

Gardner Russo & Gardner LLC

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This brochure provides information about the qualifications and business practices of Gardner Russo & Gardner LLC, a federally registered investment advisor. If you have any questions about the contents of this brochure, please contact us as indicated above.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Gardner Russo & Gardner LLC is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by using our firm's CRD number, which is 106114.

Item 2 Material Changes

This Firm Brochure, dated March 27, 2020, provides those interested in our firm with a summary of Gardner Russo & Gardner LLC advisory services and fees, professionals, and certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item is used to provide our clients with a summary of new and/or updated information. We will inform clients of the revisions(s) based on the nature of the information, as follows.

1. Annual Update: We are required to update certain information at least annually, within 90 days of our firm's fiscal year end (FYE) of December 31. We will provide to clients either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE upon written request directed to Chief Compliance Officer Anne Gardner at Gardner Russo & Gardner LLC's office, or we will provide our revised Brochure that will include a summary of those changes in this Item.

2. Material Changes: Should a material change in our operations occur, depending on its nature we will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include those of ownership or control; location and contact person; disciplinary proceedings; nature of advisory service – any information that is critical to a client's full understanding of who we are, how to find us, and how we conduct our business.

In addition to minor edits intended to enhance clarity, the following non-material revision is being made to our previous Brochure dated March 29, 2019:

Item 4 reflects the amount of regulatory assets managed by Gardner Russo & Gardner LLC is \$13,258,891,290 as of December 31, 2019.

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Firm Brochure Supplements Information about Members/Portfolio Managers

Thomas A. Russo

Eugene H. Gardner, Jr.

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Item 4 Advisory Business

A. Description of Firm; History; Identification of Principals

Gardner Russo & Gardner LLC ("GRG LLC" or "we") is a federally registered investment advisor under the Investment Advisors Act of 1940. ("Federally registered" does not connote or imply a certain level of skill or training.) We are an independent firm whose only business is investment advisory service. We have prime broker and custodian arrangements for client accounts with Pershing, LLC ("Pershing") though, at our discretion, we are able to work with a broker/custodian specified by clients (please note disclosure in Item 12). We solely manage assets on a discretionary basis.

The investment advisory firm of Gardner Investments was founded by Eugene H. Gardner as a sole proprietorship in 1968. Thomas A. Russo joined the firm in partnership with Mr. Gardner in 1989. Eugene H. Gardner, Jr. came to the firm in 1998 and in 2000 the firm became Gardner Russo & Gardner, a business partnership. In 2014 the firm became a limited liability company; Mr. Russo is Managing Member and owns more than 25% of the firm. There is no outside ownership of the firm. Mr. Gardner, Sr. passed away in 2016.

The portfolio managers – Mr. Russo and Mr. Gardner Jr. – oversee discrete groups of separately managed accounts, formulating and implementing a common investment approach and strategy (along with sharing overall responsibility for the firm's operations and resources).

In addition, Mr. Russo is Managing Member of Semper Vic GP, LLC which is the General Partner of Semper Vic Partners GP, LP., the General Partner responsible for the management of Semper Vic Partners, L.P. and Semper Vic Partners (QP), L.P., privately offered partnerships ("Domestic Funds") that are clients of GRG LLC and are invested in U.S. and foreign equities in parallel fashion with separately managed accounts.

Additionally, GRG LLC serves as the investment manager to Semper Vic Partners Offshore, Ltd. ("Semper Vic Offshore" or "Offshore Fund"), a Cayman Islands exempted company. Investment decisions for this Fund, whose primary objective is growth of capital, are made by Mr. Russo and parallel those made for the Domestic Funds and for separately managed accounts.

The three investment vehicles described above may be collectively referred to as "Funds."

Mr. Russo and Mr. Gardner, Jr. are the sole portfolio managers for the firm. They are supported by a staff of forty-three full-time professionals in research analysis, trading, technology and operations, client service and account administration, compliance, and general support.

B. Advisory Service; Style of Investing

Our single advisory service is discretionary portfolio management on an individual, account-by-account basis. Our client portfolios are comprised of common stocks that can broadly be termed global value (please see Item 8). Within this universe we focus on stocks that are purchased and held for purpose of long-term appreciation (in contrast to those whose primary purpose is to produce income). Our advice is limited to this discipline.

C. Individual Needs of Clients; Client Restrictions

Clients may request that restrictions be placed on their investments. However, the fact that we have a single style means that clients, by coming to us, express their desire for their funds to be managed in our particular style. We fully disclose at the outset what this style means in terms of risk, performance potential, exposure to certain companies and

industries, and income expectation. Accordingly, assets placed with GRG LLC may be managed without regard to clients' other holdings.

D. Wrap Fee Programs

We do not engage in Wrap Fee programs.

E. Assets under Management, Discretionary vs. Non-Discretionary

As previously stated, GRG LLC only manages assets entrusted to it on a discretionary basis (please see A, above). As of December 31, 2019, we managed \$13,258,891,290 on a discretionary basis.

Item 5 Fees and Compensation

A. Compensation

A fee is charged for investment advisory service. Fees are not negotiable. At GRG LLC discretion, fees for family members may be waived.

GRG LLC charges management fees to separately managed account clients for its advisory services. Fees for new separately managed accounts are calculated at an annual rate of one percent of net assets, payable quarterly in arrears. Historical management fee rates may be different.

Semper Vic Partners GP, L.P., the General Partner to each of our Domestic Funds, receives an incentive allocation, also paid on a quarterly basis in arrears, at the annual rate of one percent of net assets payable out of profits. (Please refer to Item 6 and the relevant offering documents for further information.) Semper Vic Partners Offshore, Ltd. management fee, calculated at an annual rate of one percent of the Fund's net assets, will be paid in cash on a quarterly basis in arrears to GRG LLC.

B. Billing Methodology

Separately Managed Account Fees – billed quarterly and in arrears – are invoiced to clients or (at client direction) to their custodians; Pershing clients may be invoiced or (at their direction) have fees directly debited from their accounts. All clients are copied on invoices that are sent to, or directly debited from, custodians.

C. Additional Fees or Expenses

No additional fees shall accrue to GRG LLC as a result of its investment advisory service.

GRG LLC has a negotiated arrangement with Pershing that covers fees and costs associated with custody and prime brokerage. Other custodians (those chosen by clients) may charge costs or fees per arrangement between custodian and client.

Money Market mutual funds may be used in client accounts to sweep unused cash balances until such funds can be appropriately invested. The fees and expenses charged by these mutual funds to its shareholders are separate from the fees paid to GRG LLC for advisory services, and are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee.

All clients will incur costs associated with trading that are consistent with best execution practices (please see Item 12).

D. Advisory Fees Paid in Advance or in Arrears

Separately managed account advisory fees are billed and paid in arrears of services rendered, prorated (with respect to client-initiated cash flows above a 3% de minimis account threshold) for partial periods of management. Refer to Item 6 for information regarding compensation associated with investments in the Funds.

E. Compensation for Sale of Securities or Other Products

GRG LLC does not offer for sale securities or other investment products.

Item 6 Performance-Based Compensation and Side-by-Side Management

The General Partner of the two Semper Vic Partners Domestic Funds receives an incentive allocation at the annual rate of one percent of assets under management. Such allocation is credited out of profits. The General Partner pays a fixed amount to the Manager (GRG LLC) for its investment management service. The incentive allocation will be credited quarterly in arrears from profits, if such exist, at quarter-end. If such profits do not exist, no allocation will occur in such quarters and will instead be carried forward for future quarters to be paid out of then profits.

An incentive allocation is a form of performance-based compensation that is calculated based on a share of capital gains on or capital appreciation of the assets of a Partnership. Also, because the incentive allocation is calculated on a basis which includes unrealized as well as realized appreciation of assets, it may be greater than if such compensation were based solely on realized gains. Investors or prospective investors should refer to each Domestic Fund's underlying documents for further information regarding such compensations and their calculations.

GRG LLC and Semper Vic Partners GP, LP will structure any incentive allocation arrangements subject to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended, in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3 under the Advisers Act.

Investors and prospective investors in one or more of the Domestic Funds should note that performance-based compensation can create an incentive for an adviser such as GRG LLC to recommend investments which may be riskier or more speculative than those which would be recommended under a different compensation arrangement. However, under our firm's longstanding practice, assets managed by GRG LLC, wherever possible, are invested in parallel fashion pursuant to the firm's global value investment strategy.

GRG LLC's advisory fee for separately managed accounts, and for Semper Vic Partners Offshore, Ltd., is one percent of assets under management. The incentive allocation arrangement is only applicable to the Domestic Funds.

As we endeavor at all times to put the interest of our clients first as part of our fiduciary duty as a registered investment adviser, we take the following steps to assure this intention:

- We have implemented written policies and procedures for fair and consistent allocation of investment opportunities among all clients (i.e., separately managed accounts and Fund accounts), subject to the client's/Fund's cash availability, availability of interests in the underlying Funds, and other appropriate considerations;
- We periodically compare holdings and performance of all accounts, separately

- managed accounts and pooled funds, to identify significant performance disparities indicative of possible favorable treatment;
- We educate our employees regarding the responsibilities of a fiduciary, including the equitable treatment of all clients, regardless of the fee arrangement.

Item 7 Types of Clients

Investors with GRG LLC understand the nature of our investment advisory service and are committed to the firm's long-term, global-value investment strategy (please also see Item 4C regarding restrictions and limitations). Investments through separately managed accounts and in the Funds are managed in parallel fashion.

At present seventy-five percent of assets under management are managed in separate accounts. As separate account managers, we handle various types of investment accounts including those of individuals, trusts, employee benefit plans, and foundations and endowed funds (including those of state universities). The minimum size for a new separately managed account is \$1,000,000. At the discretion of GRG LLC, investments of lesser amounts may be accepted. Maintenance of an account that is below the minimum is at the discretion of GRG LLC.

At present twenty-five percent of assets under management are invested in Semper Vic Partners Funds.

The following three Funds are offered to investors on a private placement basis.

Semper Vic Partners, L.P. ("Semper Vic"): Interests in Semper Vic are intended for a limited number of experienced and sophisticated investors that are "accredited investors" that include certain institutional investors as well as natural persons with net worth of \$1 million or individual income in excess of \$200,000 or joint income in excess of \$300,000 in each of the last two years.

Semper Vic Partners (QP), L.P. ("Semper Vic QP"): Interests in Semper Vic QP will generally be available only to qualified investors who are "accredited investors" and "qualified purchasers" that are natural persons and family-owned companies that own not less than \$5 million in investments, as well as other persons acting for their accounts or accounts of others, that own and invest on a discretionary basis not less than \$25 million in investments.

Semper Vic Partners Offshore, Ltd. ("Semper Vic Offshore"): Interests in Semper Vic Offshore will generally be available to experienced and sophisticated investors who are neither citizens nor residents of the United States and to U.S. investors consisting of tax-exempt entities.

Any offering of Funds' interests will be made only pursuant to a confidential offering memorandum and the relevant subscription application, each of which must be read in entirety. No offer to purchase securities will be made or accepted prior to GRG LLC's receipt of these documents and the completion of appropriate documentation. At the discretion of GRG LLC (Mr. Russo, Managing Member), subscription for investment by any prospective investor in any Fund may be declined.

The minimum size for an initial interest in the Domestic Funds is \$1,000,000. At the discretion of Mr. Russo investments of lesser amounts may be accepted according to the nature of the account and any applicable qualification requirements.

The minimum size for both initial and subsequent investments in the Offshore Fund is \$500,000 (U.S.), subject to reduction at the discretion of the Directors of

Semper Vic Offshore, but not below \$100,000 (U.S.) or such other amount as may be specified under Cayman Island law from time to time.

The subscription documents for each Fund contain questions relating to these qualifications. Prospective Fund investors should refer to the appropriate Fund offering documents for additional important information regarding restrictions applicable to participation and redemption of investments in the Funds.

Additional Fund Information: Prospective investors in one or more Funds should refer to the appropriate offering and organizational documents for additional important information, terms, conditions and risks involved with investing in a Fund.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

A. Analysis and Strategy

The firm's business is discretionary investment advisory. Our single investment focus can be broadly termed global value.

Investment decisions are made with little input from Wall Street, using primary, fundamental research directed towards a limited number of global industries. We conduct research by analyzing a company's financial reports, attending annual, industry, and analyst meetings, and engaging its management in appropriate venues. We assess its free-cash-flow generation, sustainability of franchise, earnings and pricing power, and quality of management; we match our judgments of these against the price of the company's stock. We buy common stocks in concentrated industry groups in competitively advantaged, global businesses that are run by able and honest managers. Our intention and hope is to retain meaningful positions in these holdings for a long period of time. The following paragraphs describe the underlying tenets of our investing philosophy.

Buy and Hold We hope to hold positions for many years. Our focused familiarity with each of our holdings gives us the confidence to do this, and allows us to pass onto our clients the advantages of low turnover such as minimized taxes and transaction costs. Long holding periods promote in our investors the mindset of business owners; this properly focuses attention away from the short-term noise that can distract from long-term value creation.

Meaningful Positions, Concentrated Industry Groups The largest positions can have weighting in the high single-to low double-digits as a percentage of the portfolio. We believe this method of portfolio construction offers a reasonable amount of diversification while concentrating funds in the best investment ideas that our highly focused research efforts uncover.

We have long-standing investments in the consumer products, media, and financial services industries. This industry focus has led to deeper and more meaningful insights than would have otherwise occurred if research efforts were more dispersed.

The trade-off is a narrow investment landscape, but long-term ownership of well positioned global businesses requires the deeper understanding that such focus yields. GRG LLC focuses on companies that are capable of driving global growth, especially companies headquartered overseas with globally oriented businesses or U.S. companies with the bulk of their revenue generated overseas. At present, such investments represent over sixty percent of assets under management.

Reasonable Prices We would describe most of our portfolio companies as great businesses that sell for reasonable prices. Our objective is to pay a fair price for franchises compounding faster than the market and own them long enough so that investment returns approach the businesses' growth in intrinsic value.

Competitively Advantaged Businesses, Able Managers To merit our investing attention a company must possess unique characteristics. Its businesses' competitive advantages must give indication of stability and growth. This is measured by its sustainable long-term returns on capital and by consistent generation of free cash flow. The company must be run by a management team with a proven record of successful operation and effective allocation of free cash flow. It must also possess the type of firm culture that provides the context and incentive for long-term value creation. This means a management that brings the most effective of "family-owned" approaches to running their operations (long-term wealth-building rather than short-term profit-harvesting; interest in proactively maintaining reputational value of a business; deep knowledge of its businesses and of the industry in which its businesses operate).

In short, we look to invest in companies which have the "capacity to reinvest" that are run by shareholder-minded managements who have the "capacity to suffer" Wall Street disapproval while directing heavy investments intended to generate future growth but which all-too-often adversely impact near-term reported profits.

B. Material Risk of GRG LLC Investment Strategy

We recognize that investing in securities involves risk of loss that clients should be prepared to bear. The following paragraphs describe attributes of our investment strategy that we have identified as posing potential risks to portfolio value.

Industry and Portfolio Company Concentration GRG LLC has historically preferred a relatively narrow number of industry sectors into which to invest client funds. There exist many market investment sectors other than ours, which may be in favor from time to time. This may mean temporary depression of market values for companies in our sectors if and when they are out of favor. However, reduced share prices as a result of market sentiment do not necessarily relate to reduced prospects for our companies' operations. Accordingly, we prefer not to move from sector to sector, following the bubble of the moment. Rather, we prefer to patiently await the market's return to recognition of our businesses' intrinsic value. Nonetheless, this may mean that our portfolios undergo periodic under-performance versus the market as a whole.

The same can be said for individual companies in which we invest. Earnings may disappoint without necessarily indicating any decrease in our long-term confidence for a company's ability to grow intrinsic value. Because our core positions can be heavily weighted, performance of our portfolios can be dampened by market sentiment, which we regard, however, as immaterial to our investments' long-term potential.

Long-Term Perspective As patient investors, we await the market's recognition of the intrinsic value of our portfolio companies' shares. In fact, the deeper the discount our shares enjoy from their intrinsic value, the more unrealized wealth we build within a portfolio. The freedom to ignore consensus and with it quarterly and annual targets is critical to our long-term outlook. This is a concept that may be challenging, in difficult times, for a client to understand and accept, even though they would have embraced the concept in theory at outset. We spend the bulk of our communication efforts with

clients in reinforcing this as a key element of our style.

There is risk, however, in the fact that we can be just plain wrong in our analysis, and the benefits of long-term patience can turn to risk of long-term loss as something we simply did not see, in industry conditions or in company management or operations, permanently erodes value and thus portfolio performance.

Foreign Currency Fluctuation With substantial investments in shares of companies that are incorporated in foreign markets, and with considerable exposure to portfolio companies' profits that are increasingly sourced globally, portfolios managed by GRG LLC may be affected by currency fluctuations or imbalances (favorably or unfavorably). Historically, however, the net impact of currencies has provided a gentle contribution to overall investment performance. This is not a guarantee that future fluctuations should be expected to provide similar gentle performance tailwinds.

Nonetheless, it is our belief that the long-term gains our portfolio companies will experience, as a result of broadening our global reach over time, will more than offset the temporary swings caused by currency volatility.

C. Material Risk from a Particular Type of Security

Our portfolio investments are largely common stocks of large-cap U.S. and foreign publicly owned corporations (if foreign, generally multi-national). There is no out-of-the-ordinary risk associated with this type of security though foreign stocks as a *type* of security may pose risk in terms of currency volatility.

Cash balances are temporarily invested in low-risk money market funds.

Item 9 Disciplinary Information

There are no legal or disciplinary events for GRG LLC and its management personnel.

Item 10 Other Financial Industry Activities and Affiliations

GRG LLC discloses the following relationships that may have potential to create material conflict of interest with clients, and describes how we address such potential conflict.

A. Sponsor of Funds

Mr. Russo has authority and control over Domestic Funds Semper Vic and Semper Vic Q.P. through his position as Managing Member of their General Partner. He also has authority and control over Semper Vic Offshore as a Member of its Board of Directors. At the same time he is Managing Member of GRG LLC, the Investment Advisor of the three Funds, for which he is portfolio manager. Because of his having beneficial interest in certain of the Funds, he can be seen as having a potential conflict of interest as he could show favoritism in his investment activities.

Practices are in place to mitigate this risk: separately managed accounts are managed in a parallel fashion to the Funds in terms of portfolio holdings and weightings; and, whenever possible, trades for the Funds are aggregated with those of separately managed client accounts.

B. Involvement with IA Firm

Eugene Gardner, Jr. is vice president of Rutabaga Capital Management, LLC, a small-cap Investment Advisor located in Boston, MA. Wearing this second hat (his time for which is insignificant), he could be seen to have potential of favoring the clients of one or the other of GRG LLC and Rutabaga if the two firms should hold stocks in common.

Practical mitigation of this potential is by virtue of the investment strategies the two firms employ – GRG LLC is almost totally large-cap and Rutabaga is solely small-and micro-cap. There is minimal chance that the same stock would be bought, especially on the same day. Mr. Gardner provides Rutabaga with his personal trading records, and Rutabaga's list of owned or "under consideration" holdings are likewise given to GRG LLC trading office to prevent inadvertent conflict.

Although there are clients-in-common between the two firms, there is no mutual solicitation or active referral by either.

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

A. Code of Ethics

GRG LLC states its fiduciary care of client assets. Our expectation is that all Decision-Makers, which include GRG LLC's principals, Chief Compliance Officer and Head Trader ("DMs"), and employees act with honesty, integrity, and loyalty in the best interests of clients. They comply with applicable securities laws. They adhere to an obligation to avoid or disclose any actual or potential conflicts of interest, and commit to safeguard clients' nonpublic personal information. We will send a Privacy Notice as a separate enclosure with the spring quarterly report, annually, and ensure it is included with each ADV Part 2 given to prospective clients.

Our paramount intention is to place the interests of our clients first and foremost in the operation of our business. Policies and procedures provide a framework within which we carry out this intention. We review these frequently and regard them as covering every principal and employee, and every aspect of the firm's activity. Orientation at time of employment is thorough, and periodic reorientation and affirmation are conducted. Any violations of the firm's Code of Ethics must be reported promptly to the Chief Compliance Officer.

Our Code of Ethics covers principals and all employees (collectively, "Employees") of GRG LLC as they trade for their own accounts. Our policy is that in accordance with our Code of Ethics we doggedly commit to preventing disadvantage to clients in favor of any DM interests and have a disciplined set of controls in place to assure we carry out this commitment. At the same time we recognize that it is appropriate for DMs to invest in the firm's ideas alongside clients. In aggregating trades for clients, DM trades may be included.

We define and avoid situations in which there could be fact or appearance of self-serving either in buying or selling. This is done through a scrutiny and approval process that varies from situation to situation but ultimately guards against disadvantage to clients.

Requirements for GRG LLC employees addressed procedurally in our Code of Ethics include: limitations on personal trading, pre-clearance of certain transactions, personal securities reporting, periodic review and monitoring of same, designated procedures for certain restricted securities and types of transactions, and statement of possible sanctions for violations of established policy and procedure.

Trading for DMs is handled solely by our trading office and all DM accounts are custodied at our prime broker Pershing. To prevent conflict of interest, traders have authority to not place DM trades if conflict cannot be avoided.

All Employees must submit initial and annual holdings reports to the Chief Compliance Officer in accordance with the Code of Ethics. Also, Employees must submit to the Chief Compliance Officer quarterly transaction reports.

Personal trading activities of each of GRG LLC's DMs are pre-approved by the Chief Compliance Officer in accordance with SEC requirements. Consistent with this policy, Mr. Russo pre-approves personal trades of Chief Compliance Officer Anne Gardner.

A copy of our Code of Ethics (including Personal Trading Policy) is available to our advisory clients and prospective clients, including investors and prospective investors in one or more of the Funds, upon request to Chief Compliance Officer Anne Gardner at GRG LLC's office address.

The giving, receiving or soliciting gifts or entertainment in a business setting may create an appearance of impropriety or may raise a potential conflict of interest. GRG LLC does not accept gifts from vendors, or from clients and investors, above a de minimis threshold as described in our Code of Ethics.

B. Participation or Interest in Client Transactions

GRG LLC and individuals associated with our firm are prohibited from engaging in principal transactions.

GRG LLC and individuals associated with our firm are prohibited from engaging in agency cross transactions.

Please see Item 10 for Mr. Russo's handling of potential conflict of interest involving the Funds (i.e., position of authority and control over Semper Vic Partners Funds, along with authority and control over GRG LLC, their Manager). The Funds are treated the same as separately managed accounts in allocation and aggregation practices (please see Item 12).

C. Related Person Trading Alongside and Concurrent with Client Accounts

Please see Item 11A.

Item 12 Brokerage Practices

A. Selection of Broker-Dealers for Client Transactions; Use of Soft Dollars; Directed Custodian/Brokerage; Miscellaneous Practices

GRG LLC's efforts to assure best execution for clients begin with our attention to our prime broker relationship. We encourage clients to custody accounts at our prime broker Pershing for the many administrative/trading advantages this gives. These include safety of client assets, close personal attention to opening accounts and transferring assets, and to problem-solving, request-response, and special situations.

Pershing knows GRG LLC (and through us, our mutual clients) extremely well and the benefits for our clients that flow from this relationship are numerous and constant. (Please see Item 5C for description of our arrangement with Pershing.)

For accounts held in custody at Pershing, we trade widely among brokerage houses that provide good execution for client trades (to be delivered into their accounts at Pershing).

For accounts not custodied at Pershing but held in custody at banking institutions, this same trading advantage pertains; we can trade away and deliver to accounts at these custodians.

For accounts where clients retain ability to direct brokerage this same trading advantage does not apply. Please see *Client-Directed-Brokerage* section below.

We have an obligation to seek best execution but that does not necessarily include always obtaining the lowest commission rate possible. While we will always seek competitive commission rates at our brokers, we will take them into account along with the following standards that we require of our providers on behalf of our clients:

- financial stability of the broker;
- the actual executed price of the security and the broker's commission rates;
- research (including economic forecasts, investment strategy advice, fundamental and technical advice on individual securities, valuation advice and market analysis), custodial and other services provided by such brokers and/or dealers that are expected to enhance the Adviser's general portfolio management capabilities;
- the size and type of the transaction;
- the difficulty of execution and the ability to handle difficult trades;
- the operational facilities of the brokers and/or dealers involved (including back office efficiency); and
- the ability to handle a block order for securities and distribution capabilities.

Soft Dollars We obtain research and brokerage goods and services from time to time from broker-dealers we select. The use of client commissions to obtain research and brokerage products and services raises a conflict of interest in that an incentive is created for an advisor to select or recommend a broker-dealer based on advisor's interest in receiving those products and services.

Our practice follows a policy for client commissions that is consistent with SEC guidance allowing that we maintain our fiduciary duty, in a case when we cause a client to pay a commission that exceeds what another broker may charge, if we determine the amount is reasonable in relation to the value of the research and brokerage services provided. This pertains to a particular transaction or to our overall responsibilities in regard to the account. Our practice is limited to our choosing brokers and using step-out trades in return for research and brokerage service described below.

In any particular instance, a client account for which a trade was executed may not be the direct or indirect beneficiary of the research or brokerage services obtained from such broker.

Research, at least during our last fiscal year, consisted of access to analyst meetings with company managements and research reports on particular industries, markets, or economic studies or forecasts.

Brokerage Service, at least during our last fiscal year, consisted of interconnectivity lines between GRG LLC trading office and brokers, as well as trading/settlement expertise and expertise in particular markets and stocks.

Our practice in this area of soft dollar trading is confined to the activities mentioned above and is documented as closely as we can; however, it is impossible to place a dollar benefit on them. In real dollar terms, our firm bears its own operating expenses in their entirety.

Allocation and Aggregation GRG LLC strives to provide best execution for its clients in terms of allocation of stock. It is our intention to apply allocation of stock impartially

across client accounts. We do not use a formula for allocation, taking into account as we do the individual profiles of each of our client accounts. Some of the characteristics we consider when allocating stock are cash reserves and requirements for cash, risk profiles (within the homogeneous context of our typical client's risk profile), and the general balance of holdings. Orders are generally filled on the day a trade is placed; in the very unusual cases when they are not filled due to illiquidity, orders are filled pro-rata or on a randomized basis. There may be an exception to this practice in order to address anomalies such as odd lots for small orders.

Essentially, it is our objective to see that over time all our core positions are represented in each client account to the extent allowed by account size, client preference, and attractiveness of price. The Semper Vic Funds are treated as separately managed accounts in allocation practices.

Whenever possible, GRG LLC aggregates trades for client accounts within each portfolio manager's (Russo and Gardner) client group; trades are not aggregated across all clients of GRG LLC. Trades for principals of GRG LLC may be included in the aggregations (please see Item 11). The Semper Vic Funds are treated as separately managed accounts in aggregation practices.

As to cost to clients of not aggregating, please see section below pertaining to client-directed custodian/brokerage.

Matching Trades On rare occasions, involving primarily foreign, illiquid stocks, GRG LLC may intentionally match a buy and a sell trade in the same stock between managed accounts (including Semper Vic Funds). This allows efficient control of a block of stock that needs to be sold from one or more client accounts (for the purposes of liquidation or rebalancing) at the same time there is desire to place the stock in one or more client accounts (for the purposes of establishing or increasing a position).

This is done with no direction or control from GRG LLC as to price, and with no compensation accruing to GRG LLC as a result of the trade. When such a trade occurs in foreign markets, it is at the opening auction and/or the closing auction. The benefit for clients on both sides of the trade is our ability to minimize the volatile swing of prices in stocks that are in short supply in foreign markets and under foreign market conditions. Our Chief Compliance Officer will monitor such cross trades for compliance with Section 206(3) of the Advisers Act with respect to principal transactions.

Valuation Practices GRG LLC uses Interactive Data to provide pricing information to populate our portfolios and for our performance and fee calculations. In special situations where there is limited market in a foreign stock, we may use a price from a market-maker. There may be discrepancy between GRG LLC's portfolio valuations and the custodians' due to rounding, security valuation (primarily foreign holdings and typically attributable to changes in foreign exchange rates), interest or dividend payments, and transactions not known to GRG LLC.

Trading Error and Trading Error Account GRG LLC makes a client whole when an error committed by GRG LLC causes loss. We maintain a Trading Error Account.

Client-Directed-Brokerage GRG LLC may accept a client request to 1) custody an account at a firm/bank other than our prime broker Pershing which might require that we direct brokerage transactions to this custodian/retail broker, or to 2) broker an account at client direction. SEC rules state that we must disclose potential disadvantages to these arrangements and must obtain signed instructions from the client.

We commit to protecting client interests to the extent possible in these cases but disclose that for any such arrangement best execution may not be obtained in terms of the following:

- Commissions for trades that designate client-directed-brokerage are negotiated between client and client's custodian/retail broker. This may result in higher commissions than those realized by client accounts traded at broker of GRG LLC choice.
- GRG LLC enters client-directed-brokerage trades after GRG LLC-brokerage trades. This may subject these trades to greater risk of market impact, particularly in the case of illiquid securities or in times of market volatility. Because we do not aggregate client-directed-brokerage trades with GRG LLC-brokerage trades, the former will not participate in benefits of aggregation such as use of specialists, and of conflict of interest provision of GRG LLC Personal Trading Procedure (having to do with assuring client of no worse price than that of a GRG LLC employee trading in the same stock on the same day), in addition to efficiencies of trading costs.
- We disclose that in working with custodians other than Pershing there are limits to our influence or control in areas such as resolution of trading and settlement issues.

Item 13 Review of Accounts

A. Periodic Reviews of Client Accounts

Each client account (including each private investment vehicle) will be reviewed on a periodic basis by the portfolio managers, with the assistance of other appropriate personnel of GRG LLC, if necessary, to determine whether the account is being managed in a manner that is consistent with the client's investment objectives, guidelines and/or restrictions, as communicated to GRG LLC. In the case of private investment vehicles, the offering memorandum for each such private investment vehicle should be reviewed for consistency and compliance.

B. More Frequent Reviews

Reviews can be triggered at any time for a number of reasons such as a call or meeting with a client, by testing that shows an account falling outside standard performance parameters, or by significant market movement.

C. Regular Reports to Clients

Every ninety days an updated written report showing account holdings, performance, tax information, and calculation of advisory fees is sent to each separately managed account client by GRG LLC. Each separately managed account client's reports, updated daily, are available by proprietary, password-protected Internet access.

The nature of reports provided to investors in Semper Vic Funds is described in the respective Funds' offering documents. These include provision of unaudited capital account reports and audited annual year-end financial statements.

Item 14 Client Referrals and Other Compensation

GRG LLC is not compensated by anyone other than a client for investment advisory work. We do not compensate anyone or any entity for client referrals.

Item 15 Custody

GRG LLC does not maintain nor will it accept physical possession of any client's funds or securities; all GRG LLC-managed client assets are directed to and held at independent, qualified custodians.

Nonetheless, the following are the three situations when GRG LLC may be deemed to have custody and the mandated steps taken to protect client interests.

Directly-Debited Fees We disclosed in the Fees and Compensation section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts custodied at Pershing, which burdens us with responsibilities related to custody.

As part of this billing process, each client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions (including fee debits) within the account during the reporting period. To ensure that notice of fee debits are being sent to our clients, GRG LLC receives from its prime broker Pershing quarterly attestation that statements have been sent to clients (this is part of Pershing's standard practice to send statements to its custodial accounts).

Because GRG LLC through its account administration software Advent, rather than the custodian, calculates the amount of the fees to be deducted, we disclose to clients on each invoice separately provided by GRG LLC that they should verify the accuracy of calculations as the custodian does not do so. Comparing all the information pertaining to billing, transactions and holdings between monthly custodian statements and quarterly GRG LLC reports (see Item 13C) is prudent practice for clients. Clients should contact us directly if they believe there may be an error in their statements, invoices, or reports.

Limited Partnerships/Fund As we previously disclosed, Mr. Russo is the Managing Member of Semper Vic GP, LLC which is the General Partner of Semper Vic Partners GP, LP – the General Partner of the two Domestic Funds that are clients of GRG LLC. Additionally, Mr. Russo is one of three Directors of Semper Vic Partners Offshore, Ltd. Collectively, the Directors are responsible for the overall management and control of the Offshore Fund and have delegated the making and approval of any investment decision to GRG LLC as the investment manager. As previously disclosed, responsibility for investment decisions and management of the Offshore Fund resides with Mr. Russo, a principal of GRG LLC.

Mr. Russo's authority as a control person of the Funds and GRG LLC results in potential conflicts of interest that, among other things, require additional regulatory obligations applicable to the financial accounting practices for the Funds: The Funds are audited annually by an independent public accountant that is both registered with and subject to regular inspection by the Public Companies Accounting Oversight Board. Copies of the audited financial statements are sent to each Fund investor within 120 days of each Fund's fiscal year-end.

Standing Letter of Authorization ("SLOA"): Certain of our clients have granted us the limited power in a SLOA to disburse funds to one or more third parties as specifically designated by the client. With respect to these client accounts, we comply with the *Investment Adviser Association SEC No-Action Letter* regarding SLOAs dated February 21, 2017.

Item 16 Investment Discretion

An Investment Advisory Agreement, designating GRG LLC as an account's discretionary investment advisor, will be executed by a client prior to start of management. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change/amend these limitations as required and accepted by GRG LLC. Such amendments shall be submitted in writing.

Item 17 Voting Client Securities

Proxy voting is an important right of shareholders. When this voting is handled by an agent of a shareholder, diligence must be undertaken to ensure that such rights are properly and timely exercised with consideration given to possible conflicts of interest. When GRG LLC, exercising its fiduciary responsibility, has discretion to vote proxies, it will vote in a manner that it believes to be in the best interest of its clients and in accordance with our policies and procedures. A client may obtain a record of votes cast on his behalf, by written request to our Proxy Administrator at our GRG LLC office. Our Proxy Voting Policy and Procedure is available upon written request directed to Chief Compliance Officer Anne Gardner.

A client who gives GRG LLC discretion to vote can direct the vote GRG LLC makes on client's behalf. In a case of possible conflict of interest between GRG LLC's vote and a client's directed vote, we will explain conflict of interest and defer to client's voting wishes.

GRG LLC will abstain from voting or affirmatively decide not to vote if GRG LLC determines that abstention or not voting is in the best interests of the client. In making this determination, the Adviser will consider various factors, including, but not limited to, (i) the costs associated with exercising the proxy (e.g., translation or travel costs); and (ii) any legal restrictions on trading resulting from the exercise of a proxy. The Adviser may determine not to vote proxies relating to securities in which clients have no position as of the receipt of the proxy (for example, when the Adviser has sold, or has otherwise closed, a client position after the proxy record date but before the proxy receipt date).

Class Action Filings GRG LLC provides Class Action Filing services for active clients through an outside vendor. In the case of the Semper Vic Partners Funds, Mr. Russo will decide whether to participate in suits based on potential recovery versus cost of documentation preparation.

Item 18 Financial Information

As previously disclosed in Item 5, GRG LLC's fees are payable in arrears. We do not include a financial statement as part of this disclosure document because inclusion is only required if a firm solicits "payment of fees in excess of \$1200 per client more than six months in advance of services rendered," which we, as billers in arrears, do not.

As an advisory firm that maintains discretionary authority for client accounts and is deemed to have custody of client assets (please see Item 15), we are required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. GRG LLC has no such financial circumstances to report, nor has GRG ever been the subject of a bankruptcy petition.

Part 2B of Form ADV: Brochure Supplements
March 29, 2019

Thomas A. Russo
Eugene H. Gardner, Jr.

Gardner Russo & Gardner LLC
223 East Chestnut Street
Lancaster, PA 17602
(sole location)
(717) 299-1385

Office Hours: 8:30-5:00 weekdays

Contact Person: Anne D. Gardner, Chief Compliance Officer
(agardner@grglancaster.com)

These Brochure Supplements provide information about the individuals listed above who are referenced in the Gardner Russo & Gardner LLC ("GRG LLC" or "we") Brochure. You should have received a copy of that Brochure. Please contact Chief Compliance Officer Anne Gardner if you did not receive our Brochure or if you have any questions about the contents of these Supplements.

INFORMATION ABOUT MEMBERS/PORTFOLIO MANAGERS

Thomas A. Russo – Managing Member

Item 2 Educational Background and Business Experience

Thomas A. Russo, born 1955, is a graduate of Dartmouth College ('77) with a BA in History, receiving a joint MBA/JD from Stanford University ('84). Previous to joining Gardner Investments in 1989 he worked for Ruane Cunniff & Company, and Cumberland Associates, in New York City. Mr. Russo is a charter member of the Advisory Board for the Heilbrunn Center for Graham & Dodd Investing at Columbia Business School. He is a member of Dartmouth College's President's Leadership Council and the Dean's Circle at Stanford Law School. Mr. Russo also serves as a Member on the Boards of the Winston Churchill Foundation of the USA, Facing History and Ourselves, and Storm King Art Center.

In addition to serving as Managing Member of GRG LLC, and as portfolio manager to certain of the firms separately managed accounts, Mr. Russo is the Managing Member of Semper Vic GP, LLC, which in turn is the General Partner of Semper Vic Partners GP, LP – the General Partner of Semper Vic Partners, L.P. and Semper Vic Partners (QP), L.P., which are Domestic Funds. Mr. Russo also serves on the Board of Directors of Semper Vic Partners Offshore, Ltd. These three Funds are affiliated with GRG LLC through common ownership and control.

Item 3 Disciplinary Information

There are no legal or disciplinary events associated with Mr. Russo.

Item 4 Other Business Activities

Mr. Russo does not have active engagement with other advisory firms.

Item 5 Additional Compensation

There are no additional compensations to Mr. Russo for providing advisory service.

Item 6 Supervision

Thomas Russo and Eugene Gardner, Jr. function collectively and cooperatively as Members and portfolio managers of GRG LLC. As such, the supervision of their investing activities for their clients and for their personal accounts involves peer association between themselves and is subject to defined behavior in GRG LLC's Code of Ethics to which they attest fidelity.

Additionally, the policies, practices, and procedures that allow for monitoring personal trading of Members include: custody of their personal accounts at GRG LLC's prime broker; placement of their personal trades by our Head Trader; the Members' regular reviews of the daily trading blotter that includes all trades placed through our trading office; pre-approval for Mr. Russo's personal trades performed by Mr. Gardner; and review of these trades (and of all supervisory procedures) by our Chief Compliance Officer Anne Gardner (717-299-1385).

INFORMATION ABOUT MEMBERS/PORTFOLIO MANAGERS

Eugene H. Gardner, Jr. - Member

Item 2 Educational Background and Business Experience

Eugene H. Gardner, Jr., born 1967, is a graduate of Duke University ('89) with a BA in Political Science. Previous to joining our firm in 1998 he worked for David L. Babson & Co. in Cambridge, MA. Concurrent with his work at GRG LLC, he has been associated with Rutabaga Capital Management, LLC (please see Item 4).

Item 3 Disciplinary Information

There are no legal or disciplinary events associated with Mr. Gardner, Jr.

Item 4 Other Business Activities

Mr. Gardner, Jr. is vice president of Rutabaga Capital Management, LLC, a small-cap Investment Advisor located in Boston, MA.

Item 5 Additional Compensation

Mr. Gardner, Jr. receives compensation from Rutabaga Capital Management for consultative service; aside from this there are no additional compensations for providing advisory service.

Item 6 Supervision

Thomas Russo and Eugene Gardner, Jr. function collectively and cooperatively as Members and portfolio managers of GRG LLC. As such, the supervision of their investing activities for their clients and for their personal accounts involves peer association between themselves and is subject to defined behavior in GRG LLC's Code of Ethics to which they attest fidelity.

Additionally, the policies, practices, and procedures that allow for monitoring personal trading of Members include: custody of their personal accounts at GRG LLC's prime broker; placement of their personal trades by our Head Trader; the Members' regular reviews of the daily trading blotter that includes all trades placed through our trading office; pre-approval for Mr. Gardner's personal trades performed by Mr. Russo; and review of these trades (and of all supervisory procedures) by our Chief Compliance Officer Anne Gardner (717-299-1385).