



FORM CRS - CLIENT RELATIONSHIP SUMMARY

JUNE 30, 2020

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| <p>Item 1. <u>Introduction</u></p> | <p>River Road Asset Management, LLC ("River Road") is registered with the 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 these differences. Free and simple tools are available to research firms and financial professionals at https://www.investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.</p> |
| <p>Item 2. <u>Relationships and Services</u></p> | <p><u>What investment services and advice can you provide me?</u> We offer investment advisory services to retail investors. We offer both discretionary, separate account equity investment management and non-discretionary equity model portfolios. We also act as sub-adviser to US and non-US mutual funds.</p> <p>For all services, we offer several investment strategies. Each strategy adheres to our general investment philosophy, which is implemented through adherence to our investment process and guidelines for the respective strategy. Please see Item 8.A of our Form ADV Part 2A for more information on our general investment philosophy and our individual strategies (https://adviserinfo.sec.gov/firm/summary/134918).</p> <p>Investment Authority The terms of authority are set forth in a written agreement with us.</p> <p>Discretionary Authority: For clients that have given us discretionary authority, we initiate the investment and reinvestment of portfolio assets without prior client approval for the individual transactions.</p> <p>Non-Discretionary Authority: For non-discretionary model portfolios, we are a model portfolio provider to various investment advisers, program sponsors, and platforms of wrap fee programs ("Wrap Program") for several of our strategies. Under the terms of the agreement entered into between us and the Wrap Program, we are responsible for providing a model portfolio (i.e. a list of investments and their respective position weights) but not the investment advice provided by the Wrap Program to their end-clients. We have no discretion over the Wrap Program accounts or whether or not the Wrap Program follows the model. The Wrap Program's investment adviser, program sponsor, or platform makes the ultimate decision regarding the purchase or sale of investments.</p> <p>Monitoring For clients that have given us discretionary authority, as part of our standard service, we continuously monitor client accounts. This includes general reviews of accounts as trades are placed and as accounts are screened for compliance with investment guidelines. Additionally, we typically analyze position-level dispersion across accounts on a regular basis to ensure accounts are being like-managed (subject to any account specific restrictions). For non-discretionary model portfolios, we continuously review and update the model per the requirements of the agreement between us and the Wrap Program. We do not monitor the accounts for the Wrap Program end-clients.</p> <p>Account Minimums and Other Requirements Our minimum account size and minimum fee requirements are determined on a case by case basis.</p> <p><i>Additional information about our services is available on Part 2 of our Form ADV, which is available at https://adviserinfo.sec.gov/firm/summary/134918.</i></p> <p>Conversation Starters. Ask your financial professional –</p> <ul style="list-style-type: none"> • Given my financial situation, should I choose an investment advisory service? Why or why not? • How will you choose investments for my account or for your model portfolios? • What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean? |
| <p>Item 3. <u>Fees, Costs, Conflicts, and Standard of Conduct</u></p> | <p><u>A. What fees will I pay?</u> For clients that have given us discretionary authority, the fee and calculation is in our agreement with you. Fees are negotiable, and many client fee schedules vary from the standard fee schedules found in Item 5.B of our Form ADV Part 2A (https://adviserinfo.sec.gov/firm/summary/134918) based on asset size, relationship type, service requirements, and other factors. Fees are typically based on a percent of assets under management and calculated on a monthly or quarterly basis in arrears using account ending or average balances. We also have performance-based fee arrangement(s) but this is typically inapplicable for a retail client.</p> <p>For non-discretionary model portfolios, fees are charged by the Wrap Program to the end-clients at the discretion of the Wrap Program. Some Wrap Programs charge fees to the end-client in advance and we do not have control over the Wrap Program's practice. We receive a portion of the wrap fee directly from the Wrap Program and not from the end-client. If we are paid fees in advance, we will refund excess fees to the Wrap Program at their direction. Fees charged in Wrap Programs typically include most transaction costs and custody fees and therefore are typically higher than a typical asset-based advisory fee.</p> <p>The more assets there are in our client's account, the more a client will pay in fees. Therefore, we have an incentive to encourage our clients to increase the assets in his or her account that is under our management.</p> <p>In addition to our investment management fee, you will incur brokerage and transaction fees when we buy or sell investments. You may also incur other types of fees and expenses, including but not limited to: fees charged by other investment managers or consultants; custodial fees; withholding taxes; wire transfer and electronic fund fees; fees from trading in ADRs or</p> |



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| | <p>Ordinaries, including converting to/from ordinaries; expenses associated with shorting securities, such as cost to borrow and dividend expense; other fees and taxes on brokerage accounts and securities transactions; and mutual funds and exchange traded funds internal management fees and other fund expenses.</p> <p>You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.</p> <p><i>Additional information about our firm's fees are included in Item 5 of Part 2A of our Form ADV, which is available at https://adviserinfo.sec.gov/firm/summary/134918.</i></p> |
| | <p>Conversation Starter. Ask your financial professional –</p> <ul style="list-style-type: none"> Help me understand how these fees and costs might affect my investments. If I give you \$1,000,000 to invest, how much will go to fees and costs, and how much will be invested for me? |
| <p>Item 3. <u>Fees, Costs, Conflicts, and Standard of Conduct</u></p> | <p><u>B. 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 do you have?</u></p> <p><i>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 to you. Here are some examples to help you understand what this means:</i></p> <ul style="list-style-type: none"> We manage money for our employees and their household members(s). We also have external accounts with performance-based fees. These accounts hold and trade in securities also held and traded in our other client accounts. River Road has the opportunity to favor our employee/household member and/or performance-based fee accounts including by allocating favorable trades. Our procedures are reasonably designed to address this conflict. Some brokers we use also provide River Road with research or other products or services other than execution and this is paid by our clients through brokerage commission. These “soft dollar” arrangements help our firm make investment decisions, but they have the effect of increasing clients’ transaction costs. If an account does not give us authority to choose the broker for trade execution, the account is traded in a secondary trade rotation behind our accounts that give us such authority. This may result in worse execution costs or inability to obtain a position at all. We have referral arrangements with some of our affiliates where we pay the affiliates a fee for clients they refer to us. The fee is based on a percentage of the fees we receive from client(s) referred under the agreement. We act as sub-adviser to US and non-US mutual funds, including for an affiliated mutual fund family, and we receive a portion of the investment management fee that the mutual fund pays. Our fee may be reduced by the amount of certain shareholder servicing fees, distribution related expenses, and other expenses under an agreement by which we have agreed to reimburse our affiliate for a certain portion of these fees. <p><i>Additional Information about conflicts of interest between us and our clients is available in Part 2 of our Form ADV, available at https://adviserinfo.sec.gov/firm/summary/134918.</i></p> |
| | <p>Conversation Starter. Ask your financial professional –</p> <ul style="list-style-type: none"> How might your conflicts of interest affect me, and how will you address them? |
| <p>Item 3. <u>Fees, Costs, Conflicts, and Standard of Conduct</u></p> | <p><u>C. How do your financial professionals make money?</u></p> <p>Compensation for portfolio managers includes an annual fixed base salary and an annual performance bonus. Performance assessments are based on portfolio performance relative to the respective benchmark index (depending on portfolio objectives) typically over the one-, three-, five-, and seven-year/since inception periods (with the three- and five-year periods typically receiving the greatest emphasis). Additionally, qualitative consideration is given to overall performance at the investment business group and firm level. Members of our analyst team are also eligible for bonus compensation associated with performance of the Focused Absolute Value® Strategies. We believe a bonus structure focused on longer-term performance helps mitigate risk taking that is inconsistent with the best interest of clients. Some portfolio managers and analysts own equity in the firm, which entitles them to a portion of the firm’s profits.</p> |
| <p>Item 4. <u>Disciplinary History</u></p> | <p><u>Do you or your financial professionals have legal or disciplinary history?</u></p> <p>No.</p> <p>Please visit https://www.investor.gov/CRS for a free and simple search tool to research us and our financial professionals.</p> |
| | <p>Conversation Starter. Ask your financial professional –</p> <ul style="list-style-type: none"> As a financial professional, do you have any disciplinary history? For what type of conduct? |
| <p>Item 5. <u>Additional Information</u></p> | <p>Additional Information about our services can be found at https://adviserinfo.sec.gov/firm/summary/134918 and https://riverroadam.com. If you have any questions about us or would like to request a copy of this relationship summary, please contact our Compliance Department at RRAM.Compliance@riverroadam.com or (502) 371-4100.</p> |
| | <p>Conversation Starter. Ask your financial professional –</p> <ul style="list-style-type: none"> 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? |