

Part 2A of Form ADV: Firm *Brochure*, dated June 2019

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This brochure provides information about the qualifications and business practices of Intrinsic Value Investors (IVI) LLP ("IVI" or the "Firm"). If you have any questions about the contents of this brochure, please contact us at 020 7566 1210 or <http://www.ivinvestors.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 IVI is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

This Item discusses only specific material changes that were made to the Brochure since the last annual update in June 2018. As noted in Item 5 fees for the IVI European Fund and IVI Segregated Accounts will be reduced from 1 July 2019.

There are no material changes to note at this time.

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Item 4 - Our Advisory Business

Intrinsic Value Investors (IVI) LLP ("IVI" or the "Firm") is a London-based private investment management firm whose investment focus is on the preservation and long-term growth of our clients' capital by taking advantage of inherent market inefficiencies. IVI's Client portfolios will ordinarily be invested in European listed equity securities.

IVI believes that this dual objective can best be met by a portfolio containing the securities of between 10 and 100 different issuers - a number allowing for sufficient diversification to minimize individual issuer risk but at the same time also sufficient focus fully to capitalize on the performance of strong conviction ideas. Our investment strategy is further discussed in Item 8 below.

IVI does not employ other investment strategies.

IVI currently manages on a discretionary basis approximately \$2.152 billion as of the date of this Brochure. The Firm was established in July 2005 under UK law and is owned by Adriaan de Mol van Otterloo, Julian Gould and Graeme Hastings.

The Firm provides discretionary investment management for a pooled investment vehicle, the IVI Umbrella Fund plc, and its sole sub-fund IVI European Fund (the "Fund") and segregated accounts, both foreign and domestic (the Fund and other entities or persons advised by IVI hereinafter the "Client" or collectively the "Clients"). IVI generally does not tailor its advice to the individual needs of investors in the Fund, although the Firm is flexible with Clients in segregated accounts.

Clients investing in the IVI European Fund are required to invest a minimum amount of €10,000 in the Euro Share Class and £10,000 in the Pound Sterling Share Class at the inception of their relationship with the Fund.

Item 5 - Fees and Compensation

IVI generally receives an annual management fee based on assets under management under the following schedule:

- | | |
|---------------------------|--|
| • IVI European Fund | 1.25% (reducing to 1.10% from 1 July 2019) |
| • IVI Segregated Accounts | 1.00% (reducing to 0.85% from 1 July 2019) |

IVI's fees are generally not negotiable.

Fees are included in the NAV calculation and are deducted from the IVI European Fund on a monthly basis. Fees for segregated accounts are generally invoiced quarterly.

Fund investors may also expect to pay custodian, administrator, transfer agency and legal fees in connection with the Fund as well as incur trade execution brokerage and other transaction costs, discussed in Item 12 below. Clients of segregated accounts are in charge of the administration of their own accounts and are not charged these fees by IVI.

Item 6 – Performance-based Fees and Side-by-Side Management

IVI does not charge performance fees.

Item 7 - Types of Clients

IVI's Clients consist of collective investment vehicles and segregated accounts on behalf of institutions, pension plans, endowments and high net worth individuals.

The minimum initial investment requirement for any segregated account is \$50,000,000. The Firm may increase and/or waive this requirement in its sole discretion.

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

IVI's investment strategy is to take advantage of inherent market inefficiencies, as we simply do not believe that the European securities markets are perfectly efficient at all times. On the contrary, at any given point in time we would fully expect these markets to offer the fundamental investor abundant opportunity to construct a satisfactorily diversified portfolio of securities trading well below their actual ultimate intrinsic value. Further, it is our belief that by virtue of rigorous and intensive proprietary fundamental analysis we will be able to identify such undervalued securities in order to purchase them for our Clients to hold until such a time as the market has repriced them up to our estimate of their intrinsic value.

Process

IVI's investment objective is the preservation and long-term growth of our Clients' capital. We estimate that this dual objective can best be met by a portfolio containing the securities of between 10 and 100 different issuers - a number allowing for sufficient diversification to minimize individual issuer risk but at the same time also sufficient focus fully to capitalize on the performance of strong conviction ideas.

The initial selection and subsequent day-to-day management of the Client's holdings works as follows:

- **New idea generation and evaluation**

New ideas for investment can arise from a large number of sources including company meetings and press releases, financial and trade newspapers, periodicals and newsletters, broker research and, of course, our own personal contacts, experience and observations.

When we come across a situation in which there appears to us a reasonably substantial chance that the market may be significantly under-valuing a particular security, we focus on it in greater detail in order to be sure that we fully understand the issuer's business model and the economics of its industry.

Once we are comfortable on these points, we will then attempt to determine the security's intrinsic value via an in-depth analysis comprising considerations of the issuer's discounted cash flows, franchise value, over-the-cycle earnings power, liquidation value and/or private market value.

Assuming that the results of this analysis still suggest to us that the security represents good value, it is at this stage that we would look to set up a meeting with the company's management in order to sense-check the key assumptions underpinning our valuation work.

- **Stock selection and portfolio management**

Securities that our full evaluation process suggests to us are trading at a significant discount to their intrinsic value (and we would normally target a discount of at least 40% at the time of purchase) are then added to our portfolio, subject to a number of other factors. These would include a consideration of the ownership structure and potential strategic value of the issuer, any forms of signaling by management (e.g. insider transactions or stock issuance/buy-backs),

the strength of the management team and its track record with respect to capital allocation and corporate governance.

Once we are, however, fully confident that a security under analysis offers better overall value than at least one other already held in the portfolio then the latter is sold to finance the purchase of the former. This new holding will then remain in the until either the market eventually reprices it in line with our view of its intrinsic value (a process that investors should be aware can take a number of years) or until such a time as we find something even cheaper to replace it within the Client portfolio.

- **Rationale behind our approach**

A long-term, fundamental approach gives us the best chance of delivering superior performance to our Clients - it is how we have always invested and, moreover, we believe it is the only rational approach to investment.

Further, a long-term, fundamental approach also confers certain inherent benefits:

1. The cheaper a security is in relation to a thoughtful and thorough assessment of its intrinsic value at the time of purchase, the lower should be the investor's risk of permanent capital loss should his analysis prove in some way flawed or the broader asset class fall from favor with the investment community at any stage
2. The longer a portfolio's average holding period (and, in this case, it is between 3 and 5 years), the lower its annual turnover and hence costs borne by its investors
3. Finally, since we are explicitly not attempting to replicate the performance of any particular index, to hold any more than 100 securities in the Fund or to hold on to our Clients' capital irrespective of the availability or otherwise of appropriate investment opportunities, portfolio risk should be minimized since there is simply no need for us to hold securities for which we struggle to identify any real absolute upside and/or whose business models offer only very limited visibility.

It should be noted that investing in securities involves a risk of loss as well as gain, which Clients should be prepared to bear. Past performance is not a guide to the future and prices of investments may rise as well as fall. Investors may not get back the full amount invested. Investing in IVI's European equity portfolios involve general risks – market risk, volatility, foreign exchange market risk, emerging markets risks – that are comprehensively disclosed in the Fund's offering memorandum.

Market Risk

Investments within the Client portfolios are subject to normal market fluctuations as well as subject to risks inherent in investment in international securities markets. As such, there is no guarantee that appreciation will occur. Stock markets can be volatile and stock prices can change substantially. Debt securities may be subject to price volatility due to changes such as interest rates, market perception of the creditworthiness of the issuer and general market liquidity.

Currency Risk

Investments held in the Client portfolios may be acquired in other currencies to the base currency of the relevant portfolio. As a result, exchange rate fluctuations may impact the base currency of the portfolios. Adverse movements in currency exchange rates can result in a decrease in return and a loss of capital. IVI does not currently employ currency hedging although it may choose to do so in the future to reduce currency risk.

Liquidity Risk

Investments held in the Client portfolios are considered to be liquid and readily realizable, as they are all listed on European stock exchanges. However, some investments may have lower

average daily trading volumes than the most liquid holdings. In such cases, selling an existing investment may take longer in the market. IVI monitors and manages the liquidity position of Client portfolios on a daily basis.

Political and/or Regulatory Risks

The value of the assets within Client portfolios may be affected by uncertainties such as international political developments, changes in government policies, taxation, restriction on foreign investment and currency repatriation, currency fluctuations and other developments in applicable laws and regulations.

Developing Market Risk

Investments held in Client portfolios may be domiciled or listed on exchanges in developing market countries. Such investments may be more exposed to greater market, currency, liquidity, political and regulatory risks and may incur greater settlement and custody charges than those investments in developed markets. IVI monitors and manages such exposure on a daily basis.

Item 9 - Disciplinary Information

IVI has no material legal, regulatory or disciplinary events to disclose. This information has also been submitted to the Securities and Exchange Commission as Section 11 of IVI's Form ADV, Part IA, and can be verified at www.adviserinfo.sec.gov.

Item 10 - Other Financial Industry Activities and Affiliations

IVI is not a registered broker-dealer nor does it intend to register as a broker-dealer.

IVI operates pursuant to the exemptions to registration provided by Commodity Futures Trading Commission Rule 4.13(a)(3).

Maitland Administration Services provides the Firm with back office and operations support. IVI does not maintain a business relationship with any third parties that create material conflicts of interest.

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

IVI has adopted a compliance manual that includes a Code of Ethics (the "Code"), which sets out the standards of business conduct for the Firm and its employees. The Code is based on the principle that the Firm and its staff have a fiduciary duty to act in the best interests of IVI's Clients. The Code includes, among other policies, a Personal Trading Policy and an Insider Trading Policy, and is used to establish principles of conduct and to assist in detecting, managing and to the extent possible avoiding conflicts of interest, which may arise between employees and Clients as a result of personal investing activities.

The duties of the Firm's staff under the Code are summarised below:

Staff are required to submit to the CCO an initial and annual report listing their securities holdings and a quarterly report of transactions. All personal securities transactions, other than those specifically exempted by the Code, are preapproved by the CCO or his delegate.

The Code sets forth record keeping requirements and the responsibilities of the CCO with respect to review of personal securities transactions, personal holdings and trading reports

and monitoring compliance with the Code. The Code also outlines policies for sanctioning staff who violate the Code.

Staff are also subject to restrictions on participating in initial public offerings and private placements. The Firm reserves the right to request that its staff disgorge any profits from a transaction, after the event, that is deemed to conflict with the interests of Clients.

Staff must comply with federal securities laws, certify that they have read and understand the Code and report any violations of the Code to the CCO. The Code sets forth limitations on staff receiving gifts from third parties. Staff may not solicit gifts from any party with whom we conduct or could conduct business.

Staff are prohibited from trading either in their personal accounts or Client accounts on the basis of material non-public information.

The Firm's Code requires all staff to acknowledge that they have read and understand the Code, and reaffirm such acknowledgment at least annually. A copy of the Code will be provided to any Client or Investor or prospective client or investor upon request.

Item 12 - Brokerage Practices

• Broker Selection Policy

IVI generally assumes responsibility for selecting brokers and dealers for the execution of securities transactions recommended on behalf of its Fund or segregated accounts. The Firm is not affiliated with any broker/dealers and does not execute securities transactions as a principal. Accordingly, the Firm selects unaffiliated third-party broker/dealers to execute all Client transactions although, as permitted by applicable law and described in more detail below.

In selecting brokers, the Firm takes all reasonable steps to obtain the best possible result ("best execution") for Clients when executing an order. The best possible result is not limited to execution price but can also be determined by:

- Quality of execution
- The nature and character of the relevant markets on which the transactions will be executed
- The broker's execution experience, integrity and credit-worthiness
- Operational efficiency

The cost of all research services are borne by the Firm.

The Firm ordinarily reviews its active broker list on a periodic basis and assesses each broker on a combination of factors including those listed above. Where issues arise or expectations are not met the Firm may review the relationship and the services being provided.

Any brokerage furnished by brokers through which the Firm effects securities transactions may be used by the Firm in advising other Clients and the Fund and not necessarily the same investment portfolio.

As a UK investment manager impacted by "MiFID II" regulations, IVI remunerates brokers for research services and trade execution which are priced separately with each relevant broker. IVI pays for research directly and does not utilise "soft dollar" arrangements.

IVI may elect to cross transactions internally. This will usually be for the purpose of reducing transaction costs or rebalancing Client investment portfolios. This normally occurs where

inflows from one Client coincide with outflows from another Client for which the Firm also acts as an adviser. In the event that the Firm causes one Client to purchase securities from or sell securities to another Client, the Firm uses its best efforts to mitigate potential conflicts of interest by causing the transaction to occur at the then prevailing market price of the applicable securities and by considering the interests of all Clients that are parties to the transaction. The Firm will use unaffiliated third-party brokers to facilitate these cross transactions at market price.

- **Allocation of Investment Opportunities**

IVI endeavors to act in a manner that it considers fair, reasonable and equitable in allocating investment opportunities among its Clients. When the Firm determines that it would be appropriate and feasible for more than one Client to participate in an investment opportunity, the Firm may place combined orders for all such Clients simultaneously and, if the order is not filled at the same price, the Firm will average the prices paid over a particular trading day or such longer period consistent with the accumulation or disposition of a particular position. Similarly, if an order is placed on behalf of more than one Client and the order cannot be fully executed under prevailing market conditions, the Firm may allocate the trade execution among different Clients on a basis that the Firm deems equitable. This is normally achieved by pro-rating actual trade executions among Clients in accordance with the total number of shares outstanding on each Client's order and rounding such executions to reflect minimum trading sizes, minimum allocations necessary to avoid undue costs being realized by Clients (such as transaction and foreign exchange costs triggered by certain allocations having a *de minimis* value) and efficiencies inherent in trade reporting. Situations may occur where a Client could be disadvantaged because they participated in the aggregate order.

The Firm anticipates that the substantial majority of its trade executions will be allocated between Clients in a pro-rata manner. Where the Firm determines that this pro rata allocation methodology may not be in a Client's best interest or the best interests of all Clients, the Firm may, in its reasonable discretion, make an adjustment to the pro-rata allocation.

Item 13 - Review of Accounts

IVI provides investment advice to the IVI European Fund as well as segregated accounts. IVI's fund managers and operations staff are responsible for monitoring performance and execution purchases and sales on behalf of the Fund and segregated accounts. The fund managers review the portfolio on a daily basis and the operations staff reconcile the accounts on a daily basis.

All Clients receive the quarterly shareholder letter of IVI European Fund from the Firm. Clients invested in IVI European Fund also receive quarterly holdings statement from the Fund's administrator detailing the number of shares held in the Fund and the market value at the relevant period end. Clients invested in the Fund also receive the Annual Report and Audited Financial Statements plus an Interim Report and Unaudited Condensed Financial Statements semi-annually from the Fund's administrator. All Clients holding segregated accounts with the Firm will receive a monthly statement from the firm which includes: account valuation, holdings positions and values reconciled to the Client's custodian data plus details regarding transactions on the account, accrued dividend income and withholding tax returns.

Item 14 - Client Referrals and Other Compensation

IVI does not directly or indirectly compensate any third party for Client referrals or other economic benefit.

Item 15 - Custody

IVI is not authorized by the UK Financial Conduct Authority to hold Client assets and as an offshore investment adviser to an offshore fund is not subject to Rule 206(4)-2 (the "Custody Rule") in relation to its Fund. However, the Firm generally complies with its requirements by delivering audited financial statements to the Investors in the Fund within the applicable required time frame.

IVI does not have custody in respect to its separately managed account clients.

Item 16 – Investment Discretion

As investment adviser to the Client portfolios, IVI is granted the discretionary authority to manage its Clients' accounts, including authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities/investments, the broker-dealer to be used for a particular transaction, and commissions or markups and markdowns paid. The Firm will manage each Client portfolio in line with that Client's stated investment objectives and when selecting securities and determining amounts, IVI observes the investment policies, limitations and restrictions relevant to the Client.

The basis for this discretionary authority is found in organizational documents and/or the investment management agreement as applicable to each Investor or Client.

Item 17 - Voting Client Securities

The Firm understands its fiduciary duty when assessing proxy voting responsibilities on behalf of its Clients. The Firm also recognizes the need to exercise its proxy voting obligations with a view of enhancing its Clients' long term investment values. The Firm believes that both are generally compatible with good corporate governance as this generally provides the best operating environment for each underlying portfolio company to cope with competitive commercial pressures. To help achieve its objectives, it is IVI's policy, subject to the considerations described below, to use its best efforts to vote proxies arising on all shares held on behalf of its Clients.

The Firm has a commitment to evaluate and vote proxy issues in the best interests of its Clients. The Firm will generally vote proxy proposals, amendments, consents or resolutions relating to Client securities, including interests in private investment funds, if any, (collectively, "proxies") in accordance with the following guidelines:

- Consistent with our fundamental analysis, the Firm will generally support a current management initiative if our view of the Issuer's management is favorable;
- The Firm will generally vote against management if there is a clear conflict between the Issuer's management and shareholder interest;
- In some cases, even if the Firm supports an Issuer's management, there may be some corporate governance issues that the Firm believes should be subject to shareholder approval; and
- The Firm may abstain from voting proxies when it is determined that the cost of voting the proxy exceeds the expected benefit to our Clients.
- The Firm may abstain from voting proxies in companies listed on markets where market convention for 'share blocking' could limit the Firm's ability to manage the holding of shares in the Clients' best interests.

Generally, all proxies are evaluated and voted on a case-by-case basis, considering each of the relevant factors set forth above. The Firm, in all cases, will vote for any proposals that we believe will be most advantageous to our Clients.

Given IVI's position that the inherent risks associated with voting in a share blocking country may outweigh the benefits of voting, IVI will generally abstain from votes in a share blocking country unless a Client specifically requests in writing that IVI vote on an issue. In such case, IVI will vote only those shares held in that Client's portfolio and will abstain from voting shares of the security held by other Clients. The Client whose shares are voted recognizes it will be subject to any regulations or limitations placed on those shares.

Although highly unlikely, there could be an occasion when a conflict may arise between the interest of the Client/s and the interest of the Firm. IVI will always strive to address such a conflict in the best interests of the Client/s. If a perceived material conflict of interest arises in connection with a proxy vote, IVI may resolve such conflict either by delegating the voting decision back to the Client/s or the Firm may inform the Client/s of the perceived conflict and obtain consent to vote the proxy as recommended by the Firm.

IVI does not take positions outside of the portfolios it manages and therefore does not anticipate a situation where there would be a conflict between maximizing investment returns for Clients and the interests of the Firm or its staff. In fact, as shareholders in IVI European Fund the interests of the owners and staff of the Firm are fully aligned with those of its Clients. In the highly unlikely event that such a situation should arise, the management team will review and evaluate the proxy proposal and the circumstances surrounding the conflict to determine the vote, which will be in the best interests of the Client. Records of IVI's Proxy Voting Policy and voting history are available from the Firm upon request.

Item 18 – Financial Information

IVI has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy proceeding.