



An SEC Registered Investment Adviser

Broad Run Investment Management, LLC
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Form ADV Part 2A
Advisory Brochure

March 31, 2022

This brochure provides clients and prospective clients with information about Broad Run Investment Management, LLC and the qualifications, business practices, and nature of its services that should be carefully considered before becoming an advisory client.

The contents of this brochure have not been approved or verified by the United States Securities and Exchange Commission (SEC) or any other state or federal governmental authority. While the firm may be registered with the SEC, that registration is not an endorsement by any regulatory authority or an attestation of a certain level of skill or training on the part of the firm or its associated personnel.

Questions relative to the firm, its services, or this Form ADV Part 2A may be made to the attention of Mr. Bryan H. Adkins, CFA, Chief Compliance Officer, at (703) 260-1260. Additional information about the firm, other advisory firms, or associated investment adviser representatives is available on the Internet at www.adviserinfo.sec.gov. Click on the "Investment Adviser Search" link and then search for "Investment Adviser Firm" using the firm's IARD number, which is 165067.

Item 2 - Material Changes

Since our last annual update to Form ADV Part 2A on March 31, 2021, we have made the following material changes:

We have updated Items 4 and 8 of this brochure to describe a newly offered strategy, our Select Equity Strategy. This strategy employs the same investment approach as our Focus Equity Strategy but holds an even more concentrated portfolio.

There are no further changes to disclose.

The firm may at any time update this document and either send a copy of its updated brochure or provide a summary of material changes to its brochure and an offer to send an electronic or hard copy form of the updated brochure. Investors are also able to download this brochure from the SEC's Website: www.adviserinfo.sec.gov or you may contact our firm at (703) 260-1260.

As with all firm documents, clients and prospective clients are encouraged to review this brochure in its entirety and are encouraged to ask questions at any time prior to or throughout the advisory engagement.

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Important Note: Throughout this document Broad Run Investment Management, LLC may also be referred to by the following terms: “the firm,” “we,” “us,” or “our.” The client or prospective client may also be referred to as “you,” “your,” etc., and may refer to more than one person.

Item 4 - Advisory Business

Description of Our Advisory Firm

Broad Run Investment Management, LLC is an independent, employee-owned investment adviser headquartered in Arlington, Virginia. The firm was founded in 2012 by Brian E. Macauley, David S. Rainey and Ira M. Rothberg as its principal owners and portfolio managers.

The firm is organized as a Delaware limited liability company and is an investment adviser registered with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Broad Run Investment Management, LLC and its associates may register and/or notice file or meet certain exemptions to registration in other jurisdictions in which we conduct investment advisory business. You should be aware that registration alone does not imply a certain level of skill or training.

Description of Advisory Services Offered

Broad Run Investment Management, LLC provides discretionary portfolio management services to institutional and individual investors. The firm manages client accounts in two strategies, our Focus Equity Strategy and our Select Equity Strategy. In these strategies the firm primarily invests in domestic equity securities using fundamental, company-focused research, a long-term investment temperament and a concentrated portfolio management approach. The Focus Equity Strategy holds a portfolio of approximately 20 securities and the Select Equity Strategy holds a portfolio of approximately 10 securities. Additional information with respect to Broad Run Investment Management, LLC's investment analysis and strategies may be found in Items 8 and 16 of this brochure.

The Focus Equity Strategy is available through both separate accounts and a mutual fund sub-advisory relationship and the Select Equity Strategy is available through separate accounts.

Separate Accounts

Separate accounts are individually managed and maintained for taxable and tax-exempt clients on a fully discretionary basis. Separate accounts employ our firm's portfolio management strategies but we can accommodate client specific portfolio composition adjustments and reasonable restrictions.

Mutual Fund Sub-Advisory Relationship

The firm acts as sub-adviser to the Hennessy Focus Fund (the "Fund"). The Fund is established as a non-diversified investment portfolio of Hennessy Funds Trust, an open-end series management investment company organized as a Delaware statutory trust. Investments for the Hennessy Focus Fund are managed in accordance with its stated investment objective, strategy and restrictions. They are not tailored to the individualized needs of any particular investor in the Fund.

Additional information with respect to the management of your account may be found in Item 16 of this brochure.

Wrap Fee Programs

Our firm does not participate in, sponsor or serve as portfolio manager for a wrap fee investment program.

Client Assets Under Management

As of December 31, 2021, the firm had \$1,757,216,650 of assets under management on a discretionary basis and \$0.00 assets under management on a non-discretionary basis.

Miscellaneous

No Financial Planning or Implementation Services

Broad Run Investment Management, LLC does not provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Additionally, our firm does not serve as an attorney, accountant, or insurance agency, and no portion of our services should be construed as same. Accordingly, we do not prepare estate planning documents or tax returns, or sell insurance products.

Sub-Advisory Engagements

Broad Run Investment Management, LLC may also serve as a sub-adviser to unaffiliated registered investment advisers per the terms and conditions of a written Sub-Advisory Agreement. With respect to its sub-advisory services, the unaffiliated investment advisers that engage Broad Run Investment Management, LLC's sub-advisory services maintain both the initial and ongoing day-to-day relationship with the underlying client, including initial and ongoing determination of client suitability for Broad Run Investment Management, LLC's designated investment strategies.

Please Note: Directed Brokerage/Custodian

In the event that a client (and/or an investment adviser) directs Broad Run Investment Management, LLC to effect securities transactions for the client's accounts through a specific broker/dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs, potentially experience greater spreads, or receive less favorable net prices on transactions for the accounts than would otherwise be the case. Higher transaction costs adversely impact account performance.

The firm is custodian neutral. However, in the event that a client maintains accounts at its own preferred custodian rather than at Charles Schwab & Co., Inc. ("Schwab"), the custodian typically recommended by the firm, the client may incur higher fees than those charged by Schwab. Higher transaction costs adversely impact account performance.

Unless directed to a specific broker/dealer, the firm shall utilize various executing broker/dealers for its client accounts, in which event, the client can incur both the fee (commission, mark-up/mark-down) charged by the executing broker/dealer and a separate "trade away" and/or prime broker fee charged by the client's designated account custodian. The firm is generally not in a position to negotiate such trade away or prime broker fees with the client's custodian.

Please Note: Investment Risk

Different types of investments involve varying degrees of risk, and it should not be assumed that the future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended and/or undertaken by Broad Run Investment Management, LLC) will be profitable or equal any specific performance level(s).

Client Obligations

In performing our services, Broad Run Investment Management, LLC shall not be required to verify any information received from a client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the firm of any change in his/her/its financial circumstances or investment objectives that might affect the manner in which the firm manages the account.

Item 5 - Fees and Compensation

Method of Compensation and Fee Schedule¹

Asset-Based Fee

An annualized asset-based fee will be assessed on each account under the firm's supervision. Unless otherwise negotiated, fees are calculated using the beginning account value for the quarter and are paid quarterly, in advance, in accordance with the following table.

Assets Under Management*	Asset-Based Fee Range
Up to \$5,000,000	1.00% (100 basis points)
Amounts above \$5,000,000	0.85% (85 basis points)

* Our minimum account size, subject to the firm's discretion, is \$1,000,000

Aggregating Account Fees

Our firm does not aggregate investment supervisory services accounts for the purpose of discounting its asset-based fee.

Negotiable Fees

Our firm reserves the right to negotiate fees at our discretion.

Client Payment of Fees

Client payment of advisory fees will be accomplished in the manner described in this section, unless otherwise negotiated. Advisory fees will be assessed at the beginning of each quarter. The first billing cycle will begin once the investment management agreement is executed with our firm and your account is funded at the selected custodian.

If the investment management agreement begins on a date other than the beginning of a calendar quarter, the first payment shall be (i) in arrears, payable upon completion of the first calendar quarter after the agreement comes into effect; and (ii) prorated based upon the actual number of days during the quarter that investment management services were provided. The account value for this computation shall be the ending account value for the quarter.

After the first payment, or if the investment management agreement begins at the beginning of a calendar quarter, fees shall be payable in advance on a quarterly basis. The account value for this computation shall be the beginning account value for the quarter.

If the investment management agreement terminates on a date other than the end of a calendar quarter, the fee payable shall be prorated based upon the actual number of days during the quarter that investment management services were provided. The account value for this computation shall be the beginning account value for the quarter. Any overpayment will be returned to the client.

¹ Our firm reserves the right to waive fees for its members and associates who maintain their accounts at our firm's selected custodian(s); we may offer a similar reduced fee to other firm related persons.

Advisory fee assessments will be based on the account values as disclosed on the statement the client receives from us. We will determine the value of both a client account's assets and liabilities in the following manner:

- Any security that is listed on a national securities exchange will be valued at its last sale price on the date of determination as recorded by the composite tape system, or, if the security is not included in such system, at its last sale price on such day on the principal national securities exchange on which such security is traded, as recorded by such exchange, or, if no sales occurred on such day, at the mean between the closing "bid" and "asked" prices on such day as recorded by such system or such exchange, as the case may be.
- Any security that is a National Market Security will be valued at its last sale price on the date of determination as reported by NASDAQ, or if no sale occurred on such day, at the mean between the closing "bid" and "asked" prices on such day as reported by NASDAQ.
- Any security not listed on a national securities exchange and not a National Market Security will be valued at the mean between the closing "bid" and "asked" prices on the day of determination as reported by NASDAQ, or, if not so reported, as reported in the over-the-counter market in the United States.
- All other securities shall be assigned a value by a portfolio manager of the firm or his/her designee in such manner as he/she may determine in good faith. Factors considered in valuing individual securities may include purchase price, estimates of liquidation value, existence of restrictions on transferability, prices received in recent significant private placements of securities of the same issuer, prices of securities of comparable public companies engaged in similar businesses, and changes in the financial condition and prospects of the issuer. Rights and options shall be valued in a manner consistent with market convention and a widely used quantitative valuation methodology.

For a more detailed discussion of advisory fee calculations please see our investment management agreement.

By signing our firm's investment management agreement and the selected custodian account opening documents, you will be authorizing the withdrawal of transactional (see the following section) and firm advisory fees from the account. All fees will be clearly noted on client account statements provided by the custodian. Advisory fee payments will generally be assessed within 15 - 30 days following each billing cycle.

The withdrawal of advisory fees will be accomplished by the selected custodian, not by our firm, and the custodian will remit our fee to our firm. Please note that the client will be responsible for verifying the accuracy of the fee calculation; the custodian does not verify the accuracy of account fees.

Additional Client Fees

Any brokerage fees, individual retirement account fees, or qualified retirement plan account termination fees are borne by the account holder and are provided in a separate fee schedule(s) supplied by the client's custodian.

Fees paid by our clients to our firm for our services are separate from any transactional charges a client may pay, to include those involving mutual funds, exchange-traded funds (ETFs) or exchange-traded notes

(ETNs). Further information about our fees in relationship to our business practices is noted in Items 11-13 of this document.

Charged Prepayment of Client Fees

Advance Payment for Certain Services

Our advisory services fees are assessed quarterly and in advance of the reported period, unless otherwise negotiated.

Termination of Services

Either you or we may terminate the investment management agreement at any time; such termination is required to be in writing. Should you verbally notify our firm of the termination and, if in two-business days following this notification we have not received your notice in writing, we will make a written notice of the termination in our records and send you our own termination notice as a substitute.

Following a termination notice, it will be the accountholder or their legal representative's responsibility to ensure an account transfer is completed if desired; we will not initiate the transfer for you. Our firm will not be responsible for future portfolio management services upon receipt of a termination notice.

External Compensation for the Sale of Securities to Clients

Our firm is engaged for fee-only portfolio management services. We do not charge or receive a commission or mark-up on your securities transactions, nor will the firm or an associate be paid a commission on your purchase of a securities investment that we recommend.

We do not receive "trailer" or SEC Rule 12b-1 fees from an investment company we recommend. Fees charged by issuers are detailed in prospectuses or similar product descriptions, and you are encouraged to read these documents before investing.

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

Our assessed fees are not based upon a share of capital gains or capital appreciation (growth) of any portion of your account, also known as "performance-based fees." Performance-based compensation may potentially create an incentive for a firm or their representatives to recommend an investment that may carry a higher degree of risk to a client.

Our fees are not based on side-by-side management, which refers to a firm simultaneously managing accounts that do pay performance-based fees (such as a hedge fund) and those that do not.

Item 7 - Types of Clients

Description

Broad Run Investment Management, LLC will provide investment advisory services to both domestic and foreign, taxable and tax-exempt individuals and institutions, including investment companies, trusts, estates, families, charitable organizations, pension and profit-sharing plans, other investment advisers, state and municipal government entities, private investment funds, and other corporations and business entities. Our firm provides investment advisory services to one mutual fund: the Hennessy Focus Fund (the "Fund"). The Fund is established as a non-diversified investment portfolio of Hennessy Funds Trust, an open-end series management investment company organized as a Delaware statutory trust.

Our firm provides investment advisory services to certain third-party investment advisers' clients. Our suitability obligations with respect to such clients are limited only to investing the clients' assets consistent with a strategy determined to be suitable by the third-party investment adviser.

Account Minimums

Generally, the minimum amount of assets that a client must place under management to open a separate account with us is \$1,000,000, provided that such account minimums are subject to negotiation at the firm's sole discretion.

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

Methods of Analysis

Broad Run Investment Management, LLC primarily invests in domestic equity securities, using fundamental, company-focused research, a long-term investment temperament and a concentrated portfolio management approach. We invest primarily in high-quality, growth-oriented companies trading at a discount to our estimate of intrinsic worth.

We view high-quality companies as those with:

- A sound and proven business model,
- Entrenched competitive position,
- Above average returns on capital, and
- Excellent stewardship.

We believe that an emphasis on quality at a discount value serves to both enhance returns and reduce risk. Our primary definition of risk is the potential that an investment is worth less in five-years time than today.

We view ownership of a public equity security as a partial interest in a business enterprise and generally approach such investments with a five- to ten-year time horizon. This long-term investment orientation will normally result in long-term capital gain/loss treatment and lower transaction costs compared to shorter-term, higher turnover investment approaches.

We conduct thorough fundamental analysis on investment prospects with an emphasis on understanding the quality of the business and its long-term cash generation capabilities. We source information from company events and regulatory filings, industry research reports, management interviews and other sources. This knowledge is cumulative, and over a multi-year holding period we believe that we develop unique insights into a business' fundamentals and its investment merits.

We believe that unique investment insights are inherently scarce so we are highly selective in our security selections and portfolio composition process. We construct relatively concentrated portfolios and conviction weight individual portfolio positions.

Within our portfolios, cash levels are a byproduct of our ability to find compelling individual investment ideas. Firm clients can specify an allocation to equities by directive or in consultation with us via their account guidelines.

Investment Strategies

Broad Run Investment Management, LLC provides two strategies, our Focus Equity Strategy and our Select Equity Strategy. Typically these strategies hold a concentrated portfolio of equity securities that we believe

– based upon our methods of analysis outlined above – have the potential to produce above average total returns over time with a low risk of capital loss. The Focus Equity Strategy holds a portfolio of approximately 20 securities and the Select Equity Strategy holds a portfolio of approximately 10 securities.

Risks

The following is a description of the principal risks of the firm's methods of analysis and investment strategies that may adversely affect risk and return. There are other circumstances (including additional risks that are not described here), which could prevent Broad Run Investment Management, LLC from achieving its investment objective.

- **Stock Market Risk.** The value of equity securities in your portfolio will fluctuate and, as a result, may decline suddenly or over a sustained period of time.
- **Business Ownership Risk.** Our firm treats investing as partial ownership of qualifying businesses. As partial owners of these companies, you face the risks inherent in owning a business.
- **Small and Medium-Sized Company Risk.** Small and medium-sized companies may have more limited product lines, markets and financial resources than larger companies. In addition, small and mid-cap stocks may be more volatile than those of larger companies and, where trading volume is thin, the ability to dispose of such securities may be more limited.
- **Non-Diversification Risk.** Generally, our strategies are classified as non-diversified. As a result, an increase or decrease in the value of a single security may have a greater impact on total return. Being non-diversified may also make a strategy more susceptible to financial, economic, political or other developments that may impact a security. Although we may from time to time hold more securities than at other times, our non-diversified strategies give our portfolio managers more flexibility to hold larger positions in a smaller number of securities.
- **Non-U.S. Securities Risk.** Non-U.S. securities are subject to the risks of foreign currency fluctuations, generally higher volatility and lower liquidity than U.S. securities, less developed securities markets and economic systems, and political and economic instability.
- **Currency Risk.** The value of an investment may fall as a result of changes in exchange rates.
- **Managed Portfolio Risk.** Our investment strategies or selection of specific securities may be unsuccessful and may cause clients to incur losses.
- **Margin.** The performance of accounts utilizing margin may be more volatile. Margin trading increases exposure to market risk. In addition, the downside of trading on margin is not limited to the value of collateral in the margin accounts. When the value of securities acquired on margin falls below maintenance margin requirements or other applicable requirements, the lender may make a margin call or sell securities from the accounts. If the sale does not cover the deficiency, the investor will be responsible for the shortfall.
- **Derivatives.** Derivative transactions for separate accounts or mutual fund sub-advisory accounts expose a portfolio to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. The performance of the portfolios utilizing derivative transactions may be more volatile.

Security-Specific Material Risks

- **Mutual Fund Risk.** When an investor purchases a mutual fund, they may bear additional expenses based on the prorated share of the mutual fund operating expenses and certain brokerage fees, which may include the potential duplication of certain fees. The risk of owning a mutual fund also generally reflects the risks of owning its underlying securities.
- **Fixed Income Risks.** Various forms of fixed income, such as bonds, money markets, and certificates of deposit, may be affected by various forms of risk, to include:

Credit Risk - The potential risk that an issuer will be unable to pay a scheduled interest or repay principal at maturity; sometimes referred to as “default risk.” Credit risk may also occur when an issuer’s ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms of debt instruments, as well as mutual funds that hold these issues. Bondholders are creditors of an issuer and typically have priority over equity holders (i.e., stockholders) when receiving a payout from liquidation or restructuring. When defaults occur due to bankruptcy, the type of bond held will determine seniority of payment.

Duration Risk - Duration is the weighted average term to maturity of the cash flows from a bond. The weight of each cash flow is determined by dividing the present value of the cash flow by the price, and is a measure of bond price volatility with respect to interest rates. It is important since bonds with higher durations carry more price risk and generally have higher price volatility than bonds with lower durations.

Interest Rate Risk - The risk that the value of the fixed income holding will decrease because of an increase in interest rates, or rates fall when maturing bonds are paid off prior to maturity (requiring reinvestment at a lower yield).

Liquidity Risk - The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed income securities are generally liquid (i.e., bonds), there are risks that may occur such as when an issue trading in any given period does not readily support “buys” and “sells” at an efficient price. Conversely, when trading volume or demand is high there is also a risk of not being able to purchase a particular issue.

Reinvestment Risk – With declining interest rates investors may have to reinvest interest income or principal at lower, current rates.

Other Risks May Be Disclosed in Specific Disclosure Document

The risks described above are intended to summarize risks involved in Broad Run Investment Management, LLC’s methods of analysis and investment strategies. Please note, however, that for each investment that a client makes, the client may receive a specific disclosure document that contains additional risk factors. For example, a client investing in a mutual fund would receive a prospectus for such mutual fund. These disclosure documents, which are prepared and delivered by parties other than Broad Run Investment Management, LLC, would typically set forth detailed risk factors relating to the specific investment of which a client should be aware.

Risk of Loss

Although our goal is to preserve each client's capital and achieve real growth of wealth, investing in securities involves risk of loss that each client should be prepared to bear.

Item 9 - Disciplinary Information

Neither Broad Run Investment Management, LLC or members of its management have been subject to a reportable criminal, civil, industry disciplinary event or administrative enforcement action that would negatively reflect upon its advisory business or the integrity of the firm.

Item 10 - Other Financial Industry Activities and Affiliations

Our policies require our firm and its associates to conduct business activities in a manner that avoids actual or potential conflicts of interest between the firm, its employees and clients, or that may be contrary to law. We will provide disclosure to each client prior to and throughout the term of an engagement regarding any conflicts of interest that might reasonably compromise our impartiality or independence.

Material Relationships Maintained by this Advisory Business and Conflicts of Interest

Neither the firm, management, nor its associates are registered or have an application pending to register as a Financial Industry Regulatory Authority (FINRA) or National Futures Association (NFA) introducing broker, or as a futures commission merchant, commodity pool operator, commodity trading adviser or an associated person of the foregoing entities.

Broad Run Investment Management, LLC and its management do not have a reportable material relationship with any of the following types of entities:

- municipal securities dealer, or government securities dealer or broker;
- banking or thrift institution;
- accountant or accounting firm;
- lawyer or law firm;
- pension consultant;
- insurance company or insurance agency;
- real estate broker or dealer;
- sponsor or syndicator of limited partnerships; or
- pooled investment vehicle (such as a private investment company or "hedge fund").

Managing Members of Broad Run Investment Management, LLC also serve as portfolio managers for the Hennessy Focus Fund (the "Fund"), an SEC-registered investment company security. Further details about this Fund and how the firm is compensated may be found in the Fund's prospectus and Statement of Additional Information (SAI). Current versions may be downloaded from the SEC's website at <http://www.sec.gov/edgar/searchedgar/companysearch.html>.

Our oversight and reporting processes include associated persons' supervision to ensure firm policies and federal regulation are adhered to with respect to firm and personal trading activities, non-public information, and recommendations made to other clients or prospective clients involving holdings and/or hedging strategies of the Fund.

Recommendation or Selection of Other Investment Advisers and Conflicts of Interest

In cases where prospective clients are in need of or prefer financial planning services, we may provide referrals to unaffiliated investment adviser firms. Prior to making such a referral, we will first ensure we

have conducted an appropriate level of due diligence on the recommended adviser, to include ensuring their firm is appropriately registered or notice-filed within a client's jurisdiction. We do not receive compensation for these informal referrals and none of these other advisers are associated with or has any material relationship with our firm.

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

Code of Ethics Description

We have adopted a Code of Ethics that establishes policies for ethical conduct for all our personnel. Our firm accepts the obligation not only to comply with applicable laws and regulations but we will act in an ethical and professionally responsible manner. Our policies include prohibitions against insider trading, circulation of industry rumors, and certain political contributions, among others.

Any portfolio manager or employee associated with our firm who attains the Chartered Financial Analyst (CFA) professional designation will also adhere to the CFA Institute's Code of Ethics and Standards of Professional Conduct, which are described in the following paragraphs:

The Code of Ethics maintains that Members and Candidates must:

- *Place the integrity of the profession and the interests of clients above their own interests;*
- *Act with integrity, competence, and respect; and*
- *Maintain and develop their professional competence.*

The Standards of Professional Conduct cover:

- *Professionalism and integrity of the capital markets;*
- *Duties to clients and employers;*
- *Investment analysis and recommendations; and*
- *Conflicts of interest and responsibilities of CFA Institute members and candidates.*

We periodically review and amend our firm's Code of Ethics to ensure that it remains current, and we require all firm access persons to annually attest to their understanding of and adherence to our Code of Ethics.

Our firm will provide a copy of its Code of Ethics Extract to any client or prospective client upon request.

Privacy Policy Statement

Broad Run Investment Management, LLC respects the privacy of all clients and prospective clients ("customers"), both past and present. It is recognized that you have entrusted the firm with non-public personal information and it is important that all firm access persons and customers are aware of firm policy concerning what may be done with that information.

The firm collects personal information about customers from the following sources:

- Information clients provide to complete our investment questionnaire;
- Information clients provide in engagement agreements, account applications, and other documents completed in connection with the opening and maintenance of their accounts;
- Information customers provide verbally; and
- Information received from service providers, such as custodians, about client transactions.

The firm does not disclose non-public personal information about our customers to anyone, except in the following circumstances:

- When required to provide services our clients have requested;
- When our customers have specifically authorized us to do so;
- When required during the course of a firm assessment (i.e., independent audit); or
- When permitted or required by law (i.e., periodic regulatory examination).

Within the firm, access to customer information is restricted to staff that need to know that information. All access persons and service providers understand that everything handled in firm offices is confidential and they are instructed to not discuss customer information with someone else that may request information about an account unless they are specifically authorized in writing by the customer to do so. This includes, for example, providing information about a spouse's IRA account or to adult children about parents' accounts, etc.

To ensure security and confidentiality, the firm maintains physical, electronic, and procedural safeguards to protect the privacy of customer information.

The firm will provide you with its Privacy Policy Notice on an annual basis per federal law and at any time, in advance, if firm privacy policies are expected to change.

Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

Lending Restrictions

Our associates are prohibited from borrowing from or lending to a client unless the client is an approved financial institution.

Material Interests Involving Certain Securities and Advisory Services

An inherent conflict of interest exists involving our recommendation to an advisory client that they invest in the Hennessy Focus Fund (the "Fund") for their portfolio due to a material relationship Broad Run Investment Management, LLC has with the Fund and as described in Item 10. In light of this conflict of interest, when determining assets to be held in a client account, the firm will ensure it utilizes the same due diligence and selection/termination criteria for each client account as it does for the Hennessy Focus Fund. In addition, we will ensure further scrutiny by supervisory staff of the Fund's activities to ensure appropriate portfolio selection, fees and any other forms of compensation meet within the account's IPS and/or similar document, firm procedures and regulatory guidelines.

Please note that you are not obligated to purchase shares in the Fund and, if you elect to act upon a strategy or purchase involving Fund shares, you are under no obligation to execute them through our firm or a custodian we may recommend. Further, our firm will not charge advisory fees on those client assets invested in the Fund.

Beyond that previously described with respect to Fund shares, it is our firm's policy that neither our members nor any of our associates will effect a transaction for a client involving any security in which our firm or a "related person" (associates, their immediate family members, etc.) has material decision making authority.

Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

Our firm does not trade for its own account (e.g., proprietary trading). The firm's related persons may buy or sell securities that are the same as, similar to, or different from, those we recommend to clients for their portfolio. Clients often have different objectives and risk tolerances, therefore, our firm may make a recommendation to one client that may be different in nature or in timing from that made to another. At no time, however, will our firm or any related person receive preferential treatment over a client.

In an effort to reduce or eliminate certain conflicts of interest involving personal trading (i.e., trading ahead of a client's order, etc.), our policy requires that we restrict or prohibit related parties' transactions in specific securities. Any trading exceptions must be approved by the firm's Chief Compliance Officer in advance of the transaction, and we maintain the required personal securities transaction records per regulation.

Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest

Please see our response in the previous section termed "Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest."

Accounts Managed for Firm Employees

The firm provides investment advisory services to separate accounts maintained by firm employees. Each such account is managed by the firm under a valid investment management agreement. In order to mitigate potential conflicts of interest, when the investment actions for these accounts overlap with the investment actions for other client accounts, it is the firm's policy to aggregate and work all such orders in a manner consistent with the policies outlined in Item 12 (see "Aggregating Securities Transactions").

Item 12 - Brokerage Practices**Factors Used to Select Broker - Dealers and/or Custodians**

Broad Run Investment Management, LLC will not take physical custody of your account assets (please refer to Item 15). Your assets must be maintained in an account at a "qualified custodian," generally a broker/dealer, bank or trust company that is frequently assessed for its capabilities to serve as a custodian by its respective industry regulatory authority. Our firm is not a custodian nor do we have an affiliate that serves as a custodian.

Broad Run Investment Management, LLC works with a variety of custodians in delivering investment advisory services to our clients. Clients may select their own qualified custodian, or in some cases may ask Broad Run Investment Management, LLC to recommend a qualified custodian. In such circumstances, we typically recommend the institutional services divisions of Charles Schwab & Co., Inc. ("Schwab"), Member FINRA/SIPC² to act as custodian for our clients' accounts. As stated earlier, our firm is independently owned and operated and is not legally affiliated with Schwab.

Schwab will hold your assets in an account in your name and will buy and sell securities when we instruct them. While typically we recommend that you use Schwab as your account custodian, you must decide whether to do so and your account with Schwab will be entered into via an account agreement between you and them. We technically do not open the account for you, although we will assist you with the paperwork.

² Our firm is not, nor is required to be, a FINRA or Securities Investor Protection Corporation (SIPC) member. You may learn more about the SIPC and how it serves member firms and the investing public by going to their website at <http://www.sipc.org>.

Schwab offers investment advisers' services, which include custody of securities, trade execution, clearance and settlement of transactions. Our firm may receive other benefits from Schwab through participation in their investment adviser support program (please see Item 14).

We periodically conduct an assessment of any service provider we recommend, including Schwab, which includes a review of their range of services, reasonableness of fees, among other items, and in comparison to industry peers.

Best Execution

"Best execution" means the most favorable terms for a transaction based on all relevant factors, including those listed in the previous section and in Items 12 and 15. We recognize our obligation in seeking best execution for our clients; however, it is our belief that the determinative factor is not always the lowest possible cost per trade but whether the selected service provider's transactions represent the best "qualitative" execution while taking into consideration the full range of services provided. Therefore, we will seek services involving competitive rates but it may not necessarily result in the lowest possible rate for each transaction.

We periodically review our policies regarding recommending service providers to our clients in light of our duty to seek "best execution." We have also determined that having Schwab or another broker/dealer execute our client trades is consistent with our duty to seek best execution as well as those broker/dealers on our approved list.

Soft Dollar Benefits

Consistent with obtaining best execution, transactions for client accounts may be directed to brokers in return for brokerage and research services furnished by the broker to the firm or payment by the broker for brokerage and research services furnished by a third-party broker or research provider. Some of the brokerage and research services received are proprietary services developed by the broker themselves, and some of the brokerage and research services received are sourced from and developed by third-party brokers or research providers. When brokerage and research services are obtained from a third-party broker or research provider, the firm may instruct a broker to pay for research provided by the third-party broker or research provider with client commissions under the terms of commission sharing arrangements as described below.

Research services received by the firm generally will be used to service all of the firm's clients, but brokerage commissions paid by any particular client account may be used to pay for research that is not used by the firm in managing that same account. Similarly, it is not practical for the firm to allocate soft dollar benefits to client accounts in direct proportion to the soft dollar credits the accounts generate. The firm may, in its discretion, cause a client account to pay a broker/dealer an amount of commission for effecting a securities transaction in excess of the amount of commission another broker/dealer would have charged for effecting that transaction, if the firm determines in good faith that such amount of commission is reasonable in relation to the value of the brokerage and research services received by the firm viewed in terms of either the particular transaction or the firm's overall responsibilities with respect to accounts as to which it exercises investment discretion.

The firm limits its receipt of brokerage and research services to those qualifying as brokerage and research services under Section 28(e) of the Securities Exchange Act of 1934. Specific examples of brokerage services that were obtained by the firm during the last fiscal year include connectivity services between the firm and a broker/dealer and custodians, trading software operated by a broker/dealer to route orders to

market centers, and clearance and settlement services in connection with a trade. Specific examples of research services that were obtained by the firm during the last fiscal year include research reports, attendance at seminars and conferences, discussions with research analysts and/or industry experts, and meetings with corporate executives. The firm's receipt of these research services permits the firm to supplement its own research and analysis and makes available to the firm the views and information of individuals and research staffs of other firms.

Some of the Section 28(e) eligible brokerage and/or research services received by the firm are obtained through commission sharing arrangement(s) with certain broker/dealer(s). Under a commission sharing arrangement, the executing broker/dealer "unbundles" its commission rate in order to allocate a portion of the total commissions paid by the firm to a pool of "credits" maintained by the broker/dealer that can be used, at the direction of the firm, to obtain Section 28(e) eligible brokerage and/or research services made available by third-party service providers (e.g., another executing broker/dealer or a third-party research provider). After accumulating credits within the pool, the firm directs the broker/dealer to use credits to pay third-party service providers for Section 28(e) eligible brokerage and/or research services made available to the firm.

The use of client commissions to obtain brokerage and research services raises conflicts of interest. For example, the firm receives a benefit by not having to produce or pay for the brokerage and research services. This creates an incentive for the firm to use a broker/dealer to effect client transactions based on its interest in receiving brokerage and research services provided by that broker/dealer, rather than on a client's interest in receiving most favorable execution. Broad Run's Chief Compliance Officer, Mr. Bryan H. Adkins, CFA, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the corresponding conflicts of interest such arrangements may create.

Directed Brokerage

As our client you may direct our firm to use a particular broker/dealer to execute some or all transactions for your account. In these circumstances, you will be responsible for negotiating, in advance, the terms and/or arrangements for your account with your broker/dealer. We will not be obligated to seek better execution services or prices from these other broker/dealers, and we will be unable to aggregate your transactions for execution through other broker/dealers with orders for other accounts managed by our firm. This will generally result in such transactions being executed after the firm's non-restricted account orders. As a result, you may pay higher commissions or other transaction costs, potentially experience greater spreads, or receive less favorable net prices on transactions for your account than would otherwise be the case. Higher transaction costs adversely impact account performance. Pursuant to our obligation of best execution, we may decline a client's request to direct brokerage if we reasonably believe that to do so may result in a breach of our duties as a fiduciary.

Other Situations

In situations where the firm is restricted in its ability to trade with certain approved broker/dealers (e.g., because of a delay in required paperwork outside of the firm's control), the firm may choose to treat the affected account(s) in the same manner it would treat directed brokerage accounts for purposes of trade aggregation/execution.

Aggregating Securities Transactions

Whenever practical, transactions for our clients will generally be completed at the same time, often termed "aggregated," "blocked" or "batched" orders. We may (but are not obligated to) aggregate orders in an attempt to obtain better execution, negotiate favorable transaction rates, or to allocate equitably among

our client accounts should there be differences in prices and other transaction costs that might have been obtained had such orders been separately placed. We do not receive any additional compensation or remuneration as a result of an aggregated transaction.

When contemplating an investment action, we consider its suitability for each of our investment strategies. If we decide to purchase or sell the same security in more than one strategy, we will generally aggregate the orders for all participating client accounts, to the extent practical.

Commission prices may vary due to account size and/or confirmation receipt method. Unless directed to a specific broker/dealer, the firm shall utilize various executing broker/dealers for its client accounts, in which event, the client can incur both the fee (commission, mark-up/mark-down) charged by the executing broker/dealer and a separate "trade away" and/or prime broker fee charged by the client's designated account custodian. The firm is generally not in a position to negotiate such trade away or prime broker fees with the client's custodian.

To the extent that the firm determines to aggregate client orders for the purchase or sale of securities, including securities in which the firm or a related party may invest, the firm will generally do so in accordance with the parameters set forth in SEC No-Action Letter, SMC Capital, Inc.

Client accounts where trade aggregation is not allowed or infeasible may potentially be assessed higher transaction costs than those that are batched.

We review both our trade aggregation procedures and post-trade allocation processes on a periodic basis to ensure they remain within stated firm policy and regulation. We will inform you, in advance, should our trade aggregation and allocation practices change at any point in the future.

Accounts Managed for Firm Employees

The firm provides investment advisory services to separate accounts maintained by firm employees. Each such account is managed by the firm under a valid investment management agreement. In order to mitigate potential conflicts of interest, when the investment actions for these accounts overlap with the investment actions for other client accounts, it is the firm's policy to aggregate and work all such orders in a manner consistent with the policies outlined in this section.

Trade Errors

The firm corrects its trade errors through an account maintained by each custodian with which it maintains an agreement, and the firm may be responsible for trading error losses that occur within an account. Should there be a gain following the correction of a trading error, the firm will typically credit the client's account when possible.

Item 13 - Review of Accounts

Schedule for Periodic Review of Client Accounts

Accounts are reviewed on a quarterly or more frequent basis by a firm portfolio manager as well as supervisory personnel.

Review of Client Accounts on Non-Periodic Basis

Additional reviews by firm portfolio managers and/or supervisory personnel may be triggered by news or research related to a specific holding, a change in our view of the investment merits of a holding or news related to the macroeconomic climate affecting a sector or holding within that sector. Accounts may be

reviewed for an additional holding or when an increase in a current position is under consideration. Account cash levels above or below what we deem appropriate for the investment environment, given the client's stated tolerance for risk and investment objectives, may also trigger a review.

Content of Client Provided Reports and Frequency

You will receive account statements sent directly from the account custodian where your investments are held. We urge you to carefully review these statements for accuracy and clarity, and to ask questions when something is not clear.

Our firm may provide performance summary reports, valuation summary reports, annual realized gain/loss reports, and certain clients may receive additional reports depending on specific portfolio requirements. All firm performance reports will be prepared in accordance with standing SEC guidance. Clients are urged to carefully review and compare account statements that they have received directly from their account custodian with any performance or account valuation reports they may have received from our firm.

Item 14 - Client Referrals and Other Compensation

Economic Benefit From External Sources and Potential Conflicts of Interest

We may receive economic benefit from Schwab or another client's custodian in the form of various products and services they make available to us and other independent investment advisers that may not be typically available to a "retail investor." These benefits may include the following products and services (provided either without cost or at a discount):

- receipt of duplicate client statements and confirmations;
- pricing information and market data;
- research related products and tools;
- access to trading desks serving our clients;
- access to block trading which allows our firm to aggregate securities transactions for execution and then allocate the appropriate shares to our client's accounts;
- the ability to have advisory fees deducted directly from our client's accounts per our written agreement;
- access to an electronic communications networks for client order entry and account information;
- access to mutual funds with no transaction fees and to certain institutional money managers;
- discounts on marketing, research, technology, and practice management products or services provided to our firm by third party vendors; and
- business consulting or other professional services.

Some of the noted products and services made available by Schwab or another client custodian, through a sponsored program, may benefit our firm but may not directly benefit a client account, and certain research and other previously referenced services may qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934. The availability of these services from Schwab or another client custodian benefits our firm because we do not have to produce or purchase them as long as our clients maintain assets in accounts at these custodians. Therefore, there is an appearance of a conflict of interest since we may have an incentive to select or recommend a particular broker/dealer as custodian based on our firm's interest in receiving these benefits rather than on our clients' interest in receiving favorable trade execution.

As part of our fiduciary duty, Broad Run Investment Management, LLC endeavors at all times to put the interests of our clients first. We believe it is important to mention that the benefit received by our firm through participation in a custodian's program does not depend on the amount of brokerage transactions directed to either Schwab or another client custodian, and our selection of Schwab and/or another client custodian is in the best interests of our clients since our selection is primarily supported by the scope, quality, and price of their services -- not just those services that benefit only our firm.

Advisory Firm Payments for Client Referrals

We do not engage in solicitation activities as defined by Rule 206(4)-3 of the Advisers Act.

We may provide periodic referrals to various other professionals, such as an attorney or accountant, as a courtesy to our clients. We do not have an arrangement with or receive referral fees from these professionals for these introductions. Any fees charged by these other entities or an individual professional for their services are completely separate from advisory fees assessed by our firm in managing your portfolio.

Item 15 - Custody

Your funds and securities will be maintained by an unaffiliated, qualified custodian; client assets will not be in our firm's physical control. In keeping with this policy, we:

- restrict our firm and its associates from acting as trustee of a non-family member account or having general power of attorney over a client account;
- are prohibited from having authority to withdraw securities or cash assets from a client account but may assist a client with transferring securities or cash assets to an identically registered account;
- will only instruct that advisory fees be withdrawn from a client investment account through a qualified custodian maintaining your account assets, per your written approval;
- do not accept or forward client securities (i.e., stock certificates) erroneously delivered to our firm;
- will not collect advance fees of \$1,200 or more for services that are to be performed six months or more into the future;
- will not authorize any associate to have knowledge of a client's account access information (i.e., online 401(k), brokerage or bank accounts).

You will be provided with transaction confirmations and account summary statements provided directly to you by your custodian of record. Typically, these statements are provided on a monthly or quarterly basis, or on an interim basis as transactions occur. We will not create a transaction confirmation for you or be the sole recipient of a client account statement.

You may receive periodic reports from our firm that include investment performance and valuation information. You are urged to carefully review and compare your account statements that you have received directly from your custodian with any report you receive from our firm.

Item 16 - Investment Discretion

We provide our portfolio management services on a discretionary basis. Similar to a limited power of attorney, discretionary authority allows our firm to implement investment decisions such as the purchase or sale of a security on behalf of your account without requiring your prior authorization for each transaction in order to meet your stated account objectives.

By executing our investment management agreement, as well as account opening documents with the custodian of record, you will be granting discretionary authority to our firm. Broad Run Investment Management, LLC will not be acting under a general power of attorney. The custodian maintaining your account will only be granting our firm the limited ability to place trades, to request the deduction of our advisory fees from your account and to assist you with electronically transferring securities or cash assets to identically registered accounts.

Item 17 - Voting Client Securities**Proxy Voting**

If you request us to do so and it is noted in your executed agreement, we will vote proxies for securities held within your account. Proxies will be voted in what we believe to be your best interest and in accordance with our firm's current Proxy Voting Policy.

We may choose to employ the services of an independent proxy voting service to provide research, guidelines, recommendations and other proxy voting services as needed. In these instances, and absent a determination by our firm to override the independent provider's recommendation, your proxies will be voted in accordance with those recommendations.

Our firm has implemented procedures designed to prevent conflicts of interest from influencing proxy voting decisions. These procedures include information barriers and the use of an independent party when required to assist in the proxy voting process.

Our firm's full-length Proxy Voting Policy Extract and one-page Proxy Voting Policy Notice are available upon your request.

Other Corporate Actions

We will not offer guidance on or have the power, authority, responsibility, or obligation to take any action with regard to any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets.

We will act upon any corporate actions, such as tender offers, pertaining to securities in a client's account, and will do so in a manner consistent with increasing the value of the client account's assets, as well as advise and act for our clients in any legal proceedings initiated by us involving securities held or previously held in the client's account.

Receipt of Materials

You may receive proxies or other similar solicitations sent directly from your selected custodian or transfer agent. Should we receive a duplicate copy, note that we do not generally forward these or any correspondence relating to the voting of your securities, class action litigation or other corporate actions.

Item 18 - Financial Information

Balance Sheet

We do not directly withdraw our fees from your bank or investment accounts; it must be accomplished through the engagement of a qualified intermediary (e.g., your custodian). Further, our firm will not collect fees from you of \$1,200 or more for services we will perform six months or more in advance. Therefore, due to the nature of our firm's services and operational practices, an audited balance sheet is not required nor included in this brochure.

Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients

The firm and its management do not have a financial condition likely to impair our ability to meet our commitment to our clients.

Bankruptcy Petitions during the Past 10 Years

The firm and its management have not been the subject of a bankruptcy petition at any time during the past 10 years.

Item 19 - Requirements for State-Registered Advisers

This section is reserved for state-registered investment advisers and is not applicable to our firm.

Item 20 - Business Continuity Plan

Our firm maintains a business continuity plan that is designed to ensure we appropriately respond to natural and man-made events that pose a significant disruption to its operations. A Business Continuity Plan Notice concerning our current plan is available upon request under separate cover.