



**Item 1 - Cover Page**

Friess Associates of Delaware, LLC  
3711 Kennett Pike, Suite 205  
Greenville, DE 19807  
Phone: 302-656-3017  
Website: [www.friess.com](http://www.friess.com)  
March 30, 2020

This Form ADV Part 2A (the “Brochure”) provides information about the qualifications and business practices of Friess Associates of Delaware, LLC. If you have questions about the contents of this Brochure, please contact us at 302-656-3017 and/or [info@friess.com](mailto:info@friess.com). The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Friess Associates of Delaware, LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Although Friess Associates of Delaware, LLC is registered as an investment adviser under the Investment Advisers Act of 1940, such registration does not imply that Friess Associates of Delaware, LLC or our personnel have a certain level of skill or training.

## **Item 2 – Material Changes**

This Item requires us to summarize any material changes to our Form ADV Part 2A since our last update on March 27, 2019. While we do not believe the following changes are material, we have nonetheless summarized our changes to the current Form ADV Part 2A below:

Item 4 – Advisory Business: we updated our assets under management as of March 20, 2020.

Item 10 – Other Financial Industry Activities and Affiliations: Our affiliate, Friess Associates, LLC, no longer has an agreement with AMG Funds, LLC (“AMG”), and AMG Distributors, Inc. (“ADI”), a limited purpose broker-dealer that is a wholly owned subsidiary of AMG, under which AMG and ADI provided marketing and servicing support to facilitate the distribution of the AMG Managers Brandywine Fund, AMG Managers Brandywine Blue Fund and AMG Managers Brandywine Advisors Midcap Growth Fund. Accordingly, the disclosure for this relationship has been removed.

Item 14 – Client Referrals and other Compensation: We updated our disclosure in this section to reflect termination of our affiliate’s, Friess Associates, LLC, marketing and servicing support with the AMG Funds.

We also made certain other non-material changes throughout the Form.

If you would like a complete copy of our Form ADV Part 2A, please contact Friess Associates using the contact information on the Cover Page of this Brochure.

**Item 3 – Table of Contents****Page**

Item 1 - Cover Page	1
Item 2 – Material Changes	2
Item 3 – Table of Contents	3
Item 4 – Advisory Business	4
Item 5 – Fees and Compensation	4
Item 6 – Performance-Based Fees and Side-by-Side Management	6
Item 7 – Types of Clients	6
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	7
Item 9 – Disciplinary Information	9
Item 10 – Other Financial Industry Activities and Affiliations	9
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	9
Item 12 – Brokerage Practices	11
Item 13 – Review of Accounts	14
Item 14 – Client Referrals and Other Compensation	15
Item 15 – Custody	16
Item 16 – Investment Discretion	16
Item 17 – Voting Client Securities	16
Item 18 – Financial Information	17

## **Item 4 – Advisory Business**

Friess Associates of Delaware, LLC (“FAD”) generally provides investment management services on a discretionary basis. The firm has been in business since 1974. FAD currently has approximately 22 employees working in its Greenville, Delaware office. An affiliate, Friess Associates, LLC, is also an investment adviser under the same ownership and management as FAD with approximately 5 employees working in its Jackson, Wyoming office. FAD provides research, trading and administrative services to and maintains the books and records of Friess Associates, LLC. Further information on this relationship is provided in Item 10. As of March 20, 2020, FAD had \$956,932,592 in assets under management. FAD serves as a subadviser to various clients, including but not limited to, investment companies, a private fund and an affiliated investment adviser. Please see “Item 7 – Types of Clients” of this Brochure for more information with respect to FAD’s clients.

### **Principal Ownership**

FAD’s is a limited liability company principally owned by its Management Committee and other senior level partners. FAD’s Management Committee is responsible for the overall supervision of the firm.

### **Advisory Services**

FAD is a discretionary investment manager specializing in domestic (U.S.) growth equity strategies. FAD offers growth equity strategies across the market capitalization spectrum ranging from micro to large. Accordingly, clients may choose a focused market capitalization strategy within that range or an all-capitalization strategy. FAD also offers a long/short investment strategy through a private fund offering. FAD principally invests in equity securities of U.S.-based companies and to a lesser extent in equity securities of foreign companies listed on U.S. exchanges, directly or through American Depositary Receipts (“ADRs”). FAD employs a research-driven investment process, and primarily utilizes fundamental analysis for the selection of equity investments. Please see “Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss” of this Brochure for more information with respect to FAD’s investment strategy.

FAD recognizes that each client is unique and, therefore, will likely have different investment requirements. Accordingly, we may modify our primary investment strategies, as necessary, to meet the goals and investment objectives that our clients request.

## **Item 5 – Fees and Compensation**

### **Standard Fee Schedule**

Friess Associates of Delaware, LLC is compensated for its investment advisory services through payments of fees made by our clients. FAD’s standard annual fee is its costs plus 10 percent, payable monthly or as mutually agreed with its clients. The fee is not negotiable, and all FAD clients pay the same fee. FAD believes this eliminates the potential for conflicts of interest associated with different fee schedules.

Fees are generally billed monthly, in arrears, once FAD is able to calculate its costs for the month and add the 10 percent markup. FAD does not directly deduct its fees from client accounts.

## **Fees for Specialized Accounts and Sub-Advisory Services**

### **Mutual Funds Sub-Advised by Friess Associates of Delaware, LLC**

FAD is the sub-adviser to the Friess Small Cap Growth Fund a series, or mutual fund of the Managed Portfolio Series, a Delaware statutory trust registered as an open-end management investment company. Information concerning the Fund, including a description of the services provided, applicable fees and risks, is contained in the Fund's prospectus, which can be found at [www.friessfunds.com](http://www.friessfunds.com). The Fund's adviser, Friess Associates, LLC pays FAD's fee for its sub-advisory services, not the Fund.

FAD also serves as sub-subadviser to the AMG Managers Brandywine Fund, AMG Managers Brandywine Blue Fund and AMG Managers Brandywine Advisors Mid Cap Growth Fund (mutual funds) sponsored by AMG Funds. Information concerning these funds, including a description of the services provided, applicable fees and risks, is contained in each Fund's prospectus, which can be found at [www.amgfunds.com](http://www.amgfunds.com). The Funds' sub-adviser, Friess Associates, LLC pays FAD's fee for its sub-subadvisory services, not the Funds.

### **Private Pooled Investment Vehicle Sub-Advised by Friess Associates**

FAD is a sub-subadviser to the Greenwich Friess Long/Short Fund, LP (the "LP") and its General Partner, Greenwich Institutional Partners, LLC. The LP is a Delaware Limited Partnership and has not been registered under the Securities Act of 1933 nor registered under the Investment Company Act of 1940. Accordingly, limited partnership investment interests of the LP are offered exclusively to investors satisfying the applicable eligibility and suitability requirements in private placement transactions within the United States. No offers to sell the LP are made by the descriptions in this Brochure and, as noted, the LP is available only to investors that are properly qualified. Information on investing in the LP, including a description of the services provided, applicable fees and risks, is contained in the LP's offering memorandum. The LP's sub-adviser Friess Associates, LLC pays FAD's fee for its sub-advisory services, not the LP.

## **Additional Fees and Expenses Payable by Clients**

Fees paid to FAD are exclusive of brokerage commissions, transaction fees, service provider fees, and other related costs and expenses that will be incurred by the client. Execution of client transactions typically requires payment of brokerage commissions by clients. "Item 12 – Brokerage Practices" further describes the factors that FAD considers in selecting or recommending broker-dealers for the execution of transactions and determining the reasonableness of their compensation (*e.g.*, commissions). In addition, clients may incur certain

charges imposed by custodians, broker-dealers, third-party investment consultants, and other third parties. At times, FAD may invest client's assets in mutual funds, including cash management vehicles like money market funds or similar short-term investment funds sponsored by a client's custodian. To the extent that a client's assets are invested in these vehicles, the clients will also typically pay fees as described in each vehicle's offering documents (e.g., prospectus or offering memorandum). Such charges, fees and commissions are exclusive of, and in addition to, FAD's fee.

## **Item 6 – Performance-Based Fees and Side-by-Side Management**

Friess Associates of Delaware, LLC does not charge fees based on performance or the net profits of the assets being managed.

### **Side-by-Side Management**

Our research team simultaneously manages multiple types of portfolios (including separately managed portfolios, mutual funds and the LP) according to the same or a similar investment strategy. While the LP has a significantly different investment strategy than the other portfolios FAD manages, the same investment team within FAD is responsible for managing all of these strategies concurrently (i.e., side-by-side management). Since FAD charges all of its clients within the same investment strategy the same investment advisory fee, the simultaneous management of different investment products within the same strategy does not create a conflict of interest related to fees. While the LP offers a long/short investment strategy that is distinctly different than the other investment strategies offered by FAD, a conflict of interest may exist related to fees FAD's affiliate, Friess Associates, LLC is eligible to receive. Through its sub-advisory agreement with the LP, Friess Associates, LLC is eligible to receive a portion of the performance fees charged by the General Partner. Accordingly, FAD has implemented policies and procedures related to the allocation of investment ideas that may be held in both the LP and other client investment portfolios. For example, FAD will not allow the LP to take a short position in any investment held as a long position in any other client portfolio.

Nevertheless, when managing the assets of multiple types of portfolios, FAD has an affirmative duty to treat all such accounts fairly and equitably over time. FAD has implemented policies and procedures that are designed to support its efforts to treat all portfolios fairly and equally over time. Please see "Item 12 - Brokerage Practices" of this Brochure for more information regarding these policies and procedures.

## **Item 7 – Types of Clients**

### **Types of Clients**

Friess Associates of Delaware, LLC provides portfolio management services to registered mutual funds, a private investment fund, and an affiliated registered investment adviser.

## **Conditions for Managing Accounts**

In those circumstances where FAD serves as a sub-adviser or sub-subadviser to mutual funds or other pooled investment vehicles such as the LP, account minimums are generally determined by the sponsor of that investment offering.

FAD typically requires clients to execute an investment management agreement that details any portfolio restrictions and the nature of the discretionary investment advisory authority given to FAD.

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

### **Strategy Overview and Related Risks**

FAD is a discretionary investment manager specializing in domestic (U.S.) growth equity strategies. FAD offers growth equity strategies across the market capitalization spectrum, ranging from micro to large. Accordingly, clients may choose a focused market capitalization strategy within that range or an all-capitalization strategy.

FAD principally invests in equity securities of U.S.-based companies and, to a lesser extent, in equity securities of foreign companies listed on U.S. exchanges, directly or through American Depositary Receipts (“ADRs”). In addition to common stocks, equity securities in which FAD may invest include preferred stocks, convertible securities, rights and warrants. FAD constructs the investment portfolio utilizing a bottom-up company-by-company investment approach that is based on the belief that one should invest in individual businesses, not in the stock market.

FAD employs a team-based, research-driven investment process. Fundamental analysis is the primary driver of equity investment selection. The firm's Chief Investment Officer (“CIO”) directs its team-based research process and related portfolio management decisions. The CIO is supported by a team of researchers, with each researcher contributing investments to the portfolio.

FAD’s research-driven investment process seeks to capitalize on the relationship between earnings performance and stock prices by isolating companies experiencing rapid earnings growth that sell at reasonable multiples of forward earnings estimates and show promise to surpass consensus earnings expectations. We seek fundamentally sound companies of all sizes that are experiencing a positive change due to a catalyst like a new product line, management team or market opportunity that will garner investor attention.

FAD employs a firm sell discipline. FAD will sell a stock when its research determines:

- A company has deteriorating fundamentals such as contracting margins or reduced revenue growth.
- Investor expectations have become unrealistically high.
- When it reaches our internal target price.
- Identifies a better investment idea.

This sell discipline is likely to result in actively managed portfolios. As FAD keeps seeking better investment alternatives, annual portfolio turnover rates may be significant.

The FAD research team seeks to build a comprehensive research mosaic by performing trade checks on target companies. Our process is designed to capture this information through interviews with a target company's executives as well as its customers, competitors and suppliers. We believe the quality of the research mosaic is increased by conducting research up and down the market capitalization spectrum and by speaking with private companies. Information is shared across the firm so that other researchers are aware of data points impacting companies they are researching.

In addition to the above, when selecting investments, FAD may also review research and other quantitative data provided by third-party vendors, reports of broker-dealers and consultants, trade publications, financial newspapers and magazines, research materials prepared by third parties, annual reports, prospectuses, filings with the SEC and company press releases. To a lesser extent, FAD may also use technical analysis. Technical analysis is a method of evaluating securities by analyzing market statistics, such as past price and volume trends.

The investment strategies utilized by FAD carry different levels of risk. Investing in equity securities involves the inherent risk of loss should FAD's analysis be flawed, or the price of a security drop for fundamental reasons, general financial market trends or other factors. As a result, there is a risk of loss of the assets FAD manages on your behalf, and such a loss may be out of our control. We cannot guarantee any level of performance and cannot guarantee that you will not experience a loss of your portfolio's assets.

Each of FAD's strategies has the potential for the clients' assets to decline in value based on market conditions. Some of the specific risks to which client assets may be susceptible are as follows:

- **Market Risk** – The prices of the stocks and ADRs in which FAD invests may decline for a number of reasons. These reasons include factors that may be specific to one or more stocks in which FAD invests as well as factors that affect the equity securities markets generally. The price declines may be steep, sudden and/or prolonged.
- **Foreign Security Risk** – Investments in foreign securities, even though publicly traded in the United States, may involve risks which are in addition to those inherent in domestic investments. Foreign companies may not be subject to the regulatory requirements of U.S. companies and, as a consequence, there may be less publicly available information about such companies. Also, foreign companies may not be subject to uniform accounting, auditing and financial reporting standards and requirements comparable to those applicable to U.S. companies.
- **Growth-Style Investing Risk** - Investors expect growth companies to increase their earnings at a certain rate that is generally higher than the rate expected for non-growth companies. If a growth company does not meet these expectations, the price of its stock



may decline significantly, even if it has increased earnings. Growth companies also typically do not pay dividends. Companies that pay dividends may experience less significant stock price declines during market downturns.

- **Portfolio Turnover Risk** – High portfolio turnover necessarily results in greater transaction costs, such as brokerage commissions, which client portfolios must pay, as well as short-term capital gains or losses. Greater transaction costs may reduce the performance of your portfolio.
- **Small- Micro- and Mid-Capitalization Stock Risk** – the stocks of small- and micro- and mid-capitalization companies often have limited liquidity, lower trading volume and greater price volatility than the stocks of larger more established companies.
- **Large-Capitalization Stock Risk** – the stocks of large-capitalization companies are generally more mature and may not be able to reach the same levels of growth as the stocks of small- or mid-capitalization companies.

#### **Item 9 – Disciplinary Information**

There are no applicable legal or disciplinary events relating to Friess Associates of Delaware, LLC.

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

##### **Affiliations**

FAD performs research and administrative services for Friess Associates, LLC of Jackson, Wyoming. Friess Associates, LLC is billed periodically for these activities. Please see “Item 4 – Advisory Business” of this Brochure for additional information about Friess Associates, LLC.

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

##### **Code of Ethics and Personal Trading**

FAD has a written Code of Ethics (the “Code”) that applies to all employees deemed to be access personnel with respect to investment activities of FAD. A copy of the Code is available upon request. The Code describes the standard of conduct FAD requires of its employees and sets forth restrictions on certain activities, including personal trading in accounts owned, managed or beneficially owned by the employee or certain members of their households. FAD itself does not buy or sell any securities for proprietary accounts.

Under the Code, employees must have all trades pre-approved, including trades in mutual funds it sub-advises or sub-subadvises. Employees may also buy or sell securities as recommended by FAD, but only after five business days after all client purchases and sales have been fulfilled. If a security has been previously or is currently being considered for purchase or sale by FAD, an employee who wishes to buy or sell that security must get approval from the researcher following that security and then from the trading team who will advise the employee if and when the purchase or sale may be made. FAD's compliance personnel monitor this activity and receive duplicate copies of statements and trade confirmations for employee brokerage accounts.

### **Participation or Interest in Client Transactions**

FAD firmly believes that its employees should "eat their own cooking." Accordingly, FAD employees have the ability to be invested alongside clients in the mutual funds it sub-advises or sub-subadvises through the firm's retirement plan. Certain current or former employees are also invested via the LP and separately managed portfolios with Friess Associates, LLC. We maintain trade allocation procedures designed to treat all client portfolios equitably over time and mitigate potential conflict of interest to favor accounts in which our employees invest with respect to trading opportunities and allocations. Please see "Item 12 - Brokerage Practices" of this Brochure for more information regarding these policies and procedures.

### **Insider Trading/Material Non-Public Information**

FAD's Insider Trading Policy includes policies and procedures prohibiting the use of material non-public information that are designed to prevent insider trading by an officer or employee of FAD.

In accordance with these policies, to prevent trading of public securities based on material, non-public information, FAD may periodically identify securities that cannot be purchased for employee or client portfolios because material, non-public information may have been received by an employee of the firm. Any security identified is coded as "Prohibited – Contact Compliance" in FAD's research database system, and may not be reconsidered for investment without the consent of FAD's Chief Compliance Officer.

### **Gifts and Business Entertainment**

FAD's Code maintains a policy regarding receiving gifts and business entertainment between the firm's employees and certain third parties (i.e. broker-dealers, etc.) to help mitigate the potential for conflicts of interest surrounding these practices. In general, FAD limits the value and type of gifts and business entertainment that may be provided to employees by these parties.

## **Charitable Contributions**

Periodically, FAD may donate to charitable organizations that are clients, are supported by clients, and/or are supported by an individual employed by FAD or one of our clients. Members of FAD's management team approve charitable contributions to be made by the firm.

## **Political Contributions**

FAD prohibits its employees from making political contributions on behalf of FAD or to be reimbursed for personal political contributions. FAD maintains policies and procedures that set forth specific limitations as to whom employees may make contributions and the amounts of such contributions, as well as preclearance requirements for certain political contributions. FAD monitors all such contributions in furtherance of its efforts to comply with federal law and to inhibit the potential for any such contributions to affect the awarding of public business related to the management of assets.

## **Item 12 – Brokerage Practices**

### **Brokerage Selection and Best Execution**

Generally, clients give FAD the authority to select the broker-dealer to be used for the purchase or sale of securities. In placing purchase and sale orders for portfolio securities, it is the policy of FAD to seek the best execution of orders at the most favorable price given factors such as the overall quality of brokerage and research services provided (explained in more detail in the "Soft Dollars" sub-section of Item 12 below). In selecting brokers to execute portfolio transactions, the determination of which broker or brokers will most likely deliver best execution at the most favorable price involves a number of largely judgmental considerations. Among these considerations are the evaluation of the broker's efficiency in executing and declaring transactions, block trading capability (including the broker's willingness to position securities) and the broker's financial strength and stability. The most favorable price means the best net price without regard to the mix between purchase or sale price and commission, if any.

On at least an annual basis, FAD reviews the execution capabilities of each of the broker-dealers it executes trades with on behalf of FAD clients. Evaluation criteria include the broker's ability to execute trades in the open market, its ability to commit capital, and the market and research information it provides. FAD trading personnel perform trading evaluations and then FAD's Best Execution Committee, which is chaired by the Chief Compliance Officer, meets to discuss and analyze the results of the evaluation. Other factors FAD will periodically consider in its best execution assessment include the general level of commission rates being charged by the brokerage community and the overall reasonableness of brokerage commissions paid on client transactions by reference to such data. To the extent FAD has been paying higher commission rates for its transactions, FAD will determine if the quality of execution and the research services provided by the broker-dealer justify these higher commissions.

FAD does not engage in cross trades in its client portfolios. In situations where orders are received by the Trading Department in a security where one client is selling a security on the same day that another client is purchasing the same security, FAD will utilize two different brokers for each side of the transaction, or at the very least complete each side separately at different times. The Trading Department is responsible for determining the timing and sequence of the execution of same security trades, taking into consideration factors such as price volatility, liquidity and client considerations on the order. FAD maintains trade execution and allocation procedures designed to treat all client portfolios equitably over time.

### **Soft Dollars**

FAD may direct certain transactions for execution to certain broker-dealers in recognition of brokerage and research services provided by those broker-dealers and/or other third-party providers. If FAD concludes in good faith that the value of the research and execution services received are reasonable in relation to the overall commission charges, FAD may direct securities transactions to broker-dealers who provide research services and may pay such brokers a commission higher than another broker-dealer might have charged. Research services are used for the benefit of all of the Firm's client accounts and not just those whose executions were utilized to acquire the research. When client commissions are utilized to acquire research, FAD may benefit since FAD does not have to bear the cost of providing such research. Additionally, FAD may have an incentive to select broker-dealers based upon the research the broker may provide as opposed to the quality and cost of the broker's execution service.

The research services that FAD receives from broker-dealers and other third-party providers may include written research reports, oral updates on the progress of companies, oral or written advice to buy or sell specific securities, compilations of statistics or reports to assess company or market trends, hardware and software and related support services for use in research and trading, quotation services, charting services, research consulting services, assistance in interviewing or scheduling interviews with a target company's executives, financial journals and economic studies or reports. Research consultants serving FAD clients occasionally are included in FAD sponsored social events. They may be granted limited access to our research database (but not individual client portfolios) so they are better prepared to render advice and to avoid duplication of investment research effort.

FAD also receives services which, based on their use, are only partially paid for through soft dollars. Any such service is considered "mixed-use" because it is used by FAD for both research or brokerage and non-research, non-brokerage purposes. In each such case, FAD makes a good faith determination of which portion of the service should be paid for with soft dollars and which portion should be paid for with hard dollars. FAD thereafter retains documentation of the soft dollar to hard dollar allocation.

Under the direction of the Chief Compliance Officer, FAD performs review and reporting procedures throughout the year to monitor its use of soft dollar research services provided by brokers-dealers and other third parties. This process includes a review of services received in comparison to the prior year, the review and approval of payments to brokers providing third-party research services and an analysis of commission per share amounts paid for soft dollar

research services and overall commission charges. Reports are prepared pursuant to client requests.

### **Directed Brokerage**

FAD does not direct or require its clients to use a specified broker-dealer for transactions in their portfolio. In some cases, clients have directed FAD to use specified broker-dealers for transactions in their portfolio. Clients who, in whole or in part, direct FAD to use a particular broker-dealer to execute transactions for their portfolio should be aware that in doing so they may adversely affect FAD's ability to, among other things, obtain the most favorable price on transactions executed by FAD as a result of FAD's inability to aggregate/bunch the trades from this portfolio with other client trades. Accordingly, clients who direct commissions to specified broker-dealers may pay higher execution costs. FAD reserves the right to reject or limit client requests for directed brokerage.

FAD may use step-out trades to accommodate a client's directed brokerage mandate. In the case of directed brokerage accounts, trades may be executed through a particular broker-dealer and then "stepped-out" to the directed brokerage firm for credit. In circumstances where FAD has followed the client's instructions to direct brokerage, there can be no assurance that FAD will be able to step-out the trades, or, if it is able to step-out the trades, that it will be able to obtain more favorable execution than if it had not stepped-out the trades. Step-out trades may also be used by FAD in order to generate soft-dollar credits, provided that FAD has determined that such transactions are consistent with the principles of best execution and applicable regulations.

### **Trade Aggregation and Initial Public Offerings ("IPOs")**

Generally, buy and sell trade orders are executed as block orders. Circumstances in which this would not be the case would include new portfolios, significant contributions or withdrawal requests from existing portfolios, or trades specific to a single investment strategy.

Orders are typically allocated by prorating across client portfolios eligible to participate in the trade given their investment guidelines. Allocations are prorated in one of two ways: 1) prorated based upon the client's assets relative to the assets of all clients participating in the trade; or 2) using an "auto leveling" function within our portfolio management system. Auto leveling seeks to distribute the security so that it represents an equal percentage of assets for each eligible portfolio. The criteria used to determine a specific client's eligibility for participation in a trade includes: a) cash availability; b) client restrictions on industries or specific companies such as "sin" stocks; c) client restrictions on market capitalizations or sector weightings; and d) overall client composition.

Trading staff and the person acting as trade allocator on any given day have the discretion to fill orders for specific portfolios before others under certain circumstances, which include: a) orders for new portfolios or portfolios with significant cash requirements; b) in the event securities are purchased or sold in small amounts due to liquidity constraints where allocating across all eligible portfolios in a prorated fashion is not feasible or meaningful, with the consideration that all portfolios are treated equitably over time; c) an order may be allocated first to those portfolios for which the purchase or sale of such security is most closely aligned with the established investment objective of the portfolios receiving the allocation, such as micro- or small-cap only

portfolios; or d) client portfolios for which FAD must place trades through client directed or prime brokerage arrangements. Concentrated portfolio or long/short investment strategies with limits on the allowable number of investment holdings or portfolio construction requirements on the balance between long and short positions may also trade independently of other non-concentrated client portfolios with similar market capitalization mandates.

FAD also participates in Initial Public Offerings (“IPOs”) on behalf of client portfolios and uses its best efforts to fairly allocate IPOs across all eligible client portfolios. For the purposes of this policy, IPOs include initial public offerings and secondary offerings that are considered part of the syndicate calendar. Ideally, IPO orders are prorated across all eligible client portfolios. However, since IPO allocations are generally limited in size, a pure prorated allocation across all eligible clients may result in negligible positions. As such, IPOs are usually only allocated to a portion of those eligible clients and the trading staff rotates the clients selected to participate on a case-by-case basis. This rotation system is designed to equitably treat all clients throughout the year. Additionally, documentation is maintained to measure each client’s gains from IPOs year-to-date to assist in making allocation decisions and attempt to balance the proportional percentage impact from IPOs across all eligible clients on an annual basis. Clients who mandate that FAD direct all of its trading through a specific broker-dealer may not be able to participate in IPO allocations.

### **Item 13 – Review of Accounts**

FAD research and client relationship personnel review the holdings, cash balances, performance and industry and sector composition of client portfolios on at least a monthly basis. FAD trading operations personnel perform monthly reconciliations of FAD’s records of the securities and cash within its clients’ portfolios against the records of the clients’ custodians. They also monitor client portfolio cash activity on a daily basis for eligibility to participate in investment purchase and sale activity.

Regular reviews of client portfolios are also conducted on at least a quarterly basis by compliance personnel for adherence to internal investment guidelines, client-mandated or contractual guidelines, and regulatory requirements. Compliance will also compare individual client portfolios against other portfolios invested in a similar manner to assess the consistency of holdings and performance, and to reconcile any outliers or other exceptions that are found.

Clients generally receive account reports directly from independent qualified custodians on a monthly or quarterly basis. These reports typically detail the securities held on a cost and market value basis, available cash balance and total portfolio market value. FAD provides its clients with written reports on a quarterly basis that includes a summary of the portfolio’s performance over the period, its holdings and total market value. Additional interim reports may be issued upon client request or at the discretion of FAD.

#### **Item 14 – Client Referrals and other Compensation**

A related SEC-registered investment adviser, Friess Associates, LLC, (“Friess”) has written solicitation arrangements with unaffiliated parties, pursuant to which Friess pays those parties a fee. Some of the unaffiliated parties solicit financial advisors to retail clients. In these situations, neither the financial advisors nor their retail clients enter into advisory contracts with Friess. For solicitation that result in a client entering into an advisory contract with Friess, pursuant to Section 206(4)-3 of the Investment Advisers Act of 1940, the fee is paid pursuant to a written agreement retained by Friess and required disclosures are provided to the referred client prior to or at the time of entering into any advisory contract. The compensation structure to the unaffiliated parties varies and in some cases is a percentage of the asset-based management fee paid to Friess by clients of the financial adviser or by a Friess-sponsored mutual fund in which those clients may invest. In either situation, clients do not bear the cost of any referral fees, nor is the management fee higher than the management fee charged to other clients as a result of the referral arrangement.

FAD does not receive any monetary compensation or any other economic benefit from a non-client for FAD’s provision of investment advisory services to a client.

FAD provides significant support to Friess in its extensive dealings with investment consultants, both in their role as adviser for their clients and potentially through independent business relationships. Specifically, FAD and Friess provide consultants with information on portfolios we manage for our mutual clients, pursuant to directions from these clients. FAD and Friess also provide information on our investment strategies to consultants, who use that information in connection with searches they conduct for their clients. Friess may also respond to “Requests for Proposals” from prospective clients in connection with those searches.

FAD supports other interactions that Friess may have with consultants including, but not limited to, the following:

- Friess may invite consultants to events or other entertainment hosted by Friess.
- Friess may, from time to time, purchase software applications, access to databases and other products or services from some consultants.
- Friess may pay registration or other fees for the opportunity to participate, along with other investment managers, in consultant-sponsored industry forums or conferences. These conferences or forums provide Friess with the opportunity to discuss a broad variety of business topics with consultants, clients and prospective clients.
- In some cases, Friess may serve as investment adviser for the proprietary accounts of consultants or their affiliates, or as adviser or sub-adviser for funds offered by consultants and/or their affiliates.

In general, FAD and Friess rely on each consultant to make appropriate disclosure to its clients of any conflict that the consultant may believe to exist due to its relationship with FAD and Friess.

### **Item 15 – Custody**

FAD does not act as a qualified custodian over the assets in the portfolios we manage for our clients. Clients must make their own arrangements for custody of securities in their portfolios. Clients generally receive account reports directly from independent qualified custodians on a monthly or quarterly basis. These reports typically detail the securities held on a cost and market value basis, available cash balance and total portfolio market value. FAD provides its clients with written reports on a quarterly basis that includes a summary of the portfolio's performance over the period, its holdings and total market value. Clients are strongly encouraged to reconcile Friess' report against the reports of their custodians since the custodian statements reflect the official books and records of the clients' portfolio.

### **Item 16 – Investment Discretion**

FAD generally provides investment management services on a discretionary authority basis. Clients may execute an investment management agreement granting this authority and specifying their investment objectives, strategy and any investment restrictions that will apply to the portfolio (as further described in "Item 4 – Advisory Business"). Clients should be aware that imposing investment restrictions may result in their portfolio not being as diversified as and/or performing differently than other client portfolios within the same strategy managed without such restrictions.

### **Item 17 – Voting Client Securities**

If a client delegates proxy voting authority to FAD in its investment management agreement, FAD will vote proxies for that client. FAD has adopted written proxy voting policies and procedures intended to reasonably ensure that FAD votes proxies in the best interest of clients. Upon request, FAD will provide any client a copy of these proxy voting policies and procedures and/or information on how the proxies were voted for such client's portfolio.

FAD has contracted with an independent third-party provider of proxy voting and corporate governance services ("proxy agent") which specializes in providing a variety of services related to proxy voting. Specifically, this proxy agent has been retained to conduct proxy research, execute proxy votes, and keep various records necessary for tracking proxy voting materials and proxy voting actions taken for the appropriate client account. FAD has adopted the proxy agent's proxy voting policy guidelines as its own and, as such, votes FAD clients' proxies according to those policy guidelines unless FAD believes there to be an overriding decision that is in the best interests of our clients. Under FAD's policies and procedures, whenever an apparent conflict of interest is identified, FAD will defer to the proxy agent's recommendations and instruct it to vote pursuant to its recommendation. FAD's Chief Compliance Officer makes the final determination in any instance regarding whether or not a potential conflict exists.



**Item 18 – Financial Information**

Friess Associates of Delaware, LLC has no financial condition that impairs our ability to meet our contractual and fiduciary commitments to our clients. FAD has not been the subject of a bankruptcy proceeding.

## **Friess Associates of Delaware, LLC Privacy Policy**

We do not sell your or former clients' nonpublic personal information to anyone.

- 1) We collect nonpublic personal information about you from what we receive on Investment Management agreements or other forms and from your transactions with us.
- 2) We may disclose your nonpublic personal information to unaffiliated third parties (such as brokers or custodians) to assist us in providing services to you; to inquiries from governmental authorities; or as required by law.
- 3) We restrict access to your nonpublic personal information to those employees who need to know that information in order to serve you. We maintain physical, electronic and procedural safeguards to protect your nonpublic personal information.

Friess Associates, LLC

Friess Associates of Delaware, LLC