FIRM BROCHURE

Part 2A of Form ADV

January 29, 2016

Wall Street Associates, LLC

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Part 2A of Form ADV (the "Brochure") provides information about the qualifications and business practices of Wall Street Associates, LLC. If you have any questions about the contents of this Brochure, please contact us at (858) 551-2100. 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.

Wall Street Associates, LLC is a registered investment adviser with the U.S. Securities and Exchange Commission; however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made.

Additional information about Wall Street Associates, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2: MATERIAL CHANGES

Wall Street Associates, LLC ("WSA" or the "Firm") is revising this Brochure to reflect the following changes:

Item 4 – Advisory Services: updated to clarify WSA's ownership and status as a minority and woman-owned business; and to reflect types of accounts managed and assets under management as of December 31, 2015.

Due to the closure of WSA's Hedge Fund and SRI Strategies, references and disclosures relating to the Hedge Fund and SRI Strategies were removed from the following items:

- Item 4 (Advisory Business)
- Item 5 (Fees and Compensation)
- Item 6 (Performance Based Fees and Side-by-Side Management)
- Item 7 (Types of Clients)
- Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss)
- Item 10 (Other Financial Industry Activities and Affiliations)
- Item 11 (Code of Ethics, Participation of Interest in Client Transactions and Personal Trading)
- Item 12 (Brokerage Practices)
- Item 13 (Review of Accounts)
- Item 15 (Custody)

Item 12 – Brokerage Practices: updated to clarify that WSA seeks to conduct trade rotation for all accounts (including Fully Discretionary, SMA/WRAP and Model portfolios) in a fair and equitable manner.

The previous Brochure was March 31, 2015. WSA encourages each client to read this Brochure carefully and to call us with any questions you may have.

Pursuant to SEC rules, WSA will ensure that each of its clients receive a summary of any material changes to this Brochure within 120 days of the close of WSA's fiscal year end, along with a copy of this Brochure or an offer to provide a copy of the updated Brochure. Additionally, as WSA experiences material changes in the future, we will send a summary of our material Changes under separate cover. WSA's Brochure is available upon request by contacting Ted (Theodoro) C. Smith, Chief Compliance Officer at (858) 551-6335 or tsmith@wsalj.com.

Additional information about the firm is available on the SEC's website at www.adviserinfo.sec.gov or please visit our web site at www.wsalj.com.

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ITEM 4: ADVISORY BUSINESS

A. Description of Firm

Wall Street Associates, LLC ("WSA" or the "Firm") is an employee owned, SEC-registered investment adviser founded in 1987 on "Wall Street" in La Jolla, California. WSA provides investment management services primarily focused on U.S. growth equity investments consisting of the following strategies, as described in more detail below: Micro Cap Growth, Institutional Small Growth, Small-Mid Cap Growth, and Mid Cap Growth. WSA manages growth portfolios primarily invested in domestic equity securities for institutional investors and private clients. As described below, WSA provides fully discretionary and model equity investment advisory services for a variety of clients.

Wall Street Associates II, LLC, serves as the managing member and principal owner of WSA. All members of Wall Street Associates II, LLC, are current active employees of the Firm. In addition, WSA is proud to be a minority (Hispanic) and woman owned firm. Ted (Theodoro) C. Smith, Alexis C. Waadt and Kimberly A. Taylor together own a combined majority interest in WSA.

Listed below are individuals controlling more than 25% of WSA:

- Ted (Theodoro) C. Smith, CFA, CIC – Managing Member, COO and CCO

In addition, the following individuals are also owners of our firm:

- Alexis C. Waadt – Principal and Portfolio Manager
- Kimberly A. Taylor – Principal and Director of Client Service
- Paul J. Ariano, CFA - Principal and Portfolio Manager
- Paul K. Lecoq - Principal and Portfolio Manager
- Luke A. Jacobson, CFA - Principal and Portfolio Manager
- William W. Gastil – Principal and Head of Trading
- Rob R. Knowles – Principal and Director of Marketing

For more information regarding the members, please refer to WSA's Form ADV Part 1 which can be found at **www.adviserinfo.sec.gov.** Wall Street Associates II, LLC and WSA are not affiliated with any other organization. The Firm's ownership and the rest of our professional staff are responsible for 100% of the management, operations, and investment functions of our business.

B. Types of Advisory Services Offered

Assets managed by WSA are invested in "long-only" strategies for separate accounts and investment funds. From time to time the Firm will enter into sub-advisory agreements with other non-affiliated third party registered investment advisers who wish to engage the Firm to manage some or all of their client's assets. In such relationships, WSA will typically have discretionary authority over those assets designated to us for management. All agreed upon terms are provided in Sub-Advisory Agreements between WSA and any third-party advisers.

WSA provides equity investment management advice to institutional clients and high net worth individuals. This includes separate account management of U.S. growth equity portfolios. Combining fundamental, bottom-up stock selection with disciplined risk management, we seek to maximize total return. At the outset of each client relationship, common long-term objectives are established, with an ongoing, proactive dialogue ensuring adherence to client objectives and the timely exchange of information.

WSA's services include, but are not limited to, active portfolio management, issuance of quarterly reports on client investments, periodic written material on investments, the economy, and other issues deemed relevant for the client accounts and periodic personal visits as agreed between WSA and the client. For all transactions, WSA buys and sells securities through registered broker-dealers that are unaffiliated with WSA. WSA does not act as custodian and does not maintain physical custody of client funds or securities. Please refer to Item 15 for additional information.

1. Services Provided in the Management of Client Accounts

WSA offers investment advice within its four key growth equity strategies: Micro Cap Growth, Institutional Small Growth, Small-Mid Cap Growth, and Mid Cap Growth. These key strategies are managed per the firm's unified investment philosophy and process.

For fully discretionary accounts, WSA manages portfolios subject to the following guidelines:

- Portfolios are generally fully invested. The maximum exposure to cash should generally not exceed 10% of the portfolio.
- All portfolio investments will be based on fundamental research and analysis.
- Micro Cap Growth, Institutional Small Growth, Small-Mid Cap Growth, and Mid Cap Growth investments will place particular emphasis on rapidly growing stocks with strong fundamentals and a reasonable probability for exceeding street consensus earnings estimates.
- The market capitalization at time of purchase of Micro Cap Growth equity investments will generally be less than $400 million (float adjusted). Issues with market caps below $50 million (float) are typically not considered for purchase.
- The market capitalization at time of purchase of Institutional Small Growth equity investments will generally be less than $1.5 billion (float adjusted) but may include benchmark constituents and other growth company stocks with market caps above $1.5 billion (float) and below the top range of the benchmark. Issues with market caps below $50 million (float) are typically not considered for purchase.
- The market capitalization at time of purchase of Small-Mid Cap Growth equity investments will generally be less than $10 billion (gross) but may include benchmark constituents and other growth company stocks with market caps above $10 billion (gross) and below the top range of the benchmark.
- The market capitalization at time of purchase of Mid Cap Growth equity investments will generally be between $1.5 billion and $10 billion (gross) but may include benchmark constituents and other growth company stocks with market caps above $10 billion (gross) and below the top range of the benchmark.

- Issues will generally be traded on the New York Stock Exchange, the American Stock Exchange, or the NASDAQ, and may include non-U.S. issues and securities in the form of American Depository Receipts.
- In Micro Cap Growth, Institutional Small Growth, Small-Mid Cap Growth and Mid Cap Growth, an individual investment will not represent more than 3% of portfolio market value at the time of purchase. We typically initiate positions between 1% - 2% of portfolio market value.
- Equity investments should generally not exceed more than 10% of any class of securities of any one issuer.
- Portfolios may not:
  - Engage in puts, calls, straddles, spreads, or any combination thereof
  - Borrow money, purchase securities on margin or sell securities short
  - Make loans or act as underwriter
- Investments in common, collective, or commingled trust funds must be approved by the Client in advance. We typically do not invest in these types of securities.
- Specifically, we seek companies exhibiting the following types of characteristics:
  - Sustainable Growth
  - Fundamental Financial Strength
  - Management Vision
  - Earnings Surprise Potential
  - Strong Financial Statements/Cash Flows
  - Superior Business Models
  - Catalysts For Change
  - Exceptional Company Management

2. <u>Restrictions/Guidelines Imposed by Clients</u>

Clients may impose reasonable guidelines and/or restrictions on investing in certain securities or types of securities. For example, a client may specify that the investment in any particular stock, industry, or sector should not exceed specified percentages of the portfolio's value. All such guidelines and restrictions must be communicated to WSA in writing.

3. <u>Important Considerations</u>

In accordance with Rule 204-3 under the Investment Advisers Act of 1940, as amended ("Advisers Act"), WSA will provide a brochure and one or more brochure supplements to each client or prospective client prior to or contemporaneously with the execution of an investment advisory agreement. Any client who has not received a copy of WSA's brochure at least forty-eight (48) hours prior to executing the Agreement shall have five (5) business days subsequent to executing the agreement to terminate WSA's services without penalty. Thereafter, the Agreement between WSA and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement.

Neither WSA nor the client may assign the Agreement without the consent of the other party. Transactions that do not result in a change of actual control or management of WSA shall not be considered an assignment.

C. Wrap Fee and Other Separately Managed Account Programs

1. Wrap Fee Programs

Although WSA does not sponsor, organize, or administer any wrap fee programs, WSA participates in such programs by providing portfolio management services to wrap fee programs sponsored by others. Generally under a wrap fee program, a specified fee not based directly upon transactions in a client's account is charged for investment advisory services and the execution of client transactions. The fee, which generally covers portfolio management, brokerage, clearance, custody and administrative services, is typically payable to the program sponsor, who administers the program and selects other investment advisers to participate in the program.

Importantly, there are no structural differences in WSA's portfolio management services with respect to wrap fee accounts and the services provided to other accounts. WSA receives a portion of the wrap fee from the program sponsor for the portfolio management services WSA provides to the program. Selection of a "wrap fee" program may result in the payment of fees by clients in excess of the combined total of separate advisory fees and brokerage commissions for the execution of client transactions. The sponsors of such programs will provide clients with a copy of the sponsor's Wrap Fee Program Brochure (Appendix 1 to ADV Part 2A), setting forth important information about the applicable program.

2. Separately Managed Account Programs

WSA offers investment advisory services on a discretionary basis to clients of Separately Managed Accounts sponsors. WSA is included in a list of managers that may be recommended by the brokerage firm/SMA sponsor. Under these programs, the sponsor offers investment management, custody, brokerage and performance monitoring for a set fee (some bundled and some unbundled). WSA is paid an advisory fee by the sponsor that is determined per agreement with the two entities. Although the sponsor is the primary contact for clients, WSA is available for discussions with the client at the client's request.

D. Model Investment Advisory Service

WSA may provide non-discretionary investment management services to clients using a Model portfolio based on a WSA investment strategy. For such relationships, WSA is not responsible for trade execution, timing of trade placement, brokerage selection, negotiation of commission or other fees paid by investors in the program.

E. Amount of Client Assets Under Management

As of December 31, 2015, the amount of clients assets managed by WSA on a discretionary and non-discretionary basis was as follows:

Type of Account	Assets Under Management ("AUM")
Discretionary	$366,087,869
Non-Discretionary	$0.00
Total:	**$366,087,869**

ITEM 5: FEES AND COMPENSATION

A. Description of Fees; Fee Schedule

WSA charges fees based on a percentage of assets under management at varying rates depending on the particular types of advisory services to be provided. WSA may also charge performance-based fees as described in more detail in Item 6, below. The specific fees charged by WSA for its advisory services will be set forth in each client's written agreement with WSA. Although WSA believes its advisory fees are competitive, clients should be aware that lower fees for comparable services may be available from other sources.

All fees are negotiable in WSA's sole discretion. For example, both standard and performance-based fees may differ, based on the situation and circumstances prevailing at that time, as well as other factors such as aggregate assets across multiple strategies and associations or affiliations with the firm.

WSA offers investment advisory services with standard fees based on the following schedule. Please note that all fees set forth below do not include the customary fees and expenses associated with the purchase and sale of securities from registered broker-dealers or custodial-related fees. Please see "Other Fees and Expenses" below for additional information.

Micro Cap Growth, Institutional Small Growth and Small-Mid Cap Growth

Assets Under Management	Fee
First $25,000,000	1.00%
Greater than $25 Million	.75%

Mid Cap Growth

Assets Under Management	Fee
First $50,000,000	.80%
$50,000,000 to $100,000,000	.70%
Greater than $100 Million	.60%

Fees are generally charged in arrears and are typically billed directly to the Client for separate payment on a quarterly basis. Clients have the option to pay fees separately or to instruct their custodians to pay the fees from their account directly to WSA. It is customary for management fees to be prorated for each capital contribution and withdrawal made during the applicable calendar quarter. Fee charges and proration methodologies may differ from Client to Client. Each Client's investment advisory contract generally determines how fees are calculated, paid and prorated.

<u>Sub-Advisory Services / Other Separately Managed Accounts</u>
Sub-Advisory Services standard fee: 0.50% of assets under management per annum
Other Separately Managed standard fees range: 0.50% - 1.00% of assets under management per annum

Sub-advisory fees generally are computed on a monthly basis and billed in arrears or otherwise pursuant to the investment advisory agreements, registration statements and prospectuses of such mutual funds.

<u>Model Investment Advisory Services</u>
Standard fee range: 0.35% to 0.50% of Model assets per annum.

<u>Wrap Fee Programs and Separately Managed Account Fees</u>
Clients participating in Wrap / Separately Managed Account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees typically include the investment advisory fees of the program sponsors, which are charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. A Program Sponsor may recommend the client retain WSA as an investment adviser and pays WSA's fee which is typically paid quarterly in advance or arrears. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. Normally, WSA executes transactions of wrap fee clients with the Program Sponsor, and as such, will not be able to ensure best execution. 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's 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.

B. Other Fees and Expenses

Clients should understand that, unless expressly stated otherwise, the advisory fees described in the sections above do not include brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by third parties such as custodial fees, mutual fund fees and expenses, wrap fees charged by third party program sponsors, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, clients may incur brokerage commissions and other execution costs charged by the custodian or executing broker-dealer in connection with transactions for a client's account. Neither WSA nor any of its advisory personnel receive compensation for the sale of securities or other investment products purchased for a client's account.

Client assets invested in mutual funds will be subject to certain fees and expenses imposed directly by mutual funds to their shareholders, which shall be described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the sponsor also imposes sales charges, a client may be required to pay an initial or deferred sale or surrender charge.

The charges, fees and commissions incurred in connection with transactions for a client's account are exclusive of and in addition to the fees charged by WSA are generally paid by the client out of the assets in the account or billed separately to the client. WSA shall not receive any portion of these commissions, fees, and costs. Clients should review the fees charged by any third party together with the fees charged by WSA, to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided. Please refer to Item 12 of this Brochure for additional important information about the brokerage and transactional practices of WSA, including the factors that WSA considers in selecting broker-dealers for client transactions and determining the reasonableness of their compensation.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

WSA offers a fee alternative in the form of specifically negotiated performance fee arrangements (i.e. fees calculated based on a share of capital gains or on capital appreciation of the funds or any portion of the funds of an advisory client). Performance-based fees for "long only" accounts typically provide for a fixed base fee below the level of the standard fixed fee, plus a negotiated performance factor (percentage of profits) that may exceed the fixed fee rate described above.

Performance fees are subject to negotiation with individual clients and will be structured in accordance with Rule 205-3 of the Investment Adviser's Act of 1940, as amended. In measuring clients' assets for the calculation of performance-based fees, WSA shall include realized and unrealized capital gains and losses. Performance based fee arrangements may create an incentive for WSA to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement.

ITEM 7: TYPES OF CLIENTS

A. Description

WSA provides fully discretionary and Model equity investment advisory services for a variety of clients, including:

(1) Public and Private Institutional Clients, including government entities, pension plans, corporations, charitable organizations (foundations, endowments, etc.), trusts and estates.
(2) High Net Worth Individuals.
(3) "In-House" proprietary accounts (funded by WSA) being managed within the firm's investment strategies (e.g., Institutional Small Growth, Small-Mid Cap Growth, and

Mid Cap Growth) and have been placed in their respective composites in accordance with the firm's composite construction rules.

B. Conditions for Managing Accounts

Prior to engaging WSA to provide investment advisory services, the client will be required to enter into one or more written agreements with WSA setting forth the terms and conditions under which WSA shall render its services. Client portfolios are managed in accordance with our product mandates and portfolio guidelines, as well as any client-imposed restrictions. The minimum investment for separate accounts is generally $3,000,000 for Micro Cap Growth accounts and $1,000,000 for accounts in all other strategies, subject to such exception as management in its sole discretion shall determine.

C. Anti-Money Laundering & Anti-Terrorism Policies

Through its on-going assessment of internal controls, WSA has identified particular areas to safeguard against potential Anti-Money Laundering ("AML") abuses. Our We believe products most vulnerable to money laundering activities include Sub-Advised Mutual Funds.

<u>Sub-Advised Mutual Funds</u>
Sub-advised mutual funds follow their own AML policies and procedures.

<u>Institutional and Other Separate Account Clients (Including SMA)</u>
Unknown individuals are required to provide information on their identity, which is reviewed by WSA Operations and senior management. Most separate account clients are publicly known entities and thereby pose minimal risk for money laundering. Wrap / SMA clients are required to provide information on their identity to the Program Sponsors, who follow their own AML policies and procedures.

<u>Monitoring Potential Suspicious or Unusual Transactions</u>

WSA continuously monitors for potentially suspicious activities. In accordance with the USA Patriot Act, WSA will investigate any unusual client activities or transactions. Examples of a suspicious activity may include:

- A client's reluctance to provide certain information or records (such as a driver's license)
- Frequent transfers, deposits or withdrawals (especially to offshore entities)
- Frequent deposits under $10,000 to avoid Cash Transaction Reporting requirements

Employees are trained to notify the CCO if they observe any suspicious or unusual transactions. Our Prime Broker/Fund Administrator also monitors for suspicious activity and notifies WSA of any potential concerns. Suspicious Activity Reporting ("SAR") will be conducted in the case where a suspicious activity or trend occurs.

Identification and Verification of Clients and Potential Clients

WSA does not open accounts on behalf of any person or entity whose name is on the Office of Foreign Asset Control ("OFAC") List, which is provided by the US Treasury Department. Links to the OFAC List are e-mailed to the Chief Compliance Officer as the list is updated. The CCO reviews the list and sends it to WSA employees as required.

When applicable, WSA might also review the Financial Action Task Force's list to ensure that new clients do not reside in a country that harbors known money launderers.

To conduct these searches, before opening an account, the client must provide evidence of his or her name, address, date of birth, social security number and/or tax ID number. Legal entities must provide evidence that the acting principal is authorized to open the account.

In the event that WSA has a potential hit, the firm will issue a SAR report to the FBI and applicable financial regulators, such as the SEC. WSA will take any necessary action to help authorities freeze open accounts for any persons or entities that are on the money laundering or terrorist list and report the information to the relevant authorities.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies
WSA utilizes various methods of analysis in formulating its investment management decisions. WSA's investment process is driven foremost by fundamental, bottom-up stock selection, with portfolio risk managed through active, benchmark-aware portfolio construction and risk monitoring. We focus our investment research on the strategic and financial aspects of a firm – solid fundamentals, effective management and strong growth prospects.

WSA's investment team includes portfolio managers who specialize in research and analysis of certain sector and industries. These individuals come together as a team to manage our Micro Cap Growth, Institutional Small Growth, Small-Mid Cap Growth and Mid Cap Growth portfolios while fulfilling the same sector/industry role across each product. This structure provides a continuously unfolding research perspective in which coverage begins with initial discovery and continues uninterrupted throughout a company's life cycle, with thriving holdings migrating upward through our capitalization-segmented products.

<table>
<tr><th>Investment Strategies</th><th>Methods of Analysis</th></tr>
<tr><td><u>Micro Cap Growth</u>
• U.S. growth equities
• Market capitalization - generally less than $400 million (float adjusted) at purchase.
• Benchmark - Russell 2000 Growth Index.
• Holdings - approximately 90-120 issues.</td><td rowspan="3"><u>Portfolio Management</u>
Portfolios are managed on a team basis, with each portfolio manager responsible for research and buy/sell decisions for certain sectors/industries across each of our capitalization-segmented investment strategies.

<u>Investment Process Overview</u>
Investment ideas are derived from an ongoing process utilizing fundamental/qualitative database screening, research networks and company meetings to narrow the investment universe to 300 to 1000 prospects (depending on strategy). These prospects are subjected to an in-depth analysis by our portfolio managers to further narrow the field and confirm our investment criteria:

• Sustainable Growth - earnings, revenue, EBITDA and other growth measures on an absolute, sector/industry and peer-relative basis, with certain measures carrying more weight based on industry.
• Fundamental Financial Strength - capability to sustain and expand growth
• Management Vision - capability to develop and implement competitive business strategies.</td></tr>
<tr><td><u>Institutional Small Growth</u>
• U.S. growth equities
• Market capitalization - generally less than $1.5 billion (float adjusted) at purchase, but may include benchmark constituents and other growth company stocks with market caps above $1.5 billion (float) and below the top range of the benchmark.
• Benchmark - Russell 2000 Growth Index
• Holdings - approximately 85-95 issues.</td></tr>
<tr><td><u>Small-Mid Cap Growth</u>
• U.S. growth equities
• Market capitalization - generally less than $10 billion (gross) at time of purchase, and may include benchmark constituents and other growth company stocks with market capitalizations above $10 billion (gross) and</td></tr>
</table>

below the top range of the benchmark. • Benchmark - Russell 2500 Growth Index • Holdings - approximately 70-95 issues.	• Earnings Surprise Potential – catalyst for growth. Portfolio Construction/Risk Management • Strategy capitalization mandate • Generally do not purchase issues with market capitalizations under $50 million (float adjusted) • Cash - 0-5% (fully invested) • Individual holdings – max. 3% at purchase • Actively establish, benchmark-aware sector/industry weights • Client established guidelines • CIO Committee oversight • Real-time monitoring of portfolio and risk characteristics For risk management purposes, portfolio managers are assigned a custom benchmark that outlines their areas of responsibility and divides the entire index by sector, industry and company. Thus, each portfolio manager is responsible for a segment of the index, with each segment providing a reference for percentage of assets managed. Each stock must continually earn its place in the portfolio, with stocks sold when they fail to meet our investment criteria or when a new investment candidate is found.
Mid Cap Growth • U.S. growth equities • Market capitalization - generally between $1.5 billion and $10 billion (gross) at time of purchase, but may include benchmark constituents and other growth company stocks with market caps above $10 billion (gross) and below the top range of the benchmark. • Benchmark - Russell Midcap Growth Index • Holdings - approximately 70-90 issues.	

B. Risk of Loss

1. General Considerations

Investing in securities involves a significant risk of loss. WSA's investment recommendations are subject to various market, currency, economic, political and business risks, and such investment decisions may not always be profitable. Clients should be aware that there may be a loss or depreciation to the value of the client's account, which clients should be prepared to bear. There can be no assurance that the client's investment objectives will be obtained and no inference to the contrary should be made. Clients are advised that they should only commit assets for management that can be invested for the long term, that volatility from investing can occur, and that all investing is subject to risk and consequently, the value of the client's account may at anytime be worth more or less than the amount invested.

2. Risks Involved in Particular Types of Investments

Stock Market Risk. The market value of stocks will generally fluctuate with market conditions. While stocks have historically outperformed other asset classes over the long term, they tend to fluctuate over the short term as a result of factors affecting the individual companies, industries or the securities market as a whole. Past performance of investments is no guarantee of future results.

Foreign Investing Risk. Investments in overseas markets also pose special risks, including currency fluctuation and political risks, and may be more volatile than that of a U.S. only investment. Such risks are generally intensified for investments in emerging markets.

Small and Mid-Cap Company Risk. Stocks of mid-capitalization companies often have greater price volatility, lower trading volume, and less liquidity than the stocks of larger, more established companies. Stocks of small-capitalization companies often experience greater price volatility than large- or mid-sized companies because small-cap companies are often newer or less established than larger companies and are likely to have more limited resources, products and markets. Securities of small-cap companies are often less liquid than securities of larger companies as a result of there being a smaller market for their securities.

Growth Investing Risk. Prices of growth company securities may fall more than the overall equity markets due to changing economic, political or market conditions or disappointing growth company earnings results. Growth stocks also generally lack the dividends of some value stocks that can cushion stock prices in a falling market.

Sector Risk. Sector risk occurs when certain investments are concentrated in a particular industry or sector of the economy. Because the holdings are in the same industry, there is an inherent lack of diversification. Due to this narrow focus, investments concentrated in a particular industry tend to be more volatile than investments that diversify across many sectors and are not intended to serve as a complete investment program by themselves. Such investments are also subject to the additional risks associated with a particular industry.

3. Risk Management

WSA takes a disciplined and multi-dimensional approach toward investment risk management. General risk controls applied toward portfolio construction include the following: monitoring of Active Share, information ratio, upside/downside capture, portfolio tracking error, risk factor tilts, beta and marginal contribution to active risk vs. applicable benchmark; monitoring of capitalization, sector and industry weights, cash levels; and monitoring of portfolio holdings.

Portfolio construction and risk management play a part in every phase of our investment management effort - from initial stock selection to ongoing portfolio evaluation to liquidation. Portfolios are reviewed for strategy and guideline compliance on an ongoing basis. Throughout each day the investment team reviews research and news reports covering existing holdings, the market, and the economy. Risk management reports are produced that monitor portfolio tracking error, risk factor tilts, beta and marginal contribution to active risk vs. applicable benchmark; capitalization, sector and industry weights, and cash; portfolio holdings weights; strategy and client investment policy guidelines and limitations. Comprehensive portfolio reports (including exceptions, if any) are distributed throughout the firm on a weekly basis. The portfolio reports analyze portfolio risk and focus on ensuring product and client guideline compliance. In addition, investment team members receive portfolio attribution on a periodic basis to evaluate relative performance by sector, industry and security. A broad understanding of the sources of risk is an important element in our portfolio construction process.

WSA's "Active Weight" portfolio construction process combines stock selection and benchmark-aware risk management, with portfolio managers having sole responsibility for research and purchase/sale decisions within their areas of oversight. In our Micro, Institutional Small, Small-Mid, and Mid Cap Growth strategies, each portfolio manager has the latitude to actively weight the portfolio's sector and industry groups to benchmark-relative over/underweight thresholds. Additionally, individual holdings are limited to a maximum of 3% of the portfolio. Active weights outside of thresholds are subject to CIO Committee review (with no sector weights exceeding +10% relative to the benchmark).

WSA's CIOC is charged with overseeing our portfolio construction and risk management strategy. With real-time access to portfolio and benchmark data, the CIOC can quickly assess intended and unintended risks/concentrations and direct adjustments as needed. Benchmark-relative sector and/or industry weightings exceeding thresholds are reviewed for diversification and may cause the CIOC to direct an action to lower risk. Individual positions constituting large exposures are also monitored and acted upon as necessary to control risk. Underperforming issues are reviewed and may be liquidated in-total or in-part, with assets reallocated to new growth opportunities. These "Down Reviews" challenge low performing stocks and examine the rationale for continuing to hold them. The CIOC may also direct a portfolio manager to further review underweighted sectors or industries for potential investment.

Despite such risk management actions performed by WSA, clients should note that there is always a risk of loss from investments in securities, including the risk of loss of principal. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will be profitable or suitable for a particular investor's financial situation or risk tolerance. Past performance does not guarantee future results.

ITEM 9: DISCIPLINARY INFORMATION

Registered investment advisers such as WSA are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's prospective client's evaluation of WSA or the integrity of its management. WSA does not have any such legal or disciplinary events in its history and therefore has no information to disclose with respect to this Item.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

WSA does not recommend other investment managers and does not have any related persons who are, or have applications pending to become, broker-dealers or registered representatives of a broker-dealer. WSA has no other affiliations or business interests.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Description of Code of Ethics

The Advisers Act imposes a fiduciary duty on all investment advisers to act in the best interest of its clients. Because WSA's investment professionals and associated persons may transact in the same securities for their personal accounts as they may buy or sell for client accounts (as described below), it is important to mitigate potential conflicts of interest. Accordingly, WSA has adopted a Code of Ethics ("Code") in compliance with Rule 204A-1 under the Investment Advisers Act of 1940, as amended. The Code establishes standards of conduct for WSA's supervised persons and includes general requirements that such supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, conflicts of interest and confidentiality of client information. It is the expressed policy of WSA that persons employed by WSA must at all times comply with the following principles: (1) The Clients Come First (all persons shall scrupulously avoid serving their personal interests ahead of the Clients of WSA); (2) Avoid Taking Advantage (persons may not use their knowledge of open, executed, or pending portfolio transactions to profit by the market effect of such transactions); and (3) Comply With the Code of Ethics (doubtful situations should be resolved in favor of the Client).

The Code also requires that certain of WSA's personnel (called "Access Persons") report their personal securities holdings and transactions and prohibits Access Persons from investing in certain investments such as initial public offerings and secondary offerings. Unless specifically permitted in the Code, none of WSA's Access Persons may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the

Access Person) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of WSA's clients.

The Code also requires supervised persons to report any violations of the Code promptly to the Firm's Chief Compliance Officer ("CCO"). Each supervised person receives a copy of the Code and any amendments to it and must acknowledge in writing having received the materials. Annually, each supervised person must certify that he or she complied with the Code during that year. Clients may receive a copy of WSA's Code of Ethics by contacting the Chief Compliance Officer at (858) 551-6335.

B. Participation or Interest in Client Transactions

It is WSA's policy not to enter into any principal transactions or agency cross transactions on behalf of client accounts. Principal transactions occur where an adviser, acting as principal for its own account, buys securities from or sells securities to any advisory client. Agency cross transactions occur where a person acts as an investment adviser in relation to a transaction in which the adviser, or an affiliate of the adviser, acts as broker for both the advisory client and for another person on the other side of the transaction.

C. Personal Trading

WSA, its principals, and employees ("Associated Persons") may invest personally in securities of the same classes as are purchased for client portfolios and may own securities of the issuers whose securities are subsequently purchased for clients. They may also buy or sell securities for their own accounts, based on personal investment considerations that they do not consider appropriate to buy or sell for clients. There are, however, many restrictions on such activities. WSA's Code of Ethics contains certain requirements designed to address the conflicts that arise with regard to personal trading by WSA or its associated persons.

Associated Persons of WSA may have certain individual funds managed on a discretionary basis by independent advisors who may, from time to time, select securities also selected by WSA for its Client's portfolios.

It is WSA's policy that the firm, its employees and other associated persons must scrupulously avoid serving their personal interests ahead of the interests of WSA clients. WSA has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. It is the expressed policy of WSA that no person employed by WSA shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decision of advisory clients. In recognition of the fact that situations may arise whereby individuals affiliated with WSA or its Associated Persons may buy or sell securities for their personal accounts identical or different than those recommended to clients, WSA has adopted policies and procedures to ensure that clients are not adversely affected by the personal trading activities of employees.

For example, Associated Persons are prohibited from purchasing or selling (either directly or indirectly) a security in a personal account if, at the time of the transaction, they have actual knowledge that the security: (i) is being considered for purchase or sale in a Client account; or

(ii) is actually being purchased or sold in a Client account. Moreover, WSA has adopted "Blackout Periods" under which Associated Persons are prohibited from purchasing or selling a security within a certain period of time (typically seven days) prior to or after a purchase or sale of the same or related security by a WSA client account. There may be exceptions to these requirements; additionally, they are not applicable to transactions in certain securities, including, among others: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds. Please see WSA's Code of Ethics for additional details on Blackout Periods.

WSA requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Additionally, WSA's Insider Trading Policy contains written policies that are reasonably designed to prevent the unlawful use of material non-public information by WSA or any of its associated persons. Employees of WSA are required to report their personal securities transactions to the CCO.

ITEM 12: BROKERAGE PRACTICES

Except in limited situations where WSA permits clients to direct brokerage (as described below), WSA will determine the broker-dealer to be used and negotiates the commission rates at which transactions for client accounts will be effected. When WSA places orders for the execution of portfolio transactions for client accounts, transactions are allocated to brokers and dealers for execution in various markets at prices and commission rates that, based upon good faith judgment, will be in the best interest of the client. In addition to using brokers as "agents" and paying commissions, WSA may effect transactions in securities directly from or to dealers acting as principal at prices that include markups or markdowns and may purchase from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers. In instances where WSA places orders for sub-advised mutual fund clients, it is the policy of WSA to not direct orders to particular broker/dealers to compensate them for promoting or selling sub-advised mutual fund shares.

A. Selection Criteria

Factors which WSA considers in selecting or recommending broker-dealers for client transactions include order flow, research coverage, idea generation, Client direction, commission rates charged, volume discounts, financial responsibility, promptness of execution, settlement capabilities, and overall responsiveness. The primary objective in the placement of security transactions with specific brokers is to obtain the best overall execution possible. The following discussion summarizes the material aspects of WSA's practices in selecting broker-dealers to execute fully discretionary client transactions.

Best Execution

It is the policy and practice of WSA to strive for the best price and execution that are competitive in relation to the value of the transaction ("best execution"). In order to achieve best execution, WSA will use its best judgment to choose the broker-dealer most capable of providing the brokerage services necessary to obtain the best overall qualitative execution. Although WSA will strive to achieve the best execution possible for client securities transactions, this does not require it to solicit competitive bids and WSA does not have an obligation to seek the lowest available commission cost. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the overall best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among other things, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while WSA will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions. WSA is not required to negotiate "execution only" commission rates, thus the client may be deemed to be paying for research and related services (i.e., "soft dollars") provided by the broker which are included in the commission rate.

<u>WSA's Internal Controls for Evaluating Brokers</u>

WSA's interactive working environment creates a unique opportunity for us to monitor each execution as it unfolds, continually ensuring trade decisions are an extension of every client's investment objectives. The firm's "Brokerage Committee," which consists of WSA's investment team and senior management, meets periodically to discuss the firm's trading practices. The Committee evaluates, among other things, execution quality, research rankings, commission rates, brokerage relationships, services provided by the brokers and dealers, compliance with the firm's policies and potential enhancements necessary to improve the trading process. The Committee strives to ensure that our process conforms to recommended industry practices while also verifying that portfolios receive the highest degree of care.

<u>How WSA Strives to Achieve Best Execution</u>

As a fiduciary to its advisory clients, WSA endeavors to seek best execution for client transactions. Best Execution can be mistakenly viewed to be merely "the lowest price on a particular trade." This interpretation, however, fails to reflect costs that are more qualitative in nature, such as: (1) opportunity costs, (2) timing/delay costs, and (3) market impact costs.

Although every effort is made to negotiate the best commission, it is possible that, from time to time, a lower commission might be available from another broker. Relevant factors considered in negotiating commissions include, but are not limited to, the broker's execution capabilities, research, and other services provided, which may directly benefit client portfolios and enhance the firm's portfolio management capabilities. Research services furnished by brokers through whom WSA effects securities transactions also may be used in servicing all of WSA's accounts. Likewise, not all of these services may necessarily be used by WSA in connection with the accounts that paid commissions to the broker providing such services. OTC trades are normally conducted through market makers on a principal basis. Commission rates on all trades (OTC and listed) may vary among accounts. WSA receives third party research and computer services in connection with placing eligible transactions through certain broker-dealers. In addition, WSA may receive technical and fundamental analytical tools, printed journals, and computer software applications which are used to perform securities analysis, portfolio and benchmark analysis, risk analysis, and trade execution services on behalf of its clients in connection with placing transactions through certain brokers.

Evaluation of Best Execution

As part of WSA's policy, evaluation of our best execution practices includes reviewing relevant information that quantifies the selection of our broker-dealers. This includes the price of execution, research, clearance/settlement capabilities, trade error rate, access to IPOs, and confidentiality, among other factors. We also utilize the services of an independent firm that periodically conducts trading cost analyses across WSA's key equity strategies and analyzes trading activity versus VWAP (volume weighted average price) benchmarks.

In addition, our traders and operations personnel regularly interact on settlement issues. During this process, each broker's performance can be evaluated throughout the entire trade cycle from initiation to settlement. Based on this analysis and our trading experience, WSA selects brokers that consistently give our clients the best execution with minimal market impact.

Research and Other Soft Dollar Benefits

WSA may select a broker-dealer in recognition of the value of various services or products, beyond transaction execution, that such broker-dealer provides where, considering all relevant factors, it believes the broker-dealer can provide best execution. The amount of compensation (this may include disclosed markups and markdowns on riskless principal transactions with market-makers if WSA were to conduct such transactions) paid to such broker-dealer may be higher than what another, equally capable broker-dealer might charge. Selecting a broker-dealer in recognition of the provision of services or products other than transaction execution is known as paying for those services or products with "soft dollars."

The receipt of such services may benefit WSA because WSA does not have to produce or pay for the research or other products or services if such products and services are obtained by using client commissions. Because the receipt of such services may be deemed to be the receipt of an economic benefit by WSA, and although customary, these arrangements present potential conflicts of interest in allocating securities transactional business to broker-dealers in exchange for soft dollar benefits, including an incentive to select or recommend a broker-dealer based on WSA's interest in receiving research or other products or services, rather than on the clients' interest in receiving the most favorable execution. Additionally, WSA may have an incentive to effect more transactions than might otherwise be the case in order to obtain those benefits. The extent of any such conflict depends in large part on the nature and uses of the services and products acquired with soft dollars. The agreements between WSA and its clients generally authorize WSA to use client soft dollars for a wide range of purposes. Therefore, WSA feels it is important for clients to be aware of the issues surrounding soft dollars.

WSA may use soft dollars to acquire a variety of "research" and "brokerage" services and products for which a client would not otherwise be required to pay. Section 28(e) of the Securities Exchange Act of 1934 recognizes the potential conflict of interest involved in this activity but protects investment managers such as WSA from claims that the activity involves a breach of fiduciary duty to advisory clients—even if the brokerage commissions paid are higher than the lowest available—if certain conditions and requirements are met. For these purposes, "research" means services or products used to provide lawful and appropriate assistance to WSA in making investment decisions for its clients. "Brokerage" services and products are those used to effect securities transactions for WSA's clients or to assist in effecting those transactions. To be protected under Section 28(e), WSA must, among other things, determine that commissions paid are reasonable in light of the value of the brokerage and research services and products acquired. Section 28(e)'s safe harbor protects the use of client soft dollars even when WSA uses research and brokerage services and products to benefit other clients.

The types of research WSA expects to acquire include, but are not limited to: reports on or other information about particular companies or industries; economic surveys and analyses; recommendations as to specific securities; portfolio evaluation services; financial database software and services; computerized news, pricing and statistical services; analytical and other software used in investment decision making; and other products or services that may enhance WSA's investment decision making. Therefore, research purchased with soft dollars may be used by WSA in servicing any or all of WSA's Clients, and may be used in connection with clients other than those who generated the brokerage, as permitted by Section 28(e).

Brokerage services and products (beyond typical execution services) that WSA may use include, but are not limited to: computer systems and facilities used for such things as communicating orders electronically to executing broker-dealers.

For trading in lesser-liquid micro, small, and mid-cap issues, WSA focuses on broker-dealers who actually make markets and provide liquidity in such small, lesser liquid issues. To be eligible for soft dollar credits, a trade must be either an Agency or Riskless Principal transaction in which both legs are executed at the same price, and that price is disclosed on a confirmation that also fully discloses the remuneration to the broker-dealer for effecting the transaction. WSA's best execution practices naturally result in soft dollar credits being generated by issues that are less subject to liquidity constraints.

In the event any products or services obtained by WSA with client commissions have "mixed uses," (*i.e.,* for research and non-research purposes), WSA will make a good faith and reasonable allocation of the cost of the product according to its use, in accordance with the SEC's interpretive guidance. In other words, the percentage of the service or product that provides assistance to WSA in the form of brokerage or research will be paid for in soft dollars (commissions), while the non-brokerage / research portion will be paid for by WSA using "hard dollars" (*i.e.,* through WSA's own funds). Although WSA will make a good faith and reasonable allocation of the eligible costs of the product or service for brokerage or research, the allocation determination itself poses a potential conflict of interest by WSA controlling the allocation of the costs for such services and benefits. Even where WSA's use of soft dollars to acquire research or brokerage services and products is protected by Section 28(e), there may be an additional conflict since there exists an incentive to overestimate the soft dollar portion allocated to the "mixed use" product or service in order to avoid paying for such brokerage or research with hard dollars.

WSA has taken several steps in order to mitigate such conflicts. Above all, WSA always strives to put the client's interests first. Additionally, in order to ensure that a good faith and reasonable allocation of the cost of mixed use items is made, WSA utilizes the following 3-step process in determining whether a product or service is research.

- *Step 1* - Product Definition. The product or service is clearly defined with respect to its ability in providing assistance to the investment decision-making process.
- *Step 2* – Determine Usage. The primary use of the product or service is evaluated to see how it will directly assist in the investment decision-making process.
- *Step 3* – Mixed Use Analysis. WSA determines what portion of the research is used to directly assist in the investment decision-making process.

WSA maintains books and records concerning its mixed use allocations so as to be able to make the required good faith showing. WSA encourages our clients to ask how this research is used to assist in the investment decision-making process. All information concerning WSA's Soft Dollar Arrangements is available to its Clients upon request.

Directing Portfolio Executions to Compensate for Fund Shares Transactions

Broker-dealers are selected on such variables as order flow, research coverage, idea generation, client direction, commission rates charged, volume discounts, financial responsibility, promptness of execution, settlement capabilities, and overall responsiveness. These factors may result in choosing a broker that may charge a higher commission rate over what another broker might charge. In all cases, when selecting a broker, we make a good faith determination that the amount of client commissions paid is reasonable in light of the value of products and services the broker provides. It is WSA's policy that trades not be directed to a particular broker-dealer to compensate that broker-dealer for promoting sub-advised mutual fund shares. Normally, WSA does not know which broker-dealers are responsible for selling larger volumes of sub-advised mutual fund shares. As part of its trading policy, WSA does not seek disclosure from sub-advised mutual fund clients as to the volume of fund shares sold or promoted by particular broker-dealers. Additionally, it is the policy of sub-advised mutual fund clientele to not disclose such information. To avoid the appearance of a conflict of interest, WSA prohibits:

(1) Taking into account a particular broker-dealer's promotion or the sale of sub-advised mutual fund shares when selecting broker-dealers; and
(2) Entering into any agreement or understanding to direct portfolio securities transactions of certain other remuneration to broker-dealers in consideration for the sale of sub-advised mutual fund shares.

Directed Brokerage

When a client requests or instructs WSA to direct a portion of the securities transactions for its account to a specified broker-dealer, WSA will treat the client direction as a decision by the client to retain trading discretion that WSA would otherwise have. Such discretion typically includes WSA's ability to select broker-dealers to effect transactions and the opportunity to negotiate the most favorable commission rate for client accounts. Although WSA will attempt to effect directed transactions in a manner consistent with its policy of seeking best execution and price on each transaction, there may be occasions where it is unable to do so, in which case WSA will continue to comply with the client's instructions on the basis stated above. A client, therefore, should consider whether the commissions, execution, clearance, settlement, custodial fees, and other services provided under its commission direction would be comparable (based on service and price) to those otherwise obtainable. In certain cases, a client making such a designation also should understand that its directed brokerage instruction might cause it to lose the ability to participate in IPO offerings. A client making such a designation should also understand that it may lose the possible advantage that non-designating clients derive from aggregation of orders for several clients as a single transaction for the purchase or sale of a particular security. Under these circumstances:

(1) The trading desk may not be authorized to negotiate commissions;
(2) The trading desk may not be able to obtain volume discounts;
(3) There may be a disparity in commission charges, execution, clearance and settlement capabilities and fees for custodial or other services among clients; and
(4) Potential conflict of interests may arise from brokerage firm referrals.

It is necessary that WSA clients understand that in the event a client directs WSA to use a particular broker or dealer, WSA may not be authorized under those circumstances to negotiate commissions and may not be able to obtain volume discounts or best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to clients who direct WSA to use a particular broker or dealer and other clients who do not direct WSA to use a particular broker or dealer.

When applicable, directed brokerage in ERISA accounts will likely be subject to additional restrictions as to not conflict with ERISA fiduciary requirements.

B. Aggregation and Allocation

Trade Aggregation

"Trade Aggregation" occurs when doing so is in the best interest of clients. The practice of aggregating (or "bunching") trades is employed only when doing so is consistent with our duty to seek best execution. The firm receives no additional compensation of any kind as a result of aggregating trades. When aggregating trades, no clients are favored over others – participating accounts obtain shares at the average share price on the aggregated transaction. Filled aggregated orders are allocated in accordance with the Allocation Statement or pro-rata if the order is partially filled.

WSA endeavors to act in the client's best interest whenever executing trades among various accounts that cannot be "bunched," including accounts for which the client has requested or instructed WSA to direct a portion of the securities transactions for its account to a specified broker-dealer ("directed accounts"). Market conditions, the size of trading blocks, the expertise of the directed broker, previous order sequences, and the percentage of total brokerage directed may dictate how trade orders get executed and the order of execution between "directed accounts" and "non-directed accounts." To provide the best execution possible for "directed accounts," the trading desk will attempt to do one of the following:

1. Aggregate trades for "directed accounts" with "non-directed accounts" to obtain volume discounts, if possible. Accounts obtain shares at the average share price on the entire aggregated transaction.

2. If market conditions warrant, execute trades for "directed accounts" after (or before) "non-directed accounts." Trades will be aggregated, if required, to obtain the best execution possible. Situations may occur when the trading desk must match the size of the trade to the available depth in the market on issues with limited liquidity. The judgment of the situation by the trading desk will determine the order in which trades will be executed (e.g., between "directed accounts" and "non-directed accounts"). Accounts obtain shares at the average share price of their respective aggregated transaction.

3. In the instance where a "step out" is necessary, execute trades for "directed accounts" along with "non-directed accounts" as one block trade (using one executing broker), then "step out" selected accounts to corresponding research or directed brokers. In this case, trades for "directed accounts" and "non-directed accounts" may be aggregated separately but executed together. Accounts obtain shares at the average share price of their respective aggregated transaction.

In the case of WSA's Model portfolio assignments, WSA may not be able to control the market impact of transactions signaled with or generated by changes made to model weightings. While market conditions, the size of trading blocks, previous order sequences, and Model portal delays may dictate how and when distributed recommendations are made, WSA will always seek to treat Model portfolios in a fair and equitable fashion with respect to trade rotation. The judgment of the situation by the investment team (including portfolio managers and the trading desk) may also impact the timing of when distributed recommendations are made.

WSA performs investment advisory services for multiple clients. Under certain circumstances, portfolio transactions may be executed as part of concurrent authorizations to buy or sell the same security for numerous accounts serviced by WSA, some of which may have similar investment objectives. Although such concurrent authorizations could be either advantageous or disadvantageous as to a particular account, they will be affected only when WSA believes that to do so is in the best interests of the effected accounts. When such concurrent authorizations occur, WSA will seek the most equitable allocation of such executions among the effected accounts.

<u>Public Offering ("IPO" and Secondary) Allocation</u>
Although WSA attempts to manage all accounts within a specific product offering equally (including "In-House" WSA proprietary accounts being managed within the firm's investment strategies – e.g., Institutional Small Growth, Small-Mid Cap Growth, and Mid Cap Growth), IPO and Secondary offerings may at times be handled differently. Upon subscription for an allocation, the appropriate group of accounts to receive the shares is chosen by the Portfolio Managers using factors such as market capitalization, cash availability, allocation size, the

account's current security/industry/sector weightings, and a client's stated desire for WSA to direct brokerage. Because many allocations to WSA can be small in size, WSA attempts to rotate small IPO and Secondary allocations among client accounts within similar investment strategies (vs. large IPO allocations, which are generally made on a pro-rata basis to eligible client accounts). This could result in some clients not having an equal opportunity to participate in every IPO or Secondary "deal" offering, which may negatively impact overall investment returns for clients. WSA does attempt to rotate the smaller allocations among different accounts in a fair and equitable manner over time but can make no assurances that results will be equal.

Trade Allocation

WSA seeks to allocate transactions and opportunities among the various accounts it manages in a manner it believes to be as equitable as possible. We consider each account's objectives, limitations and capital available for investment, but even accounts with similar objectives will often have different investment portfolios.

1. Wrap Fee / SMA Program Accounts

In some instances, we will provide investment advisory services under an arrangement offered by a broker-dealer sponsor, under which the sponsor may recommend WSA or make our services available, pay our investment advisory fee on behalf of the client, monitor and evaluate our performance, execute the client's portfolio transactions without commission charge or provide any combination of these or other services, all for a single fee paid by the client to the sponsor. These are commonly known as "wrap fee" accounts or programs. Our investment advisory fee under a wrap fee program may differ from that offered to other clients. Trades are generally executed through the Program Sponsor to avoid incremental brokerage costs that would be incurred by use of other brokers. As a result, transactions for Wrap/SMA program accounts are generally not aggregated with orders for other accounts in which WSA serves as the Investment Advisor. Wrap/SMA account programs therefore may not receive the same quality of execution that WSA is able to obtain for other advisory clients. Wrap/SMA program account clients should satisfy themselves that the program can provide adequate price and execution of most or all transactions. The clients should also consider that, depending upon the level of the fee charged by the sponsor, the amount of portfolio activity in the client's account, the value of custodial and other services which are provided, and other factors, the final "all inclusive fee" may exceed the aggregate cost of such services if they were to be provided separately.

WSA manages institutional and other accounts with similar or identical investment objectives, as well as accounts with different objectives that may trade in the same securities as Wrap/SMA programs. Because trades for these other accounts typically will not be bunched with Wrap/SMA accounts, WSA will seek to treat Wrap/SMA accounts in a fair and equitable manner by following its trade rotation methodology. As such, the market price of securities may rise or fall before or after a Wrap/SMA account program transaction is executed, causing Wrap/SMA accounts to purchase the same securities at a higher or lower price (or sell the same securities at a higher or lower price) than other discretionary accounts.

Where permitted by the Program Sponsor and when consistent with our duty to seek to obtain best execution, our Trading Desk may occasionally choose to aggregate Wrap/SMA program trades along with trades placed for other similarly situated advisory clients. However, when WSA places Wrap/SMA Program Sponsor trades with another firm, the client will likely incur trading costs including, for example, brokerage commissions, mark-up or mark-downs, or other transaction fees, in addition to the bundled fee charged by the Program Sponsor. In addition, a Program Sponsor may charge additional fees for settling step-out transactions (see below for a description of step-out transactions).

WSA might provide similar investment management services to multiple Wrap/SMA program clients, and this may result in investment recommendations for the same security being provided to multiple Program Sponsors at a similar time. In such cases, WSA may rotate the order in which it places equity transactions among the relevant Program Sponsors or other trading entities under managed account programs. WSA will use a rotation methodology designed to avoid systematically favoring one Program Sponsor/trading entity over another and to treat similarly situated groups of accounts equitably over time. In limited situations, and in the sole discretion of the firm, WSA might provide portfolio transaction instructions simultaneously in lieu of using the rotation methodology if, for example, it believes the trade represents a relatively small proportion of the average daily trading volume of the particular security.

2. <u>Step Out Trades</u>

WSA generally does not perform "step out" trades in institutional (non-Wrap/SMA type) accounts. These trades typically incur an additional cost to the executing broker. However, WSA anticipates it may occasionally perform "step out" trades for Wrap/SMA type accounts in its best execution efforts. For these (Wrap/SMA) accounts, brokerage commissions and other charges for transactions not effected through the Program Sponsor are generally charged to the client, whereas the wrap fee covers the cost of brokerage commissions and other transaction fees on transactions effected through the Program Sponsor. To the extent possible, we will seek to obtain best execution on such step out trades, where we "step out" the appropriate portion of the trade to such sponsor for clearing and settlement at the execution price obtained through the executing broker. Additional commissions and/or fees are typically charged by the institutional broker who executes the stepped out trade and such costs will typically be embedded in the trade execution price. Situations that may cause us to not use "step out" trades, but rather affect trades through the Program Sponsor, include: instances where step out trades are not permitted by the Program Sponsor or the Program sponsor charges a fee for step out trades, or we do not believe we need to step out to seek to obtain best execution.

3. <u>Treatment of ERISA accounts</u>

Trading procedures for ERISA and non-ERISA accounts are the same (ERISA accounts must generally meet additional fiduciary requirements). However, client direction can have an impact on trading if the client provides specific guidelines for its account.

Handling of Trade Errors

WSA's trading system employs: (1) a computerized order creation and management system, (2) color coding of orders, (3) standardized terminology, and (4) an experienced trade desk management. In the rare event that a trade error occurs during the transaction process, we take great care to uphold our fiduciary duty to clients. WSA does so by making sure clients receive fair and equitable treatment and not disadvantaging them in any way throughout the process of correcting trade errors. Trade errors generally are dealt with as they occur on a case-by-case basis, keeping the following factors in mind:

- The client must be "made whole."
- Soft dollars are not used to pay for correcting trading errors.
- Agency cross-transactions are not utilized to correct trading errors. Wall Street Associates, LLC never crosses trades between accounts.
- Trade errors are documented. Documentation is forwarded to WSA's Chief Compliance Officer and kept on file. The trade error file is maintained by the trading Desk.
- The firm's trade error process is periodically reviewed by supervisory personnel, including the Head Trader, Portfolio Managers and the Chief Compliance Officer to ensure all trade errors are handled quickly and correctly.

ITEM 13: REVIEW OF ACCOUNTS

A. Periodic Reviews

All portfolios across the firm's Micro- through Mid Cap Growth product offerings are managed on a team basis, with individual responsibilities based on sector/industry specialty. Purchase and sale decisions by the team are made within the parameters of the firm's investment philosophy and process. Portfolio managers have complete discretion and responsibility for purchase and sale decisions within their area of specialization. Portfolios are consistently reviewed to ensure their suitability vs. investment criteria, portfolio strategy, and client guidelines.

1. *WSA's Investment Strategy Group (ISG)*

WSA's Investment Strategy Group (ISG) is composed of senior personnel from the firm's Investment, Trading, Risk Management, Client Service and Marketing areas. At their quarterly meetings, members of WSA's ISG discuss topics related to their areas of departmental responsibility:

- Investments: Market Environment and Portfolio Management
- Trading: Volumes and the Trading Environment
- Client Service: Client Perspectives and Issues
- Marketing: Prospective Client and Consultant Perspectives and Peer Universe Comparison Data
- Risk Management: Formal Risk Management Reporting and Performance Attribution

2. *WSA's CIO Committee (CIOC)*

WSA's CIO Committee (CIOC) is composed of Portfolio Managers Paul Ariano, Paul LeCoq and Luke Jacobson. The CIOC is charged with overseeing portfolio construction and risk management for our strategies. With real-time access to portfolio and benchmark data, the CIOC can quickly assess intended and unintended concentrations and direct adjustments as needed. Benchmark-relative sector and/or industry weightings exceeding targets are reviewed for diversification and may cause the CIOC to direct an action to lower risk. Individual positions constituting large exposures are also monitored and acted upon as necessary to control risk. Underperforming issues are also reviewed and may be liquidated in-total or in-part, with assets reallocated to new growth opportunities. These "Down Reviews" challenge low performing stocks and examine the rationale for continuing to hold them. The CIOC may also direct a portfolio manager to further review underweighted sectors or industries for potential investment.

3. Reviewers

Portfolio Managers focus on designated sectors within all client portfolios. WSA's Investment Strategy Group meetings are co-chaired by members of the CIO Committee. WSA's CIOC & Investment Strategy Group members are listed below.

Paul K. LeCoq
Principal, Portfolio Manager, CIOC Member
Serves as a member of WSA's Investment Strategy Group; oversees and conducts analysis for the Consumer Discretionary, Consumer Staples and Producer Durables sectors for the Micro Cap Growth, Institutional Small Growth, Small-Mid Cap Growth, and Mid Cap Growth strategies.

Paul J. Ariano, CFA
Principal, Portfolio Manager, CIOC Member
Serves as a member of WSA's Investment Strategy Group; oversees and conducts analysis for the Healthcare, Consumer Discretionary, Energy and Producer Durables sectors for the Micro Cap Growth, Institutional Small Growth, Small-Mid Cap Growth, and Mid Cap Growth strategies.

Luke A. Jacobson, CFA
Principal, Portfolio Manager, CIOC Member
Serves as a member of WSA's Investment Strategy Group; oversees and conducts analysis for the Producer Durables, Financial Services and Materials & Processing sectors for the Micro Cap Growth, Institutional Small Growth, Small-Mid Cap Growth, and Mid Cap Growth strategies.

Alexis C. Waadt
Principal and Portfolio Manager
Serves as a member of WSA's Investment Strategy Group; oversees and conducts analysis for the Technology (including Financial Technologies) and Utilities sectors for the Micro Cap Growth, Institutional Small Growth, Small-Mid Cap Growth, and Mid Cap Growth strategies.

Ted (Theodoro) C. Smith, CFA/CIC
Principal, Chief Operating Officer and Chief Compliance Officer
Serves as a member of WSA's Investment Strategy Group and is responsible for portfolio risk management, quantitative analysis, research and investment strategy analysis.

William W. Gastil
Principal and Head of Trading
Serves as a member of WSA's Investment Strategy Group and is responsible for overseeing all aspects of trading for WSA.

Kimberly A. Taylor
Principal, Director of Client Service
Serves as a member of WSA's Investment Strategy Group and is responsible for servicing the firm's client relationships.

Rob R. Knowles
Principal, Director of Marketing
Serves as a member of WSA's Investment Strategy Group and is responsible for marketing the firm's investment management services.

Our size and structure provide the benefits of an entrepreneurial business unencumbered by layers of management and lengthy approval processes. Investment team members work collaboratively together every day, sharing work space and resources with one another in a floor plan that is undivided by walls and centered around our trading desk. In addition to trading, separate groups are responsible for portfolio accounting and operations, leaving portfolio managers and analysts free to focus nearly all their efforts on research and stock selection. In this dynamic environment, process enhancements, research findings and investment ideas are openly examined and efficiently implemented.

B. Other Reviews and Triggering Factors

In addition to the periodic reviews described above, reviews may be triggered by changes in Client's guidelines and objectives and/or personal, tax or financial status changes. Other events that may trigger a review of an account are material changes in market conditions as well as macroeconomic and company-specific events. WSA client service and investment professionals are available for client meetings or conference calls as needed. We recommend at least 1-2 review meetings each year at a location which best suits the clients' needs.

C. Regular Reports

Written brokerage statements are generated no less than quarterly and are sent directly from the account custodian. These reports list the account positions, activity in the account over the covered period, and other related information.

In addition, performance schedules and detailed portfolio valuation reports are prepared and provided to every client at least quarterly. The quarterly report generally contains:

- Evaluations of the portfolio and general economic conditions which, in WSA's opinion, impact the portfolio;
- Information regarding each investment in the portfolio as of the valuation date, the number of units held, the value of such units, percent of assets and current yield;
- An asset summary;
- Annualized and calendar year performance;
- Company descriptions of each investment;
- Trade commissions (upon request); and
- A proxy voting report (upon request).

Clients are urged to compare the statements received from WSA to those received from the account custodian.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Economic Benefits Received

1. Soft Dollars

WSA may enter into "soft dollar" arrangements whereby brokerage transactions are directed to certain broker-dealers in return for investment research products and/or services which assist WSA in its investment decision-making process. The receipt of such services may be deemed to be the receipt of an economic benefit by WSA, and although customary, these arrangements give rise to potential conflicts of interest, including the incentive to allocate securities transactional business to broker-dealers based on the receipt of such benefits rather than on a client's interest in receiving most favorable execution.

A conflict of interest occurs when the personal interests of employees interfere or could potentially interfere with their responsibilities to the firm and its clients. The overriding principle is that employees should not accept inappropriate gifts, favors, entertainment, special accommodations, or other things of material value that could influence their decision-making or make them feel beholden to another person. Similarly, employees should not offer gifts, favors, entertainment or other things of value that could be viewed as overly generous or aimed at influencing decision-making or making a client feel beholden to the firm or the employee. The following provisions on gifts apply to all WSA employees, investment and marketing/client service personnel ("Associated Persons").

2. Online Search Portal Services

WSA receives benefits from external sources in the form of services made available to us and other independent investment advisers. The benefit is the availability to us of an external source's products and services in the form of online search tools that provide means for prospective investors to search for investment advisers and to obtain additional information and is not based on our offering particular investment advice. WSA has established a relationship with Hewitt Financial Services ("Hewitt") to provide certain information to prospective investors through an internet portal site regarding WSA's investment strategies to defined contribution plans administered by an affiliate of Hewitt. WSA will pay Hewitt an asset-based fee for being able to include our information in the database when a prospective investor chooses to utilize one or more of the services we upload to the portal. Any such fees paid to Hewitt by WSA represent a portion of the fees actually charged by us for services provided to the client. There is no differential between the amount or level of investment fees charged to clients who receive services through the online portal than any other new client with similar assets and receiving similar services.

3. Gifts

WSA's Code of Ethics contains provisions on Gifts that apply to all WSA Associated Persons. To summarize, no WSA Associated Person may accept or give any gift, service or other thing of more than "de minimis" value (*i.e.*, $300.00 US) from any person or entity that does business with or on behalf of the firm without documented approval of the Chief Compliance Officer. In addition, WSA's Chief Compliance Officer will review all approvals granted.

Please see WSA's Code of Ethics for additional details.

4. Entertainment

WSA's Code of Ethics contains provisions on Entertainment that apply to all WSA Associated Persons. To summarize, no Associated Person may accept or provide extravagant or excessive entertainment to or from a client, prospective client, or any person or entity that does or seeks to do business with or on behalf of the firm. Associated Persons may, without pre-approval, accept or provide a business entertainment event of "reasonable value," such as no more than $300 per person, per event. Employees are required to obtain documented approval from the Chief Compliance Officer for any business entertainment event above this "reasonable value." In addition, WSA's Chief Compliance Officer will review all approvals granted.

Please see WSA's Code of Ethics for additional details.

5. Patterns Monitoring and Control

The case-by-case implementation of WSA's Gifts & Entertainment procedures allows the Chief Compliance Officer to evaluate each request not in isolation but in the context of the nature of other items of gifts and entertainment received by employees. Additionally, the Code of Ethics incorporates periodic review and identification measures of "trends and patterns" and escalation measures such as, for example, a) Documentation of the number of instances of gifts and entertainment above and below the $300 limitation that WSA employees may receive over time from external sources; b) Periodic self reporting of received items; c) Periodic review of gift and entertainment items received by each employee separately to identify "trends and patterns" for repetitive items below $300 and overall value received; and d) Potential escalation to the Code of Ethics Review Committee for appropriate corrective actions and/or actions.

Please see WSA's Code of Ethics for additional details.

ITEM 15: CUSTODY

WSA does not physically possess client funds or securities. Custody of client assets will be maintained with an independent qualified custodian. If funds or securities are inadvertently received by WSA, they are returned to the sender within three (3) business days upon receipt.

WSA may only implement its investment management recommendations after the client has arranged for and furnished WSA with all information and authorization regarding accounts with appropriate financial institutions to act as custodian. In most cases, a client's broker-dealer also may act as the custodian of the client's assets for little or no extra cost. Clients should thoroughly consider, however, the differences between having their assets custodied at a broker-dealer versus at a bank or trust company. Some of these differences include, but are not limited to, custodian costs, trading issues, security of assets, client reporting and technology.

Clients will receive statements on at least a quarterly basis directly from the qualified custodian that holds and maintains client's assets. Clients are urged to carefully review all custodial statements and compare them to the statements provided by WSA. WSA's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

ITEM 16: INVESTMENT DISCRETION

Generally, all asset management services are performed on discretionary basis. In exercising its discretionary authority, WSA will normally determine: (1) the type of securities to be bought and sold, (2) the dollar amounts of the securities to be bought and sold, (3) whether a client's transaction should be combined with those of other clients and traded as a "block," and (4) the negotiated commission rates and/or transactions costs paid to effect the transactions, without first obtaining client's permission for each transaction. Such discretion is to be exercised in a manner consistent with each client's stated investment objectives, risk tolerance, and time horizon. In addition, WSA's authority to trade securities may be limited in certain circumstances by applicable legal and regulatory requirements. Clients are permitted to impose reasonable limitations on WSA's discretionary authority, including restrictions on investing in certain securities or types of securities. All such limitations, restrictions, and investment guidelines must be provided to WSA in writing.

By signing WSA's Investment Management Agreement, clients authorize WSA to exercise full discretionary authority with respect to all investment transactions involving the client's account. The Investment Management Agreement grants WSA full discretion and sole authority to invest and reinvest all assets of the client's account in those securities, cash and/or other financial instruments in accordance with the client's stated investment guidelines and objectives and in accordance with WSA's investment strategy utilized for the account. WSA is authorized to enter into agreements and execute any documents required to effect transactions in the client's account and is further authorized to give instructions to third parties in furtherance of such authority.

ITEM 17: VOTING CLIENT SECURITIES

Proxy Voting Policy

WSA recognizes that it is a fiduciary that owes its clients the duty of care and loyalty with respect to all services it provides to clients, including proxy voting. The duty of care requires an adviser with proxy voting authority to monitor corporate events and to vote the proxies. The duty of loyalty requires an adviser to cast proxy votes in a manner consistent with the best interest of its clients, at no time subrogating client interests to its own.

Rule 206(4)-6 of the Investment Advisers Act of 1940 requires formal proxy voting policies and procedures for SEC registered investment advisers with voting authority over client portfolio securities. Pursuant with this rule, WSA has adopted the following measures to meet the SEC's requirements:

- We have written proxy voting policies and procedures designed to help ensure that WSA votes proxies in the best interests of our clients; (this includes policies addressing material conflicts between the interests of WSA as the investment adviser and our clients).
- This disclosure document serves as our notification to clients of WSA's written proxy voting policy. We are happy to provide you with a copy of our policy in its entirety upon written request.
- As our client, you may obtain voting information from WSA on how we voted for your securities upon written request.

In accordance with the Rule, WSA maintains certain documentation, including a record of all votes cast in connection with its proxy voting activities for clients.

The following summarizes WSA's proxy voting policies and procedures. While WSA's policies and procedures cannot provide an exhaustive list of all the issues that may arise nor can WSA anticipate all future situations, the company will do its best to vote in its clients' best interest.

WSA has appointed a Proxy Voting Chairman to oversee the process for voting proxies and maintaining records on how proxies were voted. To assist the Proxy Voting Chairman, the Proxy Voting Committee is conferred with whenever a proxy-voting question arises. In analyzing proxies, WSA subscribes to an unaffiliated third party corporate governance proxy research service that provides in-depth analyses of shareholder meeting agendas, vote recommendations and vote disclosure services. The proxy voting service is responsible for coordinating with custodians to ensure that all proxy material received by the custodians relating to portfolio securities is processed in a timely fashion.

Proxy votes are made on a case-by-case basis. In voting shares on economic issues, shares will not be automatically voted either for or against management on a particular economic issue but shall be voted based on an analysis of the impact of the vote on the economic value of the shares and solely in the interest of the plan's participants and beneficiaries.

If a conflict is potentially material, the Proxy Voting Chairman and Chief Compliance Officer will engage in an intensive fact gathering exercise. After assessing the circumstances one or more of the following actions may occur:

(1) Follow the prescribed Proxy Voting Policy and Guidelines;
(2) Split the votes;
(3) Delegate the decision to a third party; or
(4) Have the Client vote its own proxy, in cases where the Client has entered into an agreement to do so in the event of an actual material conflict.

WSA makes independent voting decisions and casts the votes in a timely and prudent fashion. In voting shares on economic issues, voting decisions are made independently of directions given or threats of loss of business expressed or implied by an opponent or proponent of an economic issue, including the issuer of shares, plan sponsors, any other fiduciaries of the plan, or their respective agents. At the request of plan sponsors, WSA votes stock held by such plans according to the following policy.

<u>ERISA Clients</u>
Under the Employee Retirement Security Act of 1974 (“ERISA”), a Trustee has a fiduciary responsibility to vote plan stock on ERISA issues presented to stockholders whenever it is perceived the outcome of the vote may have an impact on the economic value of the stock (“economic issues”). Accordingly, WSA will vote all proxies received from the Trustee with respect to shares on economic issues. Examples of such matters may be:

- Directors’ liability;
- Classification of the Board of Directors;
- Cumulative voting; and/or, among other things
- Stock repurchases by the issuer.

WSA shall not undertake on behalf of ERISA plans initiatives to place proposals before an issuer’s stockholders unless such initiatives are judged to be in the interest of the plan participants and beneficiaries, to be cost beneficial, and to be otherwise consistent with ERISA. Additionally, WSA will only vote ERISA plan proxies as are specified in the plan documents. If the plan documents are silent with regard to proxy voting, the responsibility will fall to WSA to vote these in accordance with its own written policies.

WSA may amend its proxy policies and procedures from time to time without prior notice to its clients. If you would like a copy of WSA’s Proxy Voting Policies and Procedures, please contact our Chief Compliance Officer at (858) 551-6335.

ITEM 18: FINANCIAL INFORMATION

WSA does not require or solicit prepayment of more than $1,200 in fees per client, six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet. WSA does not have any financial commitments that impair its ability to meet contractual and fiduciary obligations to clients, and has not been the subject of a bankruptcy proceeding.

APPENDIX A – INDEX OF REQUIRED ERISA DISCLOSURES

Wall Street Associates, LLC may provide investment management services to retirement plans governed by the Employee Retirement Investment Security Act ("ERISA"). ERISA regulations require that specific disclosures be made to the retirement plan sponsor, administrator, trustee or other plan representative. The following table identifies the disclosures required and the location where plan representatives may find them.

Required Disclosure	Location of Required Disclosure
Description of services to be provided to covered ERISA plans.	Item 4 of this ADV Part 2A and the investment management agreement signed with our firm.
Statement of fiduciary responsibility.	Item 7 of this ADV Part 2A and the investment management agreement signed with our firm.
Description of the direct compensation to be paid to our firm.	Item 5 of this ADV Part 2A and the investment management agreement signed with our firm.
Description of the indirect compensation the firm might receive from third parties in connection with providing services to the plan.	Items 12 and 14 of this ADV Part 2A.
Description of compensation that will be shared between our firm and any third party or affiliated entity.	Items 5, 12 and 14 of this ADV Part 2A.
Compensation our firm will receive upon termination of this agreement.	There are no termination fees.
The costs for recordkeeping services.	Wall Street Associates, LLC does not provide recordkeeping services.
Description of potential conflicts of interest.	Items 6, 7, 8,10,11,12 and 14 of this ADV Part 2A.
Form 5500 Schedule C	Available annually upon request.
Other Disclosure Documents	The following will be provided upon request: WSA's Soft Dollar Policy, Advisory Fee Policy, ERISA Policy and Best Execution Policy.

APPENDIX B: PRIVACY STATEMENT

GUIDING PRINCIPLES

The relationship between Wall Street Associates, LLC ("WSA") and our clients is the most important asset of our firm. We strive to maintain your trust and confidence in our firm, an essential aspect of which is our commitment to protect your personal information to the best of our ability. We believe that all of our clients value their privacy, so we will not disclose your personal information to anyone unless it is required by law, at your direction, or is necessary to provide you with our services. We have not and will not sell your personal information to anyone.

THE PERSONAL INFORMATION THAT WE COLLECT, MAINTAIN, AND COMMUNICATE

WSA collects and maintains your personal information so we can provide investment management services to you. The types and categories of information we collect and maintain about you includes:

- Information we receive from you to open an account or provide investment advice to you (such as your home address, telephone numbers, and financial information);
- Information that we generate to service your account (such as trade tickets and account statements); and
- Information that we may receive from third parties with respect to your account (such as trade confirmations from brokerage firms).

In order for us to provide investment management services to you, we do disclose your personal information in very limited instances (aka "transactional exemptions"), which include:

- Disclosures to companies that perform services on our behalf (such as our technology consultants who assist us in maintaining our computer systems);
- Disclosures to regulators or law enforcement officials; and,
- Disclosures to companies as permitted by law, including those necessary to service your account (such as providing account information to brokers and custodians).

HOW WE PROTECT YOUR PERSONAL INFORMATION

To fulfill our privacy commitment at WSA, we have instituted firm-wide practices to safeguard the information that we maintain about you. These include:

- Adopting policies and procedures that put in place physical, electronic, and other safeguards to keep your personal information safe.
- Limiting access to personal information to those employees who need it to perform their job duties.
- Requiring third parties that perform services for us to agree by contract to keep your information strictly confidential.
- Protecting information of our former clients to the same extent as our current clients.

INFORMATION DISCLOSED

We do not sell, share, transfer or disclose your non-public personal information to nonaffiliated third party marketing companies (i.e., companies that market their own or other companies' services to you on an unsolicited basis). Should this policy and practice ever change and in the very unlikely event that WSA ever desires to sell, share, transfer, or otherwise disclose nonpublic personal information about you to or with any nonaffiliated third party marketers, we are required to first obtain your explicit prior consent on a separate form, statement, or writing that clearly and conspicuously describes the effect of signing and gives you the opportunity to consent to WSA's sharing such information with unaffiliated third parties.

FORMER CLIENTS

If you choose to terminate your relationship with WSA, we will adhere to the privacy policies and practices as described in this notice.

WSA reserves the right to change this policy at any time. We will timely notify our clients if any changes occur.

Please contact us at (858) 551-2100 if you have any questions relating to this notice. Thank you.

ITEM 1: COVER PAGE

BROCHURE SUPPLEMENT

(Part 2B of Form ADV)

January 29, 2016

Paul J. Ariano

Wall Street Associates, LLC
1200 Prospect Street, Suite 100
La Jolla, CA 92037
Phone: (858) 551-2100
Fax: (858) 551-2120
www.wsalj.com

This brochure supplement provides information about Paul J. Ariano that supplements the Wall Street Associates, LLC ("WSA") brochure. You should have received a copy of that brochure. Please contact our Chief Compliance Officer at (858) 551-2100 if you did not receive WSA's brochure or if you have any questions about the contents of this supplement. Thank you.

ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Paul J. Ariano, CFA (DOB: 1967)

Education

University of San Diego, BA (1989)
San Diego State University, MS-Finance (1997)

Business Background

Principal and Portfolio Manager, Wall Street Associates, LLC (2014 – Present)
Member, Wall Street Associates II, LLC (2014 – Present)
Senior Vice President and Portfolio Manager, Wall Street Associates, LLC (2007 – 2013)
Portfolio Manager, Wall Street Associates (2005 – 2007)
Investment Analyst, Wall Street Associates (1995 – 2004)
Analyst, Galleon Capital Management (1993 – 1994)
Performance Measurement Supervisor, Security Pacific (1992 – 1993)
Analyst, Wilshire Associates (1990 – 1992)

Mr. Ariano serves as a member of WSA's Chief Investment Officer Committee (CIOC) and Investment Strategy Group. He oversees and conducts analysis for the Healthcare, Energy and Producer Durables sectors.

Explanation of Professional Designation

Chartered Financial Analyst (CFA)

The CFA designation is an international professional certification for finance and investment professionals offered by the CFA Institute (formerly AIMR). To obtain the charter, candidates must have completed a university degree (or equivalent) and four years of qualified, professional work experience, in addition to passing three six-hour exams (Levels I, II, III) that combine a broad-based curriculum of investment principles with professional conduct requirements.

ITEM 3: DISCIPLINARY INFORMATION

WSA is required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of each investment person providing advice to you. Mr. Ariano has no information required to be disclosed under this Item.

ITEM 4: OTHER BUSINESS ACTIVITIES

Outside of his activities at WSA, Mr. Ariano does not engage in other business activities which represent a substantial source (*i.e.,* more than 10%) of his time or income.

ITEM 5: ADDITIONAL COMPENSATION

Outside of the typical and ordinary compensation earned from his employment and ownership percentage of WSA, Mr. Ariano does not receive an economic benefit from new business coming into the firm. In addition, WSA Portfolio Managers typically receive a year-end bonus based on their 1 year and 3 year performance vs. individualized “custom” benchmarks.

ITEM 6: SUPERVISION

Generally, all investment decisions are overseen by the Firm’s CIO Committee. In addition, WSA’s Investment Strategy Group is responsible for the general oversight of all investment advice given by its supervised persons. The Investment Strategy Group meets periodically to discuss overall portfolio management decisions and strategies. Additionally, Mr. Ariano operates within the regularly monitored product and client-specified guidelines set forth in our client contracts. Mr. Ariano’s compliance-related activities are supervised by Ted Smith (Chief Compliance Officer; 858-551-6335).

ITEM 1: COVER PAGE

BROCHURE SUPPLEMENT

(Part 2B of Form ADV)

January 29, 2016

Luke A. Jacobson

Wall Street Associates, LLC

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This brochure supplement provides information about Luke A. Jacobson that supplements the Wall Street Associates, LLC ("WSA") brochure. You should have received a copy of that brochure. Please contact our Chief Compliance Officer at (858) 551-2100 if you did not receive WSA's brochure or if you have any questions about the contents of this supplement. Thank you.

ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Luke A. Jacobson, CFA (DOB: 1978)

Education

University of Missouri, BS-Finance (2000)

Business Background

Principal and Portfolio Manager, Wall Street Associates, LLC (2014 – Present)
Member, Wall Street Associates II, LLC (2014 – Present)
Senior Vice President and Portfolio Manager, Wall Street Associates, LLC (2011 – 2013)
Investment Analyst, Wall Street Associates, LLC (2007 – 2011)
Research Analyst, Wall Street Associates (2006 – 2007)
AVP, Marketing Analyst, Wall Street Associates (2004 – 2006)
Marketing Analyst, Seneca Capital Management LLC (2002 – 2004)
Project Management Coordinator, Thomas Weisel Partners LLC (2000 – 2002)

Mr. Jacobson serves as a member of WSA's Chief Investment Officer Committee (CIOC) and Investment Strategy Group. He oversees and conducts analysis for the Producer Durables, Financial Services and Materials & Processing sectors.

Explanation of Professional Designation

Chartered Financial Analyst (CFA)

The CFA designation is an international professional certification for finance and investment professionals offered by the CFA Institute (formerly AIMR). To obtain the charter, candidates must have completed a university degree (or equivalent) and four years of qualified, professional work experience, in addition to passing three six-hour exams (Levels I, II, III) that combine a broad-based curriculum of investment principles with professional conduct requirements.

ITEM 3: DISCIPLINARY INFORMATION

WSA is required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of each investment person providing advice to you. Mr. Jacobson has no information required to be disclosed under this Item.

ITEM 4: OTHER BUSINESS ACTIVITIES

Outside of his activities at WSA, Mr. Jacobson does not engage in other business activities which represent a substantial source (*i.e.*, more than 10%) of his time or income.

ITEM 5: ADDITIONAL COMPENSATION

Outside of the typical and ordinary compensation earned from his employment and ownership percentage of WSA, Mr. Jacobson does not receive an economic benefit from new business coming into the firm. In addition, WSA Portfolio Managers typically receive a year-end bonus based on their 1 year and 3 year performance vs. individualized “custom” benchmarks.

ITEM 6: SUPERVISION

Generally, all investment decisions are overseen by the Firm’s CIO Committee. In addition, WSA’s Investment Strategy Group is responsible for the general oversight of all investment advice given by its supervised persons. The Investment Strategy Group meets periodically to discuss overall portfolio management decisions and strategies. Additionally, Mr. Jacobson operates within the regularly monitored product and client-specified guidelines set forth in our client contracts. Mr. Jacobson’s compliance-related activities are supervised by Ted Smith (Chief Compliance Officer; 858-551-6335).

ITEM 1: COVER PAGE

BROCHURE SUPPLEMENT
(Part 2B of Form ADV)

January 29, 2016

Paul K. LeCoq

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Fax: (858) 551-2120
www.wsalj.com

This brochure supplement provides information about Paul K. LeCoq that supplements the Wall Street Associates, LLC ("WSA") brochure. You should have received a copy of that brochure. Please contact our Chief Compliance Officer at (858) 551-2100 if you did not receive WSA's brochure or if you have any questions about the contents of this supplement. Thank you.

ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Paul K. LeCoq (DOB: 1956)

Education

Pacific Lutheran University, BA (1978)
University of Chicago, MBA (1985)

Business Background

Principal and Portfolio Manager, Wall Street Associates, LLC (2014 – Present)
Member, Wall Street Associates II, LLC (2014 – Present)
Senior Vice President and Portfolio Manager, Wall Street Associates, LLC (2007 – 2013)
Principal, Wall Street Associates (2007 – 2013)
Principal and Portfolio Manager, Wall Street Associates (1999 – 2007)
Institutional Equity Sales, CIBC World Markets (1994 – 1999)
Institutional Equity Sales, Ragen Mackenzie (1985 – 1994)

Mr. LeCoq serves as a member of WSA's Chief Investment Officer Committee (CIOC) and Investment Strategy Group. He oversees and conducts analysis for the Consumer Discretionary, Consumer Staples and Producer Durables sectors.

ITEM 3: DISCIPLINARY INFORMATION

WSA is required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of each investment person providing advice to you. Mr. LeCoq has no information required to be disclosed under this Item.

ITEM 4: OTHER BUSINESS ACTIVITIES

Outside of his activities at WSA, Mr. LeCoq does not engage in other business activities which represent a substantial source (*i.e.,* more than 10%) of his time or income.

ITEM 5: ADDITIONAL COMPENSATION

Outside of the typical and ordinary compensation earned from his employment and ownership percentage of WSA, Mr. LeCoq does not receive an economic benefit from new business coming into the firm. In addition, WSA Portfolio Managers typically receive a year-end bonus based on their 1 year and 3 year performance vs. individualized "custom" benchmarks.

ITEM 6: SUPERVISION

Generally, all investment decisions are overseen by the Firm's CIO Committee. In addition, WSA's Investment Strategy Group is responsible for the general oversight of all investment advice given by its supervised persons. The Investment Strategy Group meets periodically to discuss overall portfolio management decisions and strategies. Additionally, Mr. LeCoq operates within the regularly monitored product and client-specified guidelines set forth in our client contracts. Mr. LeCoq's compliance-related activities are supervised by Ted Smith (Chief Compliance Officer; 858-551-6335).

ITEM 1: COVER PAGE

BROCHURE SUPPLEMENT
(Part 2B of Form ADV)

January 29, 2016

Alexis C. Waadt

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This brochure supplement provides information about Alexis C. Waadt that supplements the Wall Street Associates, LLC ("WSA") brochure. You should have received a copy of that brochure. Please contact our Chief Compliance Officer at (858) 551-2100 if you did not receive WSA's brochure or if you have any questions about the contents of this supplement. Thank you.

ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Alexis C. Waadt (DOB: 1963)

Education

University of California, San Diego, BA-Economics (1984)
San Diego State University – MBA-Finance (1989)

Business Background

Principal and Portfolio Manager, Wall Street Associates, LLC (2014 - Present)
Member, Wall Street Associates II, LLC (2014 – Present)
Senior Vice President and Portfolio Manager, Wall Street Associates, LLC (2013)
Investment Analyst, Wall Street Associates, LLC (1996 – 2012)
Institutional Sales, Hambrecht and Quist, LLC (1992 – 1996)
Marketing Analyst, Foresters Equity Services, Inc. (1988 – 1991)

Ms. Waadt serves as a member of WSA's Investment Strategy Group. She oversees and conducts analysis for the Technology (including Financial Technologies) and Utilities sectors.

ITEM 3: DISCIPLINARY INFORMATION

WSA is required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of each investment person providing advice to you. Ms. Waadt has no information required to be disclosed under this Item.

ITEM 4: OTHER BUSINESS ACTIVITIES

Outside of her activities at WSA, Ms. Waadt does not engage in other business activities which represent a substantial source (*i.e.,* more than 10%) of her time or income.

ITEM 5: ADDITIONAL COMPENSATION

Outside of the typical and ordinary compensation earned from her employment and ownership percentage of WSA, Ms. Waadt does not receive an economic benefit from new business coming into the firm. In addition, WSA Portfolio Managers typically receive a year-end bonus based on their 1 year and 3 year performance vs. individualized "custom" benchmarks.

ITEM 6: SUPERVISION

Generally, all investment decisions are overseen by the Firm's CIO Committee. In addition, WSA's Investment Strategy Group is responsible for the general oversight of all investment advice given by its supervised persons. The Investment Strategy Group meets periodically to discuss overall portfolio management decisions and strategies. Additionally, Ms. Waadt operates within the regularly monitored product and client-specified guidelines set forth in our client contracts. Ms. Waadt's compliance-related activities are supervised by Ted Smith (Chief Compliance Officer; 858-551-6335).

WALL STREET ASSOCIATES

PRIVACY STATEMENT

GUIDING PRINCIPLES

The relationship between Wall Street Associates, LLC ("WSA") and our clients is the most important asset of our firm. We strive to maintain your trust and confidence in our firm, an essential aspect of which is our commitment to protect your personal information to the best of our ability. We believe that all of our clients value their privacy, so we will not disclose your personal information to anyone unless it is required by law, at your direction, or is necessary to provide you with our services. We have not and will not sell your personal information to anyone.

THE PERSONAL INFORMATION THAT WE COLLECT, MAINTAIN, AND COMMUNICATE

WSA collects and maintains your personal information so we can provide investment management services to you. The types and categories of information we collect and maintain about you includes:

- Information we receive from you to open an account or provide investment advice to you (such as your home address, telephone numbers, and financial information);
- Information that we generate to service your account (such as trade tickets and account statements); and
- Information that we may receive from third parties with respect to your account (such as trade confirmations from brokerage firms).

In order for us to provide investment management services to you, we do disclose your personal information in very limited instances (aka "transactional exemptions"), which include:

- Disclosures to companies that perform services on our behalf (such as our technology consultants who assist us in maintaining our computer systems);
- Disclosures to regulators or law enforcement officials; and,
- Disclosures to companies as permitted by law, including those necessary to service your account (such as providing account information to brokers and custodians).

HOW WE PROTECT YOUR PERSONAL INFORMATION

To fulfill our privacy commitment at WSA, we have instituted firm-wide practices to safeguard the information that we maintain about you. These include:

- Adopting policies and procedures that put in place physical, electronic, and other safeguards to keep your personal information safe.
- Limiting access to personal information to those employees who need it to perform their job duties.
- Requiring third parties that perform services for us to agree by contract to keep your information strictly confidential.
- Protecting information of our former clients to the same extent as our current clients.

INFORMATION DISCLOSED

We do not sell, share, transfer or disclose your non-public personal information to nonaffiliated third party marketing companies (i.e., companies that market their own or other companies' services to you on an unsolicited basis). Should this policy and practice ever change and in the very unlikely event that WSA ever desires to sell, share, transfer, or otherwise disclose nonpublic personal information about you to or with any nonaffiliated third party marketers, we are required to first obtain your explicit prior consent on a separate form, statement, or writing that clearly and conspicuously describes the effect of signing and gives you the opportunity to consent to WSA's sharing such information with unaffiliated third parties.

FORMER CLIENTS

If you choose to terminate your relationship with WSA, we will adhere to the privacy policies and practices as described in this notice.

WSA reserves the right to change this policy at any time. We will timely notify our clients if any changes occur.

Please contact us at 1-800-925-5787 if you have any questions relating to this notice. Thank you.

WALL STREET ASSOCIATES, LLC

PROXY VOTING POLICY

Wall Street Associates, LLC ("WSA") recognizes that it is a fiduciary that owes its clients the duty of care and loyalty with respect to all services it provides to clients, including proxy voting. The duty of care requires an adviser with proxy voting authority to monitor corporate events and to vote the proxies. The duty of loyalty requires an adviser to cast proxy votes in a manner consistent with the best interest of its clients, at no time subrogating client interests to its own. At the request of plan sponsors, WSA shall vote stock held by such plans according to the following policy:

1. **WSA votes proxies with respect to economic issues.** Under the Employee Retirement Security Act of 1974, a Trustee has a fiduciary responsibility to vote Plan Stock on issues presented to stockholders whenever it is perceived the outcome of the vote may have an impact on the economic value of the stock (*economic issues*). Accordingly, WSA shall vote all proxies received from the Trustee with respect to shares on *economic issues*. Examples of matters which may be *economic issues* are listed below:

    a. Directors' liability
    b. Classification of the Board of Directors
    c. Cumulative voting
    d. Stock repurchases by the issuer
    e. Poison-pill plans
    f. Fair-price amendments
    g. Authorization of a new class of stock
    h. Increase in authorized shares of an existing class of stock
    i. Pre-emptive rights
    j. Democratization of stockholder voting procedures (for example, secret voting and stock holder access to proxy statements)
    k. Political measures (for example, divestiture of investments in certain countries or other companies)
    l. Sales of corporate assets, mergers or other forms of corporate sales or takeovers
    m. Super-majority requirements
    n. Proxy fights re-election of directors
    o. Anti-greenmail proposals

WSA shall examine all proxy statements received in order to identify any of the above issues or other issues.

2. **WSA follows Proxy Voting Procedures.** The proxy voting procedures below explain the role of WSA's Proxy Voting Committee, Proxy Voting Chairman, Proxy Coordinator, Proxy Voting Service, as well as how the process will work when a proxy question needs to be handled on a case-by-case basis.

   a. **Proxy Voting Committee and Chairman.** WSA's Proxy Voting Committee, which is made up of members of the investment team and led by the Proxy Voting Chairman, oversees the proxy voting process. The Committee monitors corporate actions, and reviews and recommends guidelines governing proxy votes, including how votes are cast on specific proposals and which matters are to be considered on a case-by-case basis. The Chairman is responsible for the oversight and execution of WSA's Proxy Voting Procedures.

   b. **Proxy Coordinator.** The Proxy Coordinator, appointed by the Proxy Voting Committee, assists in the coordination and voting of proxies. The Proxy Coordinator deals directly with the Proxy Voting Service and, on a case-by-case basis, will solicit voting recommendations and instructions from the Proxy Voting Committee should proxy questions be referred by the Proxy Voting Service. The Proxy Coordinator is responsible for ensuring that such questions and referrals are responded to in a timely fashion for transmitting appropriate voting instructions to the proxy voting service.

   c. **Proxy Voting Service.** WSA has engaged an independent proxy voting service to assist in the voting of proxies. The proxy voting service is responsible for coordinating with custodians to ensure that all proxy material received by the custodians relating to portfolio securities are processed in a timely fashion. To the extent applicable, the proxy voting service votes all the proxies in accordance with WSA's Proxy Voting Guidelines. The proxy voting service will refer proxy questions to the Proxy Coordinator for instructions under circumstances where: (1) the application of the proxy voting guidelines is unclear; (2) a particular proxy question is not covered by the guidelines; or (3) the guidelines call for specific instructions on a case-by-case basis. The proxy voting service is also requested to call to the Proxy Coordinator's attention specific proxy questions that, while governed by a guideline, appear to involve unusual or controversial issues. ***The proxy voting service also assists in disclosing to Clients how proxy votes were cast. Clients may request and obtain a record of proxy votes cast on their behalf. Proxy Voting reports, when requested, are generally delivered in conjunction with client quarterly reports.***

   d. **Proxy Votes are made on a Case-by-Case Basis.** In voting shares on *economic issues*, WSA shall make voting decisions on a <u>case-by-case basis</u>. Shares shall not be automatically voted either for or against management on a particular *economic issue* but shall be voted based on an analysis of the impact of the vote on the economic value of the shares and solely in the interest of the plan's participants and beneficiaries. WSA shall not subordinate the interests of plan participants and beneficiaries in their retirement income to unrelated objectives, even if it is believed such objective to be socially desirable.

Conflicts of Interest. WSA has developed procedures designed to ensure it carries out its duty of care in voting proxies in the Client's best interest. To ensure proxy votes are not the product of a conflict of interest, votes will generally be made in accordance with WSA's Proxy Voting Guidelines on a case-by-case basis. Although the Proxy Voting Service provides proxy vote recommendations, WSA generally does not base its votes on its recommendations. WSA primarily utilizes Broadridge's administrative assistance services in the proxy voting process.

How Conflicts of Interest May Arise

Occasions may arise where a person or organization involved in the proxy voting process may have a conflict of interest. A conflict of interest may exist, for example, from:

- business or personal relationships between WSA employees or the Proxy Voting Service and the company soliciting the proxy;
- business or personal relationships between WSA employees or the Proxy Voting Service and a third party that has a material interest in the outcome of a proxy vote; and,
- a third party actively lobbying WSA employees or the Proxy Voting Service for a particular outcome of a proxy vote.

Preventing and Correcting Conflicts of Interest

Any individual with knowledge of a personal conflict of interest (e.g., familial relationship with company management) relating to a particular proxy vote or referral item shall disclose that conflict to the Proxy Voting Chairman and the Compliance Officer and otherwise remove him or herself from the proxy voting process. In such cases, the Proxy Voting Chairman and Compliance Officer will review each item to determine if a conflict of interest exists and whether such conflict is "material." In this context, "material" conflicts may be instances where:

(1) there may be an interest in maintaining or developing business with a particular issuer whose management is soliciting proxies;
(2) there may be a business relationship with a proponent of a proxy proposal;
(3) there exists personal and business relationships with participants in a proxy contest, corporate directors or director candidates; and
(4) there may be a personal interest in the outcome of a proxy contest (e.g., relative serves as director).

If a conflict is potentially material, the Proxy Voting Chairman and Compliance Officer will engage in an intensive internal and/or external (if necessary) fact gathering exercise. After assessing the circumstances surrounding an identified and potentially material conflict, the Proxy Voting Chairman and Compliance Officer may take one or more of the following actions:

- follow the prescribed Proxy Voting Policy and Guidelines;
- split the votes;
- delegate the decision to a third party;
- have the Client vote its own proxy, in cases where the Client has entered into an agreement to do so in the event of an actual material conflict.

The Proxy Voting Chairman and Compliance Officer will document and provide to the Proxy Coordinator their findings for each proxy vote or referral item that (1) describes the conflict of interest; (2) discusses the procedures used to address such conflict of interest; and (3) discloses any contacts from parties outside WSA (other than routine communications from proxy solicitors) with respect to the proxy vote or referral item not otherwise reported in an investment professional's recommendation. Written confirmation will be made that any recommendation from an investment professional provided under circumstances where a conflict of interest exists was made solely on the investment merits and without regard to any other consideration.

Considerations Regarding Potential Conflicts of Interest of the Proxy Voting Service

WSA has engaged the services of a Proxy Voting Service (Broadridge) to assist in the voting of proxies. Broadridge is currently engaged to provide assistance in the voting of proxies. To the extent applicable, Broadridge votes all proxies in accordance with WSA's Proxy Voting Guidelines.

WSA utilizes Broadridge's turnkey service that allows WSA to control the voting policy and actual voting decisions, while outsourcing the administrative portions of the proxy process. Broadridge receives proxy ballots, executes votes, maintains records and provides reporting for WSA. Broadridge does not provide voting recommendations. Instead, users of Broadridge's proxy voting service can receive voting recommendations issued by Glass Lewis & Co. While WSA can view standard voting recommendations, proxy vote decisions are not made as a result of Glass Lewis & Co's recommendations, but are instead made in accordance with WSA's Proxy Voting Guidelines and on a case-by-case basis.

Although WSA does not base its proxy vote decisions on the recommendations of Broadridge/Glass Lewis & Co, such recommendations are still offered to WSA. WSA realizes that because of the nature Broadridge/Glass Lewis & Co's business, there is the potential that conflicts of interest pertaining to proxy vote recommendations may exist. To neutralize potential conflicts, both Broadridge and Glass Lewis & Co. have adopted a number of policies and practices to guard against possible conflicts of interest:

- Broadridge does not generate, produce, or issue voting recommendations. It thereby remains neutral to the voting process and is thereby absent of conflicts of interest.
- Glass Lewis does not offer consulting services to public corporations or directors. They are not in the business of advising public companies on their governance structures or conduct, and do not use their position as trusted advisor to institutional investors to win consulting mandates with issuers. In certain instances, Glass Lewis may provide its regularly-published research services to investment managers that may be affiliated with publicly-held companies. In such cases, however, Glass Lewis discloses any such relationship on the relevant research report. Moreover, Glass Lewis makes its research reports generally available post-publication.
- Glass Lewis takes precautions to ensure its research is objective at all times and under all circumstances. As an indirect wholly-owned subsidiary of Ontario Teachers" Pension Plan Board ("OTPP"), Glass Lewis maintains its independence from OTPP by excluding OTPP from any involvement in the making of Glass Lewis' proxy voting policies and vote recommendations; the proxy voting and related corporate governance

policies of Glass Lewis are separate from OTPP. Moreover, OTPP is not involved in the day-to-day management of Glass Lewis. Glass Lewis operates as an independent company separate from OTPP.

- As part of Glass Lewis' continued commitment to its customers, Glass Lewis has an independent Research Advisory Council ("Council"). The Council ensures that Glass Lewis' research consistently meets the quality standards, objectivity and independence criteria set by Glass Lewis' research team leaders.
- Further, Glass Lewis maintains additional conflict avoidance safeguards to mitigate potential conflicts such as when: (i) an employee of Glass Lewis or any of its subsidiaries, a member of the Council, or a member of Glass Lewis' Strategic Committee serves as an executive or director of a public company; (ii) an investment manager customer is a public company or a division of a public company; and (iii) a Glass Lewis customer submits a shareholder proposal or is a dissident shareholder in a proxy contest.

3. **WSA makes independent voting decisions.** In voting shares on *economic issues*, voting decisions are made independently of directions given or threats of loss of business expressed or implied by an opponent or proponent of an *economic issue*, including the issuer of shares, plan sponsors, any other fiduciaries of the plan, or their respective agents. WSA may allow such persons to express opinions with regard to *economic issues* but shall not reach a voting decision as a result of any improper pressure or directions.

   WSA shall monitor information on the economic effect of proposals which are frequently submitted to stockholder votes so as: to have the necessary background to evaluate in a timely fashion the economic merits of particular proposals, to vote consistently on recurring proposals, absent unique economic effects and to be able to record clearly the reasons for taking the action chosen. Although WSA will ordinarily vote consistently on recurring proposals, the case-by-case analysis required by this policy may require a vote which is inconsistent with prior votes on similar proposals.

4. **Recordkeeping Requirements.** WSA relies on the EDGAR system to maintain proxy statements regarding client securities, and utilizes an independent third party to record proxy votes cast and to provide copies of such documents promptly on request. Also, the following records shall be maintained for a minimum of five years, the first two years in the office of WSA:
   a. WSA's updated Proxy Voting Policy;
   b. Records of client requests for proxy voting information;
   c. Copies of written responses to oral or written client requests for proxy voting information; and,
   d. Documents prepared by WSA material to the voting decision.

5. **ERISA Considerations.** WSA shall not undertake on behalf of ERISA plans initiatives to place proposals before an issuer's stockholders unless such initiatives are judged to be in the interest of the plan participants and beneficiaries, to be cost beneficial, and to be otherwise consistent with ERISA.

6. **Tender Offers.** The policies set forth above shall be applied when WSA is called upon to decide whether to tender issues in a tender offer, including an issuer tender offer.

Wall Street Associates
Proxy Voting Guidelines

ALL PROPOSALS RELATIVE TO SHARES IN THE FLOAT.

Increase Common Stock Authorization

This enabling request would provide additional common stock available for acquisitions, additional benefit programs, financing, further splits and other corporate purposes. We would normally analyze the facts and circumstances involved on a case-by-case basis in deciding whether to support such a request.

Employee Stock Purchase Plans

The provisions of this stock purchase program would be on par with those of other corporate plans previously endorsed by Wall Street Associates. Under these circumstances, we take no exception to adoption of this initiative.

Executive Compensation Plans and Vote Frequency Options

WSA will generally approve advisory votes on executive compensation plans which require companies to conduct a separate shareholder advisory vote to approve the compensation of executives. Companies are required to conduct a separate shareholder advisory vote to determine how often an issuer will conduct a shareholder advisory vote on executive compensation. The vote frequency term options are typically 1, 2 or 3 years. Since WSA discourages an excessive focus on short-term goals and we typically vote for a 2 year term on these issues.

Restricted Stock Plans

Ordinarily, Wall Street Associates takes a dim view of stock giveaways, in particular, those that could reward tenure rather than results. Under the terms and conditions of this plan we typically reject management's request and would prefer to see incentive based awards adopted where recipients could earn in part or whole by assisting in the achievement of designated goals over business cycles. We believe this would more align employees and management to shareholder’s interests.

Stock Option Programs (too many shares) and Discount Stock Option Plans

Stock-based incentive plans are among the most economically significant issues submitted to shareholders for vote. Approval of these plans may result in large transfers of shareholder equity out of the company to plan participants as awards vest and are exercised. We typically consider the following factors when adopting a position on stock option plans:

(a) whether the stock option plan expressly permits the repricing of underwater options;
(b) whether the plan could result in earnings dilution of greater than a specified percentage of shares outstanding;
(c) whether the plan has an option exercise price below the marketplace on the day of the grant;
(d) whether the proposal relates to an amendment to extend the term of options for persons leaving the firm voluntarily or for cause; and,
(e) whether the program has certain embedded features, such as (1) participation by consultants and other non-employees; (2) exercise options set at the discretion of the board; (3) ambiguous payment terms and/or below market interest rates on loans to optionees; (4) no termination date included in the plan document; (5) no limit on the number of shares available for issue under the plan; (6) excessive number of options available to only a small percentage of top employees; (7) authority granted to the board to amend the plan without prior shareholder approval to the extent permitted by law; (8) stock depreciation rights; or (9) reload options.

Non-Employee Stock Option Programs

Non-Employee stock option plans and other executive and director compensation plans are designed to attract retain and motivate talented executives and outside directors. Evaluating executive and director compensation plans requires an adviser to weigh the need to attract and retain qualified people against the implications for dilution and transfer of shareholder wealth. In addition to the factors normally considered when evaluating stock option plans, we may also consider the following factors:

(a) whether director shares are at the same market risk as those of the shareholders; and,
(b) how option programs for outside directors compare with the standards of internal programs.

Stock Performance Plans

WSA ordinarily encourages awards plans which promote the interests of the company and it's shareholders by providing incentives for participating executive officers to contribute to the improvement of the operating results of the company. Such plans tend to reward outstanding performance on the part of those individuals whose decisions and actions most significantly affect the growth, profitability and efficient operation of the company.

Staggered Boards

Wall Street Associates discourages staggered term boards.