

Cove Street Capital  
Small Cap Value Fund  
**CSCAX**

Investor Kit

December 31, 2022



Cove Street Capital  
Small Cap Value Fund  
**CSCAX**

IRA Application



# IRA Application

For Traditional, ROTH, SEP, and SIMPLE IRAs

Mail to: Cove Street Capital Small Cap Value Fund  
c/o U.S. Bancorp Fund Services, LLC  
PO Box 701  
Milwaukee, WI 53201-0701

Overnight Express Mail To: Cove Street Capital Small Cap Value Fund  
c/o U.S. Bancorp Fund Services, LLC  
615 E. Michigan St., FL3  
Milwaukee, WI 53202-5207

» In compliance with the USA PATRIOT Act, all mutual funds are required to obtain the following information for all registered owners and all authorized individuals: **full name, date of birth, Social Security number, and permanent street address**. This information will be used to verify your true identity. We will return your application if any of this information is missing, and we may request additional information from you for verification purposes. In the rare event that we are unable to verify your identity, the Fund reserves the right to redeem your account as an age-appropriate distribution at the current day's net asset value.

## 1 Type of IRA

If no tax year is indicated, we will assume it is for the current tax year. Refer to disclosure statement for eligibility requirements and contribution limits.

**Choose ONE of the following account types:**

☐ **Traditional IRA Account**

- ☐ For tax year \_\_\_\_\_
- ☐ IRA to IRA Transfer (please complete IRA Transfer Form)
- ☐ Rollover (shareholder had receipt of funds)
- ☐ Inherited IRA - Name of Decedent \_\_\_\_\_ Date of Death \_\_\_\_\_ Date of Birth \_\_\_\_\_

☐ **IRA Rollover Account**

- ☐ Rollover IRA to Rollover IRA
- ☐ Direct Rollover from qualified plan – complete any additional form(s) required by your Plan Administrator.
- Please check the type of qualified plan:
- ☐ Corporate ☐ Pension ☐ Profit Sharing Plan ☐ 401(k) ☐ 403(b) ☐ Other \_\_\_\_\_

☐ **ROTH IRA Account**

- ☐ For tax year \_\_\_\_\_
- ☐ Roth IRA to Roth IRA Transfer (please complete IRA Transfer Form)
- ☐ Traditional IRA Conversion to Roth IRA – year of conversion \_\_\_\_\_ in which Traditional IRA was converted to Roth IRA
- ☐ Rollover from Roth IRA (shareholder had receipt of funds)
- ☐ Inherited Roth IRA - Name of Decedent \_\_\_\_\_ Date of Death \_\_\_\_\_ Date of Birth \_\_\_\_\_

☐ **SEP (Simplified Employee Pension Plan)** – Each employee must complete an IRA Application.

- ☐ Contribution
- ☐ Transfer from another SEP IRA Account
- ☐ Rollover (shareholder had receipt of funds)

☐ **SIMPLE IRA** (Be sure to complete Section 12)

- ☐ Contribution
- ☐ Transfer from another SIMPLE IRA Account
- ☐ Rollover (shareholder had receipt of funds)

## 2 Investor Information

☐ **Individual**

FIRST NAME	M.I.	LAST NAME	DATE OF BIRTH (MM/DD/YYYY)
SOCIAL SECURITY NUMBER			

### 3 Permanent Street Address

*Residential Address or Principal Place of Business - Foreign addresses and P.O. Boxes are not allowed.*

STREET		APT / SUITE
CITY	STATE	ZIP CODE
DAYTIME PHONE NUMBER	EVENING PHONE NUMBER	

E-MAIL ADDRESS

#### ☐ Duplicate Statement #1

*Complete only if you wish someone other than the account owner(s) to receive duplicate statements.*

COMPANY NAME		
NAME		
STREET	APT / SUITE	
CITY	STATE	ZIP CODE

☐ Mailing Address\* (if different from Permanent Address)  
*If completed, this address will be used as the Address of Record for all statements, checks and required mailings. Foreign addresses are not allowed.*

STREET		APT / SUITE
CITY	STATE	ZIP CODE

\* A P.O. Box may be used as the mailing address.

#### ☐ Duplicate Statement #2

*Complete only if you wish someone other than the account owner(s) to receive duplicate statements.*

COMPANY NAME		
NAME		
STREET	APT / SUITE	
CITY	STATE	ZIP CODE

### 4 Investment Amount

#### ☐ By check: Make check payable to Cove Street Capital Small Cap Value Fund.

*Note: All checks must be in U.S. Dollars drawn on a domestic bank. The Fund will not accept payment in cash or money orders. The Fund does not accept post dated checks or any conditional order or payment. To prevent check fraud, the Fund will not accept third party checks, Treasury checks, credit card checks, traveler's checks or starter checks for the purchase of shares.*

#### ☐ By wire: Call 866-497-0097.

*Note: A completed application is required in advance of a wire.*

#### Investment Amount

*\$2,500 Minimum*

<input type="checkbox"/> Cove Street Capital Small Cap Value Fund Institutional Class 467	\$	
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## 5 Automatic Investment Plan (AIP)

*Your signed Application must be received at least 15 calendar days prior to initial transaction.*

If you choose this option, funds will be automatically transferred from your bank account. Please attach a voided check or savings deposit slip to Section 7 of this application. We are unable to debit mutual fund or pass-through ("for further credit") accounts.

**Draw money for my AIP (check one):** ☐ Monthly ☐ Quarterly

*If no option is selected, the frequency will default to monthly.*

\$100 minimum

☐ Cove Street Capital Small Cap Value  
Fund Institutional Class 467

AMOUNT PER DRAW

AIP START MONTH

AIP START DAY

**Please keep in mind that:**

- There is a fee if the automatic purchase cannot be made (assessed by redeeming shares from your account).
- Participation in the plan will be terminated upon redemption of all shares.

## 6 Telephone Options

You have the ability to make telephone purchases\* or redemptions\* per the prospectus by checking the box below. See the prospectus for minimum and maximum amounts.

*\* You must provide bank instructions and a voided check in Section 7.*

☐ **I accept telephone transaction privileges.**

*Should you wish to add the options at a later date, a signature guarantee may be required. Please refer to the prospectus or call our shareholder services department for more information.*

## 7 Voided Check for Bank Information

*Please attach a voided check or savings deposit slip to this application if you chose the Automatic Investment Plan or Telephone Options. We are unable to debit or credit mutual fund or pass-through ("for further credit") accounts. Please contact your financial institution to determine if it participates in the Automated Clearing House system (ACH).*

John Doe  
Jane Doe  
123 Main St.  
Anytown, USA 12345

53289

Pay to the order of \_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ DOLLARS

Memo \_\_\_\_\_ Signed \_\_\_\_\_

⑆ 1 2 3 4 5 6 7 8 ⑆

⑆ 1 2 3 4 5 6 7 8 5 6 7 8 ⑆

## 8 Beneficiary Information | If you need more space, please enclose a separate sheet of paper.

### Primary

NAME	RELATIONSHIP	CITY/STATE/ZIP	SOCIAL SECURITY NUMBER	DATE OF BIRTH	%
NAME	RELATIONSHIP	CITY/STATE/ZIP	SOCIAL SECURITY NUMBER	DATE OF BIRTH	%
NAME	RELATIONSHIP	CITY/STATE/ZIP	SOCIAL SECURITY NUMBER	DATE OF BIRTH	%

### Secondary

NAME	RELATIONSHIP	CITY/STATE/ZIP	SOCIAL SECURITY NUMBER	DATE OF BIRTH	%
NAME	RELATIONSHIP	CITY/STATE/ZIP	SOCIAL SECURITY NUMBER	DATE OF BIRTH	%
NAME	RELATIONSHIP	CITY/STATE/ZIP	SOCIAL SECURITY NUMBER	DATE OF BIRTH	%

Spousal Consent: If you name someone other than or in addition to your spouse as primary beneficiary and reside in a community or marital property state, including AZ, CA, ID, LA, NV, NM, TX, WA, and WI, your spouse must consent by signing below.

X	
SIGNATURE OF SPOUSE	DATE

## 9 Signature

✓ I have read and understand the Disclosure Statement and Custodial Account Agreement. I adopt the Cove Street Capital Small Cap Value Fund Custodial Account Agreement, as it may be revised from time to time, and appoint the Custodian or its agent to perform those functions and appropriate administrative services specified. I have received and understand the prospectus for the Cove Street Capital Small Cap Value Fund (the "Fund"). I understand the Fund's objectives and policies and agree to be bound by the terms of the prospectus. I have received the Fund's Privacy Policy. I acknowledge and consent to the householding (i.e., consolidation of mailings) of regulatory documents such as prospectuses, shareholder reports, proxy statements, and other similar documents. I may contact the Fund to revoke my consent. I agree to notify the Fund of any errors or discrepancies within 45 days after the date of the statement confirming a transaction. The statement will be deemed to be correct, and the Fund and its transfer agent shall not be liable, if I fail to notify the Fund within such time period. I certify that I am of legal age and have the legal capacity to make this purchase. (If the Grantor is a minor under the laws of the Grantor's state of residence, a parent or guardian must sign the IRA Application (i.e., "Sally Doe, parent of Jane Doe"). Until the Grantor reaches the age of majority, the parent or guardian will exercise the duties of the Grantor. (If not a parent, the guardian must provide a copy of the letters of appointment.)

✓ If I am opening a Traditional IRA with a distribution from an employer-sponsored retirement plan, I elect to treat the distribution as a partial or total distribution and certify that the distribution qualifies as a rollover contribution. I understand that the fees relating to my account may be collected by redeeming sufficient shares. The custodian may change the fee schedule at any time.

✓ I understand that my mutual fund account assets may be transferred to my state of residence if no activity occurs within my account during the inactivity period specified in my State's abandoned property laws.

✓ The Fund, its transfer agent, and any of their respective agents or affiliates will not be responsible for banking system delays beyond their control. By completing the banking sections of this application, I authorize my bank to honor all entries to my bank account initiated through U.S. Bank NA, on behalf of the applicable Fund. The FUND, its transfer agent, and any of their respective agents or affiliates will not be liable for acting upon instructions believed to be genuine and in accordance with the procedures described in the prospectus or the rules of the Automated Clearing House. When AIP or Telephone Purchase transactions are presented, sufficient funds must be in my account to pay them. I agree that my bank's treatment and rights to respect each entry shall be the same as if it were signed by me personally. I agree that if any such entries are not honored with good or sufficient cause, my bank shall be under no liability whatsoever. I further agree that any such authorization, unless previously terminated by my bank in writing, is to remain in effect until the Fund's transfer agent receives and has had reasonable amount of time to act upon a written notice of revocation.

X	
DEPOSITOR / LEGALLY RESPONSIBLE INDIVIDUAL'S SIGNATURE	DATE (MM/DD/YYYY)

Appointment as Custodian accepted:  
U.S. BANK, NA

*Joseph Neuberg*

## 10 SIMPLE IRA Plans Only

### Employer Information:

EMPLOYER (COMPANY) NAME

EMPLOYER STREET ADDRESS

EMPLOYER CITY / STATE / ZIP CODE

EMPLOYER CONTACT NAME

EMPLOYER CONTACT BUSINESS PHONE

## 11 Dealer Information

DEALER NAME

DEALER'S ID

BRANCH ID

### DEALER HEAD OFFICE INFORMATION:

ADDRESS

CITY / STATE / ZIP

TELEPHONE NUMBER

REPRESENTATIVE'S LAST NAME

FIRST NAME

M.I.

REPRESENTATIVE'S ID

### REPRESENTATIVE BRANCH OFFICE INFORMATION:

ADDRESS

CODE

CITY / STATE / ZIP

TELEPHONE NUMBER



### Before you mail, have you:

- ☐ Completed all USA PATRIOT Act required information?
  - Social Security or Tax ID Number in Section 2?
  - Birth Date in Section 2?
  - Full Name in Section 2?
  - Permanent street address in Section 3?

- ☐ Enclosed your check made payable to Cove Street Capital Small Cap Value Fund?
- ☐ Included a voided check, if applicable?
- ☐ Signed your application in Section 9?

**For additional information please call toll-free 866-497-0097 or visit us on the web at [www.covestreetfunds.com](http://www.covestreetfunds.com)**

Cove Street Capital  
Small Cap Value Fund  
**CSCAX**

IRA Transfer Form





# IRA Transfer Form

[If this is for a new IRA Account, an IRA Application must accompany this form.]

Mail to: Cove Street Capital Small Cap Value Fund  
c/o U.S. Bancorp Fund Services, LLC  
PO Box 701  
Milwaukee, WI 53201-0701

Overnight Express Mail To: Cove Street Capital Small Cap Value Fund  
c/o U.S. Bancorp Fund Services, LLC  
615 E. Michigan St., FL3  
Milwaukee, WI 53202-5207

- There may be penalties for withdrawing certain investments before their maturity (i.e., certificates of deposit or annuities). Please contact your current custodian or plan administrator prior to submitting this form to determine the applicable time frames and penalties, if any, or if you need a signature guarantee in Section Six to order this transfer. U.S. Bancorp Fund Services, LLC will initiate your request upon receipt of this form.

## 1 Investor Information

FIRST NAME	M.I.	LAST NAME	SOCIAL SECURITY NUMBER
ADDRESS		CITY / STATE / ZIP	
DAYTIME PHONE NUMBER		EVENING PHONE NUMBER	

## 2 Instructions to Current IRA Custodian or Plan Administrator

Please include a copy of your current account statement.

CURRENT CUSTODIAN OR PLAN ADMINISTRATOR		
ACCOUNT NUMBER	CONTACT PERSON	CONTACT NUMBER
STREET ADDRESS		CITY / STATE / ZIP

Consider this your authorization to redeem my investment and transfer my Traditional IRA, SEP IRA, SIMPLE IRA, Roth IRA, or Inherited IRA, or to directly rollover my qualified retirement plan as directed below: \*

☐ All Assets OR ☐ \$  or  %

Please process this request:\*

☐ Immediately OR ☐ At Maturity  (month / day / year)

\* If no option is selected, please transfer all assets immediately.

**Instructions for Delivery** (indicate how you want your current Trustee/Custodian to deliver the assets to US Bancorp Fund Services LLC)

☐ **Wire** - Funds available immediately upon receipt, your Custodian/Trustee may charge a fee for this service

☐ **Check** - Funds may not be available for 12-15 Business days

☐ First Class Mail ☐ Overnight Delivery - Take the fee from my account ☐ Overnight Delivery via Third Party - Charge the fee to my FedEx or UPS account

☐ FedEx ☐ UPS Account/Billing Number

**Processing Instructions** (indicate how you want us to initiate your transfer/rollover)

☐ Standard Processing Service- No Charge, transfer form will be sent via First Class Mail

☐ Overnight Delivery- \$15.00 fee, select one of the options below; if no selection is made we will use First Class Mail

• We will overnight your transfer form to your previous Custodian/Trustee

• Physical address must be provided, cannot overnight to a PO BOX

☐ Use the attached check made payable to US Bancorp Fund Services LLC

☐ Charge the \$15.00 fee to my third party billing provided below

☐ FedEx ☐ UPS Account/Billing Number

## 2 Instructions to Current IRA Custodian or Plan Administrator *continued*

### Type of account being transferred/rolled-over:

- ☐ Pension ☐ Profit Sharing Plan ☐ 401(k) ☐ 403(b) ☐ Roth 401(k) ☐ Roth 403(b) ☐ Traditional IRA  
☐ SEP IRA ☐ SIMPLE IRA ☐ Roth IRA ☐ Inherited IRA ☐ Other

Original Roth IRA funding year (if applicable):

Original SIMPLE IRA funding date (if applicable):

Send the check representing the assets payable to "Cove Street Capital Small Cap Value Fund FBO [Shareholder's Name]" along with a copy of this form to the address at the top of page one.

## 3 Investment Selection

A Cove Street Capital Small Cap Value Fund IRA Account Application must be completed to process this transfer if a new account is being established. The Fund(s) and the allocation(s) specified on the Application will be used if they are different from those indicated below.

	NEW	EXISTING	ACCOUNT # (IF APPLICABLE)	AMOUNT	%
<input type="checkbox"/> Cove Street Capital Small Cap Value Fund Institutional Class 467	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>	OR <input type="text"/>

## 4 Age 70½ Information

### Check one of the following:

- ☐ I am under the age of 70½ and do not turn 70½ at anytime during this calendar year.

**OR**

- ☐ I am age 70½ or older and understand that no part of my required minimum distribution is eligible for transfer or rollover. I further understand that there may be significant tax penalties if a transfer or rollover of my required distribution occurs.

## 5 Conversion of Traditional IRA to Roth IRA - Optional

I am converting assets from a Traditional IRA to a Roth IRA. Upon receiving the assets from my current Custodian, I instruct the Fund's transfer agent to invest the proceeds into a new or existing Roth IRA account, as indicated in Section Two. I understand this may be a taxable event. By signing below I agree that I am solely responsible for all tax consequences of this conversion.

OWNER'S SIGNATURE\*

DATE (MM/DD/YYYY)

**\*The Fund's Transfer Agent cannot process the conversion without a signature above.**

## 6 Signature and Certification

I certify that I have established an IRA with Cove Street Capital Small Cap Value Fund, of which U.S. Bank, NA, is the Custodian. I agree to contact my present Custodian from whom I am transferring to determine if specific documentation or a signature guarantee is required. I understand that I am responsible for determining my eligibility for all transfers or direct rollovers. I agree to hold the Custodian harmless against any and all situations arising from an ineligible transfer or direct rollover. I acknowledge that the Custodian or its agent cannot provide legal advice and I agree to consult with my own tax professional for advice.

I authorize U.S. Bancorp Fund Services, LLC, to act on my behalf in contacting the current custodian or plan administrator to facilitate the transfer of assets.

X

SIGNATURE OF OWNER [OR GUARDIAN IF IRA OWNER IS A MINOR]

DATE (MM/DD/YYYY)

SIGNATURE GUARANTEE\* (FOR TRANSFERS FROM ANOTHER CUSTODIAN)

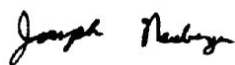
**IMPORTANT:** Please contact your current Custodian to determine if a signature guarantee\* is required.

\* A signature guarantee may be obtained from any eligible guarantor institution, as defined by the Securities and Exchange Commission. These institutions include banks, saving associations, credit unions and brokerage firms. The words "SIGNATURE GUARANTEED" must be stamped or typed near your signature. The guarantee must appear with the printed name, title, and signature of an officer and the name of the guarantor institution. Please note that a Notary Public Seal or Stamp is not acceptable.

## 7 Acceptance / Custodian Authorization

U.S. Bank, NA, hereby accepts its appointment as Custodian of the above IRA account and upon receipt of assets, will deposit such assets in a Cove Street Capital Small Cap Value Fund IRA on behalf of the Depositor authorizing this transfer or direct rollover.

U.S. BANK, NA




For additional information please call toll-free 866-497-0097 or visit us on the web at [www.covestreetfunds.com](http://www.covestreetfunds.com)

Cove Street Capital  
Small Cap Value Fund  
**CSCAX**

Summary Prospectus



 <b>COVE STREET CAPITAL</b>   <i>Funds</i>	<p align="center"> <b>Cove Street Capital</b>  <b>Small Cap Value Fund</b>  <i>Summary Prospectus</i>  January 28, 2023  Institutional Class – (CSCAX) </p>
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Before you invest, you may want to review the Cove Street Capital Small Cap Value Fund's (the "Fund") prospectus, which contains more information about the Fund and its risks. The current Statutory Prospectus and Statement of Additional Information dated January 28, 2023, are incorporated by reference into this Summary Prospectus. You can find the Fund's Statutory Prospectus, Statement of Additional Information, reports to shareholders and other information about the Fund online at [covestreetfunds.com/resources/](http://covestreetfunds.com/resources/). You can also get this information at no cost by calling the Fund (toll-free) at (866)-497-0097 or by sending an e-mail request to [mtynan@covestreetcapital.com](mailto:mtynan@covestreetcapital.com).

### Investment Objective

The Fund seeks capital appreciation.

### Fees and Expenses of the Fund

This table describes the fees and expenses that you may pay if you buy, hold and sell shares of the Fund. You may pay other fees, such as brokerage commissions and other fees to financial intermediaries, which are not reflected in the tables and examples below.

<b>Shareholder Fees</b> <i>(fees paid directly from your investment)</i>	<b>Institutional Class</b>
Maximum Sales Charge (Load) Imposed on Purchases	None
Redemption Fee <i>(as a percentage of the amount redeemed within 60 days of purchase)</i>	2.00%
<b>Annual Fund Operating Expenses</b> <i>(expenses that you pay each year as a percentage of the value of your investment)</i>	<b>Institutional Class</b>
Management Fees	0.85%
Other Expenses (including 0.01% in Interest Expense)	0.47%
Acquired Fund Fees and Expenses <sup>(1)</sup>	0.01%
Total Annual Fund Operating Expenses <sup>(1)</sup>	1.33%
Fee Waiver/Reimbursement <sup>(2)</sup>	-0.06%
Total Annual Fund Operating Expenses After Fee Waiver/Reimbursement <sup>(1)(2)</sup>	1.27%

(1) The Total Annual Fund Operating Expenses do not correlate to the ratio of expenses to average net assets before expense waiver/recoupment included in the Financial Highlights section of the Fund's Statutory Prospectus, which reflects the operating expenses of the Fund and does not include Acquired Fund Fees and Expenses.

(2) Cove Street Capital, LLC (the "Adviser" or "Cove Street") has contractually agreed to waive its management fees and pay Fund expenses, in order to ensure that Total Annual Fund Operating Expenses (excluding acquired fund fees and expenses ("AFFE"), leverage/borrowing interest, interest expense, taxes, brokerage commissions, and other transactional expenses, dividends paid on short sales and extraordinary expenses) do not exceed 1.25% of the Fund's average daily net assets. Fees waived and expenses paid by the Adviser may be recouped by the Adviser for a period of 36 months following the month during which such fee waiver and expense payment occurred, provided that any such recoupment may not cause the Fund's expenses to exceed the expense limit in effect at the time of the waiver or recoupment. The Operating Expenses Limitation Agreement is indefinite, but cannot be terminated through at least January 28, 2024. Thereafter, the agreement may be terminated at any time upon 60 days' written notice by the Board or the Adviser, with the consent of the Board.

## Example

This Example is intended to help you compare the costs of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same (taking into account the expense limitation for one year). Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>	<u>Ten Years</u>
<b>Institutional Class</b>	\$129	\$416	\$723	\$1,596

## Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in the annual fund operating expenses or in the Example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 51% of the average value of its portfolio.

## Principal Investment Strategies

Under normal market conditions, the Fund invests at least 80% of its net assets (plus any borrowings for investment purposes) in a limited number of equity securities of small capitalization companies. The equity securities in which the Fund invests include common stocks, preferred stocks, and real estate investment trusts ("REITs"). The Fund considers a company to be a small-cap company if it has a market capitalization, at the time of purchase, in the range of \$50 million to \$5 billion. Although the Fund will invest primarily in the equity securities of U.S. companies, the Fund may also invest up to 20% of its assets in the securities of foreign companies, including common and preferred stocks. From time to time, the Fund may focus its investments in securities of companies in the same economic sector. The Fund's investment strategy involves a value-oriented focus on preservation of capital over the long term using a "bottom-up" approach. The Fund may show increased portfolio turnover in a given year in order to reflect tax strategies that reduce its realized gains and losses for the benefit of the shareholders.

## Principal Risks

As with any mutual fund, there are risks to investing. An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation ("FDIC") or any other governmental agency. In addition to possibly not achieving your investment goals, **you could lose all or a portion of your investment in the Fund over short or even long periods of time.** The principal risks of investing in the Fund are:

*General Market Risk.* The Fund's net asset value and investment return will fluctuate based upon changes in the value of its portfolio securities. Certain securities selected for the Fund's portfolio may be worth less than the price originally paid for them, or less than they were worth at an earlier time.

*Management Risk.* The Fund may not meet its investment objective or may underperform the market or other mutual funds with similar strategies if the Adviser cannot successfully implement the Fund's investment strategies.

*Equity Securities Risk.* The equity securities held in the Fund's portfolio may experience sudden, unpredictable drops in value or long periods of decline in value. This may occur because of factors that affect securities markets generally or factors affecting specific industries, sectors, geographic markets, or companies in which the Fund invests.

*Sector Emphasis Risk.* The securities of companies in the same or related businesses, if comprising a significant portion of the Fund's portfolio, may in some circumstances react negatively to market conditions, interest rates and economic, regulatory or financial developments and adversely affect the value of the portfolio.

*Small-Cap Companies Risk.* Investing in securities of small-sized companies may involve greater price volatility and less liquidity than investing in larger and more established companies. The Fund may hold a significant percentage of a company's outstanding shares and may have to sell them at a discount from quoted prices.

*Value-Style Investing Risk.* The Fund's value investments are subject to the risk that their intrinsic values may not be recognized by the broad market or that their prices may decline.

*Foreign Securities Risk.* Investments in securities issued by foreign companies involves risks not generally associated with investments in the securities of U.S. companies, including risks relating to political, social, and economic developments abroad and differences between U.S. and foreign regulatory and tax requirements and market practices, including fluctuations in foreign currencies. There may be less information publicly available about foreign companies than about a U.S. company, and many foreign companies are not subject to accounting, auditing, and financial reporting standards, regulatory framework and practices comparable to those in the U.S.

*Concentration Risk.* The Fund may have a relatively high concentration of assets in a single or small number of issuers, which may reduce the Fund's diversification and result in increased volatility.

*Preferred Stock Risk.* A preferred stock is a blend of the characteristics of a bond and common stock. It may offer a higher yield than common stock and has priority over common stock in equity ownership, but it does not have the seniority of a bond and, unlike common stock, its participation in the issuer's growth may be limited. Although the dividend on a preferred stock may be set at a fixed annual rate, in some circumstances it may be changed or passed by the issuer. Preferred stock generally does not confer voting rights.

*REIT Risk.* The real estate industry has been subject to substantial fluctuations and declines on a local, regional and national basis in the past and may continue to be in the future. Also, the value of a REIT can be hurt by economic downturns or by changes in real estate values, rents, property taxes, interest rates, tax treatment, regulations, or the legal structure of a real estate investment trust.

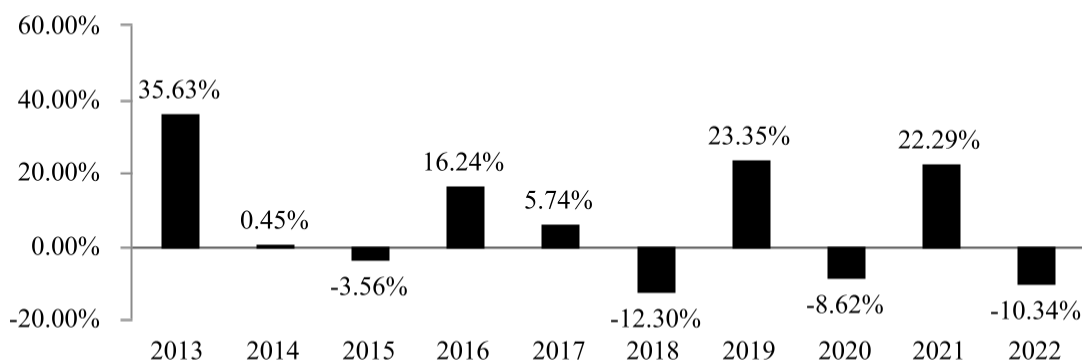
*Epidemic Risk.* Widespread disease, including pandemics and epidemics have been and can be highly disruptive to economies and markets, adversely impacting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of the Fund's investments. Given the increasing interdependence among global economies and markets, conditions in one country, market, or region are increasingly likely to adversely affect markets, issuers, and/or foreign exchange rates in other countries, including the U.S. These disruptions could prevent the Fund from executing advantageous investment decisions in a timely

manner and negatively impact the Fund's ability to achieve its investment objectives. Any such event(s) could have a significant adverse impact on the value and risk profile of the Fund.

## Performance

The accompanying bar chart and table provide some indication of the risks of investing in the Fund by showing how the Fund's total return has varied from year-to-year. Below the bar chart are the Fund's highest and lowest quarterly returns during the period shown in the bar chart. The performance table that follows shows the Fund's average annual total returns over time compared with broad-based securities market indices. Past performance (before and after taxes) will not necessarily continue in the future. Updated performance information is available at [www.covestreetfunds.com](http://www.covestreetfunds.com) or by calling (866) 497-0097.

**Calendar Year Total Returns as of December 31:**



Best Quarter	Worst Quarter
Q4 2020 24.52%	Q1 2020 -39.81%

### Average Annual Total Returns for the periods ended December 31, 2022<sup>(1)</sup>

	One Year	Five Years	Ten Years	Since Inception (9/30/1998)
<b>Institutional Class</b>				
Return Before Taxes	-10.34%	1.63%	5.76%	8.73%
Return After Taxes on Distributions	-13.27%	0.13%	4.17%	7.68%
Return After Taxes on Distributions and Sale of Fund Shares	-3.93%	1.19%	4.34%	7.35%
Russell 2000® Index (reflects no deduction for fees, expenses or taxes)	-20.44%	4.13%	9.01%	8.14%
Russell 2000® Value Index (reflects no deduction for fees, expenses or taxes)	-14.48%	4.13%	8.48%	8.64%

<sup>(1)</sup> The CSC Small Cap Value Fund, a series of CNI Charter Funds, (the "Predecessor Fund") transferred its assets into the Fund in a tax-free reorganization on January 23, 2012. Performance information shown includes the performance of the Predecessor Fund for periods prior to January 23, 2012.



After tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your situation and may differ from those shown. In certain cases, the figure representing Return After Taxes on Distributions and Sale of Fund Shares may be higher than the other return figures for the same period. A higher after-tax return results when a capital loss occurs upon redemption and provides an assumed tax deduction that benefits the investor. Furthermore, the after-tax returns shown are not relevant to those who hold their shares through tax-advantaged arrangements such as 401(k) plans or individual retirement accounts (“IRAs”).

## **Management**

### *Investment Adviser*

Cove Street Capital, LLC is the Fund’s investment adviser.

### *Portfolio Manager*

Jeffrey Bronchick, CFA, Principal and Portfolio Manager of the Adviser since July 2011, is the portfolio manager responsible for the day-to-day management of the Fund. He has managed the Fund since September 30, 1998, through the Fund’s predecessors.

## **Purchase and Sale of Fund Shares**

You may purchase or redeem Fund shares on any day that the New York Stock Exchange (“NYSE”) is open for business by written request via mail (Cove Street Capital Small Cap Value Fund, c/o U.S. Bank Global Fund Services, P.O. Box 701, Milwaukee, Wisconsin 53201-0701), by wire transfer, by contacting the Fund by telephone at (866) 497-0097, or through a financial intermediary. The minimum investment amount is \$2,500 for your initial investment in the Fund and \$100 for subsequent investments. The Adviser may reduce or waive the minimum.

## **Tax Information**

The Fund’s distributions are generally taxable, and will be taxed as ordinary income or capital gains, unless you are a tax-exempt organization or are investing through a tax-advantaged arrangement such as a 401(k) plan or IRA. Distributions on investments made through tax-advantaged arrangements may be taxed as ordinary income when withdrawn from those accounts.

## **Payments to Broker-Dealers and Other Financial Intermediaries**

If you purchase Fund shares through a broker-dealer or other financial intermediary (such as a bank or financial advisor), the Fund and/or its Adviser may pay the intermediary for the sale of Fund shares and related services. These payments may create conflicts of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary’s website for more information.

Cove Street Capital  
Small Cap Value Fund  
**CSCAX**

Quarterly Update



# Cove Street Capital Small Cap Value Fund — CSCAX

**INVESTMENT GOAL** — The Fund seeks capital appreciation through investment in smaller U.S. corporations which are considered undervalued.

<b>Total Return — % as of 12/31/2022</b>	3 Month	1 Year	3 Year	5 Year	10 Year	Inception (09/30/98)
Cove Street Capital Small Cap Value Fund	7.82	-10.34	0.07	1.63	5.76	8.73
Russell 2000® Index	6.23	-20.44	3.10	4.13	9.01	8.49
Russell 2000® Value Index	8.42	-14.48	4.70	4.13	8.48	8.55

Performance shown for the period through January 20, 2012 reflects performance for CSC Small Cap Value Fund, a series of CNI Charter Funds, the predecessor to Cove Street Capital Small Cap Value Fund ("The Fund"). The Fund has the same portfolio manager and substantially similar investment strategies to the predecessor fund. Returns for periods greater than 1 year are annualized. The Institutional Class commenced operations on October 3, 2001. The performance results for the Institutional Class reflect the performance of the Investor Class shares from September 30, 1998 through October 2, 2001. The Investor Class subsequently closed, effective November 25, 2015.

The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted. For performance data current to the most recent month end, please call 1-866-497-0097.

The gross expense ratio is 1.22%. The Fund imposes a 2.00% redemption fee on shares sold within 60 days of purchase. Performance data does not reflect the redemption fee. If it had, return would be reduced.

## Top 10 Holdings (%), as of 12/31/2022

Viasat Inc	9.3 %
Ecovyst Inc	5.5 %
White Mountains Insurance Group Ltd	4.4 %
Global Indemnity Group LLC	4.4 %
Lifecore Biomedical	4.3 %
Compass Minerals International Inc	4.3 %
Heritage-Crystal Clean Inc	4.1 %
Hallador Energy Company	4.1 %
E.W. Scripps Company	3.6 %
Chase Corporation	3.5 %

Total Number of Securities Held: 30

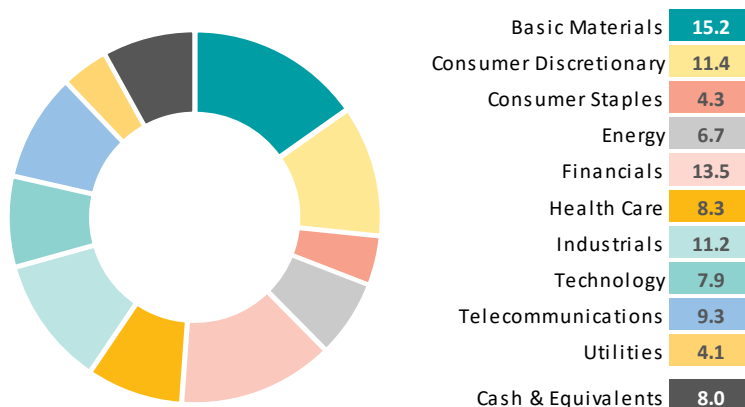
Top 10 reflect equity holdings only. Fund holdings are subject to change.

## Fees + Expenses

Total Annual Operating Expenses	1.22%
Fee Waiver/Expense Reimbursement	N/A
Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement	1.22%

## Sector Allocation (%),

Based on total investments as of 12/31/2022



## Asset Allocation (%), as of 12/31/2022

Common Stock **92.0**

# Cove Street Capital Small Cap Value Fund — CSCAX

## INVESTMENT PHILOSOPHY

The Cove Street Capital Small Cap Value Fund is managed along the classic value tradition of Ben Graham and Warren Buffett which seeks superior long-term performance through the purchase of securities selling at prices materially below our estimate of intrinsic value. This process of “winning by not losing” endeavors to preserve capital from permanent loss (as distinguished from “quotational risk”) and seeks to put us on the correct side of the mathematics of compounding. The Fund is a concentrated portfolio, which allows us to use our best ideas to drive performance. In our view, it is both a fool’s errand as well as disingenuous to clients to over-diversify the results of careful decision-making and attempt to mimic indices to achieve performance. We believe that the way to achieve superior long-term returns is to have the intellectual courage to differ from the mood of the day and the indices to which we are compared.

*The fund’s investment objectives, risk, charges and expense must be considered carefully before investing. The statutory prospectus and summary prospectus contain this and other important information about the investment company, and they may be obtained by calling 1-866-497-0097 or visiting [www.covestreetfunds.com](http://www.covestreetfunds.com). Read it carefully before investing. Fund holdings and sector allocations are subject to change and should not be considered a recommendation to buy or sell any security.*

## THE FUND...

...invests in a universe of small cap companies with less than \$5 billion market cap

...allows up to 20% of its assets to be invested in securities of foreign companies

...has the ability and temperament to hold cash when suitable ideas are not immediately forthcoming

...adviser’s Portfolio Manager and employees are collectively the largest individual shareholder

***Mutual fund investing involves risk. Principal loss is possible. There is no assurance that the investment process will consistently lead to successful results. Value investing involves risks and uncertainties and does not guarantee better performance or lower costs than other investment methodologies. Investments in smaller companies involve additional risks such as limited liquidity and greater volatility. Investments in foreign securities involve greater volatility and political, economic, and currency risks and differences in accounting methods.***

## ABOUT FUND MANAGEMENT

Based in El Segundo, California, Cove Street Capital, LLC is a registered investment adviser founded by veteran value investor and Portfolio Manager, Jeffrey Bronchick, CFA, who has managed the Fund since inception. Cove Street manages \$407 Million in assets for a global mix of institutions and high-net-worth investors through mutual fund, separate account, and sub-advisory basis.

U.S. Bancorp Fund Services, LLC serves as the Fund’s administrator, fund accountant, and transfer agent, with Quasar Distributors, LLC serving as distributor, and custody through U.S. Bank N.A. Quasar Distributors, LLC is affiliated with U.S. Bancorp Fund Services LLC.

The Russell 2000® Index measures the performance of the small cap segment of the U.S. equity universe, representing approximately 10% of the total market capitalization of the Russell 3000® Index and the Russell 2000® Value Index includes those Russell 2000® Index companies with lower price-to-book ratios and lower forecasted growth values. One cannot invest directly in an index. Market cap is the market price of an entire company, calculated by multiplying the number of shares outstanding by the price per share.

## QUICK FACTS

Inception Date	September 30, 1998
CUSIP	56166Y875

The Cove Street Small Cap Value Fund is distributed by Quasar Distributors, LLC.

Cove Street Capital  
Small Cap Value Fund  
**CSCAX**

# Shareholder Letter



## Letter to Shareholders

December 31, 2022

**GREETINGS FELLOW SHAREHOLDER:**

As 2022 closes out with a pathetic whisper worthy of its trail of losses across almost every asset class except “energy” and “strong dollar,” we will spare you hundreds of words opining on what is to come in the next year. The world may be lots of things, but “peak words” is the best prognostication we can offer.

As we often say, the future remains uncertain. Things happen that aren’t on spreadsheets. Surprise - human beings are an odd lot that can only be temporarily constrained by the rulers of the day or the intent of Central Bank policy.

As a concentrated equity manager, our performance is generated more so by our competence in curation, rather than the general vicissitudes of financial whims and tides. We elaborate below. But very simply, we attempted to be far less silly than many of our brethren, and thus, we lost less than most this year.

As our largest detractor, Lifecore Biomedical (Ticker: LFCR), formerly Landec Corporation, remains a disappointment in progress. The strategic plan that has extraordinary value potential called for an exit from all food businesses and a focus its fast growing, highly strategic CDMO (Contract Development and Manufacturing Organization) to

the healthcare industry has simply taken nearly forever to accomplish. This was frankly mostly self-inflicted on several fronts: lack of urgency, a very poor choice on its investment banker (and their strategy to try and sell the food business as a portfolio rather than piecemeal), and forgoing chances to raise growth capital on advantageous terms. We have reinvested in the company in the form of a convertible preferred to kick the proverbial can down the road into 2023, when, we believe, the remaining food business will get sold, the CDMO will continue to grow and sizable new business opportunities will be announced. Can this company properly monetize the opportunities in front of them? Should it be sold to a larger company to enable said monetization? We expect decisions in 2023 on these issues to result in a far higher stock price.

There is very little to say about IEH Corporation (Ticker: IEHC) other than sometimes when you have to restate financials, it takes forever. (We went through this with Avid Technology (Ticker: AVID) a few years ago.) This is a wonderful little aerospace products company that, we believe, is at the end of this process. We visited the headquarters/factory, confirmed their net cash status, and confirmed their product value in the marketplace with competitors and customers. We remain convinced this is a mid-20’s value as

**TOTAL RETURN (CSCAX) — % as of December 31, 2022**

	3 MONTH	YEAR to DATE	1 YEAR	3 YEAR	5 YEAR	10 YEAR	INCEPTION (09/30/98)
Cove Street Capital Small Cap Value Fund	7.82	-10.34	-10.34	0.07	1.63	5.76	8.73
Russell 2000® Index	6.23	-20.44	-20.44	3.10	4.13	9.01	8.49
Russell 2000® Value Index	8.42	-14.48	-14.48	4.70	4.13	8.48	8.55

*Performance shown for the period through January 20, 2012 reflects performance for CSC Small Cap Value Fund, a series of CNI Charter Funds, the predecessor to Cove Street Capital Small Cap Value Fund (“The Fund”). The Fund has the same portfolio manager and substantially similar investment strategies to the predecessor fund. The Institutional Class commenced operations on October 3, 2001. The performance results for the Institutional Class reflect the performance of the Investor Class shares from December 31, 1998 through October 2, 2001. The Investor Class subsequently closed, effective November 25, 2015.*

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*The gross expense ratio as per the Prospectus is 1.22%. The Fund imposes a 2.00% redemption fee on shares sold within 60 days of purchase. Performance data does not reflect the redemption fee. If it had, return would be reduced.*

## Letter to Shareholders

December 31, 2022



compared to current levels in the single digits. It was like watching paint dry in 2022, but we are optimistic that 2023 is a return to normalcy.

Liberty TripAdvisor Holdings (Ticker: LTRPA) is simply another presently unsuccessful holding pen for a Liberty holding – in TripAdvisor (Ticker: LTRPA). While travel at large is on an upswing, it is coming back from a solid Covid hole. In the meantime, LTRPA has a new CEO who replaced the founder – it will be difficult for him to be worse. They have also changed their reporting making it fairly obvious how profitable the core TRIP is...and how fast growing and unprofitable their other ventures are in “Experiences” and “Dining” – both of which are leaders in their respective fields. We expect an Analyst Day and a strategic plan in 2023, which has reasonable probability of attracting new investors. This security is effectively leveraged exposure to TRIP – we can get the same oomph from 1.5% of the portfolio in this as 5% in LTRPA.

On the positive end of the spectrum, Hallador Energy (Ticker: HRG) continues to be one of our biggest winners, as people belatedly realize just how long the tail is for coal usage in the world, despite any wishes or well-meaning attempts to have it go away. HNRG has enormous operating leverage that we think is going to be “higher and longer” and retain our position after a modest trim in position size after a 4x increase from our initial purchase price.

Climb Global Solutions (Ticker: CLMB), formerly known as Wayside Technology Group, is a software and hardware distributor that helps new-to-market software companies sell to Value Added Resellers (VARs) and IT solution providers such as CDW, who then sell to the end user. In January 2020, the company promoted Dale Foster to CEO, and since then, he has put the company on a great trajectory to grow market share. The top four biggest software distributors generate over \$100 billion in sales per year, while Climb has only ~\$300 million in revenue. The company is small enough to not be on the larger players’ radar, which is advantageous to Foster as he continues to execute his strategy of growing the company’s revenue and profit by focusing on emerging technology players.

The pre-identified risk in Viemed Healthcare Inc. (Ticker: VMD) was always noted as a “government regulation and pricing risk.” While the company’s core offerings enable an efficient, at-home service to increasingly ill patients that enables breathing and allows them to avoid visits to the ER, that is not a view shared by some parts of the US government bureaucracy known as Centers for Medicare & Medicaid Services (CMS). Fortunately, the CMS overhang has largely been put behind them, and VMD has continued adding patients at a healthy growth rate. The stock price is moving upward in line with the growth of the business.

A new position this quarter is IAC Interactive (Ticker: IAC) which is the holding company for legendary media investor Barry Diller, and is presently run by CEO Joey Levin. Making this simple – the stock has fallen from a hallowed status large cap to a small cap. It is valued a 30% discount to its two largest assets – a 17% stake in gaming company MGM Resorts International (Ticker: MGM) and its DotDash digital advertising business. (We know the later well as a former shareholder in Meredith – the old name.) beyond these two assets, we then get “a whole bunch of stuff”, including its ownership in Angi.com and Care.com, both of which represent a non-zero probability of moonshot value potential. MGM grows, advertising will show up on the other side of the economic cycle – one day.

We sold the last of our shares in UFP Technologies (Ticker: UFPT), which from beginning to end was approximately a “5-bagger” for the Fund. Yes, we wish we had more. And yes, we should have never sold a share on the way up! CEO Jeffrey Bailey has done a stupendous job moving the company from a “packaging” company with a high degree of auto business to primarily a trusted advisor to the medical device industry. This was accomplished with both internal growth, two well-sourced and executed acquisitions, and investments in global sourcing for global customers. It was a job well done. But, the “stock” has reached a valuation that bakes in a continuation of this trajectory and that is a bit harder to have confidence in. You might have also noticed the chance for other opportunities in this messy market. We may be back in the future at



## Letter to Shareholders

December 31, 2022



lower levels - it is a good business but not a forever keeper.

We would like to point out one thing with respect to UFPT. With many small cap companies, we do a lot of more work and then don't get a chance to get a full position as there is limited liquidity. But we work...and we wait. In the case of UFPT, we bought 7% of the company in one fell swoop from another manager who "had" to get out. Ideal for us. It sometimes pays to hang around the hoop.

We sold out of Skechers (Ticker: SKX), which was one of our "what should we be buying in the Covid Crash of 2020" stocks. While we think the brand has enormous global value and appeal, the Achilles heel has always been the existence of voting control stock that enables the founding family to essentially run this like a captive weekend lemonade stand with all that attendant discipline to cost and interest in shareholder returns. We generated a solid return in the name but have difficulty seeing an interest in a path that raises margins 50% which would still put them below their peers. We think we can do better.

As we draw the year and this letter to a close, we do have some longer-term thoughts. Inflation might have "peaked" in 2022, but the odds of it being stickier at 4-ish seem high to us. That implies higher rates for longer than some suppose which is not a world-ender but a headwind. Credit bugs us more. Free money is over. Companies with leverage are finding the world less accommodating. We have "a few" that fall into this category - but you don't see the ones we thankfully avoided.

Lastly, valuation is "dispersed." There are a lot of cheap stocks out there, but many in the indices are just down a lot, versus actually cheap. We posit higher interest rates and less availability of credit will continue to punish the previously "favored" and enable opportunity in the "boring." We expect more good relative performance and positive surprises from our curation.

Best Regards,

**Jeffrey Bronchick, CFA** | Principal, Portfolio Manager  
Shareholder, Cove Street Capital Small Cap Value Fund

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## Letter to Shareholders

December 31, 2022


**TOP 10 HOLDINGS** — % as of December 31, 2022

Viasat Inc	9.34	%
Ecovyst Inc	5.50	%
White Mountains Insurance Group Ltd	4.44	%
Global Indemnity Group LLC	4.39	%
Lifecore Biomedical	4.27	%
Compass Minerals International Inc	4.26	%
Heritage-Crystal Clean Inc	4.07	%
Hallador Energy Company	4.07	%
E.W. Scripps Company	3.62	%
Chase Corporation	3.52	%

Fund holdings are subject to change and should not be considered a recommendation to buy or sell any security. *Current and future portfolio holdings are subject to risk.*

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The Russell 2000® Index measures the performance of the small cap segment of the U.S. equity universe, representing approximately 10% of the total market capitalization of the Russell 3000® Index, and the Russell 2000® Value Index includes those Russell 2000® Index companies with lower price to book ratios and lower forecasted growth values. One cannot invest directly in an index.

The Cove Street Small Cap Value Fund is distributed by Quasar Distributors, LLC.

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COVE STREET CAPITAL  Funds

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Cove Street Capital  
Small Cap Value Fund  
**CSCAX**

Annual Report





September 30, 2022

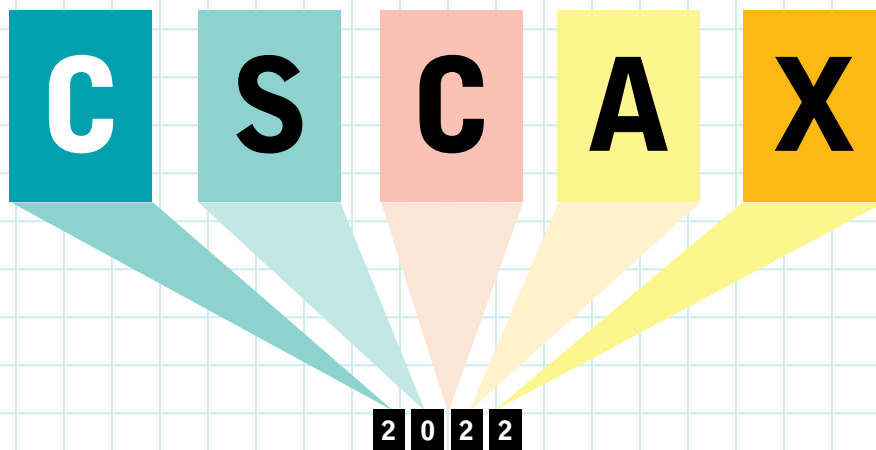
# Cove Street Capital Small Cap Value Fund

**Ticker:** CSCAX | **Cusip:** 56166Y875



## Annual Report

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# Letter to Shareholders

(unaudited)

## GREETINGS FELLOW SHAREHOLDER:



As many shareholders know, the "Annual Letter" is somewhat superfluous as we write to our partners quarterly and this iteration comes so quickly after our last letter. As a result, we include the bulk of our last letter. Our one additional comment might be to reiterate our focus on "there is less new today under the sun than is commonly surmised." Our companies have seen rhyming versions of recessions, inflation and deflation, horrendous government policy mistakes, geopolitical wackiness and any variety of "off-spreadsheet" events that have to be dealt with. Our contention and research suggest that we own businesses that have growing intrinsic value at reasonable valuations and thus market turmoil is more likely to be mostly short-term "marks" rather than a permanent capital loss. And thus opportunities for future wealth creation.

We do not think it will seem terribly surprising to you, the investor/partner/reader, that things seem clearly unhinged in the ZQworld, and markets reflect that vacillation, seemingly hour by hour. It is also important to note that many investors/journalists/bloggers seem to have neither lived through a history longer than ten years or have availed themselves of the opportunity to read about the world that came before them.

Stubborn inflation, terrible policy mistakes by elected officials and the Federal Reserve, foreign policy adventures that one truly has to head scratch hard to imagine are happening again, stock market manias and bubbles, and frauds that specifically or generally blowup...are not new things. They are not fun things either, but to a large degree, they can be managed through both intelligent asset allocation and curated security selection with an emphasis on "not permanently losing money." Every businessperson running a public company that we own is thinking of these same issues. They are pivoting as best they can to deal with the problems, as well as to take advantage of other's pain and difficulties, to inure advantage for the long run. We do not seek to own "factors", "asset classes" or immovable blocks that inevitably will have something happen to them with no escape.

So that is where we are. We are being helped by investor attention at the margin turning towards businesses that were NOT in any way in favor for an impressively painful amount of time (i.e. Value). In addition, we have a handful of businesses that have, blessedly, near-term catalysts. Markets going down represent opportunities for new money, because it is always about what is ahead of us, not the "woulda, coulda, shoulda". We have a consistent philosophy, a focused firm that can actually invest in smaller companies, and we think we are still very early in the shift from "silly" to "rational".

We are going to repeat this often: the biggest picture is that we are living in a much messier world today that is no longer underpinned by a global policy of nearly free money. We thus postulate that nearly everything that "worked" for years is going to have a problem - either in multiple compression as any inherent business model goodness takes years to catch up to ridiculous market valuation; or in actual exposure of a false premise - the tide is going out and one's choice of swim attire will be self-evident. So we do "micro," try to worry less about the broader world, and focus on a narrow group of opportunities where management teams, assisted by our two cents in many cases, can self-help their way to solid returns.

The following will highlight some of our more notable...or worse. Performers over the trailing 12 months as befits an annual letter, but as we have discussed all these holdings in prior letters we will embellish our attempt at brevity.

# Letter to Shareholders (continued)

(unaudited)

Top Contributors	Average Weight	Return	Contribution
Blueknight Energy Partners L.P.	3.86	54.30	2.23
White Mountains Insurance Group Ltd.	4.01	22.66	0.97
StoneX Group Inc.	3.82	25.59	0.81
UFP Technologies Inc.	2.40	37.93	0.78
KBR Inc.	3.08	10.73	0.39

All these positions remain top positions in the Fund with the exception of Blue Knight Energy, which was taken over at a material premium to our initial cost.

In Cove Street parlance, we view these holdings as “Buffetts” which means we expect long term compounding over time, and we are loath to play gin rummy with good businesses run by people we like. That does not preclude “leaning into” position sizing as roaring current success partially takes away from future success.

And the opposite concept is at work on our worst performers. In each case, but Lionsgate, we have bought more on the way down as we see the current appearance of failure a mechanism by which we enhance future performance as the value discount yawned wider. In Lionsgate, we will admit to a miscalculation and a position sizing error. Lionsgate stands out a like a sore thumb in a world of expensive consolidation of media content. We seem to have mistaken public announcements and the very large holdings of the management team and the Board of Directors as a signal of alignment with common shareholders to maximize shareholder value. As can often be the case in media investment, one then needs to discount that rationality with a recognition of ego and public perception and that has not worked in our favor. We halved our position at prices more than 50% above current levels, but apparently, we should have sold it all. It remains a deep value and a “half-position.”

Top Detractors	Average Weight	Return	Contribution
Compass Minerals International Inc	5.57	-39.34	-2.10
SecureWorks Corporation	2.65	-53.70	-2.06
Lions Gate Entertainment Corporation CL B	4.59	-46.65	-2.05
Six Flags Entertainment Corporation	2.51	-58.06	-1.54

Viasat (Ticker: VSAT) also fits the “volatile quarter vs quarter” profile in the past year. This time around, it was a contributor. To repeat, Viasat is literally sitting on close to \$1 billion of un-earning assets and “pre-service” costs in advance of its long delayed launch (thanks COVID and supply chain headaches) of the Viasat-3 satellite constellation. The first of these launches is expected to be in Q4 of this calendar year, the second launch in the second half of 2023. The success of these launches and the beginning of service revenues derived from these assets will spawn an enormous turn in Viasat finances on both the income statement and balance sheet, and it has been our decades of experience in financial markets that stock prices eventually follow fundamentals. The proposed acquisition of Inmarsat has checked off a variety of regulatory hurdles, and has a reasonable chance of also closing by year-end. We believe there is a non-zero probability of “masterstroke deal” that will add to per share value. It is one of our largest positions and we have high conviction in the math...and for the first time in a while...the timing. (Postscript – after the quarter end, they announced the sale of their Link 16 military business for \$1.8 billion net, which was almost 70% of their market cap and the stock went up a cool 27%. It begins.)

We strive to run the Fund minimizing taxes where possible, but we recognize that life is not perfect and we simply ran out of intelligent losses to take. Our expected Capital Gain Ex-date was 11/10/22, see Note 11. Please see our website at <https://covestreetfunds.com/resources/> for updates as we receive them.

In closing, we are starting to see a wide swathe of opportunity, but recognize that events outside our control may conspire to delay gratification. If we can buy decent businesses cheaply, then our risk is “timing and temporary” rather than permanent loss of capital. That is what we think we own today.

*Jeff Bronchick*

**Jeffrey Bronchick, CFA** | Principal, Portfolio Manager  
Shareholder, Cove Street Capital Small Cap Value Fund

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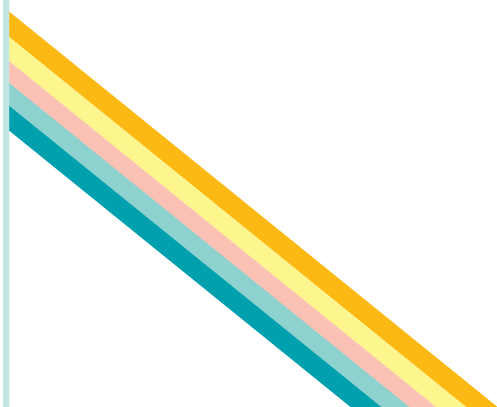
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*Current and future portfolio holdings are subject to risk. Please refer to the Schedule of Investments for a complete list of holdings.*

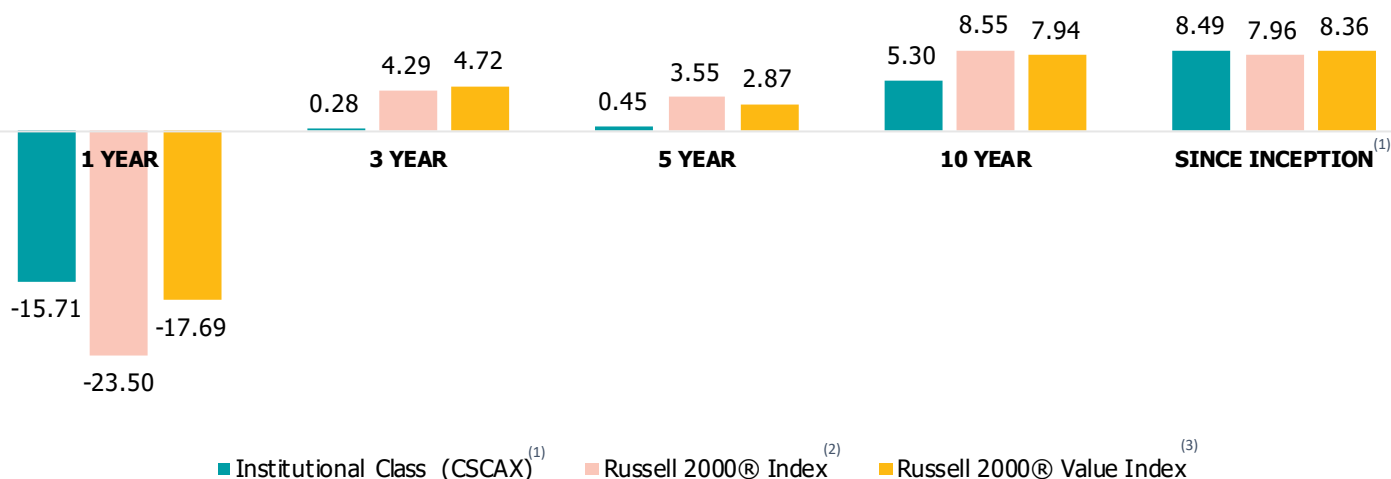
**Mutual fund investing involves risk. Principal loss is possible. There is no assurance that the investment process will consistently lead to successful results. Value investing involves risks and uncertainties and does not guarantee better performance or lower costs than other investment methodologies. Investments in smaller companies involve additional risks such as limited liquidity and greater volatility. Investments in foreign securities involve greater volatility and political, economic and currency risks and differences in accounting methods. Concentration of assets in a single or small number of issuers, may reduce diversification and result in increased volatility.**

The Russell 2000® Index measures the performance of the small cap segment of the U.S. equity universe, representing approximately 10% of the total market capitalization of the Russell 3000® Index, and the Russell 2000® Value Index includes those Russell 2000® Index companies with lower price to book ratios and lower forecasted growth values. One cannot invest directly in an Index.

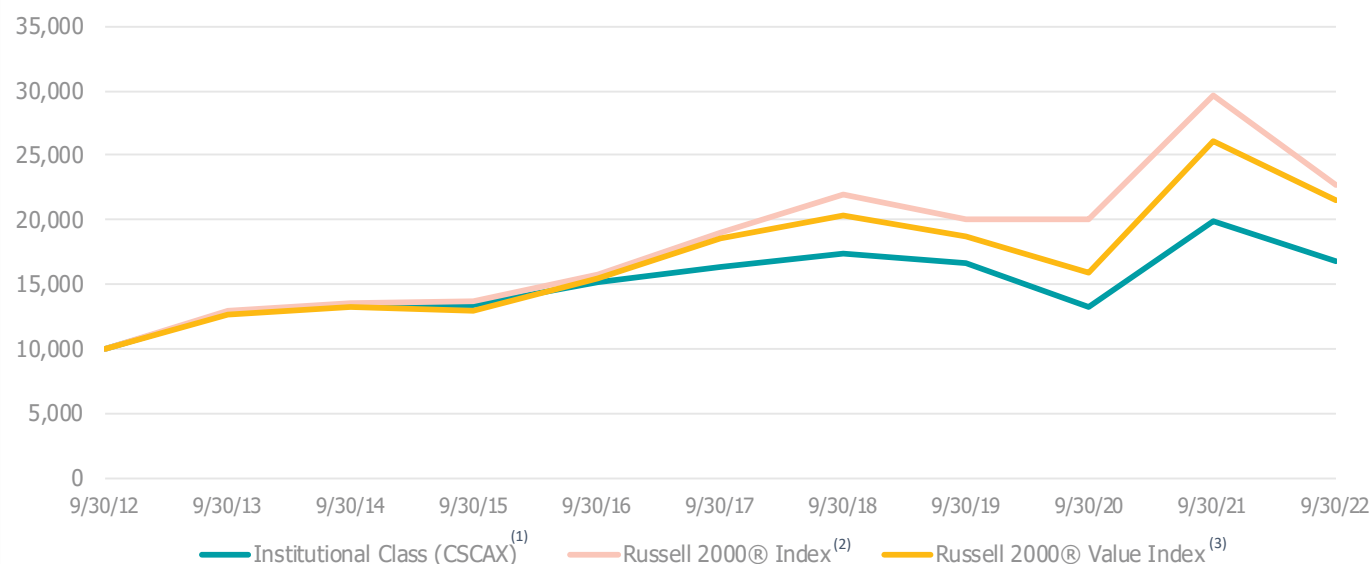
The Cove Street Small Cap Value Fund is distributed by Quasar Distributors, LLC.



## Annualized Rates of Return (%) as of September 30, 2022



## Value of \$10,000 Investment as of September 30, 2022



- (1) The Institutional Class commenced operations on October 3, 2001. The performance results for the Institutional Class reflect the performance of the Investor Class shares from September 30, 1998 through October 2, 2001. The Investor Class subsequently closed, effective November 25, 2015.
- (2) The Russell 2000® Index is a market capitalization-weighted index comprised of the 2,000 smallest companies listed on the Russell 3000® Index, which contains the 3,000 largest companies in the U.S. based on market capitalization. One cannot invest directly in an Index.
- (3) The Russell 2000® Value Index measures the performance of the small cap value segment of U.S. equity securities. It includes those Russell 2000® Index companies with lower price-to-book ratios and lower forecasted growth values. One cannot invest directly in an Index.

Past performance does not guarantee future results. Graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, which may include but are not limited to, redemption fees, broker commissions on purchases and sales of Fund shares, and (2) ongoing costs, including management fees and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (April 1, 2022 – September 30, 2022).

## Actual Expenses

The first line of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expense that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

## Hypothetical Example for Comparison Purposes

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

*Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs. Therefore, the second line of the table is useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. In addition, if transactional costs were included, your costs may have been higher.*

	BEGINNING ACCOUNT VALUE 4/1/2022	ENDING ACCOUNT VALUE 9/30/2022	EXPENSES PAID DURING PERIOD <sup>(1)</sup> 4/1/2022 - 9/30/2022
Institutional Class Actual <sup>(2)</sup>	\$1,000.00	\$818.90	\$5.75 <sup>(3)</sup>
Institutional Class Hypothetical (5% annual return before expenses)	\$1,000.00	\$1,018.75	\$6.38 <sup>(4)</sup>

(1) Expenses are equal to the Fund's annualized expense ratio for the most recent six-month period of 1.26%, multiplied by the average account value over the period, multiplied by 183/365 to reflect the one-half year period.

(2) Based on the actual return for the six-month period ended September 30, 2022 of -18.11%.

(3) Excluding interest expense, the actual expenses would be \$5.70.

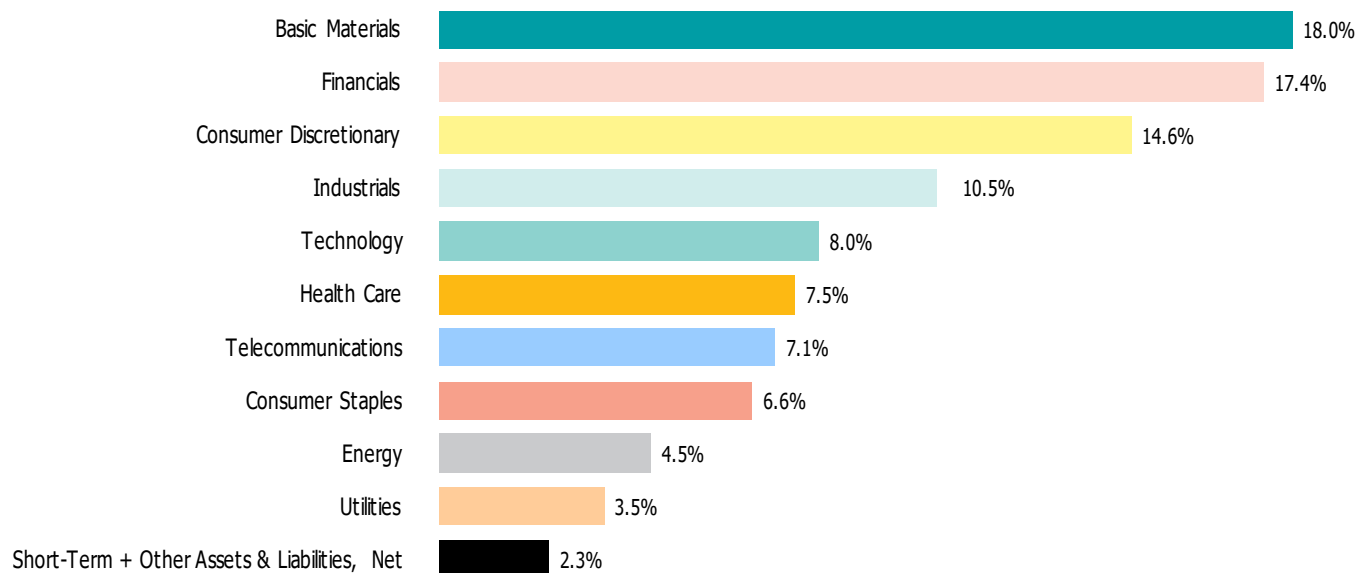
(4) Excluding interest expense, the hypothetical expenses would be \$6.33.



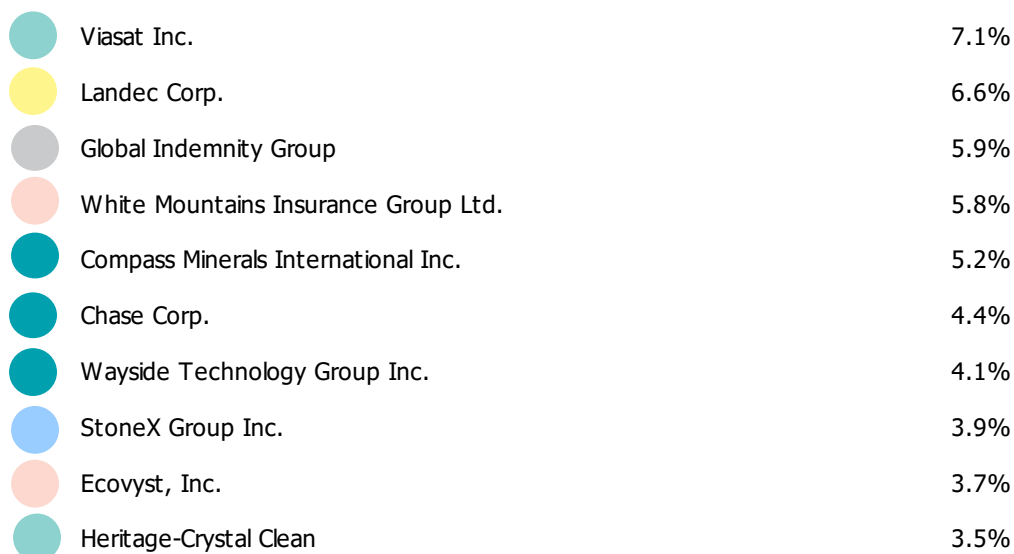
# Holdings Presentation

September 30, 2022 (unaudited)

## Sector Allocation <sup>(1)</sup> (% of net assets) as of September 30, 2022



## Top 10 Equity Holdings <sup>(1)</sup> (% of net assets) as of September 30, 2022



(1) Fund holdings and sector allocations are subject to change at any time and are not recommendations to buy or sell any security.

September 30, 2022

## COMMON STOCKS - 97.7%

### Basic Materials - 18.0%

	Shares	Value
Chase Corp.	17,800	\$ 1,487,546
Compass Minerals International, Inc.	46,000	1,772,380
Ecovyst, Inc. *	147,970	1,248,867
NewMarket Corp.	3,200	962,656
UFP Technologies *	7,500	643,800
		<b>6,115,249</b>

### Consumer Discretionary - 14.6%

E.W. Scripps, Class A *	100,000	1,127,000
Liberty TripAdvisor Holdings, Inc. - Class A *	500,000	545,000
Lions Gate Entertainment Corp. *	170,000	1,181,500
Six Flags Entertainment Corp. *	40,000	708,000
Wayside Technology Group, Inc.	52,139	1,401,496
		<b>4,962,996</b>

### Consumer Staples - 6.6%

Landec Corp. *	250,000	<b>2,222,500</b>
----------------	---------	------------------

### Energy - 4.5%

CNX Resources Corp. *	40,000	621,200
Hallador Energy Co. *	160,000	899,200
		<b>1,520,400</b>

### Financials - 17.4%

Global Indemnity Group	90,000	1,986,300
StoneX Group, Inc. *	16,000	1,327,040
Tiptree, Inc.	60,000	645,600
White Mountains Insurance Group, Ltd.	1,500	1,954,530
		<b>5,913,470</b>

### Health Care - 7.5%

Enovis Corp. *	18,000	829,260
InfuSystem Holdings, Inc. *	90,500	632,595
Viemed Healthcare, Inc. *	180,000	1,080,000
		<b>2,541,855</b>

### Industrials - 10.5%

DLH Holdings Corp. *	70,000	858,900
Ducommun, Inc. *	5,800	230,028
KBR, Inc.	25,300	1,093,466
Research Solutions, Inc. *	268,875	548,505
Standex International Corp.	10,000	816,500
		<b>3,547,399</b>

<b>COMMON STOCKS (continued) - 97.7%</b>	<b>Shares</b>	<b>Value</b>
<b>Technology - 8.0%</b>		
Cargurus, Inc. *	22,600	320,242
CommVault Systems, Inc. *	20,000	1,060,800
Great Elm Group, Inc. *	141,840	283,680
IEH Corp. * (a)	89,200	936,600
N-able, Inc. *	11,000	101,530
		<b>2,702,852</b>
<b>Telecommunications - 7.1%</b>		
ViaSat, Inc. *	80,000	<b>2,418,400</b>
<b>Utilities - 3.5%</b>		
Heritage-Crystal Clean *	40,000	<b>1,182,800</b>
<b>Total Common Stocks (Cost \$30,802,252)</b>	—	<b>33,127,921</b>
<b>SHORT-TERM INVESTMENT - 3.0%</b>		
Invesco Treasury Obligations Portfolio, Institutional Class, 2.76%^	—	
<b>Total Short-Term Investment (Cost \$1,031,160)</b>	1,031,160	<b>1,031,160</b>
<b>Total Investments - 100.7% (Cost \$31,833,412)</b>	—	34,159,081
<b>Other Assets and Liabilities, Net - (0.7)%</b>		(244,276)
<b>Total Net Assets - 100.0%</b>		<b>\$ 33,914,805</b>

\* Non-income producing security.

(a) Security considered illiquid and is categorized in Level 2 of the fair value hierarchy. This illiquid security has a total fair value of \$936,600, which represents 2.8% of net assets. See Notes 2 and 3 in Notes to Financial Statements.

^ The rate of shown is the annualized seven day effective yield as of September 30, 2022.

See Notes to Financial Statements.

## ASSETS:

Investments, at value (Cost \$31,833,412)	\$ 34,159,081
Receivable for capital shares sold	2,343
Dividends and interest receivable	12,126
Prepaid expenses	12,006
<b>Total assets</b>	<b>34,185,556</b>

## LIABILITIES:

Payable for capital shares redeemed	126,545
Payable to investment adviser	37,464
Payable for fund administration & accounting fees	27,361
Payable for audit fees	22,000
Payable for transfer agent fees & expenses	18,000
Payable for postage & printing fees	17,801
Payable for compliance fees	5,000
Payable for trustee fees	4,036
Payable for custody fees	1,100
Accrued expenses	11,444
<b>Total liabilities</b>	<b>270,751</b>

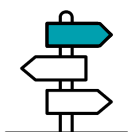
## NET ASSETS

**\$ 33,914,805**

## NET ASSETS CONSIST OF:

Paid-in capital	27,851,518
Total distributable earnings	6,063,287
<b>Net Assets</b>	<b>\$ 33,914,805</b>

Shares issued and outstanding <sup>(1)</sup>	1,088,846
Net asset value, redemption price and offering price per share <sup>(2)</sup>	\$ 31.15



<sup>(1)</sup> Unlimited shares authorized without par value.

<sup>(2)</sup> A redemption fee of 2.00% is assessed against shares redeemed within 60 days of purchase.

See Notes to Financial Statements.

# Statement of Operations

for the Year Ended September 30, 2022

## INVESTMENT INCOME:

Dividend income	\$ 253,971
Interest income	13,009
Total investment income	<u>266,980</u>

## EXPENSES:

Investment adviser fees (See Note 4)	458,334
Fund administration & accounting fees (See Note 4)	85,571
Transfer agent fees & expenses (See Note 4)	47,813
Federal & state registration fees	24,731
Audit fees	23,502
Trustee fees	17,867
Compliance fees (See Note 4)	14,997
Postage & printing fees	10,751
Legal fees	7,868
Custody fees (See Note 4)	7,034
Other expenses	6,077
Insurance expense	2,304
Total expenses before interest	<u>706,849</u>
Interest expense (See Note 9)	4,216
Total expenses before recoupment/waiver	<u>711,065</u>
Adviser recoupment (See Note 4)	9,195
Less: waiver from investment adviser (Note 4)	<u>(42,023)</u>
Net Expenses	678,237

## NET INVESTMENT LOSS

(411,257)

## REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:

Net realized gain on investments	10,308,657
Net change in unrealized appreciation/depreciation on investments	<u>(16,762,112)</u>

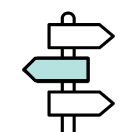
## Net realized and unrealized loss on investments

(6,453,455)

## NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS

\$ (6,864,712)

See Notes to Financial Statements.





# Statements of Changes in Net Assets

September 30, 2022

	Year Ended September 30, 2022	Year Ended September 30, 2021
<b>OPERATIONS:</b>		
Net investment income (loss)	\$ (411,257)	\$ 1,153,931
Net realized gain on investments	10,308,657	7,449,800
Net change in unrealized appreciation/depreciation on investments	(16,762,112)	29,800,004
Net increase (decrease) in net assets from operations	(6,864,712)	38,403,735
<b>CAPITAL SHARE TRANSACTIONS:</b>		
Proceeds from shares sold	3,933,758	9,471,335
Proceeds from reinvestments of distributions	5,948,028	982,224
Payments for shares redeemed	(35,804,464)	(48,899,527)
Redemption fees	2,971	3,693
Decrease in net assets resulting from capital share transactions	(25,919,707)	(38,442,275)
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>	(6,761,143)	(1,099,558)
<b>TOTAL DECREASE IN NET ASSETS</b>	(39,545,562)	(1,138,098)
<b>NET ASSETS:</b>		
Beginning of year	73,460,367	74,598,465
End of year	\$ 33,914,805	\$ 73,460,367



See Notes to Financial Statements.

# Financial Highlights

(for a Fund Share Outstanding Throughout the Years)

	Year Ended September 30,				
	2022	2021	2020	2019	2018
<b>PER SHARE DATA:</b>					
<b>Net asset value, beginning of year</b>	\$40.91	\$27.56	\$34.89	\$37.51	\$36.49
<b>Investment operations:</b>					
Net investment income (loss)	(0.35)	0.60	0.35	0.24	(0.04)
Net realized and unrealized gain (loss) on investments	(5.25)	13.17	(7.40)	(1.84)	2.10
Total from investment operations	(5.60)	13.77	(7.05)	(1.60)	2.06
<b>Less distributions:</b>					
From net investment income	(0.46)	(0.42)	(0.28)	-	-
From net realized gains	(3.70)	-	-	(1.02)	(1.04)
Total distributions	(4.16)	(0.42)	(0.28)	(1.02)	(1.04)
Paid-in capital from redemption fees	- <sup>(1)</sup>	- <sup>(1)</sup>	- <sup>(1)</sup>	- <sup>(1)</sup>	- <sup>(1)</sup>
<b>Net asset value, end of year</b>	<u>\$31.15</u>	<u>\$40.91</u>	<u>\$27.56</u>	<u>\$34.89</u>	<u>\$37.51</u>
<b>TOTAL RETURN</b>	-15.71%	50.33%	-20.43%	-4.26%	5.92%
<b>SUPPLEMENTAL DATA and RATIOS:</b>					
Net assets, end of year (in millions)	\$33.9	\$73.5	\$74.6	\$121.4	\$148.4
<b>Ratio of expenses to average net assets:</b>					
Before expense waiver/recoupment	1.32%	1.22%	1.18%	1.22%	1.16%
After expense waiver/recoupment	1.26%	1.22%	1.18%	1.23%	1.16%
<b>Ratio of expenses excluding interest expenses to average net assets:</b>					
Before expense waiver/recoupment	1.31%	1.22%	1.18%	1.22%	1.16%
After expense waiver/recoupment	1.25%	1.22%	1.18%	1.23%	1.16%
<b>Ratio of net investment income (loss) to average net assets:</b>					
After expense waiver/recoupment	(0.76) %	1.27%	0.95%	0.65%	(0.11)%
Portfolio turnover rate	51%	68%	70%	53%	59%

<sup>(1)</sup> Amount per share is less than \$0.01.



## 1. Organization

Managed Portfolio Series (the "Trust") was organized as a Delaware statutory trust on January 27, 2011. The Trust is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end management investment company. The Cove Street Capital Small Cap Value Fund (the "Fund") is a diversified series with its own investment objectives and policies within the Trust. The investment objective of the Fund is capital appreciation. The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 946, *Financial Services – Investment Companies*. The Fund commenced operations on September 30, 1998 and currently offers Institutional Class shares. The Fund may issue an unlimited number of shares of beneficial interest, with no par value.

## 2. Significant Accounting Policies

The following is a summary of significant accounting policies consistently followed by the Fund in preparation of its financial statements. These policies are in conformity with generally accepted accounting principles in the United States of America ("GAAP").

**Security Valuation** – All investments in securities are recorded at their estimated fair value, as described in Note 3.

**Federal Income Taxes** – The Fund complies with the requirements of subchapter M of the Internal Revenue Code of 1986, as amended, as necessary to qualify as a regulated investment company and distributes substantially all net taxable investment income and net realized gains to shareholders in a manner which results in no tax cost to the Fund. Therefore, no federal income tax or excise tax provision is required. As of and during the year ended September 30, 2022, the Fund did not have any tax positions that did not meet the "more-likely-than-not" threshold of being sustained by the applicable tax authority. As of and during the year ended September 30, 2022, the Fund did not have liabilities for any unrecognized tax benefits. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits on uncertain tax positions as income tax expense in the Statement of Operations. As of and during the year ended September 30, 2022, the Fund did not incur any interest or penalties. The Fund is not subject to examination by U.S. tax authorities for tax years prior to the year ended September 30, 2019.

**Security Transactions, Income, and Distributions** – The Fund follows industry practice and records security transactions on the trade date. Realized gains and losses on sales of securities are calculated on the basis of identified cost. Dividend income is recorded on the ex-dividend date and interest income and expense is recorded on an accrual basis. Withholding taxes on foreign dividends have been provided for in accordance with the Fund's understanding of the applicable country's tax rules and regulations. The Fund will establish a reserve for interest receivable when it becomes probable that the interest will not be collected, and the amount of uncollectible interest can be reasonably estimated. Discounts and premiums on securities purchased are amortized over the expected life of the respective securities using the constant yield method.

The Fund may utilize earnings and profits distributed to shareholders on redemptions of shares as part of the dividend paid deduction. The Fund distributes substantially all net investment income and net realized capital gains, if any, at least annually. Distributions to shareholders are recorded on the ex-dividend date. The treatment for financial reporting purposes of distributions made to shareholders during the year from net investment income or net realized capital gains may differ from their ultimate treatment for federal income tax purposes. These differences are caused primarily by differences in the timing of the recognition of certain components of income, expense or realized capital gain for federal income tax purposes. Where such differences are permanent in nature, GAAP requires that they be reclassified in the components of the net assets based on their ultimate characterization for federal income tax purposes. Any such reclassifications will have no effect on net assets, results of operations or net asset value per share of the Fund. For the year ended September 30, 2022, the Fund decreased distributable earnings by \$2,895,837 and increased paid-in capital by \$2,895,837. These adjustments were largely due to the use of tax equalization by the Fund.

# Notes to Financial Statements (continued)

September 30, 2022

**Use of Estimates** – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Allocation of Expenses** – Expenses associated with a specific fund in the Trust are charged to that fund. Common Trust expenses are typically allocated evenly between the funds of the Trust, or by other equitable means.

**Illiquid or Restricted Securities** – A security may be considered illiquid if it lacks a readily available market. Securities are generally considered liquid if they can be sold or disposed of in the ordinary course of business within seven days at approximately the price at which the security is valued by the Fund. The Fund will not hold more than 15% of the value of its net assets in illiquid securities. Certain restricted securities may be considered illiquid. Restricted securities are often purchased in private placement transactions, are not registered under the Securities Act of 1933, may have contractual restrictions on resale, and may be valued under methods approved by the Board as reflecting fair value. At September 30, 2022, the Fund had investments in illiquid securities with a total value of \$936,600 or 2.8% of total net assets.

Information concerning illiquid securities, including restricted securities considered to be illiquid, is as follows:

Security	Shares	Date Acquired	Cost Basis
IEH Corp.	89,200	Aug. 2021	\$1,321,052

## 3. Securities Valuation

The Fund has adopted authoritative fair value accounting standards which establish an authoritative definition of fair value and set out a hierarchy for measuring fair value. These standards require additional disclosures about the various inputs and valuation techniques used to develop the measurements of fair value, a discussion of changes in valuation techniques and related inputs during the period and expanded disclosure of valuation Levels for major security types. These inputs are summarized in the three broad Levels listed below:

**Level 1** – Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.

**Level 2** – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

**Level 3** – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

Following is a description of the valuation techniques applied to the Fund's major categories of assets and liabilities measured at fair value on a recurring basis. The Fund's investments are carried at fair value.

**Equity Securities** – Equity securities that are primarily traded on a national securities exchange are valued at the last sale price on the exchange on which they are primarily traded on the day of valuation or, if there has been no sale on such day, at the mean between the bid and ask prices, or last trade. Securities traded primarily in the Nasdaq Global Market System for which market quotations are readily available are valued using the Nasdaq Official Closing Price ("NOCP"). If the NOCP is not available, such securities are valued at the last sale price on the day of valuation, or if there has been no sale on such day, at the mean between the bid and ask prices, or last trade. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy. If the market for a particular security is not active, and the mean between bid and ask prices, or last trade is used, these securities are categorized in Level 2 of the fair value hierarchy.

**Short-Term Investments** – Investments in other mutual funds, including money market funds, are valued at their net asset value per share. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy.

The Board of Trustees (the "Board") has adopted a pricing and valuation policy for use by the Fund and its Valuation Designee (as defined below) in calculating the Fund's NAV. Pursuant to Rule 2a-5 under the 1940 Act, the Fund has designated Cove Street Capital, LLC (the "Adviser") as its "Valuation Designee" to perform all of the fair value determinations as well as to perform all of the responsibilities that may be performed by the Valuation Designee in accordance with Rule 2a-5. The Valuation Designee is authorized to make all necessary determinations of the fair values of portfolio securities and other assets for which market quotations are not readily available or if it is deemed that the prices obtained from brokers and dealers or independent pricing services are unreliable.

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities. The following is a summary of the inputs used to value the Fund's securities as of September 30, 2022:

	Level 1	Level 2	Level 3	Total
Common Stocks	\$32,191,321	\$936,600	\$ -	\$33,127,921
Short-Term Investment	1,031,160	-	-	1,031,160
<b>Total Investments in Securities</b>	<b>\$33,222,481</b>	<b>\$936,600</b>	<b>\$ -</b>	<b>\$34,159,081</b>

Refer to the Schedule of Investments for further information on the classification of investments.

Continued on next page.

# Notes to Financial Statements (continued)

September 30, 2022

## 4. Investment Advisory Fee and Other Transactions With Affiliates

The Trust has an agreement with Cove Street Capital, LLC (the "Adviser") to furnish investment advisory services to the Fund. Pursuant to an Investment Advisory Agreement between the Trust and the Adviser, the Adviser is entitled to receive, on a monthly basis, an annual advisory fee equal to 0.85% of the Fund's average daily net assets.

The Fund's Adviser has contractually agreed to waive a portion or all of its management fees and/or reimburse the Fund for its expenses to ensure that total annual operating expenses (does not include any front-end or contingent deferred loads, taxes, leverage/borrowing interest, interest expense, dividends paid on short sales, brokerage commissions, acquired fund fees and expenses, expenses incurred in connection with any merger or reorganization, or extraordinary expenses such as litigation) do not exceed 1.25% of the average daily net assets. Fees waived and expenses reimbursed by the Adviser may be recouped by the Adviser for a period of thirty-six months following the month during which such waiver or reimbursement was made if such recoupment can be achieved without exceeding the expense limit in effect at the time the expense reimbursement occurred and at the time of recoupment. The Operating Expenses Limitation Agreement is indefinite in term but cannot be terminated within a year after the effective date of the Fund's prospectus. After that date, the agreement may be terminated at any time upon 60 days' written notice by the Trust's Board or the Adviser, with the consent of the Board. Total fee recoupment in the fiscal year ended September 30, 2022, was \$9,195, of which \$5,594 represented fee waivers occurring during the current fiscal year and \$3,601 represented fee waivers occurring during the previous fiscal year. As of September 30, 2022, the Fund has \$36,429 in previously waived fees or reimbursed expenses subject to potential recovery by September 30, 2025.

U.S. Bancorp Fund Services, LLC (the "Administrator"), doing business as U.S. Bank Global Fund Services, acts as the Fund's Administrator, Transfer Agent, and Fund Accountant. U.S. Bank N.A. (the "Custodian") serves as the custodian to the Fund. The Custodian is an affiliate of the Administrator. The Administrator performs various administrative and accounting services for the Fund. The Administrator prepares various federal and state regulatory filings, reports and returns for the Fund; prepares reports and materials to be supplied to the Trustees; monitors the activities of the Custodian; coordinates the payment of the Fund's expenses and reviews the Fund's expense accruals. The officers of the Trust, including the Chief Compliance Officer, are employees of the Administrator. As compensation for its services, the Administrator is entitled to a monthly fee at an annual rate based upon the average daily net assets of the Fund, subject to annual minimums. Fees paid by the Fund for administration and accounting, transfer agency, custody and compliance services for the year ended September 30, 2022, are disclosed in the Statement of Operations.

## 5. Capital Share Transactions

	For the Year Ended Ended September 30, 2022	For the Year Ended Ended September 30, 2021
Institutional Class:		
Shares sold	107,957	249,404
Shares issued to holders in reinvestment of distributions	151,353	29,719
Shares redeemed	(965,905)	(1,190,450)
Net decrease in shares outstanding	(706,595)	(911,327)

## 6. Investment Transactions

The aggregate purchases and sales, excluding Short-Term investments, by the Fund for the year ended September 30, 2022, were as follows:

	Purchases	Sales
U.S. Government Securities	\$-	\$-
Other Securities	\$26,238,064	\$57,008,601

## 7. Income Tax Information

The aggregate gross unrealized appreciation and depreciation of securities held by the Fund and the total cost of securities for federal income tax purposes at September 30, 2022, were as follows:

Aggregate Gross Appreciation	Aggregate Gross Depreciation	Net Unrealized Appreciation	Federal Income Tax Cost
\$4,636,748	\$(2,793,353)	\$1,843,395	\$32,315,686

Any difference between book-basis and tax-basis unrealized appreciation would be attributable primarily to the tax deferral of losses on wash sales and partnership holdings in the Fund.

At September 30, 2022, the Fund's components of distributable earnings on a tax-basis were as follows:

Undistributed Ordinary Income	Undistributed Long-Term Capital Gain	Other Accumulated Losses	Net Unrealized Appreciation	Total Distributable Earnings
\$-	\$4,804,290	(\$584,398)	\$1,843,395	\$6,063,287

A regulated investment company may elect for any taxable year to treat any portion of any qualified late year loss as arising on the first day of the next taxable year. Qualified late year losses are certain capital, and ordinary losses which occur during the portion of a Fund's taxable year subsequent to October 31 and December 31, respectively. For the taxable year ended September 30, 2022, the Fund deferred qualified late year losses of \$584,398. As of September 30, 2022, the Fund had no capital loss carryforwards.

The tax character of distributions paid for the year ended September 30, 2022, were as follows:

	Ordinary Income*	Long Term Capital Gains	Total
Amount in Dollars	\$3,882,957	\$2,878,186	\$6,761,143
Amount per Share	\$2.38175	\$1.77867	\$4.16042

The tax character of distributions paid for the year ended September 30, 2021 were as follows:

	Ordinary Income*	Long Term Capital Gains	Total
Amount in Dollars	\$1,099,558	\$-	\$1,099,558
Amount per Share	\$0.42111	\$-	\$0.42111

\*For federal income tax purposes, distributions of short-term capital gains are treated as ordinary income distributions.

# Notes to Financial Statements (continued)

September 30, 2022

## 8. Control Ownership

The beneficial ownership, either directly or indirectly, of more than 25% of the voting securities of a fund creates a presumption of control of the fund, under Section 2(a)(9) of the Investment Company Act of 1940. As of September 30, 2022, Charles Schwab & Co., for the benefit of its customers, owned 32.4% of the Fund's outstanding shares.

## 9. Line of Credit

The Fund has established an unsecured line of credit ("LOC") in the amount of \$7,000,000, 15% of gross market value of the Fund, or 33.33% of the fair value of the Fund's unencumbered assets, whichever is less. The LOC matures unless renewed on July 21, 2023. This LOC is intended to provide short-term financing, if necessary, subject to certain restrictions and covenants in connection with shareholder redemptions and other short-term liquidity needs of the Fund. The LOC is with the Custodian. Interest is charged at the prime rate which was 6.25% as of September 30, 2022. The interest rate during the year was between 3.25% and 6.25%. The Fund has authorized the Custodian to charge any of the Fund's accounts for any missed payments. The weighted average interest rate paid on outstanding borrowings for the Fund was 4.60%. For the year ended September 30, 2022, the Fund's LOC activity was as follows:

LOC Agent	Average Borrowings	Amount Outstanding as of September 30, 2022	Interest Expense	Maximum Borrowing	Date of Maximum Borrowing
U.S. Bank N.A.	\$90,482	\$ -	\$4,216	\$4,406,000	September 16, 2022 – September 18, 2022

Prior to July 22, 2022, the date the LOC was renewed, the LOC was limited to the lesser of \$10,000,000, 15% of the Fund's gross market value or 33.33% of the fair value of the Fund's unencumbered assets, whichever was less.





## **10. General Risk**

The global outbreak of COVID-19 has disrupted economic markets and the prolonged economic impact is uncertain. The operational and financial performance of the issuers of securities in which the Fund invests depends on future developments, including the duration and spread of the outbreak, and such uncertainty may in turn impact the value of the Fund's investments.

On February 24, 2022, Russia commenced a military attack on Ukraine. The outbreak of hostilities between the two countries could result in more widespread conflict and could have a severe adverse effect on the region and the markets. In addition, sanctions imposed on Russia by the United States and other countries, and any sanctions imposed in the future could have a significant adverse impact on the Russian economy and related markets. The price and liquidity of investments may fluctuate widely as a result of the conflict and related events. How long such conflict and related events will last and whether it will escalate further cannot be predicted, nor its effect on the Fund.

## **11. Subsequent Event**

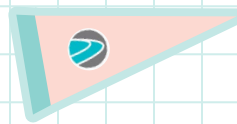
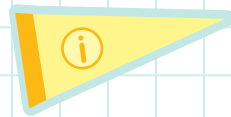
On November 10, 2022, the Fund paid a short-term capital gain distribution of \$99,887, or \$0.09500 per share, and a long-term capital gain distribution of \$4,874,733, or \$4.63621 per share.

Management has performed an evaluation of subsequent events through the date the financial statements were issued and has determined that no additional items require recognition or disclosure.

End of Notes to Financial Statements.



# Appendix



## Appendix Contents

Report of Independent Registered Public Accounting Firm

Additional Information

Privacy Notice

# Report of Independent Registered Public Accounting Firm

To the Shareholders of Cove Street Capital Small Cap Value Fund and Board of Trustees of Managed Portfolio Series

## Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Cove Street Capital Small Cap Value Fund (the "Fund"), a series of Managed Portfolio Series, as of September 30, 2022, the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the related notes, and the financial highlights for each of the five years in the period then ended (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of September 30, 2022, the results of its operations for the year then ended, the changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

## Basis for Opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of September 30, 2022, by correspondence with the custodian. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the Fund's Auditor since 2011.

*Cohen & Company, Ltd.*

COHEN & COMPANY, LTD.  
Milwaukee, Wisconsin  
November 28, 2022

NAME, ADDRESS, YEAR of BIRTH	POSITION(S) HELD WITH THE TRUST	TERM OF OFFICE & LENGTH of TIME SERVED	NUMBER of PORTFOLIOS IN TRUST OVERSEEN by TRUSTEE	PRINCIPAL OCCUPATION(S) DURING THE PAST FIVE YEARS	OTHER DIRECTORSHIPS HELD by TRUSTEE DURING THE PAST FIVE YEARS
<b>Independent Trustees</b>					
Leonard M. Rush, CPA 615 E. Michigan St. Milwaukee, WI 53202 Year of Birth: 1946	Chairman, Trustee and Audit Committee Chairman	Indefinite Term; Since April 2011	35	Retired, Chief Financial Officer, Robert W. Baird & Co. Incorporated (2000-2011).	Independent Trustee, ETF Series Solutions (60 Portfolios) (2012- Present);
David A. Massart 615 E. Michigan St. Milwaukee, WI 53202 Year of Birth: 1967	Trustee	Indefinite Term; Since April 2011	35	Partner and Managing Director, Beacon Pointe Advisors, LLC (since 2022); Co-Founder and Chief Investment Strategist; Next Generation Wealth Management, Inc. (2005-present).	Independent Trustee, ETF Series Solutions (60 Portfolios) (2012- Present)
David M. Swanson 615 E. Michigan St. Milwaukee, WI 53202 Year of Birth: 1957	Trustee and Nominating & Governance Committee Chairman	Indefinite Term; Since April 2011	35	Founder and Managing Principal, SwanDog Strategic Marketing, LLC (2006-present).	Independent Trustee, ALPS Variable Investment Trust (7 Portfolios) (2006-Present); Independent Trustee, RiverNorth Funds (3 Portfolios) (2018- Present); RiverNorth Managed Duration Municipal Income Fund Inc. (1 Portfolio) (2019-Present); RiverNorth Specialty Finance Corporation (1 Portfolio) (2018- Present); RiverNorth/DoubleLine Strategic Opportunity Fund, Inc. (1 Portfolio) (2018-Present); RiverNorth Opportunities Fund, Inc. (1 Portfolio) (2015-Present); RiverNorth Opportunistic. Municipal Income Fund, Inc. (1 Portfolio) (2018-Present); RiverNorth Flexible Municipal Income Fund (2020- Present).
Robert J. Kern 615 E. Michigan St. Milwaukee, WI 53202 Year of Birth: 1958	Trustee	Indefinite Term; Since January 2011	35	Retired (July 2018 - present), Executive Vice President, U.S. Bancorp Fund Services, LLC (1994-2018).	None

## Additional Information (continued)

(unaudited)

NAME, ADDRESS, YEAR of BIRTH	POSITION(S) HELD WITH THE TRUST	TERM OF OFFICE & LENGTH of TIME SERVED	NUMBER of PORTFOLIOS IN TRUST OVERSEEN by TRUSTEE	PRINCIPAL OCCUPATION(S) DURING THE PAST FIVE YEARS	OTHER DIRECTORSHIPS HELD by TRUSTEE DURING THE PAST FIVE YEARS
<b>Officers</b>					
Brian R. Wiedmeyer 615 E. Michigan St. Milwaukee, WI 53202 Year of Birth: 1973	President and Principal Executive Officer	Indefinite Term, Since November 2018	N/A	Vice President, U.S. Bancorp Fund Services, LLC (2005 - present).	N/A
Deborah Ward 615 E. Michigan St. Milwaukee, WI 53202 Year of Birth: 1966	Vice President, Chief Compliance Officer and Anti-Money Laundering Officer	Indefinite Term; Since April 2013	N/A	Senior Vice President, U.S. Bancorp Fund Services, LLC (2004 - present).	N/A
Benjamin Eirich 615 E. Michigan St. Milwaukee, WI 53202 Year of Birth: 1981	Treasurer, Principal Financial Officer and Vice President	Indefinite Term; Since August 2019 (Treasurer); Since November 2018 (Vice President)	N/A	Assistant Vice President, U.S. Bancorp Fund Services, LLC (2008-present).	N/A
John Hadermayer 615 E. Michigan St. Milwaukee, WI 53202 Year of Birth: 1977	Secretary	Indefinite Term; Since May 2022	N/A	Vice President, U.S. Bank Global Fund Services (2022-present); Executive Director, AQR Capital Management, LLC (2013-2022).	N/A
Douglas Schafer 615 E. Michigan St. Milwaukee, WI 53202 Year of Birth: 1970	Assistant Treasurer and Vice President	Indefinite Term; Since May 2016 (Assistant Treasurer); Since November 2018 (Vice President)	N/A		N/A
Sara J. Bollech 615 E. Michigan St. Milwaukee, WI 53202 Year of Birth: 1977	Assistant Treasurer and Vice President	Indefinite Term; Since November 2021	N/A	Officer, U.S. Bancorp Fund Services, LLC (2007-present).	N/A
Peter A. Walker, CPA 615 E. Michigan St. Milwaukee, WI 53202 Year of Birth: 1993	Assistant Treasurer and Vice President	Indefinite Term; Since November 2021	N/A	Officer, U.S. Bancorp Fund Services, LLC (2016-present).	N/A

### Statement Regarding the Fund's Liquidity Risk Management Program

Pursuant to Rule 22e-4 under the Investment Company Act of 1940, Managed Portfolio Series (the "Trust"), on behalf of the Cove Street Capital Small Cap Value Fund (the "Fund"), has adopted and implemented a written liquidity risk management program (the "Program") that includes policies and procedures reasonably designed to comply with the requirements of Rule 22e-4, including: (i) assessment, management and periodic review of liquidity risk; (ii) classification of portfolio holdings; (iii) establishment of a highly liquid investment minimum ("HLIM"), as applicable; (iv) limitation on illiquid investments; and (v) redemptions in-kind. The Trust's Board of Trustees (the "Board") has approved the designation of Cove Street Capital, LLC ("Cove Street") as the administrator of the Program (the "Program Administrator"). Personnel of Cove Street or its affiliates conduct the day-to-day operation of the Program pursuant to policies and procedures administered by Cove Street's Liquidity Risk Management Committee.

In accordance with Rule 22e-4, the Board reviewed a report prepared by the Program Administrator (the "Report") regarding the operation of the Program and its adequacy and effectiveness of implementation for the period January 1, 2021, through December 31, 2021 (the "Reporting Period"). No significant liquidity events impacting the Fund during the Reporting Period or material changes to the Program were noted in the Report.

Under the Program, Cove Street manages and periodically reviews the Fund's liquidity risk, including consideration of applicable factors specified in Rule 22e-4 and the Program. Liquidity risk is defined as the risk that the Fund could not meet shareholder redemption requests without significant dilution of remaining shareholders' interests in the Fund. In general, this risk was managed during the Reporting Period by monitoring the degree of liquidity of the Fund's investments, limiting the amount of the Fund's illiquid investments, and utilizing various risk management tools and facilities available to the Fund for meeting shareholder redemptions, among other means. In the Report, Cove Street provided its assessment that, based on the information considered in its review, the Program remains reasonably designed to manage the Fund's liquidity risk and the Fund's investment strategy remains appropriate for an open-end fund.

Pursuant to the Program, the Program Administrator oversaw the classification of each of the Fund's portfolio investments as highly liquid, moderately liquid, less liquid or illiquid during the Reporting Period, including in connection with recording investment classifications on Form N-PORT. Cove Street's process of determining the degree of liquidity of the Fund's investments is supported by one or more third-party liquidity assessment vendors.

The Fund qualified as a "primarily highly liquid fund" as defined in the Program during the Reporting Period. Accordingly, the Fund was not required to establish a HLIM or comply with the related Program provisions during the Reporting Period.

During the Reporting Period, the Fund's investments were monitored for compliance with the 15% limitation on illiquid investments pursuant to the Program and in accordance with Rule 22e-4. The Fund did not have redemptions in-kind during the Reporting Period.

The Report concluded: (i) the Program was implemented and operated effectively to achieve the goal of assessing and managing the Fund's liquidity risk during the Reporting Period; and (ii) the Fund was able to meet requests for redemption without significant dilution of remaining investors' interests in the Fund during the Reporting Period.

### **Availability of Fund Portfolio Information**

The Fund files complete schedules of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Part F of Form N-PORT. The Fund's Part F of Form N-PORT is available on the SEC's website at [www.sec.gov](http://www.sec.gov) and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. For information on the Public Reference Room call 1-800-SEC-0330. In addition, the Fund's Part F of Form N-PORT is available without charge upon request by calling 1-866-497-0097.

### **Availability of Fund Proxy Voting Information**

A description of the Fund's Proxy Voting Policies and Procedures is available without charge, upon request, by calling 1-866-497-0097. Information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30, is available (1) without charge, upon request, by calling 1-866-497-0097, or (2) on the SEC's website at [www.sec.gov](http://www.sec.gov).

### **Fund Distribution Information**

For the fiscal year ended September 30, 2022, certain dividends paid by the Fund may be reported as qualified dividend income and may be eligible for taxation at capital gain rates. The percentage of dividends declared from ordinary income designated as qualified dividend income was 37.45% for the Fund. For corporate shareholders, the percent of ordinary income distributions qualifying for the corporate dividends received deduction for the fiscal year ended September 30, 2022 was 37.69% for the Fund. The percentage of taxable ordinary income distributions that are designated as short-term capital gain distributions under Internal Revenue Section 871(k)(2)(c) was 79.87%.





# Privacy Notice

(unaudited)

The Fund collects only relevant information about you that the law allows or requires it to have in order to conduct its business and properly service you. The Fund collects financial and personal information about you ("Personal Information") directly (e.g., information on account applications and other forms, such as your name, address, and social security number, and information provided to access account information or conduct account transactions online, such as password, account number, e-mail address, and alternate telephone number), and indirectly (e.g., information about your transactions with us, such as transaction amounts, account balance and account holdings)

**The Fund does not disclose any non-public personal information about its shareholders or former shareholders other than for everyday business purposes such as to process a transaction, service an account, respond to court orders and legal investigations or as otherwise permitted by law. Third parties that may receive this information include companies that provide transfer agency, technology and administrative services to the Fund, as well as the Fund's investment adviser who is an affiliate of the Fund. If you maintain a retirement/educational custodial account directly with the Fund, we may also disclose your Personal Information to the custodian for that account for shareholder servicing purposes. The Fund limits access to your Personal Information provided to unaffiliated third parties to information necessary to carry out their assigned responsibilities to the Fund. All shareholder records will be disposed of in accordance with applicable law. The Fund maintains physical, electronic and procedural safeguards to protect your Personal Information and requires its third party service providers with access to such information to treat your Personal Information with the same high degree of confidentiality.**

**In the event that you hold shares of the Fund through a financial intermediary, including, but not limited to, a broker-dealer, credit union, bank or trust company, the privacy policy of your financial intermediary governs how your non-public personal information is shared with unaffiliated third parties.**



# ANNUAL REPORT 2022

## Cove Street Capital Small Cap Value Fund



This report must be accompanied or preceded by a prospectus.

The Fund's Statement of Additional Information contains additional information about the Fund's trustees and is available without charge upon request by calling 1-866-497-0097.

**Investment Adviser**

Cove Street Capital, LLC  
2101 East El Segundo Boulevard, Suite 302  
El Segundo, CA 90245

**Distributor**

Quasar Distributors, LLC  
111 E. Kilbourn Avenue, Suite 2200  
Milwaukee, WI 53202

**Custodian**

U.S. Bank N.A.  
1555 N. Rivercenter Drive, Suite 302  
Milwaukee, WI 53212

**Administrator, Fund Accountant  
and Transfer Agent**

U.S. Bancorp Fund Services, LLC  
615 E. Michigan Street  
Milwaukee, WI 53202

**Independent Registered  
Public Accounting Firm**

Cohen & Company, Ltd.  
342 N. Water Street, Suite 830  
Milwaukee, WI 53202

**Legal Counsel**

Stradley Ronon Stevens & Young, LLP  
2005 Market Street, Suite 2600  
Philadelphia, PA 19103



[www.CoveStreetFunds.com](http://www.CoveStreetFunds.com)

Cove Street Capital  
Small Cap Value Fund  
**CSCAX**

IRA & Coverdell Disclosure



# Custodial Account Agreement



## For Individual Retirement Accounts & Coverdell Education Savings Accounts

Mail to:  
Cove Street Capital Small Cap Value Fund  
c/o U.S. Bank Global Fund Services  
PO Box 701  
Milwaukee, WI 53201-0701

Overnight Express Mail To:  
Cove Street Capital Small Cap Value Fund  
c/o U.S. Bank Global Fund Services  
615 E. Michigan St., FL3  
Milwaukee, WI 53202-5207

**For additional information please call toll-free 866-497-0097  
or visit us on the web at [www.covestreetfunds.com](http://www.covestreetfunds.com).**

# Custodial Account Agreement



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Milwaukee, WI 53202-5207

**For additional information please call toll-free 866-497-0097  
or visit us on the web at [www.covestreetfunds.com](http://www.covestreetfunds.com).**

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# Cove Street Capital Small Cap Value Fund Individual Retirement Account & Coverdell Education Savings Account Disclosure Statement

## General Information

Please read the following information together with the Individual Retirement Account Custodial Agreement and the Prospectus(es) for the Fund(s) you select for investment.

## General Principles

### 1. Are There Different Types of IRAs or Other Tax Deferred Accounts?

Yes. Upon creation of a tax deferred account, you must designate whether the account will be a Traditional IRA, a Roth IRA, or a Coverdell Education Savings Account (“CESA”). (In addition, there are Simplified Employee Pension Plan (“SEP”) IRAs and Savings Incentive Matched Plan for Employees of Small Employers (“SIMPLE”) IRAs, which are discussed in the Disclosure Statement for Traditional IRAs).

- In a Traditional IRA, amounts contributed to the IRA may be tax deductible at the time of contribution. Distributions from the IRA will be taxed upon distribution except to the extent that the distribution represents a return of your own contributions for which you did not claim (or were not eligible to claim) a deduction.
- In a Roth IRA, amounts contributed to your IRA are taxed at the time of contribution, but distributions from the IRA are not subject to tax if you have held the IRA for certain minimum periods of time (generally, until age 59½ but in some cases longer).
- In a Coverdell Education Savings Account, you contribute to an IRA maintained on behalf of a beneficiary and do not receive a current deduction. However, if amounts are used for certain educational purposes, neither you nor the beneficiary of the IRA are taxed upon distribution.

Each type of account is a custodial account created for the exclusive benefit of the beneficiary – you (or your spouse) in the case of the Traditional IRA and Roth IRA, and a named beneficiary in the case of a Coverdell Education Savings Account. U.S. Bank, National Association serves as Custodian of the account. Your, your spouse’s or your beneficiary’s (as applicable) interest in the account is nonforfeitable.

### 2. Can I Revoke My Account?

This account may be revoked any time within seven calendar days after it is established by mailing or delivering a written request for revocation to: Cove Street Capital Small Cap Value Fund, c/o U.S. Bank Global Fund Services, P.O. Box 701, Milwaukee, Wisconsin 53201-0701. If the revocation is mailed, the date of the postmark (or the date of certification if sent by certified or registered mail) will be considered the revocation date. Upon proper revocation, a full refund of the initial contribution will be issued, without any adjustments for items such as administrative fees or fluctuations in market value. You may always redeem your account after this time, but the amounts distributed to you will be subject to the tax rules applicable upon distribution from a tax deferred account as discussed later and the redemption amount will be subject to market fluctuations. (While current regulations technically

only extend the right to redeem a Traditional IRA, it has been assumed that the right applies to all Roth IRAs and Coverdell Education Savings Accounts. These accounts will be administered consistently with that interpretation until the IRS issues guidance to the contrary.)

### 3. Financial Disclosure

Contributions made to an IRA will be invested, at your election, in one or more of the regulated investment companies for which Cove Street Capital, LLC serves as Investment Advisor or any other regulated investment company designated by Cove Street Capital Small Cap Value Fund. No part of the account(s) may be invested in life insurance contracts; further, the assets of the account(s) may not be commingled with other property.

Information about the shares of each mutual fund available for investment by your account(s) must be furnished to you in the form of a prospectus governed by rules of the Securities and Exchange Commission. Please refer to the prospectus for detailed information concerning your mutual fund. You may obtain further information concerning IRAs and Coverdell Education Savings Accounts from any District Office of the Internal Revenue Service. You can also obtain further information concerning IRAs by accessing IRS Publication 590 or Coverdell Education Savings Accounts by accessing IRA Publication 970 on the IRS web site at <http://www.irs.gov>.

Fees and other expenses of maintaining the account(s) may be charged to you or the account(s). The current fee schedule is per account and shown below:

Traditional, SEP, SIMPLE, and Roth IRA annual maintenance fee	\$15.00*
Coverdell Education Savings Account annual maintenance fee.	\$15.00*
Transfer to successor trustee	\$25.00
Distribution to a participant (exclusive of systematic withdrawal plans)	\$25.00
Refund of excess contribution	\$25.00
Federal wire fee	\$15.00
Recharacterization	\$25.00

\*capped at \$30.00 per Social Security number.

(An account is defined as an investment in a single regulated investment company within a Mutual Fund complex, regardless of whether your account number is the same for more than one fund.)

If you decide not to prepay the annual maintenance fee, it will be deducted from your account(s) after September 15th of each year, and enough shares will be redeemed to cover the fee. The Custodian may change the fees payable in connection with the custodial account without prior notification.

The method for computing and allocating annual earnings on your IRA will differ based on the investments chosen. Refer to the investment prospectus for the methods used for computing and allocating annual earnings. The growth in value of your IRA is neither guaranteed nor protected.

## Disclosure Statement for Traditional IRAs

### 1. *Am I Eligible to Contribute to a Traditional IRA?*

Employees with compensation income and self-employed individuals with earned income are eligible to contribute to a Traditional IRA. (For convenience, all future references to compensation are deemed to mean “earned income” in the case of a self-employed individual.) Employers may also contribute to Traditional IRAs established for the benefit of their employees. In addition, you may establish a Traditional IRA to receive rollover contributions and transfers from the trustee or Custodian of another Traditional IRA or the Custodian or trustee of certain other retirement plans.

### 2. *When Can I Make Contributions?*

You may make regular contributions to your Traditional IRA any time up to and including the due date for filing your tax return for the year, not including extensions. Beginning in 2020, you may continue to make regular contributions to your Traditional IRA even after you attain RMD age, so long as you have sufficient compensation income. Employer contributions to a Simplified Employee Pension Plan or a SIMPLE Plan may be continued after you attain RMD age. Eligible rollover contributions and transfers may be made at any time, including after you reach RMD age.”

### 3. *How Much May I Contribute to a Traditional IRA?*

Year	2022	2023
IRA Contribution Limit	\$6,000	\$6,500

As a result of the Economic Growth and Tax Relief Reconciliation Act (“EGTRRA”) of 2001, the maximum dollar amount of annual contributions you may make to a Traditional IRA is \$5,500 for tax years beginning in 2013 with the potential for Cost-of-Living Adjustment (COLA) increases in \$500 increments.

You may make annual contributions to a Traditional IRA in any amount up to 100% of your compensation for the year or the maximum contribution shown in the table above, whichever is less. The limitation is reduced by contributions you make to another Traditional IRA or to a Roth IRA, but is not reduced by contributions to a Coverdell Education Savings Account for the benefit of another taxpayer. Qualifying rollover contributions and transfers are not subject to these limitations. All contributions must be in cash, check, Automated Clearing House (ACH) or wire.

If you are age 50 or older by the end of the year, you may make additional “catch-up” contributions to an IRA. The “catch-up” contribution limit is \$1,000 for tax years 2007 and beyond.

In addition, if you are married and file a joint return, you may make contributions to your spouse’s Traditional IRA. However, the maximum amount contributed to both your own and to your spouse’s Traditional IRA may not exceed 100% of your combined compensation or the maximum contribution shown in the table above, whichever is less. The maximum amount that may be contributed to either your Traditional IRA or your spouse’s Traditional IRA is shown in the table above. Again, these dollar limits are reduced by any contributions you or your spouse

make to a Roth IRA, but are not affected by contributions either of you make to a Coverdell Education Savings Account for the benefit of another taxpayer.

If you are the beneficiary of a Coverdell Education Savings Account, certain additional limits may apply to you. Please contact your tax advisor for more information.

### 4. *Can I Roll Over or Transfer Amounts from Other IRAs or Employer Plans?*

If properly executed, you are allowed to roll over a distribution from one Traditional IRA to another without tax penalty. Rollovers between Traditional IRAs may be made once every 12 months and must be accomplished within 60 days after the distribution. Beginning in 2015, just one 60 day rollover is allowed in any 12 month period, inclusive of all Traditional, Roth, SEP, and SIMPLE IRAs owned. Under certain conditions, you may roll over (tax-free) all or a portion of a distribution received from a qualified plan or tax-sheltered annuity in which you participate or in which your deceased spouse participated. In addition, you may also make a rollover contribution to your Traditional IRA from a qualified deferred compensation arrangement. Amounts from a Roth IRA may not be rolled over into a Traditional IRA. If you have a 401(k), Roth 401(k) or Roth 403(b) and you wish to rollover the assets into an IRA you must roll any designated Roth assets, or after tax assets, to a Roth IRA and roll the remaining plan assets to a Traditional IRA. In the event of your death, the designated beneficiary of your 401(k) Plan may have the opportunity to rollover proceeds from that Plan into a Beneficiary IRA account. In general, strict limitations apply to rollovers, and you should seek competent advice in order to comply with all of the rules governing rollovers.

Most distributions from qualified retirement plans will be subject to a 20% withholding requirement. The 20% withholding can be avoided by electing a “direct rollover” of the distribution to a Traditional IRA or to certain other types of retirement plans. You should receive more information regarding these withholding rules and whether your distribution can be transferred to a Traditional IRA from the plan administrator prior to receiving your distribution.

### 5. *Are My Contributions to a Traditional IRA Tax Deductible?*

Although you may make a contribution to a Traditional IRA within the limitations described above, all or a portion of your contribution may be nondeductible. No deduction is allowed for a rollover contribution (including a “direct rollover”) or transfer. For “regular” contributions, the taxability of your contribution depends upon your tax filing status, whether you (and in some cases your spouse) are an “active participant” in an employer-sponsored retirement plan, and your income level.

An employer-sponsored retirement plan includes any of the following types of retirement plans:

- a qualified pension, profit-sharing, or stock bonus plan established in accordance with IRC 401(a) or 401(k);
- a Simplified Employee Pension Plan (SEP) (IRC 408(k));
- a deferred compensation plan maintained by a governmental unit or agency;
- tax-sheltered annuities and custodial accounts (IRC 403(b) and 403(b)(7));
- a qualified annuity plan under IRC Section 403(a); or



- a Savings Incentive Match Plan for Employees of Small Employers (SIMPLE Plan).

Generally, you are considered an “active participant” in a defined contribution plan if an employer contribution or forfeiture was credited to your account during the year. You are considered an “active participant” in a defined benefit plan if you are eligible to participate in a plan, even though you elect not to participate. You are also treated as an “active participant” if you make a voluntary or mandatory contribution to any type of plan, even if your employer makes no contribution to the plan.

If you are not married (including a taxpayer filing under the “head of household” status), the following rules apply:

- If you are not an “active participant” in an employer-sponsored retirement plan, you may make a contribution to a Traditional IRA (up to the contribution limits detailed in Section 3).
- If you are single and you are an “active participant” in an employer-sponsored retirement plan, you may make a fully deductible contribution to a Traditional IRA (up to the contribution limits detailed in Section 3), but then the deductibility limits of a contribution are related to your Modified Adjusted Gross Income (AGI) as follows:

Year	Eligible to Make a Deductible Contribution if AGI is Less Than or Equal to:	Eligible to Make a Partially Deductible Contribution if AGI is Between:	Not Eligible to Make a Deductible Contribution if AGI is Over:
2022	\$68,000	\$68,000 - \$78,000	\$78,000
2023 & After - subject to COLA increases	\$73,000	\$73,000 - \$83,000	\$83,000

If you are married, the following rules apply:

- If you and your spouse file a joint tax return and neither you nor your spouse is an “active participant” in an employer-sponsored retirement plan, you and your spouse may make a fully deductible contribution to a Traditional IRA (up to the contribution limits detailed in Section 3).
- If you and your spouse file a joint tax return and both you and your spouse are “active participants” in employer-sponsored retirement plans, you and your spouse may make fully deductible contributions to a Traditional IRA (up to the contribution limits detailed in Section 3), but then the deductibility limits of a contribution are as follows:

Year	Eligible to Make a Deductible Contribution if AGI is Less Than or Equal to:	Eligible to Make a Partially Deductible Contribution if AGI is Between:	Not Eligible to Make a Deductible Contribution if AGI is Over:
2022	\$109,000	\$109,000 - \$129,000	\$129,000
2023 & After - subject to COLA increases	\$116,000	\$116,000 - \$136,000	\$136,000

- If you and your spouse file a joint tax return and only one of you is

an “active participant” in an employer-sponsored retirement plan, special rules apply. If your spouse is the “active participant,” a fully deductible contribution can be made to your IRA (up to the contribution limits detailed in Section 3) if your combined modified adjusted gross income does not exceed \$204,000 in 2022 or \$218,000 in 2023. If your combined modified adjusted gross income is between \$204,000 and \$214,000 in 2022, or \$218,000 and \$228,000 in 2023, your deduction will be limited as described below. If your combined modified adjusted gross income exceeds \$214,000 in 2022 or \$228,000 in 2023, your contribution will not be deductible. Your spouse, as an “active participant” in an employer-sponsored retirement plan, may make a fully deductible contribution to a Traditional IRA if your combined modified adjusted gross income does not exceed the amounts listed in the table above. Conversely, if you are an “active” participant” and your spouse is not, a contribution to your Traditional IRA will be deductible if your combined modified adjusted gross income does not exceed the amounts listed above.

- If you are married and file a separate return, and neither you nor your spouse is an “active participant” in an employer-sponsored retirement plan, you may make a fully deductible contribution to a Traditional IRA (up to the contribution limits detailed in Section 3). If you are married, filing separately, and either you or your spouse is an “active participant” in an employer-sponsored retirement plan, you may not make a fully deductible contribution to a Traditional IRA.

Please note that the deduction limits are not the same as the contribution limits. You can contribute to your Traditional IRA in any amount up to the contribution limits detailed in Section 3. The amount of your contribution that is deductible for federal income tax purposes is based upon the rules described in this section. If you (or where applicable, your spouse) are an “active participant” in an employer-sponsored retirement plan, you can refer to IRS Publication 590-A: Figuring Your Modified AGI and Figuring Your Reduced IRA Deduction to calculate whether your contribution will be fully or partially deductible.

Even if your income exceeds the limits described above, you may make a contribution to your IRA up to the contribution limitations described in Section 3. To the extent that your contribution exceeds the deductible limits, it will be nondeductible. However, earnings on all IRA contributions are tax deferred until distribution. You must designate on your federal income tax return the amount of your Traditional IRA contribution that is nondeductible and provide certain additional information concerning nondeductible contributions. Overstating the amount of nondeductible contributions will generally subject you to a penalty of \$100 for each overstatement.

### **Saver’s Credit for IRA Contributions:**

A credit of up to \$1,000, or up to \$2,000 if married filing jointly, may be available to certain taxpayers having a joint AGI of less than \$68,000 in 2022, or \$73,000 in 2023. The credit may also be available to certain taxpayers who are heads of household with an AGI of less than \$51,000 in 2022, \$54,750 in 2023, or married

individuals filing separately and singles with an AGI less than \$34,000 in 2022, or \$36,500 in 2023. Some of the restrictions that apply include:

- the individual must be at least 18;
- not a full-time student;
- not declared as a dependent on another taxpayer's return; or
- any distribution from most retirement plans (qualified and non-qualified) will decrease the eligible contribution.

#### **6. What if I Make an Excess Contribution?**

Contributions that exceed the allowable maximum for federal income tax purposes are treated as excess contributions. A nondeductible penalty tax of 6% of the excess amount contributed will be added to your income tax for each year in which the excess contribution remains in your account.

#### **7. How Do I Correct an Excess Contribution?**

If you make a contribution in excess of your allowable maximum, you may correct the excess contribution and avoid the 6% penalty tax under Section 4973 of the Internal Revenue Code for that year by withdrawing the excess contribution and its earnings on or before the due date, including extensions, of the tax return for the tax year for which the contribution was made (generally October 15th). Any earnings on the withdrawn excess contribution may be subject to a 10% early distribution penalty tax if you are under age 59½. In addition, in certain cases an excess contribution may be withdrawn after the time for filing your tax return. Finally, excess contributions for one year may be carried forward and applied against the contribution limitation in succeeding years.

#### **8. Can a Simplified Employee Pension Plan Be Used in Conjunction with a Traditional IRA?**

A Traditional IRA may also be used in connection with a Simplified Employee Pension Plan (SEP Plan) established by your employer (or by you if you are self-employed). In addition, if your SEP Plan was in effect on December 31, 1996 and permitted salary reduction contributions, you may elect to have your employer make salary reduction contributions. Several limitations on the amount that may be contributed apply. First, salary reduction contributions (for plans that are eligible) may not exceed \$20,500 in 2022 and \$22,500 in 2023. The limits may be adjusted periodically for cost of living increases. Second, the combination of all contributions for any year (including employer contributions and, if your SEP Plan is eligible, salary reduction contributions) cannot exceed the lesser of 25% of compensation, or \$61,000 in 2022 and \$66,000 in 2023. The compensation limit is \$305,000 in 2022 and \$330,000 in 2023. It may be adjusted periodically for cost of living increases. A number of special rules apply to SEP Plans, including a requirement that contributions generally be made on behalf of all employees of the employer (including for this purpose a sole proprietorship or partnership) who satisfy certain minimum participation requirements. It is your responsibility and that of your employer to see that contributions in excess of normal IRA limits are made under and in accordance with a valid SEP Plan.

If making a Traditional IRA contribution to a SEP IRA and if you are at

least age 50 before the end of the plan year, you may make additional "catch-up" contributions in the amount of \$1,000 for 2022 and \$1,000 for 2023.

Please note that an IRS Model 5305-SEP Form must be provided to any participating employee in a Simplified Employee Pension Plan.

#### **9. Can a Savings and Incentive Match Plan for Employees of Small Employers ("SIMPLE") Be Used in Conjunction with a Traditional IRA?**

A Traditional IRA may also be used in connection with a SIMPLE Plan established by your employer (or by you if you are self-employed). When this is done, the IRA is known as a SIMPLE IRA, although it is similar to a Traditional IRA with the exceptions described below. Under a SIMPLE Plan, you may elect to have your employer make salary reduction contributions to your SIMPLE IRA up to \$14,000 in 2022 and \$15,500 in 2023. The limits may be adjusted periodically for cost of living increases. In addition, your employer will contribute certain amounts to your SIMPLE IRA, either as a matching contribution to those participants who make salary reduction contributions or as a non-elective contribution to all eligible participants whether or not they make salary reduction contributions. A number of special rules apply to SIMPLE Plans, including (1) a SIMPLE Plan generally is available only to employers with fewer than 100 employees, (2) contributions must be made on behalf of all employees of the employer (other than bargaining unit employees) who satisfy certain minimum participation requirements, (3) contributions are made to a special SIMPLE IRA that is separate and apart from your other IRAs, (4) if you withdraw from your SIMPLE IRA during the two-year period during which you first began participation in the SIMPLE Plan, the early distribution excise tax (if otherwise applicable) is increased to 25%; and (5) during this two-year period, any amount withdrawn may be rolled over tax-free only into another SIMPLE IRA (and not to a Traditional IRA (that is not a SIMPLE IRA) or to a Roth IRA). Rollovers from Traditional IRAs, SEP IRAs, and Qualified Plans are restricted until after 2 years of participation in the SIMPLE IRA Plan. It is your responsibility and that of your employer to see that contributions in excess of normal IRA limits are made under and in accordance with a valid SIMPLE Plan. If you are at least age 50 before the end of the plan year, you may make additional "catch-up" contributions in the amount of \$3,000 in 2022, and \$3,500 in 2023. The limits may be adjusted periodically for cost of living increases.

Please note that IRS Model 5304-SIMPLE IRA and 5305-SA Forms must be provided to any participating SIMPLE-IRA Employee.

#### **10. When can Distributions be taken from a Traditional IRA?**

You may at any time request distribution of all or any portion of your account. However, distributions made prior to age 59½ may be subject to an additional 10% penalty tax, unless some other exception applies, as discussed in more detail in paragraph 18 below. IRA assets escheated under state abandoned property laws may be treated as a distribution and may be subject to tax withholding.

### **11. *When Must Distributions from a Traditional IRA Begin?***

You must begin receiving the assets in your account no later than April 1 following the calendar year in which you reach RMD age.

### **12. *How are Required Minimum Distributions Computed?***

A required minimum distribution ("RMD") is determined by dividing the account balance (as of the prior calendar year end) by the distribution period. For lifetime RMDs, there is a uniform distribution period for almost all IRA owners of the same age. The uniform distribution period table is based on the joint life and last survivor expectancy of an individual and a hypothetical beneficiary 10 years younger. However, if the IRA owner's sole beneficiary is his/her spouse and the spouse is more than 10 years younger than the account owner, then a longer distribution period based upon the joint life and last survivor life expectancy of the IRA owner and spouse will apply. An IRA owner may, however, elect to take more than his/her RMD at any time.

### **13. *What happens if I do not take my RMD?***

A federal excise tax penalty under Section 4974 of the Internal Revenue Code may be imposed against you if the RMD is not made for the year you reach RMD age and for each year thereafter.

### **14. *Are There Distribution Rules that Apply after My Death?***

Yes. If you die before receiving the balance of your Traditional IRA, distribution of your remaining account balance is subject to several special rules, depending upon the year of your death, whether the beneficiary is an "eligible designated beneficiary," and whether you died before or on or after your required begin date. Your required begin date is April 1 of the year after you reach RMD age. An eligible designated beneficiary is a surviving spouse, a minor child, chronically ill or disabled, or anyone not listed above who is not more than 10 years younger than the original owner. In the case of a minor child, then full distribution must occur within 10 years of the child attaining the age of majority. If you die on or after your required begin date, and the death occurred in 2019 or earlier, or the beneficiary is an eligible designated beneficiary as described above, the beneficiary can stretch payments out over the longer of the beneficiary's remaining life expectancy (using the age of the beneficiary in the year following the year of your death) or your remaining life expectancy (determined using your age in the year of your death) beginning in the year after the year of your death and reduced by 1.0 for each succeeding year. If you die on or after your required begin date, and the death occurred in 2020 or later, and the beneficiary is not an eligible designated beneficiary, then payments are made using the age of the beneficiary in the year following the year of your death and reduced by 1.0 for each succeeding year and full distribution must occur no later than the year containing the 10th anniversary of your death. If you die before your required beginning date, and the death occurred in 2019 or earlier, or the beneficiary is an eligible designated beneficiary as described above, your remaining interest may begin to be distributed by December 31 of the year following your death over a period not exceeding the life expectancy or expectancies of your designated beneficiary or beneficiaries. If you die before your required begin date, and the death occurred in 2020 or later, and the beneficiary is not an

eligible designated beneficiary, then full distribution must occur no later than the year containing the 10th anniversary of your death. An eligible designated beneficiary may choose the 10-year distribution option.

Two additional distribution options are available if your spouse is the beneficiary: (i) payments to your spouse may commence as late as December 31 of the year you would have attained RMD age and be distributed over a period not exceeding the life expectancy of your spouse, or (ii) your spouse can simply elect to treat your Traditional IRA as her or his own, in which case distributions will be required to commence by April 1 following the calendar year in which your spouse attains RMD age.

### **15. *How do the RMD Rules Impact my Designated Beneficiary or Beneficiaries?***

The RMD rules provide for the determination of your designated beneficiary or beneficiaries as of September 30 of the year following your death. Consequently, any beneficiary may be eliminated for purposes of calculating the RMD by the distribution of that beneficiary's benefit, through a valid disclaimer between your death and the end of September following the year of your death, or by dividing your IRA account into separate accounts for each of several designated beneficiaries you may have designated.

### **16. *How Are Distributions From a Traditional IRA Taxed for Federal Income Tax Purposes?***

Amounts distributed to you are generally includable in your gross income in the taxable year you receive them and are taxable as ordinary income. To the extent, however, that any part of a distribution constitutes a return of your nondeductible contributions, it will not be included in your income. The amount of any distribution excludable from income is the portion that bears the same ratio as your aggregate non-deductible contributions bear to the balance of your Traditional IRA at the end of the year (calculated after adding back distributions during the year). For this purpose, all of your Traditional IRAs are treated as a single Traditional IRA. Furthermore, all distributions from a Traditional IRA during a taxable year are to be treated as one distribution. The aggregate amount of distributions excludable from income for all years cannot exceed the aggregate non-deductible contributions for all calendar years.

You must elect the withholding treatment of your distribution, as described in paragraph 22 below. No distribution to you or anyone else from a Traditional IRA can qualify for capital gains treatment under the federal income tax laws. Similarly, you are not entitled to the special five- or ten-year averaging rule for lump-sum distributions that may be available to persons receiving distributions from certain other types of retirement plans. Historically, so-called "excess distributions" to you as well as "excess accumulations" remaining in your account as of your date of death were subject to additional taxes. These additional taxes no longer apply.

Any distribution that is properly rolled over will not be includable in your gross income.



### **17. What Are the Qualifications for Charitable Donations?**

The Pension Protection Act of 2006 allows Traditional IRA holders who are RMD age or older at the time of a distribution to annually exclude qualified charitable distribution amounts up to \$100,000 per year from gross income. The provision was made permanent by the PATH Act of 2015. A qualified charitable distribution must be made payable directly to the qualified charity as described in Section 170(b) of the Internal Revenue Code. A qualified charitable distribution may be allowed from a SEP or SIMPLE IRA designated as “not ongoing.” Please contact the Internal Revenue Service or a tax advisor to determine if your SEP or SIMPLE IRA qualifies for this designation.

### **18. Are There Penalties for Early Distribution from a Traditional IRA?**

Distributions from your Traditional IRA made before age 59½ will be subject (in addition to ordinary income tax) to a 10% non-deductible penalty tax unless (i) the distribution is a return of non-deductible contributions, (ii) the distribution is made because of your death, disability, or as part of a series of substantially equal periodic payments over your life expectancy or the joint life expectancy of you and your beneficiary, (iii) the distribution is made for unreimbursed medical expenses in excess of 7.5% of adjusted gross income or is made for reimbursement of medical premiums while you are unemployed, (iv) the distribution is made to pay for certain higher education expenses for you, your spouse, your child, your grandchild, or the child or grandchild of your spouse, (v) subject to various limits, the distribution is used to purchase a first home or, in limited cases, a second or subsequent home for you, your spouse, or you or your spouse's child, grandchild or ancestor, (vi) the distribution is an exempt withdrawal of an excess contribution, (vii) the distribution is made due to an IRS tax levy, or (viii) the distribution is made by member of the Armed Forces Reserve called to active duty for either a period exceeding 179 days or for an indefinite period and is effective for members called to active duty. The penalty tax may also be avoided if the distribution is rolled over to another individual retirement account. See Item 9 above for special rules applicable to distributions from a SIMPLE IRA.

### **19. What If I Engage in a Prohibited Transaction?**

If you engage in a “prohibited transaction,” as defined in Section 4975 of the Internal Revenue Code, your account will be disqualified, and the entire balance in your account will be treated as if distributed to you and will be taxable to you as ordinary income. Examples of prohibited transactions are:

- a. the sale, exchange, or leasing of any property between you and your account;
- b. the lending of money or other extensions of credit between you and your account; or
- c. the furnishing of goods, services, or facilities between you and your account.

If you are under age 59½, you may also be subject to the 10% penalty tax on early distributions in addition to ordinary income taxes.

### **20. What If I Pledge My Account?**

If you use (pledge) all or part of your Traditional IRA as security for a loan, then the portion so pledged will be treated as if distributed to you and will be taxable to you as ordinary income during the year in which you make such pledge. The 10% penalty tax on early distributions may also apply in addition to ordinary income taxes.

### **21. How Are Contributions to a Traditional IRA Reported for Federal Tax Purposes?**

Deductible contributions to your Traditional IRA may be claimed as a deduction on your IRS Form 1040 for the taxable year contributed. If any non-deductible contributions are made by you during a tax year, such amounts must be reported on Form 8606 and attached to your Federal Income Tax Return for the year contributed. If you report a non-deductible contribution to your Traditional IRA and do not make the contribution, you will be subject to a \$100 penalty for each overstatement unless a reasonable cause is shown for not contributing. Other reporting will be required by you in the event that special taxes or penalties described herein are due. You must also file Form 5329 with the IRS for each taxable year in which the contribution limits are exceeded, a premature distribution takes place, or less than the required minimum amount is distributed from your Traditional IRA.

### **22. Income Tax Withholding**

You may indicate on distribution requests whether or not federal tax should be withheld. Distribution requests without a federal withholding statement require the Custodian to withhold federal tax in accordance with IRS regulations. State withholding may also apply for distribution requests received without a withholding statement. To determine your withholding rate, please consult IRS Form W-4R available from [www.irs.gov/pub/irs-pdf/fw4r.pdf](http://www.irs.gov/pub/irs-pdf/fw4r.pdf). You may use these tables to help you select the appropriate withholding rate for this payment or distribution. Add your income from all sources and use the column that matches your filing status to find the corresponding rate of withholding. Review the “Suggestion for determining withholding” section of the instructions to help determine the rate of withholding appropriate to your tax situation.

### **23. Other Information**

The form of your Individual Retirement Account Plan has been approved by the Internal Revenue Service. The Internal Revenue Service approval is a determination only as to the form of the Plan and does not represent a determination of the merits of the Plan as adopted by you. You may obtain further information with respect to your Individual Retirement Account from any district office of the Internal Revenue Service.

Information about the shares of each mutual fund available for investment by your IRA must be furnished to you in the form of a prospectus governed by rules of the Securities and Exchange Commission. Please refer to the prospectus for detailed information concerning your mutual fund.

## Traditional Individual Retirement Custodial Account

The following constitutes an agreement establishing an Individual Retirement Account (under Section 408(a) of the Internal Revenue Code) between the depositor and the Custodian.

### Article I

Except in the case of a rollover contribution described in section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16), an employer contribution to a simplified employee pension plan as described in section 408(k), or a recharacterized contribution described in section 408A(d)(6), the custodian will accept only cash contributions up to \$5,500 per year for 2013 through 2017. For individuals who have reached the age of 50 by the end of the year, the contribution limit is increased to \$6,500 per year for 2013 through 2017. For years after 2017, these limits will be increased to reflect a cost-of-living adjustment, if any.

### Article II

The depositor's interest in the balance in the custodial account is non-forfeitable.

### Article III

1. No part of the custodial account funds may be invested in life insurance contracts, nor may the assets of the custodial account be commingled with other property except in a common trust fund or common investment fund (within the meaning of Section 408(a)(5)).
2. No part of the custodial account funds may be invested in collectibles (within the meaning of Section 408(m)) except as otherwise permitted by Section 408(m)(3) which provides an exception for certain gold, silver, and platinum coins, coins issued under the laws of any state, and certain bullion.

### Article IV

1. Notwithstanding any provision of this agreement to the contrary, the distribution of the depositor's interest in the custodial account shall be made in accordance with the following requirements and shall otherwise comply with Section 408(a)(6) and the regulations thereunder, the provisions of which are herein incorporated by reference.
2. The depositor's entire interest in the custodial account must be, or begin to be, distributed not later than the depositor's required beginning date, April 1 following the calendar year in which the depositor reaches age 70½. By that date, the depositor may elect, in a manner acceptable to the Custodian, to have the balance in the custodial account distributed in:
  - a. A single sum; or
  - b. Payments over a period not longer than the life of the depositor or the joint lives of the depositor and his or her designated beneficiary.
3. If the depositor dies before his or her entire interest is distributed

to him or her, the remaining interest will be distributed as follows:

- a. If the depositor dies on or after the required beginning date and:
  - i. the designated beneficiary is the depositor's surviving spouse, the remaining interest will be distributed over the surviving spouse's life expectancy as determined each year until such spouse's death, or over the period in paragraph (a)(iii) below if longer. Any interest remaining after the spouse's death will be distributed over such spouse's remaining life expectancy as determined in the year of the spouse's death and reduced by 1.0 for each subsequent year, or, if distributions are being made over the period in paragraph (a)(iii) below, over such period;
  - ii. the designated beneficiary is not the depositor's surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined in the year following the death of the depositor and reduced by 1.0 for each subsequent year, or over the period in paragraph (a)(iii) below if longer;
  - iii. there is no designated beneficiary, the remaining interest will be distributed over the remaining life expectancy of the depositor as determined in the year of the depositor's death and reduced by 1.0 for each subsequent year.
- b. If the depositor dies before the required beginning date, the remaining interest will be distributed in accordance with (i) below or, if elected or there is no designated beneficiary, in accordance with (ii) below:
  - i. the remaining interest will be distributed in accordance with paragraphs (a)(i) and (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), starting by the end of the calendar year following the year of the depositor's death. If, however, the designated beneficiary is the depositor's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the depositor would have reached age 70½. But, in such case, if the depositor's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), over such spouse's designated beneficiary's life expectancy, or in accordance with (ii) below if there is no such designated beneficiary;
  - ii. the remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the depositor's death.
4. If the depositor dies before his or her entire interest has been distributed and if the designated beneficiary is not the depositor's surviving spouse, no additional contributions may be accepted in the account.
5. The minimum amount that must be distributed each year, beginning with the year containing the depositor's required beginning date, is

known as the “required minimum distribution” and is determined as follows:

- a. the required minimum distribution under paragraph 2(b) for any year, beginning with the year the depositor reaches age 70½, is the depositor’s account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations Section 1.401(a)(9)-9. However, if the depositor’s designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the depositor’s account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations Section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph (a) is determined using the depositor’s (or, if applicable, the depositor and spouse’s) attained age (or ages) in the year;
  - b. the required minimum distribution under paragraphs 3(a) and 3(b)(i) for a year, beginning with the year following the year of the depositor’s death (or the year the depositor would have reached age 70½, if applicable under paragraph 3(b)(i) is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations Section 1.401(a)(9)-9 of the individual specified in such paragraphs 3(a) and 3(b)(i));
  - c. the required minimum distribution for the year the depositor reaches age 70½ can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.
6. The owner of two or more traditional IRAs may satisfy the minimum distribution requirements described above by taking from one traditional IRA the amount required to satisfy the requirement for another in accordance with the regulations under Section 408(a) (6).

#### **Article V**

1. The depositor agrees to provide the Custodian with all information necessary to prepare any reports required by Section 408(i) and Regulations Sections 1.408-5 and 1.408-6.
2. The Custodian agrees to submit to the Internal Revenue Service (IRS) and depositor the reports prescribed by the IRS.

#### **Article VI**

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through III and this sentence will be controlling. Any additional articles inconsistent with Section 408(a) and related regulations will be invalid.

#### **Article VII**

This agreement will be amended as necessary to comply with the provisions of the Code and the related regulations. Other amendments may be made with the consent of the persons whose signatures appear below.

#### **Article VIII**

##### **1. Investment of Account Assets**

- a. All contributions to the custodial account shall be invested in the shares of the Cove Street Capital Small Cap Value Fund or, if available, any other series of Cove Street Capital Small Cap Value Fund or other regulated investment companies for which Cove Street Capital, LLC serves as Investment Advisor or designates as being eligible for investment. Shares of stock of an Investment Company shall be referred to as “Investment Company Shares”. To the extent that two or more funds are available for investment, contributions shall be invested in accordance with the depositor’s investment election.
- b. Each contribution to the custodial account shall identify the depositor’s account number and be accompanied by a signed statement directing the investment of that contribution. The Custodian may return to the depositor, without liability for interest thereon, any contribution which is not accompanied by adequate account identification or an appropriate signed statement directing investment of that contribution.
- c. Contributions shall be invested in whole and fractional Investment Company Shares at the price and in the manner such shares are offered to the public. All distributions received on Investment Company Shares, including both dividend and capital gain distributions, held in the custodial account shall be reinvested in like shares. If any distribution of Investment Company Shares may be received in additional like shares or in cash or other property, the Custodian shall elect to receive such distribution in additional like Investment Company Shares.
- d. All Investment Company Shares acquired by the Custodian shall be registered in the name of the Custodian or its nominee. The depositor shall be the beneficial owner of all Investment Company Shares held in the custodial account.
- e. The Custodian agrees to forward to the depositor each prospectus, report, notice, proxy and related proxy soliciting materials applicable to Investment Company Shares held in the custodial account received by the Custodian. By establishing or having established the custodial account, the depositor affirmatively directs the Custodian to vote any Investment Company Shares held on the applicable record date that have not been voted by the depositor prior to a shareholder meeting for which prior notice has been given. The Custodian shall vote with the management of the Investment Company on each proposal that the Investment Company’s Board of Directors has approved unanimously. If the Investment Company’s Board of Directors has not approved a proposal unanimously, the Custodian shall vote in proportion to all shares voted by the Investment Company’s shareholders.
- f. The depositor may, at any time, by written notice to the Custodian, in a form acceptable to the Custodian, redeem any number of shares held in the custodial account and reinvest the proceeds in the shares of any other Investment Company upon the terms and within the limitations imposed by then



current prospectus of such other Investment Company in which the depositor elects to invest. By giving such instructions, the depositor will be deemed to have acknowledged receipt of such prospectus. Such redemptions and reinvestments shall be done at the price and in the manner such shares are then being redeemed or offered by the respective Investment Companies.

## **2. Amendment and Termination**

- a. The Custodian may amend the custodial account (including retroactive amendments) by delivering to the depositor written notice of such amendment setting forth the substance and effective date of the amendment. The depositor shall be deemed to have consented to any such amendment not objected to in writing by the depositor within thirty (30) days of receipt of the notice, provided that no amendment shall cause or permit any part of the assets of the custodial account to be diverted to purposes other than for the exclusive benefit of the depositor or his or her beneficiaries.
- b. The depositor may terminate the custodial account at any time by delivering to the Custodian a written notice of such termination.
- c. The custodial account shall automatically terminate upon distribution to the depositor or his or her beneficiaries of its entire balance.

## **3. Taxes and Custodial Fees**

Any income taxes or other taxes levied or assessed upon or in respect of the assets or income of the custodial account and any transfer taxes incurred shall be paid from the custodial account. All administrative expenses incurred by the Custodian in the performance of its duties, including fees for legal services rendered to the Custodian, in connection with the custodial account, and the Custodian's compensation shall be paid from the custodial account, unless otherwise paid by the depositor or his or her beneficiaries. Sufficient shares will be liquidated from the custodial account to pay such fees and expenses.

The Custodian's fees are set forth in Section 3 of the General Information section at the beginning of this booklet. Extraordinary charges resulting from unusual administrative responsibilities not contemplated by the schedule will be subject to such additional charges as will reasonably compensate the Custodian. Fees will be charged for any liquidation including transferring to a successor trustee or custodian. The fee will be taken from the remaining balance of the account in the event of a partial liquidation. The fee will be taken from the proceeds in the event of a total liquidation and the balance of the account will be forwarded in accordance with the depositor's instructions.

## **4. Reports and Notices**

- a. The Custodian shall keep adequate records of transactions it is required to perform hereunder. After the close of each calendar year, the Custodian shall provide to the depositor or his or her legal representative a written report or reports reflecting the transactions effected by it during such year and the assets and liabilities of the custodial account at the close of the year.
- b. All communications or notices shall be deemed to be given upon receipt by the Custodian at: U.S. Bank, N.A., P.O. Box

701, Milwaukee, Wisconsin 53201-0701 or the depositor at his or her most recent address shown in the Custodian's records. The depositor agrees to advise the Custodian promptly, in writing, of any change of address.

## **5. Designation of Beneficiary**

The depositor may designate a beneficiary or beneficiaries to receive benefits from the custodial account in the event of the depositor's death. In the event the depositor has not designated a beneficiary, or if all beneficiaries shall predecease the depositor, the following persons shall take in the order named:

- a. the spouse of the depositor;
- b. if the spouse shall predecease the depositor or if the depositor does not have a spouse, then to the depositor's estate.

The depositor may also change or revoke any previously made designation of beneficiary. A designation or change or revocation of a designation shall be made by written notice in a form acceptable to and filed with the Custodian, prior to the complete distribution of the balance in the custodial account. The last such designation on file at the time of the depositor's death shall govern. If a beneficiary dies after the depositor, but prior to receiving his or her entire interest in the custodial account, the remaining interest in the custodial account shall be paid to the beneficiary's estate.

## **6. Multiple Individual Retirement Accounts**

In the event the depositor maintains more than one Individual Retirement Account (as defined in Section 408(a)) and elects to satisfy his or her minimum distribution requirements described in Article IV above by making a distribution from another individual retirement account in accordance with Item 6 thereof, the depositor shall be deemed to have elected to calculate the amount of his or her minimum distribution under this custodial account in the same manner as under the Individual Retirement Account from which the distribution is made.

## **7. Inalienability of Benefits**

Neither the benefits provided under this custodial account nor the assets held therein shall be subject to alienation, assignment, garnishment, attachment, execution or levy of any kind and any attempt to cause such benefits or assets to be so subjected shall not be recognized except to the extent as may be required by law.

## **8. Rollover Contributions and Transfers**

The Custodian shall have the right to receive rollover contributions and to receive direct transfers from other custodians or trustees. All contributions must be made in cash or check.

## **9. Conflict in Provisions**

To the extent that any provisions of this Article VIII shall conflict with the provisions of Articles IV, V and/or VII, the provisions of this Article VIII shall govern.

## **10. Applicable State Law**

This custodial account shall be construed, administered and enforced according to the laws of the State of Wisconsin.

## 11. Resignation or Removal of Custodian

The Custodian may resign at any time upon thirty (30) days notice in writing to the Investment Company. Upon such resignation, the Investment Company shall notify the depositor, and shall appoint a successor custodian under this Agreement. The depositor or the Investment Company at any time may remove the Custodian upon 30 days written notice to that effect in a form acceptable to and filed with the Custodian. Such notice must include designation of a successor custodian. The successor custodian shall satisfy the requirements of Section 408(h) of the Code. Upon receipt by the Custodian of written acceptance of such appointment by the successor custodian, the Custodian shall transfer and pay over to such successor the assets of and records relating to the custodial account. The Custodian is authorized, however, to reserve such sum of money as it may deem advisable for payment of all its fees, compensation, costs and expenses, or for payment of any other liability constituting a charge on or against the assets of the custodial account or on or against the Custodian, and where necessary may liquidate shares in the custodial account for such payments. Any balance of such reserve remaining after the payment of all such items shall be paid over to the successor custodian. The Custodian shall not be liable for the acts or omissions of any predecessor or successor custodian or trustee.

## 12. Limitation on Custodian Responsibility

The Custodian will not under any circumstances be responsible for the timing, purpose or propriety of any contribution or of any distribution made hereunder, nor shall the Custodian incur any liability or responsibility for any tax imposed on account of any such contribution or distribution. Further, the Custodian shall not incur any liability or responsibility in taking or omitting to take any action based on any notice, election, or instruction or any written instrument believed by the Custodian to be genuine and to have been properly executed. The Custodian shall be under no duty of inquiry with respect to any such notice, election, instruction, or written instrument, but in its discretion may request any tax waivers, proof of signatures or other evidence which it reasonably deems necessary for its protection. The depositor and the successors of the depositor including any executor or administrator of the depositor shall, to the extent permitted by law, indemnify the Custodian and its successors and assigns against any and all claims, actions or liabilities of the Custodian to the depositor or the successors or beneficiaries of the depositor whatsoever (including without limitation all reasonable expenses incurred in defending against or settlement of such claims, actions or liabilities) which may arise in connection with this Agreement or the custodial account, except those due to the Custodian's own bad faith, gross negligence or willful misconduct. The Custodian shall not be under any duty to take any action not specified in this Agreement, unless the depositor shall furnish it with instructions in proper form and such instructions shall have been specifically agreed to by the Custodian, or to defend or engage in any suit with respect hereto unless it shall have first agreed in writing to do so and shall have been fully indemnified to its satisfaction.

## SIMPLE Individual Retirement Custodial Account (Under section 408(p) of the Internal Revenue Code)

The participant named above is establishing a savings incentive match plan for employees of small employers individual retirement account (SIMPLE IRA) under sections 408(a) and 408(p) to provide for his or her retirement and for the support of his or her beneficiaries after death.

The custodian named above has given the participant the disclosure statement required by Regulations section 1.408-6.

The participant and the custodian make the following agreement:

### Article I

The custodian will accept cash contributions made on behalf of the participant by the participant's employer under the terms of a SIMPLE IRA plan described in section 408(p). In addition, the custodian will accept transfers or rollovers from other SIMPLE IRAs of the participant and, after the 2-year period of participation defined in section 72(t)(6), transfers or rollovers from any eligible retirement plan (as defined in section 402(c)(8)(B)) other than a Roth IRA or a designated Roth account. No other contributions will be accepted by the custodian.

### Article II

The participant's interest in the balance in the custodial account is nonforfeitable.

### Article III

1. No part of the custodial account funds may be invested in life insurance contracts, nor may the assets of the custodial account be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5)).
2. No part of the custodial account funds may be invested in collectibles (within the meaning of section 408(m)) except as otherwise permitted by section 408(m)(3), which provides an exception for certain gold, silver, and platinum coins, coins issued under the laws of any state, and certain bullion.

### Article IV

1. Notwithstanding any provision of this agreement to the contrary, the distribution of the participant's interest in the custodial account shall be made in accordance with the following requirements and shall otherwise comply with section 408(a)(6) and the regulations thereunder, the provisions of which are herein incorporated by reference.
2. The participant's entire interest in the custodial account must be, or begin to be, distributed not later than the participant's required beginning date, April 1 following the calendar year in which the participant reaches age 70½. By that date, the participant may elect, in a manner acceptable to the custodian, to have the balance in the custodial account distributed in:
  - (a) A single sum or
  - (b) Payments over a period not longer than the life of the participant or the joint lives of the participant and his or her designated beneficiary.



3. If the participant dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:

(a) If the participant dies on or after the required beginning date and:

- (i) the designated beneficiary is the participant's surviving spouse, the remaining interest will be distributed over the surviving spouse's life expectancy as determined each year until such spouse's death, or over the period in paragraph (a)(iii) below if longer. Any interest remaining after the spouse's death will be distributed over such spouse's remaining life expectancy as determined in the year of the spouse's death and reduced by 1 for each subsequent year, or, if distributions are being made over the period in paragraph (a)(iii) below, over such period.
- (ii) the designated beneficiary is not the participant's surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined in the year following the death of the participant and reduced by 1 for each subsequent year, or over the period in paragraph (a)(iii) below if longer.
- (iii) there is no designated beneficiary, the remaining interest will be distributed over the remaining life expectancy of the participant as determined in the year of the participant's death and reduced by 1 for each subsequent year.

(b) If the participant dies before the required beginning date, the remaining interest will be distributed in accordance with (i) below or, if elected or there is no designated beneficiary, in accordance with (ii) below:

(i) The remaining interest will be distributed in accordance with paragraphs (a)(i) and (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), starting by the end of the calendar year following the year of the participant's death. If, however, the designated beneficiary is the participant's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the participant would have reached age 70½. But, in such case, if the participant's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), over such spouse's designated beneficiary's life expectancy, or in accordance with (ii) below if there is no such designated beneficiary.

(ii) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the participant's death.

4. If the participant dies before his or her entire interest has been distributed and if the designated beneficiary is not the participant's surviving spouse, no additional contributions may be accepted in the account.

5. The minimum amount that must be distributed each year, beginning with the year containing the participant's required beginning date, is

known as the "required minimum distribution" and is determined as follows:

(a) The required minimum distribution under paragraph 2(b) for any year, beginning with the year the participant reaches age 70½, is the participant's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if the participant's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the participant's account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph (a) is determined using the participant's (or, if applicable, the participant and spouse's) attained age (or ages) in the year.

(b) The required minimum distribution under paragraphs 3(a) and 3(b)(i) for a year, beginning with the year following the year of the participant's death (or the year the participant would have reached age 70½, if applicable under paragraph 3(b)(i)) is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the individual specified in such paragraphs 3(a) and 3(b)(i).

(c) The required minimum distribution for the year the participant reaches age 70½ can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.

6. The owner of two or more IRAs (other than Roth IRAs) may satisfy the minimum distribution requirements described above by taking from one IRA the amount required to satisfy the requirement for another in accordance with the regulations under section 408(a)(6).

#### **Article V**

1. The participant agrees to provide the custodian with all information necessary to prepare any reports required by sections 408(i) and 408(l)(2) and Regulations sections 1.408-5 and 1.408-6.

2. The custodian agrees to submit to the Internal Revenue Service (IRS) and participant the reports prescribed by the IRS.

3. The custodian also agrees to provide the participant's employer the summary description described in section 408(l)(2) unless this SIMPLE IRA is a transfer SIMPLE IRA.

#### **Article VI**

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through III and this sentence will be controlling. Any additional articles inconsistent with sections 408(a) and 408(p) and the related regulations will be invalid.

#### **Article VII**

This agreement will be amended as necessary to comply with the provisions of the Code and the related regulations. Other amendments may be made with the consent of the persons whose signatures appear

below.

Article VIII

Article VIII may be used for any additional provisions. If no other provisions will be added, draw a line through this space. If provisions are added, they must comply with applicable requirements of state law and the Internal Revenue Code and may not imply that they have been reviewed or pre-approved by the IRS.

Disclosure Statement for Roth IRAs

1. Am I Eligible to Contribute to a Roth IRA?

Anyone with compensation income whose Modified Adjusted Gross Income (AGI) does not exceed the limits described below is eligible to contribute to a Roth IRA. (For convenience, all future references to compensation are deemed to mean “earned income” in the case of a self-employed individual.) Employers may also contribute to Roth IRAs established for the benefit of their employees. You may also establish a Roth IRA to receive rollover contributions or transfers from another Roth IRA or, in some cases, from a Traditional IRA. A Qualified Rollover Contribution can be made to a Roth IRA and is a distribution from an IRA that meets the requirements of section 408(d)(3), a rollover from a designated Roth account described in section 402A, or a rollover from an eligible retirement plan as described in section 402(c)(8)(B).

2. When Can I Make Contributions?

You may make annual contributions to your Roth IRA any time up to and including the due date for filing your tax return for the year, not including extensions. You may continue to make regular contributions to your Roth IRA even after you attain RMD age. In addition, rollover contributions and transfers (to the extent permitted as discussed below) may be made at any time, regardless of your age.

3. How Much May I Contribute to a Roth IRA?

As a result of the Economic Growth and Tax Relief Reconciliation Act (“EGTRRA”) of 2001, the maximum dollar amount of annual contributions you may make to a Roth IRA is \$5,500 for tax years beginning in 2013 with the potential for Cost-of-Living Adjustment (COLA) increases in \$500 increments. However, these amounts are phased out or eliminated entirely if your adjusted gross income is over a certain level, as explained in more detail below.

Year	2022	2023
Roth IRA Contribution Limit	\$6,000	\$6,500

You may make annual contributions to a Roth IRA in any amount up to 100% of your compensation for the year or the maximum contribution limits shown in the table above, whichever is less. The limitation is reduced by any contributions made by you or on your behalf to any other individual retirement plan (such as a Traditional IRA) except SEP IRAs and SIMPLE IRAs. Your annual contribution limitation is not reduced by contributions you make to a Coverdell Education Savings Account that covers someone other than yourself. In addition, qualifying rollover contributions and transfers are not subject to these limitations.

If you are age 50 or older by the end of the year, you may make additional

“catch-up” contributions to a Roth IRA. The “catch-up” contribution limit is \$1,000 for tax years 2009 and beyond.

If you are married and file a joint return, you may make contributions to your spouse’s Roth IRA. However, the maximum amount contributed to both your own and to your spouse’s Roth IRA may not exceed 100% of your combined compensation or the maximum contribution shown in the table above, whichever is less. The maximum amount that may be contributed to either your Roth IRA or your spouse’s Roth IRA is shown in the table above. Again, these dollar limits are reduced by any contributions made by or on behalf of you or your spouse to any other individual retirement plan (such as a Traditional IRA) except SEP IRAs and SIMPLE IRAs. Again, the limit is not reduced for contributions either of you make to a Coverdell Education Savings Account for someone other than yourselves.

As noted in Item 1, your eligibility to contribute to a Roth IRA depends on your AGI (as defined below). The amount that you may contribute to a Roth IRA is reduced proportionately for AGI which exceeds the applicable dollar amount. For the 2022 and 2023 tax years, the amount that you may contribute to your Roth IRA is as follows:

Single Individual

Year	Eligible to Make a Contribution if AGI is Less Than:	Eligible to Make a Partial Contribution if AGI is Between:	Not Eligible to Make A Contribution if AGI is Over:
2022	\$129,000	\$129,000 - \$144,000	\$144,000
2023 & After - subject to COLA increases	\$138,000	\$138,000 - \$153,000	\$153,000

Married Individual Filing a Joint Income Tax Return

Year	Eligible to Make a Contribution if AGI is Less Than:	Eligible to Make a Partial Contribution if AGI is Between:	Not Eligible to Make A Contribution if AGI is Over:
2022	\$204,000	\$204,000 - \$214,000	\$214,000
2023 & After - subject to COLA increases	\$218,000	\$218,000 - \$228,000	\$228,000

If you are a married taxpayer filing separately, your contribution phases out over the first \$10,000 of AGI, so that if your AGI is \$10,000 or more you may not contribute to a Roth IRA for the year. Note that the amount you may contribute to a Roth IRA is not affected by your participation in an employer-sponsored retirement plan.

To determine the amount you may contribute to a Roth IRA (assuming it does not exceed 100% of your compensation), you can refer to IRS Publication 590-A: Modified Adjusted Gross Income for Roth IRA

## Purposes and Determining Your Reduced Roth IRA Contribution Limit.

The amount you contribute may not exceed the maximum contribution limits shown in the table above reduced by the amount contributed on your behalf to all other individual retirement accounts (except SEP IRAs and SIMPLE IRAs).

Your contribution to a Roth IRA is not reduced by any amount you contribute to a Coverdell Education Savings Account for the benefit of someone other than yourself.

If you are the beneficiary of a Coverdell Education Savings Account, additional limits may apply to you. Please contact your tax advisor for more information.

### **4. Can I Roll Over or Transfer Amounts from Other IRAs?**

You are allowed to “roll over” a distribution or transfer your assets from one Roth IRA to another without any tax liability. Rollovers between Roth IRAs are permitted every 12 months and must be accomplished within 60 days after the distribution. Beginning in 2015, just one 60 day rollover is allowed in any 12 month period, inclusive of all Traditional, Roth, SEP, and SIMPLE IRAs owned.

If you are single, head of household or married filing jointly, you may convert amounts from another individual retirement plan (such as a Traditional IRA) to a Roth IRA, there are no AGI restrictions. Mandatory required minimum distributions from Traditional IRAs, must be removed from the Traditional IRA prior to conversion. Rollover amounts (except to the extent they represent non-deductible contributions) are includable in your income and subject to tax in the year of the conversion, but such amounts are not subject to the 10% penalty tax. However, if an amount rolled over from a Traditional IRA is distributed from the Roth IRA before the end of the five-tax-year period that begins with the first day of the tax year in which the rollover is made, a 10% penalty tax will apply. Effective in the tax year 2008, assets may be directly rolled over (converted) from a 401(k) Plan, 403(b) Plan or a governmental 457 Plan to a Roth IRA.

Subject to the foregoing limits, you may also directly convert a Traditional IRA to a Roth IRA with similar tax results.

Furthermore, if you have made contributions to a Traditional IRA during the year in excess of the deductible limit, you may convert those non-deductible IRA contributions to contributions to a Roth IRA (assuming that you otherwise qualify to make a Roth IRA contribution for the year and subject to the contribution limit for a Roth IRA).

You must report a rollover or conversion from a Traditional IRA to a Roth IRA by filing Form 8606 as an attachment to your federal income tax return. Beginning in 2006, you may roll over amounts from a “designated Roth IRA account” established under a qualified retirement plan. Roth IRA, Roth 401(k) or Roth 403(b) assets may only be rolled over either to another designated Roth Qualified account or to a Roth IRA. Upon distribution of employer sponsored plans the participant may roll designated Roth assets into a Roth IRA but not into a Traditional IRA. In addition, Roth assets cannot be rolled into a Profit-Sharing-only plan or pretax deferral-only 401(k) plan. In the event of your death, the designated beneficiary of your Roth 401(k) or Roth 403(b) Plan may have the opportunity to rollover proceeds from that Plan into a Beneficiary Roth IRA account. Strict limitations apply to rollovers,

and you should seek competent advice in order to comply with all of the rules governing any type of rollover.

### **5. What if I Make a Contribution for Which I Am Ineligible or Change My Mind About the Type of IRA to Which I Wish to Contribute?**

Prior to the due date (including extensions) for filing your tax return, you may elect to “recharacterize” amounts that you contributed to an IRA during the year by making a recharacterization of the contributed amount and earnings. Thus, for example, if you contribute amounts to a Roth IRA and later determine that you are ineligible to make a Roth IRA contribution for the year, you may at any time prior to the tax return due date for the year (including extensions) make a recharacterization of the contributions and earnings to a Traditional IRA.

### **6. What if I Make an Excess Contribution?**

Contributions that exceed the allowable maximum for federal income tax purposes are treated as “excess contributions.” A non-deductible penalty tax of 6% of the excess amount contributed will be added to your income tax for each year in which the excess contribution remains in your account.

### **7. How Do I Correct an Excess Contribution?**

If you make a contribution in excess of your allowable maximum, you may correct the excess contribution and avoid the 6% penalty tax for that year by withdrawing the excess contribution and its earnings on or before the date, including extensions, for filing your tax return for the tax year for which the contribution was made (generally October 15th). Any earnings on the withdrawn excess contribution may also be subject to the 10% early distribution penalty tax if you are under age 59½. In addition, although you will still owe penalty taxes for one or more years, excess contributions may be withdrawn after the time for filing your tax return. Excess contributions for one year may be carried forward and applied against the contribution limitation in succeeding years.

An individual who is partially or entirely ineligible to make contributions to a Roth IRA may transfer amounts of up to the yearly contribution limits to a non-deductible Traditional IRA (subject to reduction for amounts remaining in the Roth IRA plus other Traditional IRA contributions).

### **8. When Can I Take Distribution from a Roth IRA?**

You may at any time request distribution of all or any portion of your account. However, distributions made prior to your attainment of age 59½ (or in some cases within five years of establishing your account) may produce adverse tax consequences, unless an exception applies.

### **9. When Must Distributions from a Roth IRA Begin?**

Unlike Traditional IRAs, there is no requirement that you begin distribution of your account during your lifetime at any particular age.

### **10. Are There Distribution Rules that Apply after My Death?**

Yes. If you die before receiving the balance of your Roth IRA, distribution of your remaining account balance is subject to several special rules, depending upon the year of death and whether the beneficiary is an “eligible designated beneficiary.” An eligible designated beneficiary is a surviving spouse, a minor child, chronically ill or disabled, or anyone not listed above who is not more than 10 years younger than the original owner. In the case of a minor child, full distribution must occur within 10 years of the child



attaining the age of majority. If you die in 2019 or earlier, or the beneficiary is an eligible designated beneficiary as described above, your remaining interest may begin to be distributed by December 31 of the year following your death over a period not exceeding the life expectancy or expectancies of your designated beneficiary or beneficiaries. The minimum amount that must be distributed is the account value at the close of business on December 31 of the preceding year divided by the life expectancy of the designated beneficiary using the age of the beneficiary in the year following the year of the depositor's death and subtracting 1 from the divisor for each subsequent year. If you die in 2020 or later, and the beneficiary is not an eligible beneficiary as described above, then full distribution must occur no later than 10 years after the date of death. An eligible designated beneficiary may choose the 10-year distribution option.

Two additional distribution options are available if your spouse is the beneficiary: (i) payments to your spouse may commence as late as December 31 of the year you would have attained RMD age and be distributed over a period not exceeding the life expectancy of your spouse, or (ii) your spouse can simply elect to treat your Roth IRA as her or his own.

#### **11. How Are Distributions from a Roth IRA Taxed for Federal Income Tax Purposes?**

Amounts distributed to you are generally excludable from your gross income if they (i) are paid after you attain age 59½, (ii) are made to your beneficiary after your death, (iii) are attributable to your becoming disabled, (iv) subject to various limits, the distribution is used to purchase a first home or, in limited cases, a second or subsequent home for you, your spouse, or you or your spouse's grandchild or ancestor, or (v) are rolled over to another Roth IRA.

Regardless of the foregoing, if you or your beneficiary receives a distribution within the five-taxable-year period starting with the beginning of the year to which your initial contribution to your Roth IRA applies, the earnings on your account are includable in taxable income. In addition, if you roll over (convert) funds to your Roth IRA from another individual retirement plan (such as a Traditional IRA or another Roth IRA into which amounts were rolled from a Traditional IRA), the portion of a distribution attributable to rolled-over amounts which exceeds the amounts taxed in connection with the conversion to a Roth IRA is includable in income (and subject to penalty tax) if it is distributed prior to the end of the five-tax-year period beginning with the start of the tax year during which the rollover occurred. An amount taxed in connection with a rollover is subject to a 10% penalty tax if it is distributed before the end of the five-tax-year period.

As noted above, the five-year holding period requirement is measured from the beginning of the five-taxable-year period beginning with the first taxable year for which you (or your spouse) made a contribution to a Roth IRA on your behalf. Previously, the law required that a separate five-year holding period apply to regular Roth IRA contributions and to amounts contributed to a Roth IRA as a result of the rollover or conversion of a Traditional IRA. Even though the holding period requirement has been simplified, it may still be advisable to keep regular Roth IRA contributions and rollover/conversion Roth IRA contributions in separate accounts. This is because amounts withdrawn from a rollover/conversion Roth IRA within five years of the rollover/conversion may be subject to a 10% penalty tax.

As noted above, a distribution from a Roth IRA that complies with all of the distribution and holding period requirements is excludable from your gross income. If you receive a distribution from a Roth IRA that does not comply with these rules, the part of the distribution that constitutes a return of your contributions will not be included in your taxable income, and the portion that represents earnings will be includable in your income. For this purpose, certain ordering rules apply. Amounts distributed to you are treated as coming first from your non-deductible contributions. The next portion of a distribution is treated as coming from amounts which have been rolled over (converted) from any non-Roth IRAs in the order such amounts were rolled over. Any remaining amounts (including all earnings) are distributed last. Any portion of your distribution which does not meet the criteria for exclusion from gross income may also be subject to a 10% penalty tax.

Note that to the extent a distribution would be taxable to you, neither you nor anyone else can qualify for capital gains treatment for amounts distributed from your account. Similarly, you are not entitled to the special five- or ten-year averaging rule for lump-sum distributions that may be available to persons receiving distributions from certain other types of retirement plans. Rather, the taxable portion of any distribution is taxed to you as ordinary income. Your Roth IRA is not subject to taxes on excess distributions or on excess amounts remaining in your account as of your date of death.

You may indicate on your distribution request whether federal income taxes should be withheld on a distribution from a Roth IRA. If you do not make a withholding election, we will not withhold federal or state income tax. To determine your withholding rate, please consult IRS Form W-4R available from [www.irs.gov/pub/irs-pdf/fw4r.pdf](http://www.irs.gov/pub/irs-pdf/fw4r.pdf). You may use these tables to help you select the appropriate withholding rate for this payment or distribution. Add your income from all sources and use the column that matches your filing status to find the corresponding rate of withholding. Review the "Suggestion for determining withholding" section of the instructions to help determine the rate of withholding appropriate to your tax situation.

Note that, for federal tax purposes (for example, for purposes of applying the ordering rules described above), Roth IRAs are considered separately from Traditional IRAs.

#### **12. What Are the Qualifications for Charitable Donations?**

The Pension Protection Act of 2006 allows Roth IRA holders who are RMD age or older at the time of a distribution to annually exclude qualified charitable distribution amounts up to \$100,000 per year from gross income. The provision was made permanent by the PATH Act of 2015. A qualified charitable distribution must be made payable directly to the qualified charity as described in Section 170(b) of the Internal Revenue Code.

#### **13. Are There Penalties for Early Distribution from a Roth IRA?**

As indicated above, earnings on your contributions, as well as amounts contributed to a Roth IRA as a rollover from a Traditional IRA, that are distributed before certain events are subject to various taxes. Please see IRS Publication 590 for further information about Roth IRA rules and restrictions.

#### **14. What if I Engage in a Prohibited Transaction?**

If you engage in a “prohibited transaction,” as defined in Section 4975 of the Internal Revenue Code, your account could lose its tax-favored status. Examples of prohibited transactions are:

- a. the sale, exchange, or leasing of any property between you and your account;
- b. the lending of money or other extensions of credit between you and your account;
- c. the furnishing of goods, services, or facilities between you and your account.

#### **15. What if I Pledge My Account?**

If you use (pledge) all or part of your Roth IRA as security for a loan, your account may lose its tax-favored status.

#### **16. How Are Contributions to a Roth IRA Reported for Federal Tax Purposes?**

You must file Form 5329 with the IRS to report and remit any penalties or excise taxes. In addition, certain contribution and distribution information must be reported to the IRS on Form 8606 (as an attachment to your federal income tax return.)

#### **17. Is There Anything Else I Should Know?**

Your Roth Individual Retirement Account Plan has been approved as to form by the Internal Revenue Service. The Internal Revenue Service approval is a determination only as to the form of the Plan and does not represent a determination of the merits of the Plan as adopted by you. You may obtain further information with respect to your Roth Individual Retirement Account from any district office of the Internal Revenue Service. The statute provides that Roth IRAs are to be treated the same as Traditional IRAs for most purposes. As the IRS clarifies its interpretation of the statute, revised or updated information will be provided.

### **Roth Individual Retirement Custodial Account**

The following constitutes an agreement establishing a Roth IRA (under Section 408A of the Internal Revenue Code) between the depositor and the Custodian.

#### **Article I**

Except in the case of a qualified rollover contribution described in section 408A(e) or a recharacterized contribution described in section 408A(d) (6), the custodian will accept only cash contributions up to \$5,500 per year for 2013 through 2017. For individuals who have reached the age of 50 by the end of the year, the contribution limit is increased to \$6,500 per year for 2013 through 2017. For years after 2017, these limits will be increased to reflect a cost-of-living adjustment, if any.

#### **Article II**

1. The annual contribution limit described in Article I is gradually reduced to \$0 for higher income levels. For a grantor who is single or treated as single, the annual contribution is phased out between adjusted gross income (AGI) of \$118,000 and \$133,000; for a married grantor filing jointly, between AGI of \$186,000 and \$196,000; and for a married grantor filing separately, between AGI

of \$0 and \$10,000. These phase-out ranges are for 2017. For years after 2017, the phase-out ranges, except for the \$0 to \$10,000 range, will be increased to reflect a cost-of-living adjustment, if any. Adjusted gross income is defined in section 408A(c)(3).

2. In the case of a joint return, the AGI limits in the preceding paragraph apply to the combined AGI of the depositor and his or her spouse.

#### **Article III**

The depositor's interest in the balance in the custodial account is non-forfeitable.

#### **Article IV**

1. No part of the custodial account funds may be invested in life insurance contracts, nor may the assets of the custodial account be commingled with other property except in a common trust fund or common investment fund (within the meaning of Section 408(a)(5)).
2. No part of the custodial account funds may be invested in collectibles (within the meaning of Section 408(m)) except as otherwise permitted by Section 408(m)(3), which provides an exception for certain gold, silver, and platinum coins, coins issued under the laws of any state, and certain bullion.

#### **Article V**

1. If the depositor dies before his or her entire interest is distributed to him or her and the depositor's surviving spouse is not the designated beneficiary, the remaining interest will be distributed in accordance with (a) below or, if elected or there is no designated beneficiary, in accordance with (b) below:
  - a. The remaining interest will be distributed, starting by the end of the calendar year following the year of the depositor's death, over the designated beneficiary's remaining life expectancy as determined in the year following the death of the depositor;
  - b. The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the depositor's death.
2. The minimum amount that must be distributed each year under paragraph 1(a) above is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations Section 1.401(a)(9)-9) of the designated beneficiary using the attained age of the beneficiary in the year following the year of the depositor's death and subtracting 1.0 from the divisor for each subsequent year.
3. If the depositor's surviving spouse is the designated beneficiary, such spouse will then be treated as the depositor.

#### **Article VI**

1. The depositor agrees to provide the Custodian with all information necessary to prepare any reports required by Sections 408(i) and 408A(d)(3)(E), Regulations Sections 1.408-5 and 1.408-6, or other guidance published by the Internal Revenue Service (IRS).

2. The Custodian agrees to submit to the IRS and depositor the reports prescribed by the IRS.

### **Article VII**

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through IV and this sentence will be controlling. Any additional articles inconsistent with Section 408A, the related regulations, and other published guidance will be invalid.

### **Article VIII**

This agreement will be amended as necessary to comply with the provisions of the Code, the related regulations, and other published guidance. Other amendments may be made with the consent of the persons whose signatures appear below.

### **Article IX**

#### **1. Investment of Account Assets**

- a. All contributions to the custodial account shall be invested in the shares of the Cove Street Capital Small Cap Value Fund or, if available, any other series of Cove Street Capital Small Cap Value Fund or other regulated investment companies for which Cove Street Capital, LLC serves as Investment Advisor or designates as being eligible for investment. Shares of stock of an Investment Company shall be referred to as "Investment Company Shares". To the extent that two or more funds are available for investment, contributions shall be invested in accordance with the depositor's investment election.
- b. Each contribution to the custodial account shall identify the depositor's account number and be accompanied by a signed statement directing the investment of that contribution. The Custodian may return to the depositor, without liability for interest thereon, any contribution which is not accompanied by adequate account identification or an appropriate signed statement directing investment of that contribution.
- c. Contributions shall be invested in whole and fractional Investment Company Shares at the price and in the manner such shares are offered to the public. All distributions received on Investment Company Shares held in the custodial account shall be reinvested in like shares. If any distribution of Investment Company Shares may be received in additional like shares or in cash or other property, the Custodian shall elect to receive such distribution in additional like Investment Company Shares.
- d. All Investment Company Shares acquired by the Custodian shall be registered in the name of the Custodian or its nominee. The depositor shall be the beneficial owner of all Investment Company Shares held in the custodial account.
- e. The Custodian agrees to forward to the depositor each prospectus, report, notice, proxy and related proxy soliciting materials applicable to Investment Company Shares held in the custodial account received by the Custodian. By establishing or having established the custodial account, the depositor

affirmatively directs the Custodian to vote any Investment Company Shares held on the applicable record date that have not been voted by the depositor prior to a shareholder meeting for which prior notice has been given. The Custodian shall vote with the management of the Investment Company on each proposal that the Investment Company's Board of Directors has approved unanimously. If the Investment Company's Board of Directors has not approved a proposal unanimously, the Custodian shall vote in proportion to all shares voted by the Investment Company's shareholders.

- f. The depositor may, at any time, by written notice to the Custodian, redeem any number of shares held in the custodial account and reinvest the proceeds in the shares of any other Investment Company. Such redemptions and reinvestments shall be done at the price and in the manner such shares are then being redeemed or offered by the respective Investment Companies.

#### **2. Amendment and Termination**

- a. The Custodian may amend the custodial account (including retroactive amendments) by delivering to the depositor written notice of such amendment setting forth the substance and effective date of the amendment. The depositor shall be deemed to have consented to any such amendment not objected to in writing by the depositor within thirty (30) days of receipt of the notice, provided that no amendment shall cause or permit any part of the assets of the custodial account to be diverted to purposes other than for the exclusive benefit of the depositor or his or her beneficiaries.
- b. The depositor may terminate the custodial account at any time by delivering to the Custodian a written notice of such termination.
- c. The custodial account shall automatically terminate upon distribution to the depositor or his or her beneficiaries of its entire balance.

#### **3. Taxes and Custodial Fees**

Any income taxes or other taxes levied or assessed upon or in respect of the assets or income of the custodial account and any transfer taxes incurred shall be paid from the custodial account. All administrative expenses incurred by the Custodian in the performance of its duties, including fees for legal services rendered to the Custodian, and the Custodian's compensation shall be paid from the custodial account, unless otherwise paid by the depositor or his or her beneficiaries.

The Custodian's fees are set forth in Section 3 of the General Information section at the beginning of this booklet. Extraordinary charges resulting from unusual administrative responsibilities not contemplated by the schedule will be subject to such additional charges as will reasonably compensate the Custodian. Fees will be charged for any liquidation including transferring to a successor trustee or custodian. The fee will be taken from the remaining balance of the account in the event of a partial liquidation. The fee will be taken from the proceeds in the event of a total liquidation and the balance of the account will be forwarded in accordance with the depositor's instructions.



#### **4. Reports and Notices**

- a. The Custodian shall keep adequate records of transactions it is required to perform hereunder. After the close of each calendar year, the Custodian shall provide to the depositor or his or her legal representative a written report or reports reflecting the transactions effected by it during such year and the assets and liabilities of the custodial account at the close of the year.
- b. All communications or notices shall be deemed to be given upon receipt by the Custodian at: U.S. Bank, N.A., P.O. Box 701, Milwaukee, Wisconsin 53201-0701 or the depositor at his most recent address shown in the Custodian's records. The depositor agrees to advise the Custodian promptly, in writing, of any change of address.

#### **5. Designation of Beneficiary**

The depositor may designate a beneficiary or beneficiaries to receive benefits from the custodial account in the event of the depositor's death. In the event the depositor has not designated a beneficiary, or if all beneficiaries shall predecease the depositor, the following persons shall take in the order named:

- a. The spouse of the depositor;
- b. If the spouse shall predecease the depositor or if the depositor does not have a spouse, then to the depositor's estate.

#### **6. Inalienability of Benefits**

The benefits provided under this custodial account shall not be subject to alienation, assignment, garnishment, attachment, execution or levy of any kind and any attempt to cause such benefits to be so subjected shall not be recognized except to the extent as may be required by law.

#### **7. Rollover Contributions and Transfers**

Subject to the restrictions in Article I, the Custodian shall have the right to receive rollover contributions and to receive direct transfers from other Custodians or trustees. All contributions must be made by check or wire (no cash).

#### **8. Conflict in Provisions**

To the extent that any provisions of this Article IX shall conflict with the provisions of Articles V, VI and/or VIII, the provisions of this Article IX shall govern.

#### **9. Applicable State Law**

This custodial account shall be construed, administered and enforced according to the laws of the State of Wisconsin.

#### **10. Resignation or Removal of Custodian**

The Custodian may resign at any time upon thirty (30) days notice in writing to the Investment Company. Upon such resignation, the Investment Company shall notify the depositor, and shall appoint a successor custodian under this Agreement. The depositor or the Investment Company at any time may remove the Custodian upon 30 days written notice to that effect in a form acceptable to and filed with the custodian. Such notice must include designation of a successor custodian. The successor custodian shall satisfy the requirements of Section 408(h) of

the Code. Upon receipt by the Custodian of written acceptance of such appointment by the successor custodian, the Custodian shall transfer and pay over to such successor the assets of and records relating to the custodial account. The Custodian is authorized, however, to reserve such sum of money as it may deem advisable for payment of all its fees, compensation, costs and expenses, or for payment of any other liability constituting a charge on or against the assets of the custodial account or on or against the Custodian, and where necessary may liquidate shares in the custodial account for such payments. Any balance of such reserve remaining after the payment of all such items shall be paid over to the successor custodian. The Custodian shall not be liable for the acts or omissions of any predecessor or successor custodian or trustee.

#### **11. Limitation on Custodian Responsibility**

The Custodian will not under any circumstances be responsible for the timing, purpose or propriety of any contribution or of any distribution made hereunder, nor shall the Custodian incur any liability or responsibility for any tax imposed on account of any such contribution or distribution. Further, the Custodian shall not incur any liability or responsibility in taking or omitting to take any action based on any notice, election, or instruction or any written instrument believed by the Custodian to be genuine and to have been properly executed. The Custodian shall be under no duty of inquiry with respect to any such notice, election, instruction, or written instrument, but in its discretion may request any tax waivers, proof of signatures or other evidence which it reasonably deems necessary for its protection. The depositor and the successors of the depositor including any executor or administrator of the depositor shall, to the extent permitted by law, indemnify the Custodian and its successors and assigns against any and all claims, actions or liabilities of the Custodian to the depositor or the successors or beneficiaries of the depositor whatsoever (including without limitation all reasonable expenses incurred in defending against or settlement of such claims, actions or liabilities) which may arise in connection with this Agreement or the custodial account, except those due to the Custodian's own bad faith, gross negligence or willful misconduct. The Custodian shall not be under any duty to take any action not specified in this Agreement, unless the depositor shall furnish it with instructions in proper form and such instructions shall have been specifically agreed to by the Custodian, or to defend or engage in any suit with respect hereto unless it shall have first agreed in writing to do so and shall have been fully indemnified to its satisfaction.

### **Disclosure Statement for Coverdell Education Savings Accounts**

#### **1. Who is Eligible for a Coverdell Education Savings Account?**

Anyone may contribute to a Coverdell Education Savings Account regardless of his or her relationship to the beneficiary. The beneficiary of a Coverdell Education Savings Account must be under age 18 at the time a contribution is made to a Coverdell Education Savings Account on his or her behalf, unless the beneficiary is a "Special Needs" beneficiary as discussed later. A Coverdell Education Savings Account may also be established to receive rollover contributions or transfers from another Coverdell Education Savings Account.

Coverdell Education Savings Accounts are subject to limitations based

on the status of the contributor as well as the status of the beneficiary. For purposes of this discussion, except as noted, the term “beneficiary” is used to refer to an individual whose education is to be financed, in part or in whole, through a Coverdell Education Savings Account.

## **2. *When Can I Make Contributions to a Coverdell Education Savings Account?***

You may make contributions for the prior tax year until April 15th of the following year.

You may make contributions to a Coverdell Education Savings Account for the tax year regardless of your age; however, you may not make a contribution to a Coverdell Education Savings Account after the beneficiary attains age 18, unless the beneficiary is a “Special Needs” beneficiary. If you are currently contributing into your Coverdell Education Savings Account via a systematic purchase plan, the Custodian will stop the systematic purchase plan when the beneficiary turns 18 years old to prevent excess contributions. A “Special Needs” beneficiary is one who needs additional time to complete his/her education due to physical, mental or emotional limitations. In addition, as discussed below, a beneficiary may roll over contributions to another Coverdell Education Savings Account until he or she attains age 30. A beneficiary may also roll over his or her Coverdell Education Savings Account to a new beneficiary who is a member of his or her family so long as the recipient has not attained age 30.

The term “Member of the Family” shall have the meaning prescribed by Code Section 529(e)(2), and shall mean any individual who bears one of the following relationships to the beneficiary:

- a. the father or mother of the beneficiary, or an ancestor of either;
- b. a son or daughter of the beneficiary, or a descendent of either;
- c. a brother, sister, stepbrother or stepsister of the beneficiary;
- d. a stepfather or stepmother of the beneficiary;
- e. a stepson or stepdaughter of the beneficiary;
- f. a son or daughter of the brother or sister of the beneficiary;
- g. a brother or sister of the father or mother of the beneficiary;
- h. a son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law or sister-in-law of the beneficiary; or
- i. the spouse of any of the individuals described in sections (a) through (h) above; or of the beneficiary; or
- j. the first cousin of the beneficiary.

## **3. *How Much May I Contribute to a Coverdell Education Savings Account?***

The maximum contribution that can be made to all Coverdell Education Savings Accounts that cover a particular beneficiary may not exceed \$2,000. It is the joint responsibility of the contributor and the beneficiary to verify that excess contributions are not made on behalf of a particular beneficiary. Qualifying rollover contributions and transfers are not subject to these limitations. Note that special rules apply to contributions to Coverdell Education Savings Accounts for purposes of gift and estate taxes.

In addition, if your adjusted gross income (or combined income if you file a joint tax return) as modified below exceeds certain limits, you are not

eligible to make a contribution to a Coverdell Education Savings Account. For this purpose your adjusted gross income is increased by amounts excluded under Section 911 (certain exclusions applicable to U.S. citizens or residents living abroad), Section 931 (certain exclusions applicable to U.S. citizens or residents living in Guam, American Samoa, or the Northern Mariana Islands), and Section 933 (certain exclusions applicable to U.S. citizens and residents living in Puerto Rico) of the Code.

The amount you may contribute to a Coverdell Education Savings Account for a particular beneficiary is reduced proportionately for adjusted gross income (as modified above) within the applicable dollar range. The applicable dollar range is \$95,000 to \$110,000 for an individual, a married individual filing a separate tax return or a head of household and for a married individual filing a joint tax return this range is increased to \$190,000 to \$220,000.

To determine the amount you may contribute to a Coverdell Education Savings Account, you can refer to IRS Publication 970: MAGI for a Coverdell ESA and Coverdell ESA Contribution Limit.

## **4. *Can I Roll Over or Transfer Amounts from Another Coverdell Education Savings Account?***

Amounts may be “rolled over” from one Coverdell Education Savings Account to another Coverdell Education Savings Account benefiting the same beneficiary. In addition, amounts may be rolled over without any tax liability to benefit a member of the family, as defined in paragraph 2, of the beneficiary, provided that they have not attained age 30 at the time of the rollover. Rollovers between Coverdell Education Savings Accounts may be made once per year and must be accomplished within 60 days after the distribution. 529 Plans cannot be transferred or rolled over into a Coverdell Education Savings Account.

## **5. *What if I Make an Excess Contribution?***

Contributions that exceed the allowable maximum for federal income tax purposes are treated as excess contributions. A nondeductible penalty tax of 6% of the excess amount contributed must be paid for each year in which the excess contribution remains in the beneficiary's account.

## **6. *How Do I Correct an Excess Contribution?***

If a contribution in excess of the allowable maximum is made, it may be corrected to avoid the 6% penalty tax for that year by withdrawing the excess contribution and its earnings on or before the date, including extensions, for filing the tax return for the beneficiary's tax year for which the contribution was made. An excess contribution may be corrected by June 1st of the taxable year following the taxable year in which the excess contribution was made. Any earnings on the withdrawn excess contribution will be taxable in the year the excess contribution was made and will be subject to a 10% tax penalty.

## **7. *What Forms of Distribution Are Available from a Coverdell Education Savings Account?***

Distributions may be made as a lump sum of the entire account, or distributions of a portion of the account may be made as requested.



## **8. *When Must Distributions from a Coverdell Education Savings Account Begin?***

Distribution of a Coverdell Education Savings Account must be made (or otherwise will be deemed made) no later than 30 days from the earlier of the beneficiary's death or attainment of age 30. A distribution from a Coverdell Education Savings Account may be rolled over to another beneficiary's Coverdell Education Savings Account according to the requirements of Section (4). Note that the Economic Growth and Tax Relief Reconciliation Act of 2001 waives the distribution age limitation if the beneficiary of the Coverdell Education Savings Account is a "Special Needs" student.

## **9. *Are There Distribution Rules That Apply After Death?***

Special rules apply in the case of the divorce or death of a beneficiary of a Coverdell Education Savings Account. In particular, any balances to the credit of a beneficiary must, within 30 days of death, be either: (i) rolled over to another beneficiary's Coverdell Education Savings Account according to the requirements of Section (4) (in which case the distribution will not be subject to tax) or (ii) distributed to a death beneficiary or the beneficiary's estate (in which case the distribution will be subject to tax).

## **10. *How Are Distributions from a Coverdell Education Savings Account Taxed For Federal Income Tax Purposes?***

Amounts distributed are generally excludable from gross income if they do not exceed the beneficiary's "qualified higher education expenses" for the year or are rolled over to another Coverdell Education Savings Account according to the requirements of Section (4). "Qualified higher education expenses" generally include the cost of tuition, fees, books, supplies, and equipment for enrollment at (i) accredited post-secondary educational institutions offering credit toward a bachelor's degree, an associate's degree, a graduate-level or professional degree or another recognized post-secondary credential and (ii) certain vocational schools. In addition, room and board may be covered if the beneficiary is at least a "half-time" student. This amount may be reduced or eliminated by certain scholarships, qualified state tuition programs, HOPE, Lifetime Learning tax credits, proceeds of certain savings bonds, and other amounts paid on the beneficiary's behalf as well as by any other deductions or credits taken for the same expenses. The definition of "qualified education expenses" includes expenses more frequently and directly related to elementary and secondary school education, including the purchase of computer technology or equipment or Internet access and related services.

To the extent payments during the year exceed such amounts, they are partially taxable and partially non-taxable similar to payments received from an annuity. Any taxable portion of a distribution is generally subject to a 10% penalty tax in addition to income tax unless the distribution is (i) due to the death or disability of the beneficiary, (ii) made on account of a scholarship received by the beneficiary, or (iii) is made in a year in which the beneficiary elects the HOPE or Lifetime Learning credit and waives the exclusion from income of the Coverdell Education Savings Account distribution. You may be allowed to take both the HOPE or Lifetime Learning credits while simultaneously taking distributions from

Coverdell Education Savings Accounts. However, you cannot claim a credit for the same educational expenses paid for through Coverdell Education Savings Account distributions.

To the extent a distribution is taxable, capital gains treatment does not apply to amounts distributed from the account. Similarly, the special five- and ten-year averaging rules for lump-sum distributions do not apply to distributions from a Coverdell Education Savings Account. The taxable portion of any distribution is taxed as ordinary income.

The IRS does not require withholding on distributions from Coverdell Education Savings Accounts.

## **11. *What if a Prohibited Transaction Occurs?***

If a "prohibited transaction", as defined in Section 4975 of the Internal Revenue Code, occurs, the Coverdell Education Savings Account could be disqualified. Rules similar to those that apply to Traditional IRAs will apply.

## **12. *What if the Coverdell Education Savings Account is Pledged?***

If all or part of the Coverdell Education Savings Account is pledged as security for a loan, rules similar to those that apply to Traditional IRAs will apply. In general, those rules provide that the amount pledged is treated as distributed.

## **13. *How Are Contributions to a Coverdell Education Savings Account Reported for Federal Tax Purposes?***

Contributions to a Coverdell Education Savings Account are reported on IRS Form 5498-ESA.

## **14. *Is There Anything Else I Should Know?***

As the IRS clarifies its interpretation of the Coverdell Education Savings Account provisions of the Code, revised or updated information will be provided to you.

## **Coverdell Education Savings Custodial Account**

The following constitutes an agreement establishing a Coverdell Education Savings custodial account (under Section 530 of the Internal Revenue Code) between the depositor and the Custodian.

### **Article I**

The Custodian may accept additional cash contributions provided the designated beneficiary has not attained the age of 18 as of the date such contributions are made. Contributions by an individual contributor may be made for the tax year of the designated beneficiary by the due date of the beneficiary's tax return for that year (excluding extensions). Total contributions that are not rollover contributions described in Section 530(d)(5) are limited to \$2,000 for the tax year. In the case of an individual contributor, the \$2,000 limitation for any year is phased out between modified adjusted gross income (AGI) of \$95,000 and \$110,000. For married individuals filing jointly, the phase-out occurs between modified AGI of \$190,000 and \$220,000. Modified AGI is defined in Section 530(c)(2).

## **Article II**

No part of the custodial account funds may be invested in life insurance contracts, nor may the assets of the custodial account be commingled with other property except in a common trust fund or a common investment fund (within the meaning of Section 530(b)(1)(D)).

## **Article III**

1. Any balance to the credit of the designated beneficiary on the date on which he or she attains age 30 shall be distributed to him or her within 30 days of such date.
2. Any balance to the credit of the designated beneficiary shall be distributed within 30 days of his or her death unless the designated death beneficiary is a family member of the designated beneficiary and is under the age of 30 on the date of death. In such case, that family member shall become the designated beneficiary as of the date of death.

## **Article IV**

The depositor shall have the power to direct the Custodian regarding the investment of the above-listed amount assigned to the custodial account (including earnings thereon) in the investment choices offered by the Custodian. The responsible individual, however, shall have the power to redirect the Custodian regarding the investment of such amounts, as well as the power to direct the Custodian regarding the investment of all additional contributions (including earnings thereon) to the custodial account. In the event that the responsible individual does not direct the Custodian regarding the investment of additional contributions (including earnings thereon), the initial investment direction of the depositor also will govern all additional contributions made to the custodial account until such time as the responsible individual otherwise directs the Custodian. Unless otherwise provided in this agreement, the responsible individual also shall have the power to direct the Custodian regarding the administration, management, and distribution of the account.

## **Article V**

The "responsible individual" named by the depositor shall be a parent or guardian of the designated beneficiary. The custodial account shall have only one responsible individual at any time. If the responsible individual becomes incapacitated or dies while the designated beneficiary is a minor under state law, the successor responsible individual shall be the person named to succeed in that capacity by the preceding responsible individual in a witnessed writing or, if no successor is so named, the successor responsible individual shall be the designated beneficiary's other parent or successor guardian. Unless otherwise directed by checking the option below, at the time that the designated beneficiary attains the age of majority under state law, the designated beneficiary becomes the responsible individual. If a family member under the age of majority under state law becomes the designated beneficiary by reason of being a named death beneficiary, the responsible individual shall be such designated beneficiary's parent or guardian.

☐ Option (This provision is effective only if checked):

The responsible individual shall continue to serve as the responsible

individual for the custodial account after the designated beneficiary attains the age of majority under state law and until such time as all assets have been distributed from the custodial account and the custodial account terminates. If the responsible individual becomes incapacitated or dies after the designated beneficiary reaches the age of majority under state law, the responsible individual shall be the designated beneficiary.

## **Article VI**

The responsible individual ☐ may or ☐ may not change the beneficiary designated under this agreement to another member of the designated beneficiary's family described in Section 529(e)(2) in accordance with the Custodian's procedures.

## **Article VII**

1. The depositor agrees to provide the Custodian with all information necessary to prepare any reports required by Section 530(h).
2. The Custodian agrees to submit reports to the Internal Revenue Service (IRS) and responsible individual the reports prescribed by the IRS.

## **Article VIII**

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through III will be controlling. Any additional articles inconsistent with Section 530 and related regulations will be invalid.

## **Article IX**

This agreement will be amended as necessary to comply with the provisions of the Code and related regulations. Other amendments may be made with the consent of the depositor and the Custodian whose signatures appear below.

## **Article X**

### **1. Investment of Account Assets**

- a. All contributions to the custodial account shall be invested in the shares of the Cove Street Capital Small Cap Value Fund or, if available, any other series of Cove Street Capital Small Cap Value Fund or other regulated investment companies for which Cove Street Capital, LLC serves as Investment Advisor or designates as being eligible for investment. Shares of stock of an Investment Company shall be referred to as "Investment Company Shares". To the extent that two or more funds are available for investment, contributions shall be invested in accordance with the depositor's investment election.
- b. Each contribution to the custodial account shall identify the designated beneficiary's account number and shall be accompanied by a signed statement directing the investment of that contribution into the designated beneficiary's account. The Custodian may return to the contributor, without liability for interest thereon, any contribution which is not accompanied

by such information and such appropriate signed statement directing investment of that contribution.

- c. Contributions shall be invested in whole and fractional Investment Company Shares at the price and in the manner such shares are offered to the public. All distributions received on Investment Company Shares held in the custodial account shall be reinvested in like shares. If any distribution of Investment Company Shares may be received in additional like shares or in cash, the Custodian shall elect to receive such distribution in additional like Investment Company Shares.
- d. All Investment Company Shares acquired by the Custodian shall be registered in the name of the Custodian or its nominee. The designated beneficiary shall be the beneficial owner of all Investment Company Shares held in the custodial account.
- e. The Custodian agrees to forward to the depositor each prospectus, report, notice, proxy and related proxy soliciting materials applicable to Investment Company Shares held in the custodial account received by the Custodian. By establishing or having established the custodial account, the depositor affirmatively directs the Custodian to vote any Investment Company Shares held on the applicable record date that have not been voted by the depositor prior to a shareholder meeting for which prior notice has been given. The Custodian shall vote with the management of the Investment Company on each proposal that the Investment Company's Board of Directors has approved unanimously. If the Investment Company's Board of Directors has not approved a proposal unanimously, the Custodian shall vote in proportion to all shares voted by the Investment Company's shareholders.
- f. The responsible individual may, at any time, by written notice to the Custodian, redeem any number of shares held in the custodial account and reinvest the proceeds in the shares of any other Investment Company. Such redemptions and reinvestments shall be done at the price and in the manner such shares are then being redeemed or offered by the respective Investment Companies.
- g. To the extent a responsible individual for the designated beneficiary makes or has power to make decisions as to the investment of the designated beneficiary's account, that party acknowledges that such decisions are binding and non-voidable.

## **2. Amendment and Termination**

- a. The Custodian may amend the custodial account (including retroactive amendments) by delivering to the responsible individual written notice of such amendment setting forth the substance and effective date of the amendment. The responsible individual shall be deemed to have consented to any such amendment not objected to in writing by the responsible individual within thirty (30) days of receipt of the notice, provided that no amendment shall cause or permit any part of the assets of the custodial account to be diverted to purposes other than for the exclusive benefit of the designated beneficiary.

- b. The responsible individual may terminate the custodial account at any time by delivering to the Custodian a written notice of such termination.
- c. The custodial account shall automatically terminate upon distribution to the designated beneficiary or his or her estate of its entire balance.

## **3. Taxes and Custodial Fees**

Any income taxes or other taxes levied or assessed upon or in respect of the assets or income of the custodial account and any transfer taxes incurred shall be paid from the custodial account. All administrative expenses incurred by the Custodian in the performance of its duties, including fees for legal services rendered to the Custodian, and the Custodian's compensation shall be paid from the custodial account, unless otherwise paid by the beneficiary or his or her estate.

The Custodian's fees are set forth in Section 3 of the General Information section at the beginning of this booklet. Extraordinary charges resulting from unusual administrative responsibilities not contemplated by the schedule will be subject to such additional charges as will reasonably compensate the Custodian. Fees will be charged for any liquidation including transferring to a successor trustee or Custodian. The fee will be taken from the remaining balance of the account in the event of a partial liquidation. The fee will be taken from the proceeds in the event of a total liquidation and the balance of the account will be forwarded in accordance with the depositor's instructions.

## **4. Reports and Notices**

- a. The Custodian shall keep adequate records of transactions it is required to perform hereunder. After the close of each calendar year, the Custodian shall provide to the responsible individual a written report or reports reflecting the transactions effected by it during such year and the assets and liabilities of the custodial account at the close of the year.
- a. All communications or notices shall be deemed to be given upon receipt by the Custodian at: U.S. Bank, N.A., P.O. Box 701, Milwaukee, Wisconsin 53201-0701 or the responsible individual at his most recent address shown in the Custodian's records. The responsible individual agrees to advise the Custodian promptly, in writing, of any change of address.

## **5. Monitoring of Contribution Limitations Information**

The Custodian shall not be responsible for monitoring the amount of contributions made to the designated beneficiary's account or the income levels of any depositor or contributor for purposes of assuring compliance with applicable state or federal tax laws.

## **6. Inalienability of Benefits**

The benefits provided under this custodial account shall not be subject to alienation, assignment, garnishment, attachment, execution or levy of any kind and any attempt to cause such benefits to be so subjected shall not be recognized except to the extent as may be required by law. However, the responsible individual may change the designated beneficiary under the agreement to another member of the designated beneficiary's family described in Internal Revenue Code Section 529(e)



(2) in accordance with the Custodian's procedures.

### **7. *Rollover Contributions and Transfers***

The Custodian shall have the right to receive rollover contributions and to receive direct transfers from other Custodians or trustees. All contributions must be made by check or wire (no cash).

### **8. *Conflict in Provisions***

To the extent that any provisions of this Article X on the Coverdell Education Savings Account Application shall conflict with the provisions of Articles IV through VII or IX, the provisions of this Article X shall govern.

### **9. *Applicable State Law***

This custodial account shall be construed, administered and enforced according to the laws of the State of Wisconsin.

### **10. *Resignation or Removal of Custodian***

The Custodian may resign at any time upon thirty (30) days notice in writing to the Investment Company. Upon such resignation, the Investment Company shall notify the depositor, and shall appoint a successor custodian under this Agreement. The depositor or the Investment Company at any time may remove the Custodian upon 30 days written notice to that effect in a form acceptable to and filed with the Custodian. Such notice must include designation of a successor custodian. The successor custodian shall satisfy the requirements of Section 408(h) of the Code. Upon receipt by the Custodian of written acceptance of such appointment by the successor custodian, the Custodian shall transfer and pay over to such successor the assets of and records relating to the custodial account. The Custodian is authorized, however, to reserve such sum of money as it may deem advisable for payment of all its fees, compensation, costs and expenses, or for payment of any other liability constituting a charge on or against the assets of the custodial account or on or against the Custodian, and where necessary may liquidate shares in the custodial account for such payments. Any balance of such reserve remaining after the payment of all such items shall be paid over to the successor custodian. The Custodian shall not be liable for the acts or omissions of any predecessor or successor custodian or trustee.

### **11. *Limitation on Custodian Responsibility***

The Custodian will not under any circumstances be responsible for the timing, purpose or propriety of any contribution or of any distribution made hereunder, nor shall the Custodian incur any liability or responsibility for any tax imposed on account of any such contribution or distribution. Further, the Custodian shall not incur any liability or responsibility in taking or omitting to take any action based on any notice, election, or instruction or any written instrument believed by the Custodian to be genuine and to have been properly executed. The Custodian shall be under no duty of inquiry with respect to any such notice, election, instruction, or written instrument, but in its discretion may request any tax waivers, proof of signatures or other evidence which it reasonably deems necessary for its protection. The depositor and the successors of the depositor including any executor or administrator of the depositor shall, to the extent permitted by law, indemnify the Custodian and its

successors and assigns against any and all claims, actions or liabilities of the Custodian to the depositor or the successors or beneficiaries of the depositor whatsoever (including without limitation all reasonable expenses incurred in defending against or settlement of such claims, actions or liabilities) which may arise in connection with this Agreement or the custodial account, except those due to the Custodian's own bad faith, gross negligence or willful misconduct. The Custodian shall not be under any duty to take any action not specified in this Agreement, unless the depositor shall furnish it with instructions in proper form and such instructions shall have been specifically agreed to by the Custodian, or to defend or engage in any suit with respect hereto unless it shall have first agreed in writing to do so and shall have been fully indemnified to its satisfaction.

# THANK YOU

Mail your fund documents to:

**Standard Mail**

Cove Street Capital Small Cap Value Fund  
c/o U.S. Bancorp Fund Services, LLC  
PO Box 701  
Milwaukee, WI 53201-0701

**Overnight Mail**

Cove Street Capital Small Cap Value Fund  
c/o U.S. Bancorp Fund Services, LLC  
615 E. Michigan Street, FL3  
Milwaukee, WI 53202-5207

- 866-497-0097
- [Questions@CoveStreetCapital.com](mailto:Questions@CoveStreetCapital.com)
- [www.CoveStreetFunds.com](http://www.CoveStreetFunds.com)