

Item 1 - Cover Page

Part 2A of Form ADV: Firm Brochure



AltraVue Capital, LLC

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This Firm Brochure provides information about the qualifications and business practices of AltraVue Capital, LLC. If you have any questions about the content of this Firm Brochure, please contact Tom Parkhurst at (425.455.8896) or tom@altravue.com. The information in this Firm Brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority.

AltraVue Capital, LLC is registered with the Securities and Exchange Commission. Our registration as an investment advisor does not imply any level of skill or training.

Additional information about AltraVue Capital, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our CRD number is 283260.

This document is not an advertisement for the advisory services of AltraVue Capital, LLC or an offer to sell or the solicitation of an offer to purchase interests of any fund we manage.

Item 2: Material Changes

AltraVue Capital, LLC is required to advise clients and prospective clients of any material changes to this Form ADV Part 2A Brochure ("Brochure") from our last annual update dated February 8, 2023.

Clients will receive an annual summary of any material changes to this and subsequent Brochures no later than April 30, which is 120 days after our fiscal year-end. At that time we will offer either a full copy of our most current Brochure or details related to all material changes with an offer to provide a full copy of this Brochure. We will also promptly provide ongoing disclosure information about material changes as necessary.

Please note that we do not have to provide this information to a client or prospective client who has not received a previous version of our Brochure.

Material Updates:

We have updated Item 5 related to fees for our fees for separately managed accounts. We have eliminated our tiered fee rates and moved to a fixed annualized rate of 1.00% annually (billed quarterly in arrears).

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Item 4: Advisory Business

Firm Description

AltraVue Capital, LLC, (“AltraVue”, the “Firm,” “us,” “we,” or “our”), is an SEC-registered investment firm and was formed as a Delaware limited liability company in January of 2016. In this document we refer to current and prospective investors and clients of AltraVue as “you,” “client,” or “your.”

AltraVue is a minority and women owned investment management services firm, jointly founded by Touk Sinantha and DeShay McCluskey. Ms. Sinantha and Ms. McCluskey are jointly the managing members of AltraVue and together are responsible for the overall investment strategy and management of the Fund and separate accounts.

Types of Advisory Services

Pooled Investment Vehicles

AltraVue provides investment management services on a discretionary basis to privately offered pooled investment vehicles exempt from registration under the Investment Company Act of 1940, as amended. AltraVue currently serves as the investment manager to AltraVue Fund I, LP, a Delaware limited partnership (the “Fund,”). AltraVue also serves as the investment manager to AltraVue Fund I-P, LP, a private pooled vehicle formed at the request of a single institutional investor and not available to other investors (“Institutional Pooled Vehicle”). Because the Fund is currently open to new investors, we discuss the Fund’s terms in some detail, though investors must understand that those terms are ultimately governed by the Fund’s offering documents. We discuss the terms of the Institutional Pooled Vehicle primarily to highlight the conflicts of interest we’ve identified (see especially Item 6.Side-by-Side Management, below). AltraVue Capital GP I, LLC, a Delaware limited liability company, is the General Partner to the Fund and the Institutional Pooled Vehicle.

Investment advice is provided directly to the Fund. AltraVue may, in the future, organize additional investment vehicles that follow an investment program similar to or different from the investment program of the Funds.

Advisory services are tailored to achieve the Fund’s investment objectives. However, AltraVue has the authority to select which and how many securities and other instruments to buy or sell without consultation with the Fund or the investors in the Fund. Neither the Fund nor the investors in the Fund may impose restrictions on investing in certain types of securities. A more detailed description of the investment strategy and related risks of the Fund are included in Item 8 below and in the Fund’s offering documents.

The Funds offers interest through a limited partnership (“LP”). The detailed terms applicable to investors in the Fund are described in the organizational documents and the offering memorandum of the Fund. The Fund is governed by a limited partnership agreement that sets forth the specific investment guidelines and restrictions applicable to the Fund.

Separately Managed Accounts

AltraVue also provides ongoing discretionary investment management services to advisory clients through separately managed accounts. You must appoint AltraVue as your investment advisor of record on specified accounts (collectively, the “Account”). The Account consists only of separate

account(s) held by a qualified custodian under your name. The qualified custodians maintain physical custody of all funds and securities of the Account and you retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Account.

We manage the Account on a discretionary basis based on your financial situation, investment objectives and risk tolerance. We actively monitor your account(s) and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Account. Our advice is based on receiving information from you related to your financial situation, risk tolerance, liquidity needs, and other investment objectives. You also have the ability to impose reasonable restrictions on the management of your accounts, including the ability to instruct us not to purchase certain securities.

AltraVue manages investments for other clients, including a private fund, and we may give them advice or take actions for them or for our personal accounts that are different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts may arise in the allocation of investment opportunities among accounts and Funds we manage. We strive to allocate investment opportunities believed to be appropriate for your accounts and other accounts advised by AltraVue equitably and consistent with the best interest of all accounts (and Funds) involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. Please see Item 6 – Side by Side Management, Item 11 – Code of Ethics, and Item 12 – Brokerage Practices for additional information about allocating investment opportunities and conflicts related to allocation of investments.

Fund Recommendations to Clients: Investment Restrictions

AltraVue Fund I, LP

AltraVue may allow the purchase of LP interests in the Fund by persons who meet qualification requirements for an offering following an evaluation of the prospective client's particular financial circumstances, investment goals, liquidity needs and time horizons. In the event a Fund investor seeks to acquire additional LP interests, AltraVue will inquire about changes in the client's circumstances or goals.

An investment in the Fund is illiquid and subject to strict limitations on withdrawals. An investor in the Fund will be subject to an initial lock up period of 24 months (the "Lock-Up Period") from the date of initial investment. Any subsequent investments by Limited Partners are subject to the initial Lock-Up period.

A Limited Partner ("LP") may make a withdrawal of their LP interest by giving AltraVue, through the General Partner, notice at least 60 days prior to the last business day of any calendar quarter on or after the 24 month anniversary of the Limited Partner's capital contribution to the Fund. Each investment made by a Limited Partner will be subject to its own Lock-up Period, with the effect that multiple investments made by a Limited Partner at different times will be subject to separate Lock-up Periods. Withdrawals of amounts invested by Limited Partners will be affected by the Fund on a "first in, first out" basis. The General Partner, in its discretion, may waive, reduce or modify any terms related to withdrawals for a Limited Partner.

For LPs withdrawing 90% or less of the balance of their capital account, payment will be made within 30 days of the effective date of the withdrawal. For LPs withdrawing more than 90% of the amount of the balance of their capital account, payment of 90% will be made within 30 days of the effective date of the withdrawal with the balance of the amount of the capital account within 30 days following delivery of the audited financial statements of the Fund for the period inclusive of the withdrawal date.

At the option of the General Partner, the amount of a withdrawal may be made in whole in cash, in whole or in-kind, or in part in cash and in part in-kind. In-kind payments may but need not be pro-rata as to the assets of the Fund.

As indicated above, the liquidity of an investment in the Fund is limited. There is no market for the limited partnership interests and none is expected to develop. While a Limited Partner generally will be permitted to make withdrawals from its capital account on a quarterly basis following an initial twenty four-month holding period for each new contribution, Limited Partners must provide 60 days advance, written notice of any withdrawal. Transfers of limited partnership interests will be permitted only with the written consent of the General Partner. Further, if a substantial number of Limited Partners were to withdraw from the Fund and the Fund did not have a sufficient number of liquid securities, the Fund might have to meet such withdrawals through distributions of thinly-traded or illiquid securities directly to Limited Partners as discussed in more detail in the Fund's offering documents. Accordingly, limited partnership interests should only be acquired by investors willing and able to commit their funds for an appreciable period of time. The General Partner may also suspend withdrawals in certain limited circumstances and may establish reserves, requiring a Limited Partner to remain fully or partially invested in the Fund for an indefinite period of time.

AltraVue Fund I-P, LP

As indicated in above, this Institutional Pooled Vehicle was formed on behalf of a private client and is closed to new investors.

Wrap Fee Programs

AltraVue does not participate in wrap fee programs.

Assets Under Management

As of December 31, 2023, we had a total of \$1,117,253,751 in regulatory assets under management. All assets are managed on a discretionary basis.

Item 5: Fees and Compensation

Separately Managed Accounts

Fees charged on separately managed accounts are based on a percentage of assets under management. Fees are billed quarterly in arrears and are calculated as described in your advisory agreement. Fees will be prorated based on the number of days service is provided during the initial billing period for any account opened at any time other than the beginning of the billing period. If advisory services are commenced in the middle of the billing period, then the prorated fee for that billing period will be billed in arrears at the end of that billing period. In addition, AltraVue will prorate (based on actual days and a 365-day year) your fee if, during any calendar quarter, your net deposit or withdrawals significantly differs, in our sole determination, from the valuation of the preceding quarter's Account.

At our discretion, as suitable and appropriate, qualified clients can choose to participate in a performance fee billing arrangement with us. Please refer to Item 6 below for a complete description of this arrangement. Below is our maximum fee schedule. Actual fees charged are negotiated with the client and documented within the client agreement, where applicable.

Maximum Fee Schedule (Annualized):

- 1.00% annually (.25% quarterly) on all assets under management

The minimum account size is \$10 million, which may be waived at our discretion.

Fees for the Separately Managed Account strategy are based on the fee schedule as indicated above, in addition to a performance fee.

Other Fees and Expenses

The fees you pay to us will not include the fees or expenses charged by your broker/dealer/custodian, or other third parties, including the SEC, exchanges, etc. Typically, all fees for transactions are disclosed on the confirmation of transactions from your custodian. Additional fees you can expect to pay include, but are not limited to:

- Custodial Fees
- Exchange Fees
- Transaction fees
- Mutual fund and ETF Fees (as described in each fund's prospectus)
- Odd-lot differentials, if any
- Transfer taxes
- Wire transfer fees
- Taxes
- Other related costs and expenses

Please refer to Item 12 – Brokerage Practices for additional information related to custodial fees and expenses.

Termination

Separate account management services may be terminated by either party (e.g., AltraVue or you) by giving thirty days written notice. We will prorate the final fee payment based on the number of days advisory services are provided during the final period. The final fee will be based on the aggregate fair market value of the assets held in the Account when termination notice is received.

Fees for Pooled Investment Vehicles

For AltraVue Fund, LP Class A Limited Partnership ("Fund interests"), AltraVue receives management fees as compensation for performing advisory services to the Fund. The management fee, with respect to each Class A Limited Partner holding Class A Interests, is payable monthly in arrears and is equal to 0.042% (or approximately 0.5% on an annualized basis) of the Class A Limited Partner's capital account balance as of the last business day of each month, adjusted for contributions and withdrawals made during the month, and are deducted from the capital account of each Limited Partner.

At the sole discretion of the General Partner, and without the consent of the other Fund investors, fees may

be waived or reduced for certain Limited Partners, including for Limited Partners that are principals, employees or affiliates and/or for certain large or other investors the General Partner deems to be strategic.

In the case of a termination of our investment management agreement with the Fund prior to the end of a calendar quarter, the management fees for such period would be pro-rated to the date of such termination with any excess payment refunded to the Fund and credited to the Limited Partners capital account. In addition, the Limited Partners are subject to an incentive allocation which is allocated to the capital account of the General Partner of the Fund. Please refer to Item 6 below for an explanation of this fee.

The minimum subscription amount for Class A Interests is \$1,000,000. Initial capital contributions may be made on the last day of each calendar month, or at such other time with the consent of the General Partner, in its discretion. Limited Partners may make additional capital contributions to the Fund for Class A interests on the first business day of each calendar month, or at other times with the consent of the General Partner, in minimum amounts of \$100,000.

Fees for the Institutional Pooled Vehicle are based on our fee schedule as indicated above, in addition to an incentive allocation. Please refer to Item 6 for additional information.

Other Fees

In addition to the management fee, the Fund will be responsible for reasonable costs and expenses of the Fund (i) accounting, bookkeeping, tax and auditing fees and expenses; (ii) legal fees and expenses, including, but not limited to, fees and expenses incurred in connection with any offering of the Fund's interests, Fund contracts and investments; (iii) all fees and disbursements of the Fund's, the general partner's and its attorneys, consultants and other third parties performing work benefiting the Fund or otherwise in connection with the Fund's investment activities; (iv) all trading expenses and transaction costs, including, but not limited to, brokerage commissions, clearing and settlement charges, interest on loans and debit balances, margin interest, broker service fees and other clearing and custodial expenses; (v) such research and portfolio management expenses as the general partner or AltraVue deems appropriate, which includes, costs of research reports, data feeds and databases, news wires and quotation services, periodical subscription fees and costs of software (including risk control) utilized by the general partner or AltraVue in connection with managing the Fund's portfolio; (vi) fees of the Fund's registered agent; (vii) fees of the administrator; (viii) the cost of preparation and distribution of reports and statements to limited partners; (ix) all filing and recording fees; (x) all custodial fees, bank service fees, and fees or expenses associated with insuring the Fund's assets; (xi) all applicable federal, state, local and foreign taxes payable by the Fund; and (xii) any extraordinary expenses, such as indemnification and litigation expenses.

Potential investors should review the offering documents of the Fund for a complete disclosure of fees and expenses.

Conflicts Related to Investors/Side Letters

A side letter is an agreement with an investor in the Fund, which establishes different rights or privileges with respect to withdrawal rights, fees and/or incentive allocations. AltraVue may enter into such agreements with certain investors in the Fund.

In addition to the current Fund and Institutional Pooled Vehicle we advise, AltraVue may also create new pooled investment vehicles with different rights, privileges, fees and/or incentive allocations, and these may or may not be made available to our investors.

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

As indicated in Item 5 – Fees and Compensation, AltraVue (or its affiliated general partner) receives performance-based fees or allocations from the Fund as described below:

Excluding profits and losses from “new issues,” the general partner will be entitled to receive an incentive allocation equal to a percentage of the net income allocated to each Limited Partner for the year. Except as provided below with respect to the first twelve months following a Limited Partners’ admission into the Fund, at the end of each fiscal year, twenty percent (20%) of the net profits (including realized and unrealized gains and losses) initially allocated to each member’s capital account will be reallocated to the capital account of the General Partner. In addition, the incentive allocation is subject to an annual 5% hurdle amount, such that any incentive allocations made to the General Partner will not be paid unless the Fund achieves a 5% return for the period (one full year).

Incentive allocations are also subject to a “high water mark” provision under which the General Partner receives an incentive allocation from a Limited Partner only to the extent net income allocated to that Limited Partner’s capital amount exceeds any net losses previously allocated to it since the last date an incentive allocation was assessed (or the original date of contribution if no incentive allocation has previously been assessed). If a Limited Partner makes a partial withdrawal or receives a distribution at a time when he or she has unrecovered losses, for purposes of calculating future incentive allocations those unrecovered losses will be reduced in proportion to the withdrawal.

Notwithstanding the above, the General Partner, in its sole discretion, may waive or reduce the allocation or fee for Limited Partners that are principals, employees or affiliates and/or for such Limited Partners it deems to be strategic.

The incentive allocation may provide a possible incentive for AltraVue to make riskier or more speculative investments on behalf of our Limited Partners than we might make otherwise. Notwithstanding this potential conflict, we recognize that we have a fiduciary duty to act and evaluate investments in a manner that is in the best interest of our Limited Partners.

The Fund’s strategy is global and not market-cap constrained. Our separate Accounts on the other hand, are managed in accordance with our Small Cap Equity Strategy. While relatively rare, it is possible that we could have a conflict in deciding whether to allocate a particular security to the Fund or to separate Accounts. To mitigate this conflict, where there is overlap between investments in the Fund and investments for separate account clients, the Fund and any separate accounts will be allocated on a pro-rata basis (subject to the considerations described in Item 11. Code of Ethics, below) such that the Fund is not advantaged over any separately managed account.

Performance Fees for Institutional Pooled Vehicle

The Institutional Pooled Vehicle emulates the same strategy as the Fund. Accordingly, we expect to make the same trades for both the Fund and the Institutional Pooled Vehicle, which may result in our not receiving a complete fill on trades we place. Our intention is to favor no client or vehicle over another, and we will allocate pro-rata (subject to the considerations described in Item 11. Code of Ethics, below) between the two (and to separate accounts, if applicable, as described above) if we are not able to achieve a full allocation of securities for any given trade.

Performance Fees for Separate Accounts

As noted in Item 5, in addition to a quarterly management fee, separate account clients will also pay a performance-based fee. This arrangement is structured such that the base management fee is .50% annually (.125% quarterly). Accounts under this arrangement will also pay a performance fee, if earned, of 20% annually applied to the amount of the annual outperformance.

Accounts subject to a performance fee will be benchmarked against the Russell 2000 Value Total Return Index (the “benchmark”) and will accrue if the account outperforms the benchmark by 1.0% annually. At the end of each month, we will calculate the beginning account value, the beginning benchmark value, the month end value and the month end benchmark value and accrue any performance fee.

Performance fees are calculated on an annual basis and if calculations show that an incentive fee is due and payable, we will provide an invoice reflecting the calculation and the fee due.

Item 7: Types of Clients

AltraVue provides investment advisory services to high net worth individuals, and institutional investors either through separately managed accounts, pooled investment vehicles created to meet the needs of a particular institutional investor, or via an investment in the Fund. For separate account management services, you are required to execute a written agreement with us specifying the particular details of the advisory relationship.

We also serve as investment manager to the Fund. Before you make an investment in the Fund, we obtain information from you to make a determination as to the suitability of the investment based on certain criteria.

Any minimum investment amount or other qualification requirements related to an investment in the Fund is set forth in the Fund’s offering documents.

The minimum investment for Class A Interests is \$1 million, however, the General Partner has the discretion to decrease or waive the minimum initial investment as long as you qualify to invest based on all other suitability and regulatory requirements applicable to the Fund.

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

AltraVue means a different view and represents our fundamental approach to investing. As value-focused investors, our team believes that markets are broadly but not perfectly efficient. We believe attractive investment opportunities exist for diligent and long-term focused investors, who consistently apply a rigorous and differentiated investment process.

As we construct our portfolios, the fundamental question that we seek to answer is “what is it that we see differently from the market”? We strongly believe that prior to investing it is imperative that we have a well thought-out and rigorously researched variant perspective. We believe that if we cannot identify and credibly substantiate our differentiated view, then chances are we know nothing more than the market. Under such a scenario, we believe that we are destined for market returns at best, but more importantly will not have added any value for our partners. At AltraVue, the process of identifying and cementing our different view is a function of the following three factors:

- I. We search for value in what we believe to be the most inefficient areas of the market—targeting neglected and under-analyzed businesses that are most likely overlooked by indiscriminate market participants;
- II. We thoroughly understand and assess value from multiple perspectives, diligently working to leverage our prior expertise in fixed income, private equity and strategic advisory to systematically uncover what others may miss;
- III. We deliberately work to tune out the noise, control our behavior and avoid institutional and structural constraints. We work daily to capitalize on what we see as the behavioral biases of other market participants.

Fund Investment Strategy

The investment objective of our Fund is to generate attractive long-term, risk adjusted returns that exceed market rates of return for publicly-traded equity securities. The Fund is a highly-concentrated, long-only, value-oriented equity strategy. The Fund principally makes long-term investments in a global portfolio of 10-20 attractively priced (in our view) businesses with identifiable opportunities to grow intrinsic value. As such, we expect to invest Fund assets primarily on a long basis in a select number of publicly-traded equity securities that we have identified as mispriced by the market place.

Methods of Analysis

Our process is designed to uncover attractive investment opportunities, minimize the impact of an erroneous investment decision, control our behavior and compound our knowledge base for future use. It is exhaustive and objectively focused on identifying and cementing our variant perspective.

Our idea generation process is a mix of “systematic” research (i.e., the use of targeted searches) and “experience driven” (i.e., institutional knowledge, proprietary watch list, reading and observations) research. The systematic part of the process entails targeted searches for businesses experiencing multi- year changes in profitability metrics, corporate actions, emergence from bankruptcy, changes in credit ratings, changes in investor profiles, insider actions etc. We also keep a close eye on opportunities from our proprietary watch list (The Business Library) of businesses that we have followed for years, patiently awaiting attractive entry points.

The “experience driven” aspect of the idea generation process consists of actively reading, researching, and learning about businesses that are benefiting from industry transitions, positive secular growth trends, regulatory change, unsolicited takeover targets and cyclical industries trading at trough valuations. We have found that these areas of the market provide consistently fertile ground for investment opportunities. While the idea generation process will provide an extraordinary number of opportunities to evaluate, only a select few will meet our high standards for additional review.

After we have vetted those opportunities that we deem worthy of further examination, we will launch into a thorough review of the fundamentals of each potential investment opportunity for the Fund. This approach entails a rigorous analysis of relevant company documents, constructing financial models, analyzing industry dynamics, and combing through financial statements, footnotes and peer filings. Our review extends to non-financial documents, paying special attention to materials regardless of whether they confirm or deny our thesis. Simultaneously, we will leverage our prior experience as fixed income managers to assess the debt markets for any information or signals that it may be providing about the security under consideration or equity markets in general.

We also pay close attention to valuation within the context of potential corporate action. This means our valuation analysis extends beyond standard methods of discounted cash flow analysis, multiples analysis, etc. In many cases, we aim to understand what a business is worth in the hands of various potential acquirers -- whether strategic or financial. We work to understand what value may mean to these various constituencies. We will assess the potential acquirers' capacity for synergies, leverage and any intangible aspects of value (*i.e.*, family legacies, etc.). The information that we glean from this research is highly-additive to our traditional valuation analysis and often helps us see value where others may not. Finally, we will work to cultivate our "scuttlebutt" network in order to gain a better sense of how other stakeholders (including company insiders) engage with the target investment. Our investment process aims to be exhaustive, though keenly focused on identifying and cementing that variant perspective.

Even after our analysis, there is still a chance that we may know nothing more than the market and thus will not have identified an attractive investment opportunity for the Fund. However, in those instances where an investment opportunity warrants our full conviction, the Fund will invest. This necessarily means that the opportunity has been thoroughly vetted and is attractively priced to provide a margin of safety.

Investments

As discussed, the Fund's primary investment mandate is value-oriented and principally focused on investing in a concentrated portfolio of (in our view) mispriced equity securities that represents an opportunity for outsized investment returns. There will be no limitation on portfolio companies' market capitalizations, industries or sectors, or countries of organization or domicile. Further, while the Fund is expected to invest a majority of its assets in equity securities that are publicly traded, the Fund may also invest and trade in plain vanilla options, such as puts and calls.

It is anticipated that all or substantially all of the Fund's capital will be invested on a long-only basis in publicly-traded common stocks. Material elements that we will consider during our research and analysis with respect to prospective investment opportunities will generally involve, without limitation, the following four characteristics:

- I. Businesses with the potential for high and/or increasing returns on invested capital;
- II. Businesses with substantial and attractive reinvestment opportunities;
- III. Businesses with management teams that have demonstrated the ability to intelligently allocate capital AND are motivated by an incentive structure that encourages long-term value creation for their respective business; and/or
- IV. Businesses trading at a significant discount to a reasonable estimate of intrinsic value.

As a general principle, we select common stocks for investment on the basis of our investment methodology and without any fixed requirements as to market capitalization, revenues, earnings or other specific fundamentals. Accordingly, the Fund could also have positions in issuers of limited liquidity or varying degrees of speculative quality. It is possible that certain of the Fund's portfolio securities may not be widely traded and that the Fund's positions in such securities may be substantial in relation to the public market ("float") for such securities.

Risk Management

We apply risk controls in the management of the Fund's portfolio. We use a variety of ongoing risk management policies and practices including sell discipline, maintaining a degree of diversification by limiting the percentage of the overall portfolio that may be comprised by any single investment, monitoring

and adjustment of individual portfolio positions and portfolio exposure, and the use of real- time portfolio evaluation tools.

We will generally seek to liquidate Fund positions if we determine that a margin of safety no longer exists as a result of price appreciation or negative changes in an issuer's business fundamentals, if we discern an error in our initial analysis, or we identify more lucrative uses for such capital. The Fund may periodically maintain all or a portion of its assets in cash or cash equivalents and may not be fully invested at all times.

Notwithstanding the above risk management practices, the Fund's investment strategy inherently involves certain significant risks. See the section titled "Risks Associated with Our Investment Strategy" below. There

can be no assurance that the above practices will necessarily be applied in all cases, or if applied, will successfully limit risk to acceptable levels.

Separate Account Management

Small Cap Equity Strategy Overview

As it relates to our Small Cap Equity Strategy via a separate account, we seek to invest in small capitalization companies that are generally misunderstood because they are underfollowed, under-analyzed and/or undervalued by the market. In our view, public equities of small capitalization companies continue to be fertile ground for active managers in search of mispriced equity securities. Several widely-known factors contribute to these inefficiencies including structural liquidity issues, oversized small cap strategies, lack of Wall Street research coverage and general behavioral biases, among others. We believe these structural and behavioral anomalies provide an opportunity for disciplined long-term oriented investors to outperform the benchmark and broader equity markets over a market cycle.

More specifically, our goal is to generate superior risk-adjusted returns that exceed the Russell 2000 Value index over a market cycle. We work toward this goal by investing in a concentrated portfolio of 20-30 small capitalization companies that share the following four characteristics:

- Potential for high and/or increasing returns on capital;
- Substantial and actionable reinvestment opportunities;
- Led by management teams with an owner/operator mentality that have demonstrated the ability to intelligently allocate capital and are motivated by an incentive structure that encourages long-term value creation;
- Trading at a meaningful discount to a reasonable estimate of intrinsic value.

As we construct our portfolios, the fundamental question that we seek to answer is "what is it that we see differently from the market"? As discussed above related to Fund investment decisions, we strongly believe that prior to investing, it is imperative that we have a well thought-out and rigorously researched variant perspective. We believe that if we cannot identify and credibly substantiate our differentiated view, then chances are we know nothing more than the market. Under such a scenario, we believe that we are destined for market returns at best, but more importantly will not have added any value for our clients.

Methods of Analysis

As it relates to management of separate accounts, our process is similar to our approach to Fund investments and is designed to uncover attractive investment opportunities, minimize the impact of an

erroneous investment decision, control our behavior and compound our knowledge base for future use. It is exhaustive and objectively focused on identifying and cementing our variant perspective.

Our idea generation process is a mix of “systematic” research (i.e., the use of targeted searches) and “experience driven” (i.e., institutional knowledge, proprietary watch list, reading and observations) research. The systematic part of the process entails targeted searches for businesses experiencing multi- year changes in profitability metrics, corporate actions, emergence from bankruptcy, changes in credit ratings, changes in investor profiles, insider actions etc. We also keep a close eye on opportunities from our proprietary watch list (The Business Library) of businesses that we have followed for years, patiently awaiting attractive entry points.

The “experience driven” aspect of the idea generation process consists of actively reading, researching, and learning about businesses that are benefiting from industry transitions, positive secular growth trends, regulatory change, unsolicited takeover targets and cyclical industries trading at trough valuations. We have found that these areas of the market provide consistently fertile ground for investment opportunities. While the idea generation process will provide an extraordinary number of opportunities to evaluate, only a select few will meet our high standards for additional review.

After we have vetted those opportunities that we deem worthy of further examination, we launch into a thorough review of the fundamentals of each potential investment opportunity for the portfolio. This approach entails a rigorous analysis of relevant company documents, constructing financial models, analyzing industry dynamics, and combing through financial statements, footnotes and peer filings. Our review extends to non-financial documents, paying attention to all materials, regardless of whether they confirm or deny our thesis.

Simultaneously, we leverage our experience as fixed income managers to thoroughly analyze the company’s balance sheet (liquidity profile, financing needs, and capital structure). In instances where our equity names have marketable debt outstanding, we conduct a deep dive into how the company’s debt is trading relative to its history and compared to other similarly rated debt securities to gain insight into how the company is viewed by the bond market. We have often found great investment opportunities when the bond market and equity market’s perspective on the same company diverge, leading to temporary inefficiencies in the stock price.

We also pay close attention to valuation within the context of potential corporate action. This means our valuation analysis extends beyond standard methods of discounted cash flow analysis, multiples analysis, etc. In many cases, we aim to understand what a business is worth in the hands of various potential acquirers -- whether strategic or financial. We work to understand what value may mean for various constituencies. We will assess the potential acquirers’ capacity for synergies, leverage and any intangible aspects of value (i.e., family legacies, etc.). The information that we glean from this research is highly additive to our traditional valuation analysis and often helps us see value where others may not. Finally, we will work to cultivate our “scuttlebutt” network in order to gain a better sense of how other stakeholders (including company insiders) engage with the target investment.

After we have completed our process and have identified an investment opportunity that warrants our full conviction, we will invest. This necessarily means that the opportunity has been thoroughly vetted, offers compelling return potential and is attractively priced providing for a meaningful margin of safety. We will then construct our portfolios with a best ideas approach, allocating greater capital to our highest conviction positions at that time, while being mindful of any portfolio constraints or client mandated restrictions.

Risk of Loss

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) and pooled vehicles involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, AltraVue is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, insulate you from losses due to market corrections or declines or that our recommendations will be profitable or that you will not lose money. Furthermore, you should carefully evaluate the following considerations (related to both separate account management and an investment in our Fund). Fund investors should also review our offering documents prior to investing.

General Investment Risk. Investments will consist of securities identified by our methodology. Since our strategy involves identifying securities which are generally undervalued by the marketplace, success of our strategies necessarily depends upon the market eventually recognizing such value in the price of the security, which may not necessarily occur. Portfolio positions may undergo significant short-term declines and experience considerable price volatility. We take positions in smaller capitalization companies or other issuers which may involve an increased level of general investment risk. Equity positions may include speculative securities. Accordingly, investors must be prepared to assume the risks inherent in such speculative investments. An investment in our Fund or separately managed account strategies should not be regarded as a complete investment program and should be considered solely by investors prepared to experience possible short-term volatility and fluctuations in value in the interest of seeking superior long-term capital appreciation. General economic and market conditions, such as interest rates, availability of credit, inflation rates, commodity prices, economic uncertainty, changes in laws, trade barriers, currency fluctuations and controls, and national and international political circumstances can materially affect the investments in your account(s) or in the Fund. For example, any of these factors may affect price volatility and the liquidity of instruments held. Even an instrument that generally is, or recently was, liquid may unexpectedly and suddenly become illiquid. Such volatility or illiquidity could result in substantial losses.

Equity Risks. Our strategies use public securities. The value of these securities generally will vary with the performance of the issuer and movements in the equity markets. As a result, you may suffer losses if we invest in equity securities of issuers whose performance diverges from our expectations.

Concentration of Investments. Our investment portfolios may, at times, be confined to the securities of relatively few issuers. Any concentration necessarily increases the degree of exposure to a variety of issuer-related, industry or market risks. By concentrating investments in a small number of large security positions, a loss in any such position could materially reduce your performance to the extent not offset by other gains.

Investments With Limited or No Liquidity. We may take significant positions in particular securities which are relatively large as compared to their trading volume or overall market capitalization. Such positions may at times prove more difficult to sell in a timely or efficient manner and could thus impair to some extent our ability to fully realize portfolio gains or limit losses. We do not intend to generally limit investments to issues of any particular minimum capitalization and may, in fact, focus upon smaller capitalization stocks when such securities appear to afford greater appreciation potential. Because our separately managed account strategy is focused on smaller capitalization stocks, it's important to understand that such stocks often have less liquidity than large capitalization issues.

Options. Our Fund may engage in option transactions including buying and selling both put and call options to facilitate the entry into and exit into from equity positions. Generally, we will utilize options on specific securities, to increase potential exposure of long positions or achieve a more attractive cost basis on portfolio positions when option pricing is attractive.

Leverage. We do not utilize leverage for investment purposes.

Other Securities and Instruments. Our Fund will invest primarily in common stock, however, we may also invest in preferred stock, options, exchange-traded funds, stocks issued in initial public offerings (so-called “new issues”), cash, government securities, money market instruments and other cash equivalents, certificates of deposit, banker’s acceptances and the equity securities of foreign issuers, including both those traded overseas as well as those traded in the United States (such as American Depositary Receipts).

Valuation. Fund assets may, at any given time, include securities and other financial instruments or obligations that are thinly traded or for which no market exists and/or which are restricted as to their transferability under applicable securities laws. The sale of any such investments may be possible only at substantial discounts, and it may be extremely difficult to accurately value any such investments.

Transaction Execution and Costs; Brokerage Allocation. In many cases relatively narrow spreads may exist between the prices at which we will purchase and sell particular positions. The successful application of our methodology will therefore depend, in part, upon the quality of execution of transactions, such as the ability of broker-dealers to execute orders on a timely and efficient basis. Although we will seek to utilize brokerage firms which will afford superior execution capability, there is no assurance that transactions will be executed with optimal quality. Furthermore, the frequency of trading, total commission charges and other transaction costs may be expected to be high. The level of commission charges, as an expense of the Fund, may therefore be expected to be a factor in determining future profitability of the Fund.

Limited Withdrawal Rights. As it relates to our Fund, there are limited withdrawal rights and restrictions on transfer, which creates a higher liquidity risk. You should view an investment in our Fund as a long-term investment.

Fees. Fund fees and expenses may be a higher percentage of net assets than traditional investment strategies and qualified investors will be subject to performance or incentive fees or allocations (described in Item 6), in addition to management fees.

Overall Investment Risk. All securities investments risk the loss of capital. The nature of the securities to be purchased and traded and the investment techniques and strategies we employed may increase this risk. Many unforeseeable events, including, but not limited to, actions by various government agencies and domestic and international economic and political developments, may cause sharp market fluctuations which could adversely affect the value of your investments.

The various risks briefly summarized above are not the only potential or actual risks associated with investing with us and nothing stated in the above risks should be interpreted to limit or modify our fiduciary duty to you as an investor or waive any right or remedy you may have under federal or state securities laws. Federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith.

Item 9: Disciplinary Information

We have not had any legal or disciplinary events that require disclosure.

Item 10: Other Financial Industry Activities and Affiliations

General Partner Affiliation

AltraVue Capital GP I, LLC, our affiliate, is the General Partner to our Fund(s) and Institutional Pooled Vehicle(s). We share resources with the General Partner including offices and staff. Neither AltraVue nor any of its affiliated entities is registered and do not plan to register as a broker-dealer, futures commission merchant or commodity pool operator/trading advisor.

Touk Sinantha and DeShay McCluskey are not registered and do not plan to become registered representatives, futures commission merchants, or commodity pool operator/trading advisors.

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

To fulfill our responsibilities as a fiduciary, we have adopted a Code of Ethics (the "Code"). The Code incorporates the following general principles that all employees are expected to uphold: (1) putting the clients' interest first at all times; (2) conducting all personal securities transactions in such a manner to be consistent with the Code and to avoid any actual or potential conflict of interest or any abuse of an employee's position of trust and responsibility; (3) not taking inappropriate advantage of their position; (4) treating all client information as confidential, and (5) maintaining independence in the investment decision-making process.

In addition to guidelines with regard to personal trading, the Code also addresses and governs the giving and receiving of gifts and entertainment, service on outside boards of directors and other outside business activities. Our personnel are required to certify to compliance with the Code on a periodic basis.

Please contact us at the telephone number or email address listed on the first page of this Brochure if you would like to receive a full copy of this Code of Ethics.

Conflicts Related to AltraVue or its Employees Trading for Their Own Account.

Investments by AltraVue or its employees, for their own accounts, in securities that are also in the Fund portfolio or our separate account strategy(ies) could give the perception of interfering with our fiduciary duty of making decisions which are in the best interest of our Fund or separately managed accounts and could otherwise have a disadvantageous effect on the values, prices or trading strategies of the Fund or separately managed accounts. Our personal trading policy, described above, has been developed to address this particular conflict by prohibiting transactions in securities held in the Fund or separately managed accounts through a personal securities account. However, an exception may be granted for certain securities held in employee accounts that are also securities we recommend. In such a case, it may be that the securities were purchased in advance of implementing our personal trading policy or an employee may come to us with positions already established prior to their employment. As such, these securities are deemed to be "grandfathered" securities. However, in any case it will require prior written approval from the Compliance Officer (and in the case for positions held in Ms. Sinantha's or Ms. McCluskey's accounts, review by an outside compliance consultant), prior to initiating a disposition, in order to ensure such disposition will not be disadvantageous to the Fund or any separately managed account client.

Item 12: Brokerage Practices

AltraVue has discretion over brokerage practices. In selecting brokers or dealers to execute transactions, we are not required to solicit competitive bids and do not have an obligation to seek the lowest available commission cost.

In selecting brokers and negotiating commission rates, we take into account the financial stability and reputation of brokerage firms, and the research, brokerage or other services provided by such brokers. For the Fund, we may occasionally place transactions through our Prime Broker BTIG, LLC, which provides the opportunity to participate in capital introduction events sponsored by the broker or who refers investors to the Fund. However, transactions with such a broker would only be done if otherwise consistent with our policy with regards to seeking “best execution.”

AltraVue does not participate in any directed brokerage arrangements and does not select brokers based upon client referrals. However, for separately managed accounts, AltraVue will defer to the investor as to their preferred custodian and will be given authority to trade and view the account in real time.

Soft Dollars

We do not have any formal soft dollar agreements in place. However, subject to meeting our fiduciary responsibility to seek best execution, we may obtain research services that fall within the ‘safe harbor’ established by Section 28(e) of the Securities Exchange Act of 1934. We may purchase research services consistent with the requirement of Section 28(e) with soft-dollar commissions generated by trades executed for clients. When using such commissions to obtain research, we receive a benefit because we do not have to produce or pay for the research.

Because the research received benefits AltraVue, it creates a conflict of interest when choosing how to allocate our brokerage business. In other words, we could have an incentive to execute transactions through a broker-dealer that provides us with valuable research and pay transaction commissions charged by that broker-dealer, rather than based on whether we receive the most favorable execution for a given transaction. It also creates incentive for us to engage in more securities transactions than would otherwise be optimal in order to generate soft dollars with which to acquire research services.

We do not exclude a broker-dealer from consideration when making a trading decision simply because the broker-dealer has not provided research services or products to us, although we may not be willing to pay the same commission to that broker-dealer.

We have various controls in place designed to manage these conflicts, including:

- On a periodic basis, we review soft dollar practices to determine that commissions paid were reasonable in relation to the value of research or services received;
- We review commission rates periodically relative to peers;
- We periodically review products and services acquired with soft dollar commissions to assess their benefit to the Fund.

In certain situations, we may pay a brokerage commission higher than another broker-dealer might have charged for effecting the same transaction. We would do this if we determine in good faith that the commission is reasonable in relation to the value of the research services provided by the broker-dealer, viewed in terms of either the particular transaction or our overall responsibilities.

Services we have access to through executing brokers include research reports, counsel on market analysis and execution strategies, discussions with research analysts, and research related to the market for securities, including pre- and post-trade analytics.

We might also receive brokerage-specific services, including communication services related to execution, clearing and settlement of transactions and other functions incidental to effecting securities transactions, post-trade matching, and electronic communication of allocations routing and settlement instructions.,

Aggregation of Orders

When we deem the purchase and sale of securities to be in the best interest of the Fund, Institutional Pooled Vehicle(s), and any of our separately managed accounts, we may aggregate the securities to be purchased or sold in order to obtain superior execution and/or lower brokerage expenses. In particular, execution prices for identical securities purchased or sold on behalf of multiple investment vehicles or accounts in any one business day will be averaged. In such event, we will allocate the securities purchased or sold, as well as expenses incurred in the transaction, among the Fund, Institutional Pooled Vehicle(s), and any participating investment accounts by applying such considerations as they deem appropriate, including:

- relative account size of such entities and clients
- amount of available capital
- size of existing positions in the same or similar securities,
- impact of leverage
- investment objective and strategy considerations, including, without limitation, concentration parameters, tax considerations and other factors

The Fund will not be entitled to investment priority over other managed accounts and may not necessarily participate in every investment opportunity. We will endeavor to make all investment allocations in a manner that we consider to be the most equitable to all managed entities and accounts pursuant to our fiduciary duty.

The Fund's securities transactions can be expected to generate a substantial amount of brokerage commissions and other compensation, all of which the Fund, not us, will be obligated to pay. We will have complete discretion in deciding what brokers and dealers the Fund will use and in negotiating the rates of compensation the Fund will pay.

Item 13: Review of Accounts

The Managing Partners will continuously review holdings to ensure the investments are consistent with investment objectives, philosophy, strategy and methodologies, and to ensure that they are comfortable with the general levels of investment, position concentrations, and other measures of risk and potential reward in the various portfolios.

AltraVue provides a monthly Capital Account Statement for all investors in the Fund and Institutional Pooled Vehicle(s). Reporting for separately managed accounts will be provided upon request.

On an annual basis, each investor in our Fund and Institutional Pooled Vehicle also receives a copy of the Fund's audited financial statements prepared by our independent auditors and includes tax-reporting information. AltraVue also provides additional information as requested, provided that such requests are deemed reasonable in content and scope and that we are prepared to supply the same level of information to other investors who may ask for similar information.

Item 14: Client Referrals and Other Compensation

We do not have any arrangements in place to compensate third parties for client referrals.

Item 15: Custody

To comply with the requirements of the SEC's custody rule, separately managed account clients will receive, at least quarterly, account statements from their custodian. AltraVue urges advisory clients to carefully review those statements and compare the official custodial records to the account statements provided by us, as described in Item 13 (Review of Accounts). Our statements may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities. Clients should contact us immediately if they do not receive account statements from their custodian on at least a quarterly basis. We are also subject to the SEC's custody rule in respect of the private Fund. However, we are not required to comply with certain requirements of the custody rule with respect to the Fund because we comply with the provisions of the so-called "audit exception" for pooled investment vehicles. Among other things, the exception requires that the private fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that the private fund distribute its audited financial statements to all investors within 120 days after the end of its fiscal year. Investors in the private funds receive periodic reports from us, as described in Item 13 (Review of Accounts). We urge investors in the Fund to carefully review those reports and compare the audited financial statements of the private Fund to the reports provided by us.

Item 16: Investment Discretion

For separately managed accounts, pursuant to our written Investment Advisory Agreement, AltraVue has the discretionary authority to determine, without obtaining specific client consent, the securities to be bought or sold and the amount of securities to be bought or sold. You may amend such authority by providing us with revised instructions in writing.

We have full discretionary authority over all assets we manage for the Fund pursuant to an investment management or limited partnership agreement and consistent with the investment objectives and strategy described in the Fund's offering documents.

Item 17: Voting Client Securities

We have the authority to vote proxies as requested for securities held in separately managed accounts, and for all securities held in the Funds, We exercise this authority in accordance with our written proxy voting policies and procedures. In general, we cast proxy votes in favor of proposals that we believe are likely to increase shareholder value and generally cast against proposals that we believe are likely to have the opposite effect.

You may request a copy of our Proxy Voting Policies and Procedures and/or information about how a proxy was voted at any time.

Item 18: Financial Information

As a registered investment advisor, we are required to provide you with certain financial information or disclosures about our financial condition. AltraVue 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. AltraVue does not collect any fees, 6 or more months in advance.