

THE LONDON COMPANY OF VIRGINIA, LLC

Form ADV Part 2A – Disclosure Brochure

March 15, 2021

This Brochure provides information about the qualifications and business practices of THE LONDON COMPANY OF VIRGINIA, LLC. If you have any questions about the contents of this Brochure, please contact us at (804) 775-0317. 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.

THE LONDON COMPANY OF VIRGINIA, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about THE LONDON COMPANY OF VIRGINIA, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

1800 Bayberry Court, Suite 301
Richmond, Virginia 23226

(804) 775-0317

www.TLCAdvisory.com

Item 2 – Material Changes

This Disclosure Brochure Material Changes section, dated March 15, 2021, is an update to the March 20, 2020 version previously circulated. Our full Disclosure Brochure may be requested, at no charge, by contacting Andrew Wetzel, Chief Compliance Officer at (804) 775-0317 or awetzel@tlcadvisory.com. Our full Brochure is also available on our web site, www.TLCAdvisory.com.

While there were no changes that were deemed to be material in nature, the following items were updated:

Item 4 – Advisory Business

Updated regulatory assets under management as of December 31, 2020.

Item 5 – Fees and Compensation

Updated details regarding current fee structure for offered products.

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

Updated general sector guidelines.

Item 12 – Brokerage Practices

Added clarifying language regarding UMA model rotation trading.

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Item 4 – Advisory Business

The London Company of Virginia, LLC (“London Company”) is an independently owned SEC-registered investment advisor. The firm was originally founded in 1994 and is headquartered in Richmond, Virginia. It was established by Stephen M. Goddard, CFA and is focused on managing primarily domestic equities with a conservative, long term orientation. Mr. Goddard is the majority owner of the firm and serves as Founder, Chairman and Chief Investment Officer. The London Company is organized as a Delaware limited liability company, formed in 2012, in a corporate reorganization in connection with a minority (non-controlling) equity investment made in the firm by LPC London, LP, an affiliate of Lincoln Peak Capital. Lincoln Peak Capital is a private investment firm that specializes in partnering with investment management firms to help preserve their independence and facilitate equity transitions within a firm to key next generation management members.

The London Company provides discretionary portfolio management services to individuals and institutional investors through separate, sub-advisory, and wrap fee programs, as well as non-discretionary services, via certain model portfolios (UMA). We offer multiple equity investment strategies, which are discussed in Item 8 of this brochure. Our clients choose one of our investment strategies to meet their needs. Upon request, we will often work with clients to accommodate client-specific restrictions on any of our investment strategies.

Separately Managed Accounts

Separately managed accounts are individually managed and maintained for tax-exempt and taxable clients on a fully discretionary basis. The account portfolios are comprised primarily of domestic equities with a core/value emphasis and long-term orientation.

Sub-Advisory Accounts

London Company has sub-advisory relationships with other investment firms. We provide discretionary investment advice on a separate account basis to clients of these outside intermediaries. We strive to manage these accounts in the same manner as our direct accounts. The terms and conditions of these arrangements may vary and contact between London Company and such clients will typically take place through the relevant intermediary. Clients who obtain our services on a sub-advisory basis are able to impose restrictions on the management of their accounts.

We also act as a sub-advisor to several registered mutual funds. As such, we provide professional investment advisory services on a discretionary basis for several equity mutual funds. Investments for the mutual funds are managed in accordance with each fund’s investment objective, strategies, and restrictions. They are not tailored to the individualized needs of any particular investor in the fund.

Investment Manager Services

London Company serves as investment manager to multiple Collective Investment Trusts (“CITs”), sponsored by a trust company. We serve as the investment manager, pursuant to an investment management agreement, and receive a fee for managing the investment portfolio. The CIT has not been registered under federal or state securities laws, and is subject to an exemption provided by Rule 3(c)(11) of the Investment Company Act of 1940. The CIT is only available for investment by qualified retirement plans and is not for sale to the general public.

Wrap Fee Program Accounts

London Company serves as a sub-advisor in several “wrap fee” programs, in which clients establish an account in an investment program offered by another investment advisor (wrap program sponsor). As such, London Company may sub-advise a portion, or all, of an account. Client accounts in wrap fee programs are typically assessed, by the wrap program sponsor, a bundled or blanket fee for transactions and investment advisory service fees (wrap fee). London Company receives a portion of the wrap fee from the sponsor, as a sub-advisor to these programs. In these relationships we do not typically have direct contact with the underlying client, as we do with our direct accounts, although we manage these accounts to the same model as our non-wrap accounts.

Model-Based Programs

Pursuant to an agreement, certain Unified Managed Account (UMA) or Model Program Sponsors (“Sponsor”) receive London Company’s model securities portfolio for a particular investment style and, based on that model, the Sponsor or its designated representative (“Overlay Manager”) exercises investment discretion and executes each investor’s portfolio transactions predicated on the Sponsor’s or Overlay Manager’s own investment judgment. These Programs are referred to as Model-Based Programs. London Company typically provides its model portfolio (also known as impersonal investment advice) to the Sponsor or Overlay Manager, who subsequently, provides investment advice to its clients, based on their individual needs. When changes are made to a model by London Company, the Sponsor or Overlay Manager is responsible for implementing any modifications in their client accounts that are invested in the specific strategy. The Sponsor/Overlay Manager may or may not elect to execute all the purchase and/or sale transactions suggested by submissions of revisions in the model portfolio.

London Company does not have any contact with the underlying client of these programs. London Company does not enter trades, receive trade reports, or have access to any client reporting related to these accounts. It is the responsibility of the Sponsor to determine whether our model is suitable for their clients.

ASSETS UNDER MANAGEMENT

As of December 31, 2020, London Company had a total of \$14.0 billion in assets under management, all of which were discretionary assets.

Item 5 – Fees and Compensation

SEPARATELY MANAGED ACCOUNTS

All fees for separately managed accounts are subject to negotiation. The specific manner in which London Company charges fees is established in a client's written agreement with London Company and are payable quarterly, in arrears, based on the quarter-end account value. Some accounts may choose to be billed in advance. London's maximum annual fee on a firm-wide basis is 1.00% and the minimum account size is \$10,000,000, which can be waived at the London Company's discretion.

London Company generally charges each client an investment management fee based on the value of the client's assets under management, in accordance with a fee schedule in place at the time the account is opened. The current fee schedule is as follows:

Strategy	Annual Fee	
Concentrated	First \$100,000,000	1.00%
	Over \$100,000,000	Negotiable
Income Equity	First \$50,000,000	0.75%
	Next \$50,000,000	0.65%
	Remaining	0.60%
Large Cap	First \$50,000,000	0.75%
	Next \$50,000,000	0.65%
	Remaining	0.60%
Mid Cap	First \$25,000,000	0.75%
	Next \$25,000,000	0.65%
	Next \$50,000,000	0.55%
	Remaining	0.50%
Small Cap	First \$100,000,000	1.00%
	Over \$100,000,000	Negotiable
Small-Mid Cap	First \$50,000,000	1.00%
	Next \$50,000,000	0.85%
	Remaining	0.70%

London Company reserves the right to negotiate fees at all levels. Some clients pay more or less than others depending on certain factors, such as the type, size, inception date of the account, servicing and reporting requirements, product, vehicle, tax situation and existence of related accounts. The negotiated fee is specified in the agreement between London Company and the client. Fees are primarily deducted directly from client assets, but we offer the option to bill clients for fees incurred.

Advisory agreements can be terminated by the client upon prior written notice to London Company. Wrap program clients must request termination directly with their wrap program sponsor. In the event that an advisory contract is terminated prior to the conclusion of a billing period, a pro rata portion of any pre-paid fees will be paid by the wrap program sponsor, in accordance with the agreement.

SUB-ADVISORY ACCOUNTS:

The fee for accounts for which London Company acts as a mutual fund sub-adviser is negotiated with, and compensated by, the mutual fund company. Fees for accounts, where London Company serves as sub-adviser, are separately negotiated and vary by relationship. Sub-advisory fees are charged in a manner similar to separate accounts or paid directly by the financial intermediaries.

MODEL-BASED PROGRAM ACCOUNTS:

For model accounts, London Company is compensated directly by the outside firms, to which it provides model accounts at a negotiated rate. The management fees and terms of these accounts are negotiated by the client directly with the outside firm and do not involve London Company.

WRAP FEE PROGRAMS:

London Company manages accounts in wrap fee programs sponsored by other financial services firms ("wrap program sponsor"). As part of these programs, the client pays a singled bundled fee to the wrap program sponsor, instead of paying separately for investment advisory services, commission on transactions, custodian fees, and other transaction-related fees. The wrap program sponsor pays London Company a portion of the wrap fee for our investment advisory services. The fee and service arrangements for accounts under any wrap fee program are negotiated between the client and the wrap program sponsor. London Company is not generally informed of the fee arrangements, nor do we share in any fees, other than the fee negotiated between London Company and the wrap program sponsor. Wrap fee clients may be billed advisory fees on a quarterly basis, by the wrap program sponsor, either in advance or arrears, as negotiated between both parties. London Company may prepare and send invoices to its wrap program sponsors for distribution to wrap fee program clients; however, wrap program sponsors may opt to create their own invoices in lieu of ours. In the case of ERISA accounts, the fee for managing the account, which is paid to London by the wrap program sponsor, as set forth in the program agreement, may be considered indirect compensation.

OTHER FEES AND EXPENSES:

Clients in separately managed accounts, model-based accounts, sub-advisory accounts, and wrap fee accounts may incur brokerage and other transaction costs, in addition to the fee paid to London Company (refer to Item 12: Brokerage Practices). These fees are assessed by custodians, brokers, and other third parties, and may include non-affiliated manager 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 exchanged traded funds also charge internal management fees, which are disclosed in a fund's prospectus. To avoid the duplication of fees and the potential conflicts of interest, we do not charge our separately managed accounts a fee on assets that are invested in mutual funds we advise.

London Company's supervised persons do not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Item 6 – Performance-Based Fees and Side-By-Side Management

We have a limited number of clients on performance fee arrangements. The performance-based fee option is an advisory fee based on a percent of capital gains or appreciation of client assets. The performance fee is calculated at a rate of 15% on the amount by which the net profit exceeds 6%

within a year's time. A loss in any one year will be recovered in full before performance fees are assessed in subsequent years.

The receipt of performance-based fees for separate accounts creates conflicts of interest. Performance-based fees paid to investment advisers may be significantly higher than the asset-based fees paid on traditional accounts, thus creating an incentive to favor these accounts. In order to reduce potential conflicts of interest, London Company does not show preferential treatment to accounts under a performance-based fee arrangement. All accounts are managed within their respective strategies, given account restrictions and/or constraints. We perform periodic reviews of the performance fee accounts to assure consistency with the separate fee accounts. We also have trade rotation procedures in place to ensure that performance fee accounts do not take preference over separate accounts in the allocation of trades.

Item 7 – Types of Clients

Through separately managed accounts, model-based account programs, sub-advisory programs, and wrap fee programs, London Company provides portfolio management services to individuals, high net worth individuals, pension, foundations, Taft-Hartley, public, profit-sharing, bank or thrift institutions, investment companies, trusts, estates, and charitable organizations. The vast majority of these arrangements are discretionary, and London Company selects the investments and trades on the client's behalf without prior consultation with the client. London Company participates in a limited number of arrangements where it provides a model portfolio to clients, but does not exercise trading discretion. These arrangements include model-based programs/UMAs of certain Sponsors.

There is a minimum account size of \$10,000,000 for all strategies; however, London Company may agree to manage separate accounts below our stated minimum size.

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

EQUITY STRATEGIES

London Company offers multiple distinct investment strategies, all relatively concentrated with low annual turnover. Each strategy is created from the same, universal investment process.

Small Cap – The Small Cap strategy invests mainly in conservative, low-beta small cap equities with a focus on above-average downside protection. Primarily, we seek profitable, financially stable small cap companies that consistently generate free cash flow, high returns on unleveraged operating capital, trade at significant discounts to their intrinsic values, and are run by shareholder-oriented management. Positions are usually within the market capitalization range of the major, domestic small cap indices.

Mid Cap – The Mid Cap equity strategy invests mainly in conservative, low-beta mid cap equities with a focus on above-average downside protection. Primarily, we seek profitable, financially stable mid cap companies that consistently generate free cash flow, high returns on unleveraged operating capital, trade at significant discounts to their intrinsic values, and are run by shareholder-oriented management. Positions are usually within the market capitalization range of the major, domestic mid cap indices.

Large Cap – The Large Cap strategy invests mainly in conservative, low-beta, large cap equities with a focus on above-average downside protection. Primarily, we seek profitable, financially stable, quality large cap companies which consistently generate free cash flow, high returns on unleveraged operating capital, trade at rational valuations, and are run by shareholder-oriented management. Positions are generally in the market capitalization range of the major domestic large cap indices.

Income Equity – The Income Equity strategy invests mainly in common equities with a focus on higher overall dividend yield orientation, which may be supplemented with primarily investment grade, preferred equities. This strategy has a more conservative orientation, focused on capital preservation, income and growth, in order to provide greater yield and downside protection relative to our Large and Mid Cap strategies. Our Income Equity strategy is designed to generate above-average, absolute returns over full market cycles.

Small-Mid Cap – The Small-Mid Cap strategy is an extension of our Small Cap strategy with weighted market capitalization higher than our Small Cap portfolio, and is within the market capitalization ranges of the major domestic small to mid cap indices.

Concentrated – The Concentrated strategy focuses on a smaller number of names that, in combination, offer the team's strongest conviction towards downside protection. This portfolio typically holds less than half the number of names of our other strategies, and is managed with fewer restrictions on sector or position weightings. Individual positions can and will, at times, exceed greater than ten percent of the portfolio. The strategy is suitable for long term investors with a tolerance for potentially higher short term performance deviation from the benchmark, compared to our other strategies.

All Cap 25 – The All Cap 25 strategy focuses on a smaller number of names that, in combination, offer the team's strongest conviction towards downside protection, with fewer restrictions on market capitalizations, sector and position weightings. The number of holdings is typically around twenty-five. Individual positions will not exceed 15% of the portfolio, at cost, or 25% at market value.

EQUITY INVESTING

The following are the guiding principles for our investment philosophy:

- Focus on cash return on tangible capital, not earnings per share
- The value of a company is determined by cash inflows and outflows discounted by the optimal cost of capital
- Optimal diversification is essential to favorable investment results

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

London Company utilizes a differentiated conservative investment process focused on bottom up, fundamental analysis, utilizing a proprietary balance sheet optimization model and following a risk-controlled sell discipline. We primarily seek the following characteristics: high return on capital, consistent free cash flow generation, predictability and stability, and conservative valuations.

The firm screens for these primary characteristics by initially screening a broad equity universe against an internally generated quantitative model, which ranks universe members by pretax operating return on capital, pretax operating earnings/enterprise value and free cash flow yield. London Company evaluates approximately the top 200 names of the corresponding universe based on equal weightings of these factors.

The Investment Team will review and possibly seek potential purchase candidates from the screen. However, candidates don't necessarily have to be sourced from the screen if they generally meet our investment discipline. The team will exercise further fundamental and qualitative analysis on selected candidates, in addition to estimating intrinsic values by performing an internal balance sheet optimization analysis, as well as adjusting to market other company assets that may provide further downside protection.

The Investment Team also evaluates the company's management, incentives, actions, capital allocation decisions and corporate governance structure to ascertain whether or not management's interests are aligned with shareholders. It then looks at the sources of a company's competitive advantage as well as what levers management has at its disposal to increase shareholder value. This information is gathered from company conference calls, competitor conference calls, industry contacts, SEC filing review, periodical review, and Wall Street research.

Typically, 30 to 40 companies are evaluated annually through this process and are included on an informal watch list. Companies on this list are companies that the investment team thinks could be attractive long term investments, but there is some reason that prevents the company from being included in the portfolio. Reasons for being on the buy watch list include the overall risk /reward not being quite favorable enough to warrant purchase (i.e. not better than other investments currently in the portfolio), management issues, lack of catalysts or needing more factual information.

Companies are moved off the buy watch list and into the portfolio when an event happens to make the risk/reward attractive enough to warrant purchase. This usually occurs when the valuation becomes more attractive and/or when new information gives us higher conviction with the company's investment thesis.

The process aims to result in a generally lower beta portfolio that is diversified optimally with the expectation of better downside protection over a full market cycle.

London Company's ultimate objective is to substantially outperform the index over full market cycles with less risk, with risk being defined as permanent loss of capital. Our investment process attempts to minimize risk in three ways. First, we are generally buying established profitable businesses with stable cash flows and/or have significantly undervalued assets. Second, we are seeking to purchase these companies at significant discounts to their intrinsic values. Third, a decline in any one position that significantly impacts the product value by more than one percent of cost basis will trigger a soft stop-loss review and become a potential candidate for a source of funds. The objective of this discipline is to prevent investment decision errors from materially impacting the portfolio on the downside.

In addition, we maintain general sector limits of +/- 20% of the primary benchmark weight and new position limits (5% at initial purchase and 10% at market) that aid us in limiting our concentration risk. Please note, our Concentrated strategy is not constrained by the aforementioned limits. Additionally, the All Cap 25 product is not constrained by the individual holding limit, but does have a sector restriction of +/- 20% versus the primary benchmark. Other potential sell triggers include

overvaluation, deteriorating fundamentals, poor capital allocation, above-average insider selling (more than 25% of total, personal holdings), or a more promising alternative.

EQUITY RISKS

Equity and fixed income securities have distinct risks, which must be considered when investing. It is also important to keep in mind that past performance of a security is not indicative of future results.

Equity Market Risk – Overall stock market risks may affect the value of the investments in equity strategies. Factors such as U.S. economic growth and market conditions, interest rates, and political events affect the equity markets.

Management Risk – Our judgments about the attractiveness, value and potential appreciation of a particular asset class or individual security may be incorrect and there is no guarantee that individual securities will perform as anticipated. The value of an individual security can be more volatile than the market as a whole or our intrinsic value approach may fail to produce the intended results. Our estimate of intrinsic value may be wrong or even if our estimate of intrinsic value is correct, it may take a long period of time before the price and intrinsic value converge.

Preferred Equity Market Risk – These securities generally increase or decrease in value based on changes in interest rates. If rates increase, the value of preferred securities generally declines. On the other hand, if rates fall, the value of preferred securities generally increases.

Preferred Equity Call Risk – A call feature allows an issuer to redeem or call a security prior to its stated maturity date. In periods of falling interest rates, issuers may be more likely to call in securities that are paying higher coupon rates than prevailing interest rates. In the event of a call, the account holder would lose the income that would have been earned to maturity on that security. Also, the market value of a callable security may decrease if it is perceived by the market as likely to be called, which could have a negative impact on total return.

Small and Mid Cap Company Risk – Investments in small and mid cap companies may be riskier than investments in larger, more established companies. The securities of these companies may trade less frequently and in smaller volumes than securities of larger companies. In addition, small and mid cap companies may be more vulnerable to economic, market and industry changes. Because smaller companies may have limited product lines, markets or financial resources, or may depend on a few key employees, they may be more susceptible to particular economic events or competitive factors than larger capitalization companies.

Credit Risk – In preferred equities, there is a risk that issuers and counterparties will not make payments on the securities they issue. In addition, the credit quality of securities may be lowered if an issuer's financial condition changes. Lower credit quality may lead to greater volatility in the price of a security which may affect liquidity and our ability to sell the security.

Item 9 – Disciplinary History

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events (i.e., criminal and/or civil action, administrative proceeding, self-regulatory proceeding) that would be material to your evaluation of them or the integrity of their management. London Company has no information applicable to this item.

Item 10 – Other Financial Industry Activities and Affiliations

London Company's management persons are not registered, nor do any management persons have an application pending to register, as a broker-dealer, representative of a broker-dealer, futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities. London Company does not recommend or select other investment advisers for clients. London Company is a sub-adviser to several publicly traded mutual funds: Hennessy Equity and Income Fund, Touchstone Mid Cap Fund, Touchstone Small Cap Core Fund, Touchstone Large Cap Fund, and American Beacon The London Company Income Equity Fund. We are not officers or trustees of these investment companies and our role is limited to our sub-advisory responsibilities.

Item 11 – Code of Ethics

London Company has adopted a Code of Ethics policy that fosters a high standard of business conduct for the firm and its employees. Specifically, employees are required to comply with all applicable securities laws and maintain privacy and confidentiality with respect to (1) client transactions, holdings and personal information as set forth in the Privacy Notice, (2) firm securities recommendations and other non-public material information, and (3) guidelines related to gifts and contributions. All employees must accept, in writing, the terms of the Code of Ethics upon employment, annually or as amended.

The Code of Ethics document is available upon request. Requests may be sent to The London Company of Virginia, LLC, 1800 Bayberry Court, Suite 301, Richmond, Virginia 23226.

Personal Trading

Employees of London Company must adhere to the firm's Personal Trading Policy and Procedures, set forth in the Code of Ethics. Personal trade requests require pre-clearance and are reviewed on a case-by-case basis by the Chief Compliance Officer. As such, an instance may arise in which an Employee makes a transaction in a security that is currently held or traded in client accounts. London Company employees are also required to receive pre-clearance for mutual fund trades in funds sub-advised by the firm, if the transaction is outside of an employer-sponsored retirement plan.

All employees are required to submit quarterly personal securities transactions and annual holdings reports for review by the Chief Compliance Officer, who will review these reports for trading conflicts with client accounts. Employees are also required to have copies of brokerage statements for reportable accounts sent to the Chief Compliance Officer, directly from the custodian(s), on a quarterly basis, or as requested by the CCO. The Chief Compliance Officer will maintain documentation of personal securities transactions, including any violations that occur and their resulting actions.

Trade Errors

In the event of a trade error, the executing broker is contacted so that the error can be corrected as soon as possible. The trader will document the error and take whatever steps are necessary to make the correction. Trade errors will be considered on a case-by-case basis and adjustments will be made accordingly. In correcting a trade error, London Company will generally reimburse a client's account for any losses arising from the error and any profits related to the error will generally remain in the client's account. The CCO will work with the trader to determine what steps will be taken to prevent the error from recurring. This documentation will be maintained by the CCO.

Item 12 – Brokerage Practices

Broker Selection and Best Execution

London Company seeks to obtain the best trade execution for its clients. London Company has a Best Execution Committee that meets quarterly to administer our best execution policy. The Committee selects, approves and compensates brokers based on the range and quality of their brokerage services, including, among other factors: execution capability, quality of research, coverage overlap, trading expertise, commission rates, accuracy of execution, reputation and financial strength. The Committee meets quarterly to determine the allocations for the selected brokers based on the considerations described.

London Company may suggest clients use Charles Schwab & Co. for their custodian and directed broker, due to their relatively low-cost commission structure, effective trade execution platform and the ability to aggregate client trades. Schwab provides London Company with access to certain services, which generally are available to independent investment advisors on an unsolicited basis, at no charge to them.

London Company uses several trade execution procedures to ensure fair trade allocation and best execution. When placing block trades, orders for directed/broker custody/wrap, non-directed and UMA platforms will be entered based on a trade rotation schedule. Other factors, such as cash levels, sector weightings, restrictions, tax considerations and other items will be taken into consideration, as well as making sure all clients are treated fairly. Performance-based fee accounts will not receive trading preference, but will be included in the directed or non-directed block, whichever applies to the specific account. Traders and portfolio managers review and monitor trades for best execution.

Research and Other Soft Dollar Benefits

London Company considers the value of various services or products that a broker provides to the firm, including the value of research services and products. Selecting a broker in recognition of such other services or products is known as paying for those services or products with "soft dollars". Soft dollar practices come into play when an investment adviser executes transactions with a broker with which it has an arrangement to receive research products and services. London Company uses soft dollars to acquire research products and services that fall within the safe harbor provided by the SEC under Section 28(e) of the Exchange Act.

Receipt of research from brokers who execute client trades involves conflicts of interest. An adviser that uses client brokerage commissions to obtain research receives a benefit, because it does not have

to produce or pay out-of-pocket for the research. Therefore, the adviser has an incentive to select or recommend a broker based on its desire to receive the soft-dollar research in lieu of best execution of client transactions. While it is possible that a commission incurred by the client may be higher on any given transaction, the selection of the executing broker/dealer is made with all factors in mind, including execution efficiency, settlement capabilities, research and overall financial health of the broker.

In order to mitigate this conflict:

- We do not enter into agreements with any broker regarding the placement of securities based solely on soft dollar research.
- Research acquired by London Company through soft dollars is used for the benefit of all clients, even though not all client transactions are executed at one brokerage firm. It should be noted that the value of research cannot always be measured precisely and commissions paid for research services certainly cannot always be allocated to clients in direct proportion to the value of the services to each client. London Company does not usually attempt to allocate the relative costs or benefits of research among client accounts because it believes that, in the aggregate, the research it receives benefits clients and assists London Company in fulfilling its overall duty to its clients.

London Company uses soft dollars to pay for a portion of certain “mixed use” items (products or services that provide both research and non-research benefits). Although the allocation between soft dollars and cash is not always capable of precise calculation, London Company makes a good faith effort to allocate such items reasonably between the brokerage and research services and other benefits and pays for such other benefits in cash. Records of any such allocations and payments are maintained.

Within the last fiscal year, soft dollar arrangements have acquired research services through soft dollar transactions including, but not limited to:

- economic, industry or company research reports or investment recommendations;
- compilations of securities prices, earnings, dividends and similar data;
- certain computerized databases;
- quotation services, research or analytical computer software and services.

Directed Brokerage and Aggregate Trades

Although we generally discourage clients from directing trades to a particular broker (except for Schwab platform - see Broker Selection), we do have clients who request to direct trading to a specific broker with whom they have a pre-established relationship. While not specifically directed, some broker custody accounts and wrap programs will generally trade with their respective broker/custodian or wrap program sponsor to avoid potential fees charged to the client account. We will refer to these accounts as ‘directed’ accounts. By directing brokerage, London Company may be unable to achieve the most favorable execution of client transactions and this practice may cost clients more money. We inform our directed clients of these risks.

London Company has a trade allocation policy that allows it to select brokers for non-directed clients who have given us full discretion. Trades are generally grouped together in an attempt to achieve lower commission costs, faster execution and better execution prices. Blocked trades are allocated on a pro rata basis at the average price. These lots may be rounded at the traders' discretion.

Block trades are entered using a trade rotation schedule consisting of three groups: (1) non-direct freely-traded accounts; (2) directed/broker custody/wrap accounts, and; (3) UMA programs. Within this rotation, non-directed (DVP/RVP) accounts will trade first, due to their lack of trading restrictions. Directed/broker custody/wrap accounts will trade in equal rotation with UMA programs, immediately following the non-directed accounts.

Within the directed and UMA accounts (groups 2 and 3), each has its own rotation. Traders assign a number to each relationship, and each number is assigned a day on the calendar. When executing block trades, the trading begins with the number in the rotation assigned to the current date on the calendar, and proceeds sequentially down the list, until the entire directive is completed for that group of accounts. Trading then proceeds to the next group.

The trade rotation list pertains to blocked trades only. Other factors such as sector weightings, position percentages, restrictions, tax considerations and cash levels may affect the rotation. Trades for the same issue, across multiple strategies, may be combined into a single block, which may affect the rotation order for individual strategies. While every effort is made to block trades under the same brokerage relationship, new accounts and accounts with excess cash balances may receive first priority. Likewise, accounts with restrictions or particular tax circumstances may trade later in the rotation. Additionally, UMA sponsors that do not act on model changes in a timely fashion or provide our trade desk transparency regarding order activity can be traded at the end of the overall rotation. Clients significantly over or underweighted in a particular security may also trade ahead of the general rotation. Prices received by clients for transactions may differ, relative to the order of their trade in the rotation schedule. Traders may deviate from the trade rotation depending on the amount of time left in the trading day, or other factors.

Step-Out Block Trade Orders

In evaluating a wrap fee arrangement, clients should recognize that the brokerage commission for the execution of transactions in their account, through the wrap program sponsor, are solely determined by the sponsor. These transactions may be executed without commissions, while a portion of the wrap fee is considered as being in lieu of brokerage commissions. When placing trades through wrap program sponsors, we will generally aggregate orders, when possible, in the best interest of the clients.

Typically, London Company places trades for accounts within a wrap program with the wrap program sponsor, which acts as the broker/dealer. There may be cases in which we believe it is favorable to clients, and deemed operationally efficient, to execute a block trade, for wrap account programs through one broker/dealer (the executing broker), while directing that the wrap program sponsor, as a broker/dealer and custodian, clear and settle all or portions of the trade(s). This is referred to as a "step-out" trade and assures the same execution price is received for all accounts involved in the block trade. London Company may step-out trades for numerous reasons including, but not limited to, the executing broker having liquidity that the wrap program sponsor does not. These decisions are made solely in the interest of best execution for the underlying clients.

In the event of a step-out trade, client accounts may incur a commission, fee, or mark-up or mark-down for the transaction(s). Step-out trades involving a mark-up or mark-down are traded on a net basis. These trades are reviewed by London Company for reasonableness. However, it is important to note that individual wrap account sponsors, and/or custodians utilized by the client account, maintain the discretion to impose fees and/or commissions on these types of transactions, over and above the standard wrap fee. Step-out trades are not used by London Company to satisfy soft dollar and/or commission sharing arrangements.

Item 13 – Review of Accounts

As part of our risk management program, accounts are divided among the assigned portfolio managers for monitoring and review. Each account is reviewed, at least quarterly, for asset mix, risk level, and account restrictions and/or constraints in relation to the client's investment objectives, current position size and specific holdings. The frequency of the reviews depends on market conditions and other factors that a prudent, professional investor would deem necessary. Account objectives are confirmed, at least annually, with our direct clients.

Generally, and upon request, periodic reports will be issued to direct clients on a quarterly basis. These reports can disclose performance returns, security holdings and market values. If a client desires, other relevant factors may be added or removed.

Item 14 – Client Referrals and Other Compensation

London Company may receive client referrals from brokers. If so, the client accounts would be considered directed, relative to commissions, and most trades would be placed with the respective broker. London Company does not compensate the brokers for these referrals. Under limited circumstances, London Company may participate in and/or make contributions toward training, educational seminars, client appreciation dinners and/or similar events sponsored by other investment advisers (e.g., program sponsors) with whom we have clients in common. Any such contributions by London Company typically do not exceed \$1,000 for any one event. Participation and/or monetary contributions could create a conflict of interest for the other investment advisers, as they might have an incentive to favor managers that participate/contribute over investment advisers that do not.

London Company pays referral fees to independent persons or firms (“solicitors”) for introducing clients to us. In this relationship, the prospective client or intermediary receives a copy of this document (our “firm brochure”) and a separate disclosure statement that includes the following information:

- the Solicitor’s name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

London Company does not currently receive compensation from any non-clients.

Item 15 – Custody

London Company does not take custody of client assets. Client assets are held with banks or registered broker dealers that are “qualified custodians”. Clients will receive statements directly from their account custodian at least quarterly. We urge clients to carefully review those statements and compare them to the account statements we provide them. The information in our reports may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities.

Item 16 – Investment Discretion

London Company accepts discretionary authority to manage the assets in the client’s account. We observe investment limitations and restrictions that are outlined in each account’s investment advisory contract. We assume investment authority on your account when the investment management agreement is executed. Our mutual fund clients are managed in accordance with the fund’s investment objective, strategies and restrictions and are not tailored to the individualized needs of any particular investor in the fund.

Item 17 – Voting Client Securities

Unless a client specifically reserves the right to vote their own proxies, London Company will vote proxies in a timely manner, as part of its full discretionary authority over client assets, per our Proxy Policy. If a client wishes to direct London Company to vote in a certain manner for a particular proxy, they should provide such direction in writing to London Company at least two weeks prior to the shareholder meeting date.

London Company utilizes the services of a third-party provider to assist with the voting process, as well as vote recommendations. Our utmost concern when voting proxies is that all decisions are made in the best interest of the client. London Company will act in a prudent and diligent manner intended to enhance the economic value of the assets of the client’s account, and will give substantial weight to the recommendation of management on any issue.

Conflicts of Interest

London Company also considers whether there are specific facts and circumstances that may give rise to a material conflict of interest on the part of London Company voting the proxy. Should a proxy proposal raise a material conflict between the interests of London Company and a client, we will resolve the matter on a case-by-case basis, by abstaining from the vote, voting in accordance with the guidelines set forth by the proxy voting service, or vote the way London Company feels is in the best interest of the client.

London Company has written proxy voting procedures, which clients may receive upon written request. Clients may also request information about how London Company voted proxies, with

respect to their securities, by writing to London Company, 1800 Bayberry Court, Suite 301, Richmond, VA 23226.

Class Action Security Litigation Policies and Procedures

London Company is not required to assemble or file class action security litigation documentation on behalf of any client, but will provide information it has readily available to aid clients who wish to file.

Item 18 – Financial Information

London Company does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

Registered investment advisers are required to provide you with certain financial information or disclosures about their financial condition. London Company has no financial commitments that impair its ability to meet contractual and fiduciary commitments to clients and has never been the subject of a bankruptcy proceeding.