



## Reinhart Partners, Inc.

### Part 2A of Form ADV: Firm Brochure

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**March 21, 2017**

This Brochure provides information about the qualifications and business practices of Reinhart Partners, Inc. ("Reinhart"). If you have any questions about the contents of this Brochure, please contact us at 262-241-2020 or by email at [info@reinhart-partnersinc.com](mailto:info@reinhart-partnersinc.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.

Reinhart is a registered investment adviser. The registration of an investment adviser does not imply any level of skill or training. Additional information about Reinhart also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 — Material Changes

This brochure was updated on March 21, 2017 to fulfill Reinhart’s annual updating amendment requirement and to provide information that is different from our previous annual update on March 15, 2016. In particular, this section only identifies the material changes to our business since our last update to make clients and investors aware of information that has changed and that may be important to them. The material changes since our last update to this brochure include the following:

- Reinhart has removed reference to the wealth management division’s 2015 spin-out previously listed under the *Other Important Information* section last year.
- Item 12 *Brokerage Practices* has been updated to reflect Reinhart’s updated trade rotation practices for Wrap and directed brokerage accounts.

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## **Item 4 — Advisory Business**

### **Firm Description**

Reinhart provides professional investment management to a broad range of investors. All services are provided on a supervisory basis. Reinhart provides continuous investment advice and management based upon the individual needs and objectives of each client. Reinhart was founded by James Reinhart and commenced its operations in 1991.

### **Principal Owner**

James Reinhart is the principal owner of Reinhart. Reinhart is a privately held, Wisconsin-based investment adviser, majority owned by its employees.

### **Types of Advisory Services**

Reinhart offers a range of investment styles, including small and mid-cap equity, as well as a range of taxable and tax-exempt fixed income products. Clients may choose from these styles to build an individually tailored portfolio mix. Reinhart may offer investments in mutual funds or other investments as part of an asset allocation. These investments are selected based upon an evaluation of a company's performance history, management, total assets, expense ratio, turnover ratio, dividend yield and sales fees.

Reinhart manages all client assets on a discretionary basis and determines which securities are to be bought or sold and, in these determinations, it is guided by the general guidelines which are set up at the inception of the adviser-client relationship in cooperation with the client. Reinhart's authority to invest in certain securities may be subject to conditions imposed by the client. For example, wherein clients restrict or prohibit transactions in certain types of securities. Reinhart will also allow reasonable investment restrictions that do not materially affect its investment strategy.

Additionally, Reinhart provides model portfolio recommendations to sponsors of managed account programs. In such instances, clients in the managed account program pay the program sponsor fees for its services, and the program sponsor pays Reinhart for its recommendations. The program sponsor is solely responsible for exercising discretion with respect to securities purchased or sold for the client accounts and is solely responsible for executing trades and seeking best execution for client accounts.

### **Wrap Fee Programs**

Reinhart serves as a discretionary manager for certain wrap fee programs. These programs are arrangements in which brokerage, custody, performance monitoring and reporting, investment advisor search and selection, and investment advisory services are provided by a program sponsor for a single "wrap" fee. Total fees paid to the program sponsor generally range from 1.0 – 2.25% annually and are based upon assets under management. Reinhart acts as a sub-

adviser in such arrangements and receives a portion of the wrap fee for investment advisory services provided. The client has the right to terminate Reinhart as a sub-adviser by notifying Reinhart in writing either directly or through the wrap program sponsor. Reinhart does not serve as a sponsor to any wrap fee program.

#### **Client Assets**

As of December 31, 2016, total assets under management were \$5.7 billion. All client assets are managed on a discretionary basis.

## **Item 5 — Fees and Compensation**

#### **In General**

Fees for services rendered are based on a percentage of assets under management and are payable quarterly in advance, unless otherwise stipulated in writing. The annual rates provided below are applied to the market value of invested capital, including cash or its equivalent held for investment, as appraised by Reinhart. Where client assets are invested in mutual funds, exchange traded funds, or other third party investment vehicles, the client will incur both a direct management fee payable to Reinhart and an indirect management fee payable through the third party investment vehicle. The same is true if client assets are invested in a strategy offered by a third-party investment adviser – that is, the client will incur both a management fee payable to Reinhart and a management fee payable to the third-party investment adviser. No fee increase will take effect without at least sixty days' advance written notice.

Unless Reinhart has permission from the client to debit automatically the client's custodial, banking or brokerage account(s), as the case may be, Reinhart will invoice each client for services rendered.

The contractual relationship between Reinhart and its clients shall remain in force until canceled by either party upon 30-days' prior written notice. Unless a client specifically instructs Reinhart to liquidate the client's assets, Reinhart will not liquidate assets when notice of termination is received from a client. In the event of termination by either party, any unearned fees will be prorated back to the client.

In some cases, Reinhart has entered into performance fee arrangements with qualified clients. Such fees are subject to individualized negotiation with each such client. For more information see "Performance-Based Fees and Side-By-Side Management," below.

#### Fee Schedule\*

First \$25 Million	0.85%
Next \$25 Million	0.75%
Amounts over \$50 Million	0.65%

\* All portfolio fees are subject to negotiation depending upon total value of assets managed, asset type, and servicing requirements.

#### **Mutual Fund Fees**

Reinhart serves as the investment adviser to the Reinhart Mid Cap PMV Fund (the "Fund"). The Fund pays Reinhart a monthly advisory fee based on its average daily net asset value at the annual rate of 1.00%. Advisory fee and expense related information may be found in the Fund's Prospectus and Statement of Additional Information available at [www.reinhartfunds.com](http://www.reinhartfunds.com).

#### **Other Fees**

There are other fees or expenses associated with client accounts beyond fees paid to Reinhart for providing investment management services. Reinhart's fees do not include brokerage commissions, transaction fees, and other related expenses paid to brokers which will be incurred by the client. Reinhart does not accept custody of client assets and therefore requires its clients to separately engage qualified custodians. Clients may incur certain other charges imposed by such custodians. Mutual funds and exchange-traded funds also charge other fees and expenses, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Reinhart's fee, and Reinhart shall not receive any portion of these commissions, fees and costs. For more information about brokerage commissions, please see Item 12 below.

#### **Item 6 — Performance-Based Fees and Side-By-Side Management**

In some cases, Reinhart has entered into performance fee arrangements with qualified clients. Such fees are subject to individualized negotiation with each such client. Reinhart will structure any performance or incentive fee arrangement in accordance with Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the "Advisers Act"), in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In measuring clients' assets for the calculation of performance-based fees, Reinhart includes realized and unrealized capital gains and losses. Performance-based fee arrangements may create an incentive for Reinhart to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor performance fee paying accounts over other accounts in the allocation of investment opportunities. Reinhart has procedures designed and

implemented to ensure that all clients are treated fairly and equitably, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

## **Item 7 — Types of Clients**

### **Description**

Reinhart provides investment advisory services to a mutual fund, corporations, other investment advisers, pension and profit-sharing plans, Taft-Hartley plans, municipalities and other public institutions, foundations, trusts, individuals and other separate accounts. Reinhart also provides model portfolio recommendations to sponsors of managed account programs.

### **Account Minimums**

Reinhart has a standard minimum account size of \$1,000,000 for all equity and fixed income accounts. Smaller accounts may be accepted based upon a number of factors, including geographic considerations, related account relationships, the number of clients with individual firms and support services provided by other firms.

## **Item 8 — Methods of Analysis, Investment Strategies and Risk of Loss**

Reinhart currently offers the following investment strategies: Fixed Income Strategy and Private Market Value Equity Strategy. Each of these strategies is described below.

### **Fixed Income Strategy**

*Philosophy.* Quality, stability and predictability are the hallmarks of our fixed income philosophy. Each of these is described below.

- **Quality:** At Reinhart, we believe in building high-quality, investment grade fixed income portfolios of treasury, agency, high-quality corporate, asset-backed, and/or municipal bonds.
- **Stability:** Interest rate risk is the most prevalent risk in any fixed income portfolio. We feel that it is difficult to predict short-term movement in interest rates. Generally, we build portfolios with durations similar to those of the chosen benchmark to avoid wild performance swings relative to the appropriate index.
- **Predictability:** Bonds play an important role in managing cash flows and providing diversification within an overall investment plan. We seek to construct portfolios with very predictable cash flows.

*Research and Analysis.* Our portfolio managers are heavily involved in fundamental research. In addition, our entire fixed income team formally meets at least monthly to review economic trends, portfolio positioning, and changes in the credit fundamentals of issuers held in client portfolios. Potential changes to portfolio positioning are also discussed.



We utilize a three-step process to determine suitability for inclusion in the portfolio. First, we examine the credit ratings of the issue in question. We view this as an outsider's perspective of the credit quality of the issuer in question. Second, we have developed a real-time database which tracks the movements of each issuer's securities in numerous markets. This provides us with the market's perspective of each issuer. Third, and most importantly, is our internal research. We have developed our "Causes of Financial Distress Methodology" to determine an issuer's credit quality. Within this methodology, we seek to identify any factors that have the ability to create financial distress for a given issuer. We then assess the exposure of each issuer to the potential causes of distress. If the exposure is sufficiently low, the issuer is classified as acceptable for inclusion in the portfolio. In-depth credit research is performed for all issuers on our core holdings list.

### **Private Market Value Equity Strategy**

*Philosophy.* The price of a stock is a function of the value investors place on the company's future prospects. Opinions on value can vary dramatically based on investor perception. At any given time, a stock may be over, under or fairly valued, depending on the accuracy of these perceptions. At Reinhart, we focus on finding those stocks that the market has misunderstood or underestimated.

The management team of the Private Market Value Equity Strategy utilizes a valuation paradigm that emphasizes the quality of the underlying franchise. In particular, we rely heavily on our proprietary Private Market Value ("PMV") methodology in constructing a truly objective intrinsic value of any franchise. We maintain a value discipline and focus on those companies with strong competitive advantages and consistent track records.

*Research and Analysis.* Approximately 75% of our research in this strategy is generated internally. We build our own research file for every company by reviewing industry information, company reports, and interactions with management. Our research process focuses on how each company has generated above-average returns-on-capital. Examples of company advantages we look for include a strong brand, niche markets, superior distribution, low cost providership, or technological advantages. We then evaluate if the company can continue growing and generating healthy margins on new business. A strategic analysis of barriers to entry, substitute products, customer and supplier bargaining power, and other competitive issues is undertaken to fully understand the business model of the industry and company in question. In so doing, we attempt to think like business owners and put the "Wall Street" mentality aside.

After we understand the business model, we couple our analysis with data on actual market buyouts to arrive at an estimate of value. The PMV process is different for each industry.

Various metrics are utilized, depending on the key issues and operating structure of the sector being analyzed. Some common methods of assigning a PMV include:

- A multiple of revenue approach
- Enterprise value-to-EBITDA
- Price-to-earnings
- Price per subscriber
- Economic-value-added valuation
- Discounted cash flow

In each case, we utilize our own judgment, but look at actual takeovers within the industry to validate and/or adjust our methodology.

Roughly 25% of external research is used in our research process. We find company-specific, fundamental research most useful. We retrieve this information from a variety of useful sources including FactSet, EVA Dimensions, company financial statements, and Wall Street research.

PMV is Reinhart's proprietary methodology for determining a company's true intrinsic value. PMV is what Reinhart believes an acquirer would be willing to pay for the entire company (per share). It is calculated by observing actual takeover valuations and applying the corresponding appropriate valuation multiples to each stock analyzed. This process is greatly facilitated by utilization of the Mergerstat database service. PMV becomes the "anchor" by which all decisions are framed within an emotional market. New names are usually purchased at a 30% discount to private value, and stocks are sold when they reach PMV. The gap between price and PMV serves as an objective basis to trim or add to existing holdings, and to allocate capital within the portfolio.

#### **Principal Risk Factors Applicable to All Strategies**

Investing in securities involves risk of loss that clients should be prepared to bear. Reinhart does not offer any products or services that guarantee rates of return on investments for any time period to any client. All clients assume the risk that investment returns may be negative or below the rates of return of other investment advisers, market indices or investment products. Investments are subject to market risk, which may cause the value of the client's account to be worth more or less than the client's initial investment. The market value of a client's account is expected to fluctuate. Further, the securities selected may decline in value or not increase in value when the market, in general, is rising.

## **Item 9 — Disciplinary Information**

Reinhart and its employees have not been involved in any legal or disciplinary events that would be material to a client's evaluation of the firm or its personnel.

## **Item 10 — Other Financial Industry Activities and Affiliations**

Reinhart and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

## **Item 11 — Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Reinhart has adopted a Code of Ethics for all access 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 the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Reinhart must acknowledge the terms of the Code of Ethics annually, or as amended.

Reinhart anticipates that, in appropriate circumstances and consistent with clients' investment objectives, it will recommend to investment advisory clients the purchase or sale of securities in which Reinhart, its affiliates and/or clients, directly or indirectly, have a position of interest. Reinhart's employees are required to follow Reinhart's Code of Ethics. Subject to satisfying this policy and applicable laws, employees of Reinhart may trade for their own accounts in securities which are recommended to and/or purchased for Reinhart's clients. The Code of Ethics is designed to ensure that the personal securities transactions, activities and interests of the employees of Reinhart 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 of Ethics, 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 Reinhart's clients. In addition, the Code of Ethics requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics 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 by the firm's compliance personnel to

ensure compliance with the Code of Ethics, and to reasonably prevent conflicts of interest between Reinhart and its clients.

Reinhart's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting the firm's Chief Compliance Officer at 262-241-2020.

## **Item 12 — Brokerage Practices**

For clients who grant Reinhart complete discretionary authority, Reinhart determines the broker or dealer through which the securities are to be bought or sold and the commission rates at which transactions are effected. In making these decisions, Reinhart considers a variety of factors, including best price and execution and the quality of the brokerage and research services provided by the broker. Reinhart may pay a broker a brokerage commission in excess of that which another broker might have charged for effecting the same transaction in recognition of the value of the brokerage or research services provided by the broker. Such services are used in servicing all of Reinhart accounts and are not used solely by Reinhart in connection with the accounts which paid a commission to the broker providing such services.

When a client desires that a particular broker is to be used, the client is required to specifically direct Reinhart in writing. Where the client directs Reinhart to use a specified broker, the client should understand that (i) Reinhart will not negotiate commissions on the client's behalf and that, as a result, the client may pay materially different commissions than paid by other clients of Reinhart depending on the client's commission arrangement with such broker and upon other factors, such as the number of shares, round and odd lots, and the market for security purchased or sold; (ii) the client's securities trades will not be included in Reinhart's "batched" orders (i.e., orders for the purchase or sale of the same security for more than one account of Reinhart) executed through such broker and, therefore, the client may pay a different brokerage commission than other clients of Reinhart participating in such "batched" orders; (iii) if Reinhart was not directed to use such broker, the client may pay less in commissions; (iv) Reinhart has a potential conflict between client's interest in obtaining best execution and Reinhart's interest in receiving future referrals from such broker/dealer and; (v) for the foregoing reasons, Reinhart may not obtain best execution in certain transactions in the client's account.

Trades for Wrap and directed brokerage accounts will be placed behind trades for non-directed accounts. The Wrap and directed accounts will be traded in a systematic rotational order, as determined by the trader placing the trade. Recommendations for model portfolios are made after trading the non-directed and directed accounts. Reinhart does not exercise trading discretion over the model accounts as execution of the trades is the responsibility of the model sponsor. A separate trade rotation is utilized by Reinhart for its model only accounts.

Research services received from brokers and dealers are supplemental to Reinhart's own research effort and, when utilized, are subject to internal analysis before being incorporated by Reinhart into its investment process. Reinhart pays cash for certain research services received from external sources. Reinhart also allocates brokerage for research services which are available for cash. Reinhart will arrange for the execution of securities transactions for client accounts through brokers or dealers that Reinhart reasonably believes will provide best execution. Consistent with obtaining best execution, transactions for client accounts may be directed to brokers in return for research services furnished by them to Reinhart. Such research generally will be used to service all of Reinhart's clients, but brokerage commissions paid may be used to pay for research that is not used in managing a specific client's account. With regard to the payment of brokerage commissions, in accordance with Section 28(e) of the Securities Exchange Act of 1934, Reinhart may cause an account to pay commission rates in excess of those another broker or dealer would have charged for effecting the same transaction, if Reinhart determines in good faith that the commission paid is reasonable in relation to the value of the brokerage and research services provided. This determination may be viewed in terms of either the particular transaction involved or the overall responsibilities of Reinhart with respect to the accounts over which it exercises investment discretion. Therefore, research may not necessarily benefit all accounts paying commissions to such brokers. Accordingly, while Reinhart cannot readily determine the extent to which commission rates charged by broker/dealers reflect the value of their research services, Reinhart would expect to assess the reasonableness of commissions in light of the total brokerage and research services provided by each particular broker. Reinhart receives a wide range of research services from brokers and dealers. These services include research reports on companies, industries, the economy, and securities; statistical analysis relative to current client portfolios; economic and financial data; financial publications; computer databases; quotation services; and research-oriented software services. In some cases, research services are generated by third parties but are provided to Reinhart by or through broker-dealers.

Reinhart receives mixed-use items, such as account and research software from various vendors. These mixed-use items are paid for by a combination of soft dollars (commissions) and hard dollars. The allocation of the cost of these items is made by Reinhart. Reinhart has a potential conflict of interest in making such allocations.

From time to time it may be desirable to acquire or dispose of the same securities for more than one client at the same time. In this circumstance, it may not be possible to acquire or dispose a sufficiently larger portion of the security, or the client may have to accept a less favorable price. Reinhart's trade allocation/aggregation procedures have been designed to ensure that all clients are treated fairly and equitably with no particular group or client(s) being favored or disfavored over any other clients, but also to allow for flexible use of appropriate

allocation methodologies. In circumstances where combined orders can be effected, orders for the same security executed on the same day for more than one client are treated as a combined order and the price averaged for participating clients and transaction costs are shared equally and on a pro rata basis.

Trades will not be combined where a client has directed transactions to a particular broker-dealer or when Reinhart determines combined orders would not be efficient or practical. Where a client pays a per-trade, rather than a per-share brokerage commission, clients may experience relatively high brokerage costs per equity share when Reinhart executes small share trading lots on the client's behalf. No personal security transactions for Reinhart employees will be included in any client blocked trades.

With respect to limited-supply investment opportunities, Reinhart allocates investment opportunities among clients on an objective basis. Reinhart generally allocates investment opportunities among client accounts pro rata based on the initial quantity demanded for each account. The factors considered in allocating investment opportunities, including opportunities of limited supply, generally include the following:

- investment objectives,
- investment strategies,
- investment parameters and restrictions,
- tax considerations,
- liquidity considerations,
- hedging considerations,
- legal and/or regulatory considerations,
- asset levels,
- timing and size of investor capital contributions and redemptions,
- cash flow considerations,
- market conditions,
- existing exposures to an investee company or security, and
- other criteria deemed relevant by Reinhart (the nature and extent of the differences will vary from client to client).

Based on such factors and the fact that different portfolio management personnel may manage Reinhart's various client accounts, there are, or are expected to be, differences between and among clients with respect to portfolio holdings and the timing of transactions.

As such, Reinhart may not always allocate investment opportunities on a pro rata basis. There will be circumstances where:

- only some clients participate in investment transactions (e.g., to avoid odd lot positions or de minimis positions),

- the level of participation between and among clients in investment transactions is not on a *pro rata* basis, and
- investment transactions among clients vary in other respects.

Such non-*pro rata* investment transactions among clients will be made at the discretion of Reinhart when deemed:

- appropriate given the differences between the clients involved,
- appropriate because the target holdings of the particular investment that Reinhart has established with respect to the clients involved differ from client to client, and/or
- otherwise to be in the best interests of the clients involved.

It is our general policy that no client will receive inappropriate preferential treatment or otherwise be treated unfairly, and we will seek to uphold this policy when making decisions regarding investment allocations.

It is Reinhart Partners' policy for clients to be made whole following a trade error provided it is consistent with the custodian's trade error policy, when trade error accounts are used to rectify trade errors. In such instances, the custodian's policy dictates the use of any gains that accrue due to trade errors (e.g., donated to charity, used to offset losses, etc.). An error detected before the settlement date of the trade (the "Settlement Date") generally will be run through a proprietary error or other account or otherwise corrected in another manner; generally, this means that the security position will be sold or covered in the market. An error detected and corrected before the Settlement Date that was run through the proprietary error account will be handled as follows: (i) any gain accrues to the benefit of Reinhart Partners; and (ii) any loss will be to the detriment of Reinhart Partners, including any commission expenses. An error detected and corrected after the Settlement Date will be handled as follows: (i) any gain after correction accrues to the benefit of the client account; and (ii) any loss after correction will be reimbursed to the client's account by Reinhart Partners including any commission expenses.

## **Item 13 — Review of Accounts**

### **Periodic Reviews**

Each account will be reviewed at least monthly by a portfolio manager. Reviewers will service all accounts managed within their style. They continuously evaluate the impact of the changing economic and market conditions on the securities in and investment objectives of each portfolio. Major factors considered in all reviews include the market activity of individual securities and industries, the mix of money market, fixed income and equity instruments and the investment strategy in terms of the income, risk and growth objectives of the client.

**Reports**

Clients receive periodic letters and commentaries discussing Reinhart's outlook for the markets and clients' portfolios. Clients may also receive other periodic newsletters, telephone calls and personal consultations. Portfolio summaries, portfolio appraisals, purchase and sale reports, reports detailing realized gains and losses, and income and expenses will be provided upon request. Customized reports are also available upon request.

**Item 14 — Client Referrals and Other Compensation**

Reinhart uses third party marketing representatives to refer clients and to which a marketing representative's fee is paid. The fee is based on a percentage of the management fees paid to Reinhart for prospects that end up becoming clients of Reinhart. The fee ranges between 10% - 20% of revenue. The third party marketer may also receive a retainer. This fee does not result, directly or indirectly, in the payment of any greater fees or expenses by the client.

See "Brokerage Practices" above for a discussion of research services utilized by Reinhart.

**Item 15 — Custody****Account Statements**

All client accounts are held in custody by unaffiliated broker/dealers or banks, but Reinhart can access many client funds through its ability to debit advisory fees. For this reason Reinhart is considered to have "custody" of client assets. We maintain policies and procedures designed to provide reasonable assurance that clients receive statements from their respective custodians on at least a quarterly basis. To the extent we send you account statements, you are encouraged to compare the information included within the account statements to the information reflected in the statements you receive directly from your custodian. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

**Item 16 — Investment Discretion**

Generally, Reinhart exercises investment discretion over the majority of its client accounts. As such, Reinhart will normally have the authority to supervise and direct the investments of and for the client's account without prior consultation with the client. When selecting securities and determining amounts, Reinhart observes the investment policies, limitations and restrictions of the clients for which it advises.



Certain clients impose investment restrictions and limit Reinhart's authority to trade or select brokers. These restrictions and limitations must be set forth in the client's respective agreement with Reinhart.

## **Item 17 — Voting Client Services**

Reinhart has adopted policies and procedures to ensure that it votes client proxies in the best interest of those clients who have delegated their proxy voting responsibility to Reinhart. Reinhart bases final voting decisions on a pre-established set of policy guidelines. Decisions are based on independent, objective analysis of economic interests of shareholders. When a material conflict of interest may affect Reinhart's ability to vote proxies in clients' best interest, Reinhart will disclose such conflict of interest to affected clients and obtain written consent before voting. Reinhart will not be responsible for, or take any action or render any advice with respect to, voting of securities in accounts managed by a third party adviser.

Generally, Reinhart votes proxies for all accounts at the same broker/custodian on an aggregated basis. However, if a client notifies Reinhart in advance, Reinhart will vote that account on a non-aggregated basis. In order to obtain a report showing how proxies were voted or to obtain a copy of Reinhart's Proxy Voting Policies and Procedures, please contact:

Attention: Chief Compliance Officer  
Reinhart Partners, Inc.  
1500 W. Market Street  
Mequon, WI 53092  
(262) 241-2020

### **Class Action Lawsuits**

Reinhart generally does not elect to participate in legal actions such as class action lawsuits on behalf of its clients. Rather, such decisions remain with the client or an entity designated by the client. At the client's request, Reinhart may assist the client in reaching this decision by forwarding claims to the client or by providing supporting documentation and information. However, the final determination as to whether to participate, and the completion and tracking of any such related documentation, rests with the client. Reinhart does not make claims on behalf of its clients.

## **Item 18 — Financial Information**

Reinhart has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.