



Redmond Asset Management, LLC

Item 1 – Cover Page

Form ADV Part 2A – Disclosure Brochure

This brochure was amended on March 29, 2017.

This brochure provides information about the qualifications and business practices of Redmond Asset Management, LLC (RAM). If you have any questions about the contents of this brochure, please contact us at 804.288.6080 and/or scott@redmondassetmanagement.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.

Additional information about Redmond Asset Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Redmond Asset Management, LLC is a registered investment adviser (RIA). The simple fact that it is registered does not imply a certain level of skill or training.

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Item 2 - Material Changes

There have been material changes from the annual update dated March 27, 2016.

Item 5 Fees and Compensation

RAM updated its fee schedule.

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

RAM improved the format and provided additional information regarding its methods of analysis, investment strategies and risk of loss.

Item 15 – Custody

RAM updated its statement on custody as follows: RAM can access many clients' accounts through its ability to debit advisory fees. For this reason, RAM is considered to have custody of client assets.

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Item 4 - Advisory Business

Redmond Asset Management, LLC (RAM) is an independently owned SEC-registered advisor. The firm was founded in December 2005 by R. Scott Redmond, CFA and is headquartered in Richmond, VA. The firm is primarily focused on managing domestic equity portfolios for retail and institutional investors. Mr. Redmond is managing member and 90% direct owner of the firm. Effective January 1, 2014 Jeremy B. Kirkland directly owns 10%.

We offer discretionary and non-discretionary portfolio management services to both individual and institutional investors through separate accounts, sub-advisory accounts, wrap fee accounts, and unified managed accounts (UMA). To the extent possible, we seek to tailor portfolios for clients' individual needs. For example, we consider taxes, income and liquidity requirements, and risk tolerance when building and managing portfolios for clients. Clients may request specific restrictions on how their account is managed - for example, "no bank stocks."

RAM specializes in identifying and investing in publicly traded equity securities by utilizing bottom-up, fundamental research. A lesser portion of our assets under management is invested in fixed income securities, mutual funds, and exchange traded funds (ETFs). Most fixed income securities are purchased with the intent of holding-to-maturity. We utilize ETFs in our Global ETF Strategy.

Our services are limited to the types of investments and types of investment advice specifically described in this brochure. For example, we are not capable of providing continuous advice concerning an options trading strategy or continuous advice on commodities or alternative investments; nor do we offer comprehensive financial planning or estate planning services.

Separately Managed Accounts

Separately managed accounts are managed for tax-exempt and taxable clients on a fully discretionary basis and on a non-discretionary basis. Clients may choose among multiple custodians and grant us brokerage discretion or choose directed brokerage. Separately managed account clients may place restrictions on the management of their accounts.

Sub-Advisory Accounts

RAM has sub-advisory relationships with other investment firms. We offer discretionary and non-discretionary advice to clients of these outside intermediaries on a separate account basis. We strive to manage these accounts in the same manner as our separately managed accounts; however, the contact between us and the end-client is limited. Clients with a sub-advisory account may place restrictions on the management of their accounts.

RAM participates in a "wrap fee" program. Wrap fee programs are arrangements between broker-dealers, investment advisors, banks and other financial institutions through which clients receive investment advice, brokerage, and custodial services in a bundled fee format – called a "wrap fee." We receive a portion of the wrap fee as agreed between us and the wrap fee program sponsor or as agreed between us, the plan sponsor, and the end client. In these

relationships, the level of client contact is less than contact with clients with separately managed accounts, usually because a representative from the plan sponsor is the client's direct contact. Wrap fee account clients may place restrictions on the management of their accounts.

Model-Based & Unified Managed Account (UMA) Programs Pursuant to an agreement, certain registered representatives have retained RAM to provide complete recommendations regarding the purchase, sale and retention of securities consistent with the management of a hypothetical investment portfolio (model portfolio) currently maintained by us and that corresponds to a specific investment style. The registered representatives subsequently use the model to assist in managing their client accounts. When changes are made to the model and after all trades have been placed for RAM clients, we promptly notify our subscribers of the changes. The subscriber may or may not decide to implement the changes in his/her client accounts.

Effective December 2013, some assets previously under management transitioned to assets under advisement on a Unified Managed Account (UMA) platform. A UMA is a professionally managed private investment account that is rebalanced regularly and can encompass every investment vehicle in an investor's portfolio, all in a single account.

Pursuant to an agreement, certain Unified Managed Account (UMA) or Model Program Sponsors ("Sponsor") receive Redmond Asset Management's model securities portfolio for a particular investment style and, based on that model, the Sponsor or its designated representative ("Overlay Manager") exercises investment discretion and executes each investor's portfolio transactions predicated on the Sponsor's or Overlay Manager's own investment judgment. These Programs are referred to as Model-Based Programs. RAM typically provides its model portfolio (also known as impersonal investment advice) to the Sponsor or Overlay Manager, who subsequently provides investment advice to its clients, based on their individual needs. When changes are made to a model by RAM, the Sponsor or Overlay Manager is responsible for implementing any modifications in their client accounts that are invested in the specific strategy. The Sponsor/Overlay Manager may or may not elect to execute all the purchase and/or sale transactions suggested by submissions of revisions in the model portfolio.

RAM does not have any contact with the underlying client of these programs, nor does it enter trades, receive trade reports, or have access to any client reporting related to these accounts. The Sponsor is responsible for determining whether RAM's model is suitable for its clients.

We regularly update the equity model portfolio (i.e. GARP, Small Cap) in accordance with the terms of each contract with the Sponsor or Overlay Manager. For example, we may update the model after all trades in our client accounts have been placed or update the model within our existing trade rotation policy. Since RAM does not participate in the trading process executed by UMA Sponsors and/or Overlay Managers, it is possible that trades are executed before, after, or at the same time as RAM executes similar trades for its Separately Managed Accounts, which could result in less favorable pricing for either RAM clients, clients of the UMA Sponsor/Overlay Manager, or both.

Assets Under Management

As of December 31, 2016, \$255,480,760 of assets under management are discretionary and \$15,863,976 are non-discretionary.

Item 5 - Fees and Compensation

Our services include developing and implementing an Investment Management Agreement (IMA), continuously monitoring client portfolios, and reporting the results to the client on a quarterly basis. We are compensated with an annual asset-based management fee that is charged quarterly in advance. The fee is based on a percentage of the client's assets under management as valued by the client's custodian at the end of each calendar quarter.

RAM may charge up to a 2.00% annualized fee, depending on the size and type of account and the services provided. In certain situations, a single account is charged a fee higher than 2.00% because we have deducted the total fee for other accounts of the same client. However, the combined fee that RAM charges for all accounts under each client relationship does not exceed 2.00%.

The standard fee rates are:

Equity Strategies

Core Growth

1.00% on the first \$2 million; 0.75% on the next \$3 million; 0.50% thereafter

Conservative Growth

1.00% on the first \$2 million; 0.75% on the next \$3 million; 0.50% thereafter

Growth at a Reasonable Price (GARP)

1.00% on the first \$1 million; 0.50% thereafter

Equity Income

0.85% on the first \$2 million; 0.75% on the next \$3 million; 0.50% thereafter

Concentrated

2.00% flat

Global ETF

1.00% on the first \$2 million; 0.75% on the next \$3 million; 0.50% thereafter

Small Cap Core Growth

1.00% on the first \$2 million; 0.75% on the next \$3 million; 0.50% thereafter

Fixed Income Strategies

Fixed Income

0.50% flat

Municipal Bond

0.50% flat

All fees are negotiable. Since fees are negotiable, different fees are charged for similar services and may be less than or higher than the stated fee schedule in this brochure or any other RAM fee schedule.

Investment advisory services begin with the effective date of the agreement, which is the date that the client signs the Investment Management Agreement. Typically, fees are deducted directly from the client's brokerage account pursuant to a written agreement. RAM uses discretion when a client has insufficient cash in the account to cover advisory fees. For example, RAM may postpone collection of the fee until cash becomes available. Clients outside of wrap programs may choose to pay an invoice via check.

Capital contributions or withdrawals from a client's account, in an amount greater than \$250 will cause a pro-rated adjustment to the management fee for the benefit of the client in the case of withdrawals and for the benefit of RAM in the case of contributions.

Either RAM or the client may terminate the agreement at any time upon 30 days written notice to the other party. Sub-advisory clients should communicate their desire for termination directly with their primary advisor or the wrap program sponsor.

If a client closes an account prior to the end of the quarter, the client will be refunded the pro rata amount of any fees paid in advance. The client is responsible for paying for services rendered until the termination of the agreement. The client can cancel the agreement without incurring management fees within the first five days after signing it.

Separately Managed Accounts

The management fee for separately managed accounts is negotiated between RAM and the client. The fee is deducted from the account or the client writes a check.

Model Accounts & Unified Managed Accounts

The fee for model accounts and UMAs is negotiated between RAM and the outside firms or registered representatives to which it provides updated models. The outside firm or registered representative pays by check or wire.

Sub-Advisory

When RAM serves as a sub-advisor to other investment management firms, the asset based management fee is negotiated between RAM and the primary advisor or RAM, the primary advisor, and the end-client. Financial intermediaries deduct or bill management fees and pay sub-advisory fees directly to RAM.

Wrap Fee Programs

For wrap fee accounts, the program sponsor calculates and deducts the asset based management fee from the client account and then pays RAM via check or wire. The fee and service arrangements are negotiated between the plan sponsor and the client. Sometimes RAM, the plan sponsor, and the client negotiate management fees.

Other Fees and Expenses

Advisory fees charged by RAM are separate and distinct from other fees and expenses charged by securities, including but not limited to mutual funds, ETFs and partnerships, which may be bought for clients. A description of these fees and expenses is available in each fund's prospectus.

Additionally, the fees charged by RAM are exclusive of all custodial and transaction fees paid to custodians, brokers, or any other third parties. Clients should review all fees charged by RAM, custodians, and brokers and others to fully understand the total amount of fees incurred. RAM does not charge start-up or termination fees.

Neither RAM nor any of its supervised persons receive compensation for the sale of securities. However, other conflicts of interests may exist for services provided to RAM because of broker-dealer, custodian, or mutual fund selection. Please refer to the Brokerage Practices and Client Referrals and Other Compensation sections of this brochure.

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

RAM does not currently charge performance based fees or offer Side-By-Side Management.

Item 7 - Types of Clients

RAM offers investment management services primarily on a discretionary basis, in which we select investments and place trades on the client's behalf without prior consultation. A portion of our assets under management qualify as non-discretionary, in which we provide general investment advice or consult with the clients prior to placing any trades in the account. We primarily build and manage portfolios for individuals, trusts, retirement accounts (IRAs, pensions, and profit sharing plans), corporations, foundations, and endowments. We are capable of building and managing portfolios for municipalities and other institutions such as investment companies.

RAM has a limited number of clients who are registered representatives and Sponsors and/or Overlay Managers of Unified Managed Accounts for whom it provides updates to model portfolios. We communicate any updates to the model via email or by accessing a Unified Managed Account (UMA) platform and inputting changes.

RAM prefers a minimum account size requirement of \$100,000 for individual investors, but we may waive this requirement for any reason - especially for younger clients seeking to establish a long-term relationship and for relatives of existing clients.

RAM does not discriminate on the basis of race, color, national origin, disability, sex, marital status, parental status, religion, sexual orientation, political beliefs, or because all or a part of an individual's income is derived from any public assistance program.

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

Proprietary Investment Strategies

RAM's investment management services include equity management and taxable and tax-exempt fixed income management.

Overall Investment Philosophy

We are long-term investors. Our general investment strategy is to know what we bought for clients, know why we bought it, and sell when conditions have changed or when the return potential seems unattractive. We view investing as more of an art than a science.

We strive to buy multiple securities (most often individual stocks and/or bonds) for each client in order to create a diversified portfolio. We expect gains in some investments to outweigh losses in other investments, resulting in an attractive investment return for the client.

Equity Methods of Analysis

RAM believes that well capitalized companies with a demonstrated record of sales, earnings and/or cash flow growth, with above average returns on invested capital, when purchased at reasonable valuations should produce attractive long-term investment returns. We describe these companies as "high-quality." RAM uses proprietary investment screens that focus on security specific analysis to hone in on companies with underlying stocks that we believe offer attractive return potential. By our assessment, it is rare to find a "high-quality" company that meets all of our criteria, so we use our best judgement to find stocks that best fit our criteria. We may alter or discontinue aspects of screens or some screens altogether, but the goal of finding these types of "high-quality" companies at reasonable valuations remains the same.

RAM primarily uses cash flow calculations to highlight companies that may fit our "high-quality" criteria, but the final determination has been largely subjective. Direct or indirect contact with a company, company SEC filings and press releases, third-party research reports, and industry contacts have been the primary sources used to analyze companies. The return potential of an individual security is also a subjective determination. Generally, we estimate future earnings and use price multiples as guideposts to what the future value of the equity could be.

Equity Strategies

Core Growth – A domestic all-cap strategy comprised of 30 - 40 companies that, on average, generate above normal growth in earnings and/or revenue. The above normal quality and growth expectations usually result in above average stock valuations. A small portion of the portfolio is invested in immature and less established companies with exceptional growth

potential and/or unique circumstances. Portfolios are benchmarked to the S&P 500 Total Return Index.

Conservative Growth – A domestic all-cap strategy comprised of 30 - 40 companies that, on average, have normal or above normal growth in earnings and/or revenue. The above normal quality and growth expectations usually results in above average stock valuations. The dividend yield of Conservative Growth is expected to be greater than Core Growth and less than Equity Income. Portfolios are benchmarked to the S&P 500 Total Return Index.

Growth at a Reasonable Price (GARP) – A domestic all-cap strategy, with a historically large-cap bias, of approximately 30 companies with proven track records and price multiples comparable to or discounted to the broad market price multiples, or relative to their own history. Portfolios are benchmarked to the S&P 500 Total Return Index.

Equity Income – A domestic all-cap strategy comprised of 30 - 40 companies that, on average, have above normal dividends. As dividend payers, the companies are usually in the later stages of a typical company life cycle, with lower than normal growth rates in earnings and/or revenues. Portfolios are benchmarked to the S&P 500 Total Return Index.

Concentrated – A domestic all-cap strategy consisting of 5 – 15 of the firm's best short, medium, and long-term ideas. Portfolios are benchmarked to the S&P 500 Total Return Index. The strategy is the least diversified; therefore, its performance is likely to have higher deviations from the benchmark and is likely to be the most volatile of RAM investment strategies.

Global ETF – The strategy primarily employs 5 – 15 exchange traded funds (ETFs) as a means of investing in the worldwide investment opportunity set, primarily in equity ETFs representing equity indexes of regions, countries or sectors that the firm believes provides attractive investment opportunities based upon its expectation for quality of life improvements or shifts in future investment fund flows. Portfolios are benchmarked to the FTSE All World Index.

Small Cap Core Growth – A domestic small-cap strategy that consists of 50-70 predominately "high-quality" companies in various stages of a typical company cycle. Portfolios are benchmarked to the Russell 2000 Index. Due to the historically higher volatility and trading expense, this strategy is only offered to institutional clients and high net worth individuals.

Fixed Income Methods of Analysis

RAM invests in corporate and municipal bonds, certificates of deposit (CDs), and other fixed income investments. We use credit ratings and/or specific opinions of the issuer to analyze the likelihood of receiving interest payments plus the principal at maturity. The investment strategy for fixed income securities is to have a security or a diversified group of securities mature at the time cash is needed by the client or to have multiple securities that in aggregate produce a return that is satisfactory for the market conditions perceived by the firm.

Fixed Income Strategies

Fixed Income – The strategy includes discretionary, taxable and tax-exempt portfolios that include fixed income securities. Generally, but with exceptions, fixed income securities will be investment grade quality with selection and individual security weightings based upon the risk/reward characteristics identified by the firm and according to any specific needs of individual portfolios. Alternatively, index or actively managed funds may be used for either a portion of, or all of the fixed income and other allocations. Portfolios are benchmarked to the Bloomberg Barclays Capital U.S. Aggregate Bond Index. The U.S. Aggregate Index covers the U.S. dollar-denominated, investment-grade, fixed-rate, taxable bond market of SEC-registered securities. The index includes bonds from the Treasury, Government-Related, Corporate, MBS, ABS, and CMBS sectors.

Municipal Bond – The strategy typically invests in domestic, investment grade municipal bond securities using a ladder, hold-to-maturity approach. Generally, but with exceptions, these securities will be of investment grade quality with selection and individual security weightings based upon the risk/reward characteristics identified by the firm and according to any specific needs of individual portfolios. It is employed in portfolios with an 80% or greater allocation to fixed income securities issued by U.S. municipalities. Portfolios are benchmarked to the S&P National AMT-Free Municipal Bond Index. The S&P National Municipal Bond Index is a broad, comprehensive, market value-weighted index designed to measure the performance of the investment-grade tax-exempt U.S. municipal bond market.

Risks Associated with Investing in Securities

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

Interest-rate Risk – Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds or dividend paying stocks become less attractive, causing their market values to decline. Stocks that do not pay dividends may also decline as the value of anticipated cash flows becomes relatively less attractive. Interest rates affect the value of all investments, but especially the value of fixed income securities. For example, a bond sold prior to maturity after interest rates have risen substantially would likely result in loss.

Market Risk – Market risk, also known as systematic risk, is the possibility for an investor to experience losses due to factors that affect the overall performance of financial markets in which the investor is involved. GDP growth rates, interest rates, currency volatility, central bank and government actions, market conditions and liquidity, natural disasters, and man-made disasters (e.g. war and negligence) are examples of factors that affect the overall stock market. These outside factors frequently result in loss; furthermore, RAM does not believe it is necessary to allocate resources to assessing these macro-economic factors in order to successfully manage its investment strategies. We believe market risk cannot be eliminated through diversification and RAM does not typically attempt to hedge against it.

Inflation Risk – Inflation risk, also known as purchasing power risk, is the chance that cash flows from an investment will not be worth as much in the future because of changes in purchasing power due to inflation.

Reinvestment Risk – Reinvestment risk is the risk that proceeds from a payment of principal and interest, which have to be reinvested at a lower rate than the original investment. Call features affect an investor's reinvestment risk because corporations typically call their bonds in a declining interest rate environment.

Default Risk – Default risk is the chance that a company will be unable to make the required payments on its debt obligations. Interest and principal payments may be altered if an insured bond defaults or the bank issuing the CD is closed. Equity holders may be wiped out.

Company Specific Business Risks - Increased competition, technological change, higher material costs, lower sales prices, foreign currency exposure, corporate debt levels, regulations and litigation, are examples of company specific risks to consider. These types of risks are often listed under Risk Factors in each company's Form 10-K filed with the SEC.

Small and Mid-Cap Company Risks – Small and mid-cap companies may have additional risks that large capitalization companies do not have. Smaller companies tend to be less established and more vulnerable to changing market conditions. Their stocks are typically more volatile in price for a variety of reasons.

Large Company Risk – Large capitalization companies may be unable to respond as quickly to changing competitive dynamics or grow as quickly as smaller companies.

International Risks – RAM predominately invests in U.S. based companies, which results in most clients having very low, or even zero, allocation to stocks based outside the U.S. RAM mitigates this risk by owning U.S. companies with foreign subsidiaries and revenue streams. Nevertheless, portfolios could underperform or lose value if the U.S. markets decline while markets outside the U.S. advance (or decline less).

For companies that operate in markets outside the U.S., especially in developing countries, additional risks apply. These risks may include access to less information or information that may not be subject to equal auditing requirements, higher costs and fees associated transactions, currency volatility or currency controls, political, economic and social unrest, and less market liquidity due to lower trading volumes and markets that have been open for shorter periods than the U.S.

Investment Style Risk – RAM expects to invest with a high-quality, growth style bias as it seeks to invest in companies that are growing sales, earnings, and dividends with attractive returns on invested capital. Other styles, such as deep value or high growth/momentum, may outperform RAM strategies over various time periods. RAM's strong preference for investment grade securities when investing in bonds will likely result in underperformance during periods in which securities of lesser quality outperform.

Investment Management Risks - Any error and/or any inaccuracy that we make as an investment manager can lead to loss on an investment. As long-term investors, we make long-term projections about the likely future outcomes of companies and the valuation each company may hold. Errors can occur in the cash flow calculation either through miscalculations by the firm or inaccurate data from data providers. Such errors might influence subjective assessments about the business fundamentals of the company, and result in loss. Projecting earnings and price multiples results in a wide range of possible outcomes, which is why we use such projections as guideposts. Since we are making investment decisions based on future outcomes, there may be times when our anticipated projections are not realized thus resulting in loss, which has happened in the past.

Errors relating to direct or indirect contact with the company, company filings, third party research reports, and industry contacts can all lead to incorrect subjective assessments of the company and the prospects for its stock.

Additionally, the credit ratings and/or specific opinions of the issuer's likelihood of debt repayment could be inaccurate and lead RAM to underestimate the likelihood of default. We seek to mitigate this risk through diversification. Substantial loss may occur if the investment is sold prior to maturity or if default occurs.

Our method of security selection may not be successful and portfolios may underperform the benchmark, and may lose value.

Mutual Funds, ETFs, and Index Funds

Mutual Funds, Exchange Traded Funds (ETFs), and other similar investments have been used on a relatively limited basis, usually upon client request and in the Global ETF Strategy.

When investing in these securities we seek to express broad views about the perceived skill level of a fund manager and/or the prospects for various capital market themes or investment strategies. These subjective views are gleaned from research performed at the firm and from third-party research sources. For example, we might use a pooled investment vehicle to express a positive opinion on certain geographic markets, economic sectors or industries.

The risks of loss that apply to other methods of analysis and investment strategies also apply to mutual funds, ETFs, and other similar investments. Additionally, loss may occur if our subjective views, themes, and/or assessment of the skill of a mutual fund manager do not perform as expected. Furthermore, technical market risks of which we are not fully aware could exist for these pooled funds - particularly ETFs. These types of securities incur additional management, trading, and operational expenses that may reduce investment performance relative to their benchmark, on average, over long periods of time.

Additional Investing Risks

Investing always involves uncertainty; therefore, risk of loss is something clients should be prepared to bear. Since the future is uncertain, the firm cannot know what will actually happen

and actual investment results could vary materially from those anticipated, estimated, projected, or experienced in the past.

RAM's investment strategy bears several material risks to clients. Client portfolios could increase in value, but not as much as a comparable benchmark or in an amount commensurate with the level of risk perceived to have been taken. Client portfolios could decrease in value in an amount greater than a comparable benchmark or other portfolios perceived to possess similar risk.

The capital markets can broadly decline (a bear market), resulting in loss. Bear markets have occurred and will continue to occur. We do not attempt to predict when a bear market will come or go. Clients should expect that in any ten year period a bear market will drive down their portfolio value by more than 20%, possibly much more than 20%. It may take several years or longer before the portfolio fully recovers or the portfolio might never fully recover. Additionally, intra-year equity market declines of more than 10% occur frequently.

It has been our experience that capital gains have been realized to a larger extent during bear markets and other declining market environments. Clients could incur higher capital gains taxes while their portfolios decline in value.

Costs of Frequent Trading

At RAM frequent trading is not an element of any investment strategy. However, frequent trading may occur if conditions change, the return potential of a large number of investments becomes unattractive, or the markets become very volatile. Frequent trading can hurt investment returns through increased brokerage costs, getting poor prices on purchases and/or sales, and increased taxes.

Item 9 - Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of RAM's investment advisory business or the integrity of the firm's management.

Item 10 - Other Financial Industry Activities and Affiliations

RAM management persons are not registered, nor have an application pending to register, as a broker-dealer, a registered representative of a broker-dealer, a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

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

High ethical standards are critical to maintaining the trust and confidence of our clients and our reputation within the financial industry and our community. Most of our investment professionals hold the CFA charter and are required to abide by the CFA Institute Code of Ethics and Standards of Professional Conduct. RAM has adopted the CFA Institute Code of Ethics and

Standards of Professional Conduct for all of its employees, which is available via the CFA Institute website: <http://www.cfainstitute.org/ethics/codes/ethics/Pages/index.aspx>. We will provide a copy to any client or prospective client upon request.

Participation or Interest in Client Transactions and Personal Trading

We do not recommend to clients or buy or sell for clients, securities in which RAM and related persons have a material financial interest. However, there is one situation that we believe should be disclosed.

In 2013 RAM established a business relationship with Markel Corporation. RAM has purchased Markel securities for clients in the past and may purchase or sell for clients in the future. While RAM uses the same investment process for Markel securities as it uses for other investments, we recognize that there might have been or may be a bias in the analysis, which could be perceived as a potential conflict of interest.

RAM employees and related persons generally invest in equity securities that we recommend to clients. Not all our clients have the same investment objectives compared to RAM employees and related persons. RAM employees and related persons do not have the same investment objectives compared to one another. This potentially creates conflicts of interest. We address these potential conflicts by disclosing our specific policies on personal trading within this brochure, by requiring that all employees abide by our Code of Conduct and Regulatory Compliance Manual, and more broadly by requiring that all employees place client interests above their own at all times.

Without exception, RAM employees are forbidden to: front-run (a practice generally understood to be employees personally trading ahead of proposed client transactions) or short any securities held in client portfolios.

All RAM employees are required to get pre-clearance from an officer of the firm or his designee prior to any sale of a security that a client owns or any trade that exceeds the lesser of \$20,000 or 1% of that security's 3-month average trading volume. All other trades must be submitted for pre-clearance if the combined value or volume exceeds the above thresholds. Pre-clearance is also required for any trades of related securities (e.g. warrants or options) opposite of RAM's recommendations; including the buying and/or selling of put and/or call options for securities in client accounts. These opposite positions would be used for insurance purposes and viewed in the context of the employee or firm's entire position or exposure in the underlying security.

When RAM employees reduce or eliminate a personal position also held by clients, the reasons are documented and pre-cleared. Two common examples are:

1. An employee having too much stock as a result of market appreciation and wanting to reduce the position to reduce risk.
2. An employee selling stock to raise cash for a variety of personal uses.

Monitoring of Personal Trading

Transactions in the accounts of employees, spouses, and other accounts over which the employee directs trading and/or has direct or indirect beneficial interest are monitored on a quarterly basis to make sure that there have been no violations of personal trading policies and procedures. Also, all employees are required to submit monthly custodial statements and must submit an annual holdings report to the Chief Compliance Officer (CCO) or his designee. The CCO or his designee maintains documentation of personal securities transactions and holdings, including any violations that occur and the resulting actions.

Trade Errors

In the event of a trade error, the trader will document the error and take whatever steps are necessary for correction to make the client whole. Trade errors are considered on a case-by-case basis. Reimbursements owed to the client as a result of the error will be deducted from RAM's management fee and any profits from an error will remain in the client's account. The CCO will work with the trader to prevent similar errors from occurring repeatedly and will document the error and subsequent action taken.

Item 12 - Brokerage Practices

Broker Selection and Best Execution

For clients that have granted us brokerage discretion, best execution is the primary factor we consider when selecting a broker-dealer for client transactions. Best execution contemplates, for example, the total cost to the client, including commission. The Brokerage Review Committee meets on an as needed basis, but not less than annually, to review, select, and approve a list of broker-dealers that RAM traders or portfolio managers may select when placing trades. The committee considers range, quality, and cost of brokerage services including, among other factors: execution capability, trading expertise, commission rates, execution accuracy, reputation, and financial strength.

We attempt to negotiate commissions to the lowest acceptable levels. Currently, our relatively small firm size, small amount of brokerage discretion, and low turnover investment approach have generated low amounts of brokerage commissions. This has limited our ability to negotiate commission rates to lower levels that larger firms pay and limited the number of brokers willing to work with us. We may add/remove brokerage firms to our list of approved brokers at any time.

Research and Other Soft Dollar Benefits

Soft dollars is a term used to describe the commission generated from a trade that is not actual cash commission. When we trade with certain broker-dealers they provide research to the firm (soft dollars) that could otherwise be obtained by direct payment (hard dollars). Soft dollars benefit the firm directly because we do not have to produce or pay for some research, products, or services.

Soft dollar arrangements may create conflicts of interest. We may have an incentive to select or recommend a broker-dealer for client transactions for which we have discretion based on the firm's interest in receiving the research or other products or services, rather than on the clients' interest in receiving the most favorable execution. We may cause clients to pay commissions higher than those charged by other broker-dealers in return for soft dollar benefits. This is known as "paying up."

The research may not directly benefit the client whose securities are being traded, though this typically is not the case, and in all likelihood will also benefit clients who do not have an account that can generate soft dollars. RAM does not allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

RAM uses soft dollars to pay for a portion of a subscription to Thomson Eikon for Investment Management. The service provides data used to create, maintain, and use our investment screens, research securities and capital markets, monitor holdings, and perform ad hoc analyses. These research products and services fall within the safe harbor provided by the SEC under Section 28(e) of the Exchange Act.

During the last fiscal year, all soft dollar credits were generated through Jones Trading. As RAM grows in size, it is expected that additional soft dollar arrangements will be made with other brokers. As a general practice, RAM will execute trades with the broker-dealer that provided specific research used by our analysts and portfolio managers when deciding to purchase or sell a particular security. We do not agree to commission minimums.

Directed Brokerage and Aggregated Trades

RAM provides clients the option of directing brokerage or requesting RAM to select broker-dealers for transactions. RAM does not recommend, request, or require a client to direct us to execute transactions through a specified broker-dealer. However, we are more able to share experiences and impressions of the brokerage firms with which we currently work. If clients direct the firm to use a certain custodian/broker-dealer, we may be unable to achieve the most favorable execution of client transactions. Client directed brokerage might cost clients more money via higher brokerage commissions or less favorable pricing.

RAM commonly aggregates transactions for client accounts based on the clients' broker-dealer, which results in each client of each broker-dealer receiving the same price. The firm utilizes an odd/even day system to determine the order in which aggregated trades are placed.

RAM has relationships with Unified Managed Account Sponsors and/or Overlay Managers. Depending on the specific agreement, a model may be updated by RAM within the trade rotation process or at the completion of all trades. Since RAM does not participate in the trading process executed by UMA Sponsors and/or Overlay Managers, it is possible that trades are executed before, after, or at the same time as RAM executes similar trades for its Separately Managed Accounts, which could result in less favorable pricing for either RAM clients, clients of the UMA Sponsor/Overlay Manager, or both.

Generally, the firm aggregates trades for the purchase and sale of securities. Exceptions to aggregating trades into block orders occur when RAM believes that clients benefit from increased speed of execution, more precise portfolio customization, or when security illiquidity is expected to result in a higher cost to clients from block trading. Time, price, commissions, and opportunity cost are examples.

Sometimes, a RAM portfolio manager will place a trade in a single client account or in several client accounts and decide, after further contemplation and/or analysis, that the trade is also appropriate for other accounts. Also, our other portfolio managers may adopt the idea as well, on the same day or after several days or months of contemplation. In these cases, trades are not aggregated. This situation may create a perception of favoritism towards certain clients or raise questions as to why trades in a specific security were spread over time. RAM values independent thinking among its portfolio managers and views this practice (as opposed to a committee decision making process) as a necessary component to maintaining independent thinking.

The cost of not aggregating trades for clients will most likely result in clients receiving different prices for the same securities. For purchases, this will generally favor the first clients in a rising market and the last clients in a declining market and vice versa for sales.

Item 13 - Review of Accounts

Client accounts are reviewed on an as needed, but not less than quarterly, basis. As needed includes, but is not limited to, new or different opinions on securities for purchase or sale, changing market conditions, and changes in client circumstances. All clients should inform us or their primary contact (sub-advisor or wrap program sponsor) of any changes to their situation.

Reviews are conducted by the client's primary portfolio manager at the firm, which could be Scott Redmond, CFA, Tom Robertson, CFA, Jeremy Kirkland, CFA, or Jamie Alexander.

Clients receive a written quarterly report that contains: a letter that can cover a wide range of relevant topics and a section containing the value of holdings, allocation breakdown, performance measurement that shows management fees paid, realized gains/losses (for taxable accounts), dividends and interest paid. Other information is available upon request by clients.

Item 14 - Client Referrals and Other Compensation

Broker-Dealers

RAM may receive client referrals from brokers who work for broker-dealers that sponsor wrap fee programs or sub-advisory relationships that we participate. In this situation, the client account is considered a directed brokerage account and we place trades through the respective custodian/broker-dealer. RAM does not compensate the broker for these referrals.

Any significant gift or compensation, direct or indirect, to brokers is prohibited because it could create a conflict of interest for the broker. A broker may be incentivized to favor managers over others based on gifts and/or compensation, rather than the quality of each investment manager

and the appropriateness of the strategy for his/her client. Occasionally, an employee of RAM may invite a broker to lunch or to play a round of golf. RAM or a RAM employee may pay for all of or a portion of the cost of these events. We believe this type of compensation is acceptable and falls under the normal course of business standards, but it is closely monitored and scrutinized by our CCO nonetheless.

Institutional Platforms

RAM has developed a relationship with the Institutional Division of Charles Schwab & Co., Fidelity Institutional Services, Merrill Lynch, and TD Ameritrade Institutional whereby RAM receives economic benefits from these institutional platforms that RAM would not receive if it did not provide investment advice to clients with accounts at those brokerage firms. While there is no direct affiliation, economic benefits are received by RAM. These benefits are not contingent upon the amount of transactions directed by RAM or the securities purchased.

These benefits include, but are not limited to, a dedicated trading desk that services RAM's clients, a dedicated service group and an account services manager dedicated to RAM's accounts, access to real-time order matching system, ability to block client trades, electronic download of trades, portfolio management software, access to an electronic interface, duplicate and batched client statements, confirmations and year-end summaries, the ability to have advisory fees calculated and directly debited from client accounts (in accordance with federal and state requirements), newsletters, research, access to mutual funds, ability to have loads waived for clients who invest in certain loaded funds when certain conditions are met and maintained, commission free trades in specific securities, education on regulatory requirements and changes, business best practices, and the ability to have some custody fees waived.

Because of the economic benefits that RAM and its clients receive from these platforms, we may prefer one or some custodian/broker-dealers over others. We have an incentive to encourage or suggest that a client choose the custodian/broker-dealer that we prefer. You should consider a potential conflict of interest whenever asking a RAM employee for advice on which custodian/broker-dealer to use. We address this conflict by disclosing it to clients in this brochure and by requiring that each client independently choose a custodian/broker-dealer.

Sale of Securities

RAM and its employees do not accept direct compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

RAM could receive indirect compensation in the form of research from firms that also sell financial products, such as mutual funds. This may create a conflict of interest. We may have an incentive to recommend an investment product to a client based on research received, rather than on the individual client's need for the financial product. We address this conflict through this disclosure and require our portfolio managers to purchase only securities that in aggregate are suitable for each client. Ultimately, Scott Redmond is responsible for ensuring that all client

accounts are invested in a way that is suitable for each client and that incentives do not bias our investment decisions for our clients.

Item 15 - Custody

All clients' accounts are held in custody by unaffiliated broker/dealers or banks that are qualified custodians. This means that clients should always make checks to be deposited into their account payable to their custodian, not to RAM.

RAM can access many clients' accounts through its ability to debit advisory fees. For this reason, RAM is considered to have custody of client assets.

Clients receive monthly or quarterly statements from their custodians and quarterly performance reports from RAM. Clients should carefully review all statements and we urge them to compare the account statements they receive from the qualified custodian to the performance reports received from us. The information in our reports may vary from information in the custodial statements based on accounting procedures, reporting dates, valuation methodologies of certain securities, or due to error.

Item 16 - Investment Discretion

RAM prefers to have discretionary authority to manage investment accounts on behalf of clients. This authority is explained in the Investment Management Agreement with the client, which gives RAM the limited power of attorney to enter transactions and in some cases request that money be sent to a client with a Standing Letter of Authorization (SLOA). A client may decide to place specific limitations on the discretionary authority granted to RAM. For example, some clients have asked RAM not to buy securities issued by companies in certain industries or not to sell certain securities where the client has a particularly low cost basis.

Item 17 - Voting Client Securities

Generally, RAM does not have authority to vote client securities per each Investment Management Agreement. Clients are instructed to receive proxy materials directly from the custodian. However, clients may contact the firm with questions about a particular solicitation.

RAM will vote client securities if requested to do so. The policy is to vote in the interest of maximizing shareholder value. Consideration will be given to both short and long term implications of the proposal to be voted. Overwhelmingly, RAM will purchase stocks of companies it perceives to be reasonably well run. Therefore it is reasonable to expect that we will vote proxies in a manner that supports managements' proposals.

Conflicts of Interest

We have currently identified no conflicts of interest between client interests and the firm's interests. Nevertheless, if we determine that RAM is facing a material conflict of interest a competent third party will be engaged at our expense. The third party will determine the vote

that will maximize shareholder value. As an added protection, the third party's decision is binding.

Our complete voting policy and procedures are memorialized in writing and is available to clients upon request. Our complete proxy voting record is also available to our clients.

Class Action Security Litigation Policies and Procedures

RAM is not required to assemble or file class action security litigation documentation on behalf of any client. Upon request, we will provide information we have readily available to help clients who decide to file.

Item 18 - Financial Information

RAM has never filed for bankruptcy and is not aware of any financial condition that is reasonably likely to affect its ability to manage client accounts.