk—Avondale may use quantitative models to aid in security selection. These models have been back-tested for performance, but past performance is not indicative of future returns. Likewise, the factors that the model has determined to be relevant based on past experience may not prove relevant on a go forward basis.

Liquidity Risk –The investments in securities selected by the Firm may be illiquid. As a result, it may be necessary to hold these investments for an indefinite period of time. Generally, a less liquid investment bears more risk than a more liquid one. If the Firm is unable to liquidate an investment as its value declines, the Firm will be unable to limit losses. Similarly, if the Firm is unable to liquidate an investment at a time when cash is needed, the Firm may miss other investment opportunities or be forced to sell other investments at unfavorable times.

General Risk—The Firm’s investment strategies are designed to accomplish the investment objective of each Client. However, there can be no guarantee of the success of the strategy and the Firm’s investment activities may be adversely affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty,

changes in laws, and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of the investments. Unexpected volatility or illiquidity could impair the portfolio's profitability or result in losses.

Other Risks—The Firm may invest for its Clients in non-U.S. securities and other assets, which will give rise to risks relating to political, social and economic developments abroad, as well as risks resulting from the differences between the regulations to which U.S. and non- U.S. issuers and markets are subject. These risks include political or social instability, the seizure by foreign governments of Firm assets, acts of war or terrorism, withholding taxes on dividends and interest, high or confiscatory tax levels and limitations on the use or transfer of assets. In addition, enforcing legal rights in some foreign countries is difficult, costly and slow, and there are sometimes special problems enforcing claims against foreign governments.

Item 9. Disciplinary Information

Form ADV Part 2 requires investment advisers such as Avondale Investment Company, LLC, to disclose legal or disciplinary events involving the firm or our partners, officers, or principals that are material to your evaluation of our advisory business or the integrity of our management. At this time, we have no information to report that is applicable to this item.

Item 10. Other Financial Industry Activities and Affiliations

There are no activities or affiliations to report.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Avondale has adopted the Code of Ethics and Standards of Conduct as adopted by the CFA Institute: The Code of Ethics incorporates the following principals

- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets.
- Place the integrity of the investment profession and the interests of clients above their own personal interests.
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities.
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on themselves and the profession.
- Promote the integrity of and uphold the rules governing capital markets.
- Maintain and improve their professional competence and strive to maintain and improve

the competence of other investment professionals.”

Avondale’s principal owner and portfolio manger does invest money in the same securities recommended to Clients, but transactions with respect to those securities and all transactions conducted by the portfolio manager are conducted with strict adherence to Standard VI(B) of the CFA institute’s Standard’s of professional conduct which is the following:

“Standard VI(B) reinforces the responsibility of members and candidates to give the interests of their clients and employers priority over their personal financial interests. This standard is designed to prevent any potential conflict of interest or the appearance of a conflict of interest with respect to personal transactions. Client interests have priority. Client transactions must take precedence over transactions made on behalf of the member’s or candidate’s firm or personal transactions.”

A copy of the Code of Ethics will be provided to Clients or prospective Clients upon request.

Item 12. Brokerage Practices

Avondale recommends that SMA Clients use Scottrade as a custodian and broker for the accounts that it manages. Clients can choose to use a different broker, but currently all of Avondale’s Clients custody their accounts at Scottrade. Consequentially Avondale conducts all SMA trades through this broker, and the broker receives a fee for these trades. However Avondale receives no compensation of any kind for such an arrangement.

Research and Other Soft Dollar Benefits

General Information.

Fund Clients may pay for research and execution services with “soft” or commission dollars. While Clients benefit from many of the services obtained with “soft dollars” generated by Client trades, each Client will not benefit exclusively.

In addition, we may also derive direct or indirect benefits from soft dollar services—this is particularly true to the extent that we use “soft” or commission dollars to pay for expenses that we would otherwise be required to pay for out of pocket. Therefore, we may have an incentive to select broker-dealers based on our interest in receiving the research or other products or services at reduced cost to us, rather than based on the Clients’ interest in receiving most favorable execution.

We do not seek to allocate soft dollar benefits to Client accounts proportionally to the soft dollar credits those accounts generate. Rather, we use soft dollar benefits to service all Clients’ accounts. However, each Client may not benefit from each of the services that we pay for with soft dollars, and therefore, in the case of any particular transaction or transactions, a Client may pay higher commission rates without receiving any benefit.

As noted above, in allocating Client brokerage, we generally consider, among other things, research and execution services provided by brokers. We do not preclude allocations to brokers that do not provide research and other soft dollar services, but the proposed relationships with brokerage firms that do provide soft dollar services to us influences our judgment in allocating brokerage business and creates a conflict of interest.

We believe that our allocation of brokerage business will help Clients to obtain research and execution capabilities and will provide other benefits to Clients, but Client trades executed through these brokers or dealers or any other brokerage firm may or may not be at the best or lowest price otherwise available.

Section 28(e) Safe Harbor.

Section 28(e) of the Exchange Act provides a “safe harbor” to investment advisers who use commission dollars of their advised accounts to obtain certain research and brokerage services. Conduct outside of the safe harbor afforded by Section 28(e) is subject to the traditional standards of fiduciary duty under state and federal law. We intend that all soft dollar payments will fall within the safe harbor of Section 28(e). Section 28(e) permits an investment adviser, under certain circumstances, to cause an account to pay a broker a commission for effecting a transaction in excess of the amount of commission another broker would have charged for effecting the transaction in recognition of the value of the brokerage and research

Item 13. Review of Accounts

All accounts are monitored on a regular basis by the portfolio manager, Scott Krisiloff. Account objectives, investment outlook, portfolio holdings and transactions are reviewed with the Client based on the Client's requested schedule. Each Client receives a periodic report of investment activity, which includes an appraisal, transaction summary and performance review.

Item 14. Client Referrals and Other Compensation

Avondale does not receive economic benefit from anyone who is not a Client. In addition, Avondale does not provide any compensation either directly or indirectly for Client referrals.

Item 15. Custody

Avondale does not maintain custody or possession of the assets or securities of any Client. Client funds are held by custodians or broker-dealers ultimately chosen by the Client. Avondale holds a limited power of attorney (i.e., limited power of trading authority) to act on a discretionary basis with respect to such Client funds. Clients should receive account statements directly from their custodian or broker-dealer and should carefully review those statements.

All separately managed account Clients should receive, at least quarterly, account statements from the broker-dealer, bank, or other custodian that maintains the Client's assets. We urge Clients to compare the statements received from their custodians with the statements they

receive from us. Statements that we provide Clients may vary from the statements received from custodians due to differences in the timing on posting transactions, accounting procedures, or other reasons.

We provide Fund investors with the Fund's mandatory filings including, but not limited to, the following: Fund Prospectus; Daily Net Asset Value ("NAV") and Annual/Semi-Annual Reports.

Item 16 – Voting Client Securities

We have adopted proxy voting policies and procedures (the "Proxy Policies"). Under our Proxy Policies, our general policy is to vote proxy proposals, amendments, consents or resolutions relating to the Avondale Core Investment Fund (the "Fund") securities, including interests in private investment funds, if any (collectively, "proxies"), in a manner that serves the best interests of the Fund. We review on a case-by-case basis each proposal submitted to a shareholder vote to determine its impact on the portfolio securities held by the Fund. Although we generally vote against proposals that may have a negative impact on the Fund portfolio securities, we may vote for such a proposal if there exists compelling long-term reasons to do so. Our proxy voting decisions are made by the senior officers who are responsible for monitoring each of the Fund's investments. To ensure that our vote is not the product of a conflict of interest, we require that:

(i) anyone involved in the decision making process disclose to our Chief Compliance Officer any potential conflict that he or she is aware of and any contact that he or she has had with any interested party regarding a proxy vote; and (ii) employees involved in the decision making process or vote administration are prohibited from revealing how we intend to vote on a proposal in order to reduce any attempted influence from interested parties.

We do not vote client proxies for our Separately Managed Account ("SMA") Clients. SMA Clients will receive proxy material directly from the custodian holding the client's account. Under circumstances where we receive proxy material on behalf of a SMA Client involving any security held in the SMA Client's account, we will promptly forward such material to the SMA Client's attention. It is the SMA Client's responsibility to vote his/her proxy(ies). We will provide advice regarding proxy voting. We will keep a record of any advice given to a SMA Client regarding proxy voting, in addition to any proxy material received on behalf of a SMA Client and the steps taken to forward such material to the SMA Client.

Clients may also contact us at the address or telephone number listed on the first page of this document with questions about a particular proxy, to request a copy of our Proxy Policies and the proxy voting record relating to your account.

Item 17 – Financial Information

Form ADV Part 2 requires investment advisers such as Avondale Investment Company, LLC to disclose any financial condition reasonably likely to impair our ability to meet

contractual commitments to clients. At this time, we have no information to report that is applicable to this item