

RELATIONSHIP SUMMARY

June 26, 2024

NEWSOUTH CAPITAL MANAGEMENT INC.

(901) 761-5561

www.newsouthcapital.com

NewSouth Capital Management Inc. (“NewSouth,” “we,” or “us”) is registered with the U.S. Securities and Exchange Commission (“SEC”) as an investment adviser. Brokerage and investment advisory services and fees differ and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at www.Investor.gov/CRS, which also provides educational materials about broker-dealers, investment adviser, and investing.

WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

- ◆ We offer investment advisory and portfolio management services to retail investors and, primarily, institutional investors. We work with you to develop a set of investment objectives (based on your goals, resources, risk tolerance, and tax position) and then we recommend and implement investment decisions for your account within the investment guidelines we establish together. We also participate as a sub-adviser in wrap fee programs sponsored by third parties. **Because of our minimum investment amount and minimum annual management fee (described below), our services are not suitable for the general public or typical retail investors. Our clients are primarily institutional investors and wealthy individual investors.**
- ◆ We monitor your investments on an ongoing basis as part of our standard investment advisory services, without any material limitation. As your circumstances change, we work with you to make modifications to your investment objectives and guidelines.
- ◆ We provide discretionary advisory services to retail and institutional investor accounts, which means we make investment decisions for you. You may impose restrictions on our investment authority.
- ◆ Our minimum account size is generally \$10,000,000, but we may waive or modify this at our discretion. With wrap fee programs, the program sponsor determines the minimum account size, which is typically lower than ours.
- ◆ We offer value-style equity strategies that focus on small-capitalization companies, small- to mid-capitalization (“SMID”) companies, mid-capitalization companies, and companies of all capitalization. We also offer balanced, fixed income and cash management strategies. We focus on investing in U.S. companies and foreign companies traded on U.S. exchanges. Our primary goal is to produce superior, risk-adjusted absolute and relative returns for you.
- ◆ **For more detailed information about our services:** please see our [Form ADV, Part 2A brochure](#), at Items 4 and 7.
- ◆ **Conversation Starters: Given my financial situation, should I choose an investment advisory service? Why or why not? How will you choose investments to recommend to me? What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?**

WHAT FEES WILL I PAY?

- ◆ Our basic advisory fee schedule is set forth below. The advisory fees you pay are subject to negotiation in certain instances and may vary from our basic schedule based on your specific circumstances, including the amount you invest with us, the level of services provided, or other business considerations. The minimum account size for advisory accounts is generally \$10,000,000, but we may waive or modify this at our discretion.
- ◆ Generally, fees are payable quarterly and calculated based on the market value of your account’s assets at the end of each calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Our advisory fees do not include brokerage commissions, transaction fees, and other related expenses which your account will

Basic Advisory Fee Schedule

<u>Small Cap Value and Small / Mid Cap Value</u>	<u>Mid Cap Value and Value Opportunity</u>	<u>Balanced</u>	<u>Intermediate Fixed Income and Cash*</u>
1.00% on the first \$25M	0.75% on the first \$25M	0.70% on the first \$25M	0.40% on the first \$25M
0.85% on the next 25M	0.65% on the next 25M	0.60% on the next 25M	0.35% on the next 25M
0.75 % over \$50M	0.60% over \$50M	0.50 % over \$50M	0.30 % over \$50M

*We also manage short-term fixed income and cash accounts at negotiated fees that are similar to intermediate fixed income accounts.

Wrap Program Fees

If you invest in a wrap program for which we act as a sub-adviser, your wrap program sponsor will charge you a fee. We are compensated by the program sponsor with a portion of that fee. Fees paid by wrap program sponsors vary by asset class and investment style, but generally range from 0.50% to 0.60% of the market value of your account. Asset-based fees associated with a wrap fee program typically include most transaction costs and fees due to a broker-dealer or bank that has custody of these assets, and therefore are typically higher than a typical asset-based advisory fee.

Performance-Based Fees

We do not offer performance-based fee arrangements to retail investors.

- ◆ incur, including 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 and exchange-traded funds (ETFs), which your account may hold, also charge internal management fees that your account with incur. We do not receive any portion of these other commissions, fees, and expenses.

- ◆ **You will pay advisory fees and other costs whether you make or lose money on your investments. Advisory fees and other costs will reduce any amount of money your make on your investments over time. Please make sure you understand what fees and costs you are paying.**

- ◆ Because our advisory fees are based on the value of assets in your account, we have an incentive to encourage you to increase the assets in your account. We aim to address this conflict with the breakpoint discounts in our basic advisory fee schedule, which cause the fee you pay to decrease as your account assets reach certain levels.

- ◆ **For more detailed information about our fees and costs:** please see our [Form ADV, Part 2A brochure](#), at Items 5, 6 and 7.

- ◆ **Conversation Starter:** *Help me understand how these fees and costs might affect my investments. If I give you \$10,000,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

WHAT ARE YOUR LEGAL OBLIGATIONS TO ME WHEN ACTING AS MY INVESTMENT ADVISER? HOW ELSE DOES YOUR FIRM MAKE MONEY AND WHAT CONFLICTS OF INTEREST TO DO YOU HAVE?

- ◆ When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here is an example to help you understand what this means.

- ◆ We are affiliated with a private investment partnership that we established and manage for a share of the profits and an advisory fee. This creates a potential conflict of interest because we have an incentive to treat the private partnership more favorably than your account in connection with access to limited investment opportunities.

- ◆ **For more detailed information about our conflicts of interest, Code of Ethics and internal controls:** please see our [Form ADV, Part 2A brochure](#), at Items 10, 12, 12 and 17.

- ◆ **Conversation Starter:** *How might your conflicts of interest affect me, and how will you address them?*

HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?

- ◆ NewSouth financial professionals are compensated with a base salary and participate in a group incentive bonus program and a profit-sharing plan. Certain financial professionals are firm owners and firm ownership is offered at different times on a merit basis. NewSouth believes that its compensation and ownership structure align with the interests of its clients as the structure provides multiple incentives for financial professionals to perform on behalf of clients. There is no set formula for financial professionals' base salary or bonus compensation. Rather, base salaries are intended to be competitive and bonus compensation is based on annual firm objectives, overall firm profitability, bottom line results and each individual's contributions to the team.

DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?

- ◆ No. You can visit www.Investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

- ◆ **Conversation Starter:** *As a financial professional, do you have any disciplinary history? For what type of conduct?*

ADDITIONAL INFORMATION

- ◆ Please contact us at (901) 761-5561 to request up-to-date information and/or a copy of this Relationship Summary free of charge.

- ◆ **Conversation Starters:** *Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?*