

A Summary of Your Advisory Relationship with Broad Run Investment Management, LLC

Broad Run Investment Management, LLC (“Broad Run,” “our firm,” “we,” or “us”) is an investment adviser registered with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended. Services and fees offered by investment advisory firms like Broad Run differ from those offered by brokerage firms and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/crs), which also provides educational materials about broker-dealers, investment advisers, and investing.

What investment services and advice can you provide me?

Broad Run offers discretionary investment advisory services to retail investors. We offer a single strategy; a long-only, concentrated, U.S. equity strategy that seeks to own high quality, exceptionally run businesses with underappreciated long-term prospects. You can invest in this strategy by either engaging us to manage a separate account or by purchasing the mutual fund that we sub-advise, the Hennessy Focus Fund (the “Fund”). Our minimum separate account size, which is subject to negotiation, is \$1,000,000. For more information about the Fund (including fees and minimum investments for the Fund’s share classes), contact Hennessy Funds at (800) 966-4354 or fundsinfo@hennessyfunds.com.

As part of our standard services, our portfolio managers and supervisory personnel will monitor the investments in your account on an ongoing basis. We will review your investments on a quarterly or more frequent basis and make adjustments as we deem appropriate.

We provide our investment advisory services on a discretionary basis under an investment management agreement (“IMA”) executed by both you and Broad Run, which means we can purchase and sell securities in your account at any time without requiring your prior authorization. Either you or we may terminate the IMA at any time; such termination is required to be in writing. You may also elect to grant us the authority to request the deduction of our advisory fees from your account and/or to vote proxies for securities held within your account.

For more detailed information about our investment advisory services and the types of clients we serve, see Items 4 and 7 in our [Form ADV, Part 2A](#).

Conversation Starters:

- *Given my financial situation, should I choose an investment advisory service? Why or why not?*
- *How will you choose investments to recommend to me?*
- *What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

What fees will I pay?

We will charge you an asset-based fee (i.e., a percentage of the assets in your separate account) quarterly, in advance, for our investment advisory services. You will pay us advisory fees at the following annual rate:

Up to \$5,000,000	1.00%
Amounts above \$5,000,000	0.85%

We discount our advisory fees for certain retail investors at our discretion (e.g., client accounts that we sub-advise for large unaffiliated investment advisors that maintain the day-to-day relationships with the individual account holders). Our asset-based fee raises conflicts of interest. The more assets there are in your advisory account, the more you will pay us in fees, and therefore we may have an incentive to encourage you to increase the assets in your account. Similarly, we may also have an incentive to favor clients with larger accounts.

You will incur other fees related to our investment advisory services, which are separate from our advisory fees described above. Whenever we instruct a broker to buy or sell a security for your account, you will usually pay that broker a transaction fee. Additionally, you will pay fees to your custodian for various services. Please note that your custodian may charge your account a “trade away” fee when we place securities trades with brokers that are independent of your custodian; you may be able to avoid such fees by directing us to trade with a specific broker.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

For more detailed information about our fees and compensation, see Item 5 in our [Form ADV, Part 2A](#).

Conversation Starter: Help me understand how these fees and costs might affect my investments. If I give you \$1,000,000 to invest, how much will go to fees and costs, and how much will be invested for me?

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means:

Broad Run receives a management fee for sub-advising the Hennessy Focus Fund (the “Fund”). Hence, we may have an incentive to recommend that you invest in the Fund. Additionally, we permit our employees to buy and sell the same securities that we recommend to clients.

For more detailed information about our conflicts of interest and how we seek to mitigate them, see Items 10, 11, 12, and 14 in our [Form ADV, Part 2A](#).

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

How do your financial professionals make money?

We pay our employees a base salary and either a subjective cash bonus (based upon perceived effort, teamwork, attitude, and attainment of individual goals and objectives) or distributions calculated as a percentage of our firm’s profits. Additionally, we pay our business development personnel a percentage of our firm’s revenue from new clients within their territories. Our employee compensation structure creates a conflict of interest for those employees who receive profit distributions, as they may have an incentive to favor clients with larger accounts because they pay us more in fees.

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

No. Visit [Investor.gov/CRS](https://investor.gov/CRS) for a free and simple search tool to research Broad Run and our financial professionals.

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

Additional Information

For additional information about our investment advisory services, please visit broadrunllc.com. You may also contact us at (703) 260-1260 or broadrun@broadrunllc.com to request up-to-date information or to request a copy of this relationship summary.

Conversation Starter: Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?