



ADV PART 2A - BROCHURE

ITEM 1 - COVER PAGE

River Road Asset Management, LLC
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March 30, 2016

This Brochure provides information about the qualifications and business practices of River Road Asset Management, LLC ("River Road"). If you have any questions about the contents of this Brochure, please contact us at (502) 371-4100 or rramcompliance@riverroadam.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

River Road is a registered investment adviser. Registration of an investment adviser does not imply a certain level of skill or training.

ITEM 2 - MATERIAL CHANGES

This Item discusses only material changes since last year's annual update of River Road's Brochure, which was on March 31, 2015. The below list provides a summary of the material changes:

- Item 4.E – Added a disclosure describing the difference in the amount of client assets under management reported in ADV Part 1A versus in this Brochure.
- Item 8.A – Updated the Focused Absolute Value™ (FAV) Strategy description to indicate that an approved member of the FAV analyst team is allowed to enter non-strategic trades to model for the strategy without portfolio manager approval. Additionally, added a disclosure for the Independent Value Strategy® indicating that the strategy does not adhere to all aspects of River Road Absolute Value® philosophy since it is a satellite strategy.
- Item 10.B and 14.B – Noted that River Road terminated its marketing support agreement with Aston.
- Item 11.B.i – Added a disclosure about prizes employees receive in River Road's simulated stock picking contest.
- Item 11.B.ii – Disclosed an additional situation when trades for a proprietary strategy would not be aggregated with a non-proprietary strategy.
- Item 12.B.i – Disclosed that River Road may exclude a broker for a strategy due to a client's broker restriction, subject to still meeting best execution standards.
- Item 12.C – Disclosed that Directed Account trades may not be fully executed before the next trade in the directed trade rotation is placed.
- Item 14.A – Added additional disclosures on limited and immaterial situations where River Road provides benefit to or receives benefit from consultants that may recommend River Road strategies to their clients.

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ITEM 4 - ADVISORY BUSINESS

A. Our Firm

River Road is a registered investment adviser formed in April 2005. The firm's founding principals are James C. Shircliff, CFA (CIO), R. Andrew Beck (CEO/President/Senior Portfolio Manager), and Henry W. Sanders, III, CFA, (EVP/Senior Portfolio Manager).

Effective June 30, 2014, Affiliated Managers Group, Inc. (AMG) purchased River Road from Aviva Investors North America Holdings, Inc. (AINAH). AMG indirectly holds a majority equity interest in River Road. River Road's executive team and key investment professionals hold the remaining equity interests in the firm and have agreed to long-term commitments to remain with the firm. River Road's management team retains autonomy in both the operation of the company and the management of the firm's investment portfolios. AMG is a publicly-listed (NYSE: AMG) asset management company with investments in leading boutique investment management firms around the globe. AMG holds equity interests in other investment management firms ("AMG Affiliates"). Further information on both AMG and AMG's Affiliates is provided in Item 10.

B. Advisory Services Offered

River Road provides discretionary equity investment management services to U.S. and non-U.S. institutional and private clients and sub-advisory services to several registered investment companies and other U.S. and non-U.S. commingled funds. River Road also acts as a non-discretionary model portfolio provider as more fully described in Item 4.D.

River Road offers several investment strategies. Each strategy adheres to River Road's general investment philosophy, which is implemented through adherence to River Road's investment process and guidelines for the respective strategy. Please see Item 8.A for more information.

C. Ability to Tailor Advisory Services

River Road may tailor advisory services to the individual needs of clients within the framework of the established strategy investment guidelines. If a client requests that River Road follow their written investment guidelines or investment policy statement, River Road will adhere to the client's guidelines if River Road has accepted them in writing as part of the investment management agreement **and** they do not materially deviate from the established strategy investment guidelines or are otherwise acceptable (both as determined at the discretion of River Road).

D. Model Portfolio Provider

River Road does not participate in wrap fee programs by providing portfolio management services. However, River Road is a model portfolio provider to various investment advisers ("Adviser") and program sponsors ("Sponsor") of wrap fee programs for several of its strategies. Under the terms of the agreement entered into between River Road and the individual Adviser or Sponsor, River Road is responsible for providing a model portfolio but is not responsible for the investment advice provided by the Adviser or Sponsor to the end-clients. River Road has no discretion over the wrap program accounts or whether or not the Adviser or Sponsor follows the model.

River Road generally updates and communicates the models as part of its directed accounts trade rotation. Please see Item 12.C for a description of this trade rotation and information on the consequences of being a directed account.

River Road receives a portion of the wrap fee for providing the model portfolio. Please see Item 5.A for more details.

E. Client Assets

As of December 31, 2015, River Road has \$6,287,349,063 in discretionary client assets under management. Additionally, as of December 31, 2015, River Road has approximately \$1,493,575,698 in model portfolio assets for which it does not have discretionary trading authority. The amount of discretionary client assets under management reported in this section is different than the firm's discretionary "regulatory assets under management" reported in Item 5.F of ADV Part 1A because we do not exclude the value of our short equity when reporting our assets in this section. Additionally, we report model portfolio assets in this section but do not consider such assets as non-discretionary "regulatory assets under management" for purposes of Item 5.F of ADV Part 1A.

ITEM 5 - FEES AND COMPENSATION

A. How We Are Compensated

The specific manner in which River Road charges and calculates fees is established in writing between the client and River Road. River Road typically bills its clients for fees on a monthly or quarterly basis in arrears. For performance-based fees, River Road typically bills the performance fee portion on a quarterly or annual basis in arrears. For some clients, River Road receives the fee from the client based on the client's calculation of the fee due and River Road may not actually send the client an invoice. Clients may elect to be billed directly for fees or authorize their custodian or other third party to be billed. River Road does not directly debit or deduct fees from client accounts.

Accounts initiated or terminated during a billing period will be charged a prorated fee. Prorated fees are typically based on the number of days the account is being managed during the billing period, but specific fee calculation methodologies are determined in writing between the client and River Road and will vary.

Fees for providing model portfolios are charged by the Adviser or Sponsor to the end-clients at the discretion of the Adviser or Sponsor that maintains the wrap program. Some of the wrap programs for which River Road provides the model portfolio charge the fees to the end-client in advance and will refund client fees if they terminate the relationship during the billing period. River Road receives a portion of the wrap fee that is paid by the end-client, but River Road is paid fees from the Adviser or Sponsor and not directly from the end-client.

B. Standard Fee Schedule

River Road's standard separately managed account fee schedule for each marketed investment strategy is below. **Fees are negotiable, and client fee schedules vary from the fee schedules indicated below based on size of mandates, relationship type, service requirements, and other factors.** The fee may be reduced or waived entirely when River Road is managing an account for River Road or River Road's principals, affiliates, employees, and family members.

Small Cap Value Equity

First \$10 Million is 1.00% of assets
Next \$15 Million is 0.95% of assets
Next \$25 Million is 0.90% of assets
Thereafter is 0.80% of assets

Small-Mid (SMID) Cap Value Equity

First \$10 Million is 1.00% of assets
Next \$15 Million is 0.90% of assets
Next \$25 Million is 0.85% of assets
Thereafter is 0.75% of assets

Dividend All-Cap Value

First \$10 Million is 0.85% of assets
Next \$15 Million is 0.80% of assets
Next \$25 Million is 0.75% of assets
Thereafter is 0.65% of assets

Dividend All-Cap Value II

First \$10 Million is 0.85% of assets
Next \$15 Million is 0.80% of assets
Next \$25 Million is 0.75% of assets
Thereafter is 0.65% of assets

Independent Value

First \$25 Million is 1.00% of assets
Next \$25 Million is 0.95% of assets
Thereafter is 0.90% of assets

Focused Absolute Value™

First \$10 million is 0.75% of assets
Next \$15 million is 0.60% of assets
Next \$25 million is 0.55%
Thereafter is 0.50% of assets

Long-Short Equity

Tiered Fee Schedule

First \$10 million is 1.30% of assets
Next \$15 million is 1.20% of assets
Next \$25 million is 1.10% of assets
Thereafter is 1.00% of assets

For River Road's Select Equity Income strategy (which is not actively marketed by River Road), fees are negotiable.

C. Other Types of Fees or Expenses

Clients will incur brokerage and other transaction costs in addition to River Road's fees. Please see Item 12 for more information on brokerage.

Clients may also incur other types of fees and expenses, including but not limited to:

- fees charged by investment managers,
- fees charged by consultants,
- custodial fees,
- odd-lot differentials,
- withholding taxes,
- wire transfer and electronic fund fees,
- other fees and taxes on brokerage accounts and securities transactions, and
- mutual funds and exchange traded funds internal management fees, which are disclosed in a fund's prospectus.

ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

River Road accepts performance-based fees, and currently has clients with performance-based fee arrangements. River Road manages both accounts that are charged a performance-based fee and accounts that are charged a fixed fee (i.e. asset based fee). This creates a conflict of interest because River Road and its supervised persons have an incentive to favor accounts for which River Road receives a performance-based fee, including by allocating favorable trades to the accounts with performance-based fees. River Road's trade aggregation and allocation procedures are designed to address the conflicts created by the side-by-side management of accounts with performance-based fees and accounts with a fixed fee. See Item 12.D for details on River Road's trade aggregation and allocation procedures.

ITEM 7 - TYPES OF CLIENTS

River Road provides investment management services for the following types of clients:

- individuals and high net worth individuals,
- trusts,
- corporate pension and profit-sharing plans,
- charitable organizations,
- federal, state and/or municipal government entities,
- other foreign government entities,
- sovereign wealth,
- investment companies, including registered mutual funds, and
- other pooled investment vehicles.

River Road's minimum account size for a separately managed relationship is generally \$5 million. River Road will generally require a minimum annual fee of \$42,500 for these accounts. Some clients with fees and assets below these levels are not subject to these minimums and River Road may agree to lower minimums for certain clients in the future.

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies

Investing in securities involves risk of loss that clients should be prepared to bear.

River Road employs its Absolute Value® investment philosophy when managing assets. Absolute Value® is a highly disciplined, proprietary investment approach developed by River Road. It incorporates what its founders believe are the most proven and enduring principles of value equity investing, with a specific avoidance of the pitfalls associated with the common Deep Value and Relative Value investment styles.

The objective of River Road's Absolute Value® approach is to generate attractive, sustainable, low volatility returns over the long term, with an emphasis on minimizing downside portfolio risk.

Specifically, River Road's Absolute Value® philosophy is distinguished by four principal tenets:

- **We Seek Excellent Companies Trading at Compelling Prices**

Our objective is to invest in well-managed, financially strong companies trading at compelling prices, not mediocre businesses trading at deep discounts. We believe this strategy yields two key benefits: I) a higher quality investment portfolio and II) broader diversification potential.

- **We Build Portfolios One Company at a Time**

We are true bottom-up investors; we do not chase market or index trends. We believe alpha is optimized, and portfolio risk minimized, by assessing individual companies based upon our Absolute Value® criteria.

- **We Seek Market Inefficiencies**

We believe inefficiencies can be found and captured in smaller capitalization and out-of-favor securities, and in securities with little or no formal Wall Street analyst coverage.

- **We are Risk Averse**

We employ a strategy of balanced diversification and a structured sell discipline that minimizes both portfolio volatility and the potential for permanent loss of capital.

For River Road's Small Cap Value and Small-Mid Cap Value Strategies:

The portfolio managers primarily invest in small cap or small to mid cap companies, respectively, that are trading below the portfolio managers' assessment of their valuation as determined using River Road's proprietary Absolute Value® approach. The portfolio managers may also invest in mid-cap stocks, real estate investment trusts (REITs), convertible securities, and foreign stocks. The portfolio managers select securities by employing a value-driven, bottom-up fundamental approach that seeks to identify the following characteristics:

- Priced at a discount to their valuation as determined using River Road's proprietary Absolute Value® approach
- Attractive business model
- Shareholder-oriented management
- Financial strength
- Undiscovered, underfollowed, misunderstood

To manage risk, the portfolio managers employ a strategy of balanced diversification and a structured sell discipline.

For River Road's Dividend All-Cap Value and Dividend All-Cap Value II Strategies:

The portfolio managers primarily invest in an all-cap portfolio of income producing equity securities that are trading below the portfolio managers' assessment of their valuation as determined using River Road's proprietary Absolute Value® approach. The portfolio managers primarily invest in dividend paying common stocks but may also invest in a broad range of foreign stocks, publicly traded partnerships, convertible preferred stocks, real estate investment trusts (REITs), investment companies, and royalty income trusts. The portfolio managers select securities by employing a value-driven, bottom-up fundamental approach that seeks to identify the following characteristics:

- High and growing dividend
- Financial strength
- Priced at a discount to their valuation as determined using River Road's proprietary Absolute Value® approach
- Attractive business model
- Shareholder-oriented management
- Undiscovered, underfollowed, misunderstood

To manage risk, the portfolio managers employ a strategy of balanced diversification and a structured sell discipline.

In addition to the above, the Dividend All-Cap Value II strategy employs a minimum market capitalization typically of at least \$1.0 billion at the time of initial purchase.

For River Road's Independent Value Strategy®:

The portfolio manager primarily invests in small cap companies that are trading below the portfolio manager's assessment of their intrinsic value. The portfolio manager may also invest in mid-cap stocks, real estate investment trusts (REITs), convertible securities, and foreign stocks. The portfolio manager selects securities by employing a value-driven, bottom-up fundamental approach that seeks to identify the following characteristics:

- Priced at a discount to intrinsic value
- Considered high quality by the portfolio manager
- Strong balance sheet and/or consistent free cash flow
- Valuation confidence

The portfolio may have significant cash balances (more than 50%) for a sustained period. To manage risk, the portfolio manager employs a structured sell discipline.

As a satellite strategy, Independent Value does not employ all aspects of River Road's Absolute Value® philosophy.

For River Road's Long-Short Equity Strategy:

The portfolio managers primarily invest in long and short equity securities. The portfolio managers may also invest in real estate investment trusts (REITs), convertible securities, preferred stocks, foreign stocks, publicly traded partnerships, options, exchange-traded funds, futures, and other index-based investments. In selecting both long and short positions, the portfolio managers employ a value-driven, bottom-up fundamental approach.

For long positions, the portfolio managers seek to identify securities with the following characteristics:

- Priced at a discount to their valuation as determined using River Road's proprietary Absolute Value® approach
- Attractive business model
- Shareholder-oriented management
- Financial strength
- Undiscovered, underfollowed, misunderstood

For short positions, the portfolio managers seek to identify securities with the following characteristics:

- Challenged business model
- Low price and earnings momentum (as defined by River Road)
- Financial weakness
- Poor shareholder orientation
- Priced at a premium to their valuation as determined using River Road's proprietary Absolute Value® approach

The net market exposure will fluctuate with market opportunities but will generally be between 10% and 90%. The portfolio may have significant cash balances for a sustained period. To manage risk, the portfolio managers employ stop losses and a drawdown plan to help manage the downside of the portfolio.

For River Road's Focused Absolute Value™ Strategy:

The River Road Focused Absolute Value™ (FAV) Strategy is a concentrated, all-cap portfolio of equity securities chosen from a universe consisting of companies held in other River Road strategies. The strategy may invest in common stocks, foreign stocks, publicly traded partnerships, convertible preferred stocks, real estate investment trusts (REITs), investment companies, and royalty income trusts. Securities are selected by employing a value-driven, bottom-up fundamental approach that seeks to identify the following characteristics:

- Priced at a discount to their valuation as determined using River Road's proprietary Absolute Value® approach
- Attractive business model
- Shareholder-oriented management
- Financial strength
- Undiscovered, underfollowed, misunderstood

Investment recommendations for FAV are made by members of River Road's analyst team (FAV analyst team). An approved member of the FAV analyst team inputs trades after receiving approval from a FAV portfolio manager for strategic trades. FAV trades to model due to cash flows, new account funding, or other non-strategic type situations do not require portfolio manager approval and are entered by an approved FAV analyst without PM approval. Generally, the analysts determine the timing of purchases and sales, sizing of positions, and the make-up of the portfolio. The team of analysts involved with the investment decision making for the strategy has changed and may continue to change over time. To manage risk, River Road employs a structured sell discipline.

B. Material Risks

Value Style Risk. All River Road strategies employ a value style of investing. Value investing involves buying stocks that are out of favor and/or undervalued in comparison to their peers or their prospects for growth. Typically, their valuation levels are less than those of growth stocks. Because different types of stocks go out of favor with investments depending on market and economic conditions, the client portfolios may be adversely affected during a market downturn or when value stocks are out of favor.

Small- and Mid-Cap Company Risk. All River Road strategies invest to some extent in small- and mid-cap companies. Investing in securities of small- and mid-cap companies may involve greater risks than investing in larger, more established issuers. Small- and mid-cap companies generally have limited product lines, markets, and financial resources. Their securities may trade less frequently and in more limited volume than the securities of larger, more established companies. Also, small- and mid-cap companies are typically subject to greater changes in earnings and business prospects than larger companies. As a result, their stock prices may experience greater volatility and may decline significantly in market downturns.

Liquidity Risk. When there is no willing buyer and investments cannot be readily sold at the desired time or price, the portfolio manager may need to accept a lower price or may not be able to sell the security at all. An inability to sell securities can adversely affect a client portfolio's value or prevent the portfolio manager from being able to take advantage of other investment opportunities for the client portfolio.

Portfolio Turnover Risk. At times, River Road's strategies can have frequent trading. In particular, River Road's Long-Short Equity and Focused Absolute Value® strategies have historically exhibited high turnover. Frequent trading of portfolio holdings may result in higher than average levels of capital gains, including short-term gains, and will result in greater brokerage and other transaction costs and taxes. This could negatively impact portfolio performance for client accounts.

Non-Diversification/Concentration Risk. Some River Road strategies may be considered concentrated portfolios. As a result, the strategies may be more susceptible to a single adverse economic, political, or regulatory occurrence and may experience increased volatility.

Foreign Securities Risk. Investing in the securities of foreign issuers involves special risks and considerations in addition to those typically associated with investing in U.S. companies. The securities of foreign companies may be less liquid and their prices may fluctuate more widely than those traded in U.S. markets. Foreign companies and markets may also have less governmental supervision. There may be difficulty in enforcing contractual obligations against, and little public information about, the companies. Trades typically take more time to settle and clear, and the costs of buying and selling foreign securities are generally higher than the costs associated with buying and selling securities traded in U.S. markets. The values of the securities held may be affected by changes in exchange rates or control regulations. Changes in economic, tax, or foreign investment policies, or other political, governmental, or economic actions can adversely affect the value of the securities. In foreign countries, accounting, auditing and financial reporting standards and other regulatory practices and requirements are generally different from those required for U.S. companies. Investments in securities of foreign issuers may also be subject to foreign withholding and other taxes.

PTP Risk. Investing in publicly traded partnerships (PTPs) (including master limited partnerships) involves special risks in addition to those typically associated with publicly traded companies. PTPs are exposed to the risks of their underlying assets, which in many cases include the same types of risks as energy and natural resources companies, such as commodity pricing risk, supply and demand risk and depletion and exploration risk. PTPs are also subject to capital markets risk, which is the risk that they are unable to raise capital to execute their growth strategies. PTPs are also subject to tax risk, which is the risk that they lose their partnership status for tax purposes or cause negative tax consequences to certain types of investors.

REIT Risk. Securities of real estate investment trusts (REITs) may be affected by changes in the values of their underlying properties and by defaults by borrowers or tenants. Some REITs may have limited diversification and may be subject to risks inherent in investments in a limited number of properties, in a narrow geographic area, or in a single property type. The value of real estate is also affected by general economic conditions and interest rates. REITs depend generally on their ability to generate cash flow to make distributions to shareholders or unitholders, and may be subject to defaults by borrowers and self-liquidations. Distributions from REITs generally are taxed as ordinary income for federal income tax purposes.

Cash Balances Risk: Under some market conditions, cash levels may exceed stated strategy guideline cash levels or client imposed cash guidelines. Typically, portfolio managers do not want to force client accounts below cash guidelines (unless River Road determines at our discretion the client's cash guidelines require such actions). Higher cash balances may limit the strategy's ability to participate in upside market movements. Additionally, some cash guidelines are temporarily exceeded due to trading activity.

For River Road's Independent Value and Long-Short Equity Strategies, the following additional material risk applies:

High Cash Balances Risk. For the Independent Value and Long-Short Equity Strategies, cash is a residual of the investment process. When the portfolio manager is unable to find investment opportunities that meet the strategy's criteria, the strategy may have significant cash balances, at times, for a sustained period. The cash balance may be more than 50% for the Independent Value Strategy. High cash balances may limit the strategy's ability to participate in upside market movements.

For River Road's Long-Short Equity Strategy, the following additional material risk applies:

Short Sales Risk. Short sales involve the risk that the client portfolio will incur a loss by subsequently buying a security at a higher price than the price at which the client portfolio previously sold the security short. Any loss will be increased by the amount of compensation, dividends or interest the client portfolio must pay to the lender of the security. Because a loss incurred on a short sale results from increases in the value of the security, losses on a short sale are theoretically unlimited. In addition, the client portfolio may not be able to close out a short position at a particular time or at an acceptable price. A lender may request that borrowed securities be returned on short notice, and the client portfolio may have to buy the securities sold short at an unfavorable price. If this occurs at a time when other short sellers of the same security also want to close out their positions, a "short squeeze" may occur. A "short squeeze" occurs when demand is greater than supply for the security sold short. A short squeeze makes it more likely that the client portfolio will have to cover its short sale at an unfavorable price. If that happens, the client portfolio will lose some or all of the potential profit from, or even incur a loss on, the short sale. The client portfolio's use of short sales may have a leveraging effect on the client's portfolio.

Exchange-Traded and Closed-End Fund Risk. The risks of investment in other investment companies typically reflect the types of securities in which the underlying funds invest. Investments in ETFs and closed-end funds are subject to the additional risk that shares of the underlying fund may trade at a premium or discount to their net asset value per share. There may also not be an active trading market available for shares of some ETFs or closed-end funds. Additionally, trading of ETF and closed-end fund shares may be halted or delisted by the listing exchange. An inverse ETF is a fund that is constructed by using various derivative instruments to profit from a decline in the underlying benchmark. Investing in these ETFs is similar to holding various short positions, or using a combination of advanced investment strategies to profit from falling prices. When the Fund invests in another investment company, shareholders of the

Fund bear their proportionate share of the other investment company's fees and expenses as well as their share of the Fund's fees and expenses.

Similarly, short sales of ETFs are subject to the specific risks described under "Short Sale Risk." In addition, if the Fund sells short shares of ETFs that are financially leveraged, such short sales may be expected to exhibit enhanced volatility in market price as compared to short sales of similar ETFs without a leveraged capital structure.

ITEM 9 - DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of River Road's advisory business or the integrity of River Road's management.

River Road has no material legal or disciplinary events that would be material to your evaluation of River Road.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker-Dealer/Representatives

River Road has two employees that are registered representatives of a broker-dealer.

B. Relationships with Related Persons

As noted in Item 4, AMG holds a majority equity interest in River Road. AMG's equity interest in River Road is structured so that River Road maintains operational autonomy in managing its business. AMG does not have any role in the day-to-day management of River Road. Accordingly, AMG is not a "control person" of River Road. AMG also holds equity interests in certain other investment advisers ("AMG Affiliates"). Each of the AMG Affiliates, including River Road, operates autonomously and independently of AMG and of each other. Except as described in this Brochure, River Road does not have any business dealings with these AMG Affiliates and does not conduct any joint operations with them. River Road carries out its asset management activity, including the exercise of investment discretion and voting rights, independent of the AMG Affiliates. Moreover, the AMG Affiliates do not formulate advice for River Road clients and do not, in River Road's view, present any potential conflict of interest with River Road's clients. More information regarding AMG, including its public filings and a list of all AMG Affiliates, is available at www.amg.com.

River Road has mutual fund subadvisory agreements with Aston Asset Management, LLC ("Aston"), a wholly owned subsidiary of AMG Funds LLC, the U.S. retail distribution arm of AMG, under which River Road serves as subadvisor to mutual funds in the Aston Funds family of mutual funds, which are sponsored and advised by Aston. As described in each fund's prospectus, the fund pays Aston an advisory fee, and Aston pays River Road a subadvisory fee with respect to the funds. River Road also provides model portfolios to Aston, which are used by Aston to manage separately managed accounts, including wrap fee program accounts. Aston pays River Road a fee for providing model portfolios. River Road also previously had an agreement with Aston, under which Aston provided nondiscretionary services such as back office support, administrative assistance, and marketing services, to support River Road's provision of advisory services through third-party sponsored programs, including wrap programs. River Road has terminated this arrangement but still pays Aston a trailing fee for a set period of time from the date of termination.

River Road has a marketing agreement with AMG Funds LLC, a wholly-owned subsidiary of AMG, under which AMG Funds LLC markets River Road's investment management services to unaffiliated third party intermediaries that sponsor subadvised mutual funds and/or other platforms, such as defined contribution retirement plan platforms. River Road pays AMG Funds LLC a fee for these services.

River Road is party to a client service/marketing agreement with one or more non-U.S. subsidiaries of AMG under which the non-U.S. AMG subsidiaries introduce River Road's investment management services to prospective institutional clients and/or provide institutional client services to certain of River Road's clients/prospective clients in various foreign jurisdictions. River Road pays the non-U.S. AMG subsidiaries a fee for these services. The non-U.S. AMG subsidiaries are not broker-dealers, investment advisers, or any of the other financial institutions described in Item 7.A. of Form ADV Part 1A. Depending on the foreign jurisdiction, the non-U.S. AMG subsidiaries may be registered or exempt from registration, as appropriate, with the relevant foreign financial regulatory authorities.

River Road also consults with AMG on legal, compliance, IT, succession planning, and general corporate matters as River Road deems appropriate and AMG may be compensated by River Road for providing these support services. River Road employees also have and plan to continue to attend affiliate conferences hosted by AMG.

ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Code of Ethics

River Road has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to conflicts of interest, the confidentiality of client information, limitations on outside activity and political contributions, a prohibition on insider trading, restrictions on and reporting of certain gifts and entertainment, and personal securities trading restrictions and procedures, among other things. All supervised persons at River Road must acknowledge and agree to comply with the terms of the Code of Ethics initially upon hire and annually, or as amended.

The Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of the employees of River Road will not interfere with making and implementing decisions in the best interest of clients while, at the same time, allowing employees to invest for their own accounts. Under the Code of Ethics, employees are restricted from trading in all common stocks and corporate bonds (a stock or corporate bond owned prior to employment can be sold with preclearance). Transactions in exchange traded funds and all closed-end funds require preclearance. Additionally, transactions in certain non-equity securities and open-end mutual funds are exempt based upon a determination these would not materially interfere with the best interest of River Road's clients. Employee trading is continually monitored under the Code of Ethics. The Code of Ethics is designed to reasonably prevent conflicts of interest between River Road and its clients.

River Road specifically excludes from the requirements of the Code of Ethics any accounts for employees, their household members, or for River Road that are managed via an investment management agreement between the account holder and River Road ("proprietary client accounts"). Proprietary client accounts are subject to other River Road policies and procedures that are separate from the Code of Ethics. Additionally, some account holders for proprietary client accounts are the portfolio managers for the strategy the proprietary client account is invested in and they are responsible for the buy/sell decisions over their own accounts and others invested in that strategy, if any. River Road's policies and procedures are designed to keep River Road's proprietary client accounts in compliance with the Advisers Act. Please see the following section, Item 11.B.ii, for more details on proprietary client accounts.

All employees of River Road are subject to the Affiliated Managers Group, Inc. Insider Trading Policy and Procedures (the "AMG Insider Trading Policy"). The AMG Insider Trading Policy broadly prohibits the use of material, non-public information, and also imposes restrictions on the trading of AMG's stock.

River Road will provide a copy of its Code of Ethics to any client or prospective client upon request. To make a request, please contact the CCO:

Attention: Thomas D. Mueller, COO & CCO

River Road Asset Management, LLC

462 South Fourth Street

Suite 2000

Louisville, Kentucky 40202

(502) 371-4100

rramcompliance@riverroadam.com

B. Participation or Interest in Client Transactions and Personal Trading

i. Personal Trading

Subject to River Road's Code of Ethics, employees may be invested in the same securities as clients. There is a possibility that employees might benefit from market activity by a client in a security held by an employee. River Road's employees are required to follow River Road's Code of Ethics, **which is designed to reasonably prevent employees being advantaged over clients in any instance. A copy of River Road's Code of Ethics is available upon request to all current and prospective clients and River Road encourages clients to review it.**

Employees of River Road's affiliates generally do not have access to client holdings or trading information that would give rise to a conflict of interest. In instances where they might have access to such information, the employees of the affiliate will be subject to River Road's Code of Ethics if they meet the definition of a supervised person, or they will be subject to their own firm's code of ethics as applicable or required.

River Road employees participate in a simulated stock picking contest and a de-minimis, non-cash prize is awarded to the winner of each stage. The stock that an employee chooses may be held in River Road client accounts. No employees or River Road are actually purchasing the stock in the contest.

ii. Proprietary Accounts and Strategies

River Road manages money for individual employees of River Road pursuant to investment management agreements and may manage money for employees' household members or River Road in the future (all such accounts are referred to as "proprietary client accounts"). Proprietary client accounts hold and trade in securities that are also held and traded in non-proprietary client accounts. Due to this side-by-side trading, River Road has the opportunity to favor proprietary over non-proprietary client accounts.

In order to address these conflicts of interest, River Road has established trade aggregation and allocation procedures reasonably designed to treat all clients fairly and equally over time. River Road's procedures are also designed to reasonably prevent River Road from advantaging itself or its employees over its clients.

Trades for proprietary and non-proprietary client accounts in the same strategy will typically be aggregated. When clients participate in aggregated transactions, they will typically receive pro-rata allocation at the average share price and transaction costs will be shared equally on a pro-rata basis. Trades for accounts in the same strategy are not always aggregated. A non-aggregated trade may occur when a single account is trading at a different time than the other accounts in the strategy, such as when there is a cash flow. See Item 12.D for more information on River Road's trading policies.

Some newly launched or non-commercialized strategies are solely comprised of proprietary client accounts ("proprietary strategies"). Because of different investment objectives and/or portfolio management teams, these proprietary strategies will trade at different times than non-proprietary strategies. When trading in the same stock in the same day, proprietary strategies will typically **not** be aggregated with trades for non-proprietary strategies if it appears that aggregation would be to the detriment of the non-proprietary strategies and clients. Conversely, the trades will typically be aggregated if it appears that aggregation would not be to the detriment of or could benefit the non-proprietary strategies. The determination of whether to aggregate is made at the time of the later trade, and aggregation may ultimately be to the detriment of the non-proprietary strategies due to market fluctuations. These special proprietary strategy procedures only apply if there is strategic trading in the same stock during the same day. If the overlap is due to cash flows, new account funding, or some other non-strategic trading reason, these special procedures will not apply, and the trades will typically not be aggregated. Additionally, a proprietary and non-proprietary strategy trade may not be able to be aggregated if the trades are being worked at different brokers or if there are special trading instructions applied to one or both trades (such as limits, TWAPs, VWAPs, etc.). Lastly, best execution considerations for non-proprietary strategy trades may override the aggregation policies stated in this paragraph.

If River Road provides a model portfolio to an external client for a proprietary strategy, River Road will still treat the model portfolio account as a Directed Account (as defined in Item 12.C) and trades for the discretionary proprietary accounts will be executed before model changes are communicated to the client. See Item 12.C for more details on Directed Accounts.

For one proprietary strategy, River Road enters into short ETF position(s) in order to implement a drawdown plan and covers the short ETF position(s) as the strategy comes out of the drawdown plan. River Road is not able to aggregate these short and cover ETF trades with similar or the same trades in River Road's Long-Short Equity strategy due to different prime brokers for the two strategies. .

As indicated above, there are instances when proprietary client accounts and proprietary strategies will not be aggregated with other client accounts. **When trades are not aggregated, it could result in proprietary accounts and/or proprietary strategies receiving a better price, commission, or execution than other River Road client accounts on any given day.**

ITEM 12 - BROKERAGE PRACTICES

A. Selecting Brokers

In selecting broker-dealers for client securities transactions, River Road seeks best execution. In seeking best execution, River Road does not necessarily seek the lowest commission but the best overall qualitative execution in the particular circumstances. When evaluating broker-dealers, River Road's policy is to consider the value of any research provided by the broker-dealer, execution capability, commission rate, financial responsibility, and responsiveness. River Road strives to obtain competitive commissions for execution only and soft dollar trades.

River Road utilizes various brokers to execute trades. Some of these brokers also provide River Road with benefits other than execution. When River Road receives research or other products or services other than execution from a broker-dealer or third party in connection with client securities transactions these are "Soft Dollar Benefits." The name of any broker-dealer or third party that provided

any good or service, other than order execution, will be provided to a client upon request. Please see Item 12.B.i below for more disclosures regarding Soft Dollar Benefits.

When River Road executes trades with a broker, it sometimes will choose to execute a trade at a broker for “execution only.” This means that River Road receives no separate benefit and the entire commission amount is paid to the broker for its execution/trading services. River Road may also choose to execute a “soft dollar” trade. Soft dollar trades typically fall into two categories. The first is a trade sent to a broker for execution when that broker also provides River Road their internally-created proprietary research. These are considered “proprietary soft dollar” trades. The second is a trade sent to a broker for execution when that broker also places a portion of the commission the client pays into a pool of money that River Road can then use to purchase a third-party’s research or other services. These are considered “third party soft dollar” trades. River Road’s best execution analysis takes into account these different trading scenarios.

The Trading Department typically monitors trading costs at least monthly through the use of a trade cost analysis product. Additionally, River Road’s Brokerage Allocation and Review Committee typically meets twice per year to evaluate broker-dealers. The Committee performs the following reviews:

- Execution Only Trades: Trades sent to brokers for “execution only” are evaluated mainly based on the results of third party best execution testing. This testing takes into account commissions per share and the quality of executions. The best execution analysis is a post-trade evaluation of the trades executed by the broker in the prior year. The Committee typically reviews multiple years of results in order to identify a pattern of underperformance by a broker. In addition to execution capability, the Committee considers a broker’s commission rate, financial responsibility, and responsiveness.
- Proprietary Soft Dollar Trades: Trades sent to brokers for execution who also provide internally-created research are evaluated using a target commission system. Prior to the meeting at each year end, portfolio managers and analysts utilize an electronic voting system to rate each broker based on the value of the research to the investment decision-making process. From there, the Committee assigns a target commission to each of these brokers for the next year based on the portfolio managers’ (and analysts’ as appropriate) votes and additional analysis of the value and quality of the broker’s research. The portfolio managers and analysts re-vote at mid-year. At a mid-year meeting, the target commissions are adjusted based on the votes, additional analysis of the value and quality of the research, and the results of third-party best execution testing. The Committee also considers these brokers’ commission rate, financial responsibility, and responsiveness.
- Third Party Soft Dollar Trades:
 - The brokers who put a portion of clients’ commissions into a pool of money for River Road to use are evaluated based on results of third-party best execution testing. The Committee also considers these brokers’ commission rate, financial responsibility, and responsiveness.
 - The Committee also evaluates the third party research and services that are being paid for out of the pool of money. If the third party service is creating proprietary research, they are typically subject to the target commission system discussed above. Other types of soft dollar eligible third party services are evaluated on an ongoing basis based on the value and quality of the services provided to River Road by the third party.

B. Research and Other Soft Dollar Benefits

i. Disclosures on Soft Dollar Benefits

To the extent permitted by section 28(e) of the Securities Exchange Act of 1934, River Road receives Soft Dollar Benefits (defined in Item 12.A above). River Road uses client brokerage commissions to obtain the Soft Dollar Benefits, which is known as paying with “soft dollars.”

- When River Road pays using soft dollars, River Road receives a benefit because River Road does not have to produce or pay for the research, products, or services with River Road’s own funds.
- River Road may have an incentive to select or recommend a broker-dealer based on River Road’s interest in receiving the research or other products or services, rather than on River Road’s clients’ interest in receiving most favorable execution.
- River Road may cause clients to pay commissions higher than those charged by other broker-dealers in return for Soft Dollar Benefits if River Road makes a good faith determination that such a commission is reasonable in relation to the value of the Soft Dollar Benefits provided by such broker-dealer. Please see Item 12.A for information on how River Road selects and evaluates broker-dealers.

River Road generally uses Soft Dollar Benefits to service all of River Road client accounts and not just those accounts that generate the soft dollar credits. Soft Dollar Benefits are not allocated proportionately to client accounts based on the soft dollar credits each account generates. Some clients do not allow for their brokerage commissions to be credited for Soft Dollar Benefits. These clients still benefit

from the use of Soft Dollar Benefits by River Road and the client still pays the higher commission rate in order to benefit from trade aggregation.

Some non-directed clients have restrictions or limitations around using a particular broker, which may include a broker that provides Soft Dollar Benefits. River Road, in its discretion, may choose to not use such broker for other clients in the same strategy in order to continue to aggregate trades for all non-directed accounts in that strategy. River Road will only do this if River Road is still able to meet its best execution standard for all accounts being affected.

ii. Description of Soft Dollar Benefits Received

The research, products, or services received are among many tools used by River Road staff as part of the portfolio management process. Within the last fiscal year, January 1, 2015 to December 31, 2015, River Road acquired the following types of Soft Dollar Benefits:

Individual security, industry, and macro economic analysis

- For individual security analysis, River Road received quantitative and qualitative fundamental analysis and research including but not limited to:
 - Current and historical financial data on companies
 - Detailed financial results
 - Price and earnings projections
 - Charts
 - Rankings
 - Forward-looking commentaries
 - Corporate demergers (i.e. spin-offs)
 - Quality of earnings analysis, such as operating earnings momentum and balance sheet/cash flow ratios
 - Insiders, buybacks, and institutional ownership information
 - Corporate governance and management practices information
 - Information on a company's executives and management teams
 - Information on a company's practices as it relates to categories of socially responsible investing
 - Newsletters relating to specific industry issues
- For macro and industry economic analysis, River Road received quantitative and qualitative analysis including but not limited to:
 - Analysis of global issues across disciplines, regions, and assets classes
 - Analysis of fiscal, monetary, trade, government, and incomes policy
 - Energy company and transaction valuation and other independent energy research
 - Historical and current commodity prices
- River Road also receives access to attend investor conferences and access to analysts for discussions and presentations at River Road's offices.
- Additionally, River Road receives trading research from some broker-dealers, such as information related to liquidity, market structure, trade analytics, and stock execution.

FactSet and Bloomberg

FactSet is an interactive interface that is a primary tool in River Road's investment research workflow. It houses internal investment research and also provides a consolidated place where external research can be accessed by portfolio managers and analysts. Bloomberg is also an interactive interface where real-time research can be accessed in a consolidated place.

Data Feeds

In addition to analysis, River Road also used client brokerage commissions to pay for some data feed services. The data received includes, but is not limited to, pricing and benchmark data.

iii. Other Relationships with Brokers Providing Soft Dollar Benefits

River Road has relationships with some broker-dealers apart from the Soft Dollar Benefits that the broker-dealers provide:

- River Road acts as a model portfolio provider for wrap fee programs offered by some broker-dealers.
- River Road has a prime brokerage relationship with a broker-dealer for River Road's Long-Short Equity strategy and River Road may put in place additional prime brokerage relationships.
- Some broker-dealers may recommend that their clients invest in the investment companies for which River Road acts as subadviser.
- River Road has fee-paying client(s) that may be or have affiliated entities that are broker-dealers that execute trades and provide Soft Dollar Benefits to River Road.
- River Road utilizes a broker for execution of client trades that it also uses to act as custodian for proprietary client account(s). This broker may also provide Soft Dollar Benefits to River Road.

These relationships are considered separately by River Road and do not influence River Road's decisions to use client commissions to receive Soft Dollar Benefits from the broker-dealers.

C. Directed Brokerage

River Road either selects broker-dealers for trades in client accounts ("Non-Directed Accounts") or follows clients' written direction to use a particular broker-dealer ("Directed Accounts").

In the event that a client directs River Road to use a particular broker-dealer it may cost the client more money than if the client allowed River Road to select the broker-dealers and River Road may not obtain best execution for Directed Accounts. This is because River Road may not be able, and is under no obligation, to negotiate commissions, obtain volume discounts, or aggregate the trades for the Directed Account with trades for Non-Directed Accounts. Generally, River Road executes trades for Non-Directed Accounts before trades for Directed Accounts. If a partial execution is received for a block trade of Non-Directed Accounts on a specific day, a Directed Account order may not be placed at all that day. After Non-Directed Account trades are executed, trades for Directed Accounts are sent to the directed brokers on a rotational basis. Trades may not always be fully executed by the directed broker before River Road sends the order to the next directed broker in the trade rotation. Directed Account clients may pay higher commissions and receive less favorable prices than those clients who do not direct brokerage and this may result in a performance drag for Directed Account clients. The Directed Account commission charges will vary from Non-Directed Accounts and other Directed Accounts.

Some of River Road's clients have established a commission recapture or rebate arrangement with one or more broker-dealers. This arrangement is negotiated between the broker-dealer(s) and the client or the client's custodian independently of River Road. River Road is not a party to the negotiations or agreement. The client may instruct River Road in writing to direct the broker-dealer(s) to credit a portion of commissions back to the client. In some instances, River Road may still be able to treat the client account as a Non-Directed Account. To do so, the following conditions generally must be met:

- The directed broker(s) (or a broker in its correspondent network) is one that River Road already uses for non-directed trades;
- River Road is not required to utilize the directed broker(s) for all of the client's trades; and
- The commission recapture or rebate arrangement has no adverse effect on execution for other Non-Directed Accounts.

In the commission recapture/rebate arrangement situation, typically the portion of the client's brokerage commission credited for the commission recapture/rebate arrangement would have been utilized by River Road to help pay for Soft Dollar Benefits. These clients still receive the benefits of the soft dollar services utilized by River Road.

Some clients direct River Road to use a particular broker-dealer but only if the broker-dealer provides best execution. River Road uses a third party to perform a best execution analysis on an annual basis. The analysis can only be made on a post-trade basis. Therefore, River Road will not be able to analyze trade execution of a broker-dealer until after the trades for the one-year period have already been made. River Road also may wait to review longer periods of best execution results to ensure an adequate data sample size. These clients could incur poor executions during the evaluation period. Additionally, due to River Road executing Non-Directed Account trades first, Directed Account trades may receive less favorable prices and a corresponding performance drag.

Model Portfolios

As stated in Item 4.D, River Road is a model portfolio provider to various investment advisers (Adviser) and program sponsors (Sponsor) of wrap programs for several of its strategies.

River Road treats all model portfolio relationships like Directed Accounts. As a consequence, changes to the model portfolio will typically be communicated only after trades have been executed in River Road's Non-Directed Accounts. The model will typically be updated and communicated as part of the Directed Account trade rotation. However, if there are restrictions on how often River Road can update the model that could disadvantage other Directed Accounts, changes to the model portfolio will be communicated last (after trades are placed or executed for River Road's other Directed Accounts).

The model portfolio should be similar to the asset composition of separately managed accounts managed by River Road but the ultimate asset composition is at the discretion of the Adviser or Sponsor. River Road has no discretion over the wrap program accounts or whether or not the Adviser or Sponsor follows the model. The Adviser or Sponsor is responsible for the investment advice provided to the end-clients. Additionally, the model portfolio could differ at times due to the small asset size of wrap accounts relative to separately managed accounts. Some Advisers or Sponsors direct River Road to minimize transaction costs, which sometimes will delay changes to the model portfolio so that small changes can be aggregated.

D. Aggregation and Allocation

River Road's trade aggregation and allocation policy is reasonably designed to ensure that clients are treated equitably over time and that no client account is systematically advantaged or disadvantaged. When clients participate in aggregated transactions, they will typically receive a pro-rata allocation at the average share price and transaction costs will be shared equally on a pro-rata basis. Small and partially filled orders may result in some (typically smaller) clients not receiving a fill on a given day (because they would have only received a fractional share). This may result in the excluded clients getting different (and possibly worse) execution prices on later trading days or not receiving a fill at all.

River Road may be requested to or River Road may choose to exclude certain accounts from a strategic trade if River Road determines that the allocation the account will receive will be too small and undesirable for the client due to potential custodial trade ticket fees or other transaction costs. Conversely, when there is a partially filled order, smaller accounts may receive a full allocation in order to reduce transaction costs for those clients. In either instance, the portfolios could receive a more or less favorable price than other clients.

River Road follows the below aggregation procedures:

- Trades for client accounts in the same strategy will typically be aggregated.
- Trades for client accounts in strategies in the same Investment Business Group ("IBG") that take place in the same security at the same time will typically be aggregated.
- Trades across different IBGs that take place in the same security the same day will typically **not** be aggregated.
- New account funding trading will typically not be aggregated with other trading, but River Road may aggregate accounts in the same strategy or IBG that are funding at the same time. Additionally, cash flow or other non-strategic trades may or may not be aggregated with other trades. Aggregation for new account funding, cash flow trades, and other non-strategic trades will depend on the circumstances and timing.
- Trades for clients that direct River Road to use a particular broker-dealer will typically not be aggregated with clients who allow River Road to choose the broker-dealer. However, River Road typically will aggregate trades for multiple directed accounts that direct River Road to use the same broker-dealer. Please see Item 12.C for more information on directed brokerage.
- Trade procedures for proprietary strategies are different in some instances. Please reference Item 11.B.ii for specific information on proprietary strategies.

When trades are not aggregated it could result in some clients receiving a better price, commission, or execution than other clients. River Road strives to obtain competitive commission rates for all client trades.

ITEM 13 - REVIEW OF ACCOUNTS

A. Review of Client Accounts

Client accounts are monitored continuously by the assigned portfolio managers.

Portfolio managers are responsible for continuously monitoring their respective portfolios. Additionally, River Road has established the Investment Oversight Committee (formerly the Investment Risk Committee) to perform oversight reviews. The Committee typically meets four times per year and consists of the CRO, CCO, CEO, co-CIO, Director of Research, and a senior executive portfolio manager. The Committee has a broad mandate to ensure investment compliance and that research, investment management, and

investment risk management processes are being followed and are effective. The CEO, co-CIO, CRO, CCO, and Director of Research, or their designees, also attend the Research Meeting, which typically meets weekly.

In addition to the regular reviews mentioned above, the assigned portfolio managers and/or business development representatives for each account meets periodically with the client (and their consultants if desired) to review their individual account. Frequency of these meetings varies based upon client preference, but, typically, it is at least annually.

B. Reports to Clients

River Road sends statement packages to clients on a quarterly basis. River Road will send monthly statement packages to clients, if requested. The statement package typically includes an investment performance summary and statement of portfolio holdings for the applicable reporting period. River Road can customize statement report content to meet individual client requests.

River Road also provides clients with quarterly commentary that discusses the composite portfolio and investment outlook.

The statement packages and commentary are written reports.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

A. Other Compensation

As discussed in Item 12.B, River Road has arrangements pursuant to which it receives Soft Dollar Benefits. Please see Item 12.B for more details.

Employees of River Road receive gifts from broker-dealers or other entities, and those brokers-dealers or other entities may or may not be used for client transactions. River Road has implemented a gift and entertainment policy to address the conflicts of interest that may arise. Among other things, the policy:

- Imposes a dollar limit on the gifts that employees may receive in certain circumstances.
- Imposes a dollar limit on the gifts that an employee may give in certain circumstances.
- Prohibits employees from being entertained in certain circumstances.
- Requires employees to report certain gifts and entertainment.

In addition, River Road provides or receives a benefit from persons connected with River Road's clients in the following situations:

- Employees of River Road have attended (and may attend in the future) conferences and seminars hosted by consulting firms that recommend River Road investment strategies to their clients.
- River Road has (and may in the future) support charities at the request of consulting firms that recommend River Road investment strategies to their clients. River Road engaged a consultant to assist in a review of some River Road employee benefits who is also a consulting firm that recommends River Road investment strategies to their clients.
- River Road utilizes an insurance broker for some of the firm's insurance that is an affiliate of a consultant that recommends River Road's investment strategies to their clients.

River Road does not consider any of these situations to present a material conflict of interest because of the limited nature of these situations.

B. Client Referrals

As discussed in Item 10.B, River Road has negotiated a contractual relationship with AMG Funds LLC to cover the payment of compensation to AMG Funds LLC for River Road's advisory clients that are referred by AMG Funds LLC to River Road. Any such compensation to AMG Funds LLC will not increase the client's fees and will be paid in accordance with Rule 206(4)-3 under the Investment Advisers Act of 1940, as amended. Such referral fees will generally be paid in cash. The fee to AMG Funds LLC is based on a percentage of the fees River Road receives from client(s) referred under the agreement.

As discussed in Item 10.B, River Road is party to a client service/marketing agreement with Affiliated Managers Group Limited ("AMG Limited") under which AMG Limited introduces River Road's investment management services to prospective institutional clients and/or will provide institutional client services to certain of River Road's clients in various foreign jurisdictions in the future. River Road pays AMG Limited a fee for these services. The compensation to AMG Limited will not increase any client's fees and will be paid in accordance with Rule 206(4)-3 under the Investment Advisers Act of 1940, as amended. Such referral fees will generally be paid in

cash. The fee to AMG Limited is based upon a portion of AMG Limited's expenses (and a portion of the fee is paid regardless of whether River Road has a client referred under the agreement).

River Road previously had an agreement with Aston, under which Aston provided nondiscretionary services such as back office support, administrative assistance, and marketing services, to support River Road's provision of advisory services through third-party sponsored programs, including wrap programs. River Road has terminated this arrangement but still pays Aston a trailing fee for a set period of time from the date of termination.

Presentation and other marketing of River Road strategies may be presented by an employee of AMG, AMG Funds LLC, AMG Limited, or Aston, which are affiliates of River Road.

ITEM 15 - CUSTODY

River Road does not have custody of client funds or securities. Clients should ensure they receive at least quarterly statements from the broker-dealer, bank, or other qualified custodian that holds and maintains the client's investment assets. River Road urges you to carefully review such statements and compare such official custodial records to the account statements that we provide to you as set forth in Item 13.B. Our statements may vary from custodial statements based on accounting procedures, reporting dates, pricing provider, or valuation methodologies of certain securities.

ITEM 16 - INVESTMENT DISCRETION

River Road usually receives discretionary authority from the client at the outset of an advisory relationship. The terms of this authority are set forth in a written investment management agreement. River Road initiates the investment and reinvestment of portfolio assets without prior client approval for the individual transactions. Such discretion is to be exercised in a manner consistent with the stated strategy investment guidelines, such as those described in Item 8.A.

Client portfolios are managed by following the established strategy investment guidelines and additional client-requested investment restrictions, if any, that are incorporated into the investment management agreement between River Road and the client. Please see Item 4.C for more information. For registered investment companies, River Road's authority to trade securities is also limited by certain federal securities and tax laws that require diversification of investments.

ITEM 17 - VOTING CLIENT SECURITIES

A. Voting of Client Securities

River Road exercises discretionary voting authority over proxies issued on securities held in client accounts unless the client has explicitly reserved voting authority. River Road, as a matter of policy and as a fiduciary to our clients, has responsibility for voting proxies for client securities consistent with the best economic interests of the clients. River Road maintains written policies and procedures as to the handling, research, voting and reporting of proxy voting.

To help discharge its duties, River Road hired Glass Lewis & Co. ("Glass Lewis") as its voting agent. Glass Lewis performs the following services:

- provides analysis of proxy proposals,
- tracks and receives proxies for which River Road clients are entitled to vote,
- votes the proxies as directed by River Road; and,
- compiles and provides client voting records.

River Road has established the Proxy Voting Policy Committee to establish voting guidelines and review special issues. The Committee meets annually to review Glass Lewis' proxy voting guidelines and determines and documents where River Road disagrees with the agent's guidelines, if at all, and determines necessary action, if any. The Committee is responsible for adopting the final voting guidelines.

River Road will generally instruct Glass Lewis to vote proxies pursuant to guidelines adopted by River Road's Proxy Voting Policy Committee at the beginning of each year. If the policy recommendation and the management recommendation are different for a

particular vote, portfolio managers may choose to vote differently from the policy with respect to a particular proxy based on the investment implications of each issue. In such cases, the investment rationale is documented and prior approval of the Compliance Department is obtained.

River Road has eliminated most conflicts of interest by using an independent third party (Glass Lewis) that votes pursuant to the guidelines adopted by the Proxy Voting Policy Committee or in accordance with River Road's direction based on the above process. In cases where River Road believes there may be an actual or perceived conflict of interest, River Road requires additional steps that may include the following:

- documenting the potential conflict of interest;
- obtaining the prior approval of the Chief Investment Officer or Co-Chief Investment Officer and the Chief Compliance Officer;
- obtaining Committee review or approval;
- deferring to the voting recommendation of a third party;
- voting pursuant to client direction (following disclosure of the conflict);
- abstaining from voting;
- voting reflectively (in the same proportion and manner as other shareholders); or,
- taking such other action as necessary to protect the interests of clients.

Where clients have implemented securities lending programs, River Road will be unable to vote proxies for securities on loan unless it issues instructions to the client custodian to callback the securities prior to record date. River Road typically does not instruct custodians to callback securities.

River Road's policy is to vote all proxies the same way for each client. Clients are permitted to place reasonable restrictions on River Road's voting authority by providing their own voting guidelines or directing a vote in a particular solicitation with reasonably advance notice given to the CCO (contact information below). If clients provide River Road with their voting guidelines or direction and River Road accepts them, River Road will instruct the voting agent to vote proxies pursuant to the client guidelines.

For clients that have reserved voting authority, clients should receive their proxies or other solicitations directly from their custodian or a transfer agent. They will not receive them from River Road. Clients may contact the CCO (contact information below) with questions about a particular solicitation.

Clients may obtain a copy of River Road's complete Proxy Voting Policies and Procedures and/or records of how River Road voted proxies for securities in their accounts by contacting the CCO:

Attention: Thomas D. Mueller, COO & CCO

River Road Asset Management, LLC

462 South Fourth Street

Suite 2000

Louisville, Kentucky 40202

(502) 371-4100

rramcompliance@riverroadam.com

B. Class Actions and Legal Proceedings

Portfolio companies currently or formerly held in River Road client accounts may become subject to class actions, bankruptcy, or other legal proceedings. River Road does not monitor for, act on behalf of clients in, or assist clients in any such proceedings. To the extent requested in the client's investment management agreement, River Road will use best efforts to forward to the client notices River Road receives related to proceedings for their specific account.

ITEM 18 - FINANCIAL INFORMATION

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition. River Road has no financial condition that is reasonably likely to impair River Road's ability to meet contractual commitments to clients and has not been the subject of a bankruptcy petition.