

MILLER VALUE PARTNERS, LLC

INVESTMENT ADVISER BROCHURE

May 23, 2016

One South Street,

Suite 2550

Baltimore, Maryland 21202

THIS BROCHURE PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF MILLER VALUE PARTNERS, LLC. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT (410) 454-3130 OR MVP@LMMINVESTMENTS.COM.

THE INFORMATION IN THIS BROCHURE HAS NOT BEEN APPROVED OR VERIFIED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION ("SEC") OR ANY STATE SECURITIES AUTHORITY.

ADDITIONAL INFORMATION ABOUT MILLER VALUE PARTNERS, LLC IS ALSO AVAILABLE ON THE SEC'S WEBSITE AT WWW.ADVISERINFO.SEC.GOV.

The delivery of this brochure (the "Brochure") at any time does not imply that the information contained herein is correct as of any time subsequent to the date shown above. This Brochure will supersede all other documents containing information about Miller Value Partners, LLC.

Material Changes

The following material changes have been made to the Investment Adviser Brochure dated as of March 16, 2016:

The Section entitled “Advisory Business” has been amended to include additional detail regarding the separately managed account strategies that Miller Value Partners, LLC (the “Firm”) offers to institutions and private clients.

The Section entitled “Fees and Compensation” has been amended to include the Firms’ standard fee schedule for its separately managed client accounts. Additional detail was also included regarding the manner in which client fees are invoiced.

The Section entitled “Types of Clients” has been amended to broaden the description of the types of client accounts that the Firm may manage.

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ADVISORY BUSINESS

Miller Value Partners, LLC (the “Firm”) is a Delaware limited liability company and is the successor to Miller Value Partners, LP, which was formed on June 16, 2015. The Firm is controlled by William H. Miller, III, who is Managing Member and Chief Investment Officer of the Firm.

The Firm provides investment management services to private funds that are offered exclusively to sophisticated investors (each a “Fund” and, collectively, the “Funds”). Investors in the Funds will be accredited investors (as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended) and qualified clients (as defined in Rule 205-3 promulgated under the Investment Advisers Act of 1940, as amended). The Firm also offers investment advisory services to institutions and private clients on a discretionary basis through separately managed accounts (SMAs). As of May 23, 2016, the Firm managed approximately \$13.4 million in client assets on a discretionary basis.

The Firm’s primary equity investment strategies adhere to a value-driven, research intensive investment process. By adhering to a consistent, value-driven process, the Firm’s equity strategies strive to outperform their benchmarks over the long-term. The Firm seeks to provide its equity client accounts with long-term outperformance and capital appreciation by actively selecting securities that it believes are trading at a discount to intrinsic value.

The Firm offers two equity investment strategies to its SMA clients, the Value strategy and the Concentrated Value strategy. The Value strategy invests primarily in publicly traded equity securities, the majority of which will have market capitalizations above \$1 billion at time of purchase. Value accounts will generally consist of approximately 40-60 holdings. The Concentrated Value strategy follows the same value-driven investment process; however, these accounts typically have between 20-25 holdings and may have greater exposure to small and mid-capitalization companies. The increased concentration and exposure to smaller companies is likely to create more volatility over shorter time periods versus other investments or more diversified strategies.

Certain of the Firm’s accounts may also employ proprietary models licensed by Seismic Technology, LLC (the “Data Provider”), a Delaware limited liability company and an affiliate of the Firm, from Open Hazards Group Inc., and sub-licensed by the Data Provider to the Firm. Mr. Miller, as the principal owner and controlling person of the Data Provider (directly or through one of more holding companies and/or trusts), controls the Data Provider.

The models generally seek to outperform the Standard & Poor's 500 Index over the long-term with lower volatility. In seeking to achieve this goal, the Firm will invest either by purchasing long positions or selling short securities whose values derive from the S&P 500 or its constituents. The determination as to whether the Firm will purchase or sell short an investment will generally be made on a daily basis based on the signal from the model.

In addition to the investment strategies described above, the Firm may, from time to time, agree to manage accounts according to different investment guidelines specifically negotiated with a client.

The Firm's investment management services are typically provided on a fully discretionary basis; however, clients may request that the Firm adhere to restrictions in managing their accounts (for example, limits on the percentage invested in a particular security or type of security; limits on industry concentration; or prohibitions against investments in particular securities or types of securities). In most circumstances, the Firm will accommodate requested client restrictions provided they do not interfere materially with the Firm's portfolio construction process.

The Firm conducts its investment advisory business in close coordination with its affiliate LMM LLC, a registered investment adviser ("LMM"). The Firm and LMM share employees and office space. In addition, the Firm may aggregate its clients' brokerage orders with orders for clients of LMM in an effort to obtain best execution.

FEES AND COMPENSATION

The Firm expects to charge the Funds a management fee on a quarterly basis in advance, as specified in the applicable offering documents. The management fee will equal 0.375% (1.50% annually) of the assets under management of the relevant Fund. Lower management fees may also be negotiated at the Firm's discretion. The general partner to each of the Funds generally receives a performance-based allocation at the close of each quarter equal to 20% of the Fund's net income for the quarter, subject to a loss carryforward (i.e., "high water mark"). When management fees are paid in advance by a Fund, no part of the management fee will be refunded in the event an investor in the Funds withdraws, whether voluntarily or involuntarily, all or any portion of the Fund investment.

For SMA clients, the Firm's standard fee schedule is 1.00% on the first \$25 million under management, 0.75% on the next \$25 million under management, and 0.60% for remaining amounts over \$50 million under management. The Firm may negotiate fees on a case by case basis with clients and may consider factors such as the size of the account, anticipated future additional assets, related accounts and the parameters of the investment mandate.

Fees for SMA clients are typically billed on a quarterly basis and they are payable in arrears based upon the value of the assets in the account on the last trading day of the calendar quarter. If the investment management agreement between the Firm and the client is terminated, the client will be responsible for paying a pro-rated fee for the quarter in which the account was terminated. The Firm does not require SMA clients to pay fees in advance; however some clients may chose to do so. If an agreement with an SMA client that pays fees in advance is terminated, the Firm will refund a proportionate part of any prepaid fee.

For SMA clients, the Firm typically sends fee invoices to the client's custodian and thereby directs the custodian to pay the Firm's agreed-upon investment management fee from the client's account. Each client is responsible for verifying the accuracy of the fee calculation as client custodians will not determine whether the fee was properly calculated.

All management fees and performance-based compensation are calculated pursuant to the governing documents of the relevant Fund or investment management agreement of the relevant SMA.

Alternative Fee Arrangements

The Firm may, in its discretion, consider and negotiate fee arrangements that are different from those described above.

All clients/investors incur third-party brokerage commissions and other transaction costs, as explained in further detail in the **Brokerage Practices** section below. Additional third-party costs related mainly to custody, audit, administration, legal advice, tax advice and preparation, banking services, and research and consulting may also apply for clients/investors. In some cases, the Funds may also be billed to reimburse the Firm for certain travel expenses. In all cases, details concerning applicable fees and expenses are set forth in each respective client's limited partnership agreement, limited liability company operating agreement, investment management agreement, and/or prospectus.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

The Firm, or its affiliate LMM, may manage accounts that pay performance-based fees. Such fees may be paid to the Firm or LMM, or they may be paid to the general partner of a Fund managed by the Firm or LMM. Accounts that pay performance fees may be managed by a portfolio manager that also manages accounts for the Firm or LMM that only pay fees based on a percentage of assets under management. Since the compensation of the Firm's portfolio managers is impacted by firm profitability, it is possible under certain circumstances that a portfolio manager's compensation could be

more positively impacted if an account that pays a performance fee performs better than accounts that do not. The Firm and LMM recognize that this creates the potential for conflicts of interest and the Firm and LMM have taken steps to address these conflicts.

The Firm and LMM maintain and enforce written policies and procedures designed to ensure that all accounts of both the Firm and LMM are treated equitably, regardless of the fee arrangement. The Firm and LMM will generally combine client orders to buy or sell the same security (known as “bunched” orders) in an effort to obtain best execution or to negotiate a more favorable commission rate. In addition, if orders to buy or sell a security for multiple accounts at approximately the same time are executed at different prices or commissions, the transactions will generally be allocated to each account at the average execution price and commission. In circumstances where a bunched order is not completely filled, each account will normally receive a pro-rated portion of the securities based upon its level of participation in the order. The Firm and LMM may under certain circumstances allocate securities in a manner other than pro-rata, but only if it is determined that the allocation is fair and equitable under the circumstances and does not discriminate against any account. In circumstances where a portfolio manager is making a decision to acquire an investment of limited availability (for example, purchases in an initial public offering), the investments must be allocated to participating clients on a pro rata basis (based upon account size) unless otherwise approved by the Chief Compliance Officer or a delegate. The Firm reviews and keeps accurate records of all investments of limited availability to ensure that client accounts are treated equitably.

A performance-based compensation arrangement may create an incentive for the Firm to make investments that are riskier or more speculative than would be the case in the absence of such performance compensation. To the extent the Firm values any securities or instruments held by clients that pay performance-based compensation, the Firm has a conflict of interest as it will receive higher management and performance fees if it gives such securities and instruments a higher valuation. The Firm may receive increased compensation with regard to unrealized appreciation as well as realized gains in the relevant client’s account, depending on the specific time periods and the nature of any preferred returns. Where any part of the Firm’s compensation is based in part on the unrealized appreciation of securities or instruments for which market quotations are not readily available, the Firm shall disclose how such securities or instruments will be valued and the extent to which the valuation will be determined independently.

The Firm does not represent that the amount of the performance fees or the manner of calculating the performance fees is consistent with other performance-related fees charged by other investment advisers under the same or similar circumstances. The performance compensation charged by the Firm may be higher or lower than the

performance compensation charged by other investment advisers for the same or similar services.

Specific details regarding any performance-based compensation are set forth in each respective client's investment management agreement or relevant private placement memorandum.

TYPES OF CLIENTS

As discussed in the **Advisory Business** section above, the Firm provides investment management services to the Funds, which in turn are offered exclusively to sophisticated investors. The Firm also offers investment management services to individuals, charitable organizations, institutions, endowments and other private clients on a discretionary basis through SMAs. Although the Firm generally seeks minimum account commitments from its investors/clients of US\$ 1,000,000, it can waive such minimums in its discretion. Minimums for SMAs will be negotiated with such clients.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Each strategy employed by the Firm has its own set of risks, but in all cases, the Firm's strategies involve a substantial risk of loss that clients should understand and be prepared to bear.

For SMAs, please refer to the relevant investment management agreement for investment guidelines and parameters. For Funds, please refer to the details in the relevant private placement memorandum.

The Firm's primary equity investment strategy adheres firmly to a value-driven, research intensive investment process. By adhering to a consistent, value-driven process, the Firm strives to outperform its benchmarks over the long-term. The Firm seeks to provide its client accounts with long-term capital appreciation by actively selecting securities that the Firm believes are trading at a discount to intrinsic value.

Certain of the Firm's accounts may also employ proprietary models licensed by the Data Provider from Open Hazards Group Inc., and sub-licensed by the Data Provider to the Firm. Mr. Miller, as the principal owner and controlling person of the Data Provider (directly or through one of more holding companies and/or trusts), controls the Data Provider.

The models generally seek to outperform the Standard & Poor's 500 Index over the long-term with lower volatility. In seeking to achieve this goal, the Firm will invest either by purchasing long positions or selling short securities whose values derive from the S&P 500 or its constituents. The determination as to whether the Firm will purchase or sell short an investment will generally be made on a daily basis based on the signal

from the model. No assurance can be given, however, that any Fund or account employing a model will achieve its investment objective, and investment results may vary substantially over time and from period to period.

The Firm may invest in securities, derivatives and other financial instruments that, in the portfolio managers' opinion, offer the opportunity for long-term growth of capital. Subject to any client account investment guidelines or a Fund's private placement memorandum, the portfolio managers may exercise a flexible strategy in the selection of investments, not limited by investment style or asset class. Client accounts may be invested in the common stock of U.S. and foreign issuers and in other U.S. and foreign securities, including: securities convertible into common stock and securities issued through private placements; preferred securities; warrants and rights; securities issued by investment companies, including open-end mutual funds, closed-end funds, unit investment trusts, business development companies, private investment companies (including hedge funds and private equity funds), and foreign investment companies; securities issued by exchange-traded funds; securities issued by real estate investment trusts and other issuers that invest, deal, or otherwise engage in transactions in real estate; debt securities; options, futures, forward contracts, swaps, caps, floors, collars, indexed securities and other derivatives; currencies, including currency related derivatives; commodity-linked derivatives; and other instruments. Further, client accounts may engage to a substantial degree in short sales of securities and other instruments. Accounts may also borrow money for investment purposes, a practice known as "leveraging." Although the portfolio managers consider ratings in determining whether securities convertible into common stock or debt securities are appropriate investments for client accounts, such securities may include investments rated below investment grade, commonly known as "junk" bonds, and unrated securities.

Risk is inherent in all investing. There is no assurance that a client account will meet its investment objective. Clients may lose a significant part of the value of their account and their account may not perform as well as other similar investments. The following is a summary description of the material risks that clients should consider when establishing an account.

Model and Computational Trading Systems Risk

The Firm may use quantitative models or other computational analysis to make trading decisions for client accounts. The success of computational analysis varies with the accuracy of the forecasts of price moves of the investments, whether short-term or long-term. No assurance can be given of the accuracy of the forecasts. In addition, the calculations that underlie the trading systems, methods, and strategies involve the extensive use of computers. The use of a computer in collating information or in developing and operating a trading method does not assure the success of the method

because a computer is merely an aid in compiling and organizing trade information and executing algorithms generated by human beings. In addition, while rare, data sources employed for the generation of the trading signals may supply erroneous daily data, such as opening or closing prices, and an input error may generate an incorrect trading signal. Moreover, because the Firm's trading methodology is long term, such computational trading may not discern a fundamental causative event in a timely manner, and a client could make, or remain in, an investment that proves unprofitable. Accordingly, no assurance is given that the trading decisions based on computer-generated information will produce profits for any client.

Growth and Value Investing Risk

Growth or value securities as a group may be out of favor and underperform the overall equity market while the market concentrates on other types of securities. Growth securities typically are very sensitive to market movements because their market prices tend to reflect future expectations. When it appears those expectations will not be met, the prices of growth securities typically fall. The value approach to investing involves the risk that stocks may remain undervalued.

Market and Interest Rate Risk

The market prices of the securities in client accounts may go up or down, sometimes rapidly or unpredictably, due to general market conditions, such as real or perceived adverse economic or political conditions, inflation, changes in interest rates or currency rates, lack of liquidity in the markets or adverse investor sentiment. Market prices of securities also may go down due to events or conditions that affect particular sectors or issuers. When market prices fall, the value of client accounts will go down.

Issuer Risk

The value of a security can go up or down more than the market as a whole and can perform differently from the value of the market as a whole, often due to disappointing earnings reports by the issuer, unsuccessful products or services, loss of major customers, major litigation against the issuer or changes in government regulations affecting the issuer or the competitive environment. Client accounts may experience a substantial or complete loss on an individual security.

Portfolio Selection Risk

The value of a client's account may decrease if the portfolio manager's judgment about the attractiveness, value of or market trends affecting a particular security, industry or sector, country or region, or about market movements is incorrect.

Industry and Issuer Concentration Risk

The Firm may invest a significant portion of a client account in a small number of industries, and thus will be more susceptible to negative events affecting those industries. The Firm also intends to manage concentrated portfolios and invest in a smaller number of stocks as compared to other investment managers. As a result, changes in the value of individual stocks may have a significant impact on a client's investment account.

Large Capitalization Company Risk

Large capitalization companies may fall out of favor with investors.

Small and Medium Capitalization Company Risk

The Firm may invest in small and mid-sized companies. Such companies may be more at risk than larger companies because, among other things, they may fall out of favor with investors, they may have limited product lines, operating history, market or financial resources, or because they may depend on limited management groups. Securities of smaller companies may be more volatile, especially in the short term, may have limited liquidity and may be difficult to value. Smaller companies are often involved in actual or anticipated reorganizations or restructurings and it may be difficult to obtain information as to the financial conditions of smaller companies.

Special Risks of Companies Undergoing Reorganization or Restructuring

Investing in companies undergoing reorganization or restructuring involves special risks including that the transaction may not be completed on the terms or time frame contemplated. It may be difficult to obtain information on the financial condition of such companies, and the issuer's management may be addressing a type of situation with which it has little experience, making the market prices of such securities subject to above-average price volatility.

Foreign Investments Risk

The Firm may invest in securities of foreign issuers, including issuers located in emerging market countries. These investments may involve greater risk than investments in securities of U.S. issuers. Foreign countries in which the Firm may invest may have markets that are less liquid, less regulated and more volatile than U.S. markets, may suffer from political or economic instability and may experience negative government actions, such as currency controls or seizures of private businesses or property. In some foreign countries, less information is available about issuers and markets because of less rigorous accounting and regulatory standards than in the United States. Currency conversion costs and currency fluctuations could erase

investment gains or add to investment losses. The risks of investing in foreign securities are heightened when investing in issuers in emerging market countries.

Liquidity Risk

Some securities held by client accounts may be difficult to sell, or be illiquid, particularly during times of market turmoil. Illiquid securities may also be difficult to value if an account is unable to sell a deteriorating security because the market is illiquid, and losses may be magnified.

Leveraging Risk

Use of leverage can magnify the effects of changes in the value of an account's investments and makes such investments more volatile. Accounts may also have to sell assets at inopportune times to satisfy their collateral obligations.

Credit Risk

If an issuer or guarantor of a security held by an account or a counterparty to a financial contract with an account defaults or is downgraded, or is perceived to be less creditworthy, or if the value of the assets underlying a security declines, the value of the client's investment will typically decline. Junk bonds are considered speculative, have a higher risk of default, tend to be less liquid and are more difficult to value than higher grade securities. Junk bonds tend to be volatile and more susceptible to adverse events and negative sentiments.

Derivatives Risk

Using derivatives, especially for non-hedging purposes, involves a significant risk of loss to a client account and can reduce opportunities for gains when market prices, interest rates, currency rates or the derivative instruments themselves behave in a way not anticipated by the portfolio manager. Using derivatives also can have a leveraging effect and increase an account's volatility. Derivatives may be difficult to sell, unwind or value and the counterparty may default on its obligations to a client. Recent legislation calls for new regulation of the derivatives markets. The extent and impact of the regulation are not yet fully known and may not be known for some time. New regulation of derivatives may make them more costly, may limit their availability, or may otherwise adversely affect their value or performance. Swap agreements will tend to shift a client's investment exposure from one type of investment to another. Credit default swap contracts, a type of derivative instrument, involve special risks, including leverage risks, liquidity risks and increased credit risk, and may result in sudden and substantial losses. They may also be difficult to value.

Commodities Risk

Investing in commodities or commodity-linked instruments may subject client accounts to greater volatility than investments in traditional securities. The value of a commodity or commodity-linked instruments may be affected by changes in overall market movements, commodity index volatility, prolonged or intense speculation by investors, changes in interest rates or factors affecting a particular industry or commodity, such as drought, floods, other weather phenomena, livestock disease, embargoes, tariffs and international economic, political and regulatory developments.

Convertible Securities Risk

Convertible securities are subject to market and interest rate risk and credit risk. When the market price of the equity security underlying a convertible security decreases, the convertible security tends to trade on the basis of its yield and other fixed income characteristics, making the convertible security more susceptible to credit and interest rate risks. When the market price of such equity security rises, the convertible security tends to trade on the basis of its equity conversion features and be more exposed to market risk. Convertible securities are typically issued by smaller capitalized companies whose stock prices may be volatile.

Real Estate Investment Trust ("REIT") Risk

The value of Real Estate Investment Trusts, or REITs, may be affected by the condition of the economy as a whole and changes in the value of the underlying real estate, the creditworthiness of the issuer of the investments and property taxes, interest rates, liquidity of the credit markets and the real estate regulatory environment.

Privately Placed Securities Risk

Investments in privately placed securities involve additional risks, including that the issuers of such securities are not typically subject to the same disclosure and other regulatory requirements and oversight to which public issuers are subject, there may be very little public information available about the issuers and they may have limited liquidity.

Short Sales Risk

An account may suffer significant losses if assets that it sells short appreciate rather than depreciate in value. The amount of any gain will be decreased, and the amount of any loss increased, by the amount of the premium, dividends, interest or expenses the client account may be required to pay in connection with the short sale. While the possible loss on a security that is purchased is limited to the price paid for the security, there is no limit on the amount of loss on a security that is sold short.

Investment Company Securities

The Firm may invest client accounts in securities issued by investment companies, including open-end mutual funds, closed-end funds, unit investment trusts, private investment companies, business development companies and offshore investment companies. An investment in an investment company involves risks similar to investing directly in the investment company's portfolio securities, including the risk that the value of the portfolio securities may fluctuate in accordance with changes in the financial condition of their issuers, the value of stocks and other securities generally, and other market factors. In addition, investing in investment companies involves certain other risks, costs, and expenses. For example, if the Firm invests in an investment company on a client's behalf, the client will bear its proportionate share of the advisory fees and other operating expenses of such investment company, which are in addition to the fee payable by the client to the Firm. In addition, the client may incur a sales charge in connection with purchasing an investment company security or a redemption fee upon the redemption of such security. An investment in a closed-end investment company may also require the payment of a substantial premium over, and a sale of such security may be made at a substantial discount from, the net asset value of the issuer's portfolio securities.

The Firm may also invest client accounts in the securities of private investment companies, including hedge funds. As with investments in other investment companies, the client will bear its proportionate share of the advisory fees and other operating expenses of such company. These fees, which may be substantial, are in addition to the fee paid by the client to the Firm. In addition, private investment companies are not registered with the SEC, and may not be registered with any other regulatory authority. Accordingly, they are not subject to certain regulatory restrictions and oversight to which other issuers are subject. There may be little public information available about their investments and performance. Moreover, as sales of shares of private investment companies are generally restricted to certain qualified purchasers, it could be difficult for a client to sell its shares of a private investment company at an advantageous price and time. Finally, because shares of private investment companies are not publicly traded, it may be difficult to establish a fair value for the client's investment in these companies.

Exchange Traded Funds

The Firm may invest client accounts in exchange traded funds ("ETFs"). ETFs are ownership interests in unit investment trusts, depositary receipts, and other pooled investment vehicles (primarily registered investment companies) that are traded on an exchange and that hold a portfolio of securities or stocks (the "Underlying Securities") typically selected to correspond to the stocks or other securities that comprise a particular broad based, sector or international index, or that are otherwise

representative of a particular industry sector. An investment in an ETF involves risks similar to investing directly in each of the Underlying Securities, including the risk that the value of the Underlying Securities may fluctuate in accordance with changes in the financial condition of their issuers, the value of stocks and other securities generally, and other market factors.

Investors in an ETF are eligible to receive their portion of dividends, if any, accumulated on the securities held in the portfolio. The performance of an ETF will be reduced by transaction and other expenses including fees paid by the ETF to service providers. If the Firm invests in an ETF on a client's behalf the client will bear its proportionate share of the advisory fees and other operating expenses of such ETF which are in addition to the fee payable by the client to the Firm.

DISCIPLINARY INFORMATION

Neither the Firm, nor any of the partners, officers or employees of the Firm, have been involved in any legal or regulatory action, or other disciplinary event that the Firm believes is material to an investor's or prospective investor's evaluation of the Firm's advisory business or management.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The Firm has no existing or pending affiliations with a broker-dealer or a registered representative of a broker-dealer. The Firm has no existing or pending affiliations with a Futures Commission Merchant (FCM), Commodity Pool Operator (CPO), or Commodity Trading Advisor (CTA).

The Firm has arrangements that are material to its advisory business with an affiliated investment adviser. The Firm conducts its investment advisory business in close coordination with its affiliate LMM. The Firm and LMM share employees and office space. In addition, the Firm may aggregate its clients' brokerage orders with orders for clients of LMM in an effort to obtain best execution.

CODE OF ETHICS AND PERSONAL TRADING POLICIES

The Firm has adopted a written Code of Ethics that complies with Rule 204A-1 under the Investment Advisers Act of 1940. Existing and prospective clients may obtain a copy of the Code of Ethics by contacting the Firm at the address set forth on the cover page.

Employees of the Firm may from time to time buy or sell securities for their own accounts that are also purchased and/or sold for the accounts of clients. This has the potential to create a conflict of interest between employees of the Firm and clients. In order to address this potential conflict of interest, the Firm's Code of Ethics establishes

policies and procedures relating to trading by employees. The Code of Ethics is based on the principle that the Firm's employees owe a fiduciary duty to clients and must avoid activities, interests and relationships that might interfere with making decisions in the best interests of any client. Among other things, the Code of Ethics generally requires the following:

Personal Securities Accounts Reporting

Each access person (all employees are deemed to be access persons) is required to report a list of personal securities holdings and accounts, including holdings and transactions in brokerage accounts, as well as mutual funds managed by the Firm or managed by its affiliates. The Firm's Code of Ethics requires the provision of duplicate statements for each securities account (with certain limitations) in which an access person has a beneficial interest, thus enabling the monitoring of each employee's trading activity to ensure the activity does not conflict with the best interests of the Firm's clients.

Pre-Clearance of Transactions

Except for certain limited transactions, access persons are required to receive pre-clearance for any securities transaction in which they have or acquire a beneficial interest. Prior to entering an order for execution, an access person must submit a trade authorization request to a pre-clearance officer. The request must identify the proposed transaction and provide certain representations. Upon receipt of the request, a pre-clearance officer will review the proposed trade, as well as information regarding past and/or pending client transactions. If the proposed transaction is deemed to be consistent with the requirements of the Code of Ethics, it may be approved. Regardless of whether a proposed transaction is approved or denied, a pre-clearance officer will maintain a record of the request, which shall include the security and number of shares, as well as the authorization/denial date and time.

Account Transaction Reporting

The Firm requires the provision of duplicate statements for each securities account (with certain limitations) in which an access person has a beneficial interest. Compliance staff reconciles pre-clearance authorization forms with trading activity in access persons' securities accounts. The Firm conducts this reconciliation to ensure that any trading has been conducted pursuant to the requirements set forth in the Code of Ethics.

BROKERAGE PRACTICES

The Firm has discretion over the selection of brokers used for securities transactions in its Fund accounts, and may have similar discretion in the accounts of its institutional and individual SMAs. Where the Firm has such discretion, its selection of brokers will

take into account the following factors: the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of the broker; the quality, comprehensiveness and frequency of available brokerage and research products and services considered to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying the other selection criteria.

Aggregated (Bunched) Orders

When the Firm decides to purchase or sell the same security for several clients at approximately the same time, the Firm will generally combine client orders (i.e., enter a “bunched” order) in an effort to obtain best execution or to negotiate a more favorable commission rate. The Firm may also combine its trades with trades for clients of its affiliate, LMM. If orders to buy or sell a security for several clients at approximately the same time are executed at different prices or commissions, the transactions will typically be allocated to each client at the average execution price and commission.

If a bunched order is partially filled, each client participating in the bunched order will generally receive a pro-rata portion of the shares filled based upon the client’s percentage participation in the order. The Firm and its affiliates may make exceptions to this general policy from time to time; provided, the Firm determines that the allocation is fair and equitable under the circumstances and does not discriminate against any client.

Offering(s) of Limited Availability

If the Firm’s clients participate in an offering of limited availability (for example, an initial public offering), the Firm will generally allocate trades according to each client’s participation in the order. If however the Firm’s aggregate order is greater than the amount of securities available to the Firm, it will endeavor to allocate all investments of limited availability to clients on a pro-rata basis based on the size of each participating client’s account. If the availability of a particular investment is limited to an extent that a pro-rata allocation based upon account size becomes impractical, the Firm may decide to allocate in a manner other than pro-rata.

Directed Brokerage

If a client directs the Firm to execute securities transactions through a particular brokerage firm, the Firm does not negotiate commission rates with the brokerage firm designated by the client. The client may be able to negotiate commission rates directly with the brokerage firm it designates (“directed broker”). The prices and execution quality achieved for a client account with a directed broker may be less favorable than

the prices and execution quality the Firm achieves for other client accounts. In other words, the client's direction to use a directed broker may cost the client more money. The Firm may not be in a position to, and may not, monitor for best price and execution trades the directed broker executes for the client's account. The Firm may place trades for client accounts that direct brokerage after it places the same trades for other clients that do not direct brokerage. This may result in directed brokerage accounts receiving worse prices than other client accounts.

For certain securities transactions that are not available from a client's directed broker (e.g., purchases in initial public offerings) or, in the Firm's judgment, would not be advantageous to the client if executed with such broker, the Firm may aggregate or bunch its order for that client with orders for other clients placed with a broker the Firm selects, and then have that executing broker step out the client's portion of the order to the directed broker for settlement. For such a transaction, the directed brokerage client receives the same prices as the other clients and pays commissions to the Firm-selected executing broker at the same rate paid by the other clients participating in the order. Depending on the terms of the client's agreement with the directed broker, the directed brokerage client may also pay a commission or separate administrative fee to the directed broker for such a transaction.

Cross Trades

When deemed appropriate or advisable by the Firm, certain client accounts managed by the Firm may purchase securities from, or sell securities to, another client account managed by the Firm or an account managed by the Firm's affiliate, LMM. Such transactions are referred to as "cross transactions." A cross transaction occurs when an investment adviser or its affiliate, acting as agent, arranges a transaction between two clients. The Firm may engage in cross transactions in order to benefit client accounts by eliminating or minimizing transaction and market impact costs. The Firm and LMM have adopted policies and procedures designed to ensure that any cross transactions that are executed achieve "best execution," that no client is favored over another by such cross trading, and to prevent inadvertent cross transactions between its client accounts.

All cross transactions between client accounts require the approval of a Compliance Officer. Before the execution of a cross transaction for a client, a Compliance Officer will review the client's brokerage instructions to ensure that the client has not directed the Firm or LMM to refrain from engaging in such transactions for the client's account. If the Firm or LMM engages in a cross transaction for its clients, it will utilize an independent pricing source to ensure objectivity. Any such trades involving an actively-managed ERISA plan will be conducted pursuant to Section 408(b)(19) of the Employment Retirement Income Security Act of 1974 ("ERISA").

Service Arrangement – Trading

The Firm has an agreement with an unaffiliated investment adviser, 1919 Investment Counsel, LLC (“1919ic”), pursuant to which 1919ic provides the Firm with various non-advisory business services, including assistance with trading, operations, compliance and technology. 1919ic is a wholly-owned subsidiary of Stifel Financial Corp. (“Stifel”). As part of the arrangement, 1919ic traders, acting as dual employees of Firm, have discretion to select brokerage firms to place trades from a list of brokerage firms approved by the Firm’s Brokerage Review Committee (the “Committee”). The Committee is chaired by a member of the Firm’s investment team and includes additional representatives of such team, traders, and the Firm’s Chief Compliance Officer.

1919ic’s affiliation with Stifel may give the traders an incentive to cause the Firm’s client accounts to pay commissions to Stifel-affiliated brokerage firms that the Firm’s Committee has approved. The Firm addresses this potential conflict of interest by having the Committee conduct a quarterly review of the allocation of client commissions to ensure the Firm is adhering to its obligation to seek best execution in selecting brokers to execute trades. In addition, the Firm requires the traders to obtain approval from the Firm’s investment team before exceeding any commission targets the team has established for a Stifel-affiliated brokerage firm. If no target is established, the traders must obtain such approval for each trade with the Firm.

Soft Dollar Benefits

The term “soft dollars” refers to the receipt by an investment manager or adviser of products and services provided by brokers, without any cash payment by the investment manager, based on the volume of brokerage commission revenues generated from securities transactions executed through those brokers on behalf of the investment manager’s clients. Section 28(e) of the Securities Exchange Act of 1934, as amended (“Exchange Act”), provides a “safe harbor” to investment managers who use soft dollars generated by their advised accounts to obtain brokerage and research products and services. Brokerage products and services must relate to the execution, clearance and settlement of trades. Research products and services must provide lawful and appropriate assistance to the investment manager in the performance of investment decision-making responsibilities. The Firm will only use soft dollars within the safe harbor afforded by Section 28(e) of the Exchange Act.

Soft dollar arrangements may or may not involve a target commission amount that the Firm seeks (but is not obligated) to have client accounts pay the broker over specified time periods. Since the Firm receives research services from brokers that it would otherwise have to produce or pay for with its own assets, soft dollar arrangements result in a benefit to the Firm and give it an incentive to select brokers based on this

benefit instead of a client's interest in receiving most favorable execution. The Firm believes that its policies and procedures adequately address this conflict of interest and are reasonably designed to ensure that clients receive best qualitative execution. The Firm's Brokerage Review Committee regularly assesses the transactions executed through soft dollar brokers to assess the value of the research and brokerage services provided by such brokers.

The Firm's soft dollar arrangements generally take the form of proprietary soft dollar arrangements or third party soft dollar arrangements. Under a proprietary arrangement, the executing broker directly provides research it prepares to the Firm. Brokers that provide proprietary research generally charge a bundled commission that includes the cost of execution and the additional research services, and they do not typically assign a particular value to their research services. The Firm regularly assesses the value of the research services provided by the brokers with which it deals. Over time, the Firm attempts to direct commission business to a broker in an amount that is fair and reasonable under the circumstances and proportional to the Firm's assessment of the value added by that broker.

Under a third party arrangement, the executing broker provides the Firm with research prepared by an organization other than the executing broker. As the broker is responsible for providing the third party research, the broker usually has an expectation that the Firm will direct a level of business to it sufficient to compensate the broker for its execution services and the third party research it provides. Under no circumstance is the Firm ever legally committed to meet this target: the Firm only executes transactions through a broker if it reasonably believes that the broker is capable of providing the best qualitative execution, and the broker always bears the risk that the Firm may not direct sufficient business to it to cover the broker's cost of providing the research. When the Firm fails to meet a broker's target, the broker's sole remedy is to discontinue providing the research to the Firm.

When the Firm executes a transaction through a broker with which it has a third party arrangement, the Firm is generally given a credit, which consists of some percentage of the total commission cost, that is considered by the broker in evaluating whether the Firm has directed a level of business to the broker sufficient to cover the broker's cost of providing the research.

Research the Firm typically receives in soft dollar arrangements includes: traditional research reports; facilitating meetings with company managements; facilitating meetings and other communications with analysts; conferences; special research projects; technical analysis; political, economic and regulatory commentary; regulatory and policy analysis; market data; quantitative equity and economic research; general economic and market analysis; and industry/sector specific technical research.

The research and services that the Firm obtains through soft dollar arrangements are generally used to service, support, and advise all of the Firm's clients as well as the clients of its affiliate, LMM. At any point in time, the Firm and LMM may also receive products or services that are used for some but not all clients. In addition, a client that directs the Firm to use a particular broker to execute trades for the client's account may not contribute to the cost of research obtained in the Firm's soft dollar arrangements, but may benefit from such research. However, due to the fact that the Firm and LMM share an investment team that services and supports all of their clients, and the research services received by each of them are available for use by all of the members of the investment team, it is not possible to establish or monitor the arrangements to make sure that each client benefits equally or in the same proportion as its transactions constitute to the total transactions effected for all clients.

REVIEW OF ACCOUNTS

All orders are reviewed prior to entry to ensure that they are consistent with client imposed portfolio guidelines and restrictions. This review is generally conducted by a portfolio manager. Client accounts are reviewed by their respective portfolio managers on a daily, monthly or a quarterly basis, depending on activity in the account and the frequency of client reporting. Investors in the Firm's Funds receive written statements containing individual net asset values on a monthly or quarterly basis, either from the Firm directly or from the client's independent fund administrator, as set forth in the terms of the relevant private placement memorandum or partnership or limited liability company agreement. Clients with SMAs generally have real-time access to reports of net asset values and account activity through their custodians.

CLIENT REFERRALS

The Firm may enter into arrangements with unaffiliated third parties whereby compensation is paid for referring clients or investors. Generally, these payments are based on a percentage of management fees, performance-based fees, or some combination thereof, earned by the Firm with respect to such client or investor. Because such arrangements contain inherent conflicts of interests between the referring party, on the one hand, and the client/investor, on the other, the Firm requires documentation that these conflicts have been disclosed and consented to by clients.

CUSTODY

The Firm may be considered to have custody of client assets as a result of fee payments or the service of its affiliates as general partner to private investment partnerships. Actual custody of client assets, however, is at a broker-dealer, bank or other qualified custodian. Clients should carefully review all account statements and compare those received from the Firm with those received directly from their designated administrator

or custodian. For its Funds, the Firm will send audited financial statements, prepared in accordance with GAAP, to each Fund investor within 120 days after such Fund's fiscal year end.

INVESTMENT DISCRETION

As an investment adviser, the Firm generally has discretionary authority over clients' accounts to determine securities bought and sold and in what quantities, the amount of leverage employed, the broker-dealer used and the commission rates to pay, among other things. The specific terms of the scope of such investment discretion is detailed in the relevant account's investment management agreement.

VOTING CLIENT SECURITIES

The Firm believes that proxy voting is a valuable right of company shareholders. In general, the Firm will vote all proxies it receives, unless the client reserves for itself the authority to vote proxies or as otherwise described below. However, the Firm may refrain from voting in certain circumstances. For instance, the Firm generally intends to refrain from voting a proxy if the company's shares are no longer held by clients at the time of the meeting. Additionally, the Firm may refrain from voting a proxy if it concludes the potential impact on shareholders' interests is insignificant while the cost associated with analyzing and voting the proxy may be significant. If shares of a security are on loan as of the record date of the meeting for which a proxy is received, the Firm will be unable to vote those shares for the client. As a general matter, the Firm discourages its clients from loaning the securities the Firm manages.

As a general proposition, the Firm supports proposals that (i) preserve and expand the power of shareholders in areas of corporate governance and (ii) allow responsible management teams to run their company in the way that is most likely to maximize value for owners. The Firm generally opposes proposals that reduce management's accountability, misalign management and shareholders' interests, and seek to place restrictions on management in order to promote political, religious or social agendas.

The Firm maintains proxy voting guidelines, which set forth the manner in which it generally votes issues that are routinely presented. The Firm periodically reviews these guidelines to ensure that they accurately reflect the Firm's philosophy. Clients may reserve for themselves the authority to vote proxies. Clients may also give the Firm instructions regarding how they would like shares they own to be voted. Where the Firm is granted discretionary authority to vote proxies, the Firm instructs custodians to forward proxy materials to the Firm. When clients reserve proxy voting authority for themselves, they must coordinate with their own custodians and brokers to ensure that they receive all proxy solicitations.

Upon receipt of a proxy, the Firm will review the proxy and evaluate whether the voting decision presents a material conflict of interest between the Firm's interests and those of its clients. If no material conflict exists, the Firm decides how to vote the proxy after giving consideration to a number of sources, which may include the Firm's guidelines, the views of members of the Firm's investment team, the views of company management, and independent research services.

If a material conflict is identified, one of the following approaches is used to determine how to vote the proxy:

1. If the Firm's proxy voting guidelines address the specific issue on which the vote is to be cast, the proxy is voted according to the guidelines.
2. If an issue on which the vote is to be cast is not specifically addressed by the Firm's guidelines, the vote will be cast based upon the recommendation of an independent third party, or the Firm may disclose the conflict to its clients and seek to obtain its clients' consent to vote the proxy in the manner that the Firm believes to be in the best interest of its clients.

A client may obtain a copy of the Firm's proxy voting principles and procedures and the proxy voting guidelines, as well as specific information about how the Firm voted with respect to securities owned by the client, by contacting the Firm at the address noted on the cover page.

FINANCIAL INFORMATION

The Firm does not require or solicit prepayment of management fees six or more months in advance. The Firm has no financial condition to disclose that is reasonably likely to impair its ability to meet contractual commitments to its clients. Additionally, the Firm has not been the subject of a bankruptcy petition at any time during the past ten years.

For questions or requests for additional information, please contact the Chief Compliance Officer at the number or address listed on the cover of this brochure.