



Cook & Bynum Capital Management, LLC

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This brochure provides information about the qualifications and business practices of Cook & Bynum Capital Management, LLC (“CBCM”). If you have any questions about the contents of this brochure, please contact us at 205-994-2815. 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.

CBCM is a registered investment adviser under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), with the U.S. Securities and Exchange Commission (the “SEC”). Registration as an investment adviser does not imply any level of skill or training. The oral and written communications of an investment adviser provide you with information from which you determine whether to hire or retain an investment adviser.

Additional information about CBCM also is available on the SEC’s website at www.adviserinfo.sec.gov.

Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes. CBCM may further provide other ongoing disclosure information about material changes as necessary, at any time, without charge.

Currently, our brochure may be requested by contacting Allison Greenhalgh at 205-994-2815 or allison@cookandbynum.com.

Additional information about CBCM is also available via the SEC's website www.adviserinfo.sec.gov. The SEC's website also provides information about any persons affiliated with CBCM who are registered, or are required to be registered, as investment adviser representatives of CBCM.

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Advisory Business

Cook & Bynum Capital Management, LLC (“CBCM”) is an SEC registered investment adviser that was founded in August 2001 by Richard P. Cook and J. Dowe Bynum, principals of the firm. CBCM has been registered as an investment adviser under the Advisers Act with the SEC since February 2009. CBCM is responsible for the management of Cook & Bynum Capital, LLC and Cook & Bynum Capital QP, LLC (individually, each an “Unregistered Fund” and collectively, the “Unregistered Funds”). For the Unregistered Funds, membership interests are sold to investors, each of which becomes a member in the relevant Unregistered Fund. CBCM is the managing member of the Unregistered Funds, with broad authority to manage the affairs of such funds. CBCM also serves as the investment adviser for each of the series (individually, each a “Registered Fund”, and together with the Unregistered Funds, the “CBCM Funds” or individually, each a “CBCM Fund”) of Cook & Bynum Funds Trust, a Delaware statutory trust (the “Trust”). Currently, The Cook & Bynum Fund (the “CB Fund”) is the sole series of Cook & Bynum Funds Trust and therefore is CBCM’s only Registered Fund. In addition, CBCM may provide advisory services under “Investment Management Accounts” pursuant to which CBCM enters into an agreement with the owner of an account whereby CBCM is given the authority to manage the investments of the account. For purposes of this Form ADV Part 2A, the term “Clients” will refer to the accounts of any individual or entity that CBCM has agreed to manage for investment purposes. CBCM’s “Clients” currently consist of Cook & Bynum Capital, LLC, Cook & Bynum Capital QP, LLC, and Cook & Bynum Funds Trust. Each of the investors in any of an Unregistered Fund or a Registered Fund is referred to as an “Investor.” The term “Clients” does not refer to the “Investors” because CBCM manages the accounts of these entities as a whole, rather than the accounts of each of the Investors. Although the Advisers Act uses the term “client” in multiple contexts, this Form ADV Part 2A distinguishes between CBCM’s Clients (the CBCM Funds) and Investors in any of the Unregistered Funds or the Registered Funds.

As of June 30, 2019, CBCM managed approximately \$325 million on behalf of its Clients, all on a discretionary basis.

Fees and Compensation

CBCM receives management fees from each of the CBCM Funds equal to a percentage of assets under management. The management fees charged to the Unregistered Funds are at an annual rate of 1.50% of assets under management. The fee charged to the CB Fund is at an annual rate of 1.49% of assets under management. For the Unregistered Funds, the management fees are payable quarterly in advance and are calculated as of the first day of each calendar quarter after

accounting for all capital contributions and withdrawals for that quarter. Any capital contributions during a calendar quarter will be assessed the management fee pro rata only with respect to that portion of the calendar quarter after the contribution date. Management fees are refundable pro rata to the extent of a withdrawal during a quarter. For the Registered Fund, the management fee paid to CBCM is computed and paid monthly in arrears based on the Registered Fund's average daily net asset value. Such average daily net asset value of the CB Fund shall be determined by taking an average of all of the determinations of such net asset value during such month. Further information related to the calculation of management fees and other expenses for the Registered Fund can be found in the CB Fund's prospectus.

CBCM has the right in certain circumstances to waive all or part of the management fees. CBCM has contractually agreed to reduce fees and/or reimburse the expenses for the CB Fund to the extent that total fund operating expenses exceed 1.49%. This agreement is in effect through February 1, 2020 and thereafter is reevaluated on an annual basis. The expense reimbursement arrangement for the CB Fund relates to aggregate expenses of every character incurred by the CB Fund, except for interest, taxes, brokerage commissions, and extraordinary expenses not incurred in the ordinary course of the CB Fund's business. Without this agreement, total and per share expenses of the CB Fund would be higher. To deter market timing, the CB Fund imposes a 2.00% redemption fee on shares redeemed within 60 days of the date of purchase, which can be waived at CBCM's discretion.

CBCM does not have a lock-up period for Investors in the Unregistered Funds, and assets may be redeemed on a daily or monthly basis and can be delivered in cash or securities. Any prepaid management fee associated with redeemed assets will be returned on a prorated basis when such a transaction occurs before the end of the quarter for which fees have already been charged.

The CBCM Funds will bear brokerage fees and other transaction costs. See Item 12 (Brokerage Practices) for more information about how CBCM selects or recommends broker-dealers. To the extent that there are any placement fees for the CBCM Funds, there may be additional costs incurred.

Performance-Based Fees and Side-By-Side Management

CBCM does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets) for any of the CBCM Funds.

Types of Clients

As described previously, CBCM provides portfolio management services to both unregistered

privately-offered funds and a registered investment company.

Methods of Analysis, Investment Strategies and Risk of Loss

The investment objective of all CBCM Funds is long-term growth of capital, which CBCM works to accomplish by investing in international and domestic public equities. CBCM's investment decisions are driven by the application of CBCM's core investment criteria and are informed by rigorous, immersive research. CBCM travels globally to learn about a company's customers, appraise its competitors, meet its managers, visit its facilities, and survey its operations in action. These efforts are guided by the belief that first-person observations in the field are critical to appropriately evaluate each investment opportunity.

CBCM's investment process is built around four core criteria and is designed to challenge assumptions, refine conclusions, and mitigate psychological misjudgments:

- *Circle of Competence*: CBCM must be able to understand the core economics of a business and reliably predict its financial prospects. CBCM's primary focus is avoiding mistakes that lead to permanent losses of capital, so CBCM believes its ability to recognize the limits of its knowledge is as important as its ability to execute its competencies when evaluating an idea.
- *Business*: CBCM evaluates whether a business has sustainable competitive advantages that produce predictable free cash flows and yield attractive returns on equity over an extended period of time. Without a "moat," a company's results are difficult to effectively forecast.
- *People*: CBCM seeks to invest alongside management teams who view shareholders as partners. Trustworthiness and intellectual honesty are required leadership traits for managers of qualifying businesses. Other important markers include energy, consistency, a thoughtful capital allocation framework, and conservative accounting practices.
- *Price*: CBCM invests in a company's stock only if it is trading at a significant discount to CBCM's conservative estimate of its intrinsic value.

The CBCM Funds' portfolios are deliberately concentrated in CBCM's best, most-informed ideas. This concentration means the CBCM Funds' portfolios are markedly different from their benchmarks, which is a prerequisite for long-term outperformance.

When making portfolio allocation decisions, CBCM compares its most appealing stock ideas against cash alternatives and will hold cash and cash equivalents in the absence of attractive investment opportunities that satisfy its core investment criteria and meet its minimum required

rate of return for putting capital at risk.

CBCM is a long-term investor. However, CBCM will generally sell a security whose price approaches its estimated intrinsic value for the company — either because the price of the security has substantially appreciated or because a material adverse change occurred in the business that meaningfully lowered our estimate of its intrinsic value. Similarly, CBCM will sell a security if some event or shift in the business or economics of a company materializes that prevents it from reliably appraising its intrinsic value. Lastly, based on opportunity cost considerations and when and only if the CBCM Funds are fully invested, CBCM will generally sell relatively overpriced securities to buy relatively underpriced securities as these specific opportunities arise.

The purchase of interests in any of the CBCM Funds is a speculative investment and is not intended as a complete investment program. Investing in any of the CBCM Funds involves risk of loss that clients should be prepared to bear. There is no assurance that the CBCM Funds' investment objectives will be achieved, and investment results may vary substantially from year to year.

An investment in a CBCM Fund involves significant risks, which should be carefully evaluated before making an investment. These risks include:

- *General Risk:* There is no assurance that the CBCM Funds will meet their investment objective; an Investor could lose money by investing in a CBCM Fund.
- *Market Risk:* Prices of equity securities and the value of the CBCM Funds' investments will fluctuate and may decline significantly over short-term or long-term periods.
- *Value Investing Risk:* Investing in undervalued securities involves the risk that such securities may never reach their expected market value, either because the market fails to recognize a security's intrinsic worth or the expected value was misjudged. Over time, a value investing style may go in and out of favor, causing the CBCM Funds to sometimes underperform other equity funds that use different investing styles.
- *Large Shareholder Risk:* From time to time, certain investors may own or control a significant percentage of a CBCM Fund's shares or interests. A full or partial redemption by investors who own or control a significant percentage of such CBCM Fund's shares or interests may adversely affect the CBCM Fund's performance if it is forced to sell portfolio securities or invest cash when CBCM would not otherwise choose to do so. Redemptions of a large number of shares or interests may affect the liquidity of the CBCM Fund's portfolio, increase the CBCM Fund's transaction costs, and accelerate the realization of taxable income and/or gains to investors.
- *Non-Diversified Portfolio Risk:* CBCM Funds are "non-diversified," and thus invest their assets in a smaller number of companies. As a result, an investment in a CBCM Fund has

the risk that changes in the value of a single security may have a significant effect on its value.

- *Foreign (Non-U.S.) Securities Risk:* Investments in foreign securities sometimes carry special risks, including foreign political instability, greater volatility, less liquidity, financial reporting inconsistencies, and adverse economic developments abroad, all of which may reduce the value of foreign securities. Many of these risks can be even greater when investing in countries with developing economies and securities markets, also known as “emerging markets.”
- *Currency Risk:* CBCM Funds are subject to currency risk because fluctuations in the exchange rates between the U.S. Dollar and foreign currencies may negatively affect the value of a CBCM Fund’s investments denominated in foreign securities.
- *Smaller Capitalization Risk:* Smaller capitalization companies may have a narrower geographic and product/service focus and be less well known to the investment community, resulting in more volatile share prices and a lack of market liquidity.
- *Interest Rate Risk:* CBCM Funds’ debt investments are subject to interest rate risk, which is the risk that the value of a security will vary as interest rates fluctuate.
- *Credit Risk:* CBCM Funds’ debt investments are subject to credit risk. The value of a debt instrument is likely to fall if an issuer or borrower defaults on its obligation to pay principal or interest or if the instrument’s credit rating is downgraded by a credit rating agency, which may cause the CBCM Funds to lose money.
- *High Yield or “Junk” Security Risk:* Investments in debt securities that are rated below investment grade by one or more nationally recognized statistical rating organizations (“NRSRO”) (“high yield securities” also known as “junk securities”) may be subject to greater risk of loss of principal and interest than investments in higher rated debt securities. High yield securities are also generally considered to be subject to greater market risk than higher-rated securities.
- *Special Situations Risk:* Investments in companies involved in special situations, such as reorganizations or restructurings, may involve greater risks when compared to the CBCM Funds’ other strategies due to a variety of factors. Failure to anticipate changes in the circumstances affecting these types of investments may result in permanent losses of capital, such that the CBCM Funds’ may be unable to recoup some or all of their investments.
- *Risks of Investing in Managed Funds:* The investment decisions of CBCM may cause the CBCM Funds to underperform other investments or benchmark indices. The CBCM Funds may also underperform other funds with similar investment strategies. As with any investment, there can be no guarantee that the CBCM Funds will achieve their investment goals.
- *Regulatory Change Risk:* CBCM has, with respect to each CBCM Fund, filed a notice with the National Futures Association claiming an exclusion from the definition of the

term “commodity pool operator” under the Commodity Exchange Act, as amended (the “CEA”) or an exemption from registration as a commodity pool operator, and therefore CBCM is not subject to registration or regulation as a commodity pool operator under the CEA. By claiming this exclusion or exemption with respect to each CBCM Fund, CBCM is exempt from the registration, disclosure, recordkeeping, and reporting requirements of the CFTC with respect to each CBCM Fund. If, in the future, CBCM determines that it is not eligible for the exclusion or exemption, or other exemptive relief from Commodity Futures Trading Commission (“CFTC”) regulation, with respect to any CBCM Fund, CBCM will be required to be registered as a commodity pool operator and comply with CFTC regulations regarding disclosure, recordkeeping, and reporting with respect to such CBCM Fund or Funds. Compliance with such requirements would likely increase the costs associated with an investment in the CBCM Funds.

- *Cyber Security Risk:* As the use of technology becomes more prevalent in the course of business, the CBCM Funds may be more susceptible to operational, financial, and information security risks resulting from cyber-attacks and/or technological malfunctions. Successful cyber-attacks and/or technological malfunctions affecting the CBCM Funds or its service providers could result in, among other things, financial losses to the CBCM Funds and its shareholders, the inability to process transactions with shareholders or other parties and the release of private shareholder information or confidential Fund information. While measures have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in such measures and there is no guarantee those measures will be effective, particularly since the CBCM Funds do not directly control the cyber security measures of its service providers, financial intermediaries, and companies in which it invests or with which it does business.

More detailed information related to the risks of investing in CBCM Funds can be found in the private placement materials for the Unregistered Funds and the CB Fund’s prospectus.

Disciplinary Information

CBCM is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of CBCM’s advisory business or the integrity of CBCM’s management. There have been no legal or disciplinary events that require disclosure under this item.

Other Financial Industry Activities and Affiliations

In addition to serving as investment adviser, CBCM is the managing member of the Unregistered

Funds. Clients are not solicited to invest in other partnerships. Individuals, institutions, endowments, etc. may be solicited to become Investors in CBCM's Clients (*i.e.*, the CBCM Funds). CBCM serves as the investment manager to these Clients and receives a management fee from each of the Clients.

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

To avoid any potential conflicts of interest involving personal trades, CBCM has adopted a Code of Ethics, which requires, among other things, that all employees:

- At all times act with integrity, competence, diligence, respect, and in an ethical manner with Clients, Investors, prospective investors, employers, employees, colleagues in the investment profession, and other participants in the global capital markets;
- Place the integrity of the investment profession, the interests of Clients, and the interests of CBCM above the employee's own personal interests;
- Adhere to the fundamental standard that an employee should not take inappropriate advantage of such employee's position;
- Avoid any actual or potential conflicts of interest;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities;
- Maintain and improve an employee's professional competence and strive to maintain and improve the competence of other investment professionals; and
- Comply with applicable provisions of the federal securities laws.

CBCM's Code of Ethics also requires employees to: 1) pre-clear certain personal securities transactions, 2) report personal securities transactions on at least a quarterly basis, and 3) provide CBCM with a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which such employees have a direct or indirect beneficial interest.

CBCM's Code of Ethics is applicable for all CBCM Funds and will be provided to any Investor or prospective investor upon request.

Brokerage Practices

Decisions to buy and sell securities for the CBCM Funds are made by CBCM. In placing purchase

and sale orders for portfolio securities for the CBCM Funds, it is the policy of CBCM to seek the best execution of orders at the most favorable price. In selecting brokers to effect portfolio transactions, the determination of what is expected to result in the best execution at the most favorable price involves a number of largely subjective considerations. Among these are CBCM's evaluation of the broker's efficiency in executing and clearing transactions, the rate of commission or the size of the broker-dealer's spread, the size and difficulty of the order, the nature of the market for the security, and operational capabilities of the broker-dealer. CBCM will not take into account the sale/distribution of CBCM Fund shares or membership interests when selecting brokers to execute portfolio transactions.

"Soft dollars" refers to the practice of directing portfolio trades to brokers to pay for products or services other than execution provided by those brokers. Any such soft dollar arrangements will be consistent with Section 28(e) of the Securities Exchange Act of 1934, as amended (the "1934 Act"). Section 28(e) provides a safe harbor from breaches of fiduciary duty under Section 206 of the Advisers Act for investment advisers that, through their discretionary authority, execute transactions for client accounts through broker/dealers at higher commission rates than otherwise are obtainable in return for investment research services and transaction execution. If CBCM determines in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the brokerage and research services provided by such broker, the CBCM Funds may pay commissions to such broker in an amount greater than the amount another broker might charge. In this case, CBCM would receive a benefit because CBCM does not have to pay for the research. Accordingly, CBCM may have an incentive to select or recommend a broker-dealer based on CBCM's interest in receiving the research, rather than basing the decision solely on which broker-dealer offers the most favorable execution/pricing.

Review of Accounts

The chief compliance officer of CBCM monitors Client account(s) for the Unregistered Funds. The chief compliance officer of the Trust continually monitors the Trust.

Investors in the Unregistered Funds receive: (1) an annual audited financial statement (including a balance sheet, profit and loss statement, and statement of cash flows); (2) an annual statement showing the Investor's share of the respective Fund's items of income, gain, loss, deduction, and credit relevant for income tax purposes and the associated changes in such Investor's capital account; and (3) quarterly statements stating the previous quarter's unaudited results and the associated capital account balance. Investors may receive, upon request, more frequent return and capital account information.

Investors in the CB Fund receive annual and semi-annual reports within 60 days after the end of the CB Fund's fiscal year and fiscal mid-year, respectively, in addition to quarterly account

statements and annual tax documents.

Client Referrals and Other Compensation

CBCM does not compensate anyone who is not a supervised person for client referrals; therefore, CBCM has no information applicable to this item.

Custody

Clients receive at least quarterly statements from the broker-dealer, bank, or other qualified custodian that holds and maintains such Client's assets. The statements provided to Investors by the CBCM Funds' administrators may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Investment Discretion

CBCM has discretionary authority from the CBCM Funds 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 of each CBCM Fund.

When selecting securities and determining amounts, CBCM observes the investment policies, limitations, and restrictions of the Clients for which it provides advice. For Registered Funds, CBCM's authority to trade securities may be limited by certain federal securities and tax laws that require diversification of investments and/or favor the holding of investments once made.

Voting Client Securities

The CBCM Funds have delegated all proxy voting to CBCM. As such, CBCM has adopted Proxy Voting Policies and Procedures (the "Procedures") that are designed to ensure that CBCM votes proxy proposals, amendments, consents, and/or resolutions (collectively, "Proxies") in a manner that serves the best interests of its Clients as determined by CBCM in its discretion. The Procedures also require that CBCM identify and address conflicts of interest between CBCM and its Clients. If a material conflict of interest exists, CBCM will determine whether voting in accordance with the guidelines set forth in the Procedures is in the best interests of the Client or take some other appropriate action. CBCM generally votes in favor of routine corporate housekeeping proposals, except: (1) CBCM will oppose proposals that diminish the rights of shareholders or diminish management or board accountability to shareholders; and (2) CBCM will

oppose compensation plans that are excessive relative to comparable companies' compensation packages or appear unreasonable in light of a company's performance.

CBCM's Proxy Voting Policy is included as an exhibit to the CB Fund's Statement of Additional Information, which is available, upon request and without charge, by calling a CBCM representative toll free at 1-877-839-COBY and/or visiting www.sec.gov.

Financial Information

CBCM is required to provide you with certain financial information or disclosures about CBCM's financial condition in this item. CBCM has no financial condition that impairs its ability to meet contractual commitments to Clients, and CBCM has not been subject to a bankruptcy proceeding.