

Part 2A of Form ADV Firm Brochure

Item 1 –Cover Page

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This brochure provides information about the qualifications and business practices of Fayez Sarofim & Co. If you have any questions about the contents of this brochure, please contact us at 713-654-4484 or contact@sarofim.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about Fayez Sarofim & Co. is also available on the SEC's website at www.adviserinfo.sec.gov.

Fayez Sarofim & Co. is an investment adviser that is registered with the SEC in compliance with the Investment Advisers Act of 1940. Such registration does not imply a certain level of skill or training.

Item 2 –Material Changes

Filing Date: March 31, 2011

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There are no material changes from the brochure dated August 31, 2011.

Item 3 –Table of Contents

	Page
Item 4 –Advisory Business.....	4
Item 5 –Fees and Compensation.....	9
Item 6 –Performance-Based Fees and Side-by-Side Management.....	12
Item 7 –Types of Clients.....	13
Item 8 –Methods of Analysis, Investment Strategies and Risk of Loss.....	14
Item 9 –Disciplinary Information.....	19
Item 10 –Other Financial Industry Activities and Affiliations.....	20
Item 11 –Code of Ethics, Participation or Interest in Client Transactions, Personal Trading.....	21
Item 12 –Brokerage Practices.....	24
Item 13 –Review of Accounts.....	28
Item 14 –Client Referrals and Other Compensation.....	29
Item 15 –Custody.....	31
Item 16 –Investment Discretion.....	32
Item 17 –Voting Client Securities.....	33
Item 18 –Financial Information.....	35
Item 19 –Requirements for State-Registered Advisers.....	36

Item 4 –Advisory Business

Our History and Organization

Fayez Sarofim & Co. was founded in August 1958 by Fayez Sarofim, who continues to lead the firm as our Chairman, Chief Executive Officer, and Chief Investment Officer. Since our founding, we have focused on the investment counseling business. The firm is located in one office in Houston, Texas, and has 115 full-time employees, including 22 investment professionals.

Fayez Sarofim & Co. is registered under the Investment Advisers Act of 1940 and regulated by the Securities and Exchange Commission. The firm's registration as an investment adviser is required by law and does not imply a certain level of skill or training.

Fayez Sarofim & Co. is a wholly-owned subsidiary of The Sarofim Group, Inc., which is 100 percent owned by current, active employees of Fayez Sarofim & Co. Fayez Sarofim is the majority shareholder of The Sarofim Group. The Sarofim Group is the ultimate corporate parent of a group of affiliated corporations that includes the firm, four other registered investment advisers, and other business entities. The other registered adviser affiliates are:

- Sarofim International Management Company
- Sarofim Advisors Group, Inc. (currently inactive)
- Sarofim Trust Co.
- Sarofim Realty Advisors Co.

In our more than five decades of operations, Fayez Sarofim & Co. has served a broad range of clients through numerous business cycles. As of December 31, 2011, the firm's assets under management totaled \$20,610 million. The firm's other registered investment adviser affiliates had assets under management of \$3,446 million. Thus, the total assets under management by the investment professionals of the firm and the registered investment adviser affiliates were \$24,056 million as of December 31, 2011.

The firm is not affiliated with a brokerage firm.

Our Advisory Services

Fayez Sarofim & Co. provides investment supervisory services and other investment advisory services to a broad range of clients. Portfolio managers at the firm operate within the guidelines set by our Investment Committee. The Committee is comprised of eight senior investment professionals and chaired by Mr. Sarofim. The Investment Committee is responsible for the firm's portfolio structures and all investment decisions.

Large Capitalization Equity Product

Fayez Sarofim & Co.'s primary investment product is our Large Capitalization Equity Product, which is available to both institutions and individuals. You can access this product directly by opening an account at Fayez Sarofim & Co. You can also access this product by opening a wrap fee account through a sponsoring financial services firm or by investing in certain of the mutual funds that we sub-advise for The Dreyfus Corporation, a subsidiary of Bank of New York Mellon Corp. The firm also has advisory and sub-advisory arrangements with banks and trust companies.

Our equity strategy is focused on domestically traded common stocks and American Depositary Receipts with large market capitalizations and high daily trading volumes. Preferred stocks may also be included if permitted by client guidelines. We invest in the stocks of high quality, financially sound industry leaders that have an expanding global presence. We maintain a longer term investment perspective of at least three to five years, which generally results in low portfolio turnover and is typically tax efficient for taxable investors. Our strategy does not use derivatives, options, short-selling, leverage, or initial public offerings. We do not attempt to time the market.

Global Equity Product

Institutions and individuals seeking greater international equity exposure may wish to invest in Fayez Sarofim & Co.'s Global Equity Product. While the investment approach is similar to that of our Large Capitalization Equity Product, the Global Equity Product has a larger concentration in foreign-based companies and may include shares that are not traded on domestic exchanges. You can access this product by opening a separate account with the firm or by investing in the Dreyfus Worldwide Growth Fund, which we sub-advise.

Global Equity Product portfolios primarily have their assets in common stock, ordinary shares, or American Depositary Receipts. We focus on high quality multinational companies with large market capitalizations. Generally, at least 25 percent of assets are invested in companies organized in the United States and at least 25 percent of assets are invested in companies organized in other countries. We maintain a longer term investment perspective of at least three to five years, which generally results in low portfolio turnover and is typically tax efficient for taxable investors.

Core Fixed Income Product

Fayez Sarofim & Co. also offers a Core Fixed Income Product, which is available directly to both institutions and individuals when they open an account with the firm. Our fixed income strategy emphasizes risk-averse management, current income and low cash reserves. Portfolio holdings may include United States Treasury securities, United States government agency securities, high quality corporate and municipal bonds, high quality commercial paper, and shares of money market funds. We select specific sectors and securities that we believe offer the best combination of quality, liquidity, income generation, and relative value consistent with our risk parameters. Foreign government and foreign corporate bonds are generally not part of our strategy.

Municipal Bond Portfolios

The firm also manages tax-free income portfolios, consisting of high quality municipal bonds rated AA or higher. Portfolios are customized relative to the client's state of residence.

Balanced Portfolios

Fayez Sarofim & Co. will also construct balanced portfolios for our institutional and individual clients. These balanced portfolios combine the firm's equity and fixed income strategies in proportions tailored to client requirements.

Meeting Individual Client Needs

The firm manages its separate portfolios for institutions and individuals on an account by account basis, taking into consideration a client's financial resources, investment objectives, and needs. The firm addresses individual requirements for such items as current income, cash flow, and taxes. The firm will also vote the proxies related to securities held in a client's account if requested to do so by the client. Proxies are voted in accordance with the firm's Proxy Voting Policy and established procedures. Please refer to Item 17—Voting Client Securities on page 33.

Fayez Sarofim & Co. prefers not to be constrained by client instructions that prohibit holding certain securities. We believe that the ability to select from the widest range of investments that are consistent with our strategy results in higher returns over time. However, the firm does manage a number of accounts subject to instructions that specify various exclusions or that limit weightings in individual sectors, industries, or securities. We will accept new accounts subject to these types of instructions as long as we do not view the proposed directives as overly restrictive or too difficult or impossible to implement and monitor.

Discretionary and Non-Discretionary Accounts

Fayez Sarofim & Co. will manage clients' assets on either a fully discretionary basis or a non-discretionary basis. Most of our clients have granted us full discretionary authority to manage the investment of assets in their accounts. With full discretionary authority for an account, we are able to do the following without obtaining the client's consent:

- Determine which securities to buy or sell
- Determine the total amount of securities to buy or sell, subject to available funds
- Determine the broker or dealer through which securities are bought or sold
- Negotiate with the selected broker regarding commission rates for securities transactions

Item 12 on page 24 of this brochure provides more information on the firm's brokerage practices, and Item 16 on page 32 discusses investment discretion.

When we provide services on a non-discretionary basis, we give the client investment advice, but we do not have the authority to implement our recommendations in the client's portfolio without the client's approval. In certain non-discretionary arrangements, the client's portfolio is not managed by Fayez Sarofim & Co., and the firm provides advice only.

As of December 31, 2011, the firm and our affiliates managed \$21,357 million in client assets on a discretionary basis and \$2,699 million on a non-discretionary basis.

Wrap Fee Programs

The firm also provides advisory services for equity portfolios under various agreements related to wrap fee programs. Wrap fee programs are sponsored by third-party financial services firms, in most cases brokerage firms. Program sponsors make the advisory services of a registered investment adviser such as Fayeze Sarofim & Co. available to their clients. Fayeze Sarofim & Co. manages portfolios of wrap fee program clients with a strategy that is similar to its Large Capitalization Equity Product.

Fayeze Sarofim & Co. has been introduced to wrap fee program sponsors primarily through the efforts of MBSC Securities Corporation (MBSC), formerly named Dreyfus Service Corporation. In our wrap fee programs, MBSC acts as the account administrator and serves as the liaison between Fayeze Sarofim & Co. and the sponsors and the sponsors' clients in accordance with our agreement with MBSC. Each wrap fee program sponsor establishes the fees to be paid by program clients. MBSC receives a fee for its account administration services and calculates the fee to be paid to Fayeze Sarofim & Co. in accordance with our agreement with them. Currently, the firm participates directly or indirectly in wrap fee programs sponsored by:

- Charles Schwab & Co. Inc.
- Investnet Asset Management, Inc.
- Lockwood Advisors, Inc.
- LPL Financial Corporation
- Morgan Stanley, Inc.
- Morgan Stanley Smith Barney LLC/Citigroup Global Markets Inc.
- Prudential Investments LLC
- Stifel, Nicolaus & Company, Incorporated
- UBS Financial Services, Inc.
- Wells Fargo Bank, National Association
- Wells Fargo Investments, LLC

UMA Programs

Fayeze Sarofim & Co. also participates in various model-based programs, which are often referred to as unified managed account (UMA) programs. Under its UMA agreements, the firm provides the sponsoring broker our model portfolio and position weightings. The firm continuously updates the model portfolio with specific instructions to buy or sell certain securities. The model portfolio furnished by the firm under these agreements is substantially similar to the portfolios of institutional and individual clients who are invested in the firm's Large Capitalization Equity Product.

UMA programs may be either active or passive. When the firm participates in an active program, an overlay portfolio manager at the sponsor is responsible for model level and individual account level trades and has the discretion to deviate from the model portfolio and

instructions provided by Fayez Sarofim & Co. In passive programs, the sponsor executes trades strictly in accordance with our model portfolio and instructions. Deviations are not permitted in passive programs except to accommodate specific client restrictions.

The firm's UMA agreements differ by program sponsor, but the role played by MBSC in the UMA programs in which the firm participates is similar to its role in the wrap fee programs. MBSC is the primary administrative contact with plan sponsors and acts as account administrator. The plan sponsor establishes the fees to be paid by program clients to Fayez Sarofim & Co. and MBSC. Currently, the firm participates in UMA programs sponsored by:

- Merrill, Lynch, Pierce, Fenner & Smith Incorporated
- Morgan Stanley Smith Barney Consulting Group
- LPL Financial Corporation
- PNC Financial Services Group, Inc.
- FolioDynamix, Inc.

Sub-Advised Mutual Funds

Fayez Sarofim & Co. is the sub-adviser for five mutual funds established by The Dreyfus Corporation. The Dreyfus Corporation serves as the investment adviser for the funds. These mutual funds are:

- Dreyfus Appreciation Fund, Inc.
- Dreyfus Worldwide Growth Fund
- Dreyfus Tax Managed Growth Fund
- Dreyfus Core Equity Fund
- Dreyfus Variable Investment Fund, Appreciation Portfolio,
a separate diversified portfolio of Dreyfus Variable Investment Fund

Our role as sub-adviser is subject to the approval of The Dreyfus Corporation and the boards of directors of the mutual funds. Currently, we provide investment advisory assistance and day-to-day management of the funds, including placing orders to execute trades. We also provide investment research and statistical information. For our services as a sub-adviser, Fayez Sarofim & Co. is paid monthly fees by either the mutual fund or The Dreyfus Corporation, according to the contract for each fund.

Other Services

In a few instances, Fayez Sarofim & Co. has agreed to provide advisory services to clients who wish to invest in a portfolio of securities issued by the United States government or its agencies through margin transactions. The firm is not seeking new accounts of this type.

Item 5 –Fees and Compensation

Advisory Service Fees

If you open an account at Fayez Sarofim & Co., the fee you will pay for our advisory services is calculated according to one or more of the schedules presented below. Fees are billed quarterly, after the end of each quarter, and are based on the market value of the assets at the end of the last day of each quarter on which the New York Stock Exchange is open.

Equity Fees: Large Capitalization Equity Product and the Equity Portfolios of Balanced Accounts

The fees for equity securities are calculated as follows:

Market Value of Equities	Rate
First \$2,000,000 is billed at	0.75% (or 75 basis points) per year (i.e., 0.1875% per quarter)
Next \$18,000,000 is billed at	0.50% (or 50 basis points) per year (i.e., 0.1250% per quarter)
Next \$20,000,000 is billed at	0.40% (or 40 basis points) per year (i.e., 0.1000% per quarter)
Next \$20,000,000 is billed at	0.35% (or 35 basis points) per year (i.e., 0.0875% per quarter)
Over \$60,000,000 is billed at	0.20% (or 20 basis points) per year (i.e., 0.0500% per quarter)

Equity Fees: Global Equity Product

The fees for equity securities in the Global Equity Product are calculated as follows:

Market Value of Equities	Rate
First \$50,000,000 is billed at	0.75% (or 75 basis points) per year (i.e., 0.1875% per quarter)
Over \$50,000,000 is billed at	0.50% (or 50 basis points) per year (i.e., 0.1250% per quarter)

Fixed Income Fees

The fee for fixed income securities is 0.20%, or 20 basis points, per year or 0.05%, or 5 basis points, per quarter.

Uncommitted Cash Fees

Uncommitted cash positions in our portfolios are billed at an annual rate of 0.20%, or 20 basis points. Cash assets may be held temporarily in money market funds or other short-term interest-bearing arrangements. If this is the case, such assets may also be subject to fees payable to the manager of these funds in addition to the fees charged by Faye Sarofim & Co.

Our Billing Practices

For the purpose of computing fees, we may treat managed assets in related accounts as if all the assets were in one account. After the fee is computed in this way, it is divided among the accounts involved, usually in proportion to the market value of each account. This grouping of related accounts must be approved in advance by the firm, and approval is not assured.

We do not regard our fees as negotiable because we believe our fees are in the low end of the range of fees in the industry for comparable services. However, in a few instances, the firm has granted exceptions to the application of our regular fee schedules when we believe there are highly unusual factors involved that justify exceptional treatment. The firm attempts to insure that other clients having similar unusual factors are treated in a similar manner for fee purposes, but this cannot be assured. From time to time, the firm will seek to determine if such unusual factors continue to justify deviations from our regular fee schedule.

As mentioned earlier, the firm's fees are billed quarterly, in arrears. Our clients may direct their custodians to deduct Faye Sarofim & Co.'s fees from the assets in their account. Alternatively, clients may choose not to have the fees deducted from their accounts and may arrange to pay the fees by check or wire transfer. The firm does not accept advance fee payments.

Third Party Fees You May Incur

Faye Sarofim & Co. does not provide custodial services, and we are not affiliated with a brokerage firm. The firm's brokerage practices are discussed in Item 12 on page 24 of this brochure. The advisory service fee you pay to us does not include other fees or charges you may incur in connection with your account at Faye Sarofim & Co. The following is a list of the types of fees and charges that might be payable to third parties in connection with your account. This list is not meant to be exhaustive. There may be additional fees that are not included in this list.

Examples of Fees Paid to Third Parties

- Custodial fees
- Broker commissions
- SEC fees
- Wire transfer or other transaction fees
- Exchange fees
- Odd lot differentials
- Fees charged by mutual funds, including money market funds

Wrap Fee Programs

If you are a client of one of the wrap fee programs or UMA programs that Faye Sarofim & Co. participates in, you do not pay any fees directly to our firm. A portion of the fee you pay to the plan sponsor will compensate Faye Sarofim & Co. for our advisory services. Please consult with your plan sponsor regarding the fees you will pay, what is included in these fees, and what additional expenses you may incur.

Mutual Funds

If you invest in one of the mutual funds that Faye Sarofim & Co. sub-advises for The Dreyfus Corporation, you do not pay any fees directly to our firm. For our sub-advisory services, Faye Sarofim & Co. is paid monthly fees by either the mutual fund or The Dreyfus Corporation, according to the contract for each fund. Information about these mutual funds, including fees, can be obtained from The Dreyfus Corporation, www.dreyfus.com or 1-800-645-6561.

Faye Sarofim & Co. is not affiliated with a brokerage firm. Neither the firm nor any of our employees receives compensation for the sale of securities, mutual funds or other investment products.

Item 6 –Performance-Based Fees and Side-by-Side Management

Fayez Sarofim & Co. does not have fee structures that include performance-based fee arrangements.

Generally speaking, side-by-side management is a reference to the simultaneous management of mutual funds and hedge funds. Fayez Sarofim & Co. has not formed a hedge fund and is not a manager to hedge funds.

Item 7 –Types of Clients

Fayez Sarofim & Co. serves as an investment adviser for a broad range of clients, including:

- Private employer pension and profit-sharing plans
- State and local government retirement systems
- Taft-Hartley union plans
- Employee savings and thrift plans
- Keogh plans
- Individuals—retirement accounts
- Individuals—taxable accounts
- Endowments, foundations, or other tax-exempt organizations
- Banks
- Trusts and estates
- Registered investment companies, i.e., mutual funds
- Insurance companies
- Corporations and small businesses

We continue to seek new clients. Generally, the minimum dollar amount for new managed accounts is \$5 million. However, the minimum dollar amount for new managed accounts in our Global Equity Product is \$10 million. The firm may waive size requirements if related accounts are currently under management.

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

Large Capitalization Equity Product

Fayez Sarofim & Co.'s primary investment product is our Large Capitalization Equity Product. This product seeks to generate total return through long-term capital appreciation and a growing stream of dividend income. Over periods of three to five years or longer, we strive to achieve a total return greater than the S&P 500 with less volatility than this index.

Our equity investment strategy is focused on domestically traded common stocks and American Depositary Receipts with large market capitalizations and high daily trading volumes. Preferred stocks may also be included if permitted by client guidelines. Under most circumstances, our portfolios are fully invested with low cash balances. Our longer term investment perspective generally results in low portfolio turnover and is typically tax-efficient for taxable investors. Our strategy does not use derivatives, options, short-selling, leverage, or initial public offerings. We do not attempt to time the market.

Central to our strategy is the belief that earnings growth is the most important driver of long-term stock price appreciation. In our experience, companies with dominant franchises in structurally attractive industries are most likely to generate durable growth. Generally, we invest in the stocks of high quality industry leaders that have a market capitalization of \$5 billion or higher. These established companies have demonstrated sustained patterns of earnings and dividend increases. They have an expanding global presence and sustainable competitive advantages. Their balance sheets are strong, and their management teams have a record of successfully redeploying capital.

To shape our portfolios, Fayez Sarofim & Co. utilizes a combined “top-down” and “bottom-up” investment process managed by the Investment Committee. The Committee develops the firm's global economic forecast and market outlook and evaluates the attractiveness of the various economic and industry sectors. The most attractive segments are identified along with those areas that should be underweighted or avoided. Given this backdrop, the firm's research analysts assess the prospects of individual companies and present recommendations to the Committee. The Investment Committee is responsible for the firm's portfolio structure and all investment decisions.

Our internal research function is crucial to this investment process. We perform independent, fundamental analysis on all of our investments and potential investments. Our research analysts visit companies, interview company managers, attend trade conferences, review corporate reports, filings and press releases, and stay abreast of financial and market news. We subscribe to numerous software and on-line products and selectively utilize numerous outside sources of information, such as government agencies, consultants, and Wall Street sources. The most important output of our internal research effort is proprietary projections of a company's earnings, cash flow and dividends over a multiple-year period. These projections drive our valuation analysis.

We seek to control investment risk through disciplined adherence to our investment decision-making process. We continuously monitor the underlying operating and earnings trends of the companies represented in the portfolio and remain alert to changes in demand, competition, or technology that may influence these trends. Diversification also plays a role in our approach to controlling risk, and we monitor portfolios by industry exposure and individual stock concentration. We confine our equity holdings to securities with large market capitalizations and high daily trading volumes to help limit liquidity risk.

Although we strive to mitigate risks that may accompany an investment in our Large Capitalization Equity Product, clients who invest in this product can lose money, including losing a portion of their original investment. The prices of the securities in our portfolios fluctuate. We cannot guarantee any particular level of performance. Below is a list of the types of risks you should consider before investing in our product.

- *Market risk.* Stock prices may decline due to changes in general market conditions that are not specifically related to a particular company, such as changes in the economic outlook, inflation expectations, interest rates, currency rates, or investor sentiment. A company's stock price may also decline because of factors that affect a certain industry such as changes in raw material costs or proposed regulations.
- *Company-specific risk.* A company's stock price may decline for numerous reasons that relate directly to the company, such as a loss of competitive advantage, impairment of capital or earnings power, legal difficulties, or management changes.
- *Risks associated with foreign companies.* Special risks associated with investments in foreign companies may include greater exposure to fluctuations in currency exchange rates, less comprehensive company information, different financial reporting and legal standards, and political instability.
- *Allocation risk.* Certain companies, industries or market sectors may be significantly overweighted or underweighted in Fayez Sarofim & Co.'s portfolios relative to the broader market indices. Consequently, the performance of our portfolios may be more or less sensitive than the overall market to factors affecting those companies, industries or sectors.
- *Style risk.* Our investment strategy focuses on high quality stocks with large market capitalizations. As a result, our portfolios may underperform the broader market during intervals when such securities are out of favor with investors.

Global Equity Product

The objective of Fayez Sarofim & Co.'s Global Equity Product is to achieve long-term capital appreciation consistent with preservation of capital. Generating current income is a secondary goal. Over periods of three to five years or longer, we strive to achieve a total return greater than the MSCI World Index on a risk-adjusted basis.

Our Global Equity investment strategy primarily utilizes common stock, ordinary shares, and American Depositary Receipts of high quality companies based either in the United States or in

other countries. Companies represented in the portfolio typically have market capitalizations of at least \$5 billion. In selecting securities to be included in our Global Equity portfolios, we first identify the economic sectors and industries that we believe will expand on a worldwide basis over the next three to five years or longer. Using fundamental analysis, we then seek to identify companies in these business segments that have demonstrated superior profitability, financial flexibility, and capital stewardship and are positioned to maintain above-average earnings growth longer term. We are also alert to companies that we consider undervalued in terms of earnings, assets, or growth prospects. Most of the companies included in our portfolios are industry-leading multinationals with an expanding global presence.

Fayez Sarofim & Co. generally employs a buy and hold investment strategy that results in low portfolio turnover. We will liquidate a holding when we believe there has been a significant adverse change in a company's business fundamentals that may lead to a sustained impairment of earnings power. In addition, we may reduce or eliminate a holding to provide funds to invest in another security that we believe will generate a superior return.

Fayez Sarofim & Co. strives to control investment risk through disciplined adherence to our investment decision-making process, through continuous monitoring of the business fundamentals of the companies represented in the portfolio, and through diversification of investments by geography, industry, and individual stock concentration. Furthermore, we seek to limit liquidity risk by focusing on equity holdings with large market capitalizations and high daily trading volumes.

Although we strive to mitigate risks that may accompany an investment in our Global Equity Product, clients who invest in this product can lose money, including losing a portion of their original investment. The prices of the securities in our portfolios fluctuate. We cannot guarantee any particular level of performance. The types of risks you should consider before investing in this product are similar to those for our Large Capitalization Equity Product, which are enumerated on the preceding page. You should pay particular attention to the discussion of risks associated with foreign companies.

Core Fixed Income Product

Fayez Sarofim & Co.'s Core Fixed Income Product emphasizes risk-averse management, current income and low cash reserves. Portfolio holdings may include United States Treasury securities, United States government agency securities, mortgage pass-through securities of government-sponsored enterprises (GSE) such as Ginnie Mae, investment grade corporate bonds, municipal bonds, high quality commercial paper, and shares of money market funds. Foreign government and foreign corporate bonds and sub-prime mortgages are not part of our strategy.

In our fixed income portfolios, we emphasize certain sectors and select specific securities that we believe offer the best combination of quality, liquidity, income, and value consistent with our overall duration target. The duration of a fixed income portfolio is a measure of risk that indicates the sensitivity of the portfolio's market value to changes in interest rates. We will make modest shifts in our duration target to reflect changes in the Investment Committee's projections for interest rates and inflation.

The Investment Committee determines the firm's overall outlook for the economy, interest rates, and inflation. Given this backdrop, the investment professionals serving on the firm's Fixed Income Investment Committee establish the specific parameters for fixed income portfolios. The Fixed Income Investment Committee meets quarterly to set duration targets and sector emphasis and to review and approve the list of corporate bond issuers that may be utilized. The firm's research analysts conduct fundamental credit analysis. Our approach considers not only the current creditworthiness of an issuer but also the ability of the issuer to grow and finance its future business plans. Our research analysts monitor the credit quality of existing holdings and recommend high quality corporate issuers to the Fixed Income Investment Committee for possible inclusion on the list of approved issuers.

Within the framework set by the Fixed Income Investment Committee, fixed income portfolio managers structure portfolios to meet client requirements. Before transactions are executed, the portfolio managers utilize the CMS/Bond Edge portfolio management system to simulate the transaction and its effect on the portfolio. This process includes an analysis of the effect on the portfolio's duration, current yield, average maturity and other characteristics. The simulated portfolio can also be stress-tested under various interest rate assumptions.

While we emphasize risk-averse management and capital preservation in our Core Fixed Income Product, clients who invest in this product can lose money, including losing a portion of their original investment. The prices of the securities in our portfolios fluctuate. We cannot guarantee any particular level of performance. Below is a representative list of the types of risks you should consider before investing in this product.

- *Interest rate risk.* Prices of bonds tend to move in the opposite direction to interest rate changes. Typically, a rise in interest rates will negatively affect bond prices. The longer the duration and average maturity of a portfolio, the greater the likely reaction to interest rate moves.
- *Credit (or default) risk.* A bond's price will generally fall if the issuer fails to make a scheduled interest or principal payment, if the credit rating of the security is downgraded, or if the perceived creditworthiness of the issuer deteriorates.
- *Liquidity risk.* Sectors of the bond market can experience a sudden downturn in trading activity. When there is little or no trading activity in a security, it can be difficult to sell the security at or near its perceived value. In such a market, bond prices may fall.
- *Call risk.* Some bonds give the issuer the option to call or redeem the bond before the maturity date. If an issuer calls a bond when interest rates are declining, the proceeds may have to be reinvested at a lower yield. During periods of market illiquidity or rising rates, prices of callable securities may be subject to increased volatility.
- *Prepayment risk.* When interest rates fall, the principal of mortgage-backed securities may be prepaid. These prepayments can reduce the portfolio's yield because proceeds may have to be reinvested at a lower yield.
- *Extension risk.* When interest rates rise or there is a lack of refinancing opportunities, prepayments of mortgage-backed securities or callable bonds may be less than expected.

This would lengthen the portfolio's duration and average maturity and increase its sensitivity to rising rates and its potential for price declines.

Municipal Bond Portfolios

The firm also manages tax-free income portfolios, consisting of high quality municipal bonds with laddered maturities of 7-14 years. The municipal bonds included in the portfolios have a quality rating of AA or higher. School district and general obligation bonds are preferred while securities of municipalities in coastal areas or with low income demographics are generally avoided. Turnover is low to avoid unnecessary transaction costs and to maintain predictable income streams. Portfolios are customized relative to the client's state of residence.

The risks accompanying an investment in our municipal bond portfolios are similar to those for our Core Fixed Income Product, excluding prepayment risks, which do not apply.

Item 9 –Disciplinary Information

In this section, advisory firms are asked to disclose all material facts concerning legal or disciplinary events that are material to a client's or a prospective client's evaluation of their advisory business or the integrity of their management.

Fayez Sarofim & Co. and our management personnel are not involved in any legal or disciplinary events that are material to a client's or a prospective client's evaluation of our advisory business or the integrity of our management.

Item 10 –Other Financial Industry Activities and Affiliations

One of the purposes of this item is to identify relationships or arrangements that may present material conflicts of interest and the procedures that the firm has in place to resolve such conflicts. Neither the firm nor any of its “management persons” has any relationship or arrangement with any “related person” that is material to the firm’s advisory business or to the firm’s clients and that may result in a material conflict of interest.

For purposes of this response, the firm's investment and administrative professionals are considered “management persons” since they are considered to have a controlling influence over the firm’s management or policies or the general investment advice given to the firm’s clients. A “related person” for purposes of this response includes all employees of the firm and its affiliates other than those performing only clerical, administrative support or similar functions.

The firm seeks to avoid all conflicts of interest and has adopted policies and procedures to be followed in determining and eliminating conflicts of interest. For example, please see the discussion in the response to Item 11 Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading on page 21.

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

As required by SEC rules and in line with what we believe are good business practices, Faye Sarofim & Co. has adopted Codes of Ethics for employees and some third-party providers and a Code of Business Conduct for employees. These codes are designed to reinforce a culture of compliance within the firm and to ensure that we fulfill our fiduciary duty to our clients and prospective clients. To help our employees understand, appreciate and uphold their fiduciary responsibilities, their Code of Ethics sets standards of expected conduct and outlines prohibited conduct. The code requires that each employee must:

- Place the interest of clients first above all other interests
- Conduct all personal securities transactions in a manner consistent with this code, avoid any actual or potential conflicts of interest, and not abuse his or her position of trust and responsibility
- Recognize that he or she should not take inappropriate advantage of his or her position as an employee
- Treat as confidential the identity of clients and their financial circumstances and security holdings
- Understand that independence and impartiality in the investment decision-making process are critical

Employees are required to read the code, acknowledge in writing that they have received and understood it, and retain a copy. Annual compliance training sessions, which are mandatory for all employees, review key precepts of the Code of Ethics and the Code of Business Conduct. To help us enforce the Code of Ethics, we regulate and monitor employee trading activity and require certain disclosures from employees.

Within ten days of starting employment with the firm, an individual must submit an initial holdings report to the firm's Chief Compliance Officer, detailing security holdings and the accounts in which they are held. An updated holdings report must be submitted semiannually by all employees. Employees must also have duplicate trade confirmations and monthly or quarterly statements sent to the firm by their broker. In addition, certain key employees are required to complete quarterly transactions reports. The firm's Chief Compliance Officer or her designee reviews these reports periodically for accuracy and unusual trading activity.

No employee may engage in any personal securities transactions without obtaining prior written approval from the Chief Compliance Officer. The firm maintains a restricted list that includes securities that are being traded in client accounts and securities that are being considered for purchase in client accounts. Employee trades in securities on the restricted list will not be approved. Furthermore, employees are prohibited from engaging in securities transactions or recommending transactions for client accounts that place, or appear to place, their own interests above the interests of our clients or the firm. Employees recommending a security transaction for a client account must first disclose their interest or potential interest in the security and indicate if they:

- Have a direct or indirect beneficial ownership in the security or other securities of the issuer or its affiliates
- Are contemplating a transaction in the security
- Have any present or proposed business relationship with the issuer of the security or its affiliates

As an investment adviser, we follow our own advice and invest in our strategy. A significant portion of the firm's and our investment professionals' net worth is invested in equity portfolios that are constructed and managed like those of most of our clients. Consequently, from time to time, the firm may effect transactions on behalf of clients in discretionary accounts or recommend transactions to clients with non-discretionary accounts that involve securities held in the firm's account or in the accounts of employees. When this is the case, employee trading in the particular security must be conducted in accordance with the principles and procedures outlined in their Code of Ethics.

Fayez Sarofim & Co. and our registered investment adviser affiliates have adopted and follow Compliance Policies and Procedures that include policies and procedures that prohibit trading while having material information that is not available to the public and during "blackout periods." An individual employed by or associated with Fayez Sarofim & Co. may be an officer or director of a publicly traded company or a party to contractual arrangements with a publicly traded company. If so, such an individual may be prohibited by the policies of the public company from trading in the securities of that company during blackout periods imposed or recommended by the company. It is also the policy of Fayez Sarofim & Co. and our registered adviser affiliates that these individuals may not trade in securities of the public company during a blackout period. These policies also require that all directors, officers and other employees of Fayez Sarofim & Co. and our affiliates are subject to the same restrictions.

Although trading in securities of the designated public company during a blackout period is prohibited in the personal accounts of employees and in the firm's account, Fayez Sarofim & Co. and our affiliates may trade in securities of the public company on behalf of our discretionary investment advisory clients provided:

- The individual who is the officer, director, or affiliate of the public company does not exercise any investment discretion over the trading of these securities for client accounts during the blackout period
- This individual has not, does not and will not disclose material information that is not available to the public

In addition, our Compliance Policies and Procedures require us to make certain disclosures if any of our employees have these types of relationships with a public company.

Other topics discussed in the employee Code of Ethics and the Code of Business Conduct include:

- Prohibition against insider trading
- Restricting access to material non-public information
- Approval for outside business affiliations
- Contributions to charities and government entities

- Contributions to candidates for political office
- Communications with clients
- Expense reports
- Entertainment, gifts and gratuities

Clients or prospective clients may receive a copy of the firm's Codes of Ethics or the Code of Business Conduct by sending a written request to:

Mrs. Raye G. White
Executive Vice President
and Chief Compliance Officer
Fayez Sarofim & Co.
Two Houston Center
Suite 2907
Houston, Texas 77010
rgwhite@sarofim.com

Item 12 –Brokerage Practices

Fayez Sarofim & Co. is not affiliated with a brokerage firm. The firm's brokerage practices related to transactions in clients' accounts may differ among clients depending on the degree of discretionary authority the client has given us. We prefer to have full discretionary authority to manage the investment of a client's assets. Full discretionary authority includes brokerage discretion, which gives the firm the ability to select the broker to execute transactions in a client's account and to negotiate the commission rate. In some instances, the firm's brokerage discretion is limited by directions from the client or by third-party agreements the client has entered into.

The firm also has non-discretionary arrangements with clients. In certain non-discretionary arrangements, once the client has approved a particular transaction, the firm is authorized to place the order and select the broker to execute it. In other non-discretionary arrangements, the client places the order and selects the broker to execute the transaction. Please see also Item 16 Investment Discretion on page 32.

Fayez Sarofim & Co.'s general policy when placing orders for the purchase or sale of securities in a client's account is to seek to secure the best net execution, including both execution prices and commission rates. In selecting brokers or dealers to execute transactions, we consider such factors as:

- the price of the security
- the commission rate
- the size and difficulty of the order
- the reliability, integrity, financial condition and general execution and operational capabilities of competing brokers and dealers
- the research services that competing brokers provide

Orders are placed with brokers that we believe are responsible and will give effective execution of orders under conditions favorable to our clients. On an overall basis, we believe we obtain favorable executions and competitive commission rates for client transactions. However, it is possible that a more favorable execution or a lower commission rate may have been obtained if the order had been placed with another broker.

In selecting brokers, we may give preference to brokers that provide research and other services to us so long as we believe that the objective of best net execution is not being sacrificed. A discussion of what is meant by research and other services and our policy governing procedures for giving preference to the brokers that provide them is included on the next page in the section Research and Other Soft Dollar Benefits.

The firm will not choose a broker to execute a transaction solely on the basis that the broker has referred clients or prospective clients to us. Please refer to the discussion on Brokerage for Client Referrals on page 26.

When orders from our portfolio managers are received concurrently for more than one client account, the firm may seek to aggregate or batch the orders in an effort to obtain reduced

commission rates or more favorable execution. A broker may be selected to execute an aggregated order because of the broker's ability to handle such executions, provided that the primary consideration of best net execution is met. Generally, when trades are aggregated, each client account within the block will receive the same price and commission.

From time to time, the firm will evaluate the performance of the brokers that have been selected to execute orders for our clients' accounts. If we believe a broker's performance has been unsatisfactory, we will cease doing business with this broker entirely or until improvement has been demonstrated.

The firm's executive officers are available to discuss brokerage allocation with clients or prospective clients upon request.

Research and Other Soft Dollar Benefits

Brokers and dealers may provide research or other services in addition to the services required to execute an order. When a portion of the commission paid to a broker for the execution of an order is considered to be a payment for these additional services, this portion of the commission is often referred to as "soft dollars." The additional research and other services received are sometimes referred to as "soft dollar benefits."

With the soft dollar benefits Faye Sarofim & Co. receives from brokers, we can supplement our own internal research activities and consider a broader range of information and opinions in formulating our investment decisions. However, the value the firm receives from these soft dollar benefits is difficult to quantify in a dollar amount.

Faye Sarofim & Co. has adopted a soft dollar policy to address the conflicts of interest that may arise when the firm has discretionary authority to direct brokerage related to clients' accounts to brokers from which we also receive soft dollar benefits. Under the firm's soft dollar policy, Faye Sarofim & Co. may give preference to the brokers that provide soft dollar benefits so long as we believe that the objective of best net execution for client transactions is not being sacrificed and that the soft dollar benefits provided fall within the soft dollar safe harbor provisions of Section 28(e) of the Securities Exchange Act of 1934 as interpreted by the Securities and Exchange Commission. The soft dollar benefits covered by these safe harbor provisions include:

- advice, given directly or through publications, concerning:
 - (a) the value of a security
 - (b) the advisability of investing in a certain security
 - (c) the availability of a security or the availability of purchasers or sellers of a security
- reports and analyses concerning securities, industries, issues, economic factors, market trends, portfolio strategy, and the performance of accounts

These safe harbor services do not include the referral of clients to Faye Sarofim & Co.

The firm uses the soft dollar safe harbor benefits received from brokers to service all of our client accounts, not just those accounts that paid commissions to the brokers providing the

research. Furthermore, a client account may pay a higher commission because of the soft dollar safe harbor benefits provided by a broker, but this will only occur if the firm has determined in good faith that this commission is reasonable in relation to the value of the soft dollar safe harbor benefits provided by the broker.

A committee of the firm's investment professionals meets semiannually to review and revise the list of approved broker/dealers that the firm's traders may use in executing trades. The committee evaluates brokers on the basis of the quality of order execution and the perceived value of the proprietary or third party research services provided. Targeted commission allotments are established accordingly. The list and commission targets are subject to the approval of the firm's Investment Committee.

Over the past year, the soft dollar benefits the firm has received have been limited to the research and other services that fall within the soft dollar safe harbor provisions of Section 28(e) of the Securities Exchange Act of 1934.

Brokerage for Client Referrals

Fayez Sarofim & Co. has a policy that precludes the firm from selecting a broker to execute transactions solely on the basis that this broker has referred clients or prospective clients to us. This practice is prohibited because of the conflicts of interest that could result. In exercising our brokerage discretion, we may select brokers that have referred clients or prospective clients to us to execute portfolio transactions, but this selection cannot be based solely on referrals and must be made in accordance with the general policies and procedures discussed throughout Item 12.

Client-Directed Brokerage

A client of Fayez Sarofim & Co. may direct the firm to give preference to certain brokers or dealers in allocating brokerage transactions for the client's account. The firm will comply so long as we, in good faith, believe that the objective of best net execution is not being sacrificed or that the amount of commission being paid to such broker or dealer is reasonable in relation to the value of the services provided.

In some instances, the firm is directed to use a specific broker for executing transactions either as a result of instructions from a client or as a result of arrangements entered into by the client such as a wrap fee program agreement. (Please see the discussion of wrap fee programs in Item 4 Advisory Business on page 7.) In these instances, the designated broker may charge higher commission rates than those generally available to us. We will follow the client's direction and seek to obtain the lowest commission rate and best net execution available from this broker as long as the client understands that this arrangement limits our ability to negotiate commissions on the client's behalf and to aggregate or batch the client's order with the orders of other clients to attain reduced commission rates or better executions. The client in these instances must understand that if the firm were free to select a broker, negotiate for institutional brokerage rates, and to batch orders, the client might pay rates below customary retail brokerage rates and might achieve better executions.

When a broker has custody of a client's securities, the client may direct us to use this custodial broker for executing trades in the client's account. Often, a client and the custodial broker enter

into a brokerage arrangement to contain the total costs related to a client's account by avoiding the higher fees for trust, custody, or other services that may be charged by another custodian, such as a bank or trust company. In these instances, the firm will seek to obtain the lowest commission rate and best net execution available from the custodial broker. Despite the firm's efforts, however, the commission rate charged by the custodial broker may be higher or the executions less favorable than the firm could have achieved for the client if we had been granted brokerage discretion. From time to time, the firm will evaluate the performance of the custodial broker in executing portfolio transactions. If the firm believes the custodial broker's executions are sufficiently unfavorable or the commissions charged sufficiently excessive considering the brokerage and custody services being provided by the custodial broker, we will advise the client of our assessment. We may also recommend that the client change the custodial broker. (See also Item 15 Custody on page 31.)

Item 13 –Review of Accounts

Fayez Sarofim & Co. accounts are managed within the guidelines set by the firm's Investment Committee. Teams of two to four investment professionals, which are selected by the Investment Committee, share the client servicing and portfolio management responsibilities for each account. We manage accounts on an individual basis, taking into consideration a client's known financial resources, investment objectives, and needs. Each account is reviewed at least quarterly by one of the investment professionals assigned to the portfolio management team for the account. This review is conducted in conjunction with the quarterly reporting process discussed below. Several factors may prompt a more frequent review, including significant cash flows, unusual liquidity requirements, or changes in a client's situation, investment objectives, or guidelines. Accounts may also be reviewed more frequently if there is a dramatic change in market conditions or a significant shift in the firm's economic and market outlook. Matters reviewed include portfolio holdings, asset mix, cash flow and liquidity requirements, account-specific instructions or guidelines, and other pertinent factors.

Portfolio reports are prepared by a portfolio analyst, reviewed by an investment professional, and distributed to clients on a quarterly basis. In some instances, the report may be prepared monthly. These written reports typically include:

- portfolio investment results, including current and longer term returns
- S&P sector classifications of portfolio holdings
- historical record of funds contributed, market value, dollar return, indicated annual income, and yield
- purchases and sales during the period
- contributions and withdrawals during the period
- 20 largest holdings
- portfolio appraisal by individual security, including purchase cost, current market value, percent of portfolio, indicated current income and yield
- projected earnings and dividends by security
- corporate capital changes and dividend changes

This written portfolio report also strongly recommends that clients compare our portfolio appraisal with statements received from their custodians and to notify us immediately of any discrepancies. This recommendation is made in accordance with our obligation to protect client interests and is consistent with the SEC rules for investment advisers.

Periodically, clients receive our commentary on the economy and the market outlook. One or more of the investment professionals assigned to an account will confer with the client from time to time. Clients may also request a conference to review their account. Client communication is an important part of our investment advisory services, and we encourage clients to contact us if they have questions.

Item 14 –Client Referrals and Other Compensation

Fayez Sarofim & Co. and our affiliate Sarofim International Management Company have both entered into several written solicitation agreements.

Fayez Sarofim & Co. has one such agreement with MBSC Securities Corporation (MBSC), formerly named Dreyfus Service Corporation. MBSC has agreed to solicit investment advisory clients for the firm on a non-exclusive basis. The firm, in turn, has agreed to pay MBSC a referral fee, which is based on the investment advisory fees the firm receives from a client referred by MBSC. The referral fee is computed quarterly and due within 30 days after the end of a quarter. For accounts managed less than 12 months, the referral fee is 50 percent of the investment advisory fee. For all other accounts, the fee is 20 percent. No accounts are to be solicited in states in which such solicitations are not in compliance with state laws.

The firm also has three written solicitation agreements with Papamarkou Wellner Asset Management Inc. (PWAM). One agreement is for institutional accounts, one for non-institutional accounts, and the third agreement, which is inactive, is for incentive-fee government margin accounts. PWAM has agreed to solicit investment advisory clients for the firm on a non-exclusive basis. For accounts referred under the institutional and non-institutional account agreements, the firm has agreed to pay PWAM a referral fee, which is computed quarterly at 40 percent of the aggregate quarterly investment advisory fees the firm receives from clients referred by PWAM. The referral fee is due promptly after the firm collects the advisory fees. No accounts are to be solicited in states in which such solicitations are not in compliance with state laws.

The firm also entered into a written solicitation agreement with R. E. Kassar Corp. (REKC), a corporation controlled by Raymond E. Kassar. This agreement was terminated effective August 13, 1995, but the firm remains obligated to pay referral fees to REKC for as long as those clients who it referred to the firm continue to pay investment advisory fees. No accounts were to be solicited in states in which such solicitations were not in compliance with state laws. The agreement provided for REKC to receive a retainer fee and a referral fee. The referrals fees are computed quarterly at 35 percent of the aggregate quarterly investment advisory fees the firm receives from clients referred by REKC. Referral fees are paid quarterly promptly after the firm collects the advisory fees. For clients of foreign domicile, a special fee schedule for foreign and foreign-related accounts is used.

Fayez Sarofim & Co.'s affiliate Sarofim International Management Company has also entered into a written solicitation agreement with Papamarkou Wellner Asset Management Inc. (PWAM). For accounts referred under the agreement, the firm has agreed to pay PWAM a referral fee, which is computed quarterly at 40 percent of the aggregate quarterly investment advisory fees the firm receives from clients referred by PWAM. The referral fee is due promptly after the firm collects the advisory fees. No accounts are to be solicited in states in which such solicitations are not in compliance with state laws.

Sarofim International Management Company has also entered into a written solicitation agreement with Eaton Financial Consultants S.A. (EFC), a British Virgin Islands international business company. EFC has agreed to solicit investment advisory clients for the firm on a non-exclusive basis. The firm has agreed to pay EFC a referral fee for solicited accounts that pay an

investment advisory fee during the term of the agreement and during the eleven calendar months after the termination of the agreement. The fee is to be computed and paid quarterly at 40 percent of the aggregate quarterly investment advisory fees the firm receives from clients referred by EFC. No accounts are to be solicited in states in which such solicitations are not in compliance with state laws.

Sarofim International Management Company has entered into a written solicitation agreement with Global Asset Management Limited (GAM), a corporation formed under the laws of England and Wales. GAM has agreed to solicit investment advisory clients for the firm on a non-exclusive basis. No accounts are to be solicited in states in which such solicitations are not in compliance with state laws. The firm has agreed to pay GAM a referral fee for solicited accounts that pay an investment advisory fee during the term of the agreement and during the eleven calendar months after the termination of the agreement. The fee is to be computed and paid quarterly at one-third of the aggregate quarterly investment advisory fees the firm receives from clients referred by GAM.

From time to time, brokers, dealers, or other persons may refer clients or prospective clients to Faye Sarofim & Co. and our affiliates on an informal basis. The firms do not pay fees for these informal referrals. Furthermore, the firms will not select brokers or dealers to execute portfolio transactions solely on the basis that they have referred clients or prospective clients to the firm. Please refer to Item 12 Brokerage Practices—Brokerage for Client Referrals on page 26.

Item 15 –Custody

“Custody” means holding, directly or indirectly, client funds or securities or having authority to obtain possession of them. Fayez Sarofim & Co. does not hold client assets or provide custodial services. Assets of clients of our firm are held by a “qualified custodian” as defined by the SEC, which is usually a bank or brokerage firm. If the firm inadvertently receives client funds, we are required to return them to our client within three business days.

Before entering into an investment advisory agreement with Fayez Sarofim & Co., you must first establish an account with a qualified custodian. If you need assistance in selecting a custodian, the firm will make suggestions, taking into consideration the cost, the perceived quality of the custodial services, and the types of securities involved as well as other factors we think may be relevant.

As a client, you should compare the quarterly portfolio report you receive from us with the account statements you receive from your qualified custodian. We urge you to notify us immediately if you find discrepancies. For tax purposes, the account statement you receive from your custodian is the official record of your transactions and assets.

Item 16 –Investment Discretion

Fayez Sarofim & Co. will manage clients' assets on a fully discretionary basis, a limited discretionary basis or a non-discretionary basis. Most of our clients have granted us full discretionary authority to manage the investment of the assets in their accounts, and we prefer to manage accounts on this basis.

Before the firm may assume discretionary authority, the firm and the client must execute an investment advisory agreement and a power of attorney. The investment advisory agreement includes:

- A statement of the firm's appointment as investment manager
- A discussion of the duties and powers of the firm as investment manager including discretionary authority
- A description of the duties of the client, including advising the firm of investment objectives and any specific restrictions
- Other pertinent information on matters such as compensation and termination

With full discretionary authority for an account and a signed power of attorney, the firm is able to do the following without obtaining the client's consent:

- Determine which securities to buy or sell
- Determine the total amount of securities to buy or sell, subject to available funds
- Determine the broker or dealer through which securities are bought or sold
- Negotiate with the selected broker regarding commission rates for securities transactions

Unless the client notifies the firm in writing of specific restrictions, the investments made on behalf of the client are considered not to be restricted. The firm manages a number of accounts subject to client instructions that prohibit holding certain securities or types of securities or that limit weightings in individual sectors, industries, or securities.

In certain instances, the firm's discretion to determine the broker through which client securities are bought or sold is limited due to arrangements entered into by the client or directions from the client. For example, a particular broker may have custody of a client's securities, and the client may direct the firm to use this custodial broker to purchase or sell securities in the client's account. In other instances, the client may direct the firm to give preference to one or more brokers in allocating brokerage transactions for the account. For a discussion of the firm's policies and procedures in these instances, please refer to Item 12 Brokerage Practices on page 24.

When we provide services on a non-discretionary basis, we give the client investment advice, but we do not have the authority to implement our recommendations in the client's portfolio without the client's approval. The client may or may not follow the firm's advice. In certain non-discretionary arrangements, once the client has approved a particular transaction, the firm is authorized to place the order and select the broker to execute it. In other non-discretionary arrangements, the client places the order and selects the broker to execute the transaction.

Item 17 –Voting Client Securities

Proxy Voting Policy

A client may give Fayez Sarofim & Co. the authority to vote the proxies related to securities in the client's account. To guide us as we exercise this authority and to comply with SEC rules, the firm has adopted a Proxy Voting Policy and Procedures. We evaluate each proxy on a case-by-case basis and vote on each proxy proposal according to our judgment of the client's longer term best interests. In deciding how to vote on a particular proxy proposal, we rely, for the most part, on the business judgment of the issuer's management and directors and their understanding of their fiduciary responsibilities to shareholders. If we decide the recommendation of the issuing company's management is not in the best interests of shareholders, we will not follow management's recommendation.

To avoid conflicts of interest, no employee of Fayez Sarofim & Co. may participate in the voting process for a particular proxy if the employee meets any one of the following criteria:

- is an officer or director of the company issuing the proxy
- beneficially owns 5 percent or more of the outstanding shares of any class of securities of the company issuing the proxy
- otherwise is interested in any way in the outcome of the vote, with the exception of being a beneficial owner of less than 5 percent of the outstanding shares of any class of securities of the company issuing the proxy

Fayez Sarofim & Co., or a third party acting on the firm's behalf, retains:

- copies of all proxy statements received regarding client securities
- records of votes cast on behalf of clients
- records of client requests for proxy voting information
- documents used or prepared by the firm that were material to deciding how to vote on a particular issue
- copies of the Proxy Voting Policy and Proxy Voting Procedures adopted by the firm

Clients may obtain a copy of our Proxy Voting Policy by writing to:

Mrs. Raye G. White
Executive Vice President
and Chief Compliance Officer
Fayez Sarofim & Co.
Two Houston Center
Suite 2907
Houston, Texas 77010
rgwhite@sarofim.com

Clients who have given us authority to vote proxies on their behalf may obtain an annual, semiannual, or quarterly record of these votes by submitting a written request to Mrs. White at

the address above. Clients who have given us authority to vote proxies but wish to direct a particular vote may do so by submitting their instructions in writing to Mrs. White.

Clients may choose to retain the authority to vote the proxies related to securities in their accounts. In such instances, clients would receive the proxy statements from their custodians. Clients may contact Mrs. White at the address above if they have questions about a particular solicitation.

Proxy Voting Procedures

Fayez Sarofim & Co. has retained Institutional Shareholder Services (ISS) to act as independent voting agent for the firm's domestic and global proxies. This relationship dates back to October 2001. Based on Fayez Sarofim & Co.'s voting instructions, ISS will vote the proxies for all shares for which we have a fiduciary obligation to vote. ISS also resolves problems with missing proxies, reconciles any share discrepancies, documents proxy votes, and performs various other proxy services on our behalf.

The following description outlines the process by which Fayez Sarofim & Co. determines how to vote on a specific proxy issue. First, ISS analyzes the proxy proposal in accordance with a set of policy guidelines established by Fayez Sarofim & Co.'s Proxy Committee and makes a vote recommendation to the firm. This recommendation, which becomes the default position for the vote, is then sent to the analyst at our firm who is responsible for the research coverage of that security.

If our analyst agrees with the vote recommendation submitted by ISS, he or she will instruct ISS to cast the vote according to that recommendation. If the analyst at our firm does not agree with the default recommendation provided by ISS, the analyst must provide a written explanation of the reasons for the different opinion. This written explanation is reviewed by the chairman of the firm's Proxy Committee. If the chairman agrees with the analyst's recommendation, that recommendation becomes final and binding, and ISS is instructed to vote according to the analyst's recommendation. In the rare instance that the chairman and the analyst cannot reach an agreement, the matter is considered by all the investment professionals on the Proxy Committee. The decision of the group is final and binding. No employee of the firm may participate in the voting process for a particular proxy, if any one of the three disqualifying factors enumerated in the Proxy Voting Policy section above applies.

Fayez Sarofim & Co. and ISS, acting on our behalf, maintain as permanent records the original proxy bulletin, the voting instructions, and the reasons for such votes. To comply with a new ruling, the firm must also file with the SEC annually a record of our votes on certain designated executive compensation issues that have been voted on at shareholder meetings. This record must include the votes on these issues for all the shares that the firm had, or shared, the power to vote or the power to direct the vote.

Item 18 –Financial Information

The disclosures required by Item 18 do not apply to Fayez Sarofim & Co. The firm is in sound financial condition, and we are confident that we can meet future contractual commitments to our clients. The firm does not require, solicit or permit prepayment of fees. Neither Fayez Sarofim & Co. nor any of our affiliates has ever filed a bankruptcy petition.

Item 19 –Requirements for State-Registered Advisers

Fayez Sarofim & Co. is not a state-registered adviser.

Part 2B of Form ADV Brochure Supplement

Item 1 Cover Page

Fayez Sarofim & Co.

Two Houston Center, Suite 2907
Houston, Texas 77010-1083
Tel: 713-654-4484
Fax: 713-654-8184
www.sarofim.com
contact@sarofim.com

January 3, 2012

This Brochure Supplement provides information about the following investment professionals of Fayez Sarofim & Co. and supplements Fayez Sarofim & Co.'s Brochure. The Brochure is sometimes referred to as Part 2A of Form ADV. You should have received a copy of the Brochure.

*Fayez Sarofim	Satish (Steve) Gupta, Ph. D.
*Mrs. Raye G. White	Sherri H. Glover
*Christopher B. Sarofim	Kenneth M. Burke, Jr., CFA
*William Gentry Lee, Jr., CFA	Douglas K. Alder, CFA
*Jeffrey M. Jacobe, CFA	Brian W. Lemasters, CFA
*Ralph B. Thomas, CFA	Daniel P. Connally
*Charles E. Sheedy, CFA	Matthew M. Altenau
*Reynaldo Reza, CFA	S. E. Cody Dick, CFA
Alan R. Christensen, CFA	Nicholas J. Zdeblick, CFA
Catherine P. Crain, CFA	Victoria L. Fernandez
Robert M. Hopson III	A. J. Gracely, CFA

** Denotes member of Fayez Sarofim & Co.'s Investment Committee.*

A summary of professional designations is included at the end of this Brochure Supplement on page 49. The summary is provided to assist you in evaluating the professional designations held by our investment professionals.

If you did not receive the Brochure, or if you have any questions about the contents of this Supplement, please contact Mrs. Raye G. White at 713/654-4484 or rgwhite@sarofim.com. Mrs. White is the Executive Vice President of Fayez Sarofim & Co.

Additional information about our investment professionals is available on the Securities and Exchange Commission's website at www.adviserinfo.sec.gov.

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Fayez Sarofim

Item 2 Educational Background and Business Experience

Mr. Sarofim was born in 1928.

Professional Designation: Chartered Investment Counsellor (CIC)

Educational Background:

<u>Institution</u>	<u>Degree</u>	<u>Year Graduated</u>
Harvard University	M.B.A	1951
University of California at Berkeley	B.S.-Food Technology	1949

Business Experience (not including charitable, civic and similar activities):

<u>Company</u>	<u>Position</u>	<u>Time Period</u>
Fayez Sarofim & Co.	Chairman, Chief Executive Officer, Chief Investment Officer and Director	September 2010 - Present
	Chairman, President and Director	April 1983 – September 2010
	Chairman and Director	June 1982 – April 1983
	President and Director	August 1958 – June 1982
Sarofim Trust Co.	Chairman	September 2010 – Present
	Chairman and President	March 2008 – September 2010
	Chairman, President and Director	January 1978 – March 2008
Sarofim Realty Advisors Co.	Chairman and Director	June 1993 – Present
	President and Director	April 1983 – June 1993
	Director	July 1982 – April 1983
Sarofim International Management Company	Chairman, Chief Executive Officer, Chief Investment Officer and Director	September 2010 - Present
	Chairman and Director	May 2007 – September 2010
	Chairman, President and Director	November 1993 – May 2007

Sarofim Advisors Group, Inc.	Chairman, Chief Executive Officer, Chief Investment Officer and Director	September 2010 – Present
	Chairman and Director	May 2007 – September 2010
	Chairman, President and Director	November 1993 – May 2007
The Sarofim Group, Inc.	Chairman, Chief Executive Officer and Director	September 2010 – Present
	Chairman, President and Director	December 1995 – September 2010
Fayez Sarofim & Co. (UK) Limited	Chairman and Chief Executive Director	November 1991 – September 2007
Argo Group International Holdings, Ltd.	Director	August 2007 - May 2009
Argonaut Group, Inc.	Director	September 1986 – August 2007
Kinder Morgan, Inc.	Director	February 2011 – Present
	Director	August 1999 – May 2007
Kinder Morgan Holdco, LLC	Board of Managers Member	May 2007 – February 2011
Artisan Network, Inc.	Director	December 1999 – June 2011
Unitrin, Inc.	Director	March 1990 – Present

Item 3 Disciplinary Information

The purpose of Item 3 is to disclose any involvement Mr. Sarofim may have had over the last ten years in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him. Over the last ten years, Mr. Sarofim has not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him.

Item 4 Other Business Activities

The purpose of Item 4 is to disclose any involvement Mr. Sarofim may have in any business activities other than his employment with Fayez Sarofim & Co. and its affiliates. Item 2 above lists all of Mr. Sarofim's material business experience and activity for the

current year and the previous five years. Included in the list are two companies that are not affiliates of Fayez Sarofim & Co. (Kinder Morgan Inc. and Unitrin, Inc.) for which Mr. Sarofim currently performs services. Mr. Sarofim is compensated by Unitrin, Inc.

Item 5 Additional Compensation

The purpose of Item 5 is to disclose any financial arrangements with companies or individuals, other than Fayez Sarofim & Co., its affiliates and clients, which compensate Mr. Sarofim for providing advisory services. Mr. Sarofim is not compensated for providing advisory services under any financial arrangements with companies or individuals who are not clients of the firm or its affiliates.

Item 6 Supervision

The purpose of Item 6 is to disclose how Mr. Sarofim is supervised by Fayez Sarofim & Co. in the performance of his duties as a portfolio manager and how the investment advice he provides to clients of Fayez Sarofim & Co. is monitored.

As the Founder, Chief Executive Officer and controlling shareholder of Fayez Sarofim & Co., Mr. Sarofim is in a unique position of authority within the firm. However, the firm has policies that require all employees, including Mr. Sarofim, to comply with its Compliance Policies and Procedures, which include Codes of Ethics and Business Conduct.

All portfolio managers employed by Fayez Sarofim & Co. are required to implement the decisions of the Investment Committee and are supervised by the Chief Compliance Officer, Mrs. Raye G. White. Mrs. White is the Executive Vice President of the firm and can be contacted at 713/654-4484 or rgwhite@sarofim.com.

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Raye G. White

Item 2 Educational Background and Business Experience

Mrs. White was born in 1931.

Professional Designation: Chartered Investment Counsellor (CIC)

Educational Background: Attended Durham's Business College
University of St. Thomas, Honorary Doctorate, 2005

Business Experience (not including charitable, civic and similar activities):

<u>Company</u>	<u>Position</u>	<u>Time Period</u>
Fayez Sarofim & Co.	Executive Vice President Secretary, Treasurer and Director	June 1982 – Present
	Vice President, Secretary, Treasurer and Director	August 1958 – June 1982
Sarofim Trust Co.	President, Chief Executive Officer, Secretary, Treasurer and Director	September 2010 – Present
	Executive Vice President, Secretary, Treasurer and Director	January 1978 – September 2010
Sarofim International Management Company	Executive Vice President, Secretary, Treasurer and Director	November 1993 – Present
Sarofim Advisors Group, Inc.	Executive Vice President, Secretary, Treasurer and Director	November 1993 – Present
Sarofim Realty Advisors Co.	Secretary, Treasurer and Director	September 2010 – Present
	Secretary and Director	July 1982 – September 2010
The Sarofim Group, Inc.	Executive Vice President, Secretary, Treasurer and Director	December 1995 – Present
Fayez Sarofim & Co. (UK) Limited	Secretary	November 1991 – September 2007

Item 3 Disciplinary Information

The purpose of Item 3 is to disclose any involvement Mrs. White may have had over the last ten years in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of her. Over the last ten years, Mrs. White has not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of her.

Item 4 Other Business Activities

The purpose of Item 4 is to disclose any involvement Mrs. White may have in any business activities other than her employment with Fayez Sarofim & Co. and its affiliates. Item 2 above lists all of Mrs. White's material business experience and activity for the current year and the previous five years. All of the additional companies listed are or were affiliates of Fayez Sarofim & Co.

Item 5 Additional Compensation

The purpose of Item 5 is to disclose any financial arrangements with companies or individuals, other than Fayez Sarofim & Co., its affiliates and clients, which compensate Mrs. White for providing advisory services. Mrs. White is not compensated for providing advisory services under any financial arrangements with companies or individuals who are not clients of the firm or its affiliates.

Item 6 Supervision

The purpose of Item 6 is to disclose how Mrs. White is supervised by Fayez Sarofim & Co. in the performance of her duties as a member of the Investment Committee and how the investment advice she provides to clients of Fayez Sarofim & Co. is monitored.

Fayez Sarofim & Co. has policies that require all employees, including Mrs. White, to comply with its Compliance Policies and Procedures, which include Codes of Ethics and Business Conduct.

All portfolio managers employed by Fayez Sarofim & Co. are required to implement the decisions of the Investment Committee and are supervised by the Chief Compliance Officer, Mrs. Raye G. White, and the Chairman of the firm, Mr. Sarofim. Mr. Sarofim can be contacted by telephone at 713/654-4484.

Christopher B. Sarofim

Item 2 Educational Background and Business Experience

Mr. Sarofim was born in 1963.

Educational Background:

<u>Institution</u>	<u>Degree</u>	<u>Year Graduated</u>
Princeton University	A.B.	1986

Business Experience (not including charitable, civic and similar activities):

<u>Company</u>	<u>Position</u>	<u>Time Period</u>
Fayez Sarofim & Co.	Vice Chairman	September 2010 – Present
	Vice President	September 1999 – September 2010
	Principal	October 1994 – September 1999
	Senior Associate	June 1993 – October 1994
	Associate	August 1988 – June 1993
Sarofim Trust Co.	Vice Chairman	September 2010 – Present
	Vice President	September 1999 – September 2010
Sarofim International Management Company	Vice Chairman and President	September 2010 – Present
	President	June 2007 – September 2010
	Vice President	September 1999 – May 2007
	Associate	November 1993 – August 1999
Sarofim Advisors Group, Inc.	Vice Chairman	September 2010 – Present
	Vice President	September 1999 – September 2010
The Sarofim Group, Inc.	Vice Chairman	September 2010 – Present
	Vice President	September 1999 – September 2010

Item 3 Disciplinary Information

The purpose of Item 3 is to disclose any involvement Mr. Sarofim may have had over the last ten years in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him. Over the last ten years, Mr. Sarofim has not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him.

Item 4 Other Business Activities

The purpose of Item 4 is to disclose any involvement Mr. Sarofim may have in any business activities other than his employment with Fayez Sarofim & Co. and its affiliates. Item 2 above lists all of Mr. Sarofim's material business experience and activity for the current year and the previous five years. All of the additional companies listed are affiliates of Fayez Sarofim & Co.

Item 5 Additional Compensation

The purpose of Item 5 is to disclose any financial arrangements with companies or individuals, other than Fayez Sarofim & Co., its affiliates and clients, which compensate Mr. Sarofim for providing advisory services. Mr. Sarofim is not compensated for providing advisory services under any financial arrangements with companies or individuals who are not clients of the firm or its affiliates.

Item 6 Supervision

The purpose of Item 6 is to disclose how Mr. Sarofim is supervised by Fayez Sarofim & Co. in the performance of his duties as a portfolio manager and how the investment advice he provides to clients of Fayez Sarofim & Co. is monitored.

Fayez Sarofim & Co. has policies that require all employees, including Mr. Sarofim, to comply with its Compliance Policies and Procedures, which include Codes of Ethics and Business Conduct.

All portfolio managers employed by Fayez Sarofim & Co. are required to implement the decisions of the Investment Committee and are supervised by the Chief Compliance Officer, Mrs. Raye G. White. Mrs. White is the Executive Vice President of the firm and can be contacted at 713/654-4484 or rgwhite@sarofim.com.

William Gentry Lee, Jr., CFA

Item 2 Educational Background and Business Experience

Mr. Lee was born in 1972.

Professional Designation: Chartered Financial Analyst (CFA)

Educational Background:

<u>Institution</u>	<u>Degree</u>	<u>Year Graduated</u>
Harvard University	M.B.A. – High Distinction	1998
Vanderbilt University	B.A. – Economics, Summa Cum Laude with High Honors	1994

Business Experience (not including charitable, civic and similar activities):

<u>Company</u>	<u>Position</u>	<u>Time Period</u>
Fayez Sarofim & Co.	President	September 2010 – Present
	Vice President and Chief Operating Officer	June 2008 – September 2010
	Vice President and Chief of Staff	May 2007 – June 2008
	Vice President	November 2003– May 2007
	Principal	January 2002 – November 2003
	Associate	July 1998 – January 2002
Sarofim Trust Co.	Senior Vice President	September 2010 – Present
	Vice President	November 2003 – September 2010
Sarofim International Management Company	Senior Vice President	September 2010 – Present
	Vice President	November 2003 – September 2010
Sarofim Advisors Group, Inc.	President	September 2010 – Present
	Vice President	November 2003 – September 2010

Sarofim Realty Advisors Co.	Senior Vice President	September 2010 – Present
The Sarofim Group, Inc.	President	September 2010 – Present
	Vice President	November 2003 – September 2010

Item 3 Disciplinary Information

The purpose of Item 3 is to disclose any involvement Mr. Lee may have had over the last ten years in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him. Over the last ten years, Mr. Lee has not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him.

Item 4 Other Business Activities

The purpose of Item 4 is to disclose any involvement Mr. Lee may have in any business activities other than his employment with Fayeze Sarofim & Co. and its affiliates. Item 2 above lists all of Mr. Lee's material business experience and activity for the current year and the previous five years. All of the additional companies listed are affiliates of Fayeze Sarofim & Co.

Item 5 Additional Compensation

The purpose of Item 5 is to disclose any financial arrangements with companies or individuals, other than Fayeze Sarofim & Co., its affiliates and clients, which compensate Mr. Lee for providing advisory services. Mr. Lee is not compensated for providing advisory services under any financial arrangements with companies or individuals who are not clients of the firm or its affiliates.

Item 6 Supervision

The purpose of Item 6 is to disclose how Mr. Lee is supervised by Fayeze Sarofim & Co. in the performance of his duties as a portfolio manager and how the investment advice he provides to clients of Fayeze Sarofim & Co. is monitored.

Fayeze Sarofim & Co. has policies that require all employees, including Mr. Lee, to comply with its Compliance Policies and Procedures, which include Codes of Ethics and Business Conduct.

All portfolio managers employed by Fayeze Sarofim & Co. are required to implement the decisions of the Investment Committee and are supervised by the Chief Compliance Officer, Mrs. Raye G. White. Mrs. White is the Executive Vice President of the firm and can be contacted at 713/654-4484 or rgwhite@sarofim.com.

Jeffrey M. Jacobe, CFA

Item 2 Educational Background and Business Experience

Mr. Jacobe was born in 1971.

Professional Designation: Chartered Financial Analyst (CFA)

Educational Background:

<u>Institution</u>	<u>Degree</u>	<u>Year Graduated</u>
Harvard Business School	M.B.A.	1999
University of Texas at Austin	B.B.A. – Finance with Honors	1994

Business Experience (not including charitable, civic and similar activities):

<u>Company</u>	<u>Position</u>	<u>Time Period</u>
Fayez Sarofim & Co.	Senior Vice President and Director of Investments	September 2010 – Present
	Vice President and Director of Investments	June 2007 – September 2010
	Senior Principal	November 2003 – May 2007
	Associate	July 2000 – November 2003
Sarofim Trust Co.	Senior Vice President and Director of Investments	September 2010 – Present
	Vice President	June 2007 – September 2010
Sarofim International Management Company	Senior Vice President and Director of Investments	September 2010 – Present
	Vice President	June 2007 – September 2010
Sarofim Advisors Group, Inc.	Senior Vice President and Director of Investments	September 2010 – Present
	Vice President	June 2007 – September 2010

The Sarofim Group, Inc.	Senior Vice President and Director of Investments	September 2010 – Present
	Vice President	June 2007 – September 2010

Item 3 Disciplinary Information

The purpose of Item 3 is to disclose any involvement Mr. Jacobe may have had over the last ten years in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him. Over the last ten years, Mr. Jacobe has not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him.

Item 4 Other Business Activities

The purpose of Item 4 is to disclose any involvement Mr. Jacobe may have in any business activities other than his employment with Fayeze Sarofim & Co. and its affiliates. Item 2 above lists all of Mr. Jacobe's material business experience and activity for the current year and the previous five years. All of the additional companies listed are affiliates of Fayeze Sarofim & Co.

Item 5 Additional Compensation

The purpose of Item 5 is to disclose any financial arrangements with companies or individuals, other than Fayeze Sarofim & Co., its affiliates and clients, which compensate Mr. Jacobe for providing advisory services. Mr. Jacobe is not compensated for providing advisory services under any financial arrangements with companies or individuals who are not clients of the firm or its affiliates.

Item 6 Supervision

The purpose of Item 6 is to disclose how Mr. Jacobe is supervised by Fayeze Sarofim & Co. in the performance of his duties as a portfolio manager and how the investment advice he provides to clients of Fayeze Sarofim & Co. is monitored.

Fayeze Sarofim & Co. has policies that require all employees, including Mr. Jacobe, to comply with its Compliance Policies and Procedures, which include Codes of Ethics and Business Conduct.

All portfolio managers employed by Fayeze Sarofim & Co. are required to implement the decisions of the Investment Committee and are supervised by the Chief Compliance Officer, Mrs. Raye G. White. Mrs. White is the Executive Vice President of the firm and can be contacted at 713/654-4484 or rgwhite@sarofim.com.

Ralph B. Thomas, CFA

Item 2 Educational Background and Business Experience

Mr. Thomas was born in 1944.

Professional Designations: Chartered Financial Analyst (CFA)
Chartered Investment Counsellor (CIC)

Educational Background:

<u>Institution</u>	<u>Degree</u>	<u>Year Graduated</u>
University of Texas at Austin	M.B.A - Finance	1968
University of Texas at Austin	B.B.A. - Finance	1966

Business Experience (not including charitable, civic and similar activities):

<u>Company</u>	<u>Position</u>	<u>Time Period</u>
Fayez Sarofim & Co.	Senior Vice President	June 1982 – Present
	Vice President	July 1973 – June 1982
	Associate	June 1968 – June 1973
Sarofim Trust Co.	Senior Vice President and Director	August 1997 – Present
	Vice President and Director	February 1998 – August 1997
	Vice President	August 1985 – February 1988
	Associate	March 1982 – August 1985
Sarofim International Management Company	Senior Vice President	November 1993 – Present
Sarofim Advisors Group, Inc.	Senior Vice President	November 1993 – Present
The Sarofim Group, Inc.	Senior Vice President	December 1995 – Present

Item 3 Disciplinary Information

The purpose of Item 3 is to disclose any involvement Mr. Thomas may have had over the last ten years in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him. Over the last ten years, Mr. Thomas has not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him.

Item 4 Other Business Activities

The purpose of Item 4 is to disclose any involvement Mr. Thomas may have in any business activities other than his employment with Fayez Sarofim & Co. and its affiliates. Item 2 above lists all of Mr. Thomas's material business experience and activity for the current year and the previous five years. All of the additional companies listed are affiliates of Fayez Sarofim & Co.

Item 5 Additional Compensation

The purpose of Item 5 is to disclose any financial arrangements with companies or individuals, other than Fayez Sarofim & Co., its affiliates and clients, which compensate Mr. Thomas for providing advisory services. Mr. Thomas is not compensated for providing advisory services under any financial arrangements with companies or individuals who are not clients of the firm or its affiliates.

Item 6 Supervision

The purpose of Item 6 is to disclose how Mr. Thomas is supervised by Fayez Sarofim & Co. in the performance of his duties as a portfolio manager and how the investment advice he provides to clients of Fayez Sarofim & Co. is monitored.

Fayez Sarofim & Co. has policies that require all employees, including Mr. Thomas, to comply with its Compliance Policies and Procedures, which include Codes of Ethics and Business Conduct.

All portfolio managers employed by Fayez Sarofim & Co. are required to implement the decisions of the Investment Committee and are supervised by the Chief Compliance Officer, Mrs. Raye G. White. Mrs. White is the Executive Vice President of the firm and can be contacted at 713/654-4484 or rgwhite@sarofim.com.

Charles E. Sheedy, CFA

Item 2 Educational Background and Business Experience

Mr. Sheedy was born in 1947.

Professional Designations: Chartered Financial Analyst (CFA)
Chartered Investment Counsellor (CIC)

Educational Background:

<u>Institution</u>	<u>Degree</u>	<u>Year Graduated</u>
Harvard University	M.B.A.	1971
University of Notre Dame	B.A.- English Literature	1969

Business Experience (not including charitable, civic and similar activities):

<u>Company</u>	<u>Position</u>	<u>Time Period</u>
Fayez Sarofim & Co.	Senior Vice President	October 1986 – Present
	Vice President	June 1982 – October 1986
	Senior Associate	July 1978 – June 1982
	Associate	June 1971 – July 1978
Sarofim Trust Co.	Senior Vice President and Director	August 1997 – Present
	Vice President and Director	February 1998 – August 1997
	Vice President	August 1985 – February 1988
	Associate	March 1982 – August 1985
Sarofim Realty Advisors Co.	Vice Chairman	June 1993 – Present
Sarofim International Management Company	Senior Vice President	November 1993 – Present
Sarofim Advisors Group, Inc.	Senior Vice President	November 1993 – Present
The Sarofim Group, Inc.	Senior Vice President	December 1995 – Present

Item 3 Disciplinary Information

The purpose of Item 3 is to disclose any involvement Mr. Sheedy may have had over the last ten years in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him. Over the last ten years, Mr. Sheedy has not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him.

Item 4 Other Business Activities

The purpose of Item 4 is to disclose any involvement Mr. Sheedy may have in any business activities other than his employment with Fayeze Sarofim & Co. and its affiliates. Item 2 above lists all of Mr. Sheedy's material business experience and activity for the current year and the previous five years. All of the additional companies listed are affiliates of Fayeze Sarofim & Co.

Item 5 Additional Compensation

The purpose of Item 5 is to disclose any financial arrangements with companies or individuals, other than Fayeze Sarofim & Co., its affiliates and clients, which compensate Mr. Sheedy for providing advisory services. Mr. Sheedy is not compensated for providing advisory services under any financial arrangements with companies or individuals who are not clients of the firm or its affiliates.

Item 6 Supervision

The purpose of Item 6 is to disclose how Mr. Sheedy is supervised by Fayeze Sarofim & Co. in the performance of his duties as a portfolio manager and how the investment advice he provides to clients of Fayeze Sarofim & Co. is monitored.

Fayeze Sarofim & Co. has policies that require all employees, including Mr. Sheedy, to comply with its Compliance Policies and Procedures, which include Codes of Ethics and Business Conduct.

All portfolio managers employed by Fayeze Sarofim & Co. are required to implement the decisions of the Investment Committee and are supervised by the Chief Compliance Officer, Mrs. Raye G. White. Mrs. White is the Executive Vice President of the firm and can be contacted at 713/654-4484 or rgwhite@sarofim.com.

Reynaldo Reza, CFA

Item 2 Educational Background and Business Experience

Mr. Reza was born in 1962.

Professional Designation: Chartered Financial Analyst (CFA)

Educational Background:

<u>Institution</u>	<u>Degree</u>	<u>Year Graduated</u>
Harvard University	M.B.A.	1995
United States Military Academy	B.S. – Aerospace Engineering	1984

Business Experience (not including charitable, civic and similar activities):

<u>Company</u>	<u>Position</u>	<u>Time Period</u>
Fayez Sarofim & Co.	Vice President	November 2003 – Present
	Principal	April 1998 – November 2003
	Associate	July 1995 – April 1998
Sarofim Trust Co.	Vice President	November 2003 – Present
Sarofim International Management Company	Vice President	November 2003 – Present
Sarofim Advisors Group, Inc.	Vice President	November 2003 – Present
The Sarofim Group, Inc.	Vice President	November 2003 – Present

Item 3 Disciplinary Information

The purpose of Item 3 is to disclose any involvement Mr. Reza may have had over the last ten years in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him. Over the last ten years, Mr. Reza has not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him.

Item 4 Other Business Activities

The purpose of Item 4 is to disclose any involvement Mr. Reza may have in any business activities other than his employment with Fayeze Sarofim & Co. and its affiliates. Item 2 above lists all of Mr. Reza's material business experience and activity for the current year and the previous five years. All of the additional companies listed are affiliates of Fayeze Sarofim & Co.

Item 5 Additional Compensation

The purpose of Item 5 is to disclose any financial arrangements with companies or individuals, other than Fayeze Sarofim & Co., its affiliates and clients, which compensate Mr. Reza for providing advisory services. Mr. Reza is not compensated for providing advisory services under any financial arrangements with companies or individuals who are not clients of the firm or its affiliates.

Item 6 Supervision

The purpose of Item 6 is to disclose how Mr. Reza is supervised by Fayeze Sarofim & Co. in the performance of his duties as a portfolio manager and how the investment advice he provides to clients of Fayeze Sarofim & Co. is monitored.

Fayeze Sarofim & Co. has policies that require all employees, including Mr. Reza, to comply with its Compliance Policies and Procedures, which include Codes of Ethics and Business Conduct.

All portfolio managers employed by Fayeze Sarofim & Co. are required to implement the decisions of the Investment Committee and are supervised by the Chief Compliance Officer, Mrs. Raye G. White. Mrs. White is the Executive Vice President of the firm and can be contacted at 713/654-4484 or rgwhite@sarofim.com.

Alan R. Christensen, CFA

Item 2 Educational Background and Business Experience

Mr. Christensen was born in 1973.

Professional Designation: Chartered Financial Analyst (CFA)

Educational Background:

<u>Institution</u>	<u>Degree</u>	<u>Year Graduated</u>
Cornell University	M.B.A	2005
Washington & Lee University	B.A. – Economics and History	1995

Business Experience (not including charitable, civic and similar activities):

<u>Company</u>	<u>Position</u>	<u>Time Period</u>
Fayez Sarofim & Co.	Vice President and Chief Operating Officer	September 2010 - Present
	Principal	June 2008 – August 2010
	Associate	December 2005 – May 2008
Sarofim Trust Co.	Vice President and Chief Operating Officer	September 2010 – Present
Sarofim International Management Company	Vice President and Chief Operating Officer	September 2010 – Present
Sarofim Advisors Group, Inc.	Vice President and Chief Operating Officer	September 2010 – Present
The Sarofim Group, Inc.	Vice President and Chief Operating Officer	September 2010 – Present
Alvarez & Marsal, LLP	Director	August 2005 – December 2005
Accenture, LLP	Senior Manager	August 1995 – August 2003

Item 3 Disciplinary Information

The purpose of Item 3 is to disclose any involvement Mr. Christensen may have had over the last ten years in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him. Over the last ten years, Mr. Christensen has not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him.

Item 4 Other Business Activities

The purpose of Item 4 is to disclose any involvement Mr. Christensen may have in any business activities other than his employment with Fayeze Sarofim & Co. and its affiliates. Item 2 above lists all of Mr. Christensen's material business experience and activity for the current year and the previous five years. All of the additional companies listed, in which Mr. Christensen is currently active, are affiliates of Fayeze Sarofim & Co.

Item 5 Additional Compensation

The purpose of Item 5 is to disclose any financial arrangements with companies or individuals, other than Fayeze Sarofim & Co., its affiliates and clients, which compensate Mr. Christensen for providing advisory services. Mr. Christensen is not compensated for providing advisory services under any financial arrangements with companies or individuals who are not clients of the firm or its affiliates.

Item 6 Supervision

The purpose of Item 6 is to disclose how Mr. Christensen is supervised by Fayeze Sarofim & Co. in the performance of his duties as a portfolio manager and how the investment advice he provides to clients of Fayeze Sarofim & Co. is monitored.

Fayeze Sarofim & Co. has policies that require all employees, including Mr. Christensen, to comply with its Compliance Policies and Procedures, which include Codes of Ethics and Business Conduct.

All portfolio managers employed by Fayeze Sarofim & Co. are required to implement the decisions of the Investment Committee and are supervised by the Chief Compliance Officer, Mrs. Raye G. White. Mrs. White is the Executive Vice President of the firm and can be contacted at 713/654-4484 or rgwhite@sarofim.com.

Catherine P. Crain, CFA

Item 2 Educational Background and Business Experience

Mrs. Crain was born in 1967.

Professional Designation: Chartered Financial Analyst (CFA)

Educational Background:

<u>Institution</u>	<u>Degree</u>	<u>Year Graduated</u>
University of Texas at Austin	M.B.A. – Finance	1993
University of Texas at Austin	B.A. – Plan II Liberal Arts Honors Program	1989

Business Experience (not including charitable, civic and similar activities):

<u>Company</u>	<u>Position</u>	<u>Time Period</u>
Fayez Sarofim & Co.	Vice President and Director of Marketing and Client Service	June 2007 – Present
	Vice President	November 2003 – May 2007
	Principal	April 1998 – October 2003
	Associate	August 1993 – April 1998
Sarofim Trust Co.	Vice President	November 2003 – Present
Sarofim International Management Company	Vice President	November 2003 – Present
Sarofim Advisors Group, Inc.	Vice President	November 2003 – Present
The Sarofim Group, Inc.	Vice President	November 2003 – Present

Item 3 Disciplinary Information

The purpose of Item 3 is to disclose any involvement Mrs. Crain may have had over the last ten years in any legal or disciplinary events that would be material to a client's or

prospective client's evaluation of her. Over the last ten years, Mrs. Crain has not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of her.

Item 4 Other Business Activities

The purpose of Item 4 is to disclose any involvement Mrs. Crain may have in any business activities other than her employment with Fayez Sarofim & Co. and its affiliates. Item 2 above lists all of Mrs. Crain's material business experience and activity for the current year and the previous five years. All of the additional companies listed are affiliates of Fayez Sarofim & Co.

Item 5 Additional Compensation

The purpose of Item 5 is to disclose any financial arrangements with companies or individuals, other than Fayez Sarofim & Co., its affiliates and clients, which compensate Mrs. Crain for providing advisory services. Mrs. Crain is not compensated for providing advisory services under any financial arrangements with companies or individuals who are not clients of the firm or its affiliates.

Item 6 Supervision

The purpose of Item 6 is to disclose how Mrs. Crain is supervised by Fayez Sarofim & Co. in the performance of her duties as a portfolio manager and how the investment advice she provides to clients of Fayez Sarofim & Co. is monitored.

Fayez Sarofim & Co. has policies that require all employees, including Mrs. Crain, to comply with its Compliance Policies and Procedures, which include Codes of Ethics and Business Conduct.

All portfolio managers employed by Fayez Sarofim & Co. are required to implement the decisions of the Investment Committee and are supervised by the Chief Compliance Officer, Mrs. Raye G. White. Mrs. White is the Executive Vice President of the firm and can be contacted at 713/654-4484 or rgwhite@sarofim.com.

Robert M. Hopson III

Item 2 Educational Background and Business Experience

Mr. Hopson was born in 1969.

Educational Background:

<u>Institution</u>	<u>Degree</u>	<u>Year Graduated</u>
Southern Methodist University	B.S. – Finance/Economics	1994

Business Experience (not including charitable, civic and similar activities):

<u>Company</u>	<u>Position</u>	<u>Time Period</u>
Fayez Sarofim & Co.	Vice President	March 2010 – Present
	Senior Principal	November 2003 – March 2010
	Principal	November 1999 – October 2003
	Associate	April 1997 – October 1999
	Marketing Specialist	May 1994 – March 1997
Sarofim Trust Co.	Vice President	March 2010 – Present
Sarofim International Management Company	Vice President	March 2010 – Present
Sarofim Advisors Group, Inc.	Vice President	March 2010 – Present
The Sarofim Group, Inc.	Vice President	March 2010 – Present

Item 3 Disciplinary Information

The purpose of Item 3 is to disclose any involvement Mr. Hopson may have had over the last ten years in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him. Over the last ten years, Mr. Hopson has not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him.

Item 4 Other Business Activities

The purpose of Item 4 is to disclose any involvement Mr. Hopson may have in any business activities other than his employment with Fayeze Sarofim & Co. and its affiliates. Item 2 above lists all of Mr. Hopson's material business experience and activity for the current year and the previous five years. All of the additional companies listed are affiliates of Fayeze Sarofim & Co.

Item 5 Additional Compensation

The purpose of Item 5 is to disclose any financial arrangements with companies or individuals, other than Fayeze Sarofim & Co., its affiliates and clients, which compensate Mr. Hopson for providing advisory services. Mr. Hopson is not compensated for providing advisory services under any financial arrangements with companies or individuals who are not clients of the firm or its affiliates.

Item 6 Supervision

The purpose of Item 6 is to disclose how Mr. Hopson is supervised by Fayeze Sarofim & Co. in the performance of his duties as a portfolio manager and how the investment advice he provides to clients of Fayeze Sarofim & Co. is monitored.

Fayeze Sarofim & Co. has policies that require all employees, including Mr. Hopson, to comply with its Compliance Policies and Procedures, which include Codes of Ethics and Business Conduct.

All portfolio managers employed by Fayeze Sarofim & Co. are required to implement the decisions of the Investment Committee and are supervised by the Chief Compliance Officer, Mrs. Raye G. White. Mrs. White is the Executive Vice President of the firm and can be contacted at 713/654-4484 or rgwhite@sarofim.com.

Satish (Steve) Gupta, Ph.D.

Item 2 Educational Background and Business Experience

Mr. Gupta was born in 1945.

Educational Background:

<u>Institution</u>	<u>Degree</u>	<u>Year Graduated</u>
University of Texas at Austin	M.B.A. – Finance/Marketing	1978
University of Houston	Ph.D. – Biophysical Sciences/Chemistry	1973
Agra University	M. Sc. - Chemistry	1965
Punjab University	B. Sc. – Chemistry, Physics, Mathematics	1963

Business Experience (not including charitable, civic and similar activities):

<u>Company</u>	<u>Position</u>	<u>Time Period</u>
Fayez Sarofim & Co.	Vice President	February 1998 – Present
	Senior Principal	October 1994 – January 1998
	Principal	June 1993 – October 1994
	Associate	May 1986 – June 1993
Sarofim Trust Co.	Vice President	February 1998 – Present
Sarofim International Management Company	Vice President	February 1998 – Present
Sarofim Advisors Group, Inc.	Vice President	February 1998 – Present
The Sarofim Group, Inc.	Vice President	February 1998 – Present

Item 3 Disciplinary Information

The purpose of Item 3 is to disclose any involvement Mr. Gupta may have had over the last ten years in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him. Over the last ten years, Mr. Gupta has not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him.

Item 4 Other Business Activities

The purpose of Item 4 is to disclose any involvement Mr. Gupta may have in any business activities other than his employment with Fayeze Sarofim & Co. and its affiliates. Item 2 above lists all of Mr. Gupta's material business experience and activity for the current year and the previous five years. All of the additional companies listed are affiliates of Fayeze Sarofim & Co.

Item 5 Additional Compensation

The purpose of Item 5 is to disclose any financial arrangements with companies or individuals, other than Fayeze Sarofim & Co., its affiliates and clients, which compensate Mr. Gupta for providing advisory services. Mr. Gupta is not compensated for providing advisory services under any financial arrangements with companies or individuals who are not clients of the firm or its affiliates.

Item 6 Supervision

The purpose of Item 6 is to disclose how Mr. Gupta is supervised by Fayeze Sarofim & Co. in the performance of his duties as a portfolio manager and how the investment advice he provides to clients of Fayeze Sarofim & Co. is monitored.

Fayeze Sarofim & Co. has policies that require all employees, including Mr. Gupta, to comply with its Compliance Policies and Procedures, which include Codes of Ethics and Business Conduct.

All portfolio managers employed by Fayeze Sarofim & Co. are required to implement the decisions of the Investment Committee and are supervised by the Chief Compliance Officer, Mrs. Raye G. White. Mrs. White is the Executive Vice President of the firm and can be contacted at 713/654-4484 or rgwhite@sarofim.com.

Sherri H. Glover

Item 2 Educational Background and Business Experience

Mrs. Glover was born in 1947.

Educational Background:

<u>Institution</u>	<u>Degree</u>	<u>Year Graduated</u>
Stephen F. Austin State University	B.S. – Economics	1969

Business Experience (not including charitable, civic and similar activities):

<u>Company</u>	<u>Position</u>	<u>Time Period</u>
Fayez Sarofim & Co.	Principal	December 1998 – Present
Advantage Capital Corporation	Senior Vice President	October 1990 – November 1998

Item 3 Disciplinary Information

The purpose of Item 3 is to disclose any involvement Mrs. Glover may have had over the last ten years in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of her. Over the last ten years, Mrs. Glover has not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of her.

Item 4 Other Business Activities

The purpose of Item 4 is to disclose any involvement Mrs. Glover may have in any business activities other than her employment with Fayez Sarofim & Co. and its affiliates. Item 2 above lists all of Mrs. Glover's material business experience and activity for the current year and the previous five years. Mrs. Glover is currently employed only at Fayez Sarofim & Co.

Item 5 Additional Compensation

The purpose of Item 5 is to disclose any financial arrangements with companies or individuals, other than Fayez Sarofim & Co., its affiliates and clients, which compensate Mrs. Glover for providing advisory services. Mrs. Glover is not compensated for providing advisory services under any financial arrangements with companies or individuals who are not clients of the firm or its affiliates.

Item 6 Supervision

The purpose of Item 6 is to disclose how Mrs. Glover is supervised by Fayeze Sarofim & Co. in the performance of her duties as a portfolio manager and how the investment advice she provides to clients of Fayeze Sarofim & Co. is monitored.

Fayeze Sarofim & Co. has policies that require all employees, including Mrs. Glover, to comply with its Compliance Policies and Procedures, which include Codes of Ethics and Business Conduct.

All portfolio managers employed by Fayeze Sarofim & Co. are required to implement the decisions of the Investment Committee and are supervised by the Chief Compliance Officer, Mrs. Raye G. White. Mrs. White is the Executive Vice President of the firm and can be contacted at 713/654-4484 or rgwhite@sarofim.com.

Kenneth M. Burke, Jr., CFA

Item 2 Educational Background and Business Experience

Mr. Burke was born in 1974.

Professional Designation: Chartered Financial Analyst (CFA)

Educational Background:

<u>Institution</u>	<u>Degree</u>	<u>Year Graduated</u>
University of Texas at Austin	M.B.A.	2001
Vanderbilt University	B.B.A.- Math and Economics	1997

Business Experience (not including charitable, civic and similar activities):

<u>Company</u>	<u>Position</u>	<u>Time Period</u>
Fayez Sarofim & Co.	Principal	June 2007 - Present
	Associate	June 2001 – May 2007

Item 3 Disciplinary Information

The purpose of Item 3 is to disclose any involvement Mr. Burke may have had over the last ten years in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him. Over the last ten years, Mr. Burke has not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him.

Item 4 Other Business Activities

The purpose of Item 4 is to disclose any involvement Mr. Burke may have in any business activities other than his employment with Fayez Sarofim & Co. and its affiliates. Item 2 above lists all of Mr. Burke's material business experience and activity for the current year and the previous five years. Mr. Burke is currently employed only at Fayez Sarofim & Co.

Item 5 Additional Compensation

The purpose of Item 5 is to disclose any financial arrangements with companies or individuals, other than Fayez Sarofim & Co., its affiliates and clients, which compensate Mr. Burke for providing advisory services. Mr. Burke is not compensated for providing

advisory services under any financial arrangements with companies or individuals who are not clients of the firm or its affiliates.

Item 6 Supervision

The purpose of Item 6 is to disclose how Mr. Burke is supervised by Fayeze Sarofim & Co. in the performance of his duties as a portfolio manager and how the investment advice he provides to clients of Fayeze Sarofim & Co. is monitored.

Fayeze Sarofim & Co. has policies that require all employees, including Mr. Burke, to comply with its Compliance Policies and Procedures, which include Codes of Ethics and Business Conduct.

All portfolio managers employed by Fayeze Sarofim & Co. are required to implement the decisions of the Investment Committee and are supervised by the Chief Compliance Officer, Mrs. Raye G. White. Mrs. White is the Executive Vice President of the firm and can be contacted at 713/654-4484 or rgwhite@sarofim.com.

Douglas K. Alder, CFA

Item 2 Educational Background and Business Experience

Mr. Alder was born in 1973.

Professional Designation: Chartered Financial Analyst (CFA)

Educational Background:

<u>Institution</u>	<u>Degree</u>	<u>Year Graduated</u>
University of Texas at Austin	M.B.A.	2002
Brigham Young University	B.S.- Mechanical Engineering, Summa Cum Laude	1997

Business Experience (not including charitable, civic and similar activities):

<u>Company</u>	<u>Position</u>	<u>Time Period</u>
Fayez Sarofim & Co.	Principal	June 2007 – Present
	Associate	June 2002 – May 2007

Item 3 Disciplinary Information

The purpose of Item 3 is to disclose any involvement Mr. Alder may have had over the last ten years in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him. Over the last ten years, Mr. Alder has not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him.

Item 4 Other Business Activities

The purpose of Item 4 is to disclose any involvement Mr. Alder may have in any business activities other than his employment with Fayez Sarofim & Co. and its affiliates. Item 2 above lists all of Mr. Alder's material business experience and activity for the current year and the previous five years. Mr. Alder is currently employed only at Fayez Sarofim & Co.

Item 5 Additional Compensation

The purpose of Item 5 is to disclose any financial arrangements with companies or individuals, other than Fayez Sarofim & Co., its affiliates and clients, which compensate

Mr. Alder for providing advisory services. Mr. Alder is not compensated for providing advisory services under any financial arrangements with companies or individuals who are not clients of the firm or its affiliates.

Item 6 Supervision

The purpose of Item 6 is to disclose how Mr. Alder is supervised by Faye Sarofim & Co. in the performance of his duties as a portfolio manager and how the investment advice he provides to clients of Faye Sarofim & Co. is monitored.

Faye Sarofim & Co. has policies that require all employees, including Mr. Alder, to comply with its Compliance Policies and Procedures, which include Codes of Ethics and Business Conduct.

All portfolio managers employed by Faye Sarofim & Co. are required to implement the decisions of the Investment Committee and are supervised by the Chief Compliance Officer, Mrs. Raye G. White. Mrs. White is the Executive Vice President of the firm and can be contacted at 713/654-4484 or rgwhite@sarofim.com.

Brian W. Lemasters, CFA

Item 2 Educational Background and Business Experience

Mr. Lemasters was born in 1974.

Professional Designation: Chartered Financial Analyst (CFA)

Educational Background:

<u>Institution</u>	<u>Degree</u>	<u>Year Graduated</u>
Harvard University	M.B.A.	2003
Bethany College	B.A. – Economics, Summa Cum Laude	1996

Business Experience (not including charitable, civic and similar activities):

<u>Company</u>	<u>Position</u>	<u>Time Period</u>
Fayez Sarofim & Co.	Principal	June 2008 – Present
	Senior Associate	May 2007 – June 2008
	Associate	August 2003 – May 2007

Item 3 Disciplinary Information

The purpose of Item 3 is to disclose any involvement Mr. Lemasters may have had over the last ten years in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him. Over the last ten years, Mr. Lemasters has not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him.

Item 4 Other Business Activities

The purpose of Item 4 is to disclose any involvement Mr. Lemasters may have in any business activities other than his employment with Fayez Sarofim & Co. and its affiliates. Item 2 above lists all of Mr. Lemasters's material business experience and activity for the current year and the previous five years. Mr. Lemasters is currently employed only at Fayez Sarofim & Co.

Item 5 Additional Compensation

The purpose of Item 5 is to disclose any financial arrangements with companies or individuals, other than Fayez Sarofim & Co., its affiliates and clients, which compensate Mr. Lemasters for providing advisory services. Mr. Lemasters is not compensated for

providing advisory services under any financial arrangements with companies or individuals who are not clients of the firm or its affiliates.

Item 6 Supervision

The purpose of Item 6 is to disclose how Mr. Lemasters is supervised by Fayez Sarofim & Co. in the performance of his duties as a portfolio manager and how the investment advice he provides to clients of Fayez Sarofim & Co. is monitored.

Fayez Sarofim & Co. has policies that require all employees, including Mr. Lemasters, to comply with its Compliance Policies and Procedures, which include Codes of Ethics and Business Conduct.

All portfolio managers employed by Fayez Sarofim & Co. are required to implement the decisions of the Investment Committee and are supervised by the Chief Compliance Officer, Mrs. Raye G. White. Mrs. White is the Executive Vice President of the firm and can be contacted at 713/654-4484 and rgwhite@sarofim.com.

Daniel P. Connally

Item 2 Educational Background and Business Experience

Mr. Connally was born in 1974.

Educational Background:

<u>Institution</u>	<u>Degree</u>	<u>Year Graduated</u>
University of Texas	M.B.A.	2006
Vanderbilt University	B.A. – Economics	1997

Business Experience (not including charitable, civic and similar activities):

<u>Company</u>	<u>Position</u>	<u>Time Period</u>
Fayez Sarofim & Co.	Principal	March 2010 – Present
	Associate	June 2006 – March 2010
	Financial Analyst	June 2002 – July 2004

Item 3 Disciplinary Information

The purpose of Item 3 is to disclose any involvement Mr. Connally may have had over the last ten years in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him. Over the last ten years, Mr. Connally has not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him.

Item 4 Other Business Activities

The purpose of Item 4 is to disclose any involvement Mr. Connally may have in any business activities other than his employment with Fayez Sarofim & Co. and its affiliates. Item 2 above lists all of Mr. Connally's material business experience and activity for the current year and the previous five years. Mr. Connally is currently employed only at Fayez Sarofim & Co.

Item 5 Additional Compensation

The purpose of Item 5 is to disclose any financial arrangements with companies or individuals, other than Fayez Sarofim & Co., its affiliates and clients, which compensate Mr. Connally for providing advisory services. Mr. Connally is not compensated for providing advisory services under any financial arrangements with companies or individuals who are not clients of the firm or its affiliates.

Item 6 Supervision

The purpose of Item 6 is to disclose how Mr. Connally is supervised by Fayeze Sarofim & Co. in the performance of his duties as a principal and how the investment advice he provides to clients of Fayeze Sarofim & Co. is monitored.

Fayeze Sarofim & Co. has policies that require all employees, including Mr. Connally, to comply with its Compliance Policies and Procedures, which include Codes of Ethics and Business Conduct.

All portfolio managers employed by Fayeze Sarofim & Co. are required to implement the decisions of the Investment Committee and are supervised by the Chief Compliance Officer, Mrs. Raye G. White. Mrs. White is the Executive Vice President of the firm and can be contacted at 713/654-4484 and rgwhite@sarofim.com.

Matthew M. Altenau

Item 2 Educational Background and Business Experience

Mr. Altenau was born in 1977.

Educational Background:

<u>Institution</u>	<u>Degree</u>	<u>Year Graduated</u>
University of Texas	M.B.A.	2006
Vanderbilt University	B.A. – Economics	1999

Business Experience (not including charitable, civic and similar activities):

<u>Company</u>	<u>Position</u>	<u>Time Period</u>
Fayez Sarofim & Co.	Principal	March 2010 – Present
	Associate	July 2006 – March 2010
	Financial Analyst	January 2002 – July 2004

Item 3 Disciplinary Information

The purpose of Item 3 is to disclose any involvement Mr. Altenau may have had over the last ten years in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him. Over the last ten years, Mr. Altenau has not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him.

Item 4 Other Business Activities

The purpose of Item 4 is to disclose any involvement Mr. Altenau may have in any business activities other than his employment with Fayez Sarofim & Co. and its affiliates. Item 2 above lists all of Mr. Altenau's material business experience and activity for the current year and the previous five years. Mr. Altenau is currently employed only at Fayez Sarofim & Co.

Item 5 Additional Compensation

The purpose of Item 5 is to disclose any financial arrangements with companies or individuals, other than Fayez Sarofim & Co., its affiliates and clients, which compensate Mr. Altenau for providing advisory services. Mr. Altenau is not compensated for providing advisory services under any financial arrangements with companies or individuals who are not clients of the firm or its affiliates.

Item 6 Supervision

The purpose of Item 6 is to disclose how Mr. Altenau is supervised by Fayeze Sarofim & Co. in the performance of his duties as a portfolio manager and how the investment advice he provides to clients of Fayeze Sarofim & Co. is monitored.

Fayeze Sarofim & Co. has policies that require all employees, including Mr. Altenau, to comply with its Compliance Policies and Procedures, which include Codes of Ethics and Business Conduct.

All portfolio managers employed by Fayeze Sarofim & Co. are required to implement the decisions of the Investment Committee and are supervised by the Chief Compliance Officer, Mrs. Raye G. White. Mrs. White is the Executive Vice President of the firm and can be contacted at 713/654-4484 and rgwhite@sarofim.com.

Nicholas J. Zdeblick, CFA

Item 2 Educational Background and Business Experience

Mr. Zdeblick was born in 1978.

Professional Designation: Chartered Financial Analyst (CFA)

Educational Background:

<u>Institution</u>	<u>Degree</u>	<u>Year Graduated</u>
Stanford University	M.B.A.	2006
Rice University	B.A. – Economics and Managerial Studies	2000

Business Experience (not including charitable, civic and similar activities):

<u>Company</u>	<u>Position</u>	<u>Time Period</u>
Fayez Sarofim & Co.	Principal	March 2010 – Present
	Associate	August 2006 – March 2010
	Financial Analyst	August 2002 – July 2004

Item 3 Disciplinary Information

The purpose of Item 3 is to disclose any involvement Mr. Zdeblick may have had over the last ten years in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him. Over the last ten years, Mr. Zdeblick has not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him.

Item 4 Other Business Activities

The purpose of Item 4 is to disclose any involvement Mr. Zdeblick may have in any business activities other than his employment with Fayez Sarofim & Co. and its affiliates. Item 2 above lists all of Mr. Zdeblick's material business experience and activity for the current year and the previous five years. Mr. Zdeblick is currently employed only at Fayez Sarofim & Co.

Item 5 Additional Compensation

The purpose of Item 5 is to disclose any financial arrangements with companies or individuals, other than Fayez Sarofim & Co., its affiliates and clients, which compensate Mr. Zdeblick for providing advisory services. Mr. Zdeblick is not compensated for

providing advisory services under any financial arrangements with companies or individuals who are not clients of the firm or its affiliates.

Item 6 Supervision

The purpose of Item 6 is to disclose how Mr. Zdeblick is supervised by Fayez Sarofim & Co. in the performance of his duties as a principal and how the investment advice he provides to clients of Fayez Sarofim & Co. is monitored.

Fayez Sarofim & Co. has policies that require all employees, including Mr. Zdeblick, to comply with its Compliance Policies and Procedures, which include Codes of Ethics and Business Conduct.

All portfolio managers employed by Fayez Sarofim & Co. are required to implement the decisions of the Investment Committee and are supervised by the Chief Compliance Officer, Mrs. Raye G. White. Mrs. White is the Executive Vice President of the firm and can be contacted at 713/654-4484 and rgwhite@sarofim.com.

S. E. Cody Dick, CFA

Item 2 Educational Background and Business Experience

Mr. Dick was born in 1978.

Professional Designation: Chartered Financial Analyst (CFA)

Educational Background:

<u>Institution</u>	<u>Degree</u>	<u>Year Graduated</u>
Texas Christian University	M.B.A.	2001
Texas Christian University	B.S. – Political Science, Cum Laude	2000

Business Experience (not including charitable, civic and similar activities):

<u>Company</u>	<u>Position</u>	<u>Time Period</u>
Fayez Sarofim & Co.	Principal	March 2010 – Present
	Associate	April 2007 – March 2010
	Financial Analyst	June 2004 – April 2007

Item 3 Disciplinary Information

The purpose of Item 3 is to disclose any involvement Mr. Dick may have had over the last ten years in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him. Over the last ten years, Mr. Dick has not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him.

Item 4 Other Business Activities

The purpose of Item 4 is to disclose any involvement Mr. Dick may have in any business activities other than his employment with Fayez Sarofim & Co. and its affiliates. Item 2 above lists all of Mr. Dick's material business experience and activity for the current year and the previous five years. Mr. Dick is currently employed only at Fayez Sarofim & Co.

Item 5 Additional Compensation

The purpose of Item 5 is to disclose any financial arrangements with companies or individuals, other than Fayez Sarofim & Co., its affiliates and clients, which compensate Mr. Dick for providing advisory services. Mr. Dick is not compensated for providing

advisory services under any financial arrangements with companies or individuals who are not clients of the firm or its affiliates.

Item 6 Supervision

The purpose of Item 6 is to disclose how Mr. Dick is supervised by Fayeze Sarofim & Co. in the performance of his duties as a principal and how the investment advice he provides to clients of Fayeze Sarofim & Co. is monitored.

Fayeze Sarofim & Co. has policies that require all employees, including Mr. Dick, to comply with its Compliance Policies and Procedures, which include Codes of Ethics and Business Conduct.

All portfolio managers employed by Fayeze Sarofim & Co. are required to implement the decisions of the Investment Committee and are supervised by the Chief Compliance Officer, Mrs. Raye G. White. Mrs. White is the Executive Vice President of the firm and can be contacted at 713/654-4484 and rgwhite@sarofim.com.

Victoria L. Fernandez

Item 2 Educational Background and Business Experience

Mrs. Fernandez was born in 1973.

Educational Background:

<u>Institution</u>	<u>Degree</u>	<u>Year Graduated</u>
Rice University	B.A. – Biology	1994

Business Experience (not including charitable, civic and similar activities):

<u>Company</u>	<u>Position</u>	<u>Time Period</u>
Fayez Sarofim & Co.	Associate	March 2010 – Present
	Senior Fixed Income Trader	April 2004– March 2010
	Fixed Income Trader	July 1994 – April 2004

Item 3 Disciplinary Information

The purpose of Item 3 is to disclose any involvement Mrs. Fernandez may have had over the last ten years in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of her. Over the last ten years, Mrs. Fernandez has not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of her.

Item 4 Other Business Activities

The purpose of Item 4 is to disclose any involvement Mrs. Fernandez may have in any business activities other than her employment with Fayez Sarofim & Co. and its affiliates. Item 2 above lists all of Mrs. Fernandez's material business experience and activity for the current year and the previous five years. Mrs. Fernandez is currently employed only at Fayez Sarofim & Co.

Item 5 Additional Compensation

The purpose of Item 5 is to disclose any financial arrangements with companies or individuals, other than Fayez Sarofim & Co., its affiliates and clients, which compensate Mrs. Fernandez for providing advisory services. Mrs. Fernandez is not compensated for providing advisory services under any financial arrangements with companies or individuals who are not clients of the firm or its affiliates.

Item 6 Supervision

The purpose of Item 6 is to disclose how Mrs. Fernandez is supervised by Fayeze Sarofim & Co. in the performance of her duties as an associate and how the investment advice she provides to clients of Fayeze Sarofim & Co. is monitored.

Fayeze Sarofim & Co. has policies that require all employees, including Mrs. Fernandez, to comply with its Compliance Policies and Procedures, which include Codes of Ethics and Business Conduct.

All portfolio managers employed by Fayeze Sarofim & Co. are required to implement the decisions of the Investment Committee and are supervised by the Chief Compliance Officer, Mrs. Raye G. White. Mrs. White is the Executive Vice President of the firm and can be contacted at 713/654-4484 and rgwhite@sarofim.com.

A. J. Gracely, CFA

Item 2 Educational Background and Business Experience

Mr. Gracely was born in 1980.

Professional Designation: Chartered Financial Analyst (CFA)

Educational Background:

<u>Institution</u>	<u>Degree</u>	<u>Year Graduated</u>
Stanford University	M.B.A.	2007
University of Texas	B.B.A. – Finance	2002

Business Experience (not including charitable, civic and similar activities):

<u>Company</u>	<u>Position</u>	<u>Time Period</u>
Fayez Sarofim & Co.	Associate	December 2011 - Present
EDP Renovaveis, S.A.	Senior Manager, Investment Analysis	July 2010 – November 2011
Morgan Stanley & Co. Incorporated	Associate, Investment Banking Division	August 2007 – February 2010
E&G Advisors, L.P.	Principal	June 2003 – August 2005
Morgan Stanley & Co. Incorporated	Analyst, Investment Banking Division	June 2002 – June 2003

Item 3 Disciplinary Information

The purpose of Item 3 is to disclose any involvement Mr. Gracely may have had over the last ten years in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him. Over the last ten years, Mr. Gracely has not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of him.

Item 4 Other Business Activities

The purpose of Item 4 is to disclose any involvement Mr. Gracely may have in any business activities other than his employment with Fayeze Sarofim & Co. and its affiliates. Item 2 above lists all of Mr. Gracely's material business experience and activity for the current year and the previous five years. Mr. Gracely is currently employed only at Fayeze Sarofim & Co.

Item 5 Additional Compensation

The purpose of Item 5 is to disclose any financial arrangements with companies or individuals, other than Fayeze Sarofim & Co., its affiliates and clients, which compensate Mr. Gracely for providing advisory services. Mr. Gracely is not compensated for providing advisory services under any financial arrangements with companies or individuals who are not clients of the firm or its affiliates.

Item 6 Supervision

The purpose of Item 6 is to disclose how Mr. Gracely is supervised by Fayeze Sarofim & Co. in the performance of his duties as an associate and how the investment advice he provides to clients of Fayeze Sarofim & Co. is monitored.

Fayeze Sarofim & Co. has policies that require all employees, including Mr. Gracely, to comply with its Compliance Policies and Procedures, which include Codes of Ethics and Business Conduct.

All portfolio managers employed by Fayeze Sarofim & Co. are required to implement the decisions of the Investment Committee and are supervised by the Chief Compliance Officer, Mrs. Raye G. White. Mrs. White is the Executive Vice President of the firm and can be contacted at 713/654-4484 and rgwhite@sarofim.com.

Professional Designations

Chartered Financial Analyst (CFA)

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning. The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills.

Chartered Investment Counselor (CIC)

The Chartered Investment Counselor (CIC) charter is a professional designation established in 1975 and awarded by the Investment Adviser Association (IAA). The Charter was designed to recognize the special qualifications of persons employed by IAA member firms whose primary duties involve investment counseling and portfolio management.

A key educational component of the program is the requirement that candidates hold the Chartered Financial Analyst (CFA) designation, administered by CFA Institute. In addition to successful completion of the CFA program, the CIC designation requires candidates to demonstrate significant experience (at least five cumulative years) in a position performing investment counseling and portfolio management responsibilities. At the time the charter is awarded, candidates must be employed by an IAA member firm in such a position, must provide work and character references, must endorse the IAA's Standards of Practice, and must provide professional ethical information.

Mr. Sarofim and Mrs. White were awarded the CIC charter before the prerequisite that candidates hold a CFA charter was established.

NOTICE OF PRIVACY PRACTICES

Fayez Sarofim & Co. and its Affiliates

**Sarofim International Management Company
Sarofim Trust Co.
Sarofim Realty Advisors Co.
Sarofim Advisors Group, Inc.**

March 31, 2006

Fayez Sarofim & Co. (the “Company”) and its “affiliates” listed above (collectively, the “Sarofim Affiliates”) have always been committed to maintaining the strict confidentiality of personal information regarding their clients and their clients’ accounts. Each of the Sarofim Affiliates is an investment adviser registered with the U.S. Securities and Exchange Commission (“SEC”). Thus, in addition to adherence to this long-standing policy, the Sarofim Affiliates are subject to rules governing privacy of consumer financial information adopted by the SEC (the “SEC Rules”). The SEC Rules, among other things, require that registered investment advisers, such as the Sarofim Affiliates, provide initial and annual privacy notices to their clients. This Notice is provided in satisfaction of such requirement.

The Sarofim Affiliates (sometimes referred to in this Notice as “we” or “us”) value our relationship with you and we recognize that an essential element of that relationship is your trust and confidence that the information you share with us will be treated as private and confidential to the extent permitted or required by law.

Set forth below in “bullet” or summary form is a statement of practices we follow in the collection, disclosure and protection of information about you.

- ❖ ***Your “nonpublic personal information”.*** As part of our investment advisory and investment management business (and as part of the trust and custodial businesses of Sarofim Trust Co.), we obtain certain information about you, such information being defined in the SEC Rules as “nonpublic personal information”. We obtain “nonpublic personal information” about you from the following sources: (i) information we receive from you in meetings and conferences, on applications and other forms, in contracts or documents, and in correspondence, including electronic mail, and (ii) information about your transactions with us, our affiliates, including the Sarofim Affiliates or others.
- ❖ ***Access to and protection and distribution of your nonpublic personal information.*** We have adopted and comply with policies and procedures to safeguard your nonpublic personal information. Access to your nonpublic personal information (and the nonpublic personal information of any other client, past or present) is restricted by us to only those authorized individuals who need to know this information in order for us to provide services or products to you. However, we distribute certain information regarding your account to you or your authorized representative or representatives, from time to time by United States mail, postage prepaid, addressed to your address of record furnished to us by you or your authorized representative or representatives, such distributed information including letters advising about transactions effected for your account, periodic account statements showing holdings,

transactions and other data, and other investment information and analysis. We will distribute this information to an electronic mail address if you or your authorized representative or representatives authorize us to do so and you and your authorized representatives comply with our then current policies and procedures relating to such distribution. With respect to either method of dissemination, there are certain risks that your nonpublic personal information could be intercepted or accessed by unauthorized persons. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard and otherwise protect your nonpublic personal information.

- ❖ ***General disclosure policy.*** We may disclose your confidential information (or the confidential information of any other client, past or present) on a limited basis to certain nonaffiliated third parties, but only:
 - ◆ If such disclosure is necessary to process and service your account, including process and service transactions which you have requested or authorized and to report to you regarding transactions in and the performance of your account;
 - ◆ If such disclosure has been expressly consented to by you or your authorized representatives;
 - ◆ Where there is not a processing disclosure, if such disclosure is permitted by law (examples of these types of disclosures being disclosures (i) to protect the confidentiality or security of our records relating to you, our services or our transactions, (ii) to protect against or prevent actual or potential fraud, unauthorized transactions, claims or other liability, and (iii) in response to proper subpoenas or other legal process); or
 - ◆ If such disclosure (i) is to nonaffiliated third parties which perform services on our behalf and (ii) is the subject of a written agreement with such parties pursuant to which such parties have agreed to keep all information furnished to them confidential and secure except as permitted by law.

You do not need to take any action as a result of this Notice. This Notice is meant to confirm our confidentiality commitment to you as part of maintaining the essential element of trust in our relationship. We value our relationship with you and strive to earn your continued trust. If you have any question or concern, you may contact your account executive or Mrs. Raye G. White, Executive Vice President of Fayeze Sarofim & Co.

PROXY VOTING POLICY FAYEZ SAROFIM & CO. AND AFFILIATES

An investment adviser subject to the Investment Advisers Act of 1940 (the “Advisers Act”) acts as a fiduciary with respect to each of its clients. In so acting, the investment adviser owes two duties to each of its clients with respect to all services undertaken on the client’s behalf, including proxy voting: a duty of care and a duty of loyalty. As part of the duty of care, an investment adviser with proxy voting authority is required to monitor corporate events and to vote the proxies. As part of the duty of loyalty, the investment adviser is required to cast the proxy votes in a manner consistent with the best interests of the client, and the investment adviser must not subrogate a client’s interests to its own interests.

Fayez Sarofim & Co. and those of its affiliated companies which are investment advisers (individually, a “Sarofim Investment Adviser;” collectively, the “Sarofim Investment Advisers”) have adopted the policy (the “Proxy Voting Policy”) of voting all proxies relating to securities held in the accounts of each of their respective clients in accordance with their best judgment concerning the economic long-term best interests of the client owning the securities, except for proxies relating to securities that are held at the time the Sarofim Investment Adviser commences active management of the client’s account and are sold immediately after the Sarofim Investment Adviser commences such active management and with respect to which no other accounts actively managed by the Sarofim Investment Adviser already hold that security (such securities being referred to as “Zero Holder Securities”). The policy of the Sarofim Investment Advisers is not to vote Zero Holder Securities.

No officer, director, shareholder or employee of a Sarofim Investment Adviser is permitted to participate in the proxy voting process for a particular security held in a client account of a Sarofim Investment Adviser if that person (an “Interested Person”) is (i) an officer or director of the issuer of that security (the “Issuer”), (ii) a shareholder beneficially owning 5% or more of the outstanding securities of any class of the Issuer or (iii) otherwise interested in any way (other than beneficial ownership of less than 5% of the outstanding securities of any class of the Issuer) in the outcome of the vote to be held with respect to that security.

In deciding how to vote proxies, the Sarofim Investment Advisers rely, for the most part, on (i) the business judgment of the Issuer’s management and directors and (ii) the fiduciary responsibilities that the Issuer’s directors have with respect to the Issuer’s shareholders. However, whenever a Sarofim Investment Adviser determines, based upon the information available to it, that management’s recommendations do not appear to be in the best interests of the Issuer’s shareholders, management’s recommendations will not be followed in voting the proxies.

As part of the Proxy Voting Policy, each Sarofim Investment Adviser shall (i) retain copies of the Proxy Voting Policy and proxy voting procedures adopted from time to time, (ii) retain or cause to be retained copies of all proxy statements received regarding client securities, (iii) retain or cause to be retained records of votes cast on behalf of clients, (iv) retain records of all client requests for proxy voting information and (v) retain any documents, including those in

electronic format, prepared by the Sarofim Investment Adviser that were material to deciding how to vote, or that constituted the basis for the decision. The requirement to retain copies of proxy statements shall be satisfied, as permitted by Rule 204-2 under the Advisers Act, by obtaining a copy of the relevant proxy statement from the Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system. A Sarofim Investment Adviser may satisfy the requirement of retaining records of votes cast on behalf of clients through the use of a third party to make and retain, on the relevant Sarofim Investment Adviser's behalf, a record of the votes cast, but only if the third party has agreed to provide a copy of the record promptly upon request to the Sarofim Investment Adviser.

The Sarofim Investment Advisers have determined that the Proxy Voting Policy, as well as information on how a Sarofim Investment Adviser has voted with respect to securities held by clients, should be made available to clients of the Sarofim Investment Advisers. A client will have access to the Proxy Voting Policy through one or more of the following sources: (i) mailings to clients by the Sarofim Investment Advisers, (ii) the SEC Form ADV, Part II prepared by each of the Sarofim Investment Advisers and (iii) responses to written requests submitted to Mrs. Raye G. White, Executive Vice President, Fayez Sarofim & Co., Two Houston Center, Suite 2907, 909 Fannin St., Houston, Texas 77010. Information related to a Sarofim Investment Adviser's vote with respect to securities held by clients may be obtained by a client's making a written request to Mrs. Raye G. White, Executive Vice President, Fayez Sarofim & Co. at the same address.

Each Sarofim Investment Adviser shall maintain and preserve all books and records required to be maintained and preserved by it in accordance with the Proxy Voting Policy and applicable law in an easily accessible place for a period of not less than five years from the end of the fiscal year during which the last entry was made on or in such books and records. During the first two years of such period, such books and records shall be located in an appropriate office of the relevant Sarofim Investment Adviser. This requirement with respect to maintenance and preservation of books and records will not apply in the case of proxy statements obtained through the EDGAR system and in the case of records of votes cast made and retained by a third party.

The Proxy Voting Policy may be changed from time to time in accordance with applicable law by action of the Board of Directors of the Sarofim Investment Adviser. It is possible that such change may result in that Sarofim Investment Adviser having a Proxy Voting Policy different from the other Sarofim Investment Advisers.

PROXY VOTING PROCEDURES FAYEZ SAROFIM & CO. AND AFFILIATES

Fayez Sarofim & Co. and those of its affiliated companies which are investment advisers (individually, a “Sarofim Investment Adviser,” collectively, the “Sarofim Investment Advisers”) have entered into an agreement with Institutional Shareholder Services, Inc. (“ISS”) pursuant to which ISS provides the following in connection with the voting of proxies by the Sarofim Investment Advisers: (i) analyses of proposals, (ii) vote recommendations, (iii) vote execution services and (iv) record keeping services. ISS provides its analyses of proposals and vote recommendations pursuant to and in accordance with the proxy voting guidelines furnished to it by the Sarofim Investment Advisers.

The decision-making process with respect to the voting of proxies by a Sarofim Investment Adviser is based primarily on a review of the particular proxy statement by the analyst who is responsible for the research coverage of that Issuer. Such review is undertaken in accordance with the Proxy Voting Policy of Fayez Sarofim & Co. and Affiliates (the “Proxy Voting Policy”), and such review includes, but is not limited to, consideration of the ISS analyses and the ISS vote recommendations. Upon completion of the review, the analyst determines how the proxy vote should be cast. In the event that the analyst’s vote recommendation differs from the ISS vote recommendation, the analyst must provide a written explanation of why the analyst’s vote recommendation differs from the ISS vote recommendation. The written explanation of the vote recommendation difference must be reviewed and accepted by an investment member of the Sarofim Investment Adviser’s Proxy Committee. If such investment member of the Sarofim Investment Adviser’s Proxy Committee and the analyst agree on the vote recommended by the analyst, the analyst’s vote recommendation shall be final and binding. If such investment member and the analyst cannot reach agreement on the vote recommended by the analyst, the matter is then considered by the investment members of the Sarofim Investment Adviser’s Proxy Committee as a whole, and the decision of such group with respect to the vote becomes final and binding. Neither the analyst nor any member of the Sarofim Investment Adviser’s Proxy Committee involved in the consideration of the vote may be a person (an “Interested Person”) who is (i) an officer or director of the issuer of that security (the “Issuer”), (ii) a shareholder beneficially owning 5% or more of the outstanding securities of any class of the Issuer or (iii) otherwise interested in any way (other than beneficial ownership of less than 5% of the outstanding securities of any class of the Issuer) in the outcome of the vote to be held with respect to that security. If the analyst is an Interested Person, the Sarofim Investment Adviser’s Proxy Committee shall appoint another analyst who is not an Interested Person to conduct the review. If all investment members of the Sarofim Investment Adviser’s Proxy Committee are all Interested Persons, the Board of Directors of the Sarofim Investment Adviser shall appoint an individual who is not an Interested Person to participate in the required review of an analyst’s vote recommendation.

A Sarofim Investment Adviser will provide proxy voting reports to those clients who submit a written request for such information to Mrs. Raye G. White, Executive Vice President, Fayez Sarofim & Co., Two Houston Center, Suite 2907, 909 Fannin St., Houston, Texas 77010.

These Proxy Voting Procedures may be changed from time to time in accordance with applicable law by action of the Board of Directors of the Sarofim Investment Adviser desiring such change. It is possible that such change may result in that Sarofim Investment Adviser having Proxy Voting Procedures different from the other Sarofim Investment Advisers.

FACTS

WHAT DOES DREYFUS
DO WITH YOUR PERSONAL INFORMATION?

Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
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What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: ■ Social Security number ■ account balances and transaction history ■ assets and income ■ payment history When you are no longer our customer, we continue to share information as described in this notice.
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How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Dreyfus chooses to share; and whether you can limit this sharing.
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Reasons we can share your personal information	Does Dreyfus share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes— to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes— information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes— information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For nonaffiliates to market to you	No	We don't share

Questions?	Call 1-888-871-0391
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Who we are

Who is providing this notice?	This notice is provided by the Dreyfus Investments Division of MBSC Securities Corporation.
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What we do

How does Dreyfus protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. We maintain physical, electronic and procedural safeguards to guard our customers' nonpublic personal information. Employees who violate our data security policies are subject to disciplinary action.
How does Dreyfus collect my personal information?	We collect your personal information, for example, when you ■ open an account or deposit money ■ give us your income information ■ tell us about your investment or retirement portfolio ■ direct us to buy securities We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only ■ sharing for affiliates' everyday business purposes—information about your creditworthiness ■ affiliates from using your information to market to you ■ sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing.

Definitions

Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. ■ Our affiliates include banks and companies whose names include "The Bank Of New York," "BNY," "Mellon" or "Dreyfus," and other financial companies such as The Boston Company Asset Management LLC, Boston Safe Deposit Finance Co., Inc., EACM Advisors LLC, Lockwood Advisors, Inc., Newton Capital Management Limited, Pershing LLC, Urdang Securities Management, Inc. and Walter Scott & Partners Limited.
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. ■ Dreyfus does not share information with nonaffiliates so they can market to you.
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. ■ Dreyfus doesn't jointly market.

Fayez Sarofim & Co.

Two Houston Center, Suite 2907
909 Fannin
Houston, TX 77010-1083
713-654-4484/Fax 713-654-8184

Guide to Services and Compensation Department of Labor Section 408(b)(2) Disclosure for ERISA Clients of Applicable Wrap Fee and UMA Programs Managed by Fayez Sarofim & Co.

The following is a guide to important information that you should consider in connection with services provided by Fayez Sarofim & Co. ("FS & Co.") to clients (i) that are ERISA Plans and (ii) that are part of a program where FS & Co. is the investment adviser, directly or indirectly, and the program involves (A) a separately managed account in a Wrap Fee program (a "Wrap Fee Account") or (B) a model portfolio account in a UMA program (a "Model Account").

Should you have any questions concerning this guide or the information provided below concerning our services or compensation, please do not hesitate to contact:
Mrs. Raye G. White at 713/654-4484 or rgwhite@sarofim.com.

1. Description of the services FS & Co. provides to ERISA Plans:

FS & Co. provides investment supervisory services and other investment advisory services to ERISA Plans having either a Wrap Fee Account or a Model Account. Please see your client agreement for details. Also, refer to the sections entitled "Wrap Fee Programs" and "UMA Programs" in the most recent FS & Co. Form ADV Part 2A, Item 4. that has been either previously provided to you or offered to you. This discussion can also be found at:

http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd_Search.aspx

Programs involving Wrap Fee Accounts and Model Accounts are sponsored by third-party financial services firms, in most cases, brokerage firms. Program sponsors make the advisory services of a registered investment adviser such as FS & Co. available to their clients. FS & Co. manages portfolios of clients having Wrap Fee Accounts or Model Accounts, or both, with a strategy that is similar to its Large Capitalization Equity Product.

FS & Co. has been introduced to sponsors of programs involving Wrap Fee Accounts and Model Accounts primarily through the efforts of MBSC Securities Corporation ("MBSC"), formerly named Dreyfus Service Corporation. In these programs, MBSC acts as the account administrator and serves as the liaison between FS & Co. and the sponsors and the sponsors' clients in accordance with an agreement between FS & Co. and MBSC. Each program sponsor establishes the fees to be paid by program clients.

2. A statement concerning the services FS & Co. provides as Registered Investment Advisor / ERISA Fiduciary:

Under all programs, FS & Co. is acting as a Registered Investment Advisor under the Investment Advisors Act of 1940, as amended. Under the Wrap Fee programs and under certain UMA programs, FS & Co. is acting as a Plan Fiduciary within the meaning of the Employee Retirement Income Security Act of 1974, as amended.

3. Compensation FS & Co. receives from ERISA Plans (direct compensation):

FS & Co. does not receive direct compensation from ERISA Plans for the services provided through the Wrap Fee and Model Account programs. FS & Co.'s fee is paid by the program sponsor, or an affiliate. For information about direct compensation the program sponsor receives in connection with the programs, please see the sponsor's 408(b)(2) fee disclosure notice for the applicable program and your client agreement.

4. Compensation FS & Co. receives from others (indirect compensation):

MBSC receives a fee from each program sponsor for its account administration services and calculates the fee to be paid to FS & Co. in accordance with the FS & Co.-MBSC agreement. For a description of the fee we receive from each sponsor in connection with the services FS & Co. provides through a Model Account or Wrap Account program, please refer to the applicable client agreement and the applicable program brochure. Your sponsor is paid a fee based on the amount of assets under management. The sponsors pay MBSC an account administration fee ranging from 25 to 55 basis points. FS & Co. receives a fee of 21.75 basis points from MBSC based on the amount of assets under management.

- Soft dollars: We do not receive soft dollar benefits from your account.
- Affiliated products: Not applicable
- Gifts and gratuities: Not Applicable
- Compensation Paid Among Related Parties: Not Applicable

5. Compensation paid to other parties:

No compensation is paid to other parties.

6. Compensation FS & Co. receives if you terminate these services:

None

DISCLOSURE PURSUANT TO
DEPARTMENT OF LABOR REGULATION 408(b)(2)
Dreyfus Separately Managed Accounts

This document is being provided in support of the Department of Labor (“DOL”) final regulation under Section 408(b)(2) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). The regulation requires a covered service provider to an ERISA-covered retirement plan (“Plan”) to disclose information regarding direct and indirect compensation that the covered service provider, including its affiliates and subcontractors, reasonably expects to receive in connection with its services to a Plan.

MBSC Securities Corporation is providing this disclosure to Plan administrators and/or fiduciaries (“Plan Administrators”) to summarize the services provided and compensation received by MBSC, its affiliates and its subcontractors in connection with certain separately managed accounts (“Wrap Fee Accounts”). This disclosure contains important information that Plan Administrators should consider in connection with services provided by MBSC, a dually registered investment adviser and broker-dealer, and a subsidiary of The Dreyfus Corporation (“Dreyfus”). MBSC and Dreyfus are part of The Bank of New York Mellon Corporation (“The Bank of New York Mellon”).

Note: MBSC is making this disclosure to all Plan Administrators who maintain Plan programs that offer Wrap Fee Accounts and other similar accounts. In providing this disclosure MBSC is not making any determination as to whether or not it or any of its affiliates is a “Covered Service Provider” or whether a Plan sponsored by an employer is subject to ERISA and therefore is a “Covered Plan” as these terms are described in the DOL’s regulations.

SERVICES

A. Investment Advisory, Investment Management and Administrative Services

MBSC provides investment advisory, investment management and/or administrative services to clients of unaffiliated third party financial services firms (“Program Sponsors”) who sponsor Wrap Fee Accounts or provide model account portfolios to their clients. MBSC markets these strategies to Program Sponsors under the name Dreyfus Separately Managed Accounts.

Depending on the particular arrangement with the Program Sponsor, MBSC may: act as non-discretionary investment adviser; act as a discretionary investment adviser; or provide administrative services. The services provided by MBSC under these arrangements may include:

- investment advisory services for client accounts;
- investment research and management with respect to all securities, investments, cash equivalents or other assets in each client account;
- effecting client transactions;
- trading for client accounts with Program Sponsors and other broker/dealers;

- managing client accounts in accordance with specific client instructions and guidelines;
- participating in consultations regarding administration of client accounts;
- undertaking secondary suitability reviews;
- taking corporate actions (including proxy voting on a client's behalf if so directed);
- filing certain regulatory reports; and
- maintaining performance information and composites.

For certain Wrap Fee Accounts and similar accounts MBSC has engaged its affiliate, Newton Capital Management Limited ("Newton"), to perform the investment advisory services. Newton is also part of The Bank of New York Mellon. In these arrangements, Newton acts as investment adviser and conducts research and management with respect to the securities and investments in the model portfolio. Newton provides the model portfolio to MBSC which is applied to all accounts within a specific strategy. MBSC also acts as an investment adviser and performs administrative functions (as set forth above) with regard to the client accounts. MBSC and Newton act as Registered Investment Advisers under the Investment Advisers Act of 1940, as amended. Under these arrangements MBSC and/or Newton has agreements with the Program Sponsor but do not have any direct contractual arrangements with any Plan Administrator.

Under other arrangements MBSC introduced Program Sponsors to Faye Sarofim & Co. ("FS & Co."). FS & Co. entered into agreements with Program Sponsors to provide investment advisory services to certain Wrap Fee Accounts or provide model portfolios. FS & Co. has engaged MBSC to act as account administrator and provide the administrative services (as set forth above) for Wrap Fee Accounts and model portfolios for which FS & Co. provides investment advisory services or model portfolios. Under these arrangements MBSC and/or FS & Co. have agreements with the Program Sponsor but do not have any direct contractual arrangements with any Plan Administrator.

B. Fiduciary Status

Under certain contractual arrangements to provide the advisory services MBSC and Newton have each undertaken responsibility to be an ERISA fiduciary.

For additional information about MBSC and Newton's investment advisory services, please read their Form ADVs, Part 2A which is available at <http://www.adviserinfo.sec.gov>.

Note: Please note that MBSC may act as fiduciary and/or provide services to Plans under other business arrangements and thus, a Plan Administrator may receive other separate disclosures from MBSC or its affiliates.

COMPENSATION FOR SERVICES

The Program Sponsor maintains a contractual relationship with each Plan Administrator and Plan participants pay an annual fee based on the value of assets in their account. This fee is outlined in the client agreement with the Program Sponsor. Out of the fees paid to the Program Sponsor, the Program Sponsor compensates MBSC. Out of the fees MBSC receives from a Program Sponsor, MBSC pays an agreed upon portion to Newton and FS & Co. MBSC, its affiliates and subcontractors are not directly compensated by the Plan Administrators or the Plan participants.

The Program Sponsor pays MBSC a portion of the fees it receives ranging from: 25 to 55 basis points based on the amount of assets under management. The fees will vary based on the strategy and asset class. MBSC acts as payment agent for the services FS & Co. provides to Program Sponsors.

Newton receives a portion of the fee received by MBSC from a Program Sponsor ranging from 25-35 basis points based on the amount of assets under management by Newton.

Pursuant to an agreement between MBSC and FS & Co., FS & Co. receives a fee of 21.75 basis points from the fee MBSC receives from a Program Sponsor based on the amount of assets under management by FS & Co.

From time to time, employees of MBSC and its affiliates may receive non-monetary compensation such as gifts and entertainment from vendors with whom they may engage in business dealings on behalf of clients, including Plans. However, given the nature of MBSC's businesses, MBSC reasonably believes that any gifts and entertainment received by its (or its affiliates) employees are received in the context of a general business relationship and should not be viewed as attributable or allocable to any transactions engaged in on behalf of their clients, including Plans. MBSC generally does not accept gifts or entertainment from Plan Administrator customers or vendors with respect to services provided by it directly or indirectly to such customers. MBSC does not expect to receive nonmonetary compensation with respect to any Plan that would result in its being reported with respect to the Plan on Schedule C of Form 5500.

The information included in this disclosure describes the services and fees that MBSC and its affiliates and subcontracts may provide to Plans. The disclosure is not intended as, and does not constitute an agreement for, services from MBSC or any of its affiliates, and it does not create a contractual relationship or provide any type of guarantee with respect to the pricing of any services.

We believe that the amounts reported and the information supplied reflects, to the best of our knowledge and in light of available guidance, the amount of compensation MBSC and its affiliates would expect to receive in connection with services provided. While we have no reason to believe that the information provided is inaccurate, we note that it is based on our good faith effort to meet the challenges of the reporting requirements. Despite these good faith efforts, it is possible that the necessary systems to capture and report all of the information required have not been completed. We continue to update our systems in an effort to be compliant with our regulatory obligations and commercially responsive to the reasonable requests of clients. It is on this basis that we provide our responses herein. We stand ready to assist in whatever way we are able.

If you have any questions, please don't hesitate to call your financial advisor or Dreyfus Separately Managed Accounts at 212-922-7537.

CAUTION TO THE PLAN

THIS DISCLOSURE DOCUMENT IS NOT, AND SHALL NOT BE DEEMED TO CONSTITUTE, LEGAL OR TAX ADVICE TO PENSION PLANS. IT IS NOT INTENDED TO CONSTITUTE AN OFFER OR AGREEMENT TO SELL SECURITIES, OR PROVIDE ANY DISCLOSURE REQUIRED BY SECURITIES LAWS. SOME INFORMATION

CONTAINED HEREIN MAY BE OF A CONFIDENTIAL OR PROPRIETARY NATURE AND MAY NOT BE OTHERWISE DISTRIBUTED TO THIRD PARTIES.