

Item 1. Cover Page



ROBOTTI & COMPANY ADVISORS, LLC

**Part 2A - Appendix 1 of Form ADV
Wrap Fee Program Brochure**

6 East 43rd Street, 23rd Floor
New York, NY 10017
www.robotti.com

Phone: (212) 986-4800
Fax: (212) 986-0816

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This Wrap Fee program brochure (the "Brochure") provides information about the qualifications and business practices of Robotti & Company Advisors, LLC (the "Adviser"). If you have any questions about the contents of this Brochure, please contact us at (212) 986-4800.

The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the "SEC") or by any state securities authority. It has been prepared by our firm in the format mandated by the SEC.

The Adviser is an investment adviser that is registered as such with the SEC under the Investment Advisers Act of 1940. Registration of an investment adviser does not imply any level of skill or training.

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

Item 2. Material Changes

This Brochure contains information about the Adviser and the firm's Wrap Fee Program. The summary of material changes to the Wrap Fee Program below regarding the new Structured Value Strategy is a change to the Wrap Fee Program since the last annual update of this Brochure in April, 2014.

Please retain a copy of this Brochure for your records.

New Investment Advisory Strategy

The Adviser will be offering a new investment strategy – the Structured Value Strategy – commencing in March, 2015. Mr. David Kaiser is the Portfolio Manager for the Adviser's Structured Value Strategy. The Portfolio Manager selects a model portfolio from securities in the Russell 2500 Value Index, which is the strategy's benchmark. The Portfolio Manager systematically screens for stocks in the benchmark that meet at least one of two types of quantitative investment metrics. A company must have metrics indicating that the company has favorable operational characteristics and/or that its stock is inexpensive relative to the valuation metrics of the benchmark. The Portfolio Manager believes that either or both of these types of metrics will permit the model portfolio in the aggregate to appreciate towards the valuation metrics of the benchmark over a period of one year, while offering downside protection. In addition, the strategy provides for weighting of position sizes in stocks and cash exposure in the model portfolio.

In March, 2015, and thereafter each January, the Portfolio Manager selects a new model portfolio, including cash, in accordance with the strategy. Client accounts are invested in the same securities and cash at approximately the same weightings as the model portfolio. Subject to the quarterly and annual reviews discussed below, securities in the Client's account will be held until the next succeeding January. Each succeeding January, the prior year's securities portfolio generally will be sold, unless the Client indicates a preference to take short-term capital losses on all losing positions at the end of December, in which case such positions are sold at such time. However, any positions that are selected to reappear in the model portfolio for the coming year, if not sold in December, will be reweighted in accordance with the new year's model portfolio weightings.

Following the end of the March, June and September quarters, the Portfolio Manager will review the operational and valuation metrics of the model portfolio. Depending upon the relationship between the operational and valuation metrics of the model portfolio and those of the benchmark, the Portfolio Manager may elect to adjust the equity exposure of the model portfolio versus cash. If he so elects, the Portfolio Manager will either determine that the model portfolio's equity exposure be increased (if not fully invested) or decreased by increasing or decreasing the same percentage of each stock in the model portfolio. The Portfolio Manager, however, generally will not decrease the equity exposure of the model portfolio to the extent

that following such reduction the model portfolio would hold more than 50% cash. Market fluctuations, distributions by portfolio companies and takeover activity, however, could result in a model portfolio that consists of more than 50% cash. After determining a new level of equity exposure for the model portfolio, the Portfolio Manager will then adjust each Client's account in the same manner at approximately the same weightings as the model portfolio was adjusted by buying or selling shares.

If the Client invests following selection of the current model portfolio, the Client's Account will be invested in securities and cash approximately in accordance with the weightings of the current model portfolio. The Portfolio Manager has the option to hold any portion of a Client's account allocated to cash in either cash or cash equivalents.

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Item 4. Services, Fees and Compensation

Services Provided

The Wrap Fee Program

The Adviser is the sponsor and investment adviser of the Adviser's Wrap Fee Program, which is referred to in this Brochure as the "Program." A "Wrap Fee" program is one that provides the client with advisory and brokerage execution services, plus account reporting, for one all-inclusive fee. The client is not charged separate fees for the components of the Program except for the fees described below under "Fees." The Program may cost clients more or less than purchasing such services separately.

The Client's participation in the Program requires that the client enter into an investment advisory agreement with the Adviser and the appointment of Robotti & Company, LLC ("Robotti BD"), a broker-dealer affiliated with the Adviser by being under common ownership and control, as the sole introducing broker, and Robotti BD's clearing broker, as the client's clearing broker and custodian. Accordingly, Robotti BD will not seek best execution of the client's transactions through other broker-dealers. Although Robotti BD's execution procedures are designed to endeavor to obtain the best execution possible for its Wrap Fee accounts (each, a "Wrap Fee Account"), since Robotti BD is the sole broker-dealer for the client's Wrap Fee Account, there can be no assurance that executions will be as favorable as those that would be obtained if Robotti BD were able to place transactions with other broker-dealers. The client should consider whether or not the appointment of Robotti BD as the sole broker may or may not result in certain costs or disadvantages to the Client as a result of possibly less favorable executions.

In evaluating the Program, the Client should consider the total value of all of the services received for the fee charged, including the amount of trading activity in the Client's Wrap Fee Account and the value of custodial, reporting and other services which are provided under the arrangement. The total fee may or may not exceed the aggregate cost of such services if they were to be provided separately.

Upon notice to the Adviser, the client may also utilize a delivery versus payment ("DVP") arrangement with the Clearing Broker, with or without the client's own prime broker.

Clients are free to consult with the investment adviser representative at the Adviser at any time concerning their portfolios.

Robotti BD is a broker-dealer registered under Section 15 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), with the SEC and the Financial Industry Regulatory Authority ("FINRA"). Mr. Robert Robotti, the principal of the Adviser, and certain other employees of the Adviser, also are separately licensed as registered representatives of Robotti BD.

Strategies Offered

Prior to the clients' initial investment in the Program, the investment adviser representative will determine the client's current financial situation, investment objectives, risk tolerance and investment time horizon. This determination will permit the representative to assess the suitability of the Adviser's strategies for the client. In the Program, clients will participate in a specific strategy. Each strategy is designed to meet a particular investment goal which the Adviser will determine is suitable to the client's circumstances. The Adviser currently offers two strategies within the Program: Value Equity Strategy and Structured Value Strategy.

Value Equity Strategy

Mr. Robert Robotti is the Portfolio Manager and Mr. Michael Derop is the Assistant Portfolio Manager for the Adviser's Value Equity Strategy. The strategy focuses primarily on small- to mid-capitalization ("small cap" and "mid-cap") companies that are overlooked, out-of-favor or misunderstood by the market and which the Portfolio Manager believes are undervalued. The Portfolio Manager's investment selection is based on identifying the underlying value within companies. The Portfolio Manager looks for investments where the market price of a security is below what the Portfolio Manager believes is its intrinsic value. Although this strategy is primarily focused on small to mid-cap companies, the Portfolio Manager also seeks to be opportunistic within its core competencies and will consider larger companies when appropriate. The Portfolio Manager is not limited to securities trading in particular markets. The Adviser does not claim to be able to forecast general stock market movements or other macroeconomic trends, but instead maintains a long term investment horizon in its securities selection.

While the Adviser's Value Equity Strategy focuses primarily on equity securities, a Wrap Fee Account may also own one or more of the following: convertible stocks, bonds, warrants, corporate, municipal, or government debt, commercial paper, CDs, mutual funds, exchange traded funds, other investment products and cash and cash equivalents. The Adviser will allocate the portfolio assets among various investments taking into consideration the objectives of the strategy.

Structured Value Strategy

The Adviser will be offering a new investment strategy – the Structured Value Strategy – commencing in March, 2015. Mr. David Kaiser is the Portfolio Manager for the Adviser's Structured Value Strategy. The Portfolio Manager selects a model portfolio from securities in the Russell 2500 Value Index, which is the strategy's benchmark. The Portfolio Manager systematically screens for stocks in the benchmark that meet at least one of two types of quantitative investment metrics. A company must have metrics indicating that the company has favorable operational characteristics and/or that its stock is inexpensive relative to the valuation metrics of the benchmark. The Portfolio Manager believes that either or both of these types of metrics will permit the model portfolio in the aggregate to appreciate towards the valuation

metrics of the benchmark over a period of one year, while offering downside protection. In addition, the strategy provides for weighting of position sizes in stocks and cash exposure in the model portfolio.

In March, 2015, and thereafter each January, the Portfolio Manager selects a new model portfolio, including cash, in accordance with the strategy. Client accounts are invested in the same securities and cash at approximately the same weightings as the model portfolio. Subject to the quarterly and annual reviews discussed below, securities in the Client's account will be held until the next succeeding January. Each succeeding January, the prior year's securities portfolio generally will be sold, unless the Client indicates a preference to take short-term capital losses on all losing positions at the end of December, in which case such positions are sold at such time. However, any positions that are selected to reappear in the model portfolio for the coming year, if not sold in December, will be reweighted in accordance with the new year's model portfolio weightings.

Following the end of the March, June and September quarters, the Portfolio Manager will review the operational and valuation metrics of the model portfolio. Depending upon the relationship between the operational and valuation metrics of the model portfolio and those of the benchmark, the Portfolio Manager may elect to adjust the equity exposure of the model portfolio versus cash. If he so elects, the Portfolio Manager will either determine that the model portfolio's equity exposure be increased (if not fully invested) or decreased by increasing or decreasing the same percentage of each stock in the model portfolio. The Portfolio Manager, however, generally will not decrease the equity exposure of the model portfolio to the extent that following such reduction the model portfolio would hold more than 50% cash. Market fluctuations, distributions by portfolio companies and takeover activity, however, could result in a model portfolio that consists of more than 50% cash. After determining a new level of equity exposure for the model portfolio, the Portfolio Manager will then adjust each Client's account in the same manner at approximately the same weightings as the model portfolio was adjusted by buying or selling shares. See "Review of Accounts—Structured Value Strategy" in **Item 9 – "Additional Information."**

If the Client invests following selection of the current model portfolio, the Client's Account will be invested in securities and cash approximately in accordance with the weightings of the current model portfolio. The Portfolio Manager has the option to hold any portion of a Client's account allocated to cash in either cash or cash equivalents.

If the Client withdraws cash from the Account, the Portfolio Manager will promptly sell a percentage of each security in the Account so that the proportions of securities and cash will approximate those of the model portfolio. Accordingly, upon a withdrawal of cash by the Client from the Account, the Client may incur short-term capital gains even if there is sufficient cash in the Account to cover the amount of the withdrawal.

Securities are selected for the Structured Value Strategy based solely upon specific metrics that relate to securities and the benchmark; accordingly, no other fundamental analysis is done on the securities purchased or the companies issuing the securities.

Client Restrictions

For either strategy, the Adviser requires that it be provided with written discretionary authority to determine which securities and the amounts of securities that are bought or sold. Any investment policies, guidelines or reasonable restrictions on this discretionary authority shall be included in the written agreement between each client and the Adviser. Clients may change/amend these policies, guidelines and reasonable restrictions at any time by written notice. To the extent that there are restrictions on securities that may be purchased for the client's Wrap Fee Account, the Client's Wrap Fee Account may not perform as anticipated.

Fees

The Adviser charges an annual "Wrap Fee" for participation in the Program. Asset-based management fees are calculated on a percentage of the value of a client's Wrap Fee Account, as set forth in the client's Wrap Fee Account agreement and described below. The management fee percentage rate will not change based on increases or decreases in the value of the client's Wrap Fee Account absent a written agreement between the Adviser and the client.

The Wrap Fee will be charged as a percentage of assets under management, as shown below:

ASSETS	ANNUAL FEE
\$0-\$1,999,999	2% on all assets
\$2 mill-4,999,999	1.60% on all assets
\$5 mill-24,999,999	1.10% on all assets
\$25 mill +	0.85% on all assets

Management fees are billed quarterly in an amount equal to one quarter of the contractual annual fee, based on the value of assets under management. Generally fees are debited from the client's Wrap Fee Account in accordance with the client authorization in their agreement with the Adviser.

For the initial quarter in which the Wrap Fee Account is opened, the value of the Wrap Fee Account on the last business day of such quarter shall be used to calculate the initial Wrap Fee which shall be paid following the end of such quarter. The initial Wrap Fee shall be prorated for such portion of the quarter that the Wrap Fee Account was open if opened following the beginning of a quarter. Notwithstanding the foregoing, in the Adviser's discretion, when a Wrap Fee Account has been funded in the week preceding a quarter end, there will be no Wrap Fee

charged for that week and the Adviser will use that quarter end's value for its initial Wrap Fee which shall be paid in advance.

For each succeeding quarter, the Wrap Fee shall be paid to the Adviser in advance based upon the value of the Wrap Fee Account on the last business day of the preceding calendar quarter. When the first quarter's Wrap Fee is paid in arrears, the first and second quarter Wrap Fees are paid at the same time and the value of the Wrap Fee Account on which the second quarter's Wrap Fee is calculated includes the amount payable for the first quarter's Wrap Fee.

A pro rata refund of prepaid Wrap Fees shall be made if the Wrap Fee Account is closed within a quarter. When the Wrap Fee is paid in advance, no refunds of Wrap Fees are made with respect to partial withdrawals from a Wrap Fee Account and no additional Wrap Fees are charged for additions to a Wrap Fee Account during a quarter.

For purposes of calculating the Client's Wrap Fee, transactions and the value of cash and securities in the Client's Wrap Fee Account shall be computed on a trade date basis. Statements from the Client's custodian will typically reflect transactions as of their settlement date (typically three business days following the trade date for U.S. securities transactions) and may value securities and foreign currencies using different valuations from those on which the Wrap Fee has been calculated (see next paragraph). Accordingly, there may be a discrepancy in both the positions in the Client's Wrap Fee Account and the values of securities and cash used to calculate the Wrap Fee from the Client's statement from its custodian.

Each security listed on a securities exchange shall be valued at the last quoted sales price during normal trading hours on the primary exchange on which such security is traded on the date for which the value is sought. Each security traded in the over-the-counter market shall be valued at the last quoted sales price during normal trading hours in the over-the-counter market on which such security is traded on the date for which the value is sought. If there was no such trade on such valuation date, whether exchange listed or not, securities held long will be valued at the closing bid price and securities held short will be valued at the closing asked price, as reasonably determined by the Adviser. If, however, in the judgment of the Adviser, any price determined under this paragraph relates to a trade or trades that are deemed not to reflect the fair value of a security, such security's value will be as reasonably determined by the Adviser. Any other security or asset shall be valued in a manner determined in good faith by the Adviser to reflect its fair value. The Adviser reserves the right to accrue for dividends as of the ex-dividend date of any security until the distribution of such dividend. The value in U.S. Dollars of foreign currencies, or securities or other assets denominated in foreign currencies will be based upon the rate of exchange between the U.S. Dollar and such foreign currency as of the date for which a value is sought unless industry practice is to use a different date; provided, that in any event the Adviser may reasonably determine to use a different date.

Clients in the Program will not be charged brokerage commissions for the execution of securities trades. All transaction-based costs, with the exception of wire transfer fees, certificate issue fees,

special delivery request fees, reorganization fees, SEC exchange fees, stock transfer taxes, margin interest, custodial fees and similar administrative fees are included within the Wrap Fee negotiated between the client and the Adviser within the parameters of the fee schedule above. A counterparty markup or markdown or dealer's spread may be built into the price of over-the-counter or exchange traded securities traded within the Program. The Adviser, however, will pay any incremental costs if a broker-dealer other than Robotti BD is used for a transaction in the client's Wrap Fee Account. Management fees do not include expenses of any mutual funds or ETFs that are included in the client's portfolio; however, the Adviser may, at its discretion, waive or absorb some of these additional fees.

In evaluating the Program, a client should consider the total value of all of the services received for the fee charged, including the amount of trading activity in the client's Wrap Fee Account, the value of custodial, reporting and other services which are provided under the arrangement. The Wrap Fee may or may not exceed the aggregate cost of such services if they were to be provided separately. Generally, Wrap Fee programs are relatively less expensive for actively traded Wrap Fee Accounts but they may result in higher overall costs to the Client in Wrap Fee Accounts that experience little trading activity.

Wrap Fees vary among our clients and can be negotiable based upon a number of factors, including, but not limited to, the size of the client's account, the nature of related services provided, and the length of the advisory relationship with a client.

The Adviser, in some instances, may compensate current portfolio managers, relationship managers or professional staff of the Adviser or Robotti BD or third party solicitors for client referrals. Wrap Fee Accounts referred by solicitors will be subject to the Adviser's normal fee schedule, subject to any negotiation with the Client; the Client will not be charged any additional fees or expenses as a result of the referral. The solicitor will receive the same fee for the referral of the client for a Wrap Fee Account as for another managed account, of the same value, managed by the Adviser; accordingly, the Solicitor has no financial incentive to recommend a Wrap Fee Account over a managed account. A solicitor may receive a larger fee, however, for recommending a managed account with a performance fee or a private fund managed by the Adviser.

Item 5. Account Requirements and Types of Clients

The Adviser offers investment advisory services to, among others, high net worth individuals, pension and profit sharing plans, trusts, charitable organizations, corporations and other business entities, and private investment funds formed by the Adviser's principal ("Robotti Funds").

A minimum of \$500,000 of assets under management is typically required for this service, although the minimum account size may be negotiable under certain circumstances. The Adviser

may group certain related client accounts for the purposes of achieving the minimum account size.

Item 6. Portfolio Manager Selection and Evaluation

Portfolio Manager Selection

Unlike with respect to a typical Wrap Fee Program, the Adviser serves as both the sponsor and sole investment adviser within the Program. The Adviser will not engage unaffiliated investment advisers as portfolio managers. The investment management services provided by the Adviser are described in **Item 4 – “Services, Fees and Compensation”** of this Brochure. The Adviser receives the management fee for its investment management services and for Robotti BD, its affiliate, absorbing certain client transaction costs described above for Wrap Fee Accounts. Wrap Fee Accounts are included in composites that are subject to third party GIPS verification and performance exams on an annual basis, currently performed by ACA Compliance Group. Currently, however, only the Value Equity Strategy undergoes a performance exam.

Because the Adviser is paid a flat fee under the Program and its affiliate, Robotti BD, absorbs some transaction costs, the Adviser has a financial incentive not to place transaction orders frequently since doing so increases the transaction costs to Robotti BD and thereby reduces the broker’s profitability. The Adviser mitigates this incentive by endeavoring to place trades when it deems they are in the client’s interest without regard to the costs that Robotti BD will incur. In addition, on an ongoing basis the Adviser identifies conflicts of interest and implements best practices to mitigate such conflicts of interest.

Performance Based Fees and Side-by-Side Management

The Adviser advises the accounts of Robotti Funds and certain non-Program managed accounts which pay the Adviser performance fees. The performance fees paid by these accounts create certain conflicts of interest for the Adviser. First, the Adviser has an incentive to favor the accounts that pay a performance fee to the detriment of the Adviser’s other accounts. Second, a performance fee arrangement creates an incentive for the Adviser to make riskier or more speculative investments for accounts subject to performance fees due to the possibility of generating higher returns for the Adviser. The Adviser believes that these conflicts are offset by clearly defined investment objectives of all accounts and policies for the allocation of trades.

Risks of Loss

All securities investments involve the risk of loss of capital. The nature of the securities to be purchased and sold by the Adviser for clients and the investment techniques and strategies to be employed by the Adviser in an effort to increase profits can increase this risk. Finding and profiting from investment opportunities involve uncertainty, and there can be no assurance that the Adviser will be able to locate investment opportunities or to profit from them. Many unforeseeable events, including actions by governmental authorities, such as the U.S. Federal

Reserve Board, can cause sharp market fluctuations that can impact clients' investments. While the Adviser will act in good faith to manage the client's Wrap Fee Account, there can be no assurance that the client's Wrap Fee Account will grow or that the client will not incur losses.

Stocks. In the U.S., stocks historically have outperformed other types of investments over the long term. Individual stock prices, however, tend to go up and down more dramatically. These price movements may result from factors affecting individual companies or industries, or the securities market as a whole. A slower-growth or recessionary economic environment could have an adverse effect on the price of the various stocks held by a Wrap Fee Account. Stocks may not increase in price as anticipated by the Adviser.

Smaller-Capitalization Companies. The Adviser invests primarily in small and mid cap companies. The securities of small and mid cap companies are typically less liquid, do not trade as often or with as much trading volume, and their prices can be more volatile than those of larger capitalization companies. Accordingly, the Adviser may not be able to sell such securities or liquidate a portfolio that it manages comprised of small and mid cap companies in an expedited manner or during a declining market environment. When making large sales, the Adviser may have to sell portfolio holdings at discounts from quoted prices or make a series of small sales over an extended period of time due to the lesser trading volume of securities of small and mid cap companies. The Adviser believes that its approach of holding securities long term helps to offset these risks.

In addition, smaller companies may lack depth of management, may be unable to generate funds necessary for growth or development, or may be developing or marketing new products or services for which markets are not yet established and may never become established.

Material Non-Public Information. The Adviser will at times be limited in dealing with investments if the Adviser's principal or employees acquire material non-public information. The principal or employees of the Adviser – including those named in Item 9 below -- will at times acquire material non-public information or be restricted from initiating transactions in certain securities due to membership on the Board of Directors of a company or otherwise. The Adviser is restricted from acting on such information; therefore at such times the Adviser will not be able to buy an investment that it otherwise might have bought or will not be able to sell an investment that it otherwise might have sold for client Wrap Fee Accounts. Such a limitation will prevent the Adviser from trading securities of that issuer for a client when the client could otherwise have made a profit or avoided a loss.

Quantitative Strategy Risks. The Structured Value Strategy is a strategy based upon quantitative investment metrics and a model that has been developed by examining historical securities data. This model could be subject to incorrect assessments of the efficacy of investing based upon specific metrics believed to indicate that a company has favorable operating characteristics or that a company's stock is inexpensive relative to its benchmark. Securities and portfolios of securities selected using quantitative analysis may perform differently than analysis of their

historical data would suggest as a result of the metrics used in the analysis, the weight placed on each metric, and changes in underlying company fundamentals and market conditions. As market dynamics shift over time, a previously indicative metric or successful model can become outdated and result in losses. Metrics or models can be flawed or not work as anticipated and cause a Wrap Fee Account portfolio to underperform the benchmark, other account portfolios or funds with similar objectives and strategies. Certain metrics and the model may utilize third-party data the Adviser believes to be reliable; however, the Adviser does not guarantee the accuracy of third-party data. In addition, the successful execution of the Structured Value Strategy could be compromised by, among other things, a diminution in the liquidity of the securities traded. The “slippage” from entering and exiting positions (i.e., the market impact of trades identified by a quantitative strategy) can be significant and can result in losses. Moreover, this strategy is based on the assumption that the valuation metrics of the portfolio in the aggregate will revert to those of the benchmark. One year may not be sufficient time for such reversion to take effect. The spread between the perceived value and the price of securities may widen during the year causing losses to the portfolio. Furthermore, there may be reasons not reflected in the metrics of a company used by the strategy that would account for a stock failing to appreciate. Because no fundamental analysis of companies or stocks is done, other than reliance on particular metrics, the strategy will be unable to uncover and act upon such reasons which may result in losses.

Voting Client Securities

When a client opens an account, the client agrees in the investment advisory agreement to delegate their proxy voting authority to the Adviser. The Adviser votes these proxies in the best interests of its clients and in accordance with the Adviser’s established policies and procedures. With respect to accounts subject to ERISA, the Adviser will vote proxies unless the plan documents specifically reserve the plan sponsor’s right to vote proxies.

If any client requests in writing a copy of the Adviser’s complete proxy voting policies and procedures or how the Adviser voted proxies for its account(s), the Adviser will promptly provide such information to the client.

In the event of any conflict identified by the Adviser in voting a proxy, the Adviser will inform the client of the conflict and, if appropriate, request that the client direct the Adviser as to how to vote.

Item 7. Client Information Provided to Portfolio Managers

As the Adviser serves as both sponsor of the Program and the Adviser’s personnel are the Portfolio Managers, all information regarding clients is available to appropriate personnel of the Adviser.

Item 8. Client Contact with Portfolio Managers

There are no restrictions placed on clients' ability to contact and consult with the Adviser and their Portfolio Manager.

Item 9. Additional Information

Disciplinary Information

The Adviser and its employees do not have any material legal or disciplinary events.

Other Financial Industry Activities and Affiliations

Other Accounts

In addition to managing Wrap Fee Accounts, the Adviser offers discretionary investment management services for separately managed accounts ("Managed Accounts") on a non-Wrap Fee basis and manages customized portfolios of the Robotti Funds pursuant to strategies that are not currently offered to Managed Accounts or Wrap Fee Accounts.

Affiliated Broker-Dealer

Mr. Robert Robotti, the principal of the Adviser, and certain other employees of the Adviser, also are separately licensed as registered representatives of Robotti BD. The Adviser and Robotti BD are sister companies, each owned by Robotti & Company, Incorporated. Robotti BD provides a full range of brokerage services which includes, but is not limited to, executing orders on both a principal and agency basis for its brokerage customers, including the Adviser's clients. Also, one of the Adviser's and Robotti BD's employees is involved in the management of a private investment fund ("Related Person Fund," and together with the Robotti Funds, the "Private Funds") that executes a substantial majority of its trades through Robotti BD.

In addition, Robotti BD issues research reports on public companies, including companies that may be held in clients' accounts with the Adviser. Because of the shared management structure of the Adviser and Robotti BD, to the degree any accounts hold shares of companies covered by research analysts of Robotti BD, such shares are from time to time restricted from trading. The Adviser believes that in general any such restricted periods should be brief but can affect trading for client accounts.

As well as receiving investment ideas from third party sources, the Adviser will receive some investment ideas from Robotti BD (e.g., research reports). Investment ideas shared by Robotti BD with the Adviser may also be used by Robotti BD's brokerage clients.

Conflicts of Interest that Arise in Connection with Allocation of Investment Recommendations

There can be a conflict of interest when Robotti BD purchases or sells a security for a Wrap Fee advisory client, a Robotti Fund or a discretionary client of Robotti BD in that purchases or sales of the same security or a related security (e.g., options on the same security or other securities of the same or a related issuer) may have previously been made or are currently being made for another client of the Adviser, another Robotti Fund or another Robotti BD client. In addition, certain securities transactions made by the Adviser will also be recommended to non-discretionary Robotti BD clients and to the Private Funds. Robotti BD receives an economic benefit via execution commission on certain securities transactions it executes (other than for Wrap Fee Accounts); accordingly, Robotti BD has an incentive to disseminate these recommendations to its clients in order to obtain as many commission dollars as possible. With respect to investment opportunities, Robotti BD and/or the Adviser will not favor one client or group of discretionary clients at the expense of other clients over time.

The Adviser and Robotti BD manage these conflicts of interest through best execution analysis while continuing to implement and monitor compliance procedures relating to equitable allocation of investment opportunities.

Clients should be aware that some investment opportunities identified by an employee of the Adviser for the Related Person Fund are not shared with the Adviser's Portfolio Managers and some investment opportunities identified by the Portfolio Manager of the Value Equity Strategy are not used in such strategy but are used instead in the Robotti Funds.

Conflicts of Interest Procedures

When a particular trade or investment recommendation creates the potential for a conflict of interest: (1) the appropriate representative of Robotti BD or the Adviser will enter the order for the Adviser's or Robotti BD's client, or recommend the transaction to the Robotti BD client, only if he or she has a reasonable belief that the proposed transaction is in the client's best interest; and (2) when simultaneous orders of the same securities are placed either for a client of the Adviser or of Robotti BD, an average-weighted price will be given to all clients.

Outside Business Activities of the Principal and Certain Employees

Mr. Robotti is the president of Robotti BD, a broker-dealer affiliated with the Adviser and the client's introducing broker for purposes of the Wrap Fee Account. In addition to Mr. Robotti's management responsibilities and his portfolio management duties for the Adviser, Mr. Robotti also manages the assets of discretionary brokerage clients of Robotti BD. Mr. Robotti's brokerage activities currently include researching securities to identify attractive investment opportunities for his brokerage clients.

Mr. Robotti also is the managing member of the general partner (or managing director of the managing member) of and the portfolio manager of the Robotti Funds. The investment strategies of the Robotti Funds differ from those of the Managed Accounts.

In addition, Mr. Robotti serves as the chairman of one public company, a director of two other public companies and a director of one private company:

Panhandle Oil & Gas, Inc. (AMEX - PHX), April 2004 to present

Bishop Capital Corporation (Pink Sheets - BPCP), March 2006 to present

Pulse Seismic Inc. (Toronto - PSD), December 2007 to present

Building Materials Holding Corporation, May 2012 to present

Mr. Robotti (and possibly other employees and affiliates) is an investor in several private investment funds that invest in securities or private equity opportunities. In addition, Mr. Robotti may at times invest in the securities of issuers where the management personnel of such issuers are clients of the Adviser. Mr. Robotti (and possibly other related persons) also at times invests in securities that are generally not recommended to clients.

The Adviser generally does not purchase for its Wrap Fee Accounts the securities of companies in which any of the Adviser's related persons is an officer or director, or with which any of the Adviser's related persons otherwise has a material business relationship. If the Adviser were to purchase the securities of such a company, the Adviser would disclose to the client the capacity in which the related person acts or the business relationship prior to purchasing such securities for the client.

Related Person Fund

In addition to Mr. Robotti's activities with respect to the Robotti Funds, one of the Adviser's and Robotti BD's employees are also involved in the management of a Related Person Fund.

1. **Alan Weber**, a research analyst with the Adviser and a registered representative of Robotti BD, is the general partner and portfolio manager of a Related Person Fund.

The Adviser's clients may be solicited to invest in any Private Funds; however, the Adviser will not use its discretionary authority to invest a client's account in any such Private Funds.

Brokerage Practices

Principal Trades and Agency Cross Transactions

A principal transaction is a transaction where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also occur if a security is crossed between a Private Fund and another advisory client account.

An agency cross transaction is a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under

common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction.

The Adviser will never engage in principal or agency cross transactions for its clients that are pension or profit sharing plans subject to Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Adviser will not place principal trades for any non-ERISA client accounts unless the client has been advised in writing of, and the advisory client's written consent is obtained thereto, on a trade-by-trade basis, in advance of the settlement date: (i) the capacity in which the Adviser or its affiliate is acting, (ii) either the cost to the Adviser of the security if sold to a client or the price at which the security could be resold if purchased from a client, (iii) the best price at which the transaction could be effected elsewhere if more advantageous and (iv) the proposed commission.

In the case of agency cross transactions, the Adviser will only place such orders when:

1. Adviser considers such to be in the interest of advisory clients and its activity to be consistent with its fiduciary obligations to clients, including best execution, and
2. The advisory client has authorized such transactions in its investment advisory agreement with the Adviser (and such authority has not been previously revoked by the client).

When executing an agency cross transaction, Robotti BD's clearing broker will send to the client a written confirmation at or prior to settlement of the transaction. Such confirm includes information about the nature of the transaction, the date of the transaction, an offer to furnish upon request the time the transaction occurred and the source and amount of any other remuneration received or to be received by the Adviser and any other person relying upon Investment Adviser's Act Rule 206(3)-2 (the SEC's rule permitting agency cross transactions). If there are any agency cross trades in a client's account, the Adviser will provide a client with an annual summary of all agency cross-trades in the client's account during the prior year, including the total number of transactions and total commissions received by Robotti BD, and a statement that the client may terminate agency cross trade authority in writing at any time.

In the event that the Adviser executes an agency cross transaction, the Adviser will negotiate a purchase or sale price on behalf of a client with the counterparty. Generally, the total price of a purchase of a security will be no higher than the lowest open market asked price and the total price of a sale of a security will be no lower than the highest open market bid price.

Soft Dollars

The Adviser does not have any soft dollars arrangements with respect to the Wrap Fee Accounts or the Managed Accounts.

Step-Out Transaction

On occasion, including when the Adviser determines that liquidity in a market or security cannot reasonably be obtained through Robotti BD, Robotti BD may “step-out” a trade (i.e., effect a transaction with a broker who is not the introducing broker). The Adviser, however, will pay any incremental costs if a broker-dealer other than Robotti BD is used for a transaction in the client’s Wrap Fee Account.

Client Referrals

Neither the Adviser nor Robotti BD use brokerage commissions to compensate any third party for client referrals.

Trade Aggregation

The Adviser will at times aggregate trades of multiple Wrap Fee Account clients in accordance with a written statement of allocation. Aggregating trades allows the Adviser to execute equity trades for many accounts in a timelier, more equitable manner. In certain limited circumstances, Wrap Fee Account trades will at times be aggregated with transactions of Managed Accounts and/or Private Funds. Any such aggregated trades will generally be allocated on a *pro rata* basis in the event of a partially filled trade. For aggregated trades that require multiple executions, an average price will be obtained for each execution and provided to all participating accounts by the introducing broker.

Code of Ethics

The Adviser has adopted a Code of Ethics setting forth high ethical standards of business conduct that the Adviser requires of its employees, addressing personal securities transactions of employees and prohibiting the misuse of non-public material information by employees of the Adviser.

Employee Trading in Securities

The Adviser has adopted the following principles governing personal investment activities by the Adviser's supervised persons:

- The interests of client accounts will at all times be placed first;
- All personal securities transactions must be preapproved by the Adviser and will be conducted in such manner as to avoid any actual or potential conflict of interest or any abuse of an individual’s position of trust and responsibility; and
- Supervised persons are not permitted to take inappropriate advantage of their positions.

The Adviser’s policy is to allocate purchases and sales fairly among advisory clients, and in circumstances where it is in the clients’ interest to make a particular purchase or sale, the

Adviser endeavors to give such clients priority over those purchases and sales made employees' accounts.

The Code of Ethics includes policies and procedures for the submission for prior approval of all of securities transactions by employees and the periodic review of such reports, including any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. The Code of Ethics also includes oversight, enforcement and recordkeeping provisions.

Material Non-Public Information

In accordance with Section 204A-1 of the Investment Advisers Act of 1940, the Adviser also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Adviser or any person associated with the Adviser.

A copy of the Adviser's Code of Ethics is available to clients upon written request to the Adviser's Chief Compliance Officer.

Review of Accounts

Wrap Fee Accounts are reviewed internally on a regular basis and the Adviser will provide the client with information at least quarterly.

Value Equity Strategy. Value Equity Strategy accounts will be rebalanced as necessary. For taxable Value Equity Strategy accounts the Adviser may sell positions on the Client's behalf to incur capital losses and thereby offset capital gains at any time on an as needed basis. Reviews are conducted by Portfolio Managers and the Assistant Portfolio Manager of the Adviser.

Structured Value Strategy. In March, 2015 (and thereafter each January) and following the end of the March, June and September quarters, the Portfolio Manager will review the operational and valuation metrics of the model portfolio. If some of the model portfolio's company valuation metrics are less favorable than those of the benchmark and/or if some of the model portfolio's quantitative operating metrics are less favorable than those of the benchmark, the model portfolio may no longer offer upside potential through reversion of valuation metrics to those of the benchmark. In such cases, the Portfolio Manager believes that it would be better not to be fully invested. Accordingly, the Portfolio Manager will decrease the model portfolio's equity exposure by either not fully investing in securities (if at the inception of a new model portfolio) or by decreasing the same percentage of each stock in the model portfolio and allocating any portion not invested to cash.

Similarly, if some of the model portfolio's company valuation metrics are more favorable than those of the benchmark and/or if some of the model portfolio's quantitative operating metrics are more favorable those of the benchmark, the model portfolio may again offer greater upside potential through reversion of valuation metrics to those of the benchmark. In such cases, the Portfolio Manager believes that it would be better to be more fully invested. Accordingly, the

Portfolio Manager will increase the model portfolio's equity exposure by increasing the same percentage of each stock in the model portfolio and reducing the portion allocated to cash.

The Portfolio Manager, however, generally will not decrease the equity exposure of the model portfolio to the extent that following such reduction the model portfolio would hold more than 50% cash. Market fluctuations, distributions by portfolio companies and takeover activity, however, could result in a model portfolio that consists of more than 50% cash.

After determining a new level of equity exposure for the model portfolio, the Portfolio Manager will then adjust each Client's account in the same manner and approximately the same weightings as the model portfolio was adjusted by buying or selling shares.

General. If the Adviser is notified of changes in a client's situation, such as investment goals, financial position, unusual economic, industry or individual investment developments, such change may trigger an account review.

Wrap Fee Account clients receive statements from their custodians on at least a quarterly basis. These reports will show the current market values and transactions during the past quarter (or month for any monthly statements) as well as interest and dividends for the reporting period. Statements from the Client's custodian will typically reflect transactions as of their settlement date (typically three business days following the trade date for U.S. securities transactions) and may value securities and foreign currencies using different valuations from those on which the Wrap Fee has been calculated (see "Fees" in **Item 4. "Services, Fees and Compensation"**). Accordingly, there may be a discrepancy in both the positions in the Client's Wrap Fee Account and the values of securities and cash used to calculate the Wrap Fee from the Client's statement from its custodian.