



Form ADV Part 2A

— March 2019 —

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

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

Mrs. Merihan Tynan | Principal, Chief Compliance Officer

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2101 East El Segundo Boulevard, Suite 302 | El Segundo, CA 90245

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Item 2 | Material Changes

This Brochure, dated March 31, 2019, replaces the last Brochure dated January 1, 2018.

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

The material updates made to Form ADV Part 2A since our last filing are:

Item 4 | Advisory Business

✓ E. Assets Under Management

Updated assets under management as of 12/31/2018.

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Item 4 | Advisory Business

A. Our Firm

Cove Street Capital, LLC ("CSC") is an SEC-registered investment adviser headquartered at 2101 East El Segundo Boulevard, Suite 302, El Segundo, CA 90245. Cove Street Capital opened its doors in 2011.

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

Jeffrey Bronchick, CFA | Principal, Portfolio Manager | Mr. Bronchick is the Portfolio Manager and founder of Cove Street Capital. He has over 35 years' experience running research-driven, concentrated, value-based strategies across all market capitalizations. Prior to the founding of CSC, Mr. Bronchick was the Chief Investment Officer and a principal of Reed Conner & Birdwell, LLC, a Los Angeles based investment manager. He was one of the first columnists for the TheStreet.com in the 1990's and then moved on to a similar role with Grant's Interest Rate Observer's first online effort. Mr. Bronchick also previously worked in equity research, sales and trading roles at Neuberger Berman, Bankers Trust, and First Boston. He attended the London School of Economics and graduated from the University of Pennsylvania with a BA in Economics.

B & C. Types of Advisory Services & Client Restrictions

CSC provides Portfolio Management for institutional and high net worth clients based upon the individual needs of the client. Through personal discussions with clients and their advisers, we agree upon goals and objectives that are compatible with our investment style and then create and manage portfolios based on that policy. Relevant factors in this data-gathering process include but are not limited to time horizons, risk-tolerance, liquidity needs and in the case of individuals, tax issues.

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

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

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

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- ✓ Mutual fund shares
- ✓ United States governmental securities
- ✓ Mortgage backed securities
- ✓ Exchange traded funds ("ETFs")
- ✓ Public master limited partnerships
- ✓ Real estate investment trusts ("REITs")

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

D. Wrap/UMA/Sub-Advisory/Advisory

Aside from Portfolio Management Services, CSC has entered into relationships with select WRAP and UMA program sponsors (collectively "Manager"). These are sub-advisory relationships where the Manager provides investment supervisory services to its clients, including making recommendations concerning an investment adviser to render specific investment advice with respect to a client's portfolio. The client enters into an agreement with the Manager who has a separate master agreement with CSC. For WRAP accounts, CSC may effect transactions through other broker-dealers, but it is expected that most of the transactions will be executed through the Manager because part of the negotiated fee includes brokerage commissions and trading costs. We manage these relationships on a discretionary basis. CSC attempts to manage these accounts in the same manner as our non-wrap accounts. For UMA program accounts, CSC provides a model to the Manager and the Manager effects the transactions in the client accounts.

CSC is the investment adviser to the Cove Street Capital Small Cap Value Fund and the sub-adviser to the Litman Gregory Masters' Select Smaller Companies Fund.

E. Assets Under Management

As of December 31, 2018 we actively managed approximately \$900 MM of clients' assets on a discretionary basis.

Item 5 | Fees and Compensation

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

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or reduce the fees charged to a particular client in its sole and absolute discretion.

A minimum of \$10MM of assets under management is required for our management services. This account size may be negotiable under certain circumstances. CSC may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Wrap/UMA/Sub-Advisory/Advisory. For these services, the client will pay the Manager for its services and for the services of CSC on a quarterly or monthly basis in advance or arrears according to a negotiated fee schedule. The agreement may be terminated at any time at the written request of the client, Manager, or CSC, in which case a pro-rated refund will be made. Typically, the fee to the Manager ranges from 1% to 3% per annum of assets under management. From the fee paid to the Manager, CSC receives 0.38% - 0.95% on the entire balance of the account. Most Managers collect the entire fee and pay the advisory portion due to CSC after collecting such fees. The agreement cannot be assigned without the full knowledge and consent of the client. Generally, the minimum account size in these programs is \$100,000. CSC does not include the UMA assets in its assets under management.

If you invest the Cove Street Capital Small Cap Value Fund, you pay fees as detailed in the prospectus (available by calling 866-497-0097, via email questions@covestreetcapital.com or on the website <http://covestreetfunds.com>).

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

General Information

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

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

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Such charges, fees, and commissions are separate to CSC's fee. CSC shall not receive any portion of these commissions, fees or costs.

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

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

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

Wrap Fee Programs. Clients participating in a wrap fee program pay a single fee for advisory, brokerage and custodial services. Clients' portfolio transactions may be executed without commission charge. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately.

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

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

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

CSC may receive a performance-based fee as compensation for its advisory services. To the extent that CSC manages accounts that are charged a performance-based fee side-by-side with accounts that are not charged a performance-based fee, CSC periodically reviews allocations of investment opportunities among clients and sequencing of transactions and performs a comparative analysis of the performance among accounts with performance-based fees and those

without to insure that all accounts are treated fairly.

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

Item 7 | Types of Clients

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

- ✓ Charitable organization,
- ✓ High Net Worth,
- ✓ Insurance Companies
- ✓ Investment Companies,
- ✓ Pension and profit sharing plans,
- ✓ Pooled investment vehicle
- ✓ Individual,
- ✓ Corporations or other businesses,
- ✓ State or municipal government

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

Methods of Analysis

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

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors which include, but are not limited to, the overall economy, industry conditions, and the financial condition and management of the company itself to assess in our opinion if a security is underpriced relative to its market value. If we assess that the company is underpriced relative to our estimate of intrinsic value, we are potential buyers. If it is overpriced, we will not make a purchase or may sell the security if we own it.

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

Investment Strategies

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

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CLASSIC VALUE | SMALL CAP

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

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

The portfolio holds 30 to 39 stocks and PM Jeffrey Bronchick is responsible for the final portfolio decision. Sector weightings are a result of the bottom-up approach. We have a 30% risk limit in any single industry and a 10% limit on any single security. We are very mindful of the negative correlation between asset growth and performance, and Cove Street will err on the side of protecting existing clients and close the strategy in the face of aggressive asset flow.

CLASSIC VALUE | SMALL CAP PLUS

Small Cap Plus is a concentrated small to mid-cap value strategy that applies the same fundamental, bottom-up stock selection process as our Classic Value | Small Cap strategy. The strategy addresses a universe of U.S. companies with a market capitalization between \$1 billion and \$12 billion, and consists of 20-29 stocks. Final portfolio decision is made by Co-Portfolio Managers Ben Claremon and Jeffrey Bronchick, CFA.

CLASSIC VALUE | SMALL CAP FOCUS

Small Cap Focus is a concentrated strategy of the 8 to 13 “best ideas” from our Classic Value | Small Cap strategy. We apply the same fundamental, bottom-up stock selection. The strategy mirrors the strategy employed in our sub-advisory engagement for the Litman Gregory Masters’ Select Smaller Companies Fund.

CLASSIC VALUE | ALL CAP

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

CLASSIC VALUE | STRATEGIC

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

Risk of Loss

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

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

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

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

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

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

Item 9 | Disciplinary Information

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

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

Item 10 | Other Financial Industry Activities and Affiliations

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

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Cove Street Employee Co, LLC is a holding company for interest(s) in Cove Street Capital, LLC which grants Mirror Interests as part of the Cove Street Capital LLC Incentive Interest Plan.

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

A. Code of Ethics

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

A basic tenet of CSC's Code is that the interests of clients are always placed first. CSC and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code but also to the general principles that guide the Code. There are five major responsibilities that demonstrate its commitment as a trust fiduciary. They are; 1.To put the client's interests first, 2.To act with the utmost good faith, 3.To provide full and fair disclosure, 4.To not mislead clients, and 5.To expose all conflicts of interests to clients. The Code includes standards of business conduct requiring all access persons to comply with the federal securities laws and the fiduciary duties as an investment adviser owes to its clients.

Accordance with our duty to provide full and fair disclosure, CSC and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security (or securities) which may also be recommended to a client. Individuals associated with our firm may also use public information they obtain in connection with their investment activities on behalf of clients for their own personal benefit in limited circumstances. No access person may serve as member of the board of directors of any publicly traded company, without the prior written approval of the CSC Board of Directors. If an access person is serving as a board member, that access person shall not participate in making investment decisions relating to the securities of the company on whose board he or she sits. A complete copy of the Code is available, at no charge, to any client or prospective client upon request.

B. Participation or Interest in client transactions

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

C: Personal Trading

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

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

Detailed policies and procedures for personal trading are included in our Code of Ethics. A complete copy of the Code is available upon request.

Item 12 | Brokerage Practices

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

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

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

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

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

1. Transactions for any client account may not be aggregated for execution if the practice is prohibited by or is inconsistent with the client's advisory agreement with CSC, or our firm's order allocation policy.
2. An electronic order ticket identifies each client account participating in the order and the proposed pro-rata allocation.
3. If the order cannot be executed in full at the same price or time, the securities actually

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- purchased or sold by the close of each business day may be allocated either pro-rata among the participating client accounts in accordance with the initial order ticket or using an automated randomizer to avoid having odd amounts of shares held in any client account and to avoid excessive ticket charges in smaller accounts on partial fills to provide fair and equitable allocation amongst household accounts.
4. Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a prorated basis in proportion to the client's participation.
 5. No client or account will be favored over another. Unless market conditions dictate, a pre trade randomization of all blocks available to trade is applied to the blocks in the OMS system. CSC may accept client instructions for directing the client's brokerage transactions to a particular broker-dealer. Any client instructions to CSC are to be in writing with appropriate disclosures that for any directed brokerage arrangements CSC will not negotiate commissions, may not obtain volume discounts or aggregate directed transactions, and that commission charges will vary among clients and the ability to obtain best execution may be hindered.

Directed Brokerage

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

Transactions for a client that directs brokerage are generally unable to be combined or "blocked" for execution purposes with orders for the same securities for other accounts managed by CSC. Accordingly, directed transactions may be subject to price movements, particularly in volatile markets, that may result in the client receiving a price that is less favorable than the price obtained for the blocked order. Under these circumstances, transactions may result in higher commissions, greater spreads or less favorable net prices that might be the case if CSC could negotiate commission rates or spreads freely, or select broker-dealers based on best execution. Consequently, best price and execution may not be achieved.

Soft Dollar

CSC, as a matter of policy and practice, does not have any formal or informal arrangements or commitments to utilize research, research-related products and other services obtained from broker-dealers, or third parties, on a soft dollar commission basis.

Item 13 | Review of Accounts

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

These accounts are continually reviewed by the entire investment team led by Portfolio Manager Jeffrey Bronchick, CFA. They are periodically reviewed by Merihan Tynan, Principal & Chief Compliance Officer and Matt Weber, Principal & President.

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

Item 14 | Client Referrals and Other Compensation

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

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

Item 15 | Custody

CSC does not take possession of client funds or securities.

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

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

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

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

Item 16 | Investment Discretion

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

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

- ✓ determine the security to buy or sell
- ✓ determine the amount of the security to buy or sell
- ✓ the broker-dealer through whom securities are bought or sold
- ✓ the commission rates as which securities for client accounts are affected
- ✓ the prices as which securities are to be bought or sold

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

Item 17 | Voting Client Securities

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

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

Clients may obtain a copy of our complete proxy voting policies and procedures or information on how proxies for his/her shares were voted by contacting our office.

Diminimus Conditions

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

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

Item 18 | Financial Information

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

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

Form ADV Part 2B

This brochure supplement provides information about qualifications and business practices that supplements the Cove Street Capital, LLC ("CSC") brochure. You should have received a copy of that brochure. Please contact Merihan Tynan, mtynan@covestreetcapital.com, Chief Compliance Officer; (424) 221-5897, if you did not receive CSC's brochure or if you have any questions about the contents of this supplement.

CSC is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. Additional information about CSC is available on the CSC's website at <http://covestreetcapital.com/>

Additional information about all supervised persons within is available on the SEC's website at www.adviserinfo.sec.gov.

— March 2019 —

Mrs. Merihan Tynan | Principal, Chief Compliance Officer

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Jeffrey Bronchick, CFA

Item 1: Year of Birth 1962

Item 2: Educational Background and Business Experience

Education

- ✓ University of Pennsylvania; BA, Economics; 1984
- ✓ London School of Economics; Economics; 1983

Business Experience

- ✓ Cove Street Capital, LLC; Principal & Portfolio Manager; 2011 - Present
- ✓ Reed Conner & Birdwell LLC; Chief Investment Officer & Principal; 1989 - 2011
- ✓ Neuberger Berman; Equity Trading/Analyst; 1986 - 1989
- ✓ Bankers Trust; Institutional Equity Sales; 1985 - 1986
- ✓ First Boston; Equity trading and Research; 1984 - 1985

Designations

Jeffrey Bronchick has earned the following designation(s) and is in good standing with the granting authority:

- ✓ Chartered Financial Analyst (CFA); CFA Institute; 1989

Item 3: Disciplinary Information

Jeffrey Bronchick has no reportable disciplinary history.

Item 4: Other Business Activities

Investment-Related Activities

Jeffrey Bronchick is not engaged in any other investment-related activities. He does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

Non-Investment-Related Activities

Jeffrey Bronchick is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

Item 5: Additional Compensation

Jeffrey Bronchick does not receive any economic benefit from a non-advisory client for the provision of advisory services.

Item 6: Supervision

Supervisor: Matt Weber, Principal & President | 424-221-5897
Merihan Tynan, Principal & CCO | 424-221-5897

Paul Hinkle

Item 1: Year of Birth 1974

Item 2: Educational Background and Business Experience

Education

- ✓ Stanford University; BA, International Relations; 1996
- ✓ Anderson School at UCLA; MBA; 2003

Business Experience

- ✓ Cove Street Capital, LLC; Principal, Chief Client Officer; 11/2012 to Present
- ✓ Guggenheim Securities; Vice President; 2009 – 2011
- ✓ Silverstrand Enterprises; President; 2009 to 2009
- ✓ Bear Stearns & Company, Inc.; Vice President; 2004 to 2008

Item 3: Disciplinary Information

Paul Hinkle has no reportable disciplinary history.

Item 4: Other Business Activities

Investment-Related Activities

Paul Hinkle is not engaged in any other investment-related activities. He does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

Non-Investment-Related Activities

Paul Hinkle is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

Item 5: Additional Compensation

Paul Hinkle does not receive any economic benefit from a non-advisory client for the provision of advisory services.

Item 6: Supervision:

Supervisor: Jeffrey Bronchick, Principal & Portfolio Manager | 424-221-5897

Eugene Robin, CFA

Item 1: Year of Birth 1983

Item 2: Educational Background and Business Experience

Education

- ✓ University of California, San Diego; BA, Computer Science; 2004
- ✓ UCLA Anderson School of Management; MBA; 2008

Business Experience

- ✓ Cove Street Capital, LLC; Principal; 2011 - Present
- ✓ Proton Capital; Associate; from 2008 to 2011
- ✓ ViaSat; Software Engineer; from 2004 to 2006

Designations

Eugene Robin has earned the following designation(s) and is in good standing with the granting authority:

- ✓ Chartered Financial Analyst (CFA); CFA Institute; 2011

Item 3: Disciplinary Information

Eugene Robin has no reportable disciplinary history.

Item 4: Other Business Activities

Investment-Related Activities

Eugene Robin is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

Non-Investment-Related Activities

Eugene Robin was appointed to VerifyMe, Inc. (OTCQB: VRME) Board of Directors in March of 2019. Eugene's compensation structure is as such; 240,000 shares annually, vesting at 60,000 shares per quarter.

Eugene Robin is otherwise not engaged in other non-investment-related activities.

Item 5: Additional Compensation

Eugene Robin does not receive any economic benefit from a non-advisory client for the provision of advisory services.

Item 6: Supervision

Supervisor: Jeffrey Bronchick, Principal & Portfolio Manager | 424-221-5897

Benjamin Claremon

Item 1: Year of Birth 1981

Item 2: Educational Background and Business Experience

Education

- ✓ UCLA Anderson School of Business; MBA, 2011
- ✓ University of Pennsylvania; B.S. in Economics, 1999

Business Experience

- ✓ Cove Street Capital, LLC; Principal & Portfolio Manager; 7/2011 - Present
- ✓ Right Wall Capital; Research Analyst; 2009 – 2009
- ✓ Blue Ram Capital; Research Analyst; 2007- 2008

Item 3: Disciplinary Information

Benjamin Claremon has no reportable disciplinary history.

Item 4: Other Business Activities

Investment-Related Activities

Benjamin Claremon is not engaged in any other investment-related activities. He does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

Non-Investment-Related Activities

Benjamin Claremon is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

Item 5: Additional Compensation

Benjamin Claremon does not receive any economic benefit from a non-advisory client for the provision of advisory services.

Item 6: Supervision

Supervisor: Jeffrey Bronchick; Principal, Portfolio Manager| 424-221-5897

Constantinos Pagonis

Item 1: Year of Birth 1985

Item 2: Educational Background and Business Experience

Education

- ✓ American University; International Studies, 2007
- ✓ Anderson School at UCLA; MBA, 2014

Business Experience

- ✓ Cove Street Capital, LLC; Analyst; 2014 - Present
- ✓ Fort Point Capital Partners; Analyst; 2010 - 2012
- ✓ Abraxas Corporation; Analyst; 2007- 2009

Item 3: Disciplinary Information

Constantinos Pagonis has no reportable disciplinary history.

Item 4: Other Business Activities

Investment-Related Activities

Constantinos Pagonis is not engaged in any other investment-related activities. He does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

Non-Investment-Related Activities

Constantinos Pagonis is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

Item 5: Additional Compensation

Constantinos Pagonis does not receive any economic benefit from a non-advisory client for the provision of advisory services.

Item 6: Supervision

Supervisor: Jeffrey Bronchick, Principal & Portfolio Manager | 424-221-5897

Appendix

Supervision

CSC has adopted written policies and procedures which are designed to set standards and internal controls for the firm, its employees, and its businesses and are also reasonably designed to detect and prevent any violations of regulatory requirements and the firm's policies and procedures. Every employee and manager is required to be responsible for and monitor those individuals and departments he or she supervises to detect, prevent and report any activities inconsistent with the firm's procedures, policies, high professional standards, or legal/regulatory requirements.

CSC's Compliance Department, in conjunction with Senior Management, are primarily responsible for the development and implementation of appropriate policies and procedures. Monitoring systems are tailored to particular policies and procedures, the manner and frequency of testing varies as appropriate.

These compliance procedures include the reporting of violations or errors to designated personnel. After any preliminary due diligence and investigation, matters are corrected or resolved in an appropriate manner, which will vary depending on, among other things, the nature and severity of the violation. CSC Senior Management may be involved for significant errors or violations.

Proxy Voting

POLICY

CSC has the responsibility for voting proxies for portfolio securities consistent with the best economic interests of the clients. Our firm maintains written policies and procedures as to the handling, research, voting and reporting of proxy voting and makes appropriate disclosures about our firm's proxy policies and practices. Our policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records. Unless specifically instructed by a client in writing, CSC generally casts proxy votes against issues that seek to entrench the Board and management of a company through anti-takeover measures, staggered Board terms, super majority requirements and poison pill provisions. CSC is highly sensitive to any measures that potentially dilute shareholder interests through new security issuance or excessive management compensation through equity gifting. Unless directed by a client in writing, CSC will not vote shares in favor of any "social" issues unless such issues happen also, in CSC's judgment, to directly advance shareholder value. CSC will act in a manner deemed prudent and diligent and which is intended to enhance the economic value of the assets of the account.

CSC acts as discretionary investment adviser for various clients, including clients governed by the Employee Retirement Income Security Act of 1974 ("ERISA"). CSC manages both equity and fixed income securities for its clients and will hold voting securities (or securities for which shareholder action is solicited) in a client account. Thus, unless a client (including a "named fiduciary" under ERISA) specifically reserves the right to vote its own proxies or to take shareholder action in other corporate actions, CSC will vote all proxies or act on all other actions received in sufficient time prior to their deadlines as part of its full discretionary authority over the assets. CSC will perform a check to ensure that all proxies needed to be voted or pending corporate actions are received by CSC. In the event that a proxy is not received, CSC will contact the custodian. However, if the documentation is not received in sufficient time, CSC may be unable to vote on behalf of the client.

In accordance with Rule 204-2 under the Advisers Act, CSC will maintain for the time periods set forth in the Rule (i) these proxy voting procedures and policies, and all amendments thereto; (ii) all proxy statements received regarding client securities (provided however, that CSC may rely on the proxy statement filed on EDGAR as its records); (iii) a record of all votes cast on behalf of clients; (iv) records of all client requests for proxy voting information; (v) any documents prepared by CSC that were material to making a decision how to vote or that memorialized the basis for the decision; and (vi) all records relating to requests made to clients regarding conflicts of interest in voting the proxy.

CSC will describe in its Part 2A of Form ADV its proxy voting policies and procedures and will advise clients how they may obtain information on how CSC voted their securities. Clients may obtain information on how their securities were voted or a copy of our Policies and Procedures by written request addressed to CSC.

RESPONSIBILITY

The CCO has the responsibility for the implementation and monitoring of our proxy voting policy, practices, disclosures and record keeping, including outlining our voting guidelines in our procedures.

PROCEDURE

CSC adopted procedures to implement the Firm's policy and conducts reviews to monitor and ensure the Firm's policy is observed, implemented properly and amended or updated, as appropriate.

Proxy decisions are made by the Investment team in accordance with the doctrine of what is in the best interest of the shareholder and client. CSC's Operations department, in consultation with the Senior Management, is responsible for ensuring that all proxies received by CSC are voted in a timely manner and voted consistently across all portfolios.

Where a proxy proposal raises a material conflict of interest between CSC's interests and the client's, CSC will disclose the conflict to the relevant clients and obtain their consent to the proposed vote prior to voting the securities. When a client does not respond to such a conflict disclosure request or denies the request, CSC will abstain from voting the securities held by that client's account.

In the event where a conflict should arise, the firm will continue to vote the proxy in the best interest of its clients.

The Operations Department is responsible for ensuring that all corporate actions received by CSC are addressed in a timely manner and consistent action is taken across all portfolios.

Voting Procedures

- All employees will forward any proxy materials received on behalf of clients to the Client Service Group.
- The team will define which client accounts hold the security to which the proxy relates.
- Absent material conflicts, the Investment Team along with the Portfolio Manager will determine how CSC should vote the proxy in accordance with applicable voting guidelines, complete a sample ballot and instruct the Client Service Group how to vote the proxy in a timely and appropriate manner.
- All clients who have elected Cove Street Capital to vote proxies on their behalf have been set up on ProxyEdge, a web-based platform. The ballots and their respective shares are added to ProxyEdge.
([https://sso.net.broadridge.com/cc/proxyedgelogin.do?TYPE=33554433&REALMOID=06-8d1b7c2a-dae5-4a69-a746-d70fe0bef606&GUID=&SMAUTHREASON=0&METHOD=GET&SMAGENTNAME=65422_proxyedge&TARGET=\\$SM\\$HTTPS://east.proxyedge.com/](https://sso.net.broadridge.com/cc/proxyedgelogin.do?TYPE=33554433&REALMOID=06-8d1b7c2a-dae5-4a69-a746-d70fe0bef606&GUID=&SMAUTHREASON=0&METHOD=GET&SMAGENTNAME=65422_proxyedge&TARGET=SMHTTPS://east.proxyedge.com/))
- The ballots are sent to the Portfolio Manager and Investment team weeks before the meeting for analysis, and then returned to the Client Service Team. Client Service member logs the vote for each of these securities, which Broadridge processes. Broadridge saves every voting decision on the portal for SEC-compliant recordkeeping. All proxies are voted days before the meeting date to ensure that all votes are counted to the best of our ability.

In the rare case where shares are not populated on the ProxyEdge platform, the Client Service Team will reach out to respective account custodians to retrieve the control numbers with which to vote.

Disclosure

- CSC will provide required disclosures in response to Item 17 of Form ADV Part 2A summarizing this proxy voting policy and procedures, including a statement that clients may request information regarding how CSC voted a client's proxies.
- CSC disclosure summary will include a description of how clients may obtain a copy of the firm's proxy voting policies and procedures; and
- CSC proxy voting practice is disclosed in the firm's advisory agreement(s).

Client Requests for Information

- All client requests for information regarding proxy votes, or policies and procedures, received by any employee should be forwarded to the CCO.
- CSC maintains an electronic copy of all proxies voted on behalf of client in a Microsoft Access database, "CSC Proxy Database."
- In response to any request, the CCO will prepare a written response to the client with the information requested, and as applicable will include the name of the issuer, the proposal voted upon, and how CSC voted the client's proxy with respect to each proposal about which client inquired.
- For the Fund and other sub-advisory relationships, CSC will prepare information needed to file Form N-PX.

Recordkeeping

The CCO shall retain the following proxy records in accordance with the SEC's five-year retention requirement.

- These policies and procedures and any amendments;
- Each proxy statement that CSC receives;
- A record of each vote that CSC casts;
- Any document CSC created that was material to making a decision how to vote proxies, or that memorializes that decision including periodic reports to The CCO.
- A copy of each written request from a client for information on how CSC voted such client's proxies, and a copy of any written response.

Diminimus Conditions

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

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

Written records of determinations not to vote proxies shall be retained in the records of the firm.

Privacy

POLICY

As a registered investment adviser, CSC must comply with SEC Regulation S-P (or other applicable regulations), which requires registered advisers to adopt policies and procedures to protect the "non-public personal information" of natural person consumer and customer and to disclose to such persons policies and procedures for protecting that information.

Furthermore, and as a SEC registered advisory firm, our firm must comply with SEC Regulation S-AM, to the extent that the firm has affiliated entities with which it may share and use consumer information received from affiliates.

RESPONSIBILITY

The CCO is responsible for reviewing, maintaining and enforcing these policies and procedures to ensure meeting CSC's client privacy goals and objectives ensuring compliance with applicable federal and state laws and regulations. The CCO may recommend to the Firm's principal(s) any disciplinary or other action as appropriate. The CCO is also responsible for distributing these policies and procedures to employees and conducting appropriate employee training to ensure employee adherence to these policies and procedures.

PROCEDURE

CSC adopted procedures to implement the firm's policy and conducts reviews to monitor and ensure the Firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

Non-Disclosure of Client Information.

CSC maintains safeguards to comply with federal and state standards to guard each client's non-public personal information ("NPI"). CSC does not share any NPI with any non-affiliated third parties, except in the following circumstances:

- As necessary to provide the service that the client has requested or authorized, or to maintain and service the client's account;
- As required by regulatory authorities or law enforcement officials who have jurisdiction over CSC, or as otherwise required by any applicable law; and
- To protect the confidentiality or security of the financial institution's records against fraud and for institutional risk control purposes; and
- To provide information to the firm's attorneys, accountants and auditors or others determining compliance with industry standards.

Employees are prohibited, either during or after termination of their employment, from disclosing NPI to any person or entity outside CSC, including family members, except under the circumstances described above. An employee is permitted to disclose NPI only to such other employees who need to have access to such information to deliver our services to the client.

Safeguarding and Disposal of Client Information.

CSC restricts access to NPI to those employees who need to know such information to provide services to our clients.

Any employee who is authorized to have access to NPI is required to keep such information in a secure compartment or receptacle on a daily basis as of the close of business each day.

Safeguarding standards encompass all aspects of the CSC that affect security. This includes not just computer security standards but also such areas as physical security and personnel procedures. Examples of important safeguarding standards that CSC may adopt include:

- Access controls on customer information systems, including controls to authenticate and permit access only to authorized individuals and controls to prevent employees from providing customer information to unauthorized individuals who may seek to obtain this information through fraudulent means (e.g., requiring employee use of user ID numbers and passwords, etc.).
- Access restrictions at physical locations containing customer information, such as buildings, computer facilities, and records storage facilities to permit access only to authorized individuals (e.g., intruder detection devices, use of fire and burglar resistant storage devices).
- Response programs that specify actions to be taken when the Firm suspects or detects that unauthorized individuals have gained access to customer information systems, including appropriate reports to regulatory and law enforcement agencies;

Privacy Notices

CSC will provide each natural person client with initial notice of the Firm's current policy when the client relationship is established. CSC shall also provide each such client with a new notice of the Firm's current privacy policies at least annually. Within the first 120 days of a calendar year a notice is sent with the client's portfolio statement. Clients of the Fund shall refer to the Fund's privacy policy, which is initially provided through the prospectus and mailed annually thereafter. If CSC shares non-public personal information ("NPI") relating to a non-California consumer with a nonaffiliated company under circumstances not covered by an exception under Regulation S-P, the Firm will deliver to each affected consumer an opportunity to opt out of such information sharing. If CSC shares NP relating to a California consumer with a non-affiliated company under circumstances not covered by an exception under SB1, the Firm will deliver to each affected consumer an opportunity to opt in regarding such information sharing. If, at any time, CSC adopts material changes to its privacy policies, the Firm shall provide each such client with a revised notice reflecting the new privacy policies. The Compliance Officer is responsible for ensuring that required notices are distributed to the CSC's consumers and customers.