



Investing The Fenimore Way

ONE Investment Approach

Value Investing

Equities (stocks):

To build real wealth over the long term, an investor must earn returns that outpace inflation. We believe that investing in quality businesses, at a discount to their intrinsic value, is vital to accomplishing this objective.

Value
Investing

Fixed Income (bonds):

Benjamin Graham, the father of value investing, recommended a balance between stocks and bonds for investors who do not feel that 100% equities fit their objectives. We utilize fundamental financial analysis to determine the financial strength of the issuer and its ability to repay its obligations and interest payments until maturity.

FOUR Investment Strategies

Equities

The three equity strategies have concentrated portfolios that seek to preserve and grow capital over the long term. Core Value focuses primarily on mid-cap stocks; Equity-Income on mid-cap, dividend-paying companies; and Small Cap on small businesses with long-term potential.

Core
Value

Small
Cap

Equity-
Income

Fixed
Income

Fixed Income

The fixed income strategy's primary objective is capital preservation with income generation. This strategy may also be utilized in a balanced portfolio that seeks both long-term capital appreciation and current income.

NINE Investment Offerings

Fenimore offers equity and fixed income strategies via SMAs (separately managed accounts) as well as equity mutual funds. There is also a pooled investment vehicle. Although the strategies are managed similarly, please note that the nine offerings do have different objectives (see inside and back).

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1. Fenimore Core Value SMA
2. FAM Value Fund
3. Fenimore Equity-Income SMA
4. FAM Equity-Income Fund
5. Fenimore Small Cap SMA
6. Fenimore Small Cap Fund, LLC
7. FAM Small Cap Fund
8. Fenimore Select Bond SMA
9. Fenimore Select Balanced SMA



FENIMORE ASSET MANAGEMENT

In-depth research. Insightful investing.

Overview – Private Client Group Investment Offerings

SEPARATELY MANAGED ACCOUNTS — EQUITY STRATEGIES

Fenimore Core Value

Fenimore's Core Value strategy is the cornerstone of the firm's entire suite of value-based investment solutions. The Core Value strategy has a dual mandate of preservation of capital and long-term capital appreciation. Portfolios are managed in a concentrated fashion with total holdings typically ranging from 20 to 25; companies may or may not pay dividends. The portfolio manager has the latitude to make investment selections, in which he has the most conviction, from a thoroughly culled and researched universe of stocks selected by our investment committee. The Core Value strategy is most appropriate for investors seeking to maximize long-term total return on capital.

Fenimore Equity-Income

Fenimore's Equity-Income strategy invests at least 80% of a portfolio's market value (excluding cash and cash equivalents) in small- to mid-cap equities that pay a dividend, and consistently grow their annual dividend, utilizing a value approach. The focus of the Equity-Income strategy is total return, seeking to invest primarily in stocks of dividend-paying companies with potential for long-term capital appreciation. Industry research illustrates that cash dividends can be important to overall investment returns. Dividends are also predictable and can provide stability during tumultuous market environments. The Equity-Income strategy is most appropriate for investors seeking a growing income stream and long-term capital appreciation, not necessarily current yield.

Fenimore Small Cap

Fenimore Asset Management has more than four decades of experience in small-cap stock investing. The Small Cap strategy focuses primarily on small-capitalized companies. The portfolio manager constructs a concentrated portfolio of 20 to 25 bargain-priced businesses that have been in operation, in most cases, for many years. To preserve its small-cap focus, accounts are defined as those that invest in equity securities of companies whose market capitalization, at the time of purchase, are within the range represented by companies in the Russell 2000 Index as of July 1st (or the first available publication date of the index reconstitution) of the preceding year. After initial purchase, the market capitalization of securities of companies will not exceed two-times the high range of market capitalization of the Russell 2000 Index as of July 1st (or the first available publication date of the index reconstitution) of the preceding year. The Small Cap strategy is most appropriate for investors seeking to maximize long-term return on capital and add small-cap diversification to their overall investment portfolio.

POOLED INVESTMENT

Fenimore Small Cap Fund, LLC

This is a pooled investment vehicle and not a separately managed account. The investment objective is to maximize long-term total return on capital utilizing a value investing approach. Under normal market conditions the Fund invests at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in securities of small-cap companies. The Fund considers small-cap companies to be those issuers that, at the time of initial purchase, have a market capitalization that is within or below the range of companies in the Russell 2000 Index as of the latest reconstitution. The Fund may invest in securities of both domestic and foreign issuers. Investors must be "accredited investors" as defined in Regulation D under the Securities Act.

Please call 800-721-5391 or visit fenimoreasset.com for a copy of our ADV Part II.



FAM FUNDS

In-depth research. Insightful investing.

Overview – FAM Funds Investment Offerings

MUTUAL FUNDS — EQUITY STRATEGIES

FAM Value Fund (FAMVX)

FAM Value Fund's investment objective is to maximize long-term return on capital. Under normal market conditions the FAM Value Fund will attempt to remain fully invested in common stocks and securities that are convertible into common stocks, such as convertible bonds and convertible preferred stocks. FAMVX may be appropriate for a shareholder whose focus is capital appreciation. Distributions are paid annually and it is a no-load mutual fund.

FAM Equity-Income Fund (FAMEX)

FAM Equity-Income Fund's investment objective is to provide current income as well as long-term capital appreciation by investing primarily (at least 80% of its total assets) in income-producing stocks that pay dividends. FAMEX may be appropriate for a shareholder seeking income in addition to capital appreciation. FAMEX is a no-load mutual fund and distributes its income on a quarterly basis.

FAM Small Cap Fund (FAMFX & FAMDX)

FAM Small Cap Fund's investment objective is to maximize long-term return on capital. Under normal market conditions the Fund invests at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in securities of small-cap companies. The Fund considers small-cap companies to be those issuers that, at the time of initial purchase, have a market capitalization that is within or below the range of companies in the Russell 2000 Index as of the latest reconstitution. The Fund may invest in securities of both domestic and foreign issuers. The Fund's policy of investing at least 80% of its net assets in small companies may only be changed upon 60 days prior notice to shareholders. The FAM Small Cap Fund is a no-load mutual fund and may be appropriate for a long-term shareholder whose focus is capital appreciation. Distributions are paid annually.

All investing involves risk including the possible loss of principal. Before investing, carefully read the fund's prospectus or summary prospectus which includes investment objectives, risks, charges, expenses and other information about the fund.

Please call 800-932-3271 or visit famfunds.com for a prospectus or summary prospectus.



Overview – Private Client Group Investment Offerings

SEPARATELY MANAGED ACCOUNTS – FIXED INCOME STRATEGIES

Fenimore Select Bond Portfolios

The primary objective is capital preservation with income generation. The security selection process is focused on quality and positions are most commonly held until maturity. The strategy may invest in corporate bonds, U.S. Treasury securities, certificates of deposit; and/or U.S. government securities, including agencies and other fixed income instruments (excluding tax-free municipal fixed income securities).

Fenimore Select Balanced Portfolios

The strategy seeks to provide both long-term capital appreciation and current income by investing in stocks, bonds, and cash. The strategy will invest in individual securities such as corporate bonds, cash and cash equivalents (such as T-bills and certificates of deposit), U.S. government bonds (including agencies), common and preferred stock. Various equity and fixed income based securities that include mutual funds and similar managed investment vehicles may be included. The strategy will invest, under normal conditions, at least 20% in equity securities and at least 20% in fixed income securities.

PLEASE NOTE

- 1. Separately managed accounts are non-diversified and, thus, will be impacted more by any movement in the underlying holdings.*
- 2. Investments in Fenimore Private Client Group and FAM Funds offerings include the following Principal Risks:*
 - Stock Market Risk – the value of stocks fluctuate in response to the activities of individual companies and general stock market and economic conditions. Stock prices may decline over short or extended periods of time. Stocks are more volatile and riskier than some other forms of investments.*
 - Stock Selection Risk – the value stocks chosen for the Fund are subject to the risk that the market may never realize their intrinsic value or their prices may go down.*
 - Small-Cap Risk – small capitalization companies may not have the size, resources or other assets of large capitalization companies.*
 - Market Risk – the value of your investment will go up and down, which means that you could lose money.*
 - Foreign Investment Risk – the Fund may invest in securities of foreign issuers that are traded in foreign markets or may be represented by American Depositary Receipts that are traded in the United States. Investments in non-U.S. securities may involve additional risk including exchange rate fluctuation, political or economic instability, the imposition of exchange controls, expropriation, limited disclosure and illiquid markets.*
 - Debt securities are subject but not limited to all of the follow risks: interest rate risk, default risk, reinvestment risk, prepayment risk and credit risk.*
- 3. Please note that the nine investment offerings, described within this document, are different with distinctive objectives, characteristics, risks, charges, and expenses. Please carefully read and understand each investment offering description before investing.*