



# LEAVELL INVESTMENT MANAGEMENT, INC.

## FORM ADV PART 3: FORM CRS

### CLIENT RELATIONSHIP SUMMARY | JANUARY 7, 2026

Leavell Investment Management, Inc. is registered with the Securities and Exchange Commission as an investment adviser, and, as such, we provide advisory services rather than brokerage services. Brokerage and investment advisory services and fees differ and it is important for you, our client, to understand the differences. Additionally, free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](http://Investor.gov/CRS), which also provides educational materials about investment advisers, broker-dealers, and investing.

#### What investment services and advice can you provide me?

We provide continuous investment advisory services to retail investors that include portfolio management, selection of other advisers, financial planning services, and bill paying services. We tailor our portfolio management services to your needs and manage your account on a discretionary basis, unless otherwise requested. Discretionary authority means we get to choose the securities to be bought and sold and when they are to be bought and sold, without consulting with you first. We maintain this discretion until you revoke it. When selecting securities and determining amounts, we take into account any investment policies, limitations or restrictions you provide to us in writing at the start of our relationship. As part of our standard advisory services, your Portfolio Manager reviews your account at least quarterly, plus after any significant contribution or withdrawal.

The types of investments that we consider for portfolios include individual stocks and bonds, mutual funds, exchange-traded funds, master limited partnerships, options, exchange-traded notes, real estate investment trusts (REITs), covered call options, private placements, and/or long/short funds. Additionally, we manage two no-load mutual funds, The Government Street Funds, which are considered our proprietary products. In the advisory agreement, you tell us whether or not we can use these proprietary funds in your portfolio, and you can change your mind anytime.

There is no minimum asset size requirement for opening or maintaining an account for us to manage. However, there is a minimum annual fee per relationship of \$5,000 (although it can be waived on a case-by-case basis and substituted with an annual maintenance fee), which may dissuade potential clients from investing smaller amounts with us.

For additional information on our services, see Items 4, 7, 8, 13, and 16 in our Form ADV Part 2A, which can be found at <http://leavellinvestments.com/disclosures>.

#### What fees will I pay?

**Asset-based Fees:** We usually charge an annual fee of up to 1.25% of your assets under management for investment advisory services, which is charged quarterly in advance. Our fees vary and are negotiable. When calculating our fee, the total account value excludes any balance in the Government Street Funds, but includes cash and other securities (unless agreed otherwise). The more assets you have in your advisory account, the more you will pay us, which incents us to increase the assets in your advisory account to increase our fees. Our firm's fees, generally, will be deducted from your advisory account, which will reduce your account value. If you cancel your agreement less than 13 months after opening, we charge a cancellation fee, but if you cancel more than 13 months after opening, the fee paid for that quarter will be prorated after 30 days from effective date of cancellation and refunded if greater than \$100. We have discretion whether or not to refund any prorated fee less than \$100.

#### Key Questions to Ask Us:

*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?*

#### Key Questions to Ask Us:

*Help me understand how these fees and costs might affect my investments.*

*If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

**Fixed Fees:** Some accounts are charged a fixed, minimum maintenance fee, rather than an asset-based fee, and financial planning clients pay a fixed fee, payable in advance or as agreed to in the Agreement you sign with us.

**Other Advisory Fees:** Clients may also pay advisory fees charged by a third-party manager for all or a portion of client assets, which are separate and apart from fees charged by us.

**Additional fees and costs:** You will pay additional fees to third parties in connection with your managed account. These can include (as applicable): custodian fees, transaction charges, mutual fund 12b-1 fees and/or other internal management fees, distribution fees, deferred sales charges, IRA fees, margin interest, wire transfer and electronic fund fees, and other account administrative fees.

*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.*

For additional information about fees, see Items 5, 7, 10 and 14 in our Form ADV Part 2A, which can be found at <http://leavellinvestments.com/disclosures>.

### 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?

#### **Key Questions to Ask Us:**

*How might your conflicts of interest affect me, and how will you address them?*

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 are some examples to help you understand what this means.

- Leavell is paid to manage two mutual funds, The Government Street Funds, and the fee we receive is based on the amount of assets in these funds. Although we do not charge an advisory-level fee on your assets invested in the funds, the management fee we receive from these two funds could be higher than the fee you would pay us if you were invested in other funds.
- Certain custodians make free services available to us, including consulting, access to research and conferences. These services may give us an incentive to recommend you open or maintain your accounts with these custodians.

For additional information on conflicts of interest, see Items 5, 10, 11, 12, and 14 in our Form ADV Part 2A, which can be found at <http://leavellinvestments.com/disclosures>.

### How do your financial professionals make money?

Our financial professionals' salaries are based on their contributions to the revenue and profitability of the firm. They are not compensated based on the investment products we recommend.

For additional information on how our professionals make money, see Item 5 in our Form ADV Part 2A, which can be found at <http://leavellinvestments.com/disclosures>.

#### **Key Questions to Ask Us:**

*As a financial professional, do you have any disciplinary history? For what type of conduct?*

### Do you or your financial professionals have legal or disciplinary history?

No. Please visit [investor.gov/CRS](http://investor.gov/CRS) for a free and simple tool to research us and our financial professionals.

### Additional Information

For a copy of this relationship summary or additional information, please call us at 251-433-3709 or visit us online at

[leavellinvestments.com](http://leavellinvestments.com).

#### **Key Questions to Ask Us:**

*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?*

# LEAVELL

## INVESTMENTS

*Since 1979*

FORM ADV PART 2A

**MAY 4, 2026**

## LEAVELL INVESTMENT MANAGEMENT, INC.

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This brochure provides information about the qualifications and business practices of **Leavell Investment Management, Inc.** If you have any questions about the contents of this brochure, please call 251-433-3709. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about **Leavell Investment Management, Inc.** is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) and at:

**leavellinvestments.com**

On July 28, 2010, The United States Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that is provided to clients and prospective clients as required by SEC Rules.

Pursuant to these SEC Rules, you will receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of Leavell’s business fiscal year. A new Brochure will be provided to you as necessary, when there are material changes or new information, without charge. Currently, this Brochure can be requested free of charge by calling one of the numbers given on the cover of the Brochure or visiting Leavell’s website, [www.leavellinvestments.com](http://www.leavellinvestments.com).

Additional information about Leavell Investment Management, Inc. is also available via the SEC’s website, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s website also provides information about any persons affiliated with Leavell Investment Management, Inc. who are registered as investment adviser representatives of Leavell Investment Management, Inc. Registration with the SEC does not imply a certain level of skill or training.

**This Brochure was last dated March 27, 2026. Since that time, there have been changes that may or may not be material to your evaluation of Leavell Investment Management, Inc. These changes include:**

1. The following paragraph has been added to the advisory services discussion in Item 4.B.

“Also on occasion, Leavell will accommodate clients or employees that have non-managed accounts they would like to have viewable through Leavell’s platform for a variety of reasons, or that they would like Leavell to help set up, monitor, and/or place trades in upon written request. Depending on Leavell’s involvement, there may or may not be a fee charged on these accounts.”
2. Item 5.D. has been revised:
  - a. to delete the penalty for termination of an advisory agreement within 13 months of becoming a client; and
  - b. to include: “The effective date of cancellation is defined as the date of written notice of cancellation by Client, or, if no written notice is provided, it is the day assets (a) transfer out of or (b) are de-linked from Leavell’s management. Any prorated fee to be refunded which is greater than \$10 will be returned to the client.”
3. Item 14.B. has been revised to delete the paragraph allowing Leavell advisors to provide non-cash compensation to clients for client referrals.

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Throughout this Brochure, “Leavell”, “the Firm”, “Advisor”, “we”, “our”, or “us” refers to Leavell Investment Management, Inc., whereas “you”, “your” or “client” refers to the client and/or prospective client.

**A. Principal Owners**

**Leavell Investment Management, Inc.** (“Leavell” or “Leavell Investments”), formerly T. Leavell & Associates, Inc., was established in 1979 in Mobile, Alabama, by Thomas W. Leavell. Mr. Leavell was a principal owner until 2014. Currently, many professionals in the company are shareholders but none own 25% or more of the outstanding shares.

**B. Types of Advisory Services**

Leavell provides investment management services to its clients based on discretionary authority provided to the Firm by clients at the outset of the investment advisory relationship, which is discussed in more detail in Item 16. Clients of the Firm include individuals, families, and businesses; trusts; estates; pension and profit-sharing plans; 401(k) plans; endowments and foundations; and two registered no-load mutual funds.

In developing the investment advisory relationship, a strategy is defined that is best suited to achieve the client’s goals through the allocation of assets among various asset classes. Securities within these asset classes include individual stocks and bonds, mutual funds, and exchange-traded funds. In addition, Leavell utilizes other types of investments, including, but not limited to, master limited partnerships, options, exchange-traded notes, REITs, covered call options, private placements, or long/short funds. See Item 8 for additional considerations on these investments.

Leavell occasionally provides traditional financial planning for clients. Fees for these services vary by client. All financial plans include a report appropriate for the planning performed. The implementation of any recommendations contained in the report is at the discretion of the client. The financial plan may include, but is not limited to: cash flow planning (including a statement of net worth), risk management, investment review, tax planning, retirement planning, estate planning, and education planning.

Also on occasion, Leavell will accommodate clients or employees that have non-managed accounts they would like to have viewable through Leavell’s platform for a variety of reasons, or that they would like Leavell to help set up, monitor, and/or place trades in upon written request. Depending on Leavell’s involvement, there may or may not be a fee charged on these accounts.

Leavell does not serve as an attorney, accountant, or insurance agent, and no portion of its services should be construed as legal, accounting or insurance services. Accordingly, Leavell does not prepare estate planning or any other legal documents, tax returns, or sell insurance products. Additionally, Leavell advises clients or potential clients on options for leaving an employer’s retirement plan, which creates a potential conflict of interest if Leavell will earn new (or increase its current) compensation. No client or prospective client is under any obligation to roll over retirement plan assets to an account managed by Leavell.

**C. Individual Needs of Clients**

At Leavell, the goal is to meet the needs of clients by tailoring an appropriate asset allocation and investment strategy to suit their individual objectives. Each account at Leavell is managed by a team of experienced financial professionals and receives a high level of personal service. An Investment Counselor works closely with the client to analyze needs, set objectives, and monitor the relationship. A Portfolio Manager is assigned to develop and implement investment strategies. The Firm’s investment philosophy seeks to achieve positive relative and absolute returns within the context of the client’s overall objectives. Investment goals are achieved over time through broad diversification, control of risk, and realization of the benefits of compounding.

Although most clients seek the Firm’s discretion in allocation of assets and investment in different types of

assets, Leavell also works diligently with clients who are more specific in their desires for investing in certain securities or types of securities. Additionally, clients can also direct the brokerage of their accounts, but only after a thorough discussion of the potential higher cost of trading at the specified brokerage firm. This potential failure to achieve “best execution” on directed trades is further described in Item 12.

**D. *Wrap Fee Programs***

Leavell Investment Management, Inc. does not participate in wrap fee programs.

**E. *Assets Under Management***

As of December 31, 2025, Leavell managed \$3,173,992,315 on a discretionary basis and \$230,760,712 on a non-discretionary basis. These assets under management are determined by the same formula as in Form ADV Part 1.

**Item 5: Fees and Compensation**

**A. *Fee Schedule***

Leavell offers investment advisory services for a percentage of assets under management, a minimum management fee, or an annual set maintenance fee. Fees are negotiated on a case-by-case basis and vary based on the size of the account, complexity of the portfolio, extent of activity in the account, number and size of related accounts, or other reasons agreed upon by Leavell and the client. Generally, each account is charged quarterly, in advance, based on assets under management up to 1.25%. Depending on the size of the account and the nature of the services provided, an account might be subject to an annual maintenance fee, rather than a fee based on assets under management. There is a minimum \$5,000 annual fee per relationship, although this minimum fee can be waived on a case-by-case basis. Assets held in any of The Government Street Funds are not subject to an asset-based fee.

We also provide general bookkeeping and/or bill pay services to certain clients. Fees for those services are negotiated on an individual basis.

**B. *Payment of Fees***

The specific manner in which fees are charged by Leavell is established in a client’s written agreement with Leavell. Generally, Leavell invoices its fees on a quarterly basis, in advance, and clients authorize Leavell to directly debit fees from client custodial accounts. However, clients can elect to be invoiced directly or can elect to make payment in arrears.

**C. *Other Fees and Expenses of Advisory Services***

Leavell can charge additional fees and/or out of pocket expenses (excessive travel costs, etc.) for ancillary services not outlined or related to investment management services but directly related to such services. For example, with any account over which Leavell is deemed to have custody under the Amended Custody Rule, there is an additional fee to cover the cost of the required surprise audit conducted by an independent accountant and report to be filed with the SEC. Such fee is payable by the client.

Leavell’s fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses charged by the qualified custodian and incurred by the client. Those fees should be disclosed in the statements sent by the qualified custodian of the account. Mutual funds and exchange-traded funds also charge internal management fees, which are disclosed in a fund’s prospectus. Except for the Government Street Funds, such charges, fees and commissions are exclusive of and in addition to Leavell’s fee.

Item 12 further describes the factors that Leavell considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

#### ***D. When Fees Are Paid or Refunded***

The client's fee schedule is subject to review on an annual basis. Leavell reserves the right to modify the schedule of fees at any time, with 30 days' written notice. If a client cancels a contract, the fee paid for the quarter during which cancellation occurs will be prorated 30 days from the effective date of cancellation. The effective date of cancellation is defined as the date of written notice of cancellation by Client, or, if no written notice is provided, it is the day assets (a) transfer out of or (b) are de-linked from Leavell's management.. Any prorated fee to be refunded which is greater than \$10 will be returned to the client.

#### ***E. Government Street Funds***

Leavell Investment Management, Inc. manages two no-load mutual funds, The Government Street Funds, which are a series of The Williamsburg Trust and are discussed more in-depth in Item 10.C. Leavell receives a fee for the management of these Funds. Under the Investment Advisory Agreements between Leavell and The Williamsburg Trust, Leavell is entitled to compensation for its management of the Government Street Equity Fund, based on the Fund's daily average net assets at the following rate: on the first \$100 million, 0.60%; on assets over \$100 million, 0.50%. Compensation of Leavell with regard to The Government Street Opportunities Fund, based upon the Fund's daily average net assets, is at the annual rate of 0.75%. Leavell employees' first and foremost duty as a fiduciary is to the client's objectives, which is taken into consideration before recommending The Government Street Funds. Therefore, Leavell will only invest in these Funds when it is in the client's best interest. Leavell employees disclose this potential conflict of interest with clients and allow the client to opt out of investing in the Funds at the inception of the relationship. Leavell does not accept an asset-based fee from advisory clients on any client assets held in the Funds.

### ***Item 6:*** Performance-Based Fees and Side-By-Side Management

Leavell does not accept any performance-based fees (that is, fees based on a share of capital gains on or capital appreciation of the assets of a client).

### ***Item 7:*** Types of Clients

Leavell provides customized investment management services to individuals, families, and businesses; trusts; estates; pension and profit sharing plans; 401(k) plans; endowments and foundations; and two registered no-load mutual funds. There is no minimum asset size requirement for opening or maintaining an account with Leavell. However, there is a minimum \$5,000 annual fee per relationship, although this minimum fee can be waived on a case-by-case basis.

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

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

The investment philosophy of Leavell seeks to achieve positive relative and absolute investment returns. Investment goals are achieved over time through broad diversification, control of risk and realization of the benefits of compounding.

Building and managing portfolios to meet the objectives of individual clients encompasses a multitude of factors. Before beginning this process, however, Leavell assists the client in establishing realistic investment goals. Consideration is given to such factors as income requirements, liquidity needs, capital growth objectives, tax considerations, levels of risk tolerance, and investment time horizons.

Next, a strategy is defined to achieve those goals through the allocation of assets among various asset classes. Securities within these asset classes include individual stocks and bonds, mutual funds, and exchange-traded funds. In addition, other types of investments are utilized, such as master limited partnerships, options, exchange-traded notes, REITs, covered call options, private placements, or long/short funds. Leavell does not invest its clients directly in digital assets. Also, see Item 8.C for information on risks associated with the types of securities in which Leavell clients are typically invested.

#### ***A. Method of Analysis***

Leavell's primary method of analysis is fundamental. The main sources of information include Bloomberg, fund prospectuses, S&P reports, Value Line reports, FactSet Data, Ycharts, financial newspapers and magazines, research materials prepared by others, filings with the Securities and Exchange Commission, and annual reports. Employees of Leavell also, on occasion, visit with fund and portfolio managers, attend conference calls, and attend industry conferences.

#### ***B. Investment Strategies***

##### **1. Equity Management**

Leavell's investment philosophy with respect to equity management is to seek to achieve long term capital growth while focusing on the control of risk in the portfolio. Equities have historically provided superior long-term returns to other financial asset classes. Leavell attempts to capture these returns through the construction of a broadly diversified portfolio of high-quality stocks, mutual funds and/or exchange-traded funds ("ETFs"). Because of volatility in the stock market, the importance of having a long-term perspective when investing in equities is emphasized.

Client equity allocations are built with a mixture of investments in individual securities, mutual funds and/or exchange-traded funds depending on the client's circumstances. Leavell seeks further strategic asset allocation through investments in a variety of capitalization ranges (such as small capitalization ("cap"), or mid cap), sector variations (such as industrials, consumer staples, or technology sectors), real estate investment trusts and other alternative investments, and global diversification through international investments in developed and emerging market equity securities.

Portfolio managers, individually, screen mutual funds, ETFs, and other investments to meet client objectives. A portfolio is constructed using these investments based on the return objectives and risk preferences of the client. To maintain the quality and diversification that is desired, the portfolio is periodically re-evaluated and re-balanced.

Leavell does not engage in "market timing" as related to the significant movement of assets into and out of the stock market. To the extent practicable and in accordance with the liquidity objectives of the client, the portfolio generally remains fully invested.

##### **2. Fixed Income Management**

Leavell's fixed income philosophy is designed to protect principal through management of risk and to provide a steady, reliable source of income for the client. Leavell typically builds quality bond portfolios with a short-to-intermediate term average life. This philosophy is consistent with the Firm's emphasis on risk control and income generation within a fixed income portfolio. Leavell aims to keep portfolio turnover low to avoid unnecessary trading costs. When advisable to meet client objectives, Leavell may implement

asset/liability management or construct a laddered bond portfolio.

The Firm often employs mutual funds and ETFs to add diversification to client fixed income portfolios. Use of bond ETFs and bond Mutual Funds is typically dictated by account size or other considerations. Portfolios can include funds and ETFs with underlying securities that are not denominated in United States Dollars. The risk profile of each of these funds and ETFs will vary according to the credit quality and currency exposure of the individual securities held within them.

Portfolios of taxable securities will primarily include publicly issued securities, registered with the SEC in accordance with the Securities Act of 1933, including, but not limited to, US Treasury bonds, US TIPS, US Agency bonds, US Agency Mortgage-Backed Securities, and other SEC-registered corporate and securitized bonds. Where appropriate, the Firm will utilize securities exempt from either federal or state income taxes, or both.

### **C. Risk of Loss**

All investment programs carry the risk of loss and there is no guarantee that any investment strategy will meet its objective. Leavell's investment approach constantly keeps the risk of loss in mind. Depending on the types of securities held in a portfolio, a client can face the following risks:

**Stock Market Risk.** The value of an investment will fluctuate in response to stock market movements. Stocks and other equity securities are subject to inherent market risks and fluctuations in value due to earnings and other developments affecting a particular company or industry, stock market trends, general economic conditions, investor perceptions, interest rate changes and other factors beyond the control of Leavell. Stocks tend to move in cycles and can experience periods of turbulence and instability. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions can trigger market events.

**Large Capitalization Risk.** Larger capitalization companies may be unable to respond quickly to new competitive challenges, such as changes in technology and consumer tastes, and may not be able to attain the high growth rate of successful smaller companies, especially during extended periods of economic expansion.

**Mid- and Small-Capitalization Risk.** Mid- and Small-capitalization companies often involve higher risks because they may lack the management experience, financial resources, product diversification and competitive strengths of larger companies. In addition, certain securities of mid- and small-capitalization companies may be traded only over-the-counter or on a regional securities exchange, and the frequency and volume of their trading is substantially less than is typical of larger companies. Therefore, the securities of mid- and small-capitalization companies may be subject to greater price fluctuations.

**Mutual Fund Risk.** An investment in a mutual fund generally presents the same primary risks as an investment in a conventional investment company, including the risk that the general level of security prices owned by the mutual fund may decline, thereby affecting the value of the shares of the mutual fund. In addition, mutual funds are subject to other risks including the risk of additional fees and expenses for managing the fund; excessive churning of investments in the fund may increase the capital gains distributed to the shareholder and decrease the rate of return; and, depending on the timing of the investment, investors may also have to pay taxes on capital gains distributions they receive for changes in investments in the months prior to their purchase.

**Exchange-Traded Fund ("ETF") Risk.** An investment in an ETF generally presents the same primary risks as an investment in a mutual fund, including the risk that the general level of security prices owned by the ETF may decline, thereby affecting the value of the shares of the ETF. In addition, ETFs are subject to other risks including the risk that the market price of an ETF's shares may trade at a discount to its net asset value, or that an active trading market for an ETF's shares may not be developed or maintained. ETFs are also

subject to the risks of the underlying securities or sectors that the ETF is designed to track.

**Exchange-Traded Note (“ETN”) Risk.** An ETN is a senior, unsecured, unsubordinated debt security issued by an underwriting bank. An ETN’s primary objective is to offer investors a return that tracks a particular market index. Similar to other debt securities, the credit of the issuer is the only backing for ETNs. Although performance contractually ties to whatever index the ETN is intended to track, ETNs do not have any assets, other than a claim against their issuer for payment according to the terms of the contract. Unlike traditional mutual funds, which can only be redeemed at the end of a trading day, ETNs trade throughout the day on an exchange. ETNs, as debt instruments, are subject to the risk of default by the issuing bank as counterparty. This is the major design difference between ETFs and ETNs: ETFs are only subject to market risk, whereas ETNs are subject to both market risk and the risk of default by the issuing bank.

**Master Limited Partnership (“MLP”) Risk.** MLPs are often marketed as investments that combine the tax benefits of limited partnerships with the liquidity of publicly traded securities. An investment in MLP units, however, involves risks that differ from a similar investment in equity securities, such as common stock, of a corporation. Holders of MLP units have the rights typically afforded to limited partners in a limited partnership. As compared to common shareholders of a corporation, holders of MLP units have more limited control and limited rights to vote on matters affecting the partnership. Further, there are certain tax risks associated with an investment in MLP units, as MLP units are treated differently for tax purposes than common stock. Clients are advised to speak with their accountant to receive tax advice about MLPs.

**Foreign Securities Risk.** American Depositary Receipts (“ADRs”—negotiable certificates issued by a U.S. bank representing a specified number of shares in a foreign stock that is traded on a U.S. exchange), mutual funds, and ETFs investing in foreign securities are subject to risks similar to those associated with direct investments in foreign securities. Investment in foreign securities involves risks that may be different from those of U.S. securities. Foreign securities may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the United States. Foreign securities are also subject to the risk of adverse changes in investment or exchange control regulations, expropriation or confiscatory taxation, limitations on the removal of money or other assets, political or social instability, and nationalization of companies or industries. An additional risk is that overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment’s originating country.

**Emerging Markets Risk.** The risks of foreign investing are of greater concern in the case of investments in emerging markets. Emerging market countries may have economic structures that are generally less diverse and mature than the economies of developed countries and may have less stable governments that are subject to sudden change. The markets of developing countries may have more frequent and larger price changes than those of developed countries.

**Commodities Market Risk.** Investing in instruments whose performance is linked to the price of an underlying commodity or commodity index exposes the client to the risks of investing in physical commodities. These risks include, but are not limited to, regulatory, economic, monetary and political developments, weather events and natural disasters, import controls and worldwide competition, exploration and production spending, tax and other governmental regulations and market disruptions. Commodity prices may be subject to greater volatility than investments in traditional securities.

**Interest Rate Risk.** Fluctuations in interest rates may cause bond prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive generally, causing their market values to decline.

**Inflation Risk.** When inflation is present, the purchasing power of a dollar is eroding at the rate of inflation making a dollar received in the future worth less than the value of a dollar today.

**Municipal Securities Risk.** The return on and value of an investment in municipal securities will fluctuate with changes in interest rates or changes in the creditworthiness of an individual issuer. Generally, when

interest rates rise, the value of municipal securities can be expected to decline. Securities with longer maturities generally are more sensitive to interest rate changes than shorter-term securities. The value of municipal securities is also dependent on the creditworthiness of an issuer. A deterioration in the financial condition of an issuer, or a deterioration in general economic conditions, could cause an issuer to fail to pay its principal or interest when due.

**Risks Associated With Credit Ratings.** A rating by a Nationally Recognized Statistical Ratings Organization (“NRSRO”) represents the agency’s opinion as to credit quality of a security but is not an absolute standard of quality or guarantee as to the creditworthiness of an issuer. Ratings of NRSROs present an inherent conflict of interest because such agencies are paid by the entities whose securities they rate. The credit rating of a security does not necessarily address its market risk (that is, the risk that the value of a security will be adversely affected due to movements in the overall financial markets or changes in the level of interest rates). In addition, a rating may not be revised promptly to reflect developments in the issuer’s financial condition.

**Liquidity Risk.** Investing in an illiquid (difficult to trade) security may restrict its ability to dispose of investments in a timely fashion or at an advantageous price, which may limit the ability to take full advantage of market opportunities. For example, the secondary market for certain municipal obligations tends to be less well developed or liquid than many other securities markets which may impact the client’s ability to sell these securities at or near their perceived value.

**Credit Risk.** 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 ability to sell the security.

**Call Risk.** There is a risk that during periods of falling interest rates, the issuer of a bond will repay—or call—securities with higher coupons, or interest rates, before their maturity dates. Forced to reinvest the unanticipated proceeds at lower interest rates, the portfolio would experience a decline in income and lose the opportunity for additional price appreciation associated with falling interest rates. Some corporate bonds and municipal debt issues have sinking fund provisions which require the issuer to periodically retire a predetermined number of bonds which act like call provisions. Some corporate bonds have a “make-whole” call provision, which allows the issuer to redeem the outstanding bonds prior to maturity at a price determined by a formula described in the prospectus.

**Real Estate Risk.** Real Estate Investment Trusts (“REITs”), although not a direct investment in real estate, are subject to the risks associated with investing in real estate. The value of these securities will rise and fall in response to many factors including economic conditions, the demand for rental property and changes in interest rates.

**Management Risk.** The Firm’s judgment 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.

**Regulatory Risk.** The value of investment securities can fluctuate when there are unanticipated changes in government regulation. This risk includes, for example, changes in tax laws and industry specific regulations.

**Other risks.** Option strategies, private placements, long/short funds and master limited partnerships are very specific per client and pose additional risks that can be discussed on an individual basis with any client where Leavell is considering the use of these investment vehicles.

**Item 9:****Disciplinary Information**

Leavell and/or its employees have not been involved in any legal or disciplinary events that would be material to a client's evaluation of the company or its personnel.

**Item 10:****Other Financial Industry Activities and Affiliations****A. Government Street Funds**

As briefly discussed above, Leavell provides investment advice to two no-load mutual funds, The Government Street Funds (the "Funds"), a series of the Williamsburg Investment Trust (the "Trust"). The Trust's Board of Trustees engaged Leavell to provide investment management to these Funds with the compensation arrangement as set forth in Item 5.E. Thomas W. Leavell is President of the Funds. For further detailed information about the Funds, please see the Funds' prospectus, available upon request or at [www.gofilepoint.com/govstreet](http://www.gofilepoint.com/govstreet).

During 1991, Leavell sponsored the organization of The Government Street Equity Fund (the "Equity Fund"), a no-load, open-end series of The Williamsburg Investment Trust, a registered management investment company. The investment objective of the Equity Fund is long term capital appreciation through investment in a broadly diversified portfolio generally of common stocks and shares of exchange-traded funds.

During 2003, Leavell sponsored the organization of The Government Street Opportunities Fund (formerly known as The Government Street Mid-Cap Fund) (the "Opportunities Fund"), a no-load, open-end series of The Williamsburg Investment Trust. The investment objective of the Opportunities Fund is to seek capital appreciation, and the Fund will emphasize investments in common stocks of mid-cap companies and shares of ETFs that invest primarily in common stocks of mid-cap companies, but is not limited to any particular market capitalization.

Employees, officers, and directors of Leavell are shareholders of these Funds either individually or through Leavell's 401(k) Profit Sharing Plan. Leavell invests clients in one or more of these Funds for whom they would be appropriate. Assets held by clients in The Government Street Funds are not subject to an asset-based fee on the advisory level. The Funds are able to redeem their shares by payment in kind when circumstances exist which would, in the opinion of Leavell, make it in the best interests of the Funds and their shareholders to do so. In such case, Leavell, under the supervision of the Trust's Board of Trustees and in accordance with the Trust's procedures, can authorize payment to be made in portfolio securities or other property of the Funds. Securities delivered in payment of redemptions would be valued at the same value assigned to them in computing the net asset value per share. An irrevocable election has been filed under Rule 18f-1 of the 1940 Act wherein each Fund commits itself to pay redemptions in cash, rather than in kind, to any shareholder of record of the Funds who redeems during any ninety day period, the lesser of (a) \$250,000 or (b) one percent (1%) of a Fund's net assets at the beginning of such period, unless the client provides authorization to redeem in kind. Shareholders receiving portfolio securities in a redemption in kind could incur brokerage costs when these securities are sold. It is Leavell's intention, at the present time, to reimburse shareholders for their brokerage costs and other fees or losses incurred by them in selling such securities immediately upon receipt thereof. This practice will apply to all redemptions in kind made in a particular day; however, Leavell can discontinue this practice at any time without notice to shareholders.

**B. Family Office services**

We also provide bookkeeping services and bill pay services to certain clients.

Leavell has adopted a Code of Ethics for all supervised persons of the Firm describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts, and personal securities trading procedures, among other things. All supervised persons at Leavell must acknowledge the terms of the Code of Ethics annually, or as amended.

Leavell's employees and persons associated with Leavell are required to follow Leavell's Code of Ethics. Subject to satisfying this policy and applicable laws, "covered persons" (as defined in the Firm's Code of Ethics) of Leavell and its affiliates can trade for their own accounts in securities which are purchased for Leavell's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Leavell will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of Leavell's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between Leavell and its clients.

Certain affiliated accounts, like the Government Street Funds, trade in the same securities with client accounts on an aggregated basis when consistent with Leavell's obligation of best execution. In such circumstances, the affiliated and client accounts will receive securities at a total average price. Leavell will retain records of the trade order and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order. See Item 12 for further discussion of aggregated trades.

Leavell's clients, or prospective clients, can request a copy of the firm's Code of Ethics by contacting its Chief Compliance Officer at (251) 433-3709.

It is Leavell's policy that the Firm will not participate in any principal or agency cross securities transactions for client accounts. Leavell also will not cross trades between client accounts. (Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions can arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.)

**A. *Benefits to Brokerage***

Leavell currently does not engage in "soft dollar" arrangements with broker-dealers. These are arrangements in which advisers receive research or other services or products in exchange for directing clients to trade with that broker-dealer and pay a higher commission. Leavell also does not consider referrals when

recommending broker-dealers to clients.

Leavell does not maintain custody of client assets, although it is deemed to have custody of those assets as set out below in Item 15. Assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. Leavell seeks for its clients to use qualified custodians who will hold assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. A wide range of factors is considered, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, ETFs, etc.)
- Availability of investment research and tools that assist Leavell in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Well-organized and efficient “back office” operations which minimizes reporting errors
- Reputation, financial strength, security and stability
- Prior service to Leavell and our clients
- Availability of other products and services that benefit us and our clients, as discussed below

Leavell often recommends that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (“Schwab”), a FINRA-registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although Leavell recommends that clients establish accounts at this or another qualified custodian, the client signs all of the qualified custodian's documents to open any account. Leavell does not open the account for you, although it often will assist you in doing so. Even though your account is maintained with Schwab or another custodian, and Leavell anticipates that most trades will be executed through that custodian, Leavell can still use other brokers to execute trades for your account as described below.

Leavell is independently owned and operated and not affiliated with Schwab or any other broker-dealer or custodian. Your custodian will hold your assets in a brokerage account and buy and sell securities when Leavell instructs it to do so. Conflicts of interest associated with this arrangement are described below as well as in Item 14. You should consider these conflicts of interest when selecting your custodian.

### **Your brokerage and custody costs**

For Leavell's client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through it or that settle into their accounts. Certain trades will not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab's Cash Features Program. Schwab's commission rates applicable to Leavell client accounts were negotiated based on the condition that its clients collectively maintain a specified minimum amount of assets in accounts at Schwab. This commitment benefits you because the overall commission rates you pay are lower than they would be otherwise. In addition to commissions, Schwab charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that is executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, Schwab executes most trades for your account.

Leavell is not required to select the broker or dealer that charges the lowest transaction cost, even if that broker or dealer provides execution quality comparable to other brokers or dealers. Although Leavell is not required to execute all trades through Schwab or your custodian, having your custodian execute most trades is consistent with the duty to seek 'best execution' of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above. By using another broker or dealer you might pay different transaction costs.

### **Products and services available to Leavell from Schwab**

Schwab Advisor Services™ is Schwab's business servicing independent investment advisory firms like Leavell. They provide Leavell and its clients with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. However, certain retail investors may be able to get institutional brokerage services from Schwab without going through Leavell. Schwab also makes available various support services. Some of those services help Leavell manage and grow its business. Schwab's support services are generally available on an unsolicited basis (the Firm does not have to request them) and at no charge. Following is a more detailed description of Schwab's support services:

**Services that benefit you.** These institutional brokerage services include access to a broad range of investments products, the execution of securities transactions, and custody of client assets. The investment products available through Schwab include some which Leavell might not otherwise generally have access to or would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

**Services that do not directly benefit you.** Schwab also makes available to Leavell other products and services that benefit Leavell but do not directly benefit you or your accounts. These products and services assist Leavell in managing and administering client accounts and operating the Firm. They include investment research, both Schwab's own and that of third parties. Leavell uses this research to service all or a substantial number of its clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of Leavell's fees from its clients' accounts
- Assist with back-office functions, recordkeeping and client reporting

**Services that generally benefit only us.** Schwab also offers other services intended to help Leavell manage and further develop its business enterprise. These services include:

- Educational conferences and events
- Consulting on technology
- Consulting on legal and related compliance needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support

Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to Leavell. Schwab also discounts or waives its fees for some of these services or pays all or a part of a third party's fees. Schwab also provides Leavell with other benefits, such as occasional business entertainment of Leavell personnel. If you or other clients did not maintain your account with Schwab, we would be required to pay for these services from our own resources.

## **Leavell's interest in Schwab's services**

The availability of these services from Schwab benefits Leavell because it does not have to produce or purchase them. Leavell does not have to pay for Schwab's services. The fact that the Firm receives these benefits from Schwab is an incentive for it to recommend the use of Schwab rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. Leavell believes, though, that taken in the aggregate, its recommendation of Schwab as custodian and broker is in the best interests of its clients. This selection is primarily supported by the scope, quality, and price of Schwab's services and not Schwab's services that benefit only Leavell.

In evaluating whether to recommend that clients custody their assets at Schwab, Leavell takes into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely the nature, cost or quality of custody and brokerage services provided by them, which creates a potential conflict of interest. Additionally, other broker-dealers or investment managers, on occasion, provide benefits such as educational events or business entertainment of Leavell personnel, which create the same potential conflict of interest as with Schwab. However, Leavell personnel rely upon their fiduciary duty to the client to determine what is in the best interests of the client. Leavell is advisor to the Government Street Funds, which utilizes various channels of distribution including the Charles Schwab trading platform. Schwab currently waives, on Leavell's behalf, some of the fees an advisor would normally pay for use of this platform.

### ***B. Best Execution***

As an investment advisory firm, Leavell has a fiduciary and fundamental duty to seek best execution for client transactions. Leavell, as a matter of policy and practice, tries to obtain best execution for client transactions by seeking to obtain not necessarily the lowest trading cost but the best overall qualitative execution in the particular circumstances. The goal is to maximize the value of the client's portfolio over time by focusing on the process rather than the trade-by-trade results.

The majority of clients have authorized Leavell to use its discretion in determining securities to be bought and sold, the amount bought and sold, the broker to be used, and the commission rates to be paid, without having to obtain specific client consent for each transaction. At times, Leavell can have clients who restrict Leavell's authority in these areas, but those that have such restrictions provide Leavell with specific instructions on where to direct brokerage or how to direct trading, discussed below.

For non-directed accounts, Leavell will consider any commission based on commission scales maintained by the Firm, the liquidity of the stock, the size of the trade, the exchange where the stock is traded and the overall experience, integrity, reputation and reliability of the executing broker. Once a trade is placed, the trader will document where the stock is trading for verification of best execution.

### ***C. Directed Brokerage***

Leavell does not request or require clients to direct transactions through a specified broker-dealer. Occasionally, the client can elect to direct trades to a particular broker. At the outset of the advisory relationship, the potential lack of best execution for such directed trades is discussed with the client, as stated in Item 4.C. Based on this discussion, clients should understand that they likely will pay a higher brokerage commission and will likely receive less favorable prices and execution than might be possible otherwise. In these situations, the client is expected to negotiate the commission rate and scale. Further, in broker directed accounts, it is unlikely that the client will benefit from volume discounts available to other clients in an aggregated order for the same security, as discussed below.

#### **D. Aggregating Orders**

As a matter of general practice, Leavell does not aggregate trades. It is the Firm's policy to provide individual advice and treatment to each of its clients. Leavell reviews each client portfolio individually and on its own merits. Orders are placed in clients' accounts separately as the portfolio manager deems appropriate given the market conditions. While Leavell has a fiduciary duty to seek best execution for its clients, it maintains that the determinative factor is not always obtaining the lowest possible price, but rather the best qualitative execution. Clients are not forfeiting reduced commission rates by placing individual trades as opposed to aggregating trades (*i.e.* aggregating orders will not decrease the per share execution costs for clients) because the custodian charges each client their individual, agreed-upon commission amount.

On occasion, Leavell aggregates trading orders for its clients, including The Government Street Equity Fund or The Government Street Opportunities Fund, if it believes that such aggregation is consistent with its duty to seek the best execution for its clients and/or the Government Street Funds.

Leavell will not favor any advisory account over another account, and each account that participates in an aggregated order will participate at the average share price for all transactions initiated by Leavell in that security held by the same custodian. In these aggregated transactions, if the transaction is made through the broker of record, each client will pay his individual commission cost to the custodian. If the transaction is made through a brokerage outside the custodial account, the commission costs will be shared by each client pro-rata based on number of shares purchased.

Before entering an aggregated order, Leavell will prepare a written allocation statement detailing how the order will be allocated among the various accounts. If the aggregated order is filled in its entirety, it shall be allocated among the accounts in accordance with the allocation statement; if the order is partially filled, it shall be allocated pro-rata based on the allocation statement.

Notwithstanding the foregoing, the order can be allocated on a basis different than that which is specified in the allocation statement if certain conditions are met. First, all accounts of clients whose orders are allocated must receive fair and equitable treatment. Further, the reason for such different allocation must be explained in writing and must be approved in writing by Leavell's compliance officer or other designated person no later than one hour after the opening of the market on the trading day following the day on which the order is executed.

#### **Item 13:**

#### **Review of Accounts**

Generally, all accounts will have their assets reviewed quarterly by Investment Counselors or Portfolio Managers. During that review, all major asset categories will be evaluated for the continued application of their percentage allocation, also known as rebalancing, in order to meet the client's objectives. Additionally, maturities or other significant cash contributions or withdrawals (which are monitored on a daily basis) prompt thorough reviews of assets.

Communicating with clients openly, clearly, and on a regular basis helps keep everyone well-informed and ensures that Leavell is responsive to all ongoing needs and objectives. Leavell's Investment Counselors encourage periodic meetings with clients to review the status and performance of the portfolio, as well as meet with the client's tax and legal advisors whenever the need arises.

Quarterly each client receives a written portfolio summary of assets under management and both absolute and relative investment performance evaluations. Additionally, custodian statements are reconciled each month with Leavell's records to assure that similar accounting of the portfolio is being maintained by both the Firm and the qualified custodian. In every quarterly statement, Leavell urges the client to review the custodian statement and compare it to Leavell's for continued accuracy.

**Item 14:****Client Referrals and Other Compensation**

A. Leavell receives an economic benefit from Schwab in the form of the support products and services it makes available to Leavell and other independent investment advisors whose clients maintain their accounts at Schwab. You do not pay more for assets maintained at Schwab because of these arrangements. However, Leavell benefits from this arrangement because the cost of these services would otherwise be borne directly by the Firm. You should consider these conflicts of interest when selecting a custodian. The products and services provided by Schwab, how they benefit Leavell, and the related conflicts of interest are described above (see Item 12—Brokerage Practices).

From time to time, clients require services that are outside the scope of the investment counseling services provided by our firm (e.g., legal counsel, accounting, or insurance advice) and ask us for a referral. We can refer our clients to third parties, including persons or entities that provide professional services directly to our firm. These providers may also refer clients to us, when their clients need the types of services we provide. We do not receive or pay fees for such referrals.

Clients have no obligation to engage the services of any such introduced professionals. Although we have experience with these service providers, Leavell has not performed due diligence on these service providers and is not responsible for the services provided by these service providers.

B. Leavell directly compensates The 401(k) Advisor Line for lead development in the retirement plan space. Leavell guarantees The 401(k) Advisor Line a fee of \$3,750 in exchange for three appointments during the term. An appointment is defined as an initial meeting with people who are willing to meet with an advisor to review all or part of their retirement plan on a specific date and time. Upon commencing solicitation of any prospective client, The 401(k) Advisor Line will disclose the material terms of the compensation it is receiving and any conflict of interest resulting from Leavell's relationship with The 401(k) Advisor Line and the compensation being paid. Leavell will not charge an additional fee for advisory services to pay The 401(k) Advisor Line. There is no difference in the fee schedule for clients who have been solicited and those that have not been solicited.

**Item 15:****Custody**

Leavell does not provide custodial services and encourages clients to work with a qualified custodian to custody their assets. Under the Amended Custody Rule, Leavell is considered to have custody over certain client assets because of (1) its authority from most clients to directly deduct fees from the clients' custodial accounts, and/or (2) its ability to disburse client funds as authorized by a standing letter of authorization (SLOA) given by the client.

Leavell is also considered to have custody over several clients' accounts because either an Investment Counselor is (1) its trustee or (2) agent to the trustee or client for bill paying services. Those accounts are subject to the surprise audit requirement in the Amended Custody Rule, and, as stated above, the clients are responsible for the costs associated with the audit. It is not Leavell's intent to offer such services to all of its clients because of this added expense, but prospective clients should be aware that if Leavell is asked to perform this service for an account, the client will be responsible for the additional audit expense.

Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains their investment assets. The qualified custodian takes possession of all securities, collects dividends and interest, and provides for the investment of cash. The qualified custodian regularly prepares a statement of the account which is reconciled by Leavell to assure that all transactions are properly recorded. *Leavell urges you to carefully review your custodian's statements and compare such official custodial records*

*to the account statements that are provided to you from Leavell.* Leavell statements occasionally can vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. If you ever have a question about an entry on your Leavell statement, please call one of the numbers on the front of this Brochure immediately.

#### Item 16:

### Investment Discretion

Leavell usually 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. Prior to assuming discretionary authority, clients are provided an Advisory Agreement, which includes the current Brochure: Form ADV Parts 2A, 2B, and 3/CRS as an exhibit. By initialing the appropriate paragraph in the Agreement, clients grant Leavell discretionary investment authority over their accounts. This trading authorization does not allow Leavell to withdraw any cash, securities, or other property in the name of the client other than the advisory compensation that is explicitly authorized by the client. Clients also sign a limited power of attorney which is included in the qualified custodian's account application for Leavell's primary qualified custodians. For accounts not held with these primary qualified custodians, clients generally sign a separate limited power of attorney giving discretionary authority to Leavell. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. When selecting securities and determining amounts, Leavell observes the investment policies, limitations, and restrictions of the clients for which it advises. Additionally, suitability is assessed through conversations with clients and/or their consultants. Any investment guidelines and restrictions must be provided to Leavell in writing. NOTE: As a regular practice, Leavell attempts to identify the lowest cost share class available to the client. The client's choice of broker/dealer or custodian could limit Leavell's access to the available mutual fund class options, which could potentially negatively affect the client's assets.

For the Government Street Funds, Leavell's authority to trade securities is also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made. These guidelines are more fully discussed in the Funds' prospectus, which is available on request or at [www.gofilepoint.com/govstreet](http://www.gofilepoint.com/govstreet).

Leavell provides continuous supervisory investment services to a number of retirement plans over which it has no discretionary authority, which it calls "consulting accounts." Leavell makes recommendations regarding models and fund lineups, but any decisions regarding the securities offered in these plans are made by the plan sponsor and executed by the third-party administrator.

#### Item 17:

### Voting Client Securities

Each client is given the option of allowing Leavell to vote his or her company proxies at the beginning of the adviser-client relationship. To vote these proxies, Leavell has instituted proxy voting policies and procedures as required by Rule 275.206(4)-6 of the Investment Advisors Act of 1940.

Leavell believes that its focus should be primarily concerned with maximizing the value of client portfolios relative to appropriate risk controls and to the agreed upon objectives for the accounts. Leavell normally votes in support of company management, but it votes against proposals which it believes negatively impact the value of its clients' ownership of the company's stock. Further, it is Leavell's policy to vote against proposals which appear overly complex or which are presented in such a manner that the shareholder's best interest is not clear.

Routine proposals are generally those which do not change the structure, bylaws, or operations of the company. These proposals are generally voted "for," which is with the management. Examples of such items include:

- Changes of Date and Place of Annual Meeting
- Approval of Auditors
- Election of Directors
- Changes in Company Name
- Indemnification Provision for Directors
- Stock Splits
- Share Repurchases

Non-routine proposals are potentially more likely to affect the value of a shareholder's investment. Each item in this category is reviewed on a case-by-case basis. Again, the fiduciary responsibility to vote the proxy "for" or "against" is governed by the attempt to best serve the ownership interest of the client. Examples of such non-routine items include:

- Mergers and Acquisitions
- Issuance of Securities to Meet Ongoing Corporate Capital Needs
- Restructuring
- Re-incorporation
- Increase in number of Directors
- Stock Option Plans or Retirement Plans
- Management Compensation
- "Golden Parachutes"
- Board Structure (Inside vs. Outside Directors)
- Cumulative Voting
- "Poison Pills"
- Director Stock Ownership Requirements
- Incentive Plans
- Tender Offers
- Debt Restructuring
- Director Tenure
- Stock Option Repricing and Expensing
- Social Issues

Leavell is occasionally subject to conflicts of interest in the voting of proxies due to business or personal relationships maintained with persons and/or companies having an interest in the outcome of certain votes. Conflicts of interest will be handled in various ways depending on the type and materiality. For example, potential conflicts which fall into the "Routine Proposal" category will usually be voted "for" management's position. In the "Non-Routine Proposal" category the potential conflict will be evaluated on a case-by-case basis. If it is the consensus of at least two reviewers that there is not a conflict, then in such event the proxy will be voted in accordance with normal voting procedures. If, however, it is determined that a conflict exists, then in such event the matter will be submitted to the client, and the proxy will be voted pursuant to the direction of the client.

Proxy records, or a copy of Leavell's proxy voting policy and procedures, can be obtained by any client of Leavell by request in writing to the Compliance Officer.

*Item 18:*

Financial Information

Leavell has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and it has not been the subject of a bankruptcy proceeding.

**A. Class Action Claims**

Leavell does not file proofs of claim in class action settlements. Clients assume the sole responsibility of evaluating the merits and risks associated with any class action settlement proposal; therefore, clients are responsible for filing proofs of claim. Leavell cannot provide legal advice and clients are encouraged to consult with their legal advisor when filing claims in securities class actions suits because the client's response to a settlement notice will impact the client's legal rights. Clients are welcome to contact Leavell for information about a particular class action settlement proposal and Leavell will provide any information needed to file such a claim, if requested. If Leavell should inadvertently receive requests for proofs of claim for securities class action settlements in behalf of clients, such information will immediately be forwarded to clients and Leavell will not take any further action with respect to the claim.

**B. Business Continuity**

As part of the fiduciary duty to its clients and as a matter of best business practices, Leavell Investment Management, Inc., has adopted policies and procedures for disaster recovery and for continuing Leavell's business in the event of an emergency or disaster. These policies are designed to allow Leavell to resume service to its clients in as short a period of time as possible after any man-made or natural disaster. More detail regarding these policies and procedures can be obtained by calling (251) 433-3709.

**C. Fiduciary Status Specifically for Retirement Accounts**

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours.

Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest





# FORM ADV PART 2B

## LEAVELL INVESTMENT MANAGEMENT, INC.

Disclosure Brochure Supplement  
March 23, 2026

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210 Saint Joseph Street • Mobile, Alabama 36602 • (251) 433-3709

2712 18<sup>th</sup> Place South • Birmingham, Alabama 35209 • (205) 879-1654

557 Fairhope Avenue • Suite 210 • Fairhope, Alabama 36527 • (251) 850-4040

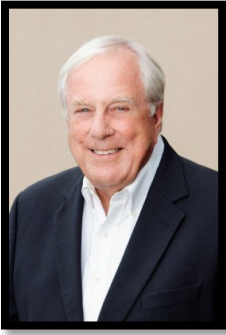
3800 Airport Boulevard • Suite 306 • Mobile, Alabama 36608 • (251) 345-7748

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<b>Richard E. Anthony, Jr.</b>	<b>Thomas W. Leavell</b>
<b>P. Reeves Duggan</b>	<b>Richard T. Littrell</b>
<b>Randall J. Freeman</b>	<b>Leigh D. Morton</b>
<b>Kee P. Goostree</b>	<b>William K. Nicrosi II</b>
<b>E. Andrews Grinstead</b>	<b>C. Dalton Nix</b>
<b>C. Robin Hanes III</b>	<b>Edward B. Norfleet, Jr.</b>
<b>Janet R. Hayes</b>	<b>Dalton K. Owens</b>
<b>Helen T. Hinds</b>	<b>Norman D. Pitman III</b>
<b>Robert M. Hope III</b>	<b>Richard M. Stimpson</b>
<b>Daniel B. Hubbard</b>	<b>Michael C. Teel</b>
<b>Kenneth F. Hubbard</b>	<b>John Wade Therrell III</b>
<b>Jason J. Klauk</b>	<b>John M. Williams</b>

This brochure supplement provides information about the registered representatives of Leavell Investment Management, Inc., that supplements Leavell's brochure. You should have received a copy of that brochure. Please contact us at 251-433-3709 if you did not receive Leavell's brochure or if you have any questions about the contents of this supplement. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about the registered representatives of Leavell Investment Management, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**[leavellinvestments.com](http://leavellinvestments.com)**

**Thomas W. Leavell**

*Portfolio Manager, Founder* (b.1943)

Tom founded the firm in 1979 and has been continuously engaged in the investment management business since 1973. Tom previously served as Manager of Trust Investments at First National Bank of Mobile and as Portfolio Manager/Security Analyst at Wachovia Bank & Trust Company. Prior to that, Tom was an Air Force Captain assigned to a flight crew with Strategic Air Command B-52 bombers. He holds a B.S. from Auburn University and an MBA from the University of Kentucky. He is the portfolio manager of The Government Street Equity Fund and The Government Street Opportunities Fund. Tom is a member of the CFA Institute, and he enjoys painting and spending time with his wife on their farm.

**E. Andrews Grinstead**

*President, Chief Executive Officer* (b.1975)

Before joining the firm in 2010, Andrew served as an investment consultant to the New York-based hedge fund Southpoint Capital Advisors, LP. Andrew's previous work experience includes private equity and investment banking roles with Raymond James, Equity Group Investments, IPC Industries, and Chestnut Partners. Andrew graduated magna cum laude with a degree in economics from Harvard College, and received his MBA, with distinction, from Northwestern University's Kellogg School of Management where he was chosen by faculty as the top finance student in his graduating class. Andrew taught courses in Advanced Financial Management and Money and Capital Markets as an Adjunct Lecturer at Spring Hill College. He is on the board of the McGill Toolen Foundation, a member of the Board of Trustees for the McCallie School, and is an active alumni volunteer for both Harvard and Northwestern. He enjoys keeping up with his four children's extracurricular endeavors and traveling with his family.

**Richard M. Stimpson**

*Investment Counselor, Chairman of the Board* (b.1959)

Richard has been in the financial services industry since 1987. He worked for FTN Financial in Fixed Income Sales and later for Sterne Agee in a similar capacity. Richard joined the firm in 2006. He holds a B.S. in pre-law from The University of Alabama and served as an Infantry Officer in the United States Marine Corps. His community involvement entails membership in the Rotary Club of Mobile, Downtown Mobile Alliance, JH Outback, and Alabama Wildlife Federation, and he also serves on the board of the Alabama Policy Institute.

**Richard E. Anthony, Jr., CFA<sup>®</sup>**

*Portfolio Manager* (b.1970)

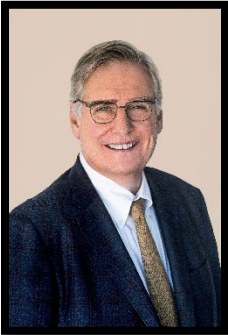
Before joining the firm in 2004, Rich served as an Analyst and Portfolio Manager at AmSouth Bank. He holds a B.S. in business administration and an M.S. in engineering from The University of Alabama. Rich is a CFA<sup>®</sup> charter holder and a member of the CFA Institute. He enjoys playing golf and spending time with his family.



**P. Reeves Duggan, CAIA®**

*Operations Manager (b.1995)*

Reeves joined the firm in 2022 after four years at Cambridge Associates in the Washington, D.C. area. He holds a B.S. from Washington and Lee University, where he also played soccer for four years. Reeves earned his Chartered Alternative Investment Analyst® certification in 2022. In his spare time, Reeves stays active with soccer and golf and also enjoys cooking and reading.



**Randall J. Freeman, CPA**

*Investment Counselor (b.1962)*

Randy joined the firm in 2023 after a 29-year career as Chief Financial Officer at Brasfield & Gorrie, one of the nation's largest privately held construction companies. As CFO, he was responsible for the financial management of the company, including overseeing both its corporate investment portfolio and 401(k) plan assets. Previously, he served as an audit manager in the Birmingham office of Coopers & Lybrand (now PricewaterhouseCoopers). He holds a Bachelor of Science in Business Administration from Samford University. Randy is a member of the AICPA and ASCPA and is a past president of the Birmingham chapter of the Construction Financial Management Association. He currently serves on the Advisory Board for Samford's Brock School of Business, is past president of the Epilepsy Foundation of North and Central Alabama and an alumnus of Leadership Birmingham (class of 2004). Randy enjoys traveling and spending time at the lake with his family.



**Kee P. Goostree**

*Assistant Investment Counselor (b.1965)*

Kee joined the firm in 2011 after 20 years in the investment business with Sterne Agee and Regions Bank. Throughout her career, she has gained extensive experience in portfolio accounting, performance reporting, client service, fixed income and equity trading, compliance, and all operational and administrative functions. Kee graduated from Auburn with a B.S. in business administration. Outside of work, Kee enjoys spending time with her family and is an active member of Double Oak Community Church.



**C. Robin Hanes III, CFP®**

*Investment Counselor (b.1979)*

Robin joined Leavell in 2019. His previous work experience includes thirteen years in commercial banking with leadership roles in relationship management and underwriting. Robin graduated from Auburn University with a B.S. in finance. He holds the CERTIFIED FINANCIAL PLANNER® designation. Robin has served in various community organizations including JH Outback, UMS-Wright Alumni Association, Victory Health Partners, Rotary Club of Mobile, Leadership Mobile, Partners for Environmental Progress, and Propeller Club. Currently, Robin is on the Mobile Chamber Board and on the Boys and Girls Clubs of South Alabama Board. Robin enjoys spending time with his wife and three daughters.



### **Janet R. Hayes**

*Investment Counselor* (b.1963)

Janet joined the firm in 2004 and has been engaged in the investment management business since 1989. As an Investment Counselor, Janet works closely with high net worth individuals to analyze needs, set objectives, develop investment strategies, and manage their relationship with Leavell. Janet is a member of the firm's Executive Committee and Board of Directors. Prior to joining Leavell, Janet served as SVP and Regional Manager for Compass Bank's (now PNC) Private Client Services Group in Alabama and Florida. Janet served in a similar capacity with Bank of America in Nashville, Houston, and Charlotte. She holds a B.S. in Business Administration from the University of North Carolina at Chapel Hill. Janet is a member (past president) of the University of South Alabama's Mitchell College of Business Executive Council. She is also past president of the Ronald McDonald House and served for many years on the Board of Directors. She also served on the national Charles Schwab Advisor Services Board, the First Community Bank Board of Directors and the Junior League of Mobile Board of Directors. She is a graduate of Leadership Mobile. Janet has enjoyed traveling to each of the seven continents and five oceans, though most of all she appreciates quality time spent with her husband Bill, her son David, and her extended family & friends.



### **Helen T. Hinds**

*Senior Analyst* (b.1994)

Helen joined the Leavell team in 2024 after seven years in Memphis, Tennessee, where she worked for LoneTree Wealth Management and Southeastern Asset Management. Originally from Mobile, Alabama, Helen earned her bachelor of science in commerce and business administration from The University of Alabama. Outside of work, Helen enjoys art, playing tennis, and taking her dog to the park.



### **Robert M. Hope III**

*Portfolio Manager* (b.1996)

Robert joined the firm in September of 2023. Born and raised in Mobile, Alabama, Robert graduated with a degree in history and economics from Harvard University in 2019. Before Leavell, he worked for three years in oil and gas finance in New York and Houston and then served for about a year in the U.S. Intelligence Community. In his spare time, Robert is a big history buff and enjoys spending time with his family on Mobile Bay.



### **Daniel B. Hubbard, CPA, CFP®**

*Investment Counselor* (b.1991)

Daniel joined the Leavell team in 2019. He holds a bachelor's and master's degree in accounting from The University of Alabama. Upon graduating, Daniel worked at RSM US LLP as an assurance supervisor, providing assurance services to a variety of large privately held clients. He also received his CPA designation in 2017 and is a member of the AICPA and the ASCPA. He earned his CERTIFIED FINANCIAL PLANNER® designation in 2021. Daniel is an active member on the Young CPA Cabinet for the ASCPA and the Monday Morning Quarter Back Club, a charitable organization that benefits Children's Hospital of Alabama. During his spare time, he enjoys traveling, snow skiing and attending Alabama football and basketball games.



**Kenneth F. Hubbard**

*Portfolio Manager* (b.1963)

Kenny joined the firm in 2024. His previous work experience includes 39 years in the financial industry, with the last 25 years in portfolio management. Kenny received a degree in finance from The University of Alabama. He is a member of Frazer Church where his leadership roles included serving as past chair of the finance committee. He enjoys hunting, fishing, Alabama football and spending time on Lake Martin with family and friends.



**Jason J. Klauk**

*Portfolio Manager* (b.1984)

Jason joined the Leavell team in September 2024. Jason's previous work experience includes hedge funds and investment banking roles with Evercore ISI and FBR Capital Markets. He previously worked for GMT Capital, a \$3 billion Atlanta-based long/short hedge fund where he was responsible for generating new equity investments for the fund. Most recently, he was a portfolio manager of publicly traded insurance companies for Millennium Management, a New York-based multi-strategy hedge fund. Jason holds a bachelor's and master's degree in finance from the University of Florida. He and his wife, Kristen, have 2 young children. Jason is an avid outdoorsman and enjoys golfing and spending time with his family.



**Richard T. Littrell**

*Investment Counselor* (b.1981)

Prior to joining the firm in 2026, Richard was a Managing Director of Wealth Management at Oakworth Capital Bank, a Vice President in Private Wealth Management at Regions Bank, and an Associate Attorney at Christian and Small, LLP. Richard received his B.S. degree from the University of Alabama in 2003 and his J.D. from Cumberland School of Law in 2007. He has been involved in the wealth and investment management business since 2012. Richard has been a member of the Director's Circle of UAB's Comprehensive Cancer Center and a board member for Preschool Partners. In his free time, he enjoys playing golf, fishing, traveling, and spending time with his family.



**Leigh D. Morton**

*Retirement Plan Coordinator* (b.1970)

Leigh has been with Leavell since 1999. She has served in several positions during her tenure, including Trading Coordinator and Assistant Investment Counselor. Now she focuses her expertise on Leavell's retirement plan business, as well as working closely with individual clients. Leigh holds a B.S. in accounting from the University of South Alabama. She has enjoyed service in several non-profits, such as the Art Patrons League and Junior Auxiliary of the Eastern Shore. Spending time at the beach with her family is what she enjoys most.



**William K. Nicrosi II, CPA, CFP®**

*Investment Counselor* (b.1968)

Before joining the firm in 2010, William served as Chairman, President and COO of Arlington Trust Company, Inc. and was a partner in the family office firm of Arlington Partners LLC. He holds a B.S. in finance and accounting from Birmingham-Southern College. Previously, he was a partner in the CPA firm of Williams, Taylor & Associates P.C. (currently Forvis). William received his CPA designation in 1993 and is a member of the AICPA and the ASCPA. He earned his CERTIFIED FINANCIAL PLANNER® designation in 1999. He is active in St. Luke's Episcopal Church and the Kiwanis Club of Birmingham, and enjoys traveling, snow skiing and other outdoor activities.



**C. Dalton Nix, CIMA®**

*Portfolio Manager* (b.1985)

Dalton joined the Leavell team in 2016. He previously worked for an Atlanta-based boutique investment bank and operational advisory firm that helped privately held businesses navigate merger and acquisition transactions. Dalton holds the Certified Investment Management Analyst® certification, administered by Investments & Wealth Institute® and taught in conjunction with the Yale School of Management. He graduated *cum laude* with a degree in finance and a minor in economics in 2007, and later earned his MBA in 2011, both from The University of Alabama. Dalton is an avid outdoorsman and enjoys spending time with his family.



**Edward B. Norfleet, Jr., CFA®**

*Portfolio Manager* (b.1987)

Edward joined the firm in January 2022. Born and raised in Richmond, Virginia, Edward attended St. Christopher's School and then the University of Virginia in Charlottesville, where he graduated with degrees in economics and psychology from the College of Arts and Sciences. Since graduation, he has worked primarily in fixed income investments, with roles ranging from distressed credit analysis to mortgage-backed securities trading. Most recently, he was responsible for actively managing the \$5 billion securitized bonds portfolio at the Virginia Retirement System. Edward is a CFA® charter holder and has an MBA from the University of North Carolina Kenan-Flagler Business School. He and his wife, Anne Arden, have three young children and live in midtown Mobile. In his free time, you will find him with his kids in a golf cart trying to squeeze in nine holes.



**Dalton Owens**

*Senior Analyst* (b.1993)

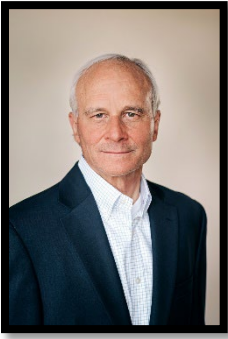
Born and raised in Spanish Fort, Dalton graduated from the University of South Alabama in 2016 with a bachelor's degree in finance. He began his career with N.D. Pitman & Company in March 2017 and earned his Series 65 certification later that year. Dalton remains closely connected to the University of South Alabama, currently serving on the board of the USA Jag Fund, where he first became a member in 2016. Outside of his professional commitments, Dalton enjoys staying active through basketball, golf, pickleball, and regular fitness training, and values spending quality time with friends and family.



**Norman D. Pitman III, J.D., CFP®**

*Portfolio Manager* (b.1957)

Norman founded N.D. Pitman & Company, Inc. in 1999 and led the firm until its acquisition by Leavell in 2025. His career spans more than 40 years in investment and trust management. A graduate of Marion Military Institute, Virginia Military Institute, and the University of Mississippi School of Law, Norman holds the CERTIFIED FINANCIAL PLANNER® designation and is a member of the Mississippi Bar Association, the American Bar Association, and the Mobile Estate Planning Council. Deeply committed to civic engagement, Norman has been active in the Mobile community for many years and currently serves on numerous boards and foundations throughout the region.



**Michael C. Teel, J.D.**

*Investment Counselor* (b.1954)

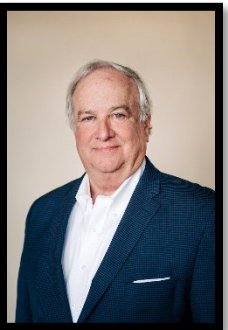
Mike joined the firm in 1998 after serving as Vice President and Trust Officer for AmSouth Bank for eleven years. Mike taught Legal Environment of Business in the Brock School of Business at Samford University for thirty years and is past President of The Estate Planning Council of Birmingham. He has a bachelor's degree from Southern Methodist University and an MBA and J.D. from the University of Missouri. He also holds an M.B.S. from Birmingham Theological Seminary.



**John Wade Therrell III, CFP®**

*Investment Counselor* (b.1982)

John Wade has been with the firm since 2015 after a successful 10-year career in the banking industry. He earned his CERTIFIED FINANCIAL PLANNER® designation in 2018 and he became an approved advisor for the NFL Players Association in 2024. John Wade also serves in various leadership roles within the firm, including the Board of Directors and the Executive Committee. John Wade holds a B.A. from Rhodes College as well as a graduate degree in banking from the Southwestern Graduate School of Banking (SWGSB) at SMU. He played football at Rhodes where he was a four-year starter. Educational honors include receiving the SWGSB 2015 President's award. John Wade was also a 2011 member of Mobile's 40 Under 40 Class. His legacy non-profit involvement includes the Fuse Project, Alabama Free Clinic, South Alabama YMCA, and the National Multiple Sclerosis Society, where he served as the chairman of the leadership class. John Wade enjoys spending time with his family, as well as hunting and fishing.



**John M. Williams**

*Investment Counselor* (b.1956)

John joined the firm in 2007 after serving as a Managing Director in the Institutional Fixed Income Division for Morgan Keegan in its Birmingham office and as a Vice President in the Institutional Investment Banking Division of Compass Bank. John received a B.S. degree in Finance from The University of Alabama Culverhouse School of Business and has been engaged in the investment management business since 1980. John has served on the UAB Comprehensive Cancer Board and is currently on The University of Alabama President's Cabinet. He is past captain and treasurer of the Monday Morning Quarterback Club. John is a 44-year member of the Cathedral Church of the Advent, enjoys traveling, playing golf and spending time with his family.

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*Item 3:*

Disciplinary Information

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None of the supervised persons listed above have been involved in any legal or disciplinary events that would be material to a client's evaluation of the company or its personnel.

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*Item 4:*

Other Business Activities

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None of the supervised persons listed above are involved in any other outside business activities that are investment-related that provide a substantial amount of the supervised person's income, or that require a substantial amount of the supervised person's time.

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**Item 5:****Additional Compensation**

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None of the supervised persons listed above are provided an economic benefit for providing advisory services by anyone other than Leavell.

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**Item 6:****Supervision**

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We do not have a Chief Investment Officer, and each of our Portfolio Managers is responsible for choosing the investment plans for their assigned client accounts. The Investment Committee, comprised of all the Portfolio Managers, meets regularly to discuss current market conditions and different investment securities. Investment Counselors and Portfolio Managers review each of their joint clients' performance at least quarterly.

Generally, materials presented to current or prospective clients are reviewed and approved by Robin Hanes and the Marketing Committee. Additionally, there are written policies and procedures that provide guidance to all Leavell employees regarding the proper handling of advisory activities, including a Code of Ethics, to help everyone uphold their fiduciary duty to our clients. Holly Alves, as Chief Compliance Officer, is responsible for maintaining the written policies and procedures. Advisory clients can reach Mr. Hanes and Mrs. Alves at (251) 433-3709.

### **EXPLANATION OF AND QUALIFICATIONS FOR DESIGNATIONS**

**Certified Alternative Investment Analyst (CAIA)**—The Certified Alternative Investment Analyst (CAIA) program comprises a two-tier exam process through which one may earn the CAIA charter, the designation for alternative investment professionals offered by the CAIA Association. The CAIA charter is the global mark of distinction in alternative investments.

The right to use the CAIA designation is earned by (1) successfully completing the CAIA program (i.e., passing both the Level I and Level II exams) and (2) becoming a member of the CAIA Association. To qualify for membership in the Association, a person must fulfill all the following requirements:

1. Pass the Level I and Level II exams.
2. Hold a U.S. bachelor's degree or the equivalent, and have more than one year of professional experience, or alternatively have at least four years of professional experience.
3. Submit payment for the annual CAIA Association membership fee.
4. Agree on an annual basis to abide by the Member Agreement.

**Certified Investment Management Analyst (CIMA®)**—The CIMA certification signifies that an individual has met initial and on-going experience, ethics, education, and examination requirements for the job of investment management consulting, including advanced investment management theory and application. Prerequisites for the CIMA certification are three years of financial services experience and an acceptable ethical background/compliance history as decided in an admissions peer review process governed by the Ethics Board. To obtain the CIMA certification, candidates must successfully complete a one-week classroom education program provided by a Registered Education Provider at an AACSB accredited university business school and pass a Certification Examination. CIMA designees are required to adhere to IWI's Code of Professional Responsibility and Guidance Document, Disciplinary Rules and Procedures, and Rules and Guidelines for Use of the Marks.

CIMA designees must report 40 hours of continuing education credits, including two ethics and one tax/regulations hours, every two years to maintain the certification. The designation is administered through Investments and Wealth Institute® (IWI).

**Certified Financial Planner (CFP®)**—The CERTIFIED FINANCIAL PLANNER®, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services and attain a bachelor’s degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning.
- Examination – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances.
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

**Certified Public Accountant (CPA)**—CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include minimum college education, minimum experience levels, and successful passage of the Uniform CPA Examination. In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education each year. Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous *Code of Professional Conduct* which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services.

**Chartered Financial Analyst (CFA)**—The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charter holders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Maintain and improve their professional competence
- Act with integrity
- Disclose conflicts of interest and legal matters

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry.

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

**Chartered Financial Consultant (ChFC®)**—The ChFC® designation is offered by The American College of Financial Services. Designation holders are required to serve clients with the highest level of professionalism. The authority to use the ChFC® mark is granted by the Certification Committee of the Board of Trustees of The American College of Financial Services, and that privilege is contingent on adherence to strict ethical guidelines. All ChFC® advisors are required to do the same for clients that they would do for themselves in similar circumstances, the standard of ethical behavior most beneficial for their clients. Each ChFC® has taken 7 or more courses on all aspects of financial planning. The average study time for the program is over 400 hours, and advisors frequently spend years earning this coveted distinction.

**Chartered Life Underwriter (CLU®)**—Since 1927, the CLU® has been the respected risk management credential for advisors. Designees have completed eight or more college-level courses representing an average study time of 400 hours. Topics for required courses include insurance and financial planning, life insurance law, estate planning, and planning for business owners and professionals. Elective courses include such advanced topics as income taxes, group benefits, retirement planning, and health insurance. CLU® designees must meet experience and continuing education requirements and must adhere to a high ethical standard. The mark is awarded by The American College, a non-profit educator with the top level of academic accreditation.

**Juris Doctor, or J.D.**, denotes the form of law degree issued by most of the nation's law schools, and forms one of the educational prerequisites to the practice of law. Most law schools require a four-year baccalaureate degree for admission, and law school is generally a three-year (six-semester) course of graduate-level study.

**Master of Business Administration, or MBA**, denotes a postgraduate qualification awarded after a period of study of topics relating to the strategic management of businesses. A Master of Business Administration course of study can be taken at a business school or university, and covers areas such as finance, personnel, and resource management, as well as the wider business environment.