

Firm Brochure

(Part 2A of Form ADV)

Giverny Capital Asset Management LLC

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This brochure provides information about the qualifications and business practices of Giverny Capital Asset Management LLC. If you have any questions about the contents of this brochure, please contact us at: (212) 845-5383, or by email at: dpoppe@givernycapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Disclaimer: Registration as a “Registered Investment Advisor” does not necessarily imply a certain level of skill or training with regulatory authorities. Additional information about Giverny Capital Asset Management LLC is available on the SEC’s website at www.adviserinfo.sec.gov

03/24/2020

Material Changes

Annual Update

Not applicable.

Material Changes since the Last Update

Not applicable.

Full Brochure Available

Whenever you would like to receive a complete copy of our Brochure, please contact us by telephone at: (212) 845-5383 or by email at: dpoppe@givernycapital.com.

Table of Contents

Material Changes.....	i
Annual Update	i
Material Changes since the Last Update	i
Full Brochure Available	i
Item 4: Advisory Business	1
Item 4A: Firm Description	1
Item 4B: Types of Advisory Services	1
Item 4C: Tailored Services.....	2
Item 4D: Wrap Fee Programs	2
Item 4E: Client Assets.....	2
Investment Advisory Agreement	2
Item 5: Fees and Compensation	3
Item 5A: Description.....	3
Item 5B: Fee Billing.....	3
Item 5C: Other Fees	5
Item 5D: Prepayment	5
Item 5E: Compensation for Sale of Securities	5
Item 6: Performance-Based Fees & Side-by-Side Management.....	6
Item 7: Types of Clients	6
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	7
Item 8A: Methods of Analysis	7
Item 8B: Investment Strategies.....	7
Item 8C: Risk of Loss.....	7
Item 9: Disciplinary Information.....	9
Legal and Disciplinary	9
Item 10: Other Financial Industry Activities and Affiliations	9
Item 10A: Registrations.....	9
Item 10B: Other Registrations.....	9
Item 10C: Affiliations	9
Item 10D: Other Advisers.....	11

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	11
Item 11A: Code of Ethics	11
Item 11B, 11C, 11D: Participation or Interest in Client Transactions	11
Item 12: Brokerage Practices	14
Item 12A: Selecting Brokerage Firms	14
Item 12B: Order Aggregation	15
Item 13: Review of Accounts.....	16
Item 13A: Periodic Reviews	16
Item 13B: Review Triggers.....	16
Item 13C: Regular Reports	16
Item 14: Client Referrals and Other Compensation.....	17
Item 14A: Other Compensation.....	17
Item 14B: Referrals	17
Item 15: Custody	17
Item 16: Investment Discretion	19
Item 17: Voting Client Securities.....	19
Item 17A: Proxy Votes	19
Item 18: Financial Information	19
Items 18A, 18B, 18C: Financial Information.....	19

Item 4: Advisory Business

Item 4A: Firm Description

Giverny Capital Asset Management LLC (“GCAM”, “Giverny Capital Asset Management”, “Firm” or “We”) was founded in 2019. GCAM provides investment management services to individuals, trusts, and other institutional entities. The Firm’s investment management services are limited to the discretionary management of investment portfolios (mostly consisting of equity securities) in accordance with the Firm’s long-term investment management strategy. We do not provide financial planning, insurance planning, estate planning, or any other related or unrelated consulting services.

GCAM is strictly a fee-only investment management firm providing independent investment management services. The Firm does not receive commissions for purchasing or selling annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The Firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted and no finder’s fees are accepted.

GCAM does not act as a custodian of client assets and the client always maintains asset control. GCAM’s third party custodian is TD Ameritrade Institutional and/or Charles Schwab & Co., though a client may also use a custodian of their own choice. GCAM places trades on behalf of clients under a limited power of attorney.

The principal owners of the Firm are Poppe-Henderson LLC (50%) and Giverny Capital Management Inc. (50%). Poppe-Henderson LLC is controlled and principally owned by David Poppe. Giverny Capital Management Inc. is entirely owned by Musee Giverny Capital, Inc. which is controlled by Francois Rochon.

Item 4B: Types of Advisory Services

GCAM provides investment management services, on a continuing basis, with respect to the investment and reinvestment of all cash, securities, and other property in a client’s account. A client’s account will normally contain a relatively small number of securities positions (typically between 20 and 30 equity securities) and may not constitute a fully diversified or balanced portfolio that is suitable for investment of all of a client’s assets.

GCAM manages each client account without the obligation to consider other investment assets or accounts that the client may have or maintain away from the Firm. A client’s account will generally not contain fixed income investments but may do so based on individual client needs.

The Firm offers and provides advice on the following types of investments and the Firm’s advice is limited to these types of securities:

- Domestic equities
- International equities
- Fixed income securities
- Exchange Traded Funds (ETFs)
- Mutual Funds
- Money Market securities or Cash funds

Item 4C: Tailored Services

While GCAM expects to offer most clients a concentrated portfolio consisting of a relatively small number of securities (around 20 to 30 stocks) that it believes offer superior long-term performance attributes, the Firm has considerable flexibility in accommodating unique client needs and constraints through our third-party custodian that holds the assets of our clients in individualized accounts. This customization may include, but is not limited to, the types of asset classes selected, the securities selected, the size of the allocation to a particular security, etc. Clients may also impose restrictions on investing in certain securities or types of securities.

Item 4D: Wrap Fee Programs

The Firm does not engage in any Wrap Fee Programs.

Item 4E: Client Assets

As of March 24, 2020, GCAM had approximately \$28.0 million of client assets under management, all of which were managed on a discretionary basis.

Investment Advisory Agreement

The scope of work and fee for a client are agreed upon in an Investment Advisory Agreement that is signed by the client prior to the start of the management of any client assets. This agreement provides detailed information concerning what services are provided, the scope and limitations of these services, how fees are paid, disclaimers around the potential risks involved with investing, liability, confidentiality, etc.

The Investment Advisory Agreement stipulates the fees related to GCAM's investment management services. The fee is based on a percentage of a client's assets under management, as described in Item 5 below.

Although the Investment Advisory Agreement is an ongoing agreement, the length of service to the client is at the client's discretion. A client may terminate the investment advisory relationship by written notice at any time without penalty.

Item 5: Fees and Compensation

Item 5A: Description

GCAM bases its fees on a percentage of assets under management. The Firm's fee schedule is as follows:

Account Value*	Annual Management Fee Rate**	Quarterly Management Fee Rate**
First \$10 million	1.00%	0.25%
Next \$20 million	0.80%	0.20%
Amounts over \$30 million	0.60%	0.15%

*Market value inclusive of cash and accrued income.

**Stated as a percentage of assets under management.

The Firm may charge a lesser or greater investment advisory fee than is stated in the above schedule based upon mutual agreement with the client and for certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.). GCAM may consider families or other entities with more than one account to consist of a single relationship for the purpose of calculating fees.

Lower fees for comparable services may be available from other sources.

Item 5B: Fee Billing

Clients engage GCAM to provide investment management services on a fee-only basis. The Firm charges an annual investment management fee based upon a percentage of the market value of the assets managed by GCAM.

GCAM's annual investment management fee is paid in arrears on a calendar quarterly basis (i.e. January 1, April 1, July 1, and October 1) and calculated based on the market value of a client's assets under management (inclusive of cash and accrued income) on the last trading day of the prior calendar quarter, in accordance with the fee schedule set forth above. Unless otherwise directed by the client, GCAM's management fee is debited directly by the custodian from the client's account on a quarterly basis.

If the investment management relationship begins subsequent to the beginning of a calendar quarter, then the initial fee is prorated over the remaining days in the initial calendar quarter and debited on the first day of the following quarter. In the event that the client terminates the engagement prior to the end of a calendar quarter, the investment management fee is debited from the client's account on a prorated basis using the number of

days in the calendar quarter that the client's account was under management and the market value of the account on the day the engagement was terminated.

GCAM's fees are not adjusted to reflect account deposits or withdrawals during a quarter, except if the deposit or withdrawal equals or exceeds 10% of the market value of the account (measured before the deposit or withdrawal). In the event of such a significant deposit or withdrawal, GCAM calculates its fees by separating into separate periods the portion of the quarter occurring before the event and the portion of the quarter following it, and then calculating fees for each period pro rata based on the number of days in the given period and the market value of the account at the end of the period. The fees for each of the periods are then totaled to arrive at the quarterly fee.

If a client has more than one account with GCAM on which investment advisory fees are charged, then the fees computed will be based on the combined market value of those accounts, and the management fee can be charged to any of the client's underlying accounts as deemed most appropriate by the Firm. In the situation where multiple accounts exist under the same household, then all accounts will be treated on a combined basis for the purpose of calculating fees, account size, and the previously mentioned 10% deposit and 10% withdrawal thresholds.

GCAM reserves the right to negotiate the management fee under certain circumstances. GCAM does not impose a per client minimum for investment management services but does have the discretion to do so if the initial account value is deemed too small to cover expenses related to management of the account. GCAM considers accounts with assets of less than \$250,000 as small in proportion to their associated expenses.

GCAM is authorized to receive its management fee directly from a client's custodian. The custodian does not determine whether the fee has been properly calculated.

GCAM reserves the right to terminate any client relationship for any reason. Such termination is done in writing by the Firm and the management fee would be prorated according to the number of days that a client's assets were under management by the Firm.

Fees are withdrawn directly from client accounts held at the client's custodian. The custodian is sent an invoice to process the debiting of fees from client accounts, unless an alternate arrangement has been made by the client. Clients are sent a copy of the management fee invoice along with their quarterly statements from GCAM. The availability of this invoice to the client occurs in a timely manner but is not exactly contemporaneous with the custodian receiving an invoice for the purpose of processing a deduction of management fees. The client's custodian provides a list of all transactions on the monthly statements it sends to our clients, including all management fees paid on an account. Our clients provide written authorization to GCAM and to the client's custodian to directly deduct management fees.

Item 5C: Other Fees

We buy and sell client securities primarily through TD Ameritrade Institutional, Charles Schwab & Co., or other custodians and executing brokers, depending on each client. There are commission charges assessed to these transactions which are debited directly from the client's account by the custodian. In addition to commissions, there may be other fees assessed by the client's custodian which are also debited directly from the client's account by the custodian. Those commissions, fees and other charges are determined by the client's contract with the custodian and disclosed in more detail by the custodian in its account opening and other documentation. Clients may choose their own custodian and broker if they prefer. Please refer to Item 12 for additional information on brokerage.

TD Ameritrade Institutional and Charles Schwab & Co. do not charge any fees for maintaining custody of our client assets. The client's custodian may charge other fees for certain types of accounts as per the client's contract with the custodian.

Although GCAM typically selects individual equity securities on behalf of clients, and therefore avoids additional management fees, a portion of a client's account may be invested in money market or other types of mutual funds ("Funds"). These Funds charge investment management fees. The advisory fees paid by a client to the Firm are distinct from, and in addition to, the fees and expenses paid or allocated to a client as a shareholder of a Fund. A complete explanation of fees and expenses charged by the Funds is contained in the prospectus delivered by each Fund.

Item 5D: Prepayment

No clients pay fees in advance to the Firm.

Item 5E: Compensation for Sale of Securities

No person at our firm accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. Our compensation is based on a percentage of the assets we manage.

1. We do not see any conflict of interest from our compensation method. We receive more compensation when the value of client accounts increases and less when the value decreases. We invest directly in individual stocks when we construct client portfolios and we do not invest in mutual funds or other funds that charge fees to clients and compensate us in any way. The only additional fees that are assessed to a client account are for trading commissions and are paid directly to the client's custodian. Under no circumstance do we receive compensation as a result of trading commissions. As such, we do not believe any conflicts of interest exist as a result of our compensation arrangement and we do not believe that our judgment is affected in any way that may compromise the integrity of our

decision-making and in the types of investments we recommend for our clients.

2. Our clients can choose another custodian and another broker if they wish to not use TD Ameritrade Institutional or Charles Schwab & Co.
3. We do not receive commissions and other compensation for the sale of investment products.
4. Advisory fees (or management fees) are the only fees that our Firm assesses on a client account.

Item 6: Performance-Based Fees & Side-by-Side Management

The Firm's management fee structure does not change based on a share of the capital gains or capital appreciation of managed securities. The Firm does not receive fees that are considered performance-based fees.

Certain client accounts may have higher asset-based fees than other accounts. When the Firm and its investment personnel manage more than one client account a potential exists for one client account to be favored over another client account. The Firm and its investment personnel have a greater incentive to favor client accounts that pay the Firm (and indirectly the portfolio manager) higher fees.

The Firm manages multiple client accounts. Accordingly, the Firm has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts and the allocation of investment opportunities.

Item 7: Types of Clients

GCAM generally provides investment management services to individuals, trusts, and other institutional entities. Client relationships will vary in scope and length of service. GCAM does not impose a strict per client minimum for investment management services but does have the discretion to do so if the initial account value is deemed too small to cover expenses related to the management of the account. The Firm considers accounts with assets of less than \$250,000 as small in proportion to their associated expenses.

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

Item 8A: Methods of Analysis

Our objective is to achieve superior risk-adjusted investment returns for our clients over the long term.

Our primary method of analyzing securities suitable for our clients is fundamental research, and our investment approach is based on value investing principles. Fundamental research entails analyzing information that is pertinent to evaluating and estimating the intrinsic value of a company. This can include, among other things, a company's annual reports, regulatory filings, analyst reports, conversations with industry experts, information gathered during meetings with management, financial newspapers and company press releases.

Item 8B: Investment Strategies

Our investment process is founded on the core principles of value investing. We endeavor to buy shares in companies with durable competitive advantages at moments in time when we believe the intrinsic value of these businesses is meaningfully higher than their current share prices.

Each suitable investment is then placed in a Master Portfolio, usually consisting of between 20-30 equity securities. Each security in the portfolio is allocated a certain weight in the portfolio. Each client account is then based on the Master Portfolio to determine the securities included in the client portfolio and their approximate weight within that portfolio. Each client's account is individually managed and may experience performance dispersion from the Master Portfolio depending on a number of factors, including but not limited to, the timing of the opening of a client account, specific client needs, differences in the weight of a particular security that are deemed reasonable by the Firm, etc. Our investment strategy is long-term in nature which has the added benefit of keeping portfolio turnover low and minimizing capital gain and transaction costs relative to many more active strategies.

Item 8C: Risk of Loss

All forms of investing have certain risks that are borne by the client. While our investment approach keeps the risk of loss in mind, clients still face the following risks, among others:

- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Value Investing Risk:** A value stock may decrease in price or may not increase in price to the extent anticipated by the Firm if it remains

undervalued by the market or the factors that the portfolio manager believes will cause the stock's price to increase do not occur. Value investing may be out of favor with investors from time to time, and value stocks may underperform other securities (such as growth stocks) or the stock market in general.

- **Non-U.S. Securities:** Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies, withholding or other taxes, trading, settlement, custodial, and other operational risks, and the less stringent investor protection and disclosure standards of some foreign markets. All of these factors can make foreign investments, especially those in emerging markets, potentially more volatile and less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Board Service:** If a related person of the Firm serves on the board of directors of a company, the Firm may, from time to time, be limited in its ability to buy or sell securities that are held or under consideration by the company.

Risk Acknowledgment: GCAM does not guarantee the future performance of any client account or any specific level of performance, the success of any investment that the Firm may purchase for the client, or the success of the Firm's overall management of the client's account or accounts. The client understands that the investment decisions made for his/her account by the Firm are subject to various market, currency, economic, political and business risks, and that investment decisions will not always be profitable.

Item 9: Disciplinary Information

Legal and Disciplinary

Not applicable.

Item 10: Other Financial Industry Activities and Affiliations

Item 10A: Registrations

Giverny Capital Asset Management is not registered as a broker-dealer or as a representative of a broker-dealer.

Item 10B: Other Registrations

Neither the Firm nor any of its employees is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

Item 10C: Affiliations

1. **Broker-dealer:** no affiliation
2. **Investment company:** no affiliation
3. **Other investment adviser:** Giverny Capital Asset Management LLC is 50% owned by Poppe-Henderson LLC, which is controlled and principally owned by David Poppe, president of the Firm. The remaining 50% of Giverny Capital Asset Management LLC is owned by Giverny Capital

Management Inc., which is owned by Musee Giverny Capital Inc. Musee Giverny Capital Inc. is controlled by Francois Rochon, president of Giverny Capital, Inc.

Giverny Capital Advisors LLC is a registered advisory firm based in New Jersey. Giverny Capital Advisors LLC is 50% owned by Giverny Capital Management Inc., which is owned by Musee Giverny Capital Inc. Musee Giverny Capital Inc. is controlled by Francois Rochon, president of Giverny Capital, Inc. Giverny Capital Asset Management LLC and Giverny Capital Advisors LLC are under common control.

The Firm collaborates with Giverny Capital, Inc., an SEC-registered advisor based in Montreal, Canada, on portfolio modeling and investment analysis, including in using a portfolio model developed by Giverny Capital, Inc. Notwithstanding such collaboration, neither the Firm nor its affiliates, Giverny Capital, Inc. and Giverny Capital Advisors LLC, have discretion over or access to the other affiliates' client accounts. In addition, the Firm is responsible for the implementation of such portfolio model for its clients and may deviate from such portfolio model. As a result, there may be material differences, including in timing and execution price, between the performance of the Firm's client accounts and that of Giverny Capital, Inc.'s client accounts even when their respective holdings are similar or the same. Giverny Capital, Inc. collaborates in a similar fashion with Giverny Capital Advisors LLC, an SEC-registered advisor based in New Jersey, which is under common control with the Firm.

The fact that, in the management of its clients' accounts, the Firm uses a model portfolio developed by Giverny Capital, Inc. and used by Giverny Capital, Inc. and Giverny Capital Advisors LLC could present potential conflicts of interest since the Firm, Giverny Capital, Inc. and Giverny Capital Advisors LLC may be purchasing or selling the same securities for their respective clients' portfolios at or around the same time. To ensure that one firm (and its clients) are not advantaged to the detriment of the others when executing a trade for their clients, the Firm, Giverny Capital, Inc. and Giverny Capital Advisors LLC have implemented policies, procedures and controls that span across the three entities.

Instructions regarding modifications to the Model portfolio, which may or may not be applied by the Firm to its client's portfolios, are communicated at once to all entities. Because clients of Giverny Capital, Inc. use a different custodian and broker than clients of the Firm, individual and "batch" trades will not be executed at the same time or price for clients of the Firm and clients of Giverny Capital, Inc. (and Giverny Capital Advisors LLC). These differences may be material. In the event that one firm receives material non-public information regarding a company, all three affiliated entities will be prohibited from trading in the respective

company's securities until the company is removed from the Restricted List of the three firms.

For more information, see the Participation or Interest in Client Transactions and Personal Trading section in Item 11.

4. **Futures commission merchant:** no affiliation
5. **Banking or thrift institution:** no affiliation
6. **Accountant or accounting firm:** Giverny Capital Asset Management utilizes the services of an accounting firm solely for tax preparation but there is no connection to client or marketing activities.
7. **Lawyer or law firm:** no affiliation
8. **Insurance company or agency:** no affiliation
9. **Pension consultant:** no affiliation
10. **Real estate broker or dealer:** no affiliation
11. **Sponsor or syndicator of limited partnerships:** no affiliation

Item 10D: Other Advisers

The Firm neither recommends or selects other investment advisers for its clients nor receives compensation directly or indirectly from those advisers.

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

Item 11A: Code of Ethics

The employees of the Firm have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The Code of Ethics is an integral part of the Firm's Compliance Manual.

Item 11B, 11C, 11D: Participation or Interest in Client Transactions

GCAM and its employees may buy or sell securities that are also held by clients. GCAM's employees may not trade their own securities in personal accounts ahead of clients. However, the Firm or a related person/affiliated firm from time to time buys or sells securities for their respective clients' accounts at or about the same time. This situation could create conflicts of interest since there could be a potential economic benefit for the Firm or employees or related persons to the detriment of the client under certain circumstances.

In order to minimize the conflicts stemming from these situations, the Firm has specific provisions in its Compliance Manual with which all employees must comply. Moreover, GCAM, Giverny Capital, Inc. and Giverny Capital

Advisors LLC have implemented policies, procedures and controls that span across the three entities.

No officer, partner or employee of GCAM may effect for himself or herself or for his or her immediate family (i.e. spouse, minor children) (collectively "Covered Persons") any transactions in a security in a personal account, which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of the Firm's clients, unless in accordance with the following Firm Procedures. The following procedures have been put into place with respect to the Firm and its Covered Persons:

1. If the Firm is purchasing or considering for purchase any security on behalf of a Firm's client, Covered Persons' personal accounts will transact in securities alongside client accounts, receive the average price that clients pay for securities transactions, and pay their share of transaction costs. In the event that an aggregated order including both employee and client accounts is only partially filled, the participating accounts will receive a pro rata allocation. In certain instances (e.g., new accounts, terminating accounts, add-on capital, partial withdrawals), the Firm may purchase or sell securities for employee accounts when other client accounts are not purchasing or selling the same security. With limited exceptions, employee accounts will not receive a more advantageous price than client accounts for a particular security purchased or sold on the same trading day.
2. Further, Covered Persons should not purchase or sell individual securities held in the Firm's investment strategy unless it is through an account managed by the Firm, or in limited circumstances, the transaction is pre-cleared by the Chief Compliance Officer. Certain accounts of Covered Persons are treated as client accounts for purposes of the Firm's procedures.
3. Since the Firm and its affiliated firms generally have the same investment strategy, the three advisors will occasionally purchase the same securities on behalf of their clients. In such cases, the three advisors will generally each place their orders with brokers at approximately the same time since it is not possible to use combined block transactions on behalf of these firms. Although the three firms collaborate in the management of their clients' portfolio and make every effort to ensure that the managed accounts of one entity are not favored at the expense of the managed accounts of the other entities, the time and execution price of trades on behalf of the Firm and its affiliated firms may be materially different.

Exceptions:

1. This policy has been established recognizing that some securities being considered for purchase and sale on behalf of the Firm's clients trade in sufficiently broad markets to permit transactions to be completed without any appreciable impact on the markets of the securities. Under certain circumstances exceptions may be made to the policies stated above. Records of these trades, including the reasons for the exceptions, will be maintained by the Firm.
2. Open-end mutual funds and/or the investment subdivisions which may comprise a variable insurance product are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, transactions in mutual funds and/or variable insurance products by Covered Persons are not likely to have an impact on the prices of the fund shares in which clients invest, and are therefore not prohibited by the Firm.
3. Some differences may exist between the Firm and its affiliated firm due to securities being purchased on different exchanges and/or at different times and other possible factors.

Ad-hoc rebalancing of client portfolios, either based on a client request (for example, due to a deposit or withdrawal of fund) or for any reason deemed appropriate by the Firm, are not coordinated with its affiliated firms or necessarily combined with other transactions. Similarly, the Firm will not effect cross-transactions between client accounts.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Firm also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Firm or any person associated with the Firm. There are reporting requirements, detailed in the Firm's Compliance Manual, regarding these policies.

(For more information see section *Other Financial Industry Activities and Affiliations* under sub-section *Affiliations*.)

David Poppe serves on the board of a publicly traded closed-end investment company and, in the course of such board service, may come into possession of confidential or material nonpublic information about that company's holdings and securities under consideration, including issuers in which the Firm has invested or seeks to invest on behalf of clients. Mr. Poppe is subject to that company's policies which require him to obtain preclearance for transactions in certain securities when he possesses confidential or material nonpublic information. These policies may, from time to time, limit the Firm in its ability to buy or sell certain securities for client accounts.

The Chief Compliance Officer of Giverny Capital Asset Management is David Poppe. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the Firm receive equal or preferential treatment.

Item 12: Brokerage Practices

Item 12A: Selecting Brokerage Firms

To the extent that the client requests that the Firm recommend a broker-dealer/custodian for execution and/or custodial services, the Firm generally recommends that investment management accounts be maintained at either Charles Schwab & Co. or TD AMERITRADE Institutional, a division of TD AMERITRADE, Inc. Member FINRA/SIPC ("TDAI"). Prior to engaging the Firm to provide investment management services, the client will be required to enter into an Investment Advisory Agreement with the Firm setting forth the terms and conditions under which the Firm shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian. The Investment Advisory Agreement between the Firm and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Investment Advisory Agreement.

GCAM provides investment management services on a discretionary basis. Unless mitigating circumstances dictate otherwise, account positions are generally maintained over a long-term basis. Broker-dealers/custodians charge commissions and/or transaction fees for effecting certain securities transactions, which may include "trade away" fees charged by a client's custodian when GCAM selects broker-dealers other than the custodian to execute transactions for the client's account. In addition to the Firm's investment management fee, brokerage commissions and/or transaction fees, the client will also incur, relative to all money market mutual funds purchased by the Firm to hold account cash balances, charges imposed at the mutual fund level (e.g. fund management fees and other fund expenses).

GCAM has full discretion to select broker-dealers for trade execution (i.e., without limitation, including when trade-away fees are charged), and GCAM makes such selections in a manner consistent with its duty to seek best execution. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, GCAM considers a number of factors, including financial strength, reputation, execution, pricing, research, and service. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, GCAM need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost.

In return for effecting securities transactions through a designated broker-dealer/custodian, the Firm may receive certain investment research products and/or services which assist the Firm in its investment decision-making process for the client pursuant to Section 28(e) of the Securities Exchange Act of 1934.

Although the commissions paid by Firm's clients shall comply with the Firm's duty to obtain best execution, a client may pay a commission that is higher

than another qualified broker-dealer might charge to effect the same transaction where the Firm determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although the Firm will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commission paid by a specific client that may be used to pay for research is exclusive of, and in addition to, the Firm's investment management fee.

A client may direct the Firm to use a particular broker-dealer (subject to the Firm's right to decline and/or terminate the engagement) to execute some or all transactions for the client's account. In such event, the client will negotiate terms and arrangements for the account with that broker-dealer, and the Firm will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by the Firm. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. In the event that transactions for client accounts are effected through a broker-dealer that refers investment management clients to the Firm, the potential for conflict of interest may arise.

The services the Firm receives from the custodians it recommends to its clients, TDAI or Charles Schwab & Co., are related to the management of client accounts. For example, the custodial interface we use allows us to manage all our client accounts at once through a common IT interface. The custodians also have a customer service organization that specifically works with our Firm to resolve client issues. Since our relationships with TDAI or Charles Schwab & Co. facilitate the management of our client accounts and are a benefit to us, there is a conflict of interest that arises from those benefits we receive which could affect our objectivity in recommending custodians to our clients; for example, these benefits create an incentive for us to recommend our current custodians rather than another custodian that might better serve our clients' needs.

Item 12B: Order Aggregation

Orders for each client account can be effected independently but can also be purchased or sold for several clients at approximately the same time. The Firm may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been

placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among Firm's clients in proportion to the purchase and sale orders placed for each client account on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which the Firm's principal(s) and/or associated person(s) may invest, the Firm shall generally do so in accordance with the parameters set forth in SEC No-Action Letter, SMC Capital, Inc. The Firm shall not receive any additional compensation or remuneration as a result of the aggregation.

The Firm conducts portfolio management decisions in collaboration with Giverny Capital, Inc., an SEC-registered advisor based in Montreal, Canada. Because Giverny Capital, Inc. has a different custodian and broker than that of the Firm, individual and "batch" trades will not be executed at the same time or price for clients of the Firm and clients of Giverny Capital, Inc. These differences may be material. Further, given that the Firm has custodial relationships with both TD Ameritrade Institutional and Charles Schwab & Co., and that these two custodians use different trading organizations and systems, the Firm will attempt to place trades at approximately similar times but there is no way to achieve the same trade executions given the distinct organizations. These differences also apply to any other custodial arrangements that are maintained due to Client preference. These differences may be material.

Item 13: Review of Accounts

Item 13A: Periodic Reviews

A review of each account is conducted by the Firm on no less than a quarterly basis. David Poppe (President and Chief Compliance Officer) reviews each account and reallocates and/or rebalances investment securities to meet client investment objectives.

Item 13B: Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation. Clients are advised that they are responsible to advise GCAM of any changes in their personal objectives and/or financial situation, and all clients are encouraged to contact the Firm to review their account performance on a regular basis. To the extent that GCAM relies on information provided by client consultants (accountants, attorneys, etc.), GCAM assumes that such information is accurate and reflective of the client's financial situation.

Item 13C: Regular Reports

Each client receives quarterly reports from the Firm which include an appraisal of the account or accounts, a performance history report that includes the performance of the account relative to our benchmark (the S&P

500), and a statement of management fees assessed to the account. Realized gains and losses information is provided at the end of each fiscal year for a client's tax preparation. The custodian sends monthly statements to each client.

Item 14: Client Referrals and Other Compensation

Item 14A: Other Compensation

As described in Item 12.A above, GCAM receives benefits from certain custodians, such as the interface that allows GCAM to manage all of its client accounts and a customer service organization that works with GCAM to resolve client issues. There is a conflict of interest that arises from those benefits that could affect GCAM's objectivity in recommending custodians to clients; for example, these benefits create an incentive for GCAM to recommend certain custodians rather than others. GCAM addresses this conflict of interest by disclosing it to clients.

GCAM may receive certain research or other products or services from broker-dealers through "soft-dollar" arrangements. These "soft-dollar" arrangements create an incentive for GCAM to select or recommend broker-dealers based on GCAM's interest in receiving the research or other products or services and may result in the selection of a broker-dealer on the basis of considerations that are not limited to the lowest commission rates and may result in higher transaction costs than would otherwise be obtainable by GCAM on behalf of its clients. Please see Item 12 for further information on GCAM's "soft-dollar" practices, including GCAM's procedures for addressing conflicts of interest that arise from such practices.

Item 14B: Referrals

Giverny Capital, Inc. does not directly solicit clients on behalf of Giverny Capital Asset Management and does not directly provide any services to clients or prospective clients of Giverny Capital Asset Management at this time.

The Firm, from time to time, may compensate either directly or indirectly, third parties for client referrals. Where applicable, any such referral arrangements will be structured to comply with the "cash solicitation" rule (Rule 206(4)-3). In particular, third party referral arrangements will be conducted pursuant to an agreement between GCAM and the solicitor requiring certain disclosures to be made by the party providing the referral.

Item 15: Custody

In addition to the quarterly statement sent by the Firm, each client with assets custodied at TD Ameritrade Institutional or Charles Schwab & Co. will receive a monthly statement from either of these custodians that includes an appraisal of the account or accounts, as well as a list of all transactions on the

account or accounts. Tax reporting information is also sent by custodian at the end of the fiscal year. Client should compare the statements provided by their custodian with those from GCAM to ensure accuracy.

The Firm provides a performance history report to each client on a quarterly basis. This report included the performance of the account or accounts relative to our benchmark, the S&P 500. The Firm provides an appraisal of a client's account or accounts on a quarterly basis.

GCAM, when authorized in writing by its clients, deducts advisory fees directly from their accounts held at the custodian and therefore has limited custody of these clients' assets. In such cases, the client's custodian will send the client periodic account statements indicating the amounts of any funds or securities in the account as of the end of the statement period and any transactions in the account during the statement period. Clients should receive at least quarterly statements from the custodian that holds and maintains the client's investment assets. GCAM urges clients to carefully review such statements and compare such official custodial records to the account statements that GCAM provides.

The Firm should not be considered to have custody of client assets since all of the following safeguards are met:

- a) The Firm has custody of the funds and securities solely as a consequence of its authority to make withdrawals from client accounts to pay its advisory fee.
- b) The Firm has written authorization from the client to deduct advisory fees from the account held with the qualified custodian.
- c) Each time a fee is directly deducted from a client account, the Firm concurrently:
 - i. Sends the client's custodian an invoice or statement of the amount of the fee to be deducted from the client's account; and
 - ii. Sends the client an invoice or statement itemizing the fee. This invoice includes itemization of the formula used to calculate the fee, the value of the assets under management on which the fee is based, and the time period covered by the fee. Since this invoice is sent by US Mail and is being delivered to different parts of the country at different time, it should be noted that all clients also have immediate access to the management fee amount that was assessed on their account through the custodian's online interface.
- d) We provide written notice to all state and federal regulatory bodies that require us to inform them that we comply with the above mentioned requirements.

Item 16: Investment Discretion

The Firm has discretionary authority to manage securities accounts on behalf of its clients. The Firm has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. This is agreed upon between the Firm and the client in the Investment Advisory Agreement.

The client approves the custodian to be used and the commission rates paid to the custodian. GCAM does not receive any portion of the transaction fees or commissions paid by the client to the custodian.

Discretionary trading authority facilitates placing trades in accounts on a client's behalf so that we may promptly implement the investment management of the client's assets under the Firm's discretion.

A limited power of attorney is a trading authorization for this purpose. A client signs a limited power of attorney so that we may execute trades on the account.

Item 17: Voting Client Securities

Item 17A: Proxy Votes

To the extent GCAM has been delegated proxy voting authority on behalf of its clients, GCAM seeks to comply with its proxy voting policy that is designed to ensure that in cases where GCAM votes proxies with respect to client securities, such proxies are voted in the best interests of each client. A copy of GCAM's proxy voting policy is available upon request. A form from TD Ameritrade Institutional or Charles Schwab & Co. regarding proxy voting is provided to each new client. By using this form, a client determines whether they wish to vote their own proxies. In summary, the Proxy Voting Policy details our approach to Proxy Voting. It includes a general philosophy towards proxy voting, as well as more detail regarding specific categories of issues that often are presented for shareholder vote. Our policy also describes how a log is kept at the Firm which provides information on how each issue was voted. Decisions on proxy voting are made with the goal of enhancing the value of GCAM's clients' investments. In the case where a potential conflict of interest is identified between a client and a proxy-related action by the Firm, the client will be contacted to discuss such a conflict and determine an appropriate course of action regarding the proxies for that particular client. Client may obtain a copy of our proxy voting log at any moment by providing us with a written request.

Item 18: Financial Information

Items 18A, 18B, 18C: Financial Information

Not applicable.