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This Brochure provides information about the qualifications and business practices of NewSouth Capital Management, Inc. (“NewSouth”). If you have any questions about the contents of this Brochure, please contact us at (901) 761-5561 or by email at info@newsouthcapital.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

NewSouth is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about NewSouth also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

The purpose of this section is to inform you of any material changes since the last annual update of this Brochure. If you are receiving this Brochure for the first time, this section may not be relevant to you.

NewSouth reviews and updates this Brochure at least annually to make sure that it is still current. Our previous annual amendments were made on July 1, 2021.

No material changes have been made to this Brochure since July 1, 2021.

We will continue to furnish you with a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Clients or prospective clients may request our Brochure by contacting Patrick Danehy, Principal and Chief Compliance Officer, at the telephone number or email address listed on the first page of this Brochure.

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Item 4 – Advisory Business

Founded in 1985 and located in Memphis, Tennessee, NewSouth Capital Management, Inc. is an independently owned investment adviser. Prior to establishing NewSouth, its founding principals, Trow Gillespie and Steve Morrow, had worked together for more than five years as investment advisers at another firm focused on institutional clients. Mr. Gillespie and Mr. Morrow each own 30.51% of NewSouth's stock, and in total, employees own approximately 87% of the company's shares. We manage assets primarily for institutional investors and wealthy individuals by investing in value-style equities; we also invest client assets in fixed income securities and balanced accounts. Our four equity strategies include small cap, small to mid or "SMID" cap, mid cap, and all cap, and we focus on investing in U.S. companies and foreign companies traded on U.S. exchanges. Our advisory services are not suitable for the general public or typical retail investors.

Our primary mission as a firm is to produce superior, risk-adjusted returns on both an absolute and relative basis.

We aim to be known for our investment skill, the merits of our specialized investment approach, the excellence of our client communication, and the values that guide us in the conduct of our business. Our values will always include putting client interests first, a commitment to our investment principles, and constantly seeking new ways to improve and enhance our investment strategies.

We believe that our competitive advantages come from our independent employee ownership, the quality and experience of our investment team, our concentrated portfolio structure, and an emphasis on risk management that seeks to protect our clients from the permanent loss of capital.

NewSouth tailors its advisory services to the individual needs of its clients. We place great emphasis on working with each client to determine the client's goals, objectives, resources, risk tolerance, and tax position. In consultation with the client, we seek to develop a set of investment objectives that are not inherently in conflict with each other and, when agreement concerning investment objectives and guidelines has been reached, we implement day-to-day investment decisions within the established guidelines. As circumstances change, NewSouth continues to work with its clients to make modifications to the objectives and guidelines, if appropriate. Clients may impose restrictions on investing in certain types of securities.

Each client's investment account is assigned to a portfolio manager who will be the primary contact at NewSouth. All trades on behalf of clients will, however, be reviewed by other portfolio managers associated with NewSouth.

Pursuant to the same or similar strategies used in managing accounts for its clients that are institutional investors and wealthy individuals, NewSouth:

- participates as a sub-adviser in wrap fee programs sponsored by third parties (each a "Wrap Program");
- serves as the investment adviser to NewSouth Capital Management Collective Investment Trust (the "CIT") and its series (each, a "Fund"), which are offered and maintained by their trustee (the "Trustee"); and
- is the investment adviser to and general partner of NewSouth Special Equities, L.P., a private limited partnership (the "Private Fund"), as described in more detail at Item 10.

As of March 31, 2022, the amount of client assets managed was \$2,833,000,000.

Item 5 – Fees and Compensation

NewSouth provides its investment management services to clients on a discretionary basis. As of the date of this Brochure, NewSouth provided discretionary advice to all of its clients.

All of NewSouth's fees are based on the market value of account assets. Actual fees and minimum fees may be negotiated in certain instances and vary from the schedules below due to a client's specific circumstances, including the total amount invested with NewSouth across multiple accounts, the level of services provided, or other business considerations. Performance based fee arrangements are available to institutional clients, subject to negotiation, upon request of a client. The specific manner in which fees are charged is established in the client's written advisory agreement with NewSouth. Generally, fees are payable quarterly and determined by the market value of the account assets at the end of each calendar quarter. NewSouth's fees are generally not payable in advance; however, a limited number of clients who prefer to pay in advance are permitted to do so. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. In most cases, clients authorize payment of NewSouth's fees from their account assets upon presentation of a statement to the client's custodian. Clients may also elect to be billed directly for fees.

New South's basic fee schedule is:

NSCM Small Cap Value and NSCM Small/Mid Cap Value

1.00% - on the first \$25 million

0.85% - on the next \$25 million

0.75% - over \$50 million

NSCM Mid Cap Value and NSCM All Cap Value

0.75% - on the first \$25 million

0.65% - on the next \$25 million

0.60% - over \$50 million

NSCM Intermediate Fixed Income & Cash

0.40% - on the first \$25 million

0.35% - on the next \$25 million

0.30% - over \$50 million

NSCM Balanced

0.70% - on the first \$25 million

0.60% - on the next \$25 million

0.50% - over \$50 million

As an accommodation to certain clients, NewSouth also manages short term fixed income and cash accounts at negotiated fees that are comparable to its fees for managing intermediate fixed income.

NewSouth receives as sub-advisory fees a portion of the wrap fees charged by Wrap Program sponsors to their customers. These fees may vary by asset class and investment style, but generally range from 0.50% to 0.60% of the market value of account assets.

With respect to the CIT, NewSouth receives a portion of the annual fee charged by the Trustee that is paid monthly in arrears. The fee that NewSouth receives depends on the operating expenses of the CIT Funds and other factors. The fees paid by the CIT Funds vary by asset class and share class, range from 0.55% to 0.88% of

assets under management, and generally decrease as asset levels rise.

The Private Fund pays NewSouth an annual management fee equal to 1.5% of assets under management, payable quarterly in arrears. Investment in the Private Fund is restricted to a limited number of investors who meet certain qualifications. The Private Fund is offered pursuant to a private placement memorandum.

NewSouth's fees do not include brokerage commissions, transaction fees, or other investment-related costs and expenses that will be incurred by clients. Clients may incur additional charges imposed by third parties such as custodial fees, transfer taxes, foreign dividend taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds in which client accounts are invested also charge sales loads and management and other fees that are disclosed in the fund's prospectus and affect the value of clients' investments. Exchange traded funds ("ETFs) in which client accounts are invested charge management and other fees that are disclosed in the ETF's prospectus and affect the value of clients' investments. These charges are exclusive of and in addition to NewSouth's fee. NewSouth does not have a revenue sharing or similar arrangement in place with any third party and does not receive any portion of the amounts charged by the mutual funds and ETFs it recommends to clients.

Item 12 further describes the factors that NewSouth considers in selecting or recommending broker-dealers for client securities transactions and determining the reasonableness of their compensation.

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

NewSouth charges performance-based fees (fees based on a share of the capital gain or capital appreciation in client assets) to certain institutional clients upon their request and subject to negotiation. Performance fees are only charged to institutional investors that are "qualified clients" within the meaning of Rule 205-3(d) under the Investment Advisers Act of 1940 (the "Advisers Act") and are otherwise subject to the provisions of the Advisers Act. NewSouth has adopted and implemented procedures to ensure that all clients are treated fairly and equally, and to prevent the conflicts of interest that may arise with performance-based fees.

Item 7 – Types of Clients

NewSouth primarily provides portfolio management services to separate account institutional clients such as corporate pension and profit sharing plans, public pension funds, banks, trusts, estates, Taft-Hartley plans, collective investment funds, foundations, endowments, and other charitable organizations. NewSouth also provides portfolio management services to wealthy individuals but not typical retail investors. NewSouth is also the investment adviser to the CIT and the Private Fund and a sub-adviser to Wrap Program clients.

The minimum account size for separate account clients is generally \$10 million. The minimum account size may be waived or modified at NewSouth's discretion.

The minimum investment for the Private Fund is established in its offering private placement memorandum. The Trustee of the CIT determines the minimum account size for investors in the CIT Funds, which is generally lower than those NewSouth requires of its separate account clients. When NewSouth participates as a sub-adviser in a Wrap Program, the program sponsor typically determines the minimum account size. Wrap Programs generally have lower minimums than those NewSouth requires of its separate account clients.

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

Value Oriented Equity Investments

Value investors attempt to identify companies that they believe to be undervalued. NewSouth is a value-oriented investment manager and our equity objective is long-term capital appreciation. We believe the market often misprices stocks due to neglect, emotion, misinterpretation, and a short-term perspective. In our view, the best way to capitalize on these inefficiencies is through bottom-up company research. Stock selection is limited to those businesses we are able to value confidently and purchase at a significant discount. Our analyses of companies allow us to establish an informational edge with an emphasis on identifying how our insights about a company differ from the market's as well as our degree of conviction in these insights. Our analysis relies primarily on fundamental research. We study financial statements, regulatory filings and information, trade publications, and other industry and corporate data. We interview company management and talk to competitors and others.

Although NewSouth's investment analysis relies primarily on fundamental analysis, technical analysis offers a secondary but valuable complement in evaluating investments for purchase or sale and in setting overall investment policy. Therefore, certain technical timing services are monitored.

We consider our investment style to have a clear value orientation, but our investments are not limited to low expectation and out-of-favor companies or industries. We tend to avoid very high growth businesses because we believe that they are difficult to value. We typically allocate client assets to companies that fall into three sub-categories of value:

- Deep discount opportunities based on current earnings and asset values.
- Companies where a recognized catalyst is in place to uncover value — spinoffs, restructurings, and turnarounds.
- Discounted franchise businesses that possess durable competitive advantages and compete in markets with attractive long-term prospects.

Valuation Methodology

In assessing the intrinsic value of our portfolio companies, we utilize the valuation technique that, in our view, best reflects the true economic worth of a company's assets. Our goal is to determine what we would pay to own the whole enterprise based on the cash flow we believe the business will produce over the long haul (discounted at an appropriate rate). Accordingly, we rely primarily on discounted cash flow analysis and comparable private market transactions. However, we also often employ other methodologies such as liquidation analysis or replacement cost when appropriate.

Strategies

Initially, NewSouth managed small and mid-sized company portfolios. Over time, we added a "SMID" (small to mid-sized) capitalization strategy as well as an all cap portfolio we call "Value Opportunity." Market capitalization distinctions are the only differences between these four strategies. Each one follows the same value oriented investment philosophy and decisions are made by the same investment team.

NewSouth ordinarily holds 25 to 35 companies in its client portfolios. We believe that this level of concentration provides clients with an adequate level of diversification and increases long term opportunities for superior returns.

Time Horizon

NewSouth believes that most successful equity investments are made with a longer time horizon in mind. As a portfolio manager, NewSouth sees its role as that of an accumulator of shares of businesses that offer above average returns over a 2 to 3 year period as opposed to focusing on short-term trading strategies. From time to time, however, sharp short-term price fluctuations may dictate sales and purchases in order to realize profits or reduce losses.

Selection Criteria

Price is not our only investment consideration. Our selection criteria include the following:

- Businesses we understand that possess sound capital structures and maintain conservative accounting policies.
- A current market price that is 35–50% below our estimate of intrinsic value.
- A business model that provides strong potential for per share intrinsic value growth.
- Management teams led by strong operators and proven capital allocators who have clearly aligned incentives in place to maximize shareholder value.

ESG Topics

NewSouth's clients and prospective clients, from time to time, inquire as to how our policies and process relate to environmental, social and governance (ESG) topics. As an investment manager with fiduciary duties, NewSouth seeks to maximize the value of our clients' capital and does not engage in thematic investing strategies, including ESG. NewSouth's investment philosophy emphasizes fundamental research for thorough understanding and valuation of businesses. For NewSouth, ESG is a dynamic set of considerations related to environmental, social and governance topics and is not a method of analysis, investment strategy or risk management approach. While not a distinct component of our investment process, we believe that material factors pertaining to ESG topics can and do affect the value of a company to varying degrees on a case-by-case basis.

Our emphasis on conviction and how our insights differ from the market means we place more weight on our bottom-up analysis than rankings from external sources such as ratings agencies or other ESG-specific providers. NewSouth is not a signatory to any ESG investing framework, nor do we employ such guidelines in our independently developed investment process.

Under certain circumstances we accept clearly defined client directives to apply negative ESG screens in managing client accounts.

Risks – Equity Investments

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

General Market Risk. There are risks inherent in investing in the public securities markets. Stock markets can be volatile. Prices can fluctuate and may fall rapidly in response to political, regulatory, market, economic or social developments that affect a company or industry. Local, national and global economic and political conditions can negatively affect the equity markets as can events such as terrorism, war, natural disasters, public health crises, recessions and depressions.

The United States, the European Union, and other countries and corporations put in place significant sanctions against Russia following its invasion of Ukraine in February 2022. Russia and certain Russian nationals

remain subject to severe sanctions as the conflict continues. The long-term impact of war in Ukraine, sanctions, and any future measures to be taken by Russia are impossible to know and could cause significant illiquidity and other turmoil in the global markets, further disrupt supply chains strained since the onset of the COVID-19 pandemic, increase the risk of inflation, limit NewSouth's ability to invest in certain companies, and/or otherwise negatively impact the operations of companies in which NewSouth invests. All of these factors could have a material impact of NewSouth's investment performance.

In addition, COVID-19 pandemic has led to, and may continue to drive, significant economic and market volatility related to disruptions in market access, resource availability, facilities operations, supply chains and other factors. Even as vaccination is widespread in the United States as of June 2022, uncertainty remains regarding the ultimate effects of the COVID-19 pandemic and global economies and markets may be negatively impacted in ways that cannot be foreseen. The disruption and volatility caused by COVID-19 could prevent NewSouth from executing its investment decisions for clients in a timely manner and could otherwise negatively affect NewSouth's ability to achieve client investment objectives, which could have a significant adverse impact on the value and risk exposure of client accounts.

Specific Company Risk. Prices fluctuate over time. A company's stock price may decline in response to its financial prospects or changing expectations for its performance or because our evaluation of its prospects was wrong. Similarly, a company's stock price could be negatively impacted, among other things, by management decisions, competition, technology, reliance on suppliers, labor issues, restructurings, fraud, and events such as terrorism, war, natural disasters, public health crises, recessions and depressions. Stockholders face a number of risks inherent in owning a business, such as the operational, financial and regulatory risks faced by companies.

If a company does not address these risks successfully its stock price can decline.

Value Investment Risk. With value-oriented investing, there is a risk that the market will not recognize an undervalued company's intrinsic value for a very long period of time, that the value of the company's stock will decline further or that our estimate of the company's intrinsic value was incorrect. At times, a value-oriented strategy may underperform growth-oriented strategies or the stock market in general.

Small and Mid-Sized Company Risks. Companies with smaller capitalizations often have greater price volatility, lower trading volume, and less liquidity than larger, more established companies. Depending on market and trading conditions, disposing of smaller company stocks could be more difficult. Smaller companies often have more limited product lines, markets, and managerial and financial resources.

Concentration Risk. Concentrated portfolios that invest in a relatively small number of stocks may have more risk because changes in the value of a single security will have a greater impact on the portfolio's total return and its value could fluctuate more than if a greater number of securities were held.

Fixed Income Investments (Bonds)

NewSouth's fixed income objectives are the preservation of capital and consistent performance over a market cycle. NewSouth's orientation is toward defensive fixed income strategies in order to provide consistency of performance and to protect the underlying principal against the vagaries of inflation and its impact on interest rate volatility. We believe that these goals can be accomplished only through an active, value-oriented approach. We invest client assets in U.S. Treasury and agency bonds, municipal bonds, and corporate bonds, including high yield corporate bonds.

Our bond portfolios have staggered maturities with a normal average maturity in the three to five year range and the longest maturity rarely exceeding ten years. We emphasize quality and liquidity, and the use of corporate bonds is favored over government and agency bonds only when spreads widen to excessive levels. NewSouth also

utilizes minor rebalancing strategies as changes along the yield curve dictate and occasional swaps are executed to capitalize on inefficiencies within different sectors of the market.

The credit analysis process in the corporate sector includes traditional fundamental analysis supplemented by credit research from Moody's, S&P, and other Wall Street firms.

We seek to add value to clients' bond portfolios by emphasizing quality, liquidity and diversification. Call protection is emphasized to reduce reinvestment risk.

Risks – Fixed Income Investments (Bonds)

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

General Market Risk. There are risks inherent in investing in the public securities markets. Bond and other fixed income securities markets can be volatile. Prices can fluctuate and may fall rapidly in response to political, regulatory, market, economic, or social developments that affect a company or industry. Economic and political conditions can negatively affect the bond markets as can events such as terrorism, war, natural disasters, public health crises, recessions and depressions.

The United States, the European Union, and other countries and corporations put in place significant sanctions against Russia following its invasion of Ukraine in February 2022. Russia and certain Russian nationals remain subject to severe sanctions as the conflict continues. The long-term impact of war in Ukraine, sanctions, and any future measures to be taken by Russia are impossible to know and could cause significant distress in the U.S. and global credit and other markets, increase the risk of inflation, and/or otherwise negatively impact NewSouth's investment performance.

In addition, the COVID-19 pandemic has led to, and may continue to drive, significant economic and market volatility related to disruptions in market access, resource availability, facilities operations, supply chains and other factors. Even as vaccination is widespread in the United States as of June 2022, uncertainty remains regarding the ultimate effects of the COVID-19 pandemic and global economies and markets may be negatively impacted in ways that cannot be foreseen. The disruption and volatility caused by COVID-19 could prevent NewSouth from executing its investment decisions for clients in a timely manner and could otherwise negatively affect NewSouth's ability to achieve client investment objectives, which could have a significant adverse impact on the value and risk exposure of client accounts.

Interest Rate Risk. Fixed income securities may decline in value because of changes in interest rates. Generally, as interest rates rise the value of fixed income securities tend to fall and as interest rates fall, the value of fixed income securities tend to rise. Bonds with longer durations tend to be more sensitive to changes in interest rates, making them more volatile than bonds with shorter durations. Government and central banking actions can raise interest rates which could negatively affect the value of fixed income securities held in client accounts.

Credit Risk. A client account can lose money if the issuer or guarantor of a bond or other fixed income security is unable or unwilling, or is perceived as unable or unwilling, to honor its obligations. A credit rating downgrade may also decrease the value of a bond or other fixed income security. A default or expected default can make it difficult to sell bonds and other fixed income securities at the same or approximate original valuation.

High Yield Bond Risk. Fixed income securities commonly known as "high yield" or "junk" bonds are rated below investment grade by credit ratings agencies and are generally considered speculative with respect to the issuer's ability to pay interest and make principal repayments. High yield bonds present a greater risk of loss of principal and income than investment grade bonds. An economic downturn or period of rising interest rates could

have an adverse effect on the market for high yield bonds and reduce liquidity. If the issuer defaults, the investor could lose its entire investment. High yield bonds are generally subject to greater price fluctuations and the risk of default (credit risk) than investment grade bonds.

Liquidity Risk. Fixed income securities may become illiquid, meaning that it would be difficult or impossible to purchase or sell investments in client accounts at a favorable price or at the preferred time. Markets for fixed income securities can become illiquid for many reasons, including adverse changes in the issuer's business or sector or because general economic conditions are adverse.

Risks – Private Investment Partnership

Risk Associated with Investment in the Private Fund. NewSouth manages the assets of the Private Fund as its general partner and investment adviser. Investment in the Private Fund is limited to a small number of qualified investors. See Item 10 of this Brochure. There are certain additional risks associated with investing in privately offered investment funds. Those risks are disclosed in the private placement memorandum pursuant to which the Private Fund is offered.

Item 9 – Disciplinary Information

As a registered investment adviser, NewSouth is required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or prospective client's evaluation of the company or the integrity of its management. NewSouth has no legal or disciplinary events to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

NewSouth's only business activity is furnishing investment advice. Neither the company nor any of its principals is actively engaged in any other business activity. In addition, NewSouth is independently owned (primarily by its employees), and has no ownership affiliation with a broker-dealer, commodities adviser, bank, insurance company, investment consultant, or similar companies.

Private Investment Partnership. NewSouth is the general partner and investment manager of a privately offered limited partnership that it established and manages following value oriented investment strategies. As general partner, NewSouth receives a pro-rata share of the Private Fund profits and, as investment manager, it receives an investment advisory fee from the Private Fund. The Private Fund is offered to a small number of qualified investors pursuant to a private placement memorandum. A number of NewSouth's principals have invested in the Private Fund.

NewSouth invests the Private Fund's assets pursuant to the same or similar value oriented equity strategies that it employs when investing on behalf of other advisory clients. Potential conflicts of interest can arise when the Private Fund buys or sells or holds positions in securities which NewSouth also recommends to other clients. These potential conflicts include, among other things, treating the Private Fund more favorably than other clients in connection with the allocation of limited investment opportunities or the allocation of aggregated trade orders. To avoid or mitigate any potential conflicts of interest, NewSouth has adopted written policies that impose internal controls over trade management and the fair aggregation and allocation of trades. For information about these policies and procedures, see the section entitled "Brokerage Practices."

Item 11 – Code of Ethics

NewSouth has always recognized that its first duty is as a fiduciary to its clients. In selecting investments for its clients, NewSouth's managers search for companies in which the company's officers and directors have

a meaningful ownership stake. NewSouth is committed to the same principle when it comes to the personal investments of its managers. NewSouth believes that it is better for portfolio managers to invest with their clients rather than separately from them. Therefore, when NewSouth managers invest client assets in portfolio companies, they frequently commit their own assets to investment in the same companies.

NewSouth also recognizes that potential conflicts of interest can arise from the personal investment activities of its principals and employees. In addition to its basic philosophical commitment always to place the best interests of its clients above the personal interests of its principals and employees, NewSouth has addressed potential conflict of interest issues in its Code of Ethics. The Code of Ethics limits and monitors the personal trading activities of our employees and members of their families. It is designed to assure that the personal securities transactions, activities, and interests of the employees will not interfere with making decisions in the best interest of advisory clients while, at the same time, allowing employees to invest for their own accounts.

All employees are required to obtain prior written approval from at least two members of NewSouth's Compliance Committee before buying or selling securities (government bonds and open end mutual funds excepted) and to report periodically all securities holdings to the Compliance Committee. The NewSouth Code of Ethics also prohibits principals and employees from executing personal investment transactions when an order is pending to buy or sell the same security on behalf of a client until the client's order is executed or withdrawn. It restricts and, in most cases, prohibits short-term trading.

NewSouth's role as general partner of the Private Fund and its management of accounts in which its employees or family members have an interest, such as the company's pension and profit sharing plan, create certain conflicts of interest. Therefore, in addition to the Code of Ethics, NewSouth has also adopted and implemented policies concerning internal controls over trade management and the fair aggregation and allocation of trades. Reports and trade blotters are regularly reviewed by members of the Compliance Committee and other officers.

The NewSouth Code of Ethics also addresses other aspects of business conduct, legal compliance, and the responsibilities of investment fiduciaries. A copy of the Code of Ethics is provided to each employee when hired and at least annually thereafter. Each employee must confirm his or her review, understanding, and compliance with the Code. NewSouth will furnish a copy of its Code of Ethics to any client upon request by contacting us at the telephone number or address noted on the cover page of this Brochure.

Item 12 – Brokerage Practices

Selection of Broker-Dealers for Client Transactions

NewSouth considers a number of factors in selecting broker-dealers to execute transactions in client portfolios.

Among the factors NewSouth considers in evaluating brokers are their general and special execution capabilities, clearance and settlement, reputation, financial viability, efficiency, error resolution, fees, and research services. When NewSouth selects brokers to execute transactions in client portfolios, NewSouth negotiates a brokerage fee based on the services rendered. Brokers selected by NewSouth may be paid a commission in excess of that which another broker might have charged for effecting the same transactions, in recognition of the value of these and other attributes and services.

NewSouth has adopted a Best Execution and Trade Management Policy and appointed a Trade Management Oversight Committee consisting of four officers who review its brokerage practices and policies, consider the range and quality of services offered by broker-dealers, and monitor efforts to obtain best execution of transactions in its clients' accounts.

Research and Other “Soft Dollar” Benefits

In selecting brokers, NewSouth may also consider a broker’s provision of certain investment research services that assist NewSouth in making its investment decisions.

Many broker-dealers produce their own investment research products and services, often referred to as “proprietary research.” Other broker-dealers contract with third parties to purchase investment research that the broker-dealers then furnish to investment advisers; third party research is often referred to as “independent research.” The broker-dealers who produce proprietary research typically furnish that research to advisers who regularly direct brokerage business to them. The broker-dealers who purchase independent research from others and furnish it to investment advisers typically provide credits, based on the dollar volume of brokerage commissions an adviser directs to them. The credits generated from commissions paid to these brokers can then be applied to the cost of independent investment research products and services such as publications about companies, market reports, reports on economic trends, reports analyzing performance of companies, sectors, and stocks, purchase and sales by company insiders, industry information, important corporate events, SEC filings and similar research services and products.

Regardless of whether the broker-dealer furnishes proprietary investment research or independent investment research, the furnishing of research (and execution) services to the money management community by broker-dealers is generally known as a “soft dollar” practice. Federal securities law provides a “safe harbor” to investment managers who use commission dollars to obtain investment research and brokerage services that provide assistance to the manager in performing investment decision making responsibilities. NewSouth intends that all soft dollar practices in which it participates will come within the soft dollar safe harbor.

When directing brokerage, NewSouth generally considers the amount and nature of research, execution and other services provided by brokers as well as the extent to which NewSouth relies on these services and attempts to allocate a portion of its brokerage business on the basis of that evaluation. No broker-dealer is precluded from receiving business because it does not provide soft dollar services to NewSouth. These services are only one of a number of factors NewSouth considers in selecting brokers.

Commissions paid to soft dollar brokers must be reasonable in light of the services rendered and within the range that NewSouth pays to comparable brokers for the execution of comparable transactions, and believes is reasonable under the totality of the circumstances. At the same time, these trades and trades executed through other brokers may not be executed at the lowest price available from any broker.

NewSouth believes that the investment research and execution services provided by these brokers are beneficial to its clients. However, because the services and products assist NewSouth in its investment decision making and in the execution of client transactions, they are also beneficial to NewSouth because NewSouth does not have to produce or pay for the research, products, or services. Therefore, NewSouth’s selection of brokers who provide soft dollar services can create conflicts or potential conflicts of interest because the soft dollar services could influence NewSouth’s judgment in selecting brokers to execute transactions in client accounts. NewSouth may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research, products, and services rather than on its clients’ interest in receiving the most favorable execution. Additionally, NewSouth does not allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate. The client accounts whose brokerage business generates the soft dollar research are used to benefit most or all client accounts and not all such services may be used by NewSouth for the benefit of the accounts that paid the commissions to the broker providing the services. With respect to NewSouth’s purchase of research information with commission dollars, clients who provide NewSouth complete discretion in selecting brokers to execute transactions for their accounts may provide research benefits to NewSouth in managing accounts of those clients who do not provide NewSouth such discretion.

NewSouth is mindful of the conflict of interest issues that arise in connection with soft dollar practices and has addressed these issues by establishing the following guidelines. NewSouth does not and will not assume any contractual obligations with any broker-dealer to direct a specified volume of brokerage in exchange for investment research or execution products or services. The brokers NewSouth selects, whether or not they provide research services, must satisfy the conditions NewSouth demands of brokers: execution capabilities, clearance, settlement, reputation, financial strength and stability, and other factors of that nature. In short, the brokers that provide soft dollar services to NewSouth must be brokers that NewSouth considers qualified and would select regardless of the soft dollar services they provide. The commissions charged by such brokers to provide best execution must also be, in NewSouth's judgment, reasonable in light of the value of all services they provide and well within the range of commission rates established for the client and charged by comparable brokers for execution of similar transactions.

NewSouth's Trade Management and Oversight Committee, together with members of the Equity Research Group, determine annual commission targets for broker-dealers that provide research services, based on their evaluation of the quality and value of the research services they provide. The Committee meets several times annually to review and evaluate the performance of broker-dealers with whom it places orders. The Committee's evaluation is based on a number of factors, including the research services provided by certain broker-dealers and the amount of commission dollars paid to those broker-dealers during the current calendar year. Representatives of the Equity Research Group also participate in these evaluations.

The types of research services NewSouth acquired with client brokerage commissions during its last fiscal year included the following: statistics and financial information on corporations; market and company news; reports on potential spin-offs; transcripts of conference calls; research on bankruptcies; reports on insider buying; economic analyses, global, domestic, and by industry; stock quotes; and post trade settlement support services.

Order Aggregation and Allocation of Trades

NewSouth seeks best execution in making investment trades on behalf of clients, and aggregates client purchase and sale orders of securities with those of other clients if, in NewSouth's judgment, such aggregation is reasonably likely to result in an overall economic benefit to its clients. In other words, NewSouth uses its discretion in determining when the use of aggregate orders is appropriate. This can be achieved through lower commission expenses, beneficial timing of transactions, the creation of value, or a combination of these and other factors.

When NewSouth decides to purchase or sell a security, the transaction decision will frequently apply to a number of client accounts, but all client accounts cannot always participate in each order and aggregated orders cannot always be completely filled. NewSouth has adopted policies and procedures governing aggregation of orders and allocation of trades to assist in assuring that no clients are systematically favored or disadvantaged in the process. If a broker fills an aggregated order at different prices during the course of a given business day, each client account that participates in that order will do so at the average share price on that day. If an aggregated order is only partially filled, NewSouth will allocate shares pro-rata among all participating client accounts when it is reasonable to do so, and by other equitable methods when a strict pro-rata allocation would produce an illogical result. NewSouth uses specialized software to assist it in aggregating client orders and allocating trades fairly and equitably among client accounts in accordance with its policies and procedures.

NewSouth uses "step-out trades" when it determines that doing so may result in best execution for certain client trades. Step-out trades are transactions which are placed at one broker-dealer and then "given up" or "stepped out" by that broker-dealer to another broker-dealer for credit. Step-out trades can benefit the client by enabling NewSouth to trade a larger block of shares more efficiently. Unless the client prohibits it, NewSouth will use step-out trades for all client accounts. NewSouth will ordinarily use step-out trades to accommodate a client's directed brokerage mandate or Wrap Program arrangement. In both cases, trades will be often executed through a

particular broker-dealer selected by NewSouth and then “stepped-out” to the client’s brokerage firm for settlement and credit, if applicable.

As discussed below, certain clients have instructed NewSouth to execute their trading orders through the clients’ trading desks or through their brokers’ trading desks. These clients do not participate in NewSouth’s order aggregation and allocation system. Although the number of clients that impose such trading restrictions is small, there is the potential for one or more clients to be favored or disfavored over others, depending on the sequence of order entry. NewSouth intends to mitigate the risk that a client’s unique brokerage instructions might result in any client being systematically advantaged or disadvantaged over another. When client trades are placed outside the software-based aggregation and allocation plan, NewSouth applies a rotation based system to determine the sequence of order entry.

Client Directed Brokerage

Many of NewSouth’s clients have established relationships with particular brokers who provide custodial services. In some cases, these brokers also provide other services to their clients including one or more of the following: reporting and record keeping, performance review and evaluation, commission recapture, general investment consulting, and other financial services. In consideration of these services, the investor may elect to pay a higher commission rate than NewSouth could obtain elsewhere.

However, there are certain considerations that investors, generally, should take into account when directing all or a portion of their brokerage through a particular broker. These considerations include at least the following: if a client instructs NewSouth to direct its brokerage to a broker that NewSouth does not ordinarily use to execute orders or particular types of orders for its other clients, that client may forego the benefits of savings that NewSouth could obtain for its other clients through, for example, negotiating lower commissions for aggregated orders, or, if a client instructs NewSouth to use a broker that is not on NewSouth’s list of approved brokers, there may be additional credit and/ or settlement risks or a less favorable execution price.

Although investors often direct brokerage through their custodial brokers at pre-established commission rates, they are not required to do so. Other alternatives exist. An investor may retain a custodian, but authorize NewSouth to select other brokers for transactions in the account. Investors have the option of retaining a bank or similar financial institution as custodian of their account assets, paying an annual fee for custody, record keeping, and reporting services, and authorizing the advisor to select the brokers for all account transactions. Another alternative that investors sometimes select is a “wrap fee” arrangement. Here, the broker custodian charges a specified fee for providing the client with a variety of investment related services, such as brokerage, custody of assets, record keeping and reporting, and general investment consulting services. There are no separate charges for brokerage transactions or other specified services; all charges are “wrapped” into the single fee. When an investor selects a wrap fee arrangement, the adviser will generally direct all trades in the investor’s account through the wrap fee broker because the use of other brokers would result in additional commission charges.

The markets for investment related services are subject to change and other arrangements may also be available. Each investor should carefully consider the options, taking into account his or her needs for particular services, the size of the investment account, and the investment style and strategy of the investment adviser.

Brokerage for Client Referrals

Investors should also be aware that investment advisers, including NewSouth, have a conflict of interest whenever a broker refers a client to the adviser and the client instructs the adviser to direct brokerage transactions to the referring broker. If the referring broker charges commissions that are higher than those the adviser could obtain elsewhere for comparable brokerage services, the investor may pay unnecessarily high commissions.

NewSouth may be unable to achieve best execution of the client's transactions and this may cost the client money. Moreover, NewSouth's use of the referring broker to execute transactions in the client's account may encourage the broker to refer other clients to NewSouth. Similar conflicts may arise regardless of whether the client referral is made by the broker. Whenever NewSouth is instructed to execute brokerage transactions through a single broker and NewSouth follows those instructions, the broker may have an incentive to refer additional clients to NewSouth.

Item 13 – Review of Accounts

Each investment account is assigned to a particular portfolio manager, a management level employee, who will be responsible for monitoring and making investment decisions concerning the account in a manner consistent with the Equity Research Group's decisions and the client's investment objectives.

Each of the portfolio managers at NewSouth, reviews all trades made in all investment accounts daily, through the circulation of daily blotters. Such daily reviews are designed to ensure overall compliance with NewSouth's investment policies and the investment objectives of particular clients.

Many factors trigger account review by a portfolio manager, including the decision to add or eliminate a particular investment, to raise or lower cash reserves based on market considerations, to raise cash for distribution to clients at their request, to invest new cash contributions to a portfolio, and to alter asset mix as market conditions dictate.

NewSouth provides periodic written reports based on the needs of its clients. Generally, clients receive a quarterly evaluation of their portfolios, including a listing of assets at cost and market, estimates of annual income returns, and performance comparisons versus appropriate benchmarks. NewSouth makes an effort to provide special reports and to develop customized reporting formats as requested by its clients.

Item 14 – Client Referrals and Other Compensation

NewSouth does not compensate third parties for client referrals. NewSouth's response to Item 12 above includes disclosures concerning brokerage practices and economic benefits received from brokers.

Additional Information

Securities Fraud, Class Actions, Bankruptcies, and Other Litigation: NewSouth does not provide and does not have the authority to provide legal advice to clients. NewSouth does not determine if the securities held by clients are the subject of a class action lawsuit or whether clients are eligible to participate in settlements. NewSouth does not have the authority to submit class action claim forms, but will assist in the collection of transaction data upon request from a client.

Item 15 – Custody

Separate Accounts

NewSouth does not act as a qualified custodian for client account assets but under the Advisers Act is deemed to have custody of client accounts from which it may deduct advisory fees. Clients make their own arrangements for custodial services with brokers, banks, or other independent qualified custodians. The qualified custodian will provide clients with their account statements quarterly or more frequently. NewSouth also provides quarterly account statements to its clients. Clients should compare the account statements they receive from their

custodians to the account statements they receive from NewSouth. Our statements may vary from those furnished by the custodian based on accounting procedures, reporting dates, or valuation methodologies.

The Private Investment Fund

Under the Advisers Act, NewSouth is deemed to have custody of the account assets held by the Private Fund described in Item 10 because it serves as general partner of the Private Fund. However, NewSouth does not have actual physical custody of the Private Fund's assets. Those assets are held by an independent qualified custodian. The Private Fund is audited annually and the annual financial statements are distributed to the limited partners, as required under the Advisers Act.

Item 16 – Investment Discretion

NewSouth receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold and the timing of account transactions. This authority is set forth in the advisory agreement between NewSouth and the client. In all cases, discretion is exercised in a manner consistent with the stated investment objectives and/or guidelines for the particular client account and in the client's best interests.

Clients may place certain restrictions and limitations on NewSouth's investment authority, for example by retaining the ability to give NewSouth specific investment instructions. When selecting securities and determining amounts, NewSouth observes the investment policies, limitations and restrictions of the clients it advises. Investment guidelines and restrictions must be provided to NewSouth in writing.

Item 17 – Voting Client Securities

Most of NewSouth's advisory agreements authorize NewSouth to vote client proxies. NewSouth's Proxy Voting Policy, like its investment policy, is focused exclusively on clients' best interests, or in other words, increasing shareholder value. NewSouth's proxy voting processes are focused exclusively on increasing shareholder value.

We do not maintain particular views with regard to ESG issues if they do not affect the value of individual investments. We may, however, consider company-level standard reports and ESG-oriented third-party scoring as part of our proxy voting process. We do not vote proxies for the sole purpose of furthering political agendas or pursuing ESG goals beyond increasing value for our clients.

NewSouth respects the decisions of clients who have chosen to incorporate political and/or ESG objectives into their investment programs. Such clients have the option of directing NewSouth, in writing, to vote their proxies according to specific instructions. Clients may retain proxy voting authority if they wish to do so.

NewSouth's Proxy Policy describes its predetermined voting policies with respect to certain routine, frequently recurring proxy proposals such as election of directors, selection of auditors, corporate governance, takeover defenses, and certain capitalization and compensation issues. NewSouth votes all proxies for clients that have given NewSouth proxy voting authority unless the client has limited NewSouth's voting authority or NewSouth concludes that it is in the best interest of the client for NewSouth to refrain from voting.

The Proxy Policy also describes NewSouth's procedures for non-routine proxy proposals, which are to be voted in keeping with the overall principles and objectives of the Proxy Policy, first and foremost that proxy proposals be voted in alignment with clients' best interests. The Proxy Officers are responsible for implementing the Proxy Policy and procedures it establishes. If the Proxy Officers determine, considering all of relevant facts and

circumstances at the time of the proxy vote, including the existence of any conflicts of interest, that a specific vote in accordance with NewSouth's predetermined voting policies is not in the best interest of its clients, the Proxy Officers will vote contrary to the relevant predetermined policies.

The Proxy Policy also describes NewSouth's procedures for addressing conflicts of interest that may arise as a result of business or personal relationships with portfolio companies. Because NewSouth is an independent adviser that does not provide other financial services directly or through affiliates, such conflicts of interest arise infrequently. Nonetheless, when any conflict between the interests of NewSouth and its clients is identified, the Proxy Officers will (i) with respect to immaterial conflicts of interest, vote in accordance with the applicable predetermined voting policies, or if there is none, in accordance with the direction of the CCO together with the Equity Research Group, and (ii) with respect to material conflicts of interest, vote in accordance with the applicable predetermined voting policies, or if there is none, the Proxy Officers will either (a) disclose the conflict to its clients, describe the manner in which it intends to vote, and request the clients' consent or direction, (b) consult with independent third party sources and vote the proxy in accordance with the third party's recommendations, or (c) seek guidance from the CCO as to the necessity of seeking approval from the Compliance Committee. The Compliance Committee may grant exceptions as appropriate to ensure that proxies are voted in clients' best interests. NewSouth only engages with third-party proxy advisor firms that, in NewSouth's opinion, have appropriate controls in place to identify and address conflicts of interests related to NewSouth's proxy voting on behalf of its clients.

NewSouth clients may obtain a copy of its Proxy Voting Policy by contacting Patrick Danehy at the telephone number or address set forth on the cover page of this Brochure. Clients may also obtain information about how their proxies were voted by contacting Patrick Danehy.

Item 18 – Financial Information

In this Item, NewSouth is required in to provide you with information concerning any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. NewSouth is not aware of any such condition.



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