

ITEM 1 – Cover Page

Investment Adviser Brochure

Villanova Investment Management Company LLC

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This brochure provides information about the qualifications and business practices of Villanova Investment Management Company LLC. If you have any questions about the contents of this brochure, please contact us at (267) 923-0004 or rberlansky@villanovainvestco.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 Villanova Investment Management Company LLC. is also available on the SEC's website at www.adviserinfo.sec.gov.

Registration does not imply a certain level of skill or training.

ITEM 2. Material Changes

Villanova Investment Management Company LLC (“VIMCO”) filed its most recent brochure on March 31, 2019. This amendment updates the other financial industry activities of Rastislav Berlansky and Edward Trumpbour in Item 10.

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ITEM 4. Advisory Business

Villanova Investment Management Company LLC (“VIMCO” or the “Firm”) was founded in 2016. The Principals & Founders of the Firm are Rastislav (“Rasto”) Berlansky and Edward (“Ed”) Trumpbour. Mr. Berlansky and Mr. Trumpbour make up the Firm’s Investment Team.

Individually Managed Accounts: VIMCO is an investment adviser who shall have full discretionary authority with respect to accounts, subject to limitations client may impose. Investment management is guided by the objectives articulated by the client.

As an investment adviser, VIMCO will provide discretionary advisory services to a variety of clients, including but not limited to: individuals, corporations, pension plans and charitable organizations in individually managed accounts. Some of these accounts are individually tailored following investment objectives, strategy and restrictions directed by the client while others may follow the strategies developed for pooled vehicles. These may include the use of investment strategies that are substantially similar to those used by private funds managed by VIMCO.

VIMCO does not currently utilize any sub-advisors.

Private Funds: VIMCO also provides investment supervisory services on a discretionary basis to The VIMCO Founders Fund LP (the “Private Fund”), a Delaware limited partnership. Accordingly, interests in the Fund are offered and sold exclusively through the means of private placement memoranda to investors satisfying the applicable eligibility and suitability requirements. Villanova Investment Management Company LLC is the sole managing member of the Fund.

VIMCO may enter into letter agreements with certain investors in the Private Fund (“side letters”). Side letters provide such investors with additional and/or different rights or terms than those set forth in the Funds’ offering documents, such as greater portfolio transparency, reduced fees, additional rights to reports and other information and other more favorable investment terms, including withdrawal/redemption rights.

Registered Funds: VIMCO provides portfolio management services by acting as a sub-adviser to an open-end mutual fund, AlphaOne VIMCO Small Cap Value Fund (the “Sub-advised Fund”).

Investment Objective and Philosophy: The investment objective of VIMCO is to achieve superior absolute and relative returns. VIMCO will seek to accomplish this investment objective by investing in US small cap equities which trade below the Firm’s assessment of their private market value. By focusing on downside protection (i.e., capital preservation) and a disciplined investment process, VIMCO aims to generate alpha by outperforming the Russell 2000 Value index over an entire market cycle.

A cornerstone of the Firm's investment philosophy is that markets for the equity securities of small capitalization companies are inherently inefficient and that a diligent fundamental bottom-up research effort that follows VIMCO's well-defined investment process will lead to the discovery of high conviction investment candidates while attempting to minimize the risks of leverage, illiquidity and concentration (all or any of which could detract from VIMCO's capital preservation objectives).

The investment focus will be on long-term fundamentals and value creation. The investment team focus will be on absolute, not relative, valuations.

This brochure is the applicable Villanova Investment Management Company LLC Form ADV disclosure document that will be provided to VIMCO's separate account investment advisory clients at least 48 hours prior to signing any contract(s); client has five business days in which to cancel the contract, without penalty.

As of December 31, 2018, VIMCO managed three (3) accounts, including the Private Fund and Sub-advised Fund, on a discretionary basis with a value of \$7,712,623.

ITEM 5. Fees and Compensation

VIMCO FOUNDERS FUND LP: The Private Fund will pay a quarterly management fee equal to 0.225 (0.90% per annum) of Net Assets. The fee shall be payable quarterly in arrears within 10 days after the end of each calendar quarter, and calculated on the Net Assets in each capital account as of the end of such calendar quarter (without regard to subscriptions or withdrawals effected as of the end of such calendar quarter) Investors in the Private Fund should refer to the offering documents for additional/supplementary information regarding the various fees and charges associated with investments in the Private Fund.

INDIVIDUALLY MANAGED ACCOUNTS: VIMCO's fee is calculated and payable in arrears as of the last day of each calendar quarter and will be prorated for partial quarters based upon the calendar quarter market value either as provided by the pricing agencies utilized by VIMCO or by the custodian when mandated by contract according to the following standard schedule:

<u>Assets under Management</u>	<u>Annual Fee as a Percentage of Assets</u>
First \$20,000,000	0.90%
Next \$30,000,000	0.85%
Next \$50,000,000	0.75%
Over \$100,000,000	0.70%

VIMCO may negotiate fees. Fees for separate accounts are charged according to the above schedule, subject to negotiation. To the extent that a client's assets are invested in mutual funds, the client will indirectly incur any investment management fees that are charged to the mutual funds by their investment managers. Separate account assets are not invested in any funds managed by VIMCO.

Fees are only deducted from the private fund and not from individually managed accounts. In individually managed accounts, the client makes arrangements for the custodial account on how the fees will be deducted whether it be electronic funds transfer, check, etc. In addition to VIMCO's fees discussed above, clients may incur transaction costs. See the section titled "Brokerage Practices" below.

The fee charged by VIMCO to the AlphaOne VIMCO Small Cap Value Fund is calculated daily and paid monthly, by the Advisor's Inner Circle (third-party investment adviser), at an annual rate based on the average daily net assets of the Sub-advised Fund. The fee is paid at the annual rate of 0.675%. The fee terms are described in further detail in the Sub-advised Fund's prospectus which is available on the SEC's website.

Further information regarding the AlphaOne VIMCO Small Cap Value Fund can be found in the fund's prospectus and statement of additional information (SAI).

Waiver of Management Fees

VIMCO may waive or reduce its Management Fees for certain investors without notice to or consent from any other investor, including those investors that are affiliated with the Firm. Some investors pay higher or lower fees than other investors due to certain factors, including but not limited to, the investment objective and investment strategy, size of the account, the historical or anticipated transaction activity, and the amount of investor's relationship assets under management with VIMCO.

ITEM 6. Performance-Based Fees and Side-By-Side Management

VIMCO does not currently manage any client account that pays performance-based fees.

To the extent trades are aggregated, VIMCO has adopted trading policies that are intended to insure all trades are undertaken and, where necessary, allocated to advisory clients in a manner that fulfills VIMCO's fiduciary obligations to each client and otherwise allocates securities and other investments on a basis that is fair, equitable, consistently applied, and does not unfairly discriminate against any client.

Instances where allocation may be necessary include, without limitation, block trades, bunching client trades, simultaneous transactions in securities or other investments for clients and VIMCO (or an employee of VIMCO), purchases of IPOs, acquisitions of securities directly from an issuer in a private placement and disposition of unattractive securities (*e.g.*, a downgraded security). When allocation is necessary, securities or other investments shall be apportioned among clients and others in accordance with VIMCO's trading policies and otherwise as directed by the investment Team. In determining whether an allocation is fair, the investment Team shall take into account the Firm's fiduciary duties to each client; potential conflicts of interest; the facts and circumstances presented in each instance; each client's individual investment objectives, mandates and suitability; eligibility to participate in the transaction; and any other considerations which, in the sole judgment of the investment Team, are relevant and material to the overall goal of allocating securities and other investments on a fair and equitable basis.

There are times (as noted above) when a security may be purchased for multiple accounts with the order for said security aggregating the accounts into a single trade. When a bunched order is only partially filled, the securities purchased will be allocated on a pro-rata basis to each account participating in the bunched order based upon the initial amount requested for the account, subject to certain exceptions, such as de minimis orders, and each participating account will participate at the average share prices for the bunched order on the same business day, in accordance with VIMCO's allocation procedures. The partial fill will normally be allocated pro-rata to the intended allocation, unless prudent trade management dictates otherwise (e.g., maintenance of round lots, minimum ticket sizes, etc.). The individual placing the trade will identify guidelines that will apply to modify normal pro-rata allocation, such as round lot requirements, minimum ticket sizes, etc. Such procedures should be reviewed by VIMCO's Investment Team to ensure that they do not systematically favor or disfavor a particular account. In the case of small orders, the Investment Team has authority to reallocate based on particular circumstances.

ITEM 7. Types of Clients

VIMCO seeks to provide investment supervisory services to a variety of clients whose types include, but are not limited to: individuals, institutions, financial advisors, banks or thrift institutions, investment companies, pooled investment vehicles (both registered and not registered), pension and profit-sharing plans, trusts, estates or charitable organizations and corporations or other business entities.

VIMCO Founders Fund LP: Interest in, or units issued by the Private Fund are offered and sold exclusively to financially sophisticated, high net worth and institutional investors who are qualified as Accredited Investors capable of evaluating the merits and risks of an investment in the partnership. For further information, please refer the Private Fund's offering documents. The minimum investment for the Private Fund is:

Fund Name	Initial Investment
VIMCO Founders Fund LP	\$250,000

Individually Managed Accounts: VIMCO requires a minimum investment of \$5,000,000 for a separate account, which may be waived in certain circumstances.

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

INVESTMENT STRATEGY: VIMCO's coverage universe emanates from a universe of approximately 2300 companies which correlate to the high and low ends of the Russell 2000 index market cap range. VIMCO's distinctive investment philosophy employs a "private market value" approach to small cap public equities utilizing an owner-like mentality. The investment team values operating businesses as a private buyer would, while focusing on downside protection when constructing investment portfolios. VIMCO seeks to invest in high-quality companies with superior business models, distinct sustainable competitive advantages and underleveraged balance sheets that are operated by first-class managers who act as stewards of shareholders' capital. The Firm has no interest in companies with inferior economics or levered balance sheets, even if they are statistically cheap. A cornerstone of VIMCO's investment philosophy is that markets for equity securities of small capitalization companies are inherently inefficient and that an exhaustive, disciplined, fundamental bottom-up research effort that follows VIMCO's well-defined investment process will lead to the discovery of attractive investment candidates, while taking advantage of behavioral biases in the market. VIMCO seeks to capitalize on its investment experience, in-depth knowledge of business models, proficiency in research analysis and extensive valuation expertise. VIMCO's investment horizon for any individual holding is typically two to five years. Free cash flow analysis is one of the foundations of VIMCO's investment philosophy and valuation assessment. In their assessment of value, the measure of a company's free cash flow generation profile is supplemented by other private market valuation metrics.

INVESTMENT ANALYSIS: VIMCO solely focuses on U.S. small capitalization companies; the search is for opportunities strictly within their circle of competence, which excludes certain industries not conducive to VIMCO's investment philosophy (i.e., industries that generally do not produce cash flow such as Biotech or whose fortunes are primarily determined by global macro forces such as E&P or most materials companies). VIMCO employs both quantitative screens and qualitative approaches to select candidates for further evaluation.

A critical component of the investment process is VIMCO's research engine. A potential investment is subjected to a rigorous, detailed and team-oriented, in-house research evaluation, including an exhaustive review of all pertinent financial and operating documents, as well as thorough industry, competitive, customer and supplier analysis. Management evaluation is another key component of the investment process and is assessed through company visits, interviews, conferences and/or management calls. VIMCO invests only in companies run by management teams who it trusts with its capital and who act in the owners', and not their own, best interests. As part of a comprehensive analysis, VIMCO builds and stress tests a model which results in an internal rate of return calculation (IRR) for each investment candidate. A unique feature of VIMCO's research is the creation of a 'qualitative scorecard' in which a numerical value is assigned to each company based on seven qualitative factors. Each potential investment is assigned a proprietary classification category: compounder, discount-to-value, or special situation.

Consistent with its focus on downside protection, another member of VIMCO's team then attempts to develop a short thesis in a quest to investigate any opposing viewpoints which must be discredited before investing. Strictly adhering to VIMCO's process, only those companies which pass a threshold for IRR, possess attractive qualitative business characteristics and have

minimum potential for permanent capital loss are considered for inclusion within the portfolio. A targeted weighting is determined by an assessment of the quantitative (i.e., the IRR) and qualitative ('Scorecard') factors, as well as relative liquidity and correlation. VIMCO also considers the historical downside capture of the stock. Investment are continuously monitored for changes to the original thesis.

PORTFOLIO CONSTRUCTION: The number of holdings in our client portfolios typically range from 40 to 60. VIMCO believes that this number of positions is adequately diverse to mitigate risk but concentrated enough not to dilute excess returns. Each position is assigned to a proprietary category classification: compounders, discount-to-value, and special situations (each of which has specifically defined weighting ranges).

Market cap ranges are analogous to those of the Russell 2000 Index at the time of purchase. The maximum individual position size at the time of purchase is 6% of the portfolio, with an average holding size of 2%. The maximum for sector exposure is 35% of the portfolio and the maximum industry exposure is 20% of the portfolio. The portfolio is constantly monitored to achieve optimal reward/risk characteristics and to avoid excessive correlation among the holdings.

RISK MANAGEMENT: VIMCO defines investment risk as the permanent loss of capital. Risk may be controlled or mitigated at the source in several ways: by a thorough and rigorous analysis prior to investing with a focus on downside protection; through a comprehensive understanding of exposures to common risks and the correlation among portfolio holdings; through strict adherence to the Firm's established investment process, the written thesis format as well as qualitative and quantitative limits; and through having clear guidelines for the three categories of investment opportunities as well as industry and sector weightings. VIMCO's risk management function is continuous via monitoring and evaluation. There is a constant review of portfolio companies for new fundamental information.

Nature and Concentration of Investments. VIMCO has absolute discretion with respect to the nature and concentration of the Firm's investments, and, accordingly, the total number and types of securities and other investments that the Firm holds may change substantially even over short periods of time.

Risks.

- *Risk of Loss* - Investors should understand that they can lose money by investing in any product.
- *Limited History* - VIMCO has limited operating history. The Adviser is subject to all of the business risks and uncertainties associated with any business with a limited operating history, including the risk that VIMCO will not achieve its investment objectives and that the value of an investment in the Partnership could decline substantially.
- *Past Performance* - As of the date of this filing, VIMCO has limited performance record which potential investors can evaluate. Following the commencement of VIMCO's investment activity, performance will be available upon request. Past Performance is not indicative of future results.

- *Concentration Risk* - At times, VIMCO's investments may not be broadly diversified; rather, VIMCO may determine that it is in the clients' best interests to invest a substantial portion of portfolios in the securities of certain companies or a group of companies doing business in one industry or sector. A portfolio concentrated in the securities of certain companies or in companies doing business in specific industries or sectors presents greater risk than a portfolio that is diversified across many issuers, industries, and market sectors. As a result, performance could be substantially dependent upon the return of such concentrated positions.
- *Extraordinary Events* - There can be no assurance that interruptions caused by extraordinary events outside the control of VIMCO, including acts of god (e.g., fire, flood, earthquake, storm, hurricane or other natural disaster), acts of war (e.g., war, invasion, acts of foreign enemies, hostilities, insurrection, or terrorist activities, whether war is declared or not) or financial system disruption (e.g., bankruptcy filing or operational failure by a major financial institution, including a bank, broker-dealer, clearing agent, administrator, investment manager, securities or derivatives exchange), would not have an adverse effect on VIMCO's ability to manage its portfolios.
- *Reliance on Corporate Management and Financial Reporting* - The investment strategies implemented by VIMCO may rely on the financial information made available by issuers in which VIMCO invests and such issuers' managers. VIMCO has no ability to independently verify the financial information disseminated by these third parties and is dependent upon the integrity of both the management of these third parties and the financial reporting process in general. Events in the past have demonstrated the material losses that investors in corporations and other investment vehicles, such as investment funds, can incur as a result of corporate mismanagement, fraud and accounting irregularities.
- *Market Risks in General* - VIMCO's investment strategies are subject to some dimension of market risk, including among others: directional price movements, deviations from historical pricing relationships, changes in the regulatory environment, changes in market volatility, "flights to quality" and "credit squeezes."
- *Lack of Liquidity/Valuation*- Despite the generally heavy volume of trading in certain securities that may be traded by VIMCO, the market for some of these securities may have limited liquidity. Lack of liquidity can make it difficult or impossible for VIMCO to purchase or sell securities at desired prices or in desired quantities, as a result of which, among other things, it may be economically unfeasible for VIMCO to recognize profits on open positions or to close out open positions against which the market is moving. In particular, sales of illiquid securities may be possible only at a substantial discount. In addition, such securities may be difficult to value, and illiquidity can disconnect market values from the historical pricing indicators used in VIMCO's investment analysis, as the fewer transactions that take place the greater the risk of market values' not reflecting true pricing relationships or fair value.
- *Sector Concentration Risk* - VIMCO may concentrate its investments primarily within a handful of sectors. VIMCO's focus in a limited number of sectors may present more risks than if VIMCO were broadly diversified over a greater number of unrelated market sectors. At times, the performance of VIMCO's investments, if concentrated in a particular sector or

sectors, may lag the performance of other market sectors or the broader market as a whole. Such underperformance may continue for extended periods of time.

- *Limited Capitalization Companies* - VIMCO expects to invest a substantial portion of its assets in the securities of companies with a limited market capitalization (i.e., small-capitalization companies). While VIMCO believes that such securities provide significant potential for appreciation, these securities involve higher risks in some respects than do investments in securities of larger companies. For example, stock prices of small-capitalization companies are often more volatile and more vulnerable to adverse business and economic developments than those of medium-capitalization securities and large-capitalization securities. The risk of bankruptcy or insolvency of many smaller capitalized companies (with the attendant losses to investors) is usually higher than for larger, “blue-chip” companies. In addition, due to thin trading in certain small-capitalization securities, an investment in those securities may be illiquid, making it difficult for VIMCO to buy and sell such securities.

ITEM 9. Disciplinary Information

Nothing to report.

ITEM 10. Other Financial Industry Activities and Affiliations

VIMCO has the following business arrangements and relationships that clients may wish to consider.

VIMCO is majority-owned by Berlansky/Trumpbour Investment Management Company LLC. The Investment Team of VIMCO owns Berlansky/Trumpbour Investment Management Company LLC.

VIMCO is affiliated with AlphaOne Investment Services, LLC (“AOIS”) another investment adviser that is registered with the SEC under the Advisers Act. AOIS is a wholly-owned subsidiary of Alpha One Capital Partners, LLC (“AOCP”). AOCP is a minority owner in VIMCO. AOIS provides VIMCO with support and various operational, administrative, and back-office solutions. These include providing office space at AOCP’s business location, human resources, information technology and communications systems and support, trading and portfolio management support, insurance, research databases and subscription services, legal, compliance and other services. In consideration of such services, which are provided under a services agreement with VIMCO, the Firm will pay AOIS a fee in an amount per annum equal to five basis points (0.05%) for all net assets of the Private Fund in excess of \$250,000,000, which amount may be pro-rated to the extent VIMCO manages client accounts other than the Private Fund. VIMCO maintains autonomous control over investment decisions and Firm management. Additionally, pursuant to the terms of management agreements by and between VIMCO and AOIS, a registered investment adviser, VIMCO serves as the sub-adviser to the AlphaOne VIMCO Small Cap Value Fund. Donald O’Hara currently serves as the Chief Operating Officer and Chief Compliance Officer of AOIS.

AOCP is an independent specialty equity asset management Firm headquartered in suburban Philadelphia, Pennsylvania that currently manages in excess of \$300 million in assets. AOCP offers fundamental long only equity small-cap core strategies and micro-cap core strategies through institutional separate accounts and mutual funds as well as equity long-short strategies through hedge funds. AOCP was founded in 2009 by Paul Hondros, who has more than 30 years of investment industry experience. Mr. Hondros began his career at SEI Investments and worked for Fidelity Investments as the CEO of its Institutional Services Company, and prior to founding AOCP served as non-executive chairman of London-based Gartmore Investment Management and as chairman and CEO of the Gartmore Group.

VIMCO is also affiliated with Silkworth Capital Partners LLC (hereinafter “SCP”), an investment adviser that is registered with the state of Pennsylvania, through common ownership and shared supervised persons. SCP also sub-leases office space from AOIS. Donald O’Hara currently serves as the Chief Operating Officer and Chief Compliance Officer of SCP.

It should be noted that certain sales supervision and marketing review is provided by Chesterbrook Capital, a broker-dealer under common control with AOIS. The broker-dealer sub-leases office space from AOIS. Donald Mr. O’Hara is the Chief Executive Officer and Chief Compliance Officer of Chesterbrook Capital. He is also a Registered Representative of Chesterbrook Capital, but does not provide investment advice in connection with his role at the broker-dealer.

There is a conflict of interest with regards to sharing of certain information related to the sharing of certain personnel and space between VIMCO, SCP, Chesterbrook Capital and AOIS. To address these conflicts of interest, VIMCO, SCP, Chesterbrook Capital and AOIS have implemented policies and procedures in addition to a Code of Ethics to implement information barriers. These policies and the Code of Ethics address the handling of non-public material information and place limitations on personnel personal trading.

SEI Global Services Inc. provides separate account services for VIMCO. These services include account administration, performance calculation and reporting, account and trade reconciliation, and trade support to VIMCO in connection with investment advisory services.

Mr. Berlansky and Mr. Trumpbour may offer certain advisory services to Wick Capital Partners, LLC (“Wick”), an unaffiliated investment adviser. Wick also invests in the AlphaOne VIMCO Small Cap Value Fund, the open-end mutual fund sub-advised by VIMCO, but does not have any additional conflicts in their advisory services. The services provided to Wick may include the review, due diligence and recommendations of existing allocations and strategies of Wick. Mr. Berlansky and Mr. Trumpbour may also provide investment commentary and meet with Wick clients and prospects, but they will not have any execution or client reporting responsibilities for Wick. Mr. Berlansky and Mr. Trumpbour do not use VIMCO resources for these services. Payments for services rendered and time spent are on an individual basis independent of the services provided to VIMCO. Mr. Berlansky and Mr. Trumpbour will be compensated by an annualized fee based on Wick’s assets under management.

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

Trading

VIMCO and its employees owe a fiduciary duty that client interests be placed ahead of personal or business interests. In an effort to ensure that VIMCO develops and maintains a reputation for integrity and high ethical standards it has adopted a Code of Ethics that establishes the standard of business conduct that all employees must follow. The Code of Ethics addresses personal trading and investments by access persons. Specifically, before transacting in any securities (other than those considered exempt under SEC definitions), access persons must obtain pre-clearance. Absent extraordinary circumstances, pre-clearance is denied in instances where there is trading by client accounts in the same issuer on the same day. In addition, pre-clearance is required for any private placements or initial public offerings to ensure that opportunities of limited availability are first afforded to clients where appropriate. Access persons are required to acknowledge at hire and annually thereafter that they have received, read and understood the Code of Ethics and that they agree to comply with it in all respects. Additionally, access persons submit a report of their personal transactions on a quarterly basis. In order to supervise the Code, all Covered Persons provide initial and annual securities holdings reports and quarterly transaction reports through the use of an electronic reporting system. A copy of the Code of Ethics is available to any client or prospective client upon request.

VIMCO may recommend to clients securities in which employees or other related persons have a financial interest. VIMCO has adopted a Code of Ethics which requires monitoring of employee trading to mitigate this conflict of interest.

VIMCO serves as General Partner in the VIMCO Founders Fund, LP in which it has a material financial interest. VIMCO employees or other related persons may have investments in this fund. These personal investments could cause the fund to receive preferential treatment over other client accounts. VIMCO's Chief Compliance Officer will monitor the trading in the fund if it contains internal investments to ensure no VIMCO client has been disadvantaged.

VIMCO may solicit advisory clients to invest in the Private Fund and/or Sub-advised Fund.

ITEM 12. Brokerage Practices

VIMCO requests that discretionary clients provide it with written authorization to determine: which securities are bought or sold and the amounts thereof; and the broker or dealer to be utilized. VIMCO will select those brokers or dealers that will provide the best price and execution. Best price is normally an important factor in this decision, but the selection also takes into account the quality of brokerage services, including such factors as acting as originator, underwriter or market maker for relevant issues; quality of overall execution services provided by the broker-dealer; commission and transaction fees charged by the broker-dealer; promptness of execution; creditworthiness and business reputation of the broker-dealer; research (if any) provided by the broker-dealer; promptness and accuracy of oral, hard copy or electronic reports of execution; ability and willingness to correct errors; promptness and accuracy of confirmation statements; ability to access various market centers; the broker-dealer's facilities, including any software or hardware provided to the adviser; any expertise the broker-dealer may have in executing trades for the particular type of security; reliability of the broker-dealer; if applicable, the ability of the broker-dealer to use electronic trading networks to gain liquidity, price improvement, lower commission rates and anonymity; and review of financial reports of the broker-dealer. Accordingly, transactions may not always be executed at the lowest available price or commission. Typically, commissions are not generated on fixed income transactions and transaction costs are built into the execution price. VIMCO does not engage in any cross transactions.

VIMCO is not currently a party to any “soft dollar” arrangements.

VIMCO’s fiduciary duty to clients is especially evident when it comes to correcting errors made in placing trades for clients. A trade error is considered to have occurred if the order executed for a client materially differs from the trade instructions for that client (for reasons other than customary allocation of unfilled or partially filled orders). It is VIMCO’s policy that when correcting a trading error, the client may not be disadvantaged, therefore they must be made “whole.”

VIMCO may accept brokerage direction from advisory clients.

ITEM 13. Review of Accounts

Accounts are monitored by the Firm’s Investment Team on a periodic basis. Portfolio valuations, portfolio holdings, portfolio changes and reports on investment policies are provided in writing at least quarterly and more frequently if requested by client.

ITEMS 14. Client Referrals and Other Compensation

While VIMCO currently does not have any solicitor agreements in place, VIMCO may enter into written agreements with unaffiliated solicitors. Solicitors of governmental plans must be registered as an Investment Adviser Representative in order to do business with VIMCO. VIMCO will generally pay the solicitor a percentage of all fees received by VIMCO from an investment advisory client for a period of twelve quarters following the date that the client retained VIMCO assuming that such retention occurred during the term of the agreement between the Firm and the solicitor. Such payment will not reduce the amount invested by a solicited investor. Solicitors are required to provide prospective investors with disclosures describing the relationship between VIMCO and the solicitor.

ITEM 15. Custody

MUFG Union Bank, N.A. serves as the custodian to the Private Fund. All other clients designate their own custodian and set up their own custodial accounts. Custodians supply quarterly statements. Clients should carefully review those statements and compare them with account statements sent by VIMCO. Differences may arise on account of variation in the pricing sources as well as differences in accounting (trade date versus settlement date) utilized by the custodians and VIMCO.

Assets of separately managed client accounts are held by the institution designated by the client as custodian of the account. The client should direct the custodian to provide VIMCO's separate account service provider, SEI Global Services Inc. copies of the client's account confirmations and statements.

Due to its role as sole managing member of the Private Fund, VIMCO is considered to have constructive custody of the assets of the Private Fund. The Private Fund is audited annually, and financial statements are distributed to investors within 120 days of its fiscal year end starting in December 2017.

VIMCO hires an independent party to review all fees, expenses and capital withdrawals from the accounts included in the pooled investment vehicle prior to forwarding them to the qualified custodian with the independent party's approval for payment.

VIMCO sends written invoices or receipts to the independent party which describe the amount of the fees (including any formulae used to calculate the fees, the time period covered by the fees and the amount of assets under management on which the fees were based), expenses or capital withdrawals for the independent party to verify that payment of the fees, expenses or capital withdrawals is in accordance with the documents governing the operation of the pooled investment vehicle and any statutory requirements applicable thereto.

ITEM 16. Investment Discretion

VIMCO accepts discretionary authority to manage securities accounts on behalf of clients and requests that discretionary clients provide it with written authorization to determine which securities are bought or sold. Clients may impose guidelines or restrictions on this authority, subject to VIMCO's ability to effectively manage the portfolio. Management of an account is contingent on the receipt of an executed investment management agreement and corporate resolution, trust agreement, or other documentation indicating authorized signatories.

ITEM 17. Voting Client Securities

VIMCO's Investment Team has the authority to supervise the implementation and administration of the proxy policy, among other functions.

For non-ERISA clients, VIMCO states in its Advisory Agreement whether or not it is responsible for voting proxies. If VIMCO undertakes to vote proxies, VIMCO's fiduciary duty requires VIMCO to vote proxies in the best interest of its clients.

It is VIMCO's policy, where it has accepted responsibility to vote proxies on behalf of a particular client, to vote such proxies in the best interests of its clients and ensure that the vote is not the product of an actual or potential conflict of interest. For clients that are subject to ERISA, it is VIMCO's policy to follow the provisions of the plan's governing documents in the voting of plan securities, unless VIMCO determines that to do so would breach its fiduciary duties under ERISA. Additionally, with respect to securities held in the Fund's portfolio, VIMCO will vote proxies related to such securities in a manner that is consistent with the interests of the Fund.

Clients may obtain information about how VIMCO, where it accepted responsibility to vote proxies on behalf of a particular client, voted their securities upon request.

Clients may obtain a copy of VIMCO's proxy voting policies and procedures upon request.

ITEM 18. Financial Information

There is no financial condition that is reasonably likely to impair VIMCO's ability to meet contractual commitments to clients.

VIMCO has not been the subject of a bankruptcy petition within the past 10 years.