



THETFORD INVESTMENT MANAGEMENT, INC.

Item 1 – Cover Page

Thetford Investment Management, Inc.

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Form ADV Part 2A

April 29, 2015

This Brochure provides information about the qualifications and business practices of Thetford Investment Management, Inc. If you have any questions about the contents of this Brochure, please contact us at (804) 782-9338. 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.

Thetford Investment Management, Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Thetford Investment Management, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.



THETFORD INVESTMENT MANAGEMENT, INC.

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated 4/29/15 is a revised version of the original document dated 4/30/11. The last annual update was dated 4/29/14. It is prepared according to the SEC’s current requirements and rules.

Currently, our Brochure may be requested by contacting John Pataki, Chief Compliance Officer at (804) 782-9338 ext. 106 or jpataki@thetfordfinancial.com.



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THETFORD INVESTMENT MANAGEMENT, INC.

Item 4 – Advisory Business

Thetford Investment Management, Inc. (TIM) is an independent, fee-based financial advisory firm. We were incorporated in 1986 in the state of Virginia and are wholly owned by our parent corporation Thetford Financial Services, Inc. which is majority owned by Mr. Michael Bradley Blaylock.

We work with each client on an ongoing basis to determine the appropriate balance of investment objectives: growth, taxable and tax-exempt income, liquidity and safety. We build each client portfolio by selecting individual stocks, bonds and closed-end funds to maximize tax efficiency and avoid the layering of fees. The financial advisory services also include retirement needs analysis.

As of January 31, 2015, we have \$99,826,261 in discretionary and \$2,259,427 in non-discretionary assets under management.

Item 5 – Fees and Compensation

The specific manner in which fees are charged by Thetford Investment Management, Inc. is established in a client's written Investment Advisory Agreement. Fees for investment advisory services are generally billed in arrears every six months based upon a percentage of the market value of assets under management as of the close of business on June 30th and December 31st. Some clients have negotiated a quarterly billing arrangement. Our standard annual fee is 0.75% of assets under management, billed as 0.375% of assets under management as of June 30th and December 31st. All fees are negotiable and certain clients with pre-existing relationships with Thetford Investment Management, Inc. are charged fees that are more or less than those specified above. Certain family groups have



negotiated a tiered fee structure that establishes fees based upon the aggregate value of family assets under management.

Our clients authorize the account custodian to debit their client account for the amount of our investment advisory fee. At the end of each billing period we notify your custodian the amount of the fee due and payable to us as specified in your investment advisory agreement. The custodian will then deduct the fee from your account. To maximize tax efficiency, we will extract fees for tax-deferred or tax-free retirement accounts from your taxable account whenever possible. The custodian sends you a statement directly each month showing all positions, transactions and debits and credits into or from your account. The statements following the end of a billing period will reflect the investment advisory fee that you paid to Thetford Investment Management, Inc. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee.

Thetford Investment Management's advisory fees do not include all of the fees you will pay when we purchase or sell securities for your accounts. These fees may include brokerage commissions, transaction fees, exchange fees, SEC fees, internal advisory and administrative fees charged by Mutual Funds, Closed-End Funds, Exchange Traded Funds (ETFs), Money Markets or Money Market Mutual Funds (fees are disclosed in a fund's prospectus), foreign taxes on dividends, wire transfer and electronic fund processing fees. Thetford Investment Management, Inc. does not receive, directly or indirectly any of these fees. In addition, we do not have or employ any employee that receives (directly or indirectly) any compensation from the sale of securities or investments that are purchased or sold for your account. As a result, we are a fee only investment advisor.

Item 12 further describes the factors that Thetford Investment Management, Inc. considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).



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

Thetford Investment Management, Inc. does not charge any performance-based fees (fees based on a share of capital gains or the capital appreciation of client assets).

Item 7 – Types of Clients

Thetford Investment Management, Inc. provides portfolio management services to individuals, high net worth individuals, trusts, charitable institutions, foundations, limited liability companies (LLCs), and other business entities.

The minimum initial investment is \$500,000 for management of accounts. Minimum account sizes are negotiable.

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

Investing in securities involves risk of loss that clients should be prepared to bear.

Thetford Investment Management, Inc. views stock and bond portfolios in the context of the overall financial condition of each investor. Only when we know the client's situation, and the client's tolerance for risk, can we formulate a proper investment strategy.

Methods of Analysis – Stocks

At Thetford Investment Management we attempt to buy stocks:

- When their prices show that they are unpopular
- When we determine that there is a realistic potential for a substantial rise in price



- That have strong balance sheets with above-average dividends and/or dependable growth rates to use as core holdings
- That have low prices relative to historical, normalized earnings

Thetford Investment Management primarily uses fundamental rather than technical analysis for its stock selection methodology. Securities are evaluated based on a variety of parameters including financial strength, earnings history and potential, standard financial valuation metrics (price to earnings, price to book value, price to sales, etc.), management, industry sector outlook, competitive position within the sector, outlook relative to the overall economic cycle, political and legislative environment, and potential catalysts for price appreciation.

Sources of information used in the evaluation process include company filings with the Securities and Exchange Commission, company websites, presentations and conference calls, financial newspapers, magazines and industry publications, brokerage firm research, Government and economic reports and the Value Line Investment Survey.

Methods of Analysis – Bonds

Historically, except in unusual circumstances and over relatively short intervals, inflation and taxes have combined to confiscate returns to bondholders. This fact has dire implications for risk-averse investors and gives rise to the temptation to take unwarranted maturity or credit-quality risks in the hope of achieving higher returns. We believe that the proper role of bonds is to provide dependable cash yield and to safeguard nominal principal. We believe that most individual investors are ill served by using very long-term bonds to increase current yield or to speculate on interest rate trends. We also think it does not make sense to accept dramatically higher credit risk for marginally superior current returns. Many investors do not seem to realize that you can lose money in bonds.

Sensitivity to price and value governs Thetford Investment Management's fixed income investing just as it does our approach to equities. Thetford is inclined to buy bonds when



the consensus favors selling and to sell when the consensus is buying. We particularly like debt securities when their after-tax real returns – the difference between net yields and inflation – are high. Thetford reduces the risk in fixed income portfolios after periods of strong bond price appreciation, when interest rates have fallen relative to historic and prospective inflation. One of the ways to reduce this risk is to shorten the time to maturity, or duration of the bond portfolio. As with stocks, we take a several-year view of investment potential.

Specific analysis of tax-free municipal and taxable corporate bonds involves comparison of where the yield to maturity and yield to call (a call specifies a date prior to maturity when the bond issuer has the right to buy the bonds back at a specified price) fall relative to the comparable yield curve of the overall market of similar bonds with like credit risk. We look for opportunities to pick up yield by purchasing bonds that are mispriced in the marketplace. For instance, at times callable bonds can be purchased at a discount if due diligence reveals that they are not likely to be called yet the market prices them as if they will. Situations may also arise where motivated sellers offer bonds at a discount (higher yield) relative to the overall yield curve of comparable securities.

There are several types of risks associated with investing in bonds. When you purchase a bond you are loaning money for a set period of time to another party such as a corporation, government or municipality. Credit or default risk is the risk that they will not be able to pay you back.

Interest rate risk involves the inverse relationship between bond prices and interest rates. When interest rates go up, bond prices go down. When interest rates go down, bond prices go up. The longer the bond's time till maturity the sharper these price changes will be.

Prepayment or reinvestment risk is that a bond will be called or bought back by the issuer at a specified price prior to maturity paying you back early. Bonds are often called in times of declining rates when the bonds available for reinvestment are at lower rates than the original one that was paid back.



Inflation is a significant risk to bondholders. Inflation causes tomorrow's dollar to be worth less than today's reducing the purchasing power of the principal when it is paid back. Also, inflation leads to higher interest rates which cause bond prices to decline.

Investment Strategies

One of the specific strategies that we employ at Thetford Investment Management involves closed-end funds. Closed-end funds differ from conventional open-end mutual funds in several ways. Closed-end funds trade at different prices throughout the day and are bought and sold like stocks. Open-end mutual funds are bought and sold at the closing price for a given day. The amount of shares in a closed-end fund is fixed. Open-end mutual funds create additional shares as needed to meet investor demand. Closed-end funds can trade at discounts and premiums to their net asset value (NAV: the value per share of all the underlying holdings in the fund) whereas open-end funds tend to sell at prices that match their NAV. For example, a closed-end bond fund that trades at a 10% discount to its NAV essentially enables you to buy \$1.00 worth of interest bearing bonds for \$0.90.

The discounts and premiums to NAV in closed-end funds tend to be indicative on investor sentiment – closed-end funds trade at discounts when their underlying investments are out of favor and premiums when they are widely popular with investors. Another advantage inherent in the fixed share amount with closed-end funds is that managers are not forced to sell assets in distress at times when the underlying assets in the fund are out of favor. Although the price of the closed-end fund may drop as determined by supply and demand in the market, the fund is not forced to sell out of favor and/or illiquid assets to meet redemptions by investors. This is not the case with conventional open-end mutual funds.

We like to buy closed-end funds when they are at relatively wide discounts and sell them when the discount has narrowed or when they are at premiums to NAV. In tax-deferred accounts that have no capital gains tax exposure we may trade quite frequently in response to these changes in discounts and premiums to NAV.



We also like to use closed-end funds to gain exposure to asset classes that would be difficult to obtain otherwise. For example, closed-end funds that focus on foreign bonds denominated in foreign currencies, thus enabling investors to hedge US dollar currency risk.

Investing in closed-end funds involves risks. These include the general risks associated with investing in securities, possible changes in market prices relative to net asset value and manager performance. Some funds may also use leverage or invest in securities with currency risk.

Although we review material from outside research providers such as Value Line that provide stock recommendations, we merely consider those recommendations as an input component in our overall decision making process. Our stock investments are often contrarian and can differ considerably from the recommendations of outside research providers.

We do not buy or sell futures contracts, use short-selling trading strategies, directly own commodities or invest on margin for extended periods of time.

As we create and maintain client portfolios we are very responsive to client preferences such as socially responsible investing, retention of existing holdings, management of concentrated positions, and other unique client requests regarding their portfolios.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Thetford Investment Management, Inc. or the integrity of Thetford Investment Management, Inc.'s management. Thetford Investment Management, Inc. has no information applicable to this Item.



Item 10 – Other Financial Industry Activities and Affiliations

Thetford Investment Management, Inc. is not engaged in any other financial industry activities other than giving investment advice. Thetford Investment Management does not have any arrangements that are material to its advisory business or its clients with a related person that is a broker-dealer, investment company, other investment advisor, financial planning firm, futures commission merchant, commodity pool operator, commodity trading advisor, bank or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant or real estate broker dealer.

We do have a related person that is a sponsor and syndicator of limited partnerships. Mr. Michael Bradley Blaylock is the General Partner of Richmond Peach Associates, LLC. Richmond Peach Associates, LLC is not a “private fund” as defined under SEC rule 203(b). Richmond Peach Associates, LLC invests in oil and natural gas exploration through property located near Houston TX and in Egypt. Some of our clients are solicited to invest in Richmond Peach Associates, LLC. Richmond Peach Associates, LLC requires a minimum investment of \$100,000 from each limited partner. Approximately 12% of our clients have invested in Richmond Peach Associates, LLC. The current value of the total assets of Richmond Peach Associates, LLC is \$22,858,785.

Item 11 – Code of Ethics

Thetford Investment Management, Inc. has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Thetford Investment Management must acknowledge the terms of the Code of Ethics annually, or as amended. Thetford Investment Management anticipates that, in appropriate circumstances, consistent with clients’ investment



objectives, it will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Thetford Investment Management and its affiliates and/or clients, directly or indirectly, have a position of interest. Thetford Investment Management's employees and persons associated with Thetford are required to follow Thetford Investment Management's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Thetford Investment Management and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Thetford Investment Management's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Thetford Investment Management will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. The Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Thetford Investment Management and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Thetford Investment Management's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Thetford Investment Management will retain records of the trade order (specifying each participating account) and its allocation. Partially filled orders will be allocated on a pro rata basis.

It is Thetford Investment Management's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Thetford Investment Management will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client.



Thetford Investment Management's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting John Pataki.

Item 12 - Brokerage Practices

Thetford Investment Management, Inc., with respect to the client's account and without prior consultation with the client, may (a) direct the purchase, sale, exchange, conversion, and otherwise trade in stocks, bonds and other securities including money market instruments, (b) direct the amount of securities purchased, sold, exchanged, and otherwise traded, and (c) place orders for the execution of such securities transactions.

All client assets are held by third party custodians. Thetford Investment Management typically recommends that clients use TD Ameritrade Institutional as the custodian. TD Ameritrade Institutional provides us with access to its institutional trading and custody services, which are typically not available to retail investors. These services are generally available to independent investment advisors. Prospective clients are hereby advised that lower brokerage fees for comparable services may be available from other sources. We have a duty to get best execution for our clients. Best execution is not only brokerage fees, but also involves price improvement and speed of execution. We periodically review our transaction costs in light of current market circumstances, available published statistical analysis as well as other relevant information.

Most of our bond trading is conducted outside of TD Ameritrade on a "trade away" basis via delivery vs. payment (DVP) accounts with various brokerage firms. We find that this practice gives us access to a greater selection of bonds at competitive prices and also provides a mechanism for competitive bidding for bond sales. Clients do incur a \$25 "trade away fee" for these bond transactions that are external to TD Ameritrade.

Allocation of Investment Opportunities and Orders

We have adopted the following policies and procedures related to the fair allocation of investment opportunities. These policies are designed to help ensure that each client receives fair and equitable treatment in the investment process.



Transactions in the same security on behalf of more than one client are aggregated, when possible, to facilitate best execution. This results in all clients within the aggregate receiving the same average share price on the transaction.

Accounts in which our employees or affiliates have a beneficial interest do not receive preferential treatment.

All clients receive fair and equitable treatment for investment opportunities that are too limited to be effectively allocated among all accounts.

When orders are generated and allocated, the decision on which accounts should participate, and in what amount, is based on the type of security or other asset, and the present or desired structure of the client portfolios. Other factors include risk tolerance, tax status, liquidity, and for fixed income allocations, the size of the account and other practical considerations.

Trading Errors

It is the policy of Thetford Investment Management, Inc. to insure that all clients are made whole in the event of trading errors. Whenever possible, trading errors are routed through our Error Account and the resulting gains or losses are absorbed by Thetford Investment Management, Inc.

Research Services / Soft Dollars

Thetford Investment Management, Inc. does not receive any commission, soft dollars, client referrals or any other benefits from recommending a particular broker-dealer / custodian.

Directed Brokerage

With regard to client directed brokerage, we are required to disclose that we may be unable to negotiate commissions, block or batch orders or otherwise achieve the benefits described above, including best execution if you limit our brokerage discretion. Directed brokerage commission rates may be higher than the rates we might pay for transactions in non-directed accounts.



Item 13 – Review of Accounts

We regularly review client accounts on a daily, monthly, quarterly and annual basis.

Daily

Data is downloaded each day from our custodians for entry into our portfolio management software. This is not a blind download. The data from each custodian is carefully reviewed and discrepancies are addressed before posting into our portfolio management software system.

Accounts are reviewed on an ongoing basis as part of the day to day activity of our portfolio managers.

Monthly

Each month we reconcile statements provided by each custodian with our internal portfolio management software. Discrepancies are addressed and tax lots are maintained. Clients also receive these monthly statements from their custodian.

Quarterly

Written performance reports are provided to each client on a quarterly basis vs. relevant benchmarks. Deviations from the client's investment goals are identified as part of this report preparation. Adjustments are either made to the client portfolios as necessary or recommended to the client, depending upon the nature of the client relationship. This quarterly review process can also generate aggregate adjustments deemed to be appropriate for client portfolios.

Annually

A bound, comprehensive Investment Review is prepared for clients with assets under management in excess of \$1,000,000.



In addition to the reviews listed above, portfolio evaluations may arise at any time in response to changing client circumstances, goals and objectives, current market conditions, or developments pertaining to specific securities.

Item 14 – Client Referrals and Other Compensation

We are not presently participating in any referral programs.

Item 15 – Custody

We are deemed to have custody for some clients.

You should receive at least quarterly statements directly from the broker dealer, bank or other qualified custodian that holds and maintains your investment assets. Thetford Investment Management, Inc. urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Thetford Investment Management, Inc. usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. When selecting securities and determining position sizes, we observe the investment policies, limitations and restrictions of the client. Investment guidelines and restrictions must be provided to us in writing.

Discretionary Management



We have discretionary authority to make determinations regarding the securities that are to be bought and sold, as well as the quantities of such securities. Such authority is provided in our contract with each client. In many cases, this discretion is subject to mutually agreed upon investment guidelines relative to the client's portfolio. Client investment guidelines may or may not limit the scope of potential investments. As a result, clients can impose restrictions on investing in certain securities or types of securities. Within client guidelines and instructions, Thetford Investment Management makes decisions as to the nature and quantity of securities to be bought and sold.

Item 17 – Voting *Client* Securities

It is our policy to vote proxies for all accounts for which we have voting authority in a manner in which we believe to be in the best interests of our clients. We recognize that in some instances, the interests of corporate management may not be consistent with what we view to be in the best interests of Thetford Investment Management's clients. Therefore, in the absence of written voting instructions from the client, we have adopted the following voting guidelines:

- We vote against directors that do not have material bought-and-paid-for common stock holdings of at least \$100,000 at the current share price.
- We generally support proposals for contested election of directors to require that there be a choice of candidates
- We generally support proposals to separate the positions of CEO and Chairman.
- We generally vote for "cumulative" voting as a way to empower dissenting shareholders in a corporate governance process that is heavily stacked in favor of the incumbency.
- We always support the elimination of classified or staggered boards, which have no purpose except to insulate directors and entrench management.
- We support the elimination of "poison pills," "golden parachutes" and other anti-takeover devices.



- Large corporations often attract shareholder proposals on various issues that are very tangential to the interests of profit-oriented investors. Such proposals are generally intended to make statements about the issues of the day with their approval complicating corporate management. In general our posture is to trust management to comply with the relevant laws and regulations and vote with the board recommendation.

Clients may obtain a copy of Thetford Investment Management's complete proxy voting policies and procedures upon request. Clients may also obtain information from us about how we voted any proxies on behalf of their account(s).

Item 18 – Financial Information

Thetford Investment Management, Inc. does not have any financial commitment that impairs its ability to meet contractual and fiduciary commitments to its clients, and has not been the subject of a bankruptcy proceeding. In addition, we do not require or solicit pre-payment of advisory fees in the amount of \$1,200 six months or more in advance.