

## FORM ADV PART 2A: Disclosure Brochure



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This brochure provides information about the qualifications and business practices of Lowe, Brockenbrough & Company, Inc. ("LB&C"). If you have any questions about the contents of this brochure, please contact us at 804-288-0404. 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 Lowe, Brockenbrough & Company, Inc. is also available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Additionally, **LB&C's Chief Compliance Officer, David A. Lyons, remains available to address any questions that a client or prospective client may have regarding the ADV and any conflicts of interest stated herein.**

## **Item 2 – Material Changes**

The last annual update to the Form ADV Part 2A was filed on March 30, 2020. Since the last annual filing, LB&C has made the following changes to the Form ADV Part 2A:

- Item 5 – Fee Schedule was updated to include Institutional Solutions and Retirement Plan Advisory Services
- Item 8 – Added Institutional Solutions and Retirement Plan investment strategies

If you would like another copy of this Brochure, you can either download it from the SEC website as indicated above or contact our Chief Compliance Officer, David Lyons at 804-288-0404 or [lbccompliance@lowebrookenbrough.com](mailto:lbccompliance@lowebrookenbrough.com).

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Throughout this brochure, “LB&C”, “the Firm”, “Advisor”, “we”, “our”, or “us” refers to Lowe, Brockenbrough & Company, whereas “you”, “your” or “Client” refers to the client or prospective client.

## Item 4 – Advisory Business

LB&C was founded in 1970. LB&C is primarily owned by Austin Brockenbrough III.

As of December 31, 2020, our assets under management are in excess of \$3.4 billion for which we provide investment advisory services. In addition, we provide ongoing consulting services as a fiduciary partner to employer-sponsored retirement plans in excess of \$350 million.

LB&C provides discretionary and non-discretionary investment management services. At limited circumstances and at the request of the client, LB&C will provide various planning services. LB&C provides advice to clients that maintain separately managed accounts, to an affiliated registered investment company (Jamestown Equity Fund) and to affiliated privately offered pooled investment vehicles (“Private Funds”). Clients’ accounts are managed based on stated client investment objectives. The investment objectives of the Private Funds are set forth in their respective organizational and offering documents. LB&C invests clients’ portfolios in, but not limited to, individual equity and fixed income securities, separately managed accounts, mutual funds, exchange traded funds, or limited partnerships. LB&C provides consulting services as an investment advisor and fiduciary partner to employer-sponsored retirement plans which include guidance in area related to fiduciary governance, plan investment offering selection, plan design and participant education.

LB&C’s investment management services include:

- Private Wealth Solutions
- Institutional Solutions
- Retirement Plan Solutions
- Proprietary Investment Strategies

**Client Obligations.** In performing its services, LB&C shall not be required to verify any information received from the Client or from the Client’s other professionals, and is expressly authorized to rely thereon. Moreover, each Client is advised that it remains their responsibility to promptly notify LB&C if there is ever any change in their financial situation or investment objectives for the purpose of reviewing/evaluating/revising LB&C’s previous recommendations and/or services.

**Affiliated Private Funds.** As discussed below, LB&C is affiliated with several private funds (the “Private Funds”). LB&C may recommend that clients, for whom one or more of these funds is suitable, consider an allocation to the Private Funds. LB&C may earn an incentive allocation from investments in these Private Funds. The terms and conditions for participation in the affiliated funds, including management and incentive fees, conflicts of interest, and risk factors, are set forth in the fund’s offering documents. LB&C’s clients are under absolutely no obligation to consider or make an investment in a Private Fund.

**Conflict Of Interest.** Because LB&C and/or its affiliates can earn compensation (management fees and incentive allocations) from the Private Funds that may exceed what LB&C would earn under its standard asset-based fee schedule referenced in Item 5 below, the recommendation that a client invest in a Private Fund presents a conflict of interest. No client is under any obligation to become a Private Fund investor.

**Unaffiliated Private Investment Funds.** LB&C may also provide investment advice regarding unaffiliated private investment funds. LB&C may recommend that certain

clients, for whom it is suitable, consider an investment in unaffiliated private investment funds. LB&C's role relative to the private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client becomes a private fund investor, the assets invested in the fund(s) shall be included as part of "assets under management" for purposes of LB&C calculating its investment advisory fee. LB&C's clients are under absolutely no obligation to consider or make an investment in a private investment fund.

**Private Investment Risks.** Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments, private investment funds do not provide daily liquidity or daily pricing. Each prospective client will be required to complete a subscription agreement, pursuant to which the client shall represent that they are an Accredited Investor Qualified Client and/or Qualified Person and is suitable for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

**Uncontrollable Event Risk.** There is a risk that events beyond our control can cause investment markets, the securities that you may invest in, and your account to lose value or experience unexpected volatility. Terrorist attacks, war, and pandemics are just a few examples of these events, whether actual or anticipated that affects investor attitudes toward the market in general and result in system-wide fluctuations in security prices.

**Valuation.** In the event that LB&C references private investment funds owned by the client on any supplemental account reports prepared by LB&C, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund manager and may be estimated or reported with a lag. If no subsequent valuation post-purchase is provided by the fund's manager, then the valuation shall reflect the initial purchase amount. If the valuation reflects the initial purchase or value as of a previous date, it is possible that the current value(s) (to the extent ascertainable) could be significantly more or less than what is shown in the report. The client's advisory fee shall be based upon the value reflected in the client's LB&C statement.

**Retirement Rollovers-Potential for Conflict of Interest.** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If LB&C recommends that a client roll over their retirement plan assets into an account to be managed by LB&C, such a recommendation creates a conflict of interest if LB&C will earn new (or increase its current) compensation as a result of the rollover. When acting in such capacity, LB&C serves as a fiduciary under the Employee Retirement Income Security Act ("ERISA"), or the Internal Revenue Code, or both.

**Non-Investment Consulting/Implementation Services.** To the extent requested by the client, LB&C may, if it agrees to do so, in writing, provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither LB&C, nor any of its representatives, serves as an attorney or accountant and no

portion of LB&C's services should be construed as same. To the extent requested by a client, LB&C may recommend the services of other professionals for certain non-investment implementation purposes (i.e., attorneys, accountants, insurance, etc.), including: (1) two LB&C representatives in their respective separate registered/licensed capacities as insurance agents; and, (2) LB&C's affiliated accounting firm. See Item 10 below. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from LB&C.

The recommendation by LB&C that a client purchase a securities or insurance commission product from LB&C's representative or engage the services of its affiliated accounting firm, presents a conflict of interest.

**Wrap/Managed Account Programs.** In the event that LB&C is engaged to provide investment advisory services as part of an unaffiliated wrap-fee program, LB&C will be unable to negotiate commissions and/or transaction costs. Under a wrap program, the wrap program sponsor arranges for the investor participant to receive investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee. Participation in a wrap program may cost the participant more or less than purchasing such services separately. In the event that LB&C is engaged to provide investment advisory services as part of an unaffiliated managed account program, LB&C will likewise be unable to negotiate commissions and/or transaction costs. If the program is offered on a non-wrap basis, the program sponsor will determine the broker-dealer through which transactions must be effected, and the amount of transaction fees and/or commissions to be charged to the participant investor accounts.

**Tradeaway/Prime Broker Fees.** Relative to its discretionary investment management services, when beneficial to the client, individual fixed income transactions may be effected through broker-dealers other than the account custodian, in which event, the client generally will incur both the fee (commission, mark-up/mark-down) charged by the executing broker-dealer and a separate "tradeaway" and/or prime broker fee charged by the account custodian .

**Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by LB&C) would be profitable or equal any specific performance level(s).

**No Legal or Accounting Services.** Neither LB&C, nor any of its representatives, serves as an attorney or accountant, and no portion of LB&C's services should be construed as same.

**Acknowledgement of Fiduciary Status.** In conformity with the requirements of the Department of Labor's Fiduciary Rule, to the extent that a client is: (1) a participant or beneficiary of a Retirement Plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code (the "Code"), with authority to direct the investment of assets in his or her Plan account or to take a distribution; (2) the beneficial owner of an Individual Retirement Account ("IRA") acting on behalf of the IRA; or, ( 3) a Retail Fiduciary with respect to a plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Code, then we represent that we and our investment adviser representatives are fiduciaries under ERISA or the Code, or both, with respect to any investment advice provided by us or our investment adviser representatives or with

respect to any investment recommendations regarding a Retirement Plan subject to ERISA or participant or beneficiary account.

**Conflicts Relating to Relationships with Clients.** LB&C has clients that could be perceived to have the ability to influence our conduct due to the amount of assets they control or their public reputations. In addition, certain of these clients may have owners, employees, board members or trustees (collectively, “client board members”) that separately could be perceived to influence our conduct for these same reasons. As a matter of policy and practice, we do not consider these clients, client board members or investment principals when formulating our investment decisions. Further, we do not collaborate with any of these client board members in any of our investment processes, except that we may consider their thoughts and opinions with respect to the client that they serve.

## **Item 5 – Fees and Compensation**

Compensation is comprised of fees based on a percentage of assets under management, and/or performance based fees. Advisory fees are stated in the client’s investment advisory agreement or Investment Management Agreement (“Agreement”) and in the organizational and offering documents of the Private Funds. LB&C generally charges fees quarterly in advance based on the account value at the end of the prior quarter as reported by LB&C with no offset for any margin or debit balances. Any amendments to client fee arrangements will be stated in a fee disclosure addendum to the contract and approved by the client. Most clients authorize LB&C to deduct fees automatically from their custody accounts, but clients may request that LB&C send quarterly invoices to be paid directly.

Third-party pricing vendors provide market values for exchanged traded securities. Certain investment valuations may be based on estimated values and may be subject to subsequent adjustment. Valuations for bonds are as of most recent month-end. Valuations for those private funds investing primarily in non-public, private securities, for reporting and billing purposes, will generally be on a one-quarter lag.

The stated fee rates are:

### **Private Wealth Solutions**

- 0.90% on the first \$5 million
- 0.80% on next \$5 million
- 0.75% thereafter

### **Institutional Solutions**

- 0.65% on first \$10 million
- 0.50% on next \$40 million
- 0.35% on next \$50 million
- 0.25% on next \$50 million
- 0.15% thereafter

### **Retirement Plan Solutions**

- 0.35% on the first \$10 million of assets in the plan
- 0.25% on the next \$10 million of assets in the plan
- 0.20% thereafter

### **Proprietary Equity Only Investment Strategy**

- 0.90% on the first \$5 million
- 0.80% on next \$5 million

0.75% thereafter

**Proprietary Fixed Income Only Investment Strategy**

0.50% on first \$10 million

0.375% on next \$15 million

0.25% thereafter

For each service offering above, the total fee charged is based on the scope and complexity of our engagement with each client. Under special circumstances and at LB&C's sole discretion, fees are negotiated at rates that are both above and below stated fee schedules. Clients' fees are determined on a case-by-case basis. Often times, a tiered schedule is not applied, but is considered when establishing a client's fee rate. Under special circumstances, fees and minimums are negotiated at rates that may be different from the stated fee schedule.

On occasion, LB&C may charge a fixed rate for negotiated reporting requirements or establish minimum fees. LB&C charges pre-arranged fees for non-investment services that are determined based on the scope and time requirements specific to each client.

The Agreement may be terminated by either the Client or LB&C with no less than thirty (30) days' written notice of termination to the other. Upon termination, any fees owed to LB&C shall be paid by the Client on a prorated basis as of the effective date of termination, and any fees paid by the Client which have not been earned shall be refunded to the Client on a prorated basis as of the effective date of termination. There are no termination charges levied by LB&C; however, there may be termination or transfer charges incurred at the client's custodian.

The fees for LB&C are only representative of investment advisory fees and do not include fees associated with the custody and trading of the portfolio. LB&C is an independent investment advisory firm and is not affiliated with any brokerage or trading organizations. As such, LB&C does not have the charter or capabilities to custody or execute the trades of portfolio securities and derive no fee income from either of these functions.

In the event a Client elects to terminate their relationship with LB&C, any assets invested in LB&C's Private Funds will be redeemed in accordance with the Private Funds' offering documents. Management fees will continue to be assessed for those investments until redemptions (where able) have been completed.

Our stated fee schedule represents compensation for LB&C's role in asset allocation, manager selection, performance monitoring, and consolidated reporting. The fees apply to all assets under management and are in addition to management fees charged by third party investment managers to whom LB&C may direct the Client's assets. In addition to investment advisory fees, the Bespoke Strategies limited partnership funds, as well as many third party managers, may charge incentive fees when certain performance criteria are met. LB&C receives no compensation or referral fees from any third party investment manager.

There is no redundancy of fees in instances in which affiliated Funds are utilized in a Client's portfolio.

**Other Expenses:** Clients may incur certain fees imposed by custodians, brokers, third party investment managers and other third parties. These fees may include, but are not limited to, management fees, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of



and in addition to the LB&C advisory fee. Other than certain benefits from custodians, (see Item 12- Brokerage Practices), LB&C will not receive any portion of these commissions, fees, and costs. There are no start-up or termination fees charged by LB&C. Investors in our affiliated Private Funds bear the fees and expenses charged to the Funds. These expenses are described in detail within the organizational and offering documents of the Private Funds.

**Jamestown Funds:** LB&C has been engaged by the Board of Trustees of the Williamsburg Investment Trust (“WIT Funds”) as the investment advisor for the Jamestown Equity Fund. Under the investment advisor agreements, LB&C is entitled to compensation based on the WIT Fund’s daily average net assets of the Jamestown Equity Fund at the rate of 0.65%. LB&C may waive a portion of the management fee in an effort to reduce overall fund expenses. LB&C’s primary responsibility is to the best interest of the client. Prior to investing the client assets in the Jamestown Equity Fund, LB&C considers the client’s objectives. LB&C does not accept an asset-based fee from advisory clients on any client assets held in this WIT Fund.

**Bespoke Capital Strategies, LP:** Bespoke Capital Strategies, LP is a Delaware series limited partnership with seven (7) distinct series in which a limited partner can invest. Six of the seven series are components in a mini-master feeder structure, wherein the tax-exempt series serves as a feeder fund to the master taxable series. These are open-end structures that can accept capital monthly.

LB&C has been appointed to act as the exclusive, overall investment advisor to provide discretionary investment advisory services for all seven (7) series within Bespoke Capital Strategies, LP: Taxable Global Equity, Tax-Exempt Global Equity, Taxable Hedged Equity, Tax-Exempt Hedged Equity, Taxable Absolute Strategies, Tax-Exempt Absolute Strategies, and Tax-Exempt Fixed Income Strategies. An advisory agreement has been executed on behalf of each series. The initial term of each advisory agreement is a period of three years, unless sooner terminated. Thereafter, the agreement will automatically renew for successive three-year terms, unless sooner terminated or written notice of non-renewal is received not less than thirty (30) days prior to the end of the current term. Each advisory agreement may be terminated at any time, without payment of any penalty, in each case provided with not less than ninety (90) days’ prior written notice to the other party.

As compensation for its services as investment advisor, each series will pay to LB&C a quarterly management fee equal to 0.125% (0.50% annually) of the net asset value. Such management fee is calculated as of the first day of each fiscal quarter. LB&C, as the investment advisor, may, in its sole discretion, may vary, defer or waive, by rebate or otherwise, all or part of the management fee in accordance with applicable law.

Bespoke CS-GP, LLC, the general partner of Bespoke Capital Strategies, LP, is entitled to receive an incentive allocation at the end of each calendar year based on the investment performance of each Limited Partner (“LP”) interest associated with a particular Series as set forth below. Investment performance is calculated based on the change in net asset value after adjusting for additional contributions, redemptions or distributions.

**Global Equity Series:** The incentive allocation with respect to an LP interest associated with the Global Equity Series will be five percent (5%) of the amount by which the investment performance of the LP interest outperforms the MSCI All Country World Index (Net, USD) for each measurement year. This incentive allocation will not have a customary “high water mark” limitation; however, no incentive allocation will be made for a given measurement year if the LP interest has not outperformed this index since original issuance of the LP interest.

Hedged Equity Series: The incentive allocation with respect to an LP interest associated with the Hedged Equity Series will be five percent (5%) of the amount by which the performance of such Series outperforms a five percent (5%) absolute return for the measurement year, subject to a customary “high water mark” limitation.

Absolute Strategies Series: The incentive allocation with respect to an LP interest associated with the Absolute Strategies Series will be five percent (5%) of the amount by which the performance of such Series outperforms a five percent (5%) absolute return for the measurement year, subject to a customary “high water mark” limitation.

Fixed Income Strategies Series: The incentive allocation with respect to an LP interest associated with the Fixed Income Strategies Series will be five percent (5%) of the amount by which such series outperforms the Barclays U.S. Aggregate Bond Index for each measurement year. This incentive allocation will not have a customary “high water mark” limitation; however, no incentive allocation will be made for a given measurement year if the LP interest has not outperformed this index since the original issuance of the LP interest.

The incentive allocation with respect to LP interests may differ from the foregoing, and the General Partner reserves the right not to receive an incentive allocation with respect to a particular Series. All fees are described in more detail within each series’ organizational and offering documents.

**Bespoke Private Strategies, LP:** Bespoke Private Strategies, LP is a Delaware series limited partnership with fourteen (14) distinct series to which a limited partner can commit capital. These are closed-end structures organized by vintage year that accept, or have accepted, capital commitments for a designated period, before closing to new investors. Each of the fourteen aforementioned series are considered feeder funds and are aggregated into one or more master series through which all investments are made. Including all feeder funds and master funds, the Bespoke Private Strategies, LP has twenty-three (23) distinct series.

LB&C has been appointed to act as the exclusive; overall investment advisor to provide discretionary investment advisory services for the twenty three (23) series within Bespoke Private Strategies, LP: Series Taxable 2014, Series Tax-Exempt 2014, Series Master 2014, Series Taxable 2015, Series Tax-Exempt 2015, Series Master 2015, Real Estate Series Master 2015, Series Taxable 2016, Series Tax-Exempt 2016, Series Master 2016, Real Estate Series Master 2016, Series Taxable 2017, Series Tax-Exempt 2017, Series Master 2017, Series Taxable 2018, Series Tax-Exempt 2018, Series Master 2018, Series Tax-Exempt 2019, Series Master 2019, Taxable Credit Opportunities Series, Tax-Exempt Credit Opportunities Series and Credit Opportunities Series Master. An advisory agreement has been executed on behalf of each feeder series. The term of each advisory agreement extends until the dissolution of that Series, unless sooner terminated. Each advisory agreement may be terminated at any time, without payment of any penalty, in each case provided with not less than ninety (90) days’ prior written notice to the other party.

As compensation for its services as investment advisor, each series will pay to LB&C a quarterly management fee equal to 0.125% (0.50% annually) of committed capital. Such management fee is calculated as of the first day of each fiscal quarter. Fees will step down annually by 10% of the immediately preceding year’s fees, once sixty-five percent (65%) of capital has been called. In instances in which a Limited Partner is an investment advisory client of LB&C for whom overall portfolio advice is provided, the 0.125% quarterly (0.50% annually) management fee is applied to the Limited Partner’s net asset value rather than committed capital. LB&C, as the investment

advisor may, in its sole discretion, vary, defer or waive, by rebate or otherwise, all or part of the management fee in accordance with applicable law.

Bespoke PS-GP, LLC, the general partner of Bespoke Private Strategies, LP, is entitled to receive an incentive allocation once certain performance standards have been achieved. All fees are calculated at the series level and are described in more detail within the funds' organizational and offering documents.

Distributions of net cash proceeds from a Bespoke Private Strategies, LP series will generally be distributed in the following amounts and order of priority:

8% Priority Return: First, 100% to the limited partners pro rata in accordance with their funded capital commitments until they have received a 8% per annum (compounded annually) cumulative return on their capital contributions, calculated from the date each such capital contribution was funded to the date of distribution.

Return of Capital: Second, 100% to the limited partners pro rata in accordance with their funded capital commitments until all their capital contributions have been returned.

General Partner Catch-Up Provision: Third, 100% to the General Partner until the cumulative amount distributed to the General Partner is equal to 5% of the amounts distributed to the limited partners as priority return and the general partner under this catch-up provision.

95/5 Split: Thereafter, 95% to the limited partners pro rata in accordance with their funded capital commitments, and 5% to the General Partner.

**Referral Arrangements:** LB&C has entered into an agreement with Charles Schwab & Company, Inc. (Schwab) to participate in the Schwab Advisor Network, a client referral service. LB&C pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by LB&C is a percentage of the fees the client owes to LB&C or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. See section 14 for further information on the referral program.

LB&C does not accept compensation, including sales charges or service fees, from any person or entity for the sale of securities or other investment products.

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

As disclosed in Item 5 above, LB&C may receive performance-based compensation from the Private Funds. LB&C acknowledges a conflict of interest exists because LB&C may receive higher fees from those clients to whom we recommend an investment in the Private Funds. Furthermore, a conflict of interest exists as the performance-based compensation may create an incentive for LB&C to make investments that are riskier or more speculative than would be the case in the absence of performance-based compensation. We mitigate these conflicts of interest in two ways: (a) our training and continuing education of LB&C investment team members, and (b) LB&C affiliates and principals are invested in the Private Funds; thus aligning our interests with those of our clients.

## **Item 7 – Types of Clients**

LB&C primarily provides customized investment management services to high net worth individuals, trusts, retirement plans, foundations, endowments, investment companies and other legal entities such as pooled investment vehicles for which an affiliate serves as the general partner.

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

### Private Wealth Solutions

LB&C's wealth management practice strives to deliver exceptional investment solutions to our clients, while bringing clarity to their overall financial picture.

LB&C develops and affirms a comprehensive strategy for each client based on our understanding of asset allocation, asset location, return goals and risk parameters. Critical to this process is coordination with the client's trust & estate, tax, insurance and other professionals to seek an optimal outcome for the client.

Our primary responsibility is to understand our clients' financial goals and to provide sound advice in helping them achieve those goals. Critical to that effort is our ability to help clients understand and navigate key personal, family, and business-related issues beyond portfolio management.

We actively listen and ask questions to ascertain how clients view the purpose of their wealth, as well as to identify specific areas of concern. This knowledge helps us to define boundaries of risk tolerance and appropriate sources of portfolio return.

We use a robust suite of financial tools and planning models to gather and analyze a client's personal assets, liabilities, retirement plans, corporate assets, present and future cash flow needs, and tax considerations. Our goal is to optimize the client's distinct objectives for wealth accumulation, wealth management, or wealth transfer and distribution.

A customized investment plan and wealth management strategy is implemented for each client. Portfolios are built and managed to achieve strong risk-adjusted returns over time, and diversified to protect and compound capital. We may utilize either internal and/or external investment strategies to achieve the client's stated goals.

Continual review and assessment of investment strategies and wealth management techniques is vital to maximizing our clients' goals. Consistent and purposeful communication with clients strengthens our relationship and keeps us abreast of their financial and estate goals.

LB&C has provided investment management and wealth management services to high net worth and institutional clients for over five decades. Clients work directly with our portfolio managers, who have first-hand experience implementing sophisticated wealth management strategies and techniques. We believe that serving as the primary contact for each relationship best positions our portfolio managers to implement an appropriate investment strategy. Low turnover among our associates affords clients continuity of investment process and service, allowing us to build meaningful, collaborative and long-lasting relationships across generations.

LB&C may also provide access to account aggregation services, which can incorporate all of the client's investment assets, including those investment assets that are not part of the assets that are managed by LB&C (the "Excluded Assets"). The client and/or his/her/its other advisors that maintain trading authority, and not LB&C, shall be exclusively responsible for the investment performance of the Excluded Assets. In addition, this service will also provide access to other

types of information, including financial planning concepts, which should not, in any manner whatsoever, be construed as services, advice or recommendations provided by LB&C. LB&C does not provide investment management, monitoring or implementation services for the Excluded Assets. The client may engage LB&C to provide investment management services for the Excluded Assets pursuant to the terms and conditions of the Investment Advisory Agreement between LB&C and the client.

#### Institutional Solutions

LB&C has managed capital for foundations, endowments, and other institutions for nearly 50 years. Serving in a fiduciary capacity, we create customized portfolios that span traditional and alternative asset classes and strategies.

LB&C's Institutional Solutions constructs diversified portfolios of traditional and non-traditional strategies managed exclusively by third party managers. Our firm operates in a fully discretionary and fiduciary capacity to provide asset allocation, manager selection and risk management tailored to meet each client's unique investment objectives and risk tolerances. The investment team constructs portfolios designed to reflect each client's unique investment objectives, risk tolerance, spending needs and liquidity requirements. These portfolios are managed in a disciplined manner to protect capital in challenging markets and participate in stronger market environments. We strive to structure portfolios that are sufficiently diversified to incorporate uncorrelated sources of return, creating a portfolio that should meet or exceed long-term investment objectives. Our portfolios generally maintain an allocation to Long Only Equity, Hedged Equity, Absolute Strategies, Fixed Income, and Private Investments, and we are opportunistic within all investment structures, styles, and geographies. Strategic asset allocation is constructed with a long-term time horizon in mind and is intended to withstand the volatility inherent in a full market cycle. While used infrequently, the investment team may employ tactical allocations. Additionally, we conduct extensive modeling that may identify when mispricing opportunities are significant relative to historical valuations or when recessionary indicators are triggered.

We are keenly focused on measuring and managing market, investment and liquidity risks using quantitative tools and qualitative judgment at the manager and portfolio levels. Continual review and assessment of investment strategies and portfolio management techniques is vital to meeting our clients' goals.

Our service model extends beyond portfolio management, however. We provide customized, comprehensive reporting on our portfolio and, where appropriate, we can provide aggregate reporting to include assets managed outside of our investment mandate. Our clients have direct access to the professionals making the investment decisions on behalf of the portfolio. We believe that serving as the primary contact for each relationship best positions us to implement the most appropriate investment strategy. Furthermore, we endeavor to relieve our clients' committees and internal staffs of the sometimes-burdensome operational and accounting tasks associated with managing an investment portfolio. In this regard, we view ourselves as an extension of our clients' internal team.

For those institutional clients seeking broad asset allocation, but for whom liquidity is paramount or they are prohibited from investing in partnership structures, LB&C's Institutional Solutions team leverages the investment strategies offered through its Private Wealth Solutions platform to build diversified portfolios using publicly-traded traditional and alternative strategies. These strategies may be managed internally or by third party investment managers. Our investment team uses a robust suite of financial tools and models to gather and analyze an institution's investment objectives, risk tolerance, and liquidity needs. This analysis helps us to establish a detailed

investment policy statement, which in turn is used to construct a portfolio specifically designed for each client. Portfolios are designed to produce a strong risk-adjusted return over a full market cycle. Our team manages portfolios in a disciplined manner to reflect each client's unique circumstances. Depending on the agreed-upon investment strategy, a portfolio may be allocated to individual securities, separately managed accounts, mutual funds and/or exchange-traded funds. Where appropriate, limited partnership vehicles may also be included.

For those clients seeking a single strategy, the firm may be engaged to manage a proprietary equity or fixed income portfolio. Propriety strategies include Earnings Driven Strategy, Equity Income Strategy, Taxable Fixed Income Strategy, and Tax-Exempt Bond Strategy.

#### Retirement Plan Solutions

LB&C serves in a consulting capacity or as an investment advisor and ERISA fiduciary partner to employer sponsored retirement plans. LB&C provides guidance in areas related to fiduciary governance, investment management, plan design, and participant education.

LB&C works with the plan sponsor(s) of employer sponsored retirement plans to structure plan investment options to achieve a broadly diversified menu of investment choices. This applies to client accounts that are employer sponsored retirement plan(s) governed by ERISA. LB&C can operate as a co-fiduciary investment advisor (ERISA Section 3(21)) or as a discretionary investment manager (ERISA Section 3(38)). The scope of LB&C's services and fiduciary level will be acknowledged and outlined in the services described in each Retirement Plan Advisory Agreement.

LB&C may assist clients with the selection of plan providers, based on detailed research and analysis of several providers. The provider review process may include an evaluation of record-keepers, administrators, compliance, participant services, and all plan related fees (administration, recordkeeping, investment related). This evaluation process can be a function of our on-going advisory services to a plan or can be conducted on a stand-alone project basis.

To the extent specifically engaged to do so, LB&C will assist plan sponsors with the preparation of a written Investment Policy Statement (IPS). The IPS is intended to assist the Plan's fiduciaries by establishing guidelines for making investment-related decisions in a prudent manner. It outlines the underlying philosophies and processes for the selection, monitoring and evaluation of the investment options offered by the plan.

Consistent with the parameters of the IPS, LB&C will work with plan sponsors to provide the plan with a diversified platform of plan investment options. In addition to the core offering of plan investment options LB&C may provide custom asset allocation models based upon various investment objectives if requested by the plan sponsor.

LB&C is not responsible for investment decisions made by individual plan participants. LB&C's fiduciary duty does not, and will not, extend to a participant's investment making process as to how they choose to allocate any portion of their plan assets among any plan investment fund, model portfolio or investment alternative. The plan participant retains all investment decision-making authority.

LB&C may provide group and/or individual employee enrollment and investment education support. The goal of this process is to help employees make educated and informed choices about the plan and their unique investment allocation. Meetings are offered on an annual, semi-annual, or as requested basis.

LB&C is not responsible for any fiduciary duties or responsibilities imposed on the plan's fiduciaries under ERISA not explicitly listed in the services stated and acknowledged under the LB&C Retirement Plan Advisory Agreement.

#### Proprietary Investment Strategies

For those clients seeking a single strategy, the firm may be engaged to manage a proprietary equity or fixed income portfolio. Proprietary strategies include Earnings Driven Strategy, Equity Income Strategy, Enhanced Index, Taxable Fixed Income Strategy, and Tax-Exempt Bond Strategy.

#### Separately Managed Equity Strategies

LB&C believes that stocks of larger, well-capitalized companies producing sustainable, above-average earnings growth when purchased at reasonable valuations, should produce superior returns for our clients. In an effort to realize such returns, LB&C employs a process that combines an experienced team of investment professionals with proven quantitative research and fundamental disciplines.

Our firm offers the following separately managed equity strategies; Earnings Driven, and Equity Income. The investment strategies are described below.

#### Earnings Driven Strategy

The LB&C Earnings Driven strategy incorporates a multi-factor screening process and the systematic implementation of buy and sell disciplines to construct diversified equity portfolios. These portfolios emphasize higher quality, large-cap securities, which offer above average earnings growth with reasonable valuations.

These investment strategies are designed to deliver consistently strong risk-adjusted performance in a more efficient segment of the market. We strive to generate positive excess returns across market cycles without undue volatility of absolute or relative return.

Beginning with a universe of 600 stocks, each security is screened and assigned a ranking based upon earnings and valuation characteristics. Once rankings have been established, the portfolio is constructed by generally purchasing those securities with the highest rankings in the defined universe. Stocks are regularly reviewed and assigned updated rankings. Generally, stocks are sold when their ranking falls into the bottom two deciles. While the rankings drive the decision process, the Earnings Driven strategy investment team incorporates qualitative research and judgment when executing portfolio strategy. LB&C attempts to reduce volatility through diversification of sectors and securities with the highest rankings. The portfolio is typically diversified across 40-50 holdings, resulting in an average position size of approximately 2% to 3%.

Clients may also access the Earnings Driven strategy through the Jamestown Equity Fund. The cost structure and tax consequences associated with a mutual fund differ from a separately managed portfolio management and should be considered before investing in the fund.

#### Equity Income Strategy

The implementation of our Equity Income process begins with a universe of approximately 1,500 members. This universe is screened to identify larger capitalization, higher quality stocks that currently pay a dividend. The resulting sub-universe of approximately 350 companies is then screened for dividend persistence, quality and valuation.

The strategy's dividend analysis favors stocks that have paid a dividend in each of the last 3 years, have had no dividend cuts during that period, and have exhibited dividend growth of 5% annually.

The company's reported cash flow is compared to its indicated annual dividend. Valuation screens rank a stock in each sector according to its current yield relative to its 10-year maximum yield.

Stocks that rank highest, based on these measures, comprise a list of attractive buy candidates. Holdings that rank poorly on any of the same measures or exhibit deteriorating fundamentals are candidates for sale.

Buy candidates, as well as existing portfolio holdings, are subject to fundamental analysis. This research effort may include both direct company contact as well as outside analytical research. The analysis focuses on earnings and cash flow indicators, balance sheet composition, the competitive environment for the industry, and the macroeconomic themes affecting the sector.

#### Enhanced Index Strategy

A broadly diversified domestic or global indexing strategy enhanced by tactical tilts between growth stocks, S&P 500, and value stocks with the objective to outperform broad equity markets over a full market cycle. The process tracks the relative price performance of the S&P 500 Growth Index versus the S&P 500 Value Index to identify a suitably reliable signal to allocate between growth, neutral, and value. The basis for the repetitive nature of the cycle of growth to neutral to value is a combination of the underlying economic cycle and the tendency of markets to overreact. While every cycle is different and presents its unique challenges, this basic framework commonly applies and the changes to weightings and security types used in the different regimes are carefully calibrated to mitigate wide performance deviations from the broad market indices.

#### Separately Managed Fixed Income Strategies

##### Taxable Fixed Income Strategy

LB&C's taxable fixed income strategy seeks to provide current income by investing in a portfolio of investment grade bonds (rated in the four highest rating categories by any of the nationally recognized rating agencies, or unrated securities determined by LB&C to be of comparable quality). The strategy seeks to generate total returns consistent with moderate levels of credit risk and interest rate risk. An allocation to fixed income may dampen volatility of a balanced portfolio. Portfolios are tailored to meet a client's income goals, liquidity needs, and risk tolerance. Our fixed income style incorporates interest rate anticipation and sector rotation, and it is typically characterized by low turnover in order to reduce transaction costs that can diminish returns.

##### Duration

Duration refers to the weighted average maturity of the present value of the expected cash flows of a portfolio; it is used to measure the price sensitivity of a portfolio to changes in interest rates. Portfolio duration will be determined through our interest rate management process. This process is based on analysis of current economic indicators, inflation trends, monetary policy, consumer activity, as well as technical factors.

##### Yield Curve Analysis

The yield curve refers to the interest rate spread between short maturities and long maturities. We believe historical yield curve relationships are important in determining not only relative value along the curve, but also in predicting the most probable shape the curve will take.

##### Sector Rotation

The major investment grade sectors are U.S. Treasuries, Government Agencies, corporate bonds and mortgage-backed securities. When our analysis indicates that a sector has become undervalued, we will overweight this sector.



### Security Analysis

Thorough and ongoing attention to the credit worthiness of issuers is essential. We employ a number of resources to monitor credit profiles, with emphasis on avoiding deteriorating credit trends.

Portfolios are well diversified and typically comprised of 25 to 35 issues. Exposure to a single corporate issuer should not exceed 5% of the fixed income portfolio (for accounts large enough to obtain diversification). Average maturity between 2 and 6 years is typical for intermediate bond strategies.

In addition to separately managed bonds, we may invest in open-end mutual funds and exchange-traded funds in the taxable fixed income asset class.

### Tax-Exempt Fixed Income Strategy

LB&C's tax-exempt fixed income strategy seeks to earn current income exempt from federal income tax and to preserve capital by investing in a portfolio of high-quality, intermediate maturity municipal debt securities. The strategy secondarily seeks income exempt from state income taxes for investors who are residents of states that levy income tax. The strategy seeks to generate total return consistent with moderate levels of credit risk, interest rate risk and maturity risk. An allocation to tax-exempt fixed income may dampen volatility of a balanced portfolio. Portfolios are tailored to meet income goals, liquidity needs, and risk tolerance. Our tax-exempt fixed income style takes a conservative approach to interest rate risk management and sector selection. Our portfolios typically have low portfolio turnover in order to reduce transaction costs that can diminish returns.

We may also invest in open-end mutual funds and exchange-traded funds in the tax-exempt fixed income asset class.

### Risk Associated with Investing in Securities

Investing in securities involves risk of loss that clients should be prepared to bear.

- 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.
- 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. Stocks and other equity securities are subject to inherent market risks and fluctuations in value due to earnings and other developments affecting a particular company or industry, stock market trends and general economic conditions, investor perceptions, interest rate changes and other factors. Stocks tend to move in cycles and may experience periods of turbulence and instability.
- 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.
- 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.
- Diversification Risk - Investments that are concentrated in one or few industries or sectors may involve more risk than more diversified investments, including the potential for greater volatility. The portfolio may not achieve the degree of capital appreciation that a portfolio investing solely in equity securities might achieve and may be subject to greater volatility than a portfolio investing solely in fixed income securities.
- Financial Risk - Excessive borrowing to finance a business' operations increases a risk to 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 default, bankruptcy and/or a declining market value.
- Liquidity Risk - When consistent with a client's investment objectives, guidelines, restrictions and risk tolerances, LB&C may invest portions of client portfolios in illiquid securities, subject to applicable investment standards. Investing in an illiquid (difficult to trade) security may restrict LB&C's ability to dispose of investments in a timely fashion or at an advantageous price, which may limit the ability to take full advantage of market opportunities. Accounts may hold securities that are partnerships. Some partnerships are relatively liquid and may be either exchange-listed or traded over-the-counter. However, most partnership securities are often illiquid and are subject to significantly less regulation than public investments.
- Mutual Fund Share Class Investment: LB&C makes efforts to provide the client with the most appropriate share class made available which often will be the share class with the lowest expense ratio but may also be based on, but not limited to, other factors such as tax considerations, and transaction costs. The clients' choice of broker /dealer or custodian may limit LB&C's access to the available mutual fund share class thus negatively affecting the client's assets. Fund expenses and available share classes may change over time. Therefore, we cannot assure that the client will always be in the most appropriate share class. LB&C will periodically compare and evaluate the share classes of the fund available to the client and determine whether a share class exchange is appropriate.
- Fixed Income Risks - Portfolios that invest in fixed income securities are subject to several general risks, including interest rate risk, credit risk, and market risk, which could reduce the yield that an investor receives from his or her portfolio. These risks may occur from fluctuations in interest rates, a change to an issuer's individual situation or industry, or events in the financial markets.
  - Call risk - The chance that during periods of falling interest rates, the issuer of a bond will repay—or call—securities with higher coupons, or interest rates, before their maturity dates. If LB&C were forced to reinvest the unanticipated proceeds from an early call at lower interest rates, a client's portfolio would experience a decline in income and lose the opportunity for additional price appreciation associated with falling interest rates. Some corporate bonds and municipal debt issues have sinking fund provisions, which require the issuer to periodically retire a predetermined number of bonds, which act like call provisions. Some corporate bonds have a "make-whole" call provision, which allows the issuer to redeem the

outstanding bonds prior to maturity at a price determined by a formula described in the prospectus.

- Credit risk - The chance that a bond issuer will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline. Generally, lower rated bonds carry more credit risk. Certain events can affect an issuer's financial situation and ability to make timely payments to bondholders, including economic, political, legal or regulatory changes and natural disasters. Event risk is unpredictable and can significantly affect the price of the bond.
- Mortgage-Backed Security (MBS) Risk - Changes in interest rates have an additional impact on MBS because they affect mortgage prepayment rates. The prepayment rate for a mortgage pool affects the average life and yield. Prepayments often speed up as interest rates decline because mortgage holders are able to refinance at lower rates. Rising interest rates tend to slow loan prepayments. Principal may be returned to bondholders sooner than expected if mortgage holders prepay their loans. Bondholders then may have to reinvest the returned principal at a lower interest rate.
- Portfolio Concentration Risk - Municipal bond portfolios may be concentrated in a single state in order to generate income free from state income taxes; however, this increases the risk of poor performance due to economic or political circumstance unique to that one state.
- Investment Style Risk – Equity securities with a growth bias may appreciate in a cyclical nature and at various times be out of favor or underperform other investment styles. In addition, a more conservative quality-oriented bond strategy may underperform a portfolio of lesser quality at times.
- Large Company Risk - Larger capitalization companies may be unable to respond quickly to new competitive challenges, such as changes in technology and consumer tastes, and may not be able to attain the high growth rate of successful smaller companies, especially during extended periods of economic expansion.
- Management Risk – LB&C's method of security selection or asset allocation may not be successful and the portfolio may underperform the stock market as a whole. Some portfolio securities may not appreciate in value as expected.
- Other risks - Option strategies and limited partnerships are very specific per client and pose additional risks that are discussed in detail with any clients where LB&C is considering the use of these investment vehicles.
- Portfolio Activity - LB&C reviews accounts periodically and as necessary to determine if any changes are appropriate based upon various factors, which may include, but are not limited to: investment performance, security fundamentals, client account additions/withdrawals, and changes in the client's investment objectives. LB&C may determine that changes to a client's portfolio are unnecessary. Clients are subject to the fees described in Item 5 above, even during periods of account inactivity.
- Fund Liquidity Constraints - In certain instances, LB&C will recommend investment companies (both private and registered) that provide for liquidity on an interval-basis, such as quarterly. If a client determines a need for a distribution of assets held in the investment

or if LB&C determines that the investment is no longer appropriate, the liquidation may be subject to the investment's specific distribution schedule or potentially longer. The eventual price received upon liquidation might be more or less than the value on the date of the redemption request. Clients may direct LB&C, in writing, not to purchase these types of funds for their account.

- Risks Associated with Investments in Privately Offered Pooled Investment Vehicles ("Private Funds")
  - No Assurance of Performance return. The past or projected performance of any investment is not indicative of the future results of such investment. Likewise, there can be no assurance that any projected returns of the Private Funds will be achieved or that results achieved will be comparable to past performance of any of LB&C's prior investments. There can be no assurance that investment opportunities that have been available in the past will be available to the Private Funds. The investment performance will depend in part upon general economic conditions and the condition of financial markets and various industries, which are beyond the control of LB&C. Private Funds involve a high degree of risk and investments or commitments should be made only by investors who are willing and able to bear such risks, including a complete loss of such investment.
  - Potential Portfolio Concentration. Diversification is not guaranteed. The Private Funds may only include a small number of large investments. While such concentration could enhance total returns to the limited partners, returns may be significantly impacted if a single investment were to sustain a material loss much more so than if the Private Fund had invested in a less concentrated portfolio. The concentration and/or lack of diversification may increase the financial vulnerability to a limited partner in the event of a longer than expected economic downturn. Bespoke Private Strategies, LP is intended to be a vehicle through which an investor can create a diversified portfolio of private investments. An investment in a single vintage year is not intended to achieve that diversification; rather investors are encouraged to allocate their desired private investment commitment over multiple vintage years to achieve the appropriate diversified private investment portfolio.
  - Allocation of Opportunities and Resources. LB&C currently serves as the investment manager to a number of Private Funds as well as other investment advisory accounts. LB&C may engage in similar or differing investment strategies for clients and is not required to devote substantially all its time to any one client. Investment allocation decisions are treated with the utmost seriousness. LB&C will attempt to provide an equitable allocation of each investment opportunity that is within each client's investment guidelines. For a number of reasons (e.g. available cash at the time an investment opportunity arises, investment manager preferences, minimum investment requirements or liquidity restrictions), clients may receive an allocation of an investment that is larger or smaller than a strict *pro rata* allocation. LB&C has established an allocation policy to address capacity constraints among investment opportunities in private funds and other limited partnership investments intended for LB&C proprietary funds and other clients. In general, LB&C maintains that an allocation to private investments is best obtained through the Bespoke Private Strategies, LP.

- Failure to Make Capital Contributions. Should an investor fail to pay installments of its Commitment to the Private Funds when due, and the contributions made by non-defaulting investors are inadequate to cover the defaulted capital contribution, the Private Funds may be unable to pay its obligations when due. As a result, the Private Funds may be subjected to significant penalties that could have a materially adverse effect on the returns to investors (including non-defaulting investors). If an investor defaults, it may be subject to various penalties as provided in the respective offering documents.
- Asset Valuations. In determining the net asset value of the Private Funds, LB&C intends to substantially rely on the values reported by the underlying managers of each Private Fund subject to the review and approval of the respective general partner. LB&C acknowledges a potential conflict of interest in valuation since these values may affect compensation, however each underlying investment of the Private Fund and each Private Fund is audited on an annual basis in accordance with U.S. generally accepted accounting principles (“GAAP”) or International Financial Reporting Standards (“IFRS”).
- Incentive Allocation. The existence of the Incentive Allocation within the Private Funds creates a conflict of interest for LB&C to recommend or approve more speculative investments on behalf of the Private Funds than would be the case in the absence of this arrangement. Such speculative investments would expose the Private Funds to greater risk of loss than if LB&C refrained from making such speculative investments.
- Long-Term Commitment Required. The strategy of the Bespoke Private Strategies, LP is long term in nature and, as a result, it is not anticipated that regular or frequent cash distributions will be made to Limited Partners. Given the lack of a market for the LP interests and the substantial restrictions on transfer and withdrawal of LP interests, an investment is suitable only for investors who have no need for liquidity. Moreover, there are significant risks associated with private investments that, by their nature, are speculative and primarily illiquid. Even if the investments prove successful, they are unlikely to produce a realized return to the limited partners for a period of years. Therefore, an investment requires a long-term commitment, and Limited Partners must be prepared to hold their LP interests and bear the risk of their investment for the duration of the Private Fund.
- Allocation Among Series. Potential conflicts of interest arise when LB&C undertakes a Series Exchange on behalf of the Client. LB&C has a financial incentive to conduct a Series Exchange, which resets the initial lock-up period associated with a Limited Partner’s interest thus creating a conflict of interest. LB&C would be entitled to collect advisory fees and may receive incentive allocations with respect to the Client’s investment during the new lock-up. LB&C believes that its obligation to adhere to a Client’s Investment Policy Statement as well as LB&C’s conflict of Interest Policy and Code of assist in adequately identifying and resolving these and other conflicts associated with Series Exchanges. LB&C obtains an executed addendum to the Investment Management Agreement from the client granting LB&C the authority to allocate among Series acknowledging these conflicts.
- Side Letter Agreements. The Bespoke CS-GP, LLC or Bespoke PS-GP, LLC (collectively, the “General Partners”) has and may in the future enter into written

agreements (“Side Letters”) with one or more limited partners of Bespoke Capital Strategies, LP or Bespoke Private Strategies, LP (collectively, the “Funds”). These Side Letters entitle a limited partner to make an investment on terms other than those described in its governing documents. Any such terms may be more favorable than those offered to other limited partners. Other limited partners will have no recourse against the Funds, the General Partners or any of its affiliates in the event that certain limited partners receive additional or different rights or terms as a result of such Side Letters. Side Letters may be disclosed at the General Partners’ discretion if specifically requested.

Additional information and explanations of specific risks are in the Private Funds organizational and offering documents.

## **Item 9 – Disciplinary Information**

LB&C and/or its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client’s evaluation of the company or its personnel.

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

Through its role as advisor to the Jamestown Equity Fund, LB&C is affiliated with the Williamsburg Investment Trust. LB&C receives a management fee from this arrangement that is detailed in Item 5. Where suitable for the client’s investment objectives, LBC& may invest client assets in the Jamestown Equity Fund. Clients may opt out of investment in the Jamestown Equity Fund. Employees, officers and directors of LB&C may be shareholders of this fund either individually or through the firm’s 401(k) Profit Sharing Plan.

The members of the Bespoke CS-GP, LLC and the Bespoke PS-GP, LLC are comprised of LB&C principals, LB&C affiliates and the Bespoke GP Cash Member, LLC (a single-member LLC owned by LB&C). Bespoke CS-GP, LLC has engaged LB&C as the investment advisor to the following series of Bespoke Capital Strategies, LP: Series Taxable Global Equity, Series Tax-Exempt Global Equity, Series Taxable Hedged Equity, Series Tax-Exempt Hedged Equity, Series Taxable Absolute Strategies, Series Tax-Exempt Absolute Strategies and Series Tax-Exempt Fixed Income Strategies. Bespoke PS-GP, LLC has engaged LB&C as the investment advisor to the following series of Bespoke Private Strategies, LP: Series Taxable 2014, Series Tax-Exempt 2014, Series Taxable 2015, Series Tax-Exempt 2015, Series Taxable 2016, Series Tax-Exempt 2016, Series Taxable 2017, Series Tax-Exempt 2017, Series Taxable 2018, Series Tax-Exempt 2018, Series Taxable 2019, Series Tax-Exempt 2019, Series Taxable 2020, Series Tax-Exempt 2020, Taxable Credit Opportunities Series and Tax-Exempt Credit Opportunities Series.

LB&C receives a management fee from its role as investment advisor in these arrangements that are detailed in Item 5. Clients may be invested in these funds where the investment is suitable for the client’s investment objectives.

Walter Robertson provides business consulting services and capital raising advice. Mr. Robertson does not provide these services to clients of LB&C, and therefore LB&C does not view these activities as a material conflict of interest. However, these activities do take away from time that Mr. Robertson spends providing services to LB&C and its clients. Therefore, LB&C seeks to mitigate this conflict of interest by disclosing it to clients.

**Please Note-Conflicts of Interest:**

- Walter Robertson is a licensed insurance agent. This presents a conflict of interest, as the receipt of commissions provides him with an incentive to recommend insurance products based on commissions to be received, rather than on a particular client's need. LB&C seeks to mitigate this conflict of interest by disclosing it to clients. In addition, in the event that Mr. Robertson receives compensation from the sale of insurance products to a client of LB&C, his compensation paid by LB&C is reduced by the amount of compensation they receive from the sale of insurance products. LB&C acknowledges a conflict of interest exists where LB&C may have reduced compensation expenses in the event Mr. Robertson receives compensation from the sale of insurance products to a client of LB&C. No client is under any obligation to purchase any insurance products from Mr. Robertson. Clients are reminded that they may purchase insurance products recommended by Mr. Robertson through other, non-affiliated insurance agents.
- Accounting Firm. A member of the LB&C Executive Committee continues to have a controlling interest in Bryan Brothers, Inc., a multi-family, family office that provides bookkeeping and tax accounting services to high net worth individuals, trusts and other legal entities. The principals and employees of Bryan Brothers, Inc. are not involved in LB&C management or operations, do not provide investment-related advice to Firm clients, do not have access to the Firm's computer systems, and do not have access to client records, except for a limited number of mutual clients. There has been no revenue sharing or referral compensation arrangements between the Firm and Bryan Brothers. However, LB&C may recommend Bryan Brothers, Inc., to advisory clients in need of accounting services. In turn, Bryan Brothers, Inc. may recommend LB&C to accounting clients in need of investment advisory services. There are no referral fee arrangements between LB&C and Bryan Brothers, Inc. for these recommendations. However, given the minority ownership in Bryan Brothers, Inc., the recommendation that an LB&C client utilize the services of Bryan Brothers, Inc. presents a conflict of interest.

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

LB&C has adopted a Code of Ethics for all persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumormongering, restrictions on the acceptance of significant gifts, and personal securities trading procedures, among other things. The Code of Ethics requires all employees to place client interests first, to ensure all personal transactions are conducted consistent with the Code and all applicable securities laws, and to avoid any actual or potential conflicts of interest. The Code of Ethics restricts some activities and requires pre-clearance for others. All employee personal transactions (including Firm capital funds) are reported and reviewed by the Chief Compliance Officer. Clients may receive a copy of the Code of Ethics upon written notice to David Lyons, Lowe, Brockenbrough & Company, Inc., 1802 Bayberry Court, Suite 400, Richmond, Virginia 23226.

Employees may maintain managed advisory accounts with LB&C. Such accounts may buy and sell the same securities at the same time as other clients' accounts. Each account included in the

block order will participate at an average share price. Although a conflict of interest could exist for allocating trades among clients, LB&C has established procedures to ensure all accounts are treated fairly and no one account is favored over any other. Please refer to Item 12 for further discussion of our Code of Ethics. Under certain circumstances, LB&C may require that managed advisory accounts for employees be traded at the end of the day after other client trades are completed to prevent any conflicts. Nonetheless, because the Code, in some circumstances, would permit employees to invest in the same securities as a client, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is monitored under the Code to reasonably prevent conflicts of interest between LB&C and its clients.

The Code of Ethics requires that employees report all personal security transactions on a timely basis, and that employees certify quarterly that they have complied with the requirements of the Code and that all reportable transactions have been reported.

LB&C is the investment advisor for the Jamestown Equity Fund. In our capacity as an investment advisor for individual clients, we may direct client assets to this fund. In order to address a potential conflict of interest for managed portfolios, assets held in the Jamestown Equity Fund are excluded from the advisory clients' investment advisory fees. Clients invested in this fund may incur higher or lower management fee rates within the funds than their stated fee rate in their management agreement.

When LB&C decides to purchase or sell the same securities for different clients' accounts at or about the same time, we may combine the clients' orders to allow us to negotiate better prices or lower commission rates and other transaction charges than we could get for one client's order alone. We will seek to allocate securities so purchased or sold, as well as the expenses incurred in the transaction, in the manner that we consider equitable and consistent with our fiduciary obligations to all clients. To the extent practicable, LB&C will attempt to allocate investment opportunities among its various clients on a basis that is fair and equitable to all clients over time. LB&C investments for one client may differ from that of another account. Transactions in a specific security may not be accomplished for all clients' accounts at the same time or at the same price.

LB&C manages accounts subject to client objectives, guidelines and product mandates. Certain mandates are more aggressively and actively traded than others. Additionally, the investment horizon for individual investors varies. As a result, an individual client may not participate in certain security transactions. A particular security may be bought or sold for some clients but not for other clients. Also, a particular security may be bought for some clients when other clients are selling. Partially filled orders will be allocated on a pro-rata basis.

LB&C generally does not engage in cross transactions for client accounts. Certain situation may arise where across transactions between client accounts is beneficial to both clients. Cross transactions involve the process of executing a transaction in which the securities are transferred from one client's account to another, using a broker/dealer solely to facilitate the transfer without incurring the usual commission costs or market risks. LB&C is taking the position that given the inherent conflict of interest between accounts, we will not generally engage in cross transactions. Any cross transactions are to be approved by compliance. Such trades will be executed for both parties between the buy and sell offers (utilizing available market quotes) and applying only a transactional cost to both parties to cover the costs of the trade to the executing broker.

LB&C is the investment manager of three Private Funds and is affiliated with the General Partner of each. (See Section 10) Associates of LB&C may invest in these Private Funds. The Private



Funds accept investments from clients and non-clients deemed to be suitable with whom LB&C has a prior relationship. Principals of LB&C serve on investment committees of several institutions and may, from time-to-time, recommend investments in the same funds as engaged by the Private Funds. In our capacity as an investment advisor for individual clients, we may direct client assets to this partnership. Under certain circumstances, a client may incur higher fees than those stated in their original management agreement. Clients are made aware of this possibility prior to subscribing to the Private Fund.

LB&C has an investment management agreement with a limited liability company (LLC) which is unaffiliated with the LB&C Private Funds or their respective general partners. As a requirement of this arrangement, LB&C is the managing member of the LLC. LB&C has less than 1% ownership in the LLC. The LLC is closed to additional investors. LB&C has not and does not solicit the LLC or on behalf of the LLC. The LLC may invest in the same securities as other LB&C clients.

## **Item 12 – Brokerage Practices**

### The Selection of Trading Counterparties

Clients are free to choose any broker/dealer or custodian for their assets. The custodian should be a “qualified custodian”. Such a custodian maintains the underlying records for the assets in their account. LB&C seeks to obtain best execution for accounts in which LB&C has been given the discretion to select brokers. LB&C considers many factors in selecting brokers including, but not limited to:

- (a) The value of research products, services and reports (includes the extent of coverage, type of communications, subjective appraisal of quality and accuracy).
- (b) Execution of orders (speed, execution price -- "good" price in terms of daily trading patterns, commission and reporting services).
- (c) Financial condition of the brokerage firm and its ability to provide liquidity.
- (d) Overall business integrity and reputation of the brokerage firm.
- (e) Well-organized and efficient "back office" operations that minimizes reporting errors.
- (f) Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.).

### Benefits Received Through Client Accounts at Charles Schwab & Company

LB&C often recommends that clients establish brokerage accounts with Schwab Advisor Services, a division of Charles Schwab & Company, Inc. (Schwab), an independent and unaffiliated registered broker/dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. LB&C is independently owned and operated and is not affiliated with Schwab. Although LB&C may make this recommendation, it is the client's decision whether or not to custody assets with Schwab by entering into an account agreement directly with them. LB&C does not open the account for the clients, although we may assist in doing so. Even though client accounts are maintained at Schwab, LB&C can still use other brokers to execute trades in these accounts.

Schwab provides LB&C with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to the advisor. The services are not contingent upon LB&C committing to Schwab any specific amount of business (assets in

custody or trading). Schwab also makes available various support services. Some of these services help LB&C manage or administer our clients' accounts, while others help manage and grow the advisory business. Schwab's services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

LB&C has an incentive to recommend that clients maintain their account with Schwab, based on our interest in receiving Schwab's services that benefit LB&C's business rather than based on clients' interest in receiving the best value in custody services and the most favorable execution of clients' transactions. LB&C believes that Schwab offers competitive trading costs, back office efficiency, financial integrity, stability and superior service, thus enabling LB&C to better service its clients. Equity transactions for accounts where the assets are held at Schwab will usually be handled by Schwab. Trades executed away from Schwab (possibly fixed income securities) will be subject to an additional transaction fee applied by Schwab.

Schwab makes other products and services available that benefit LB&C but that may not directly benefit our clients or their accounts. Some of these other products and services assist LB&C in managing and administering clients' accounts. They include investment research, software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of LB&C's fees from its clients' accounts, and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of LB&C's accounts, including accounts not maintained at Schwab Advisor Services. Schwab also offers other services intended to help LB&C manage and further develop our business enterprise. These services include educational conferences and events, consulting on technology, compliance, legal, and business needs, publications and conferences on practice management and business succession, access to employee benefits providers, human capital consultants, and insurance providers. LB&C may receive fee waivers for attendance to Schwab Advisor Services conferences. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to LB&C by independent third parties. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to LB&C. However, LB&C would not receive these products and services if client accounts were not held in custody and traded by Schwab. LB&C's receipt of these products and services creates a potential conflict of interest in connection with our recommendation of Schwab.

Schwab provides LB&C soft dollar credits based on the overall profitability of our business with Schwab that includes such factors as historical volume of client trade activity and total client assets held at Schwab. These credits are used towards payments to third party vendors on the behalf of LB&C for similar research products as used with commission soft dollars. These products or services (all of which aid in investment decision-making or trade execution) include, but are not limited to, equity research data providers, bank credit rating services and propriety research that help in determining the overall recommendations made for client accounts. Some of these products and services benefit clients whose accounts are held by other custodians, which could create a potential conflict of interest between the clients at Schwab who are indirectly paying for the products and services and the clients at other custodians who may benefit from the products and services. LB&C benefits in that we would otherwise be required to pay directly for the research, products or services.

LB&C is advisor to the Jamestown Equity Fund, which utilizes various channels of distribution including the Charles Schwab trading platform. Schwab currently waives, on our behalf, some of the fees an advisor would normally pay for use of this platform.

LB&C does not engage in any principal transactions nor does the firm engage in Agency Cross transactions.

LB&C's Chief Compliance Officer, David A. Lyons, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the corresponding conflict of interest such arrangements may create.

#### Client-Directed Brokerage

Clients may give LB&C instructions as to where to trade their account. In these circumstances, the client and the selected broker are responsible for establishing the agreed upon commission rates. If the client directs the account's transactions to a particular broker/dealer, this may result in greater transaction expenses for the account than for other accounts LB&C manages. LB&C's directed accounts might pay higher commissions and/or receive less favorable trade execution than our non-directed accounts. The non-directed accounts may benefit from negotiated commissions, volume discounts, and batched transactions.

#### Aggregated Trades

LB&C typically aggregates client trades in an effort to treat all clients fairly. Clients participating in an aggregated order receive the same average price and incur trading costs that are the same as would be paid if they were trading individually. LB&C will retain records, based on the applicable books and records retention requirements, of the trade order (specifying each participating account and its allocation), which will be completed prior to the entry of the aggregated order. If an order is partially filled, clients will have their orders filled on a pro-rata basis. LB&C will seek to complete any unfilled client orders on the next trading day. On occasion, LB&C may include trades for the Jamestown Equity Fund in aggregated orders for its clients if it believes that such aggregation is consistent with its duty to seek the best execution for its clients.

Equity trades are sent electronically to the trading desk through the order management system where they are executed on a first-come, first-serve basis and where possible, trades are aggregated prior to execution. LB&C usually executes non-directed trades before directed trades. The sequence of the directed orders will be altered to not favor any one account over another. Aggregation does not, however, necessarily result in better execution and in some cases may result in a less favorable execution.

LB&C manages accounts subject to client objectives, guidelines and product mandates. Certain mandates are more aggressively and actively traded than others. Additionally, the investment horizon for individual investors varies. As a result, an individual client may not participate in certain security transactions. A particular security may be bought or sold for some clients but not for other clients. A particular security may be bought for some clients when other clients are selling.

## **Item 13 – Review of Accounts**

#### Private Wealth Solutions

Accounts are reviewed on a regular basis by the client's investment team. Each client signs a Statement of Investment Objectives (an "SIO") that provides the investment team with the appropriate guidance for implementing investment strategy. Each client's SIO is formally

reviewed at least once every two years. Circumstances may warrant more frequent reviews of client accounts (e.g. change in client's investment objectives, material change in market, political or economic environment, etc.). Our investment teams are available to meet with clients quarterly, but may meet more or less frequently depending on a client's preference. Clients are reminded to notify their investment team should their financial circumstances or risk tolerances change.

Clients are provided, at least quarterly, with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian (or third party administrator for limited partnership investments) for the client accounts. LB&C may also provide a periodic report summarizing account activity and other agreed upon data. Clients are urged to compare the statements from LB&C to that of their custodian or third party administrator as applicable.

### **Institutional Solutions**

Portfolios are reviewed on a regular basis by LB&C's institutional investment team. Each organization's investment committee or board chairperson signs an Investment Policy Statement (an "IPS") that provides the investment team with the appropriate guidance for implementing investment strategy. Each client's IPS is formally reviewed at least annually. Circumstances may warrant more frequent reviews investment strategy (e.g. change in investment objectives, material change in market, political or economic environment, etc.) and clients are reminded to notify the investment team should the organization's financial circumstances or risk tolerances change. The firm's institutional investment team generally meets with client's investment committees on a quarterly basis, but is willing to meet more or less frequently depending on the preference of the client's governing body. Clients receive statements from various custodians or designated third-party administrators from each of their investments at least quarterly. LB&C may also provide a periodic report summarizing account activity and other agreed upon data. Clients are urged to compare the statements from LB&C to that of their custodian or third party administrator as applicable. For the firm's Outsourced Chief Investment Officer clients, LB&C issues a comprehensive quarterly report . These reports are customized to meet each client's needs, but generally include performance metrics, risk metrics, a risk dashboard, portfolio attribution and necessary accounting components. These reports are generally made available to our clients electronically.

### **Proprietary Private Funds**

Each proprietary private fund has an advisory agreement in place with LB&C that outlines the investment objectives and guidelines for each strategy. For those funds that still remain in their investment period, the investment team meets at least quarterly to review the portfolio and ensure compliance with the stated investment objectives. Limited Partners who have invested in the Bespoke Capital Strategies, LP receive monthly-unaudited statements from our designated third-party administrator. Investors are also furnished with audited financial statements for the year-ending December 31<sup>st</sup>. These monthly and annual statements are made available through our administrator's secure web portal. Limited Partners who have invested in the Bespoke Private Strategies, LP receive quarterly unaudited statements from our designated third-party administrator. Investors are also furnished with audited financial statements for the year-ending December 31<sup>st</sup>. These quarterly and annual statements are made available through our administrator's secure web portal.

### **Jamestown Equity Fund**

The Jamestown Equity Fund ("Equity Fund") is managed in accordance with the fund's investment objectives policies and restrictions as stated in it's prospectus. The investment committee reviews the account on a regular basis to ensure compliance with these guidelines. In

addition, the Board of Trustees of the Williamsburg Investment Trust reviews the fund's investments, adherence to guidelines and other relevant factors quarterly. Shareholder reports are issued in accordance with the Fund's prospectus.

### **Retirement Plan Solutions**

Plan investment options and asset allocation models, where provided, are reviewed for compliance with the guidelines of the plan's IPS on a regular basis by the investment team. LB&C reviews the IPS no less than annually and may do so more frequently should circumstances dictate. Periodically, LB&C conducts a provider review that may include, but not limited, to an evaluation of record-keepers, administrators, compliance, participant services, and plan related fees. The provider reviews may be made available directly to the plan. In addition, other plan reports may be available from the plan's third party providers.

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

LB&C receives client referrals from Charles Schwab & Co., Inc. ("Schwab") through LB&C's participation in the Schwab Advisor Network<sup>®</sup> ("the Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker/dealer independent of and unaffiliated with LB&C. Schwab does not supervise LB&C and has no responsibility for LB&C's management of clients' portfolios or our other advice or services. LB&C pays Schwab fees to receive client referrals through the Service. LB&C's participation in the Service may raise potential conflicts of interest described below.

LB&C pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by LB&C is a percentage of the fees the client owes to LB&C or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. LB&C pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to LB&C quarterly and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by LB&C and not by the client. LB&C generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees LB&C generally would pay in a single year. Thus, LB&C will have an incentive to recommend that client accounts be held in custody at Schwab. LB&C receives an economic benefit from Schwab in the form of support products due to the client account assets maintained at Schwab (See item 12 Brokerage Practices)

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of LB&C's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, LB&C will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit LB&C's fees directly from the accounts.

Other than the previously described products and services that LB&C receives from Schwab (as stated in Section 12 and above), LB&C does not receive any other economic benefits from non-clients in connection with the provision of investment advice to clients.

## **Item 15 – Custody**

All clients' accounts are held in custody by unaffiliated broker/dealers or banks. Account custodians send statements directly to the account owners on at least a quarterly basis. Clients are urged to carefully review these statements, and should compare these statements to any account information provided by LB&C.

LB&C is deemed to have custody of client assets due to its ability to debit advisory fees; associates at LB&C named the trustee for an account under management; the ability to disburse client funds to a third party as authorized by a standing letter of authorization (SLOA). These accounts will be subject to a surprise custody audit by an independent public accountant annually in accordance with SEC rules, no-action letters and updated FAQ releases. Other than as required in the duties as a Managing Member or as a Trustee, LB&C will not take physical custody of client's assets at any time. Annually, an independent audit is performed on the managed LLC, for which LB&C is the managing member (see earlier reference in item 11); the results of which are distributed to the members of the partnership.

LB&C, as an affiliate of the general partners of the Private Funds, will be deemed to have custody of the fund and as such will ensure that a GAAP audit is performed by a PCAOB firm annually.

## **Item 16 – Investment Discretion**

Clients are free to choose any broker/dealer and custodian for their assets. The clients should agree to execute any and all documents required by the custodian to establish both the account and limited trading authorization for LB&C. This trading authorization does not allow LB&C to withdraw any money, securities or other property in the name of the client other than the advisory compensation that is explicitly authorized by the client. The client should request the custodian to enable LB&C to receive electronic reporting of account information on a daily basis. **NOTE:** the client's choice of broker/dealer or custodian may limit LB&C's access to the available mutual fund share class options thus negatively affecting the client's assets.

Clients can place, in writing, reasonable restrictions on LB&C's investment discretion. For example, some clients have asked LB&C not to buy securities issued by companies in certain industries or not to sell certain securities where the client has a particularly low cost basis.

As a client accommodation, LB&C may occasionally agree to include assets in a client's report that are not managed by LB&C. These unsupervised assets are not under LB&C's management, are not included in the fee arrangements, are generally not included in any performance results, and are valued on a best information available basis.

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

LB&C has adopted and implemented policies and procedures that we believe are reasonably designed to ensure that proxies are voted in the best interest of clients, in accordance with our fiduciary duties and SEC rule 206(4)-6 under the Investment Advisers Act of 1940. Our authority to vote our clients' proxies is established by our advisory contracts.

LB&C represents client interests in matters of corporate governance through the proxy voting process. LB&C votes issues solely with the goal of maximizing the value of clients' investments. LB&C votes proxies in accordance with the recommendations provided by Egan-Jones Research Recommendations Service unless LB&C determines an alternative vote shall better serve client interests or pursuant to specific client instructions. We believe that the policy voting criteria

applied by Egan Jones is compatible with our policies and procedures and will best represent clients' interest.

LB&C may, under certain circumstances, have a conflict of interest in voting proxies on behalf of clients. In order to mitigate any influence that LB&C would have on voting these proxies, LB&C strictly adheres to the independent recommendations of Egan Jones, unless directed by specific client instructions. Clients may receive a copy of the procedures and may receive information on how LB&C voted proxies with respect to their securities upon written notice to the following: Proxy Department, Lowe, Brockenbrough & Company, Inc., 1802 Bayberry Court, Suite 400, Richmond, VA 23226.

LB&C shall vote proxies received in a timely fashion for all security holdings, including positions maintained in the unsupervised portion of the portfolio, unless LB&C has received explicit direction otherwise. Client requests to vote with management on specific securities will be accepted on a limited basis. These requests are documented and adhered to.

LB&C has engaged Chicago Clearing Corporation ("CCC") to provide class action litigation monitoring and securities claim filing services on behalf of our clients. CCC monitors each claim, collects the applicable documentation, interprets the terms of each settlement, files the appropriate claim form, interacts with the administrators and distributes the award to the client. CCC charges a contingency fee of 20%, which is subtracted from the award at the time of payment. Clients are provided the opportunity to "opt-out" of this service entirely or they may list specific companies against which claims should not be filed on their behalf. LB&C does not have the authority to execute a proof of claim form for clients.

## **Item 18 – Financial Information**

LB&C has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.