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COVE STREET CAPITAL

Form ADV Part 2A

— March 31, 2026 —

This Brochure provides information about the qualifications and business practices of Cove Street Capital, LLC ("CSC"). If you have any questions about the contents of this Brochure, please contact us at (424) 221-5897 or mweber@covestreetcapital.com The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

CSC is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. Additional information about CSC is also available on the SEC's website at www.adviserinfo.sec.gov.

Mr. Matthew Weber | Principal, Chief Compliance Officer

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205 Pier Avenue | Suite 101 | Hermosa Beach, CA 90254

Item 2 | Material Changes

This Brochure, dated March 31, 2026, amends the last Brochure dated March 27, 2025.

Item 4: Advisory Business:
The wrap fee program and UMA program were closed as of 12/31/2025.

Item 5: Fees & Compensation
The wrap fee program and UMA program were closed as of 12/31/2025.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year or sooner as they occur. You can obtain a copy of the Brochure at any time, free of charge, by contacting CSC.

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Item 4 | Advisory Business

A. Our Firm

Cove Street Capital, LLC ("CSC") is an SEC-registered investment adviser headquartered at 205 Pier Avenue, Suite 101, Hermosa Beach, CA 90254. Cove Street Capital opened its doors in 2011.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

Jeffrey Bronchick, CFA | Principal, Portfolio Manager | Mr. Bronchick is the Portfolio Manager and founder of Cove Street Capital. He has over 40 years' experience running research-driven, concentrated, value-based strategies across all market capitalizations. Prior to the founding of CSC, Mr. Bronchick was the Chief Investment Officer and a principal of Reed Conner & Birdwell, LLC, a Los Angeles based investment manager. He was one of the first columnists for the TheStreet.com in the 1990's and then moved on to a similar role with Grant's Interest Rate Observer's first online effort. Mr. Bronchick also previously worked in equity research, sales and trading roles at Neuberger Berman, Bankers Trust, and First Boston. He attended the London School of Economics and graduated from the University of Pennsylvania with a BA in Economics.

The firm is a controlling owner of CSC Partners, LLC, a California limited liability company formed on May 25, 2021 ("CSC Partners"). CSC Partners serves as General Partner of CSC Partners Fund, LP; a Delaware limited partnership formed on May 24, 2021 (the "Partners Fund"). CSC's ownership of CSC Partners creates an indirect controlling stake in the Partners Fund (See Item 10 – Other Financial Industry Activities and Affiliations).

B & C. Types of Advisory Services & Client Restrictions

CSC provides Portfolio Management for institutional, individual, and high net worth clients based upon theindividual needs of the client. Through personal discussions with clients and their advisers, we agree upon goals and objectives that are compatible with our investment style and then create and manage portfolios based on that policy. Relevant factors in this process include but are not limited to Investment objectives, risk-tolerance, liquidity needs and in the case of individuals, taxissues. CSC also provides investment advisory services to CSC Partners Fund, LP through its ownership of CSC Partners, the General Partner to the Fund.

Portfolios are managed on a discretionary basis. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Once the client's portfolio has been established, we review and rebalance the portfolio on a regular basis per the client's objectives and investment considerations.

Our investments are focused on publicly traded securities that may include but are not limited to:

- ✓ Exchange-listed securities
- ✓ Securities traded over-the-counter
- ✓ Foreign issuers (ADRs and US listed)
- ✓ Warrants
- ✓ Corporate debt securities (other than commercial paper)
- ✓ Loan participations

- ✓ Certificates of deposit
- ✓ Municipal securities
- ✓ Mutual fund shares
- ✓ United States governmental securities
- ✓ Mortgage-backed securities
- ✓ Exchange traded funds ("ETFs")
- ✓ Public master limited partnerships
- ✓ Real estate investment trusts ("REITs")
- ✓ Privately negotiated transactions
- ✓ 144a

Because some types of investments involve certain additional degrees of risk, they will only be implemented when they are consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability. We are not limited to any specific product or service offered by a broker-dealer or insurance company.

E. Assets Under Management

As of December 31, 2025, we actively managed approximately $93,844,293 of clients' assets on a discretionary basis.

Item 5 | Fees and Compensation

Portfolio Management Fees (Advisory Fees). Our annual fees for portfolio management services are based upon a percentage of assets under management, generally range from 0.40% to 1.25%, and are payable either monthly or quarterly in advance or arrears. For eligible client accounts, performance-based fees may be negotiated in appropriate circumstances. For more information on how CSC addresses the potential conflict, please see the response in Item 6. Fees may change over time and different fee schedules may apply to different types of clients, strategies and advisory arrangements. Under certain circumstances, fees may be negotiated on a basis different from CSC's stated fee schedules. In such cases, CSC reserves the right to waive or reduce the fees charged to a particular client in its sole and absolute discretion. Additionally, CSC maintains a different fee schedule for the Partners Fund where CSC Partners is the General Partner as described under Item 6.

A minimum of $5MM of assets under management is required for our management services. CSC Partners Fund maintains an account minimum investment requirement of $250,000.

These account sizes may be negotiable under certain circumstances. CSC may group certain related client accounts for the purpose of achieving the minimum account size and determining the annualized fee.

Limited Negotiability of Advisory Fees. Although CSC has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, and reports, among other

factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

CSC Partners LP Fund Expenses. The Fund shall pay (or reimburse the GP) for all ordinary and reasonable operating and other expenses necessary for the Fund's operations, including, but not limited to, investment-related expenses (e.g., exchange and brokerage commissions, exchange deposit and withdrawal fees, clearing and settlement charges, custodial fees, interest expenses, expenses relating to consultants, brokers or other professionals or advisors who provide research, advice or due diligence services with regard to investments, appraisal fees and expenses); research costs and expenses (including fees for news, quotation and similar information and pricing services); legal expenses (including, without limitation, the costs of on-going legal advice and services, blue sky filings and all costs and expenses related to or incurred in connection with the General Partner's compliance obligations under applicable federal and/or state securities and investment adviser laws arising out of its relationship to the Fund, as well as extraordinary legal expenses, such as those related to litigation or regulatory investigations or proceedings); accounting fees and audit expenses, if any; administrative fees; tax preparation expenses and any applicable tax liabilities (including transfer taxes and withholding taxes); other governmental charges or fees payable by the Fund; costs of printing and mailing reports and notices; and other similar expenses related to the Fund, as the GP determines in its sole discretion.

GP Expenses. The GP will pay for its own administrative and overhead expenses incurred in connection with providing services to the Fund. These expenses include all expenses incurred by the GP in providing for its normal operating overhead, including, but not limited to, the cost of providing relevant support and administrative services (e.g., employee compensation and benefits, rent, office equipment, insurance, utilities, telephone, secretarial and bookkeeping services, etc.), but not including any Fund operating expenses described above.

General Information

Termination of the Advisory Relationship. A client has the right to terminate his/her contract without penalty within five business days after entering a contract. After the initial five-day period, the agreement may be terminated upon written notice by either party. Upon termination, fees will be prorated to the date of termination. If any fees are prepaid, unearned fees will be promptly refunded.

The Partners Fund shall continue until the earlier of (i) the termination, bankruptcy, insolvency or dissolution of the GP, (ii) the complete withdrawal of the GP from the Fund, unless a successor general partner is appointed, (iii) entry of a decree of judicial dissolution, or (iv) a determination by the GP that the Fund should be dissolved.

Beginning three (3) years from the date of a Limited Partner's admission to the Fund (such period to be the "Lock-Up Period"), such Limited Partner will be generally permitted to make withdrawals from its Capital Account as of the close of business on March 31 or September 30 of each calendar year, or such other date as the GP may determine in its discretion (each such date, a "Withdrawal Date"), except to the extent of its interest in any unrealized Side Pocket Investment, provided that the Fund receives at least ninety (90) days written notice (the "Notice Period") of such withdrawal prior to the applicable Withdrawal Date. More details are found in the Private Placement Memorandum.

Additional Fees and Expenses. In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager executes transactions for the client account(s). Please refer to the Brokerage Practices section (Item 12) of this Form ADV for additional information. On occasion, CSC may invest a portion of a client's assets in mutual funds (and similar investment vehicles such as ETFs), which also charge their own separate management fees, which are disclosed in those mutual fund's prospectuses. Such charges, fees, and commissions are separate to CSC's fee. CSC shall not receive any portion of these commissions, fees or costs.

Grandfathering of Minimum Account Requirements. Pre-existing advisory clients are subject to CSC's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

ERISA Accounts. CSC is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include, among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, CSC may only charge fees for investment advice about strategies for which our firm and/or our related persons do not receive any commissions or 12b-1 fees.

Advisory Fees in General. Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees. We do not require or solicit payment of fees in excess of $1,200 more than six months in advance of services rendered.

Direct Billing of Advisory Fees. Clients may request that fees owed to CSC be deducted directly from the client's custodial account. In instances where a client has authorized direct billing, CSC takes steps to assure that the client's custodian sends monthly or quarterly account statements showing all transactions in the account, including fees paid to CSC, directly to the client. Generally, CSC will invoice clients for their advisory fees whether direct billing is used or not. Clients have the option to be billed by invoice and pay CSC directly rather than having fees deducted from their account.

The Partners Fund. CSC Partners serves as General Partner of CSC Partners Fund (the "Partners Fund"). As a result of its ownership of CSC Partners, CSC shall be entitled to the management fees earned by CSC Partners from its management of the Partners Fund. As of the date of formation, there is no fixed asset-based management fee that will be paid with regard to Class A Interests in the Partners Fund. Class B Interests will be charged a 1% fixed asset-based management fee. Further information provided in Item 6 below.

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

CSC may receive a performance-based fee as compensation for its advisory services. To the extent that CSC manages accounts that are charged a performance-based fee, side-by-side with accounts that are not charged a performance-based fee, CSC periodically reviews allocations of

investment opportunities among clients and sequencing of transactions. CSC also performs a comparative analysis of the performance among accounts with performance-based fees and those without to insure that all accounts are treated fairly.

The firm is a controlling owner of CSC Partners, which acts as the General Partner for the CSC Partners Fund. As a result of its ownership, CSC shall be entitled to performance allocations earned by CSC Partners from its management of the Fund. Investors holding Class A Interests will generally be subject to an annual performance allocation calculated on the last day of each calendar year equal to 30% of such investor's ratable share of the Fund's profits for such calendar year as to Class A Interests, but only on such profits that exceed an annual rate of return of five percent (5%) of such investor's beginning capital account balance for such calendar year (the "Hurdle Rate"), subject to a "high water mark" provision. Investors holding Class B Interests will generally be subject to an annual fee of 1 percent of assets calculated and paid quarterly on a pro-rata basis and a performance allocation calculated on the last day of each calendar year equal to 15% of such investor's ratable share of the Fund's profits for such calendar year, subject to a "high water mark" provision.

A conflict could exist if CSC were to favor accounts with performance-based fees in the allocation of investment opportunities. To address this conflict, CSC maintains policies and procedures designed to treat all clients fairly when aggregating and allocating investment opportunities and periodically reviews allocations and sequencing of nonperformance-based fee account transactions. Please also refer to the Brokerage Practices section (Item 12).

Item 7 | Types of Clients

Cove Street Capital provides advisory services to the following types of clients:

- ✓ Charitable organization,
- ✓ High Net Worth,
- ✓ Insurance Companies,
- ✓ Pension and profit sharing plans,
- ✓ Pooled investment vehicle,
- ✓ Individuals,
- ✓ Corporations or other businesses,
- ✓ State or municipal government,
- ✓ Foundations / Endowment,
- ✓ Family Office.

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

Methods of Analysis

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Fundamental Analysis. We measure the intrinsic value of a security by looking at economic and financial factors, which include, but are not limited to, the overall economy, industry conditions, and the financial condition and management of the company itself to assess, in our opinion, if a security is underpriced relative to its market value. If we assess that the company is underpriced

relative to our estimate of intrinsic value, we are potential buyers. If it is overpriced,we will not make a purchase or may sell the security if we own it.

Fundamental analysis does not attempt to anticipate market movements. This presents a potential short-term risk, as the price of a security can move up or down along with the overall market, regardless of the economic and financial factors considered in evaluating the stock.

Investment Strategies

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

CLASSIC VALUE | SMALL CAP

Small Cap Value is a concentrated small cap value strategy that applies a fundamental, bottom-up stock selection process within a universe of approximately 3,500 US companies with a market capitalization below $5 billion, as well as a relevant universe of non-US companies.

We run weekly computer screens to identify "fishing pools" of statistically cheap securities and highly desirable business models. We also draw upon a deep cumulative well of investment experience and industry contacts to find and identify ideas. Cove Street analyzes fundamental business model drivers and establishes intrinsic value targets with a multivariate approach, incorporating discounted cashflow, historical valuation metrics, and private market and asset-based valuations. We pay careful attention to "management" and quantitatively review historical capital allocation decisions as well as Board composition and compensation structure.

The portfolio holds 25 to 35 stocks and PM Jeffrey Bronchick is responsible for the final portfolio decision. Sector weightings are a result of the bottom-up approach. We have a 30% risk limit in any single industry and a 10% limit at time of purchase on any single security. We are very mindful of the negative correlation between asset growth and performance, and Cove Street will err on the side of protecting existing clients and close the strategy in the face of aggressive asset flow.

CLASSIC VALUE | ALL CAP

All Cap Value is a fundamental, bottom-up stock selection within an unrestricted, global universe. The portfolio holds 20 to 25 stocks and PM Jeffrey Bronchick is responsible for the final portfolio decision. Sector weightings are a result of the bottom-up approach. We have a 30% risk limit in any single industry and a 10% limit on any single security.

CLASSIC VALUE | STRATEGIC

Strategic Value is a classic balanced strategy seeking absolute returns throughout market cycles by investing across the corporate capital structure and holding cash when alternative investment opportunities are not forthcoming.

CLASSIC VALUE | MICROCAP OPPORTUNITIES

The Microcap Opportunities strategy targets Small/Microcap companies in the $0 to $500mm market cap range. Concentration of the top 10 positions will be north of 50% with a private equity

like approach in terms of Board and Management engagement.

CSC Partners GP LP

CSC Partners is a concentrated strategy of 5 to 10 Small and Microcap companies. We leverage our fundamental research-driven philosophy and process combined with active engagement at the Board level. We have a long-term time horizon that aligns with ownership mentality and fee structure.

Risk of Loss

Investing involves risks. Our research attempts to distinguish between permanent loss and "quotational" risk as defined by a general decline in the financial markets as a whole. Our security analysis methods rely on the assumption that the companies whose securities we purchase and sell, and other publicly available sources of information about these securities, are providing accurate data. While we are alert to indications that data could be incorrect, there is always a risk that our analysis may perhaps be compromised by inaccurate, misleading or fraudulent information.

Focus. Our portfolios are much more concentrated than large indices of stocks. As a result, we possibly experience greater volatility than market indices and our performance may not be tightly correlated to market indices in the short-run.

Sector Focus. The portfolios may be more heavily invested in certain sectors, which in some cases cause the value of the securities in the portfolios to be especially sensitive to factors and economic risks that specifically affect those sectors and cause the value of the portfolios to fluctuate more widely than a comparative benchmark.

Small Capitalization (Small Cap) Companies. Some of our investment strategies include smaller capitalization companies. In periods of market duress, these securities could have greater price volatility and less liquidity than larger companies.

Equity Investments. Regardless of any one company's particular prospects, a declining stock market could produce a decline in prices for all equity securities, which could also result in losses.

Fixed Income. Fixed income securities are subject to the risk of an issuer's ability to meet principal and interest payments on the obligation (credit risk) and could also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk). The market values of fixed income securities tend to vary inversely with the level of interest rates. When economic conditions appear to be deteriorating, medium to lower rated securities may decline in value due to heightened concern over credit quality, regardless of prevailing interest rates.

Item 9 | Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10 | Other Financial Industry Activities and Affiliations

The firm is a controlling owner of CSC Partners, LLC, a California limited liability company formed on May 25, 2021 ("CSC Partners"). CSC Partners serves as General Partner of CSC Partners Fund, LP, a Delaware limited partnership formed on May 24, 2021 (the "Partners Fund").

The Partners Fund is offered only on a subscription basis to prequalified investors. The Partners Fund charges performance fees and or management fees, which along with various other details, including but not limited to the strategy and allowed instruments, are disclosed in the Private Placement Memorandum (the "PPM") given to investors. The PPM should be read carefully by all potential investors prior to investing.

As a result of its indirect control and beneficial ownership interest in the Partners Fund, CSC and its affiliates, may have conflicts of interest in allocating their time and activity between its responsibilities to CSC Partners, the Partners Fund (as needed) and its other clients, and in allocating investments among the parties and in effecting transactions for the parties, including ones in which it may have a greater financial interest. Similar conflicts of interest may arise in the event CSC or CSC Partners commences operation of additional pooled investment vehicles.

CSC and its affiliates will attempt to allocate investment opportunities that come to it's attention on a fair and equitable basis among its clients for which participation in the respective opportunity is considered appropriate. In determining whether participating by an account is appropriate, CSC and its affiliates shall take into account, among other considerations: (a) whether the risk-return profile of the proposed investment is consistent with the objectives of the client, which objectives may be considered (i) solely in light of the specific investment under consideration or (ii) in the context of the portfolio's overall holdings and available capital; (b) the potential for the proposed investment to create an imbalance in the portfolio of the client; (c) liquidity requirements of the client; (d) potential tax consequences; (e) legal or regulatory restrictions; (f) the need to re-size risk in the portfolio of the client; and (g) whether the client(s) have a substantial amount of investable cash (*e.g.*, during a "ramp-up" period). In addition, there may be circumstances under which affiliates will consider participation by clients in investment opportunities in which affiliates do not intend to invest, or intend to invest only on a limited basis. Because these considerations may differ for the Fund and clients of CSC in the context of any particular investment opportunity, investment activities of the Fund and the clients of CSC may differ considerably from time to time.

Item 11 | Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Code of Ethics

CSC has adopted a Code of Ethics (the "Code") pursuant to SEC rule 204a-1 of the Investment Advisers Act of 1940, as amended pursuant to Rule 17j-1 of the Investment Company Act of 1940, as amended.

A basic tenet of CSC's Code is that the interests of clients are always placed first. CSC and our employees owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code but also to the general principles that guide the Code. There are five major responsibilities that demonstrate commitment as a trust fiduciary. They are;

1. To put the client's interests first,
2. To act with the utmost good faith,
3. To provide full and fair disclosures,
4. To not mislead clients, and
5. To expose all conflicts of interests to clients.

The Code includes standards of business conduct requiring all employees to comply with the federal securities laws and the fiduciary duties as an investment adviser owes to its clients.

From time to time, CSC may invest in different securities of the same issuer for different clients, depending upon investment considerations, liquidity and client objectives. There may be potential conflicts of interest in certain corporate finance transactions that may benefit or penalize one class of security versus another. CSC investment professionals and our Chief Compliance officer work carefully together to identify such conflicts when they potentially occur, then guide, and document our application of appropriate fiduciary responsibilities as noted in our Code of Ethics.

From time to time, Principals of CSC may invest in similar strategies as our clients in portfolios managed by Cove Street Capital. This could also be for the purpose to seed a new strategy. There are steps being carried out to alleviate the appearance of conflict of interest found in our Code of Ethics. These accounts are also non-fee paying accounts.

In accordance with our duty to provide full and fair disclosures, CSC and/or individuals associated with our firm may buy or sell for their personal accounts, securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security (or securities) which may also be recommended to a client. Individuals associated with our firm may also use public information they obtain in connection with their investment activities on behalf of clients for their own personal benefit in limited circumstances.

A complete copy of the Code is available, at no charge, to any client or prospective client upon request.

B. Participation or Interest in client transactions

Our firm does not engage in principal transactions, cross-trading or agency cross transactions. Any exceptions to this policy must be reviewed and approved in advance by the CCO and Senior Management.

C. Personal Trading

CSC has adopted the following principles governing personal investment activities by all access persons:

- ✓ The interests of client accounts will at all times be placed first;
- ✓ All personal securities transactions will be conducted in such manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility; and
- ✓ Access persons must not take inappropriate advantage of their positions.
- ✓ Access persons must obtain trade pre-clearance approval for any reportable security for a covered account by the CCO or other designee.

Detailed policies and procedures for personal trading are included in our Code of Ethics. A complete copy of the Code is available upon request at no charge.

Item 12 | Brokerage Practices

For discretionary clients, CSC requires these clients to provide us with written authority to determine directed trading via a specific broker dealer or custodian. Commission costs charged to these clients are pre-negotiated between the client and their respective party. These clients must include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

CSC will endeavor to select those brokers or dealers, which will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on the broker's stability, reputation, ability to provide professional services, competitive commission rates and prices, research, trading platform, access to liquidity and other services that help CSC in providing investment management services to clients.

CSC will use block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rata basis between all accounts included in any such block. Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price.

CSC's block trading policy and procedures are as follows:

Block trading allows CSC to access liquidity in a timelier, more equitable manner, at an average share price. CSC will typically aggregate trades among clients whose accounts can be traded at a given broker. CSC's block trading policy and procedures are as follows:

1. Transactions for any client account may not be aggregated for execution if the practice is prohibited by or is inconsistent with the client's advisory agreement with CSC, or our firm's order allocation policy.
2. An electronic order ticket identifies each client account participating in the order and the proposed pro-rata allocation.
3. If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by market close of each business day may be allocated either pro-rata among the participating client accounts in accordance with the initial order ticket or using an automated randomizer to avoid odd amounts of shares held in any client account and to avoid excessive ticket charges in smaller accounts on partial fills to provide fair and equitable allocation amongst household accounts.
4. Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order and must share in the commissions on a prorated basis in proportion to the client's participation.
5. No client or account will be intentionally favored over another. CSC may accept client instructions for directing the client's brokerage transactions to a particular broker-dealer. Any client instructions to CSC are to be in writing with appropriate disclosures.

Directed Brokerage

From time to time, CSC may accept client instructions for directing the client's brokerage transactions to a particular broker-dealer. Any client instructions to CSC are to be in writing with appropriate disclosures. It is important to note that for any directed brokerage arrangements CSC will not negotiate commissions, may not obtain volume discounts or aggregate directed transactions, and that commission charges will vary among clients and the ability to obtain best execution may be hindered. Directed brokerage clients who are not included in blocked orders, may at times see deviation from trading order.

Transactions for a client that directs brokerage are generally unable to be combined or "blocked" for execution purposes with orders for the same securities for other accounts managed by CSC. Accordingly, directed transactions may be subject to price movements, particularly in volatile markets, that may result in the client receiving a price that is less favorable than the price obtained for the blocked order. Under these circumstances, transactions may result in higher commissions, greater spreads or less favorable net prices.

Soft Dollar

CSC does not have any formal or informal arrangements or commitments to utilize research, research-related products and other services obtained from broker-dealers, or third parties, on a soft dollar commission basis, but remain flexible to do so.

Item 13 | Review of Accounts

Reviews. The underlying securities within all our active accounts, as well as the accounts themselves, are continually monitored and reviewed. Accounts are reviewed in the context of each client's stated investment objectives and guidelines and changes are made for reasons which include, but are not limited to, individual security pricing, the client's individual circumstances, or the market, political or economic environment.

These accounts and the securities are continually reviewed by the investment team led byPortfolio Manager Jeffrey Bronchick, CFA. They are periodically reviewed by the Chief Compliance Officer and the President of the firm.

Reports. In addition to the quarterly statements and confirmations of transactions that Portfolio Management Services clients receive from their custodian. For reference and review only, CSC will provide quarterly written reports summarizing account performance, balances and holdings.

Item 14 | Client Referrals and Other Compensation

CSC does not have any solicitation arrangements or pay non-related persons for referring potential clients to our firm.

It is CSC's policy that no investment person or access person may accept any gift or other compensation of more than an aggregate value of $250 within a calendar year, from any person or entity that does business with or on behalf of CSC, or seeks to do business with or on behalf of CSC. Non-approved gifts in excess of this value must either be returned to the donor or paid for by the recipient. It is not the intent to prohibit the everyday courtesies of business life. Therefore, excluded from this prohibition is an occasional meal, entertainment, or sporting events that are an incidental part of a meeting that has a clear business purpose.

Item 15 | Custody

CSC LLC does not take possession of client funds or securities across all strategies, with the exception of CSC Partners Fund.

CSC provides investment advisory services only and does not have actual or constructive custody of client assets. These services are provided by a qualified custodian of the clients' choosing.

As an adviser, a few accounts have authorized Cove Street Capital to deduct management fees from the client's accounts directly. As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

For the clients who are custodied with a custodian who does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement. Clients should direct custodian statement related questions to the custodian.

In addition to the statements that clients receive directly from their custodians, CSC sends account statements directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to the custodial statements to ensure that all account transactions, holdings and values are correct and current.

With respect to the Partners fund, upon subscription, investors shall be provided wiring instructions to which their investment will be transmitted to an account in the Fund's name at an FDIC insured banking institution. Thereafter, CSC Partners will transfer funds to the Fund's Prime Broker, Interactive Brokers, LLC, for subsequent trading and investment. Another unaffiliated qualified Prime Broker selected by CSC Partners may be selected under appropriate arrangements, where investor capital will be held after all necessary investor documentation has been received and all due diligence procedures have been completed.

If the beneficial owners are provided audited financial statements annually (the "Annual Audit Exception") an Advisor may be exempt from the Custody Rule, the exception is available to advisers only with respect to their private fund clients, as in the case of CSC Partners Fund. In order for an adviser to rely upon the Annual Audit Exception, the adviser must ensure that its private fund clients are audited at least annually and distribute their audited financial statements prepared in accordance with Generally Accepted Accounting Principles ("GAAP") to all beneficial owners within 120 days of the end of the fund's fiscal year.

Item 16 | Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- ✓ determine the security to buy or sell
- ✓ determine the amount of the security to buy or sell
- ✓ the broker-dealer through whom securities are bought or sold (only on non-directed accounts)

- ✓ the commission rates as which securities for client accounts are affected (only on non-directed accounts)
- ✓ the prices as which securities are to be bought or sold

Clients give us discretionary investment authority when they sign a discretionary agreement with our firm and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by providing us with written instructions.

Item 17 | Voting Client Securities

We will vote proxies for client accounts; however, a client always has the right to vote proxies themselves. A client can exercise this right by instructing us in writing to "not vote" proxies for their account. With respect to ERISA accounts, we will vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies.

CSC will vote proxies in the best interests of the client and in accordance with its established policies and procedures. Our firm will retain all proxy-voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, and a copy of each written client request for information on how the adviser voted the proxies.

Clients may obtain a copy of our complete proxy voting policy and procedure or information on how proxies for his/her shares were voted by contacting our office via information found on the first page of this document.

From time to time, a client will seek to advise CSC on voting issues that may reflect social values that may or may not directly corroborate with a purely economic decision as determined by CSC analysis. We welcome client input in order to ensure client interest are best served in a proxy issue.

Diminimus Conditions

CSC may determine that it is in the client's best interest not to vote proxies received. Circumstances in which CSC may determine not to vote proxies include the following:

1. If CSC determines that the client no longer holds securities of the issuer; or
2. If the value of a client's economic interest or CSC's beneficial interest is insignificant (generally less than .05% of the issuer's outstanding securities) and is unlikely to influence the ultimate outcome of the shareholder vote; or
3. If, in the case of securities of a foreign issuer, it is not practicable to obtain relevant information to vote such securities or arrange for a proxy to do so, or voting would result in undesirable trading restrictions on such securities.

Item 18 | Financial Information

We do not require or solicit payment of fees in excess of $1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

CSC is also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. CSC has no additional financial circumstances to report and has not been the subject of a bankruptcy petition at any time during the past ten years.