

**Wrap Fee Program Brochure Cover Page**

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**GoodHaven Wrap Fee Program Brochure**  
**March 29, 2012**

**This Wrap Fee Program Brochure provides information about the qualifications and business practices of GoodHaven Capital Management, LLC. If you have any questions about the contents of this Brochure, please contact us at (305) 677-7650 or [info@goodhavenllc.com](mailto:info@goodhavenllc.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.**

**Additional information about GoodHaven Capital Management, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Our oral and written communications are intended to provide you with information which you may use to determine to hire or retain us to provide investment advice.**

**GoodHaven Capital Management, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training.**

## **Material Changes**

This section discusses only material changes to our previous Wrap Fee Program Brochure which was dated August 25, 2011.

We have updated our Wrap Fee Program Brochure to revise disclosure of our proxy voting policy.

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## **Services, Fees and Compensation**

GoodHaven Capital Management, LLC (“we” or “us” or “our” or “GoodHaven”) was established in November 2010 and began managing individual accounts in February 2011. Larry Pitkowsky and Keith Trauner are the Managers of the firm, and GoodHaven is majority owned by entities controlled by Larry Pitkowsky and Keith Trauner. Larry has more than twenty years of research and portfolio management experience. Keith has more than thirty years of research, portfolio management, and executive experience. For most of the decade prior to their forming GoodHaven, both Larry and Keith held a variety of portfolio management and executive positions directly with or affiliated with Fairholme Capital Management, LLC and its related Fairholme Fund. Markel Corporation, a Virginia-based property/casualty insurance company, is the sole minority partner in GoodHaven and does not participate in day to day management of the firm.

### **Services**

GoodHaven provides investment supervisory services and investment advice for various types of investors with portfolios in excess of \$1 million (each a “Client”). We manage portfolios of publicly traded securities, which consist primarily of common stocks, but may also include other securities, such as preferred stocks, bonds, debentures, warrants, and options. We invest using a “focused value investment philosophy” whereby accounts will be concentrated into a limited number of significant investments. Our primary strategy is to use fundamental research to identify securities issued by attractive businesses, whose affairs are managed by sensible and talented owners, and where those securities are selling at a reasonable price. Our strategy is not formally limited by industry, sector, or market capitalization. Our investment horizon is long-term and we expect relatively low portfolio turnover.

As a general rule, we seek Clients who share a similar objective of making money over the long-term by investing in a focused portfolio of undervalued securities. Due to the concentrated nature of the portfolios we manage, it is possible that a large percentage of a Client account may be invested in a single security, industry or sector. Accounts may sometimes hold significant balances in cash or similar securities if we are unable to find investments we believe satisfy our investment criteria. In addition, we may purchase securities other than common stocks as part of our investment strategies. At a Client’s request or with their prior written consent, we may use margin borrowings or modest exposure to derivative securities to enhance the potential return of investments.

Our investment strategy is focused, and accordingly, we prefer to accept the management of accounts without restriction. We do, however, consider a Client’s needs and goals and may, in our sole discretion, consent to restrictions on how an account may be invested. For example, an

officer of a public company may ask that we not purchase shares of that company for his account without specific permission in advance, or may request that his account not be invested in the shares of companies that directly compete with his employer. We normally accommodate such requests and maintain a "restricted" list of accounts we have agreed to manage with limits on our discretion. All such permanent restrictions must be set forth in writing in the Investment Advisory Agreement (the "Agreement") between us and our Client.

We sponsor and manage accounts in a program we call the GoodHaven Separate Account Program (GSA Program, or GSAP). Unlike a widely diversified account, portfolios managed under the GSA Program will be concentrated with a small number of individual securities (typically, but not always, between 7 and 15 holdings). The GSA Program is not limited in the number of holdings at any given time and a few securities could account for a majority of the market value of an account. GoodHaven receives a fee (as disclosed below) for managing wrap accounts.

All clients will open a brokerage and/or custody account with a broker-dealer or custodian that uses software and technology that meets our minimum compatibility requirements. Clients that choose to open brokerage accounts with one of our primary broker/custodians and that elect the GSA Program will be charged an all-inclusive management fee that will include all transaction and custody costs. By having a certain critical mass of business at our primary broker/custodians, we expect to achieve lower transaction costs and better trading executions on behalf of our Clients. However, Clients are not required to use our primary broker/custodians. Clients who elect to hold securities or transact at a broker/custodian other than one of our primary broker/custodians will pay our investment management fee and bear their own transaction and custody expenses. To the extent a broker/custodian that is not one of our primary broker/custodians has entered into a separate agreement with us, a Client may also be subject to separate management fees. These Clients may be subject to higher or lower overall costs, and transactions for these clients may be executed at prices that are higher or lower than our broker/custodian may charge other accounts. We do not negotiate transaction or management fees other than our management fees for Clients that select a broker/custodian other than one of our primary broker/custodians, and while we will attempt to achieve favorable trading costs, we are not able to guarantee "best execution" of trades placed for those accounts.

We may enter into other separate account programs with other broker/custodians at our discretion or manage accounts in a similar or related investment style for clients that do not choose our GSA Program. These other programs and other accounts may have terms that are substantially similar to, or different from, those of the GSA Program, and could potentially include accounts with performance related fees, if requested by a client. The firm has adopted procedures to ensure that trades are allocated appropriately so that accounts with performance related fees are not treated better than or worse than any other separate account under management. Equitable and fair treatment of all Client accounts is one of our core principles.

Our Code of Ethics governing the behavior of the firm's managers and employees with respect to the equitable treatment of all accounts.

### Fees

Our fees are payable quarterly in advance, based on assets under management at the end of the previous quarter. Clients will authorize their broker/custodian to deduct the fee from the Client's account upon submission of an appropriate invoice to the broker/custodian, with a copy to the Client, and have the broker/custodian pay the fee to us directly. Generally, our fee schedule is not negotiable, but we reserve the right to negotiate a fee in our sole discretion for any reason we deem appropriate. In our sole discretion, we may agree to invoice a fee.

For non-mutual fund clients, we charge an annual fee as follows:

First	\$1 million	1.5% of assets under management
From	\$1 –\$ 5million	1.25% of assets under management
Over	\$5 million	1.125% flat fee retroactive to the first dollar

Clients whose assets are managed in our GSA Program are charged an annual management fee, payable quarterly in advance, based on a percentage of assets under management. The minimum account size for our GSA Program is \$1 million, but we may lower this amount at our discretion. The first quarterly fee is due upon execution of the GSAP Agreement and the fee will be assessed pro-rata if the Agreement is signed at any time other than the beginning of a calendar quarter. GSA Program clients will be billed quarterly in advance based on the value of supervised assets in their account on the last day of the preceding calendar quarter.

### Brokerage Practices

We have entered into one or more agreements with a broker/dealer to act as a primary broker/custodian whereby accounts managed in our GSA Program will not be charged commissions for accounts domiciled at that broker/dealer and all such commissions will be our obligation and included in the cost of the GSA Program Client's advisory fee. However, Clients also may choose their own broker or custodian, acceptable to us, where the Client will remain responsible for all brokerage commissions or mark-ups and custody costs in addition to the advisory fee. We reserve the right to enter into similar or different arrangements with other broker/custodians on similar or different terms.

We do not intend to use "soft-dollar services" whereby we will receive research or other services from a broker-dealer in return for directing client commissions. Should we elect to do so, Clients will be promptly notified of the services provided and the difference, if any, between the commission rates of the broker providing the services and other brokers of comparable

capabilities. To the extent that the firm does use “soft-dollar” services, the soft-dollar benefits will not be proportionally allocated to any accounts that may generate different amounts of the soft-dollar benefits.

Brokers are selected generally based on providing competitive execution services for trades, however determining the best execution for trades is based a number of factors including, but not limited to, the commission rate, the ability of the broker to effectively execute individual or block orders, the nature of the securities being purchased or sold, the expertise of the broker when transacting in a particular security or type of security, the willingness of a broker to make a market in an over the counter security, and the reasonableness of the commission rates when compared to the overall services provided. To the extent we enter into a separate wrap fee agreement with a broker custodian that is not one of our primary broker/custodians, we may consent to execute brokerage through that particular broker subject to certain conditions, including, but not limited to, that GoodHaven will have no requirement to provide “best execution” services. As described below, such transaction costs may be more or less than those charged to other Program participants.

Other than as described above, we do not expect to receive any benefits as a result of directing brokerage to any particular broker.

#### Custody

We do not intend to have custody of Client assets; Client assets will be held in brokerage accounts or with third party custodians under which our Clients will grant us discretion to place trades. We provide quarterly reporting on Client accounts, including a Statement of Investments, a Performance Report and a Billing Statement. Our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains the Client’s account. **We urge** Clients to carefully review these statements and compare them to the account statements that we may provide to you.

#### Investment Discretion

After consultation with a potential client regarding their objectives and understanding of the firm’s investment philosophy and strategy, we will enter into an Investment Advisory Agreement with the Client which explicitly grants us a limited power of attorney to select the identity and amount of securities to be bought or sold. In all cases, we exercise our investment discretion in a manner consistent with the Client’s investment objectives for the particular account. Clients may request that we invest the account in accordance with specific investment guidelines and

restrictions. We may decline to manage accounts if these proposed investment guidelines or restrictions conflict with our investment philosophy or strategies or for any reason we deem appropriate. When selecting securities and determining amounts, we will observe the restrictions and limitations that we have agreed to follow on behalf of our Clients.

For registered investment companies or series thereof, our authority to trade securities may also be limited by applicable federal securities and tax laws, in addition to the fund's investment strategies and restrictions.

Accounts not domiciled at our primary broker/custodians, pooled vehicles, investment companies, or certain institutional accounts may pay advisory or management fees on a different schedule and will generally be responsible for their own transaction and custody costs. For such accounts, the timing and payment of management fees may differ from GSA Program Clients.

Unless explicitly covered in a Client's written Agreement, fees do not include brokerage commissions, transaction fees, and other related costs and expenses which the Client may incur. Our Clients may also incur charges imposed by custodians, brokers, and other third parties, including but not limited to, fees charged by managers, custodial fees, deferred sales charges, odd-lot differential charges, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. To the extent we invest in a professionally managed vehicle, you will be responsible for other expenses charged by that vehicle. For example, investment advisors charge fees to mutual funds and exchange traded funds to manage investments, which are disclosed in the funds' prospectuses. Mutual funds or financial intermediaries may also impose sales charges, Rule 12b-1 fees and/or redemption fees which may be retained by the financial intermediary from proceeds of any withdrawal. All of these types of fees and commissions are in addition to our fees, and we do not receive any portion of these commissions, fees, and costs. Notwithstanding the foregoing, if an account we manage also owns shares of the GoodHaven Fund, we will not charge our Client a management fee on that holding beyond the *pro rata* advisory fee paid by that fund directly to us.

To the extent that a Program Client uses our services as well as the services of a broker/custodian that is not one of our primary broker/custodians, the Program may cost the Client more or less than purchasing our services and the services provided by the broker/custodian services separately. To the extent that a Program Client directs us to execute trades at a broker/custodian that is not one of our primary broker/custodians, the Client may pay brokerage charges, mark-ups, or mark-downs that are higher than those provided by other brokers and we will have no obligation to provide "best execution" services on behalf of such Program Clients. Broker/custodians that are not one of our primary broker/custodians may charge commissions, mark-ups and mark-downs, management fees, custody fees, and other charges in addition to our Program investment advisory management fee.



For the purpose of calculating our advisory fees and advisory fee breakpoints, we may consent, in our sole discretion, to combine the assets of related accounts to meet breakpoint thresholds (e.g. family total assets under management or all assets at a broker/custodian that has entered into a separate agreement with us on behalf of its clients).

Agreements may be terminated by either us or a Client upon written notice, without penalty or liability, but Clients must pay us any accrued but unpaid advisory fees. Any Client who terminates an agreement will receive a pro-rata refund of pre-paid advisory fees allocable to the period after the effective date of the termination notice. Refunds are calculated and paid promptly, within 30 days after the Client notifies us that they are terminating the relationship (or after we terminate a Client relationship).

Neither our managing principals nor our employees receive compensation for the sale of securities or investment products. We do not receive commissions or sales fees and only charge fees for investment advice pursuant to an investment advisory relationship.

## **Account Requirements and Types of Clients**

The minimum account size for our GSA Program is \$1 million, but we may lower this amount at our discretion.

We provide investment advice and portfolio management services primarily to high net worth individuals, trusts, corporate pension and profit-sharing plans, financial institutions, and other corporations. In addition, we may also accept accounts from Taft-Hartley plans, charitable institutions, foundations, endowments, municipalities, registered investment companies, private investment funds, trust programs, sovereign funds, non-U.S. investment pools such as UCITs and SICAVs, and other U.S. and foreign institutions. We are the investment adviser to GoodHaven Fund, a series of Professionally Managed Portfolios (SEC File No. 811-05037).

## **Portfolio Manager Selection and Evaluation**

Larry Pitkowsky and Keith Trauner manage all GSA Program accounts jointly. The firm uses a version of Advent Software's portfolio accounting system to monitor accounts and account performance. Performance is calculated monthly by Advent and disseminated to our firm. Accounts are reviewed internally on at least a monthly basis for performance comparisons to benchmarks as well as other internally managed accounts.

We have adopted procedures to ensure that all clients are treated equitably and that none are materially disadvantaged by the investing activities of the portfolio managers.

### Performance-Based Fees and Side by Side Management

We may enter into performance-based fee arrangements for qualified clients, under which we will receive a fee based in whole or in part upon a share of the capital gain or overall profit in the Client's account. All such performance-based fees will be individually negotiated with each Client. If we agree to manage accounts using performance-based fees, the performance-based fee arrangements will be structured to satisfy Section 205(a)(1) of the Investment Advisers Act of 1940 ("Advisers Act") and exemptions thereto. In calculating performance-based fees, we generally include realized and unrealized capital gains and losses as well as income and expenses. For pooled vehicles, we will calculate performance-based fees in accordance with the applicable advisory agreement and governing operating agreement. If market quotations are not available, we will "fair value" assets for purposes of calculating performance-based fees.

To the extent that we manage accounts with both fixed management fee rates and accounts with performance-based fee arrangements, we may have a conflict of interest in that an account with a performance-based fee arrangement will offer the potential for higher profitability when compared to an account with a fixed management fee. Performance-based fee arrangements may create an incentive for us to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Performance-based fee arrangements may also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities.

To minimize these and other such issues, we have adopted policies designed to ensure that we treat all Clients equitably in allocating investment opportunities. These policies include our Code of Ethics, which governs the behavior of all employees, review procedures designed to identify unfair or unequal treatment of accounts, periodic performance reviews to identify potential problems, and trade allocation and aggregation policies. We do not consider fee structures in allocating investment opportunities.

### Methods of Analysis, Investment Strategies and Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. Certain of our strategies may result in greater volatility and greater risk of loss than other more diversified strategies. All of our strategies will expose Clients to various risks, including, but not limited to, concentration risk, market risk, interest rate risk, and illiquidity risk.

#### Methods of Analysis

Our primary method of analysis is fundamental research. Generally, we believe that identifying a significant difference between the market value of a security and the intrinsic value of that security is what defines an investment opportunity. We define intrinsic value as the amount that

would accrue to the owners of a security if the underlying company were sold to a rational and well-informed buyer, or the company was liquidated with the proceeds distributed to security holders, or where the particular security sells at a price that would yield no better than a security considered ultra-safe, such as a U.S. Treasury note or bond. We also believe that the market performance of a share of common stock, over an extended period of time, is likely to follow the business performance of the underlying company. Accordingly, our favorite type of investment will be a common stock that is significantly undervalued where we expect future corporate performance to be significantly positive compared to its present position. Securities we believe are undervalued are often not well known by the investing public, or have been the subject of considerable negative publicity, although from time to time these qualities may be found in larger and better known businesses. We are not constrained by geography, sector, industry, or market capitalization in seeking these investment opportunities.

Our Portfolio Managers attempt to understand the long-run dynamics of specific companies by performing extensive fundamental research to review candidates for investment. Normally, this research involves scrutinizing corporate reports, press releases, and financial statements, and reviewing documents filed with the SEC or other regulatory entities, court filings, newspaper, magazine, and internet articles, audio or transcripts of conference calls, presentations, and a variety of additional sources. From time to time, our Portfolio Managers may conduct surveys or other projects or may employ consultants to conduct surveys or other projects that have the potential to provide additional insight into the competitive position of a particular industry or company. The Portfolio Managers may also seek to meet with company management, executives or employees of suppliers, and executives or employees of competitors to attempt to better understand the long-term strengths and weaknesses of the industry or the conditions under which the company operates. Although a normal portfolio will hold approximately 7-15 securities, it is entirely possible that a portfolio under our management may hold a single security that accounts for 25% of the account's value (measured at the time of purchase) and that a large part of an account's value may consist of just a few securities.

Our strategies are generally long-term and intended to have relatively low portfolio turnover. We are not interested in short-term corporate results except to the extent we believe such results have a bearing on our long-term expectations for growth and profitability of a business, and most of our investment strategies do not contemplate short term trading. We may, however, pursue other value investing strategies involving securities that require more frequent purchases or sales such as those related to risk arbitrage, spin-offs, and companies in bankruptcy. These types of strategies may carry additional costs and risks.

### Concentration Risks

Portfolios are concentrated in a smaller number of securities, which while offering significant potential for gain may also result in larger losses to capital than would occur in a more widely diversified portfolio. By concentrating our portfolios, the performance of a single security can dramatically affect the overall value of a portfolio, both up and down. To the extent that our analysis is flawed, or markets become unduly depressed, a large loss in a single concentrated investment could result in a loss that is material to the portfolio as a whole and significantly larger than would be indicated by the movement of the general securities markets.

### Market Risk

We have no control over and cannot predict the day to day fluctuations of the stock and bond markets. While we believe that volatility can sometimes lead to favorable investing conditions, every Client is at the risk of loss from adverse movements in general security prices, which have been substantial in recent years and which could continue for a prolonged period. Moreover, a Client's overall investment gain or loss may be significantly influenced by the market prices and conditions at the time of the opening or closing of an account.

### Interest Rate Risk

Most securities represent claims against the cash flows or earnings power of a business. To the extent that interest rates increase significantly or that inflation begins to become widespread, the value of both stocks and bonds could decline and remain depressed for an extended period of time. Many businesses may be permanently impaired if inflation becomes significant and stock and bond prices will generally decline if interest rates move up and could suffer large declines if interest rates move up rapidly.

### Illiquidity Risk

To the extent we buy securities for our Clients that are thinly traded or illiquid, it may be difficult or impossible to sell a position during times of market stress, leading to significant potential capital loss. To the extent we own illiquid securities based on a business whose fundamentals become impaired, we may not be able to sell all or a portion of our investment and may incur significant losses as a result.

### Counterparty Risk

To the extent we invest in derivatives, Client portfolios may be exposed to counterparty credit risk as well as risk of capital loss. Further, we are not brokers or custodians and cannot control the counterparty risk assumed by our primary broker/custodians to third parties or the risks that other brokers or custodians selected by clients may assume by dealing with independent third parties. In certain instances, affiliates of brokers or custodians may have significant counterparty risk to other large financial institutions over which we have no control.

### Voting Client Securities

GoodHaven prefers that our Clients retain exclusive authority to vote proxies for securities in their account. Therefore, it is the firm's general practice not to vote securities for accounts managed by the firm other than for accounts that are employee related, where we have a pecuniary interest (such as a pooled vehicle), or where we advise or sub-advise an investment company. Accordingly, we expect Clients to receive and vote proxies for any and all securities maintained in their portfolios. We may provide advice to Clients regarding the voting of proxies and may forward Client instructions to the appropriate broker/custodian. Notwithstanding the above, we may, under limited circumstances and in our sole discretion, consent to vote proxies on behalf of certain unaffiliated clients upon request. In connection with such activity, GoodHaven has formulated a proxy voting policy that is generally supportive of shareholder rights and good corporate governance.

We expect to vote proxies for the GoodHaven Fund in accordance with our proxy voting policy and such policies and procedures that may be established or delegated by the Fund's Board of Trustees.

### **Client Information Provided to Portfolio Managers**

Generally, GoodHaven's portfolio managers will periodically consult with Clients of the GSA Program, at least once a year, to ensure that the Client's objectives and risk tolerances remain appropriate to the GSA Program's goals and portfolio management activities. Each Advisory Agreement will also require that the Client notify GoodHaven if their financial condition or goals or objectives should materially change. If Clients of the GSA Program have a financial advisor, we will, with Client consent, communicate directly with the Client's financial advisor and the Client's financial advisor will be responsible for notifying us of any change to the Client's objectives and risk tolerances.

To the extent that we enter into a separate GSA Program arrangement with a broker/custodian that is not one of our primary broker/custodians, we will generally require that the Client provide us with sufficient information for us to conclude that the Client has the ability to withstand the risk factors that apply to our management of accounts. However, a broker/custodian, and financial advisor, if any, retains the responsibility for ensuring that the Client's financial profile and risk objectives are suitable for participation in the GSA Program. In such cases, if we are not in direct contact with the Client, we may request indemnification or representations or warranties by the broker/custodian and/or the Client's financial advisor participating in the wrap fee arrangement that the Client's financial position and investment objectives make them suitable for a managed account with our firm and will renew such representations or warranties at least annually.

## **Client Contact with Portfolio Managers**

Unless otherwise set forth in a separate agreement with a broker/custodian that is not one of our primary broker/custodians, we do not impose restrictions on Client communications with one or both of the Portfolio Managers.

## **Additional Information**

### Disciplinary Actions

There are no disciplinary actions to disclose under this Item.

### Financial Industry Affiliations

GoodHaven is a stand-alone investment manager. We do not currently have any affiliations with other entities in the financial services industry.

### Code of Ethics

We believe that the interests of clients and portfolio managers are best served when they are similarly aligned. One of our core principles is that our portfolio managers should “eat their own cooking” and be willing to invest in the same securities we recommend or purchase for clients. As such, our portfolio managers may purchase or sell securities for their own accounts or those of related persons that are later purchased or sold by clients and our portfolio managers’ personal holdings are expected to significantly overlap holdings of securities in Client portfolios. In addition, our portfolio managers expect to hold significant personal stakes in shares of investment companies for which we manage assets, to demonstrate a significant financial commitment to their investment strategy and to align their personal interests with those of shareholders. We have adopted a Code of Ethics (the “Code”) including procedures designed to avoid having Clients suffer disadvantages from these conflicts of interest.

Our Code for all supervised persons describes our high standard of business conduct and our fiduciary duty to clients. The Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other topics. All of our supervised persons must acknowledge the terms of the Code annually, or when it is amended. A copy of our Code will be provided upon request.

Our employees and persons associated with us are required to follow the Code. Subject to the Code and applicable laws, our members, officers, directors and employees and our affiliates may trade for their own accounts in securities which are recommended to and/or purchased for our

Clients. The Code is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory Clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of our Clients. In addition, the Code requires pre-clearance of many transactions. Nonetheless, because the Code in some circumstances would permit employees to invest 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. Employee trading is continually monitored under the Code, and our procedures are designed to reasonably prevent conflicts of interest between our principals, our employees, and our Clients.

Pursuant to the Code, we have adopted trading policies and procedures to promote fairness and uniformity in our dealings with Clients. However, due to different client objectives, strategies, restrictions, and cash holdings, not all Clients will participate in a particular trade and the fact that a security has been purchased for or held by one Client does not mean it will be purchased by or held by another Client. Similarly, a security sold for one Client does not automatically mean that the same security will be sold by another Client in similar amount or at all based on the above potential differences and restrictions. Due to market conditions and other factors, it is possible that we may purchase or sell a security on behalf of some Clients that we have sold or purchased on behalf of others. We expect to apply a pre-approved allocation methodology depending on the nature of the order, the size of the trade, the nature of the order, the number of accounts participating and the aggregate dollar value of the trade. We use the following types of allocation methodologies: pro-rata allocation, rotation, top down and bottom up.

We require Access Personnel to "pre-clear" trades in securities that we hold for Clients. We have adopted policies allowing, where applicable law and the nature of orders permit, employees to aggregate trade purchases and sales so that Clients (including the Portfolio Managers) receive an average or similar price, subject to significant oversight policies. We believe that aggregating employee and client trades may be a fair and equitable procedure designed to align employee interests with Clients. Certain related accounts may trade in the same securities with Client accounts on an aggregated basis. In such circumstances and to the extent applicable, the related and Client accounts will share commission costs equally and receive securities at a total average price. We will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated using one of the pre-approved methods. Any exceptions will be explained on the order.

Pursuant to the Code, we have adopted procedures to ensure that all clients are treated equitably and that none are materially disadvantaged by the investing activities of our staff.

It is our policy not to effect any principal or agency cross securities transactions for Client accounts. We will also prohibit cross trades between Client accounts. Principal transactions are generally transactions 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. An agency cross transaction is generally 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.

GoodHaven's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Larry Pitkowsky, Managing Partner, at (305) 677-7650, by e-mailing [info@goodhavenllc.com](mailto:info@goodhavenllc.com) or by visiting our website at [www.goodhavenllc.com](http://www.goodhavenllc.com).

#### Client Referrals and Other Compensation

We do not have any arrangements under which we compensate anyone specifically for referring clients to us. We do not have any cash solicitation arrangements.

We advise a registered mutual fund, which may engage in certain customary business practices involving distribution, which could include payment of per account fees or revenue sharing fees. We may engage in revenue sharing arrangements or other fees to obtain access to distribution networks and platforms, however, to the extent we charge a fund a unitary fee or agree to a cap on overall fund expenses, costs in excess of our management and/or administrative service fees will generally be borne directly by us and not the shareholders of the fund.

#### Review of Accounts

Our portfolio accounting system will be reconciled with our broker/custodian records on a daily basis. All Client accounts may be reviewed at any time, and are reviewed at least quarterly. GSA Program accounts will be reviewed at least monthly by a member of the portfolio management team, currently composed of Larry Pitkowsky and Keith Trauner. During a period when we are attempting to buy or sell significant amounts of securities on behalf of our Clients, such reviews may occur more frequently. Any notification of unusual activity or request for a significant withdrawal of capital will be immediately reviewed by one of the Portfolio Managers.

GSA Program accounts will receive independent trade confirmations and monthly statements from their broker/custodian and we will provide quarterly reporting in writing with respect to Client accounts, including, at a minimum, a Statement of Investments, a Performance Report, and a Billing Statement. We will further provide information of a similar nature to any client upon request at any time during the measurement period.



To the extent we enter into a separate Program arrangement with other broker/custodians, we expect our review process to parallel that described above for the GSA Program.

#### Financial Information

We have no financial commitment that impairs our ability to meet our contractual and fiduciary commitments to clients, and we have not been the subject of a bankruptcy proceeding.

#### **Requirements for State Registered Advisers**

This Item does not apply to us.