



**LATEEF**  
INVESTMENT  
MANAGEMENT

**ITEM 1 – COVER PAGE**

**ADV PART 2A – FIRM BROCHURE**

**LATEEF INVESTMENT MANAGEMENT, L.P.  
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(415) 461-3800**

**WWW.LATEEF.COM**

**JANUARY 30, 2017**

This brochure provides information about the qualifications and business practices of Lateef Investment Management, L.P. (“Lateef”), a Registered Investment Adviser. If you have any questions about the contents of this brochure, please contact us at 415-461-3800. 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. Registration with the SEC does not imply a certain level of skill or training.

Additional information about Lateef also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



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## ITEM 2 – MATERIAL CHANGES

This brochure provides information about the policies and business practices of Lateef Investment Management, L.P. The following are material changes since Lateef's last amendment dated March 30, 2016. The last amendment of Form ADV Part 2B was April 29, 2016.

Lateef will provide a summary of material changes to this and subsequent brochures within 120 days of our fiscal year end. Lateef will deliver or offer to deliver information about our qualifications and business practices to clients on at least an annual basis. Lateef will provide ongoing disclosure about material changes as necessary.

Emily Eisenbath, previously Lateef's Chief Compliance Officer and Chief Operating Officer, is no longer with Lateef.

Eric Winterhalter, Managing Partner, continues to manage Relationship Management and has taken on the role of Chief Operating Officer.

Kathleen Van Der Wal has been promoted to Chief Compliance Officer.

Effective December 22, 2016, Mr. Matthew Sauer is no longer an Assignee, as he no longer holds Economic Interest in Lateef.

Lateef closed the Relationship Management satellite office in Towson, Maryland, effective December 15, 2016. Jennifer Lavin, the Managing Partner that worked from that office is no longer with Lateef. Ms. Lavin is an Assignee, as she retains ownership interest in Lateef.

This brochure may be requested by contacting Kathleen Van Der Wal, Chief Compliance Officer, at (415) 461-3800 or [kvanderwal@lateef.com](mailto:kvanderwal@lateef.com). Our brochure is also available for download on our website [www.lateef.com](http://www.lateef.com).



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## ITEM 4 – ADVISORY BUSINESS

Founded in 1974, Lateef Investment Management, L.P. (“Lateef”), provides professional portfolio management to individuals for taxable and retirement accounts, and to corporate and union pension plans, charitable foundations, and academic endowments through separately managed accounts. Lateef also provides investment management services as an adviser to the Lateef Fund, a registered investment company. Lateef maintains one investment platform, which consists of products managed by James Tarkenton and Quoc Tran. Lateef is headquartered in Greenbrae, California.

Lateef Capital Partners, LLC. (LCP) is the General Partner of Lateef Investment Management, L.P. LCP’s ownership percentage is 1.00%. LCP is responsible for the day-to-day management of Lateef. The Limited Partners and their ownership percentages of Lateef are:

- Ryan Willson >25%
- James Tarkenton >25%
- Quoc Tran 10-25%
- Jennifer Lavin <10%
- Eric Winterhalter <10%

## **TYPES OF INVESTMENTS**

Lateef offers discretionary investment management and investment advisory services for equity, balanced and fixed income strategies, utilizing securities that include, but are not limited to, common stock, preferred stock, options contracts, corporate bonds, municipal bonds and U.S. government bonds. Lateef may offer investment advice on the following types of investments:

- Equity securities (exchange listed, over-the-counter and foreign issues)
- Corporate debt securities
- Municipal securities
- Mutual fund shares
- U.S. government securities
- Options contracts on securities

In limited circumstances, where clients are deemed able and are willing to accept greater risk in pursuit of potential higher total return, Lateef may also use some leveraging and hedging techniques (e.g., covered calls and puts).



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## INVESTMENT STRATEGIES

Lateef invests and manages client's portfolios in accordance with an investment strategy selected by the client. The selected strategy is then based on a model portfolio of securities that Lateef believes best represent their strategy in accordance with the client's overall investment objectives and any client imposed restrictions.

The current investment strategies offered by Lateef are as follows:

- Multi-Cap Growth Equity
- Large-Cap Growth Equity
- Multi-Cap Growth Balanced
- Fixed Income

Clients may impose restrictions on investing in certain securities. Some of Lateef's clients have restrictions as to which securities may be purchased. Clients may have also placed restrictions on the percentage of assets under management that may be held in the security of any one company.

## WRAP FEE PROGRAMS

Lateef provides portfolio management services to clients in certain wrap fee programs. The wrap fee accounts are managed in accordance with the applicable investment strategy selected by the client and are managed in a similar fashion as the non-wrap fee accounts in the same strategy. Lateef receives a portion of the wrap fee for the portfolio management services provided.

## ASSETS UNDER MANAGEMENT

As of December 31, 2015, the total assets under management amounted to \$3,718 Million on a discretionary basis and \$171 Million assets on a non-discretionary basis, for model based platforms such as Unified Managed Accounts (UMA).

## ITEM 5 – FEES AND COMPENSATION

Lateef charges a tiered, percentage based fee, calculated on the market value of the assets in the client's account. Fees are generally payable quarterly in arrears. Alternative frequency of payment and/or methods of calculation may be available, where appropriate or upon a client's request. The quarterly fee is calculated by multiplying the fair market value of cash and securities in the portfolio as of the close of the quarter by the applicable quarterly percentage. Accounts that open or close during the quarter will receive a prorated bill for the partial quarter. For those clients that pay fees in advance, clients will receive a prorated refund of any unearned prepaid fees upon termination. Client may terminate the investment advisory agreement at any time upon written notice thereof to Lateef. Lateef may terminate the investment advisory agreement at any time upon thirty (30) day's prior written notice thereof to the client.

Lateef's management fees are ordinarily calculated by Lateef and are calculated on Lateef's valuation of the assets in the client's portfolio. In certain instances, Lateef and the client may agree that the fees should be calculated based upon the custodian's valuation of the assets in the client's portfolio. In addition, when Lateef



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manages multiple accounts for a particular client, or for a related group of clients, fee calculations may be based on the total assets under management or a relationship fee discount may be available.

Lateef obtains authorization from its clients to deduct management fees directly from the client's account. However, clients may direct Lateef to bill for fees incurred. Where Lateef has authorization to deduct the fees from the account, Lateef delivers an original invoice to the broker/custodian for payment and delivers a copy of the invoice to the client.

In addition to Lateef's management fees, clients may incur brokerage, custodial and other transaction costs. Please refer to Item 12 – Brokerage Practices for additional details.

## FEE SCHEDULES – DUAL CONTRACT, SEPARATELY MANAGED ACCOUNTS

The following describes Lateef's standard fee schedules for separately managed accounts by platform and product. Fees may be negotiable where special circumstances exist and arrangements with any particular client may vary. Certain accounts of persons affiliated with Lateef may be managed without fees or at a reduced fee. In some cases, fees charged by Lateef may be greater than fees charged by other investment advisers for similar services, in other cases, our fees may be lower.

### MULTI-CAP GROWTH EQUITY

1.00% on the first \$15mm, plus  
0.75% on the next \$15mm, plus  
0.625% on the next \$15mm, plus  
0.50% on assets over \$45mm  
Minimum Account Size: \$1,000,000  
Minimum Quarterly Fee\*: \$2,500.00

### LARGE-CAP GROWTH EQUITY

0.75% on the first \$15mm, plus  
0.625% on the next \$15mm, plus  
0.50% on assets over \$30mm  
Minimum Account Size: \$250,000  
Minimum Quarterly Fee\*: \$468.75

### MULTI-CAP GROWTH BALANCED

1.00% on the first \$15mm, plus  
0.75% on the next \$15mm, plus  
0.625% on the next \$15mm, plus  
0.50% on assets over \$45mm  
Minimum Account Size: \$1,000,000  
Minimum Quarterly Fee\*: \$2,500.00

### FIXED INCOME

1.00% on the first \$15mm, plus  
0.75% on the next \$15mm, plus  
0.625% on the next \$15mm, plus  
0.50% on assets over \$45mm  
Minimum Account Size: \$1,000,000  
Minimum Quarterly Fee\*: \$2,500.00

\* As a result of market conditions, Lateef began waiving the minimum fees as of April 1, 2008. Lateef reserves the right to reinstate the minimum fee at its sole discretion.



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## **FEE SCHEDULES – WRAP PROGRAMS, SEPARATELY MANAGED ACCOUNTS**

Wrap program sponsors typically offer comprehensive brokerage, custodial and advisory services for a single “wrap fee” based on a percentage of assets under management. The program sponsor then pays Lateef a portion of the wrap fee in connection with the advisory services it provides. In wrap fee accounts, Lateef is chosen by the client to act as an investment adviser through a selection process administered by the wrap program sponsor. The client information compiled through the selection process enables Lateef to provide individualized investment services, which it maintains through ongoing contact with the wrap sponsor. Lateef is available for direct telephone calls with wrap clients at their request, and periodically, at the discretion of the wrap sponsor. The wrap sponsor’s services generally include, in addition to assistance with the selection of one or more investment advisers, execution of portfolio transactions (free of commissions), custodial services, including trade confirmation and periodic reporting, continuing evaluation of investment performance, and consultation on investment objectives and suitability.

When Lateef serves as a wrap investment sub-adviser, it contracts with the wrap program sponsor for its services rather than the clients of the wrap sponsor. The wrap sponsor serves as a master investment adviser and is responsible for much of the client record-keeping and reporting. The management fees payable to Lateef are generally lower than those paid to Lateef as a dual contract separate account manager, reflecting that some of the services it would otherwise provide are provided instead by the program sponsor.

Each client should evaluate whether a given wrap program is suitable for their needs. The client should consider the level of the single fee being charged under the wrap program relative to the package of services being provided including the amount of portfolio activity in the account as well as the value of custodial and portfolio monitoring services. The single fee may be higher or lower than the total cost of all services the client is receiving were they to pay for each service separately.

The following describes Lateef’s standard fee schedules for WRAP platforms by product. Fees and minimums may be negotiable where special circumstances exist and arrangements with any particular client may vary.

### **MULTI-CAP GROWTH EQUITY**

0.50% on all assets  
Minimum Account Size: \$1,000,000

### **LARGE-CAP GROWTH EQUITY**

0.40% on all assets  
Minimum Account Size: \$250,000

## **FEE SCHEDULES – MUTUAL FUNDS**

Lateef provides investment management services as an adviser to the “Lateef Fund – FundVantage Trust” (Lateef Fund) a portfolio registered under the Investment Company Act of 1940. Lateef charges the fund a management fee based on assets under management. Please refer to the prospectus and other promotional material for a description of the fees and expenses related to this fund.

## **FEE SCHEDULES – UNIFIED MANAGED ACCOUNTS (UMA)**

Lateef provides investment management services, as a sub-adviser, to investment advisers that seek advice and recommendations through the development of model portfolios. These model portfolios are used by the



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investment adviser to manage their client accounts. Lateef does not enter into a direct relationship with the clients of the investment advisory firms that offer its models and provides no administrative account-specific performance reporting services to those end clients. The fees paid to Lateef under the UMA agreements are generally lower than the traditional management fees charged by Lateef. Lateef currently participates in the following UMA programs:

1. Envestnet/Placemark - UMA Marketplace
2. UBS – Strategic Wealth Portfolio
3. Morgan Stanley – Select UMA
4. First Republic – Investment Management Model Portfolio Services
5. Natixis – UMA platform currently utilized at UBS, JP Morgan and Credit Suisse
6. Wells Fargo – Diversified Managed Allocations (DMA)

## **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Item 6 is not applicable as Lateef does not currently provide investment advisory services for performance based fees.

## **ITEM 7 – TYPES OF CLIENTS**

Lateef offers investment advice to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, academic endowments, corporations and other business entities through separately managed accounts. Lateef provides investment management services as an adviser to the Lateef Fund, a registered investment company.

## **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

Lateef's primary method of analysis is fundamental analysis. Sources of information used by Lateef include financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate ratings series, annual reports, prospectuses, filings with the Securities and Exchange Commission and company press releases.

Lateef's Platform relies heavily on our own intensive fundamental research, and we feel our due diligence process offers a better understanding and deeper conviction in the company's competitive advantage and risks. Below is a summary of principal risks:

The portfolios are subject to the principal risks summarized below. These risks could adversely affect the portfolio's market value, yield and total return. It is possible to lose money by investing in the portfolio.

- **Management Risk:** As with any managed portfolio, Lateef may not be successful in selecting the best-performing securities or investment techniques, and the portfolio's performance may lag behind that of similar portfolios. The Adviser may also miss out on an investment opportunity because the assets necessary to take advantage of the opportunity are tied up in less advantageous investments.



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- **Market Risk:** The risk that the market value of a security may fluctuate, sometimes rapidly and unpredictably. The prices of securities change in response to many factors including the historical and prospective earnings of the issuer, the value of its assets, general economic conditions, interest rates, investor perceptions and market liquidity. Midcap companies may be more vulnerable than large-cap companies to adverse business or economic developments. Securities of such companies may be less liquid and more volatile than securities of large-cap companies and therefore may involve greater risk.
- **Non-Diversification Risk:** The risk that since the portfolio is non-diversified and may invest a larger portion of its assets in the securities of a single issuer than a more diversified portfolios, this investment could fluctuate in value more than an investment in a more diversified portfolio.
- **Sector Risk:** The portfolio may focus its investments from time to time in one or more economic sectors. To the extent that it does so, developments affecting companies in that sector or sectors will likely have a magnified effect on the portfolio and total returns and may subject the portfolio to greater risk of loss. Accordingly, the portfolio could be considerably more volatile than a broad-based market index or other portfolios that are diversified across a greater number of securities and sectors.
- **Value Investing Risk:** A value-oriented investment approach is subject to the risk that a security believed to be undervalued does not appreciate in value as anticipated.

## ITEM 9 – DISCIPLINARY INFORMATION

Lateef does not have any disciplinary information to disclose.

## ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Certain employees are also registered reps of Foreside Funds Distributors LLC (“Foreside”), a registered broker dealer. Foreside is the distributor of the Lateef Fund.

## ITEM 11 – CODE OF ETHICS

Lateef has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. The Code of Ethics is designed to mitigate conflicts of interest and the potential appearance of impropriety in an employee's personal action. Lateef permits its employees to engage in personal securities transactions, and to purchase and sell securities that may be held by or may be suitable for investment by client accounts. Personal securities transactions may raise potential conflicts of interest with the interests of Lateef clients. In order to ensure compliance with the policy, each Lateef employee is required to instruct each broker-dealer with whom he or she maintains an account to send directly to Lateef's Compliance Department a duplicate copy of all transaction confirmations generated by that broker-dealer for that employee's account. Lateef restricts the purchase and sale by its personnel for their own accounts, securities that have been or are being considered for purchase for client accounts. For across the board trades, personnel are not to engage in a transaction in the same security while an order for a client's account is pending or within a certain period of time before (two days) and after (same day) execution of the transaction in that security on behalf of the client. However, personnel ARE permitted to engage in transactions in the same security if the client activity is the result of a



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client cash flow or direction (client directed). Lateef may, from time to time, buy or sell securities for its own investment account.

Lateef will provide a copy of the Code of Ethics to any client or prospective client upon request. To request a copy of Lateef's Code of Ethics, please send a written request to:

Lateef Investment Management, L.P.  
Attention: Compliance Department  
300 Drakes Landing Road, Suite 210  
Greenbrae, CA 94904.

Email requests may be sent to [eeisenbath@lateef.com](mailto:eeisenbath@lateef.com).

## **ITEM 12 – BROKERAGE PRACTICES**

Where Lateef has discretion to select the executing broker, Lateef aims to select those brokers or dealers which will provide the best services at reasonable commission rates. The reasonableness of commissions is based on the broker's ability to provide professional services, competitive commission rates, research and other services, which will help Lateef in providing investment management services to clients. Lateef may, therefore, recommend the use of (or use) a broker who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance. Research services may be useful for the account for which the particular transaction was effected. It is Lateef's policy to seek the best execution available in light of the overall quality of brokerage and research services provided to it or its clients. Best execution involves reasonably seeking the most favorable terms for a transaction under the circumstances.

The allocation of brokerage commissions will vary from year to year, depending on Lateef's evaluations of all applicable considerations. In no case will Lateef make binding commitments as to the level of brokerage commission it will allocate to a broker.

Lateef participates in a number of Managed Account (aka WRAP) programs that direct accounts to Lateef. Lateef has a fiduciary obligation to determine whether the wrap-fee arrangements are suitable for clients. Lateef has delegated this suitability responsibility to the wrap-fee program sponsors and relies on the sponsors to determine if the program and its fees are suitable for clients. On an annual basis, Lateef requests that applicable program sponsors confirm in writing that the sponsor has accepted the delegated responsibility and is adequately performing this function.

## **RESEARCH AND OTHER SOFT DOLLAR BENEFITS**

Lateef evaluates the amount and nature of research and research services provided by brokers and attempts to allocate a portion of the brokerage business of its clients on the basis of that evaluation. When Lateef uses client brokerage commissions (or markups or markdowns) to obtain research or other products and services, Lateef benefits because it does not have to pay for the research, products or services. Lateef may have an incentive to select a broker/dealer based on its interest in receiving research or other products and services.



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Subject to the criteria of the safe harbor in Section 28(e) of the Securities and Exchange Act of 1934, Lateef may pay a broker a brokerage commission in excess of that which another broker might have charged for effecting the same transaction, in recognition of the value of the brokerage and research services provided by or through the broker. Lateef believes it is important to the investment decision making process to have access to independent research. Research furnished by brokers may be used to service any or all of Lateef's clients and may be used in connection with accounts other than those transacting with the broker providing the research.

Brokerage and research services provided by brokers may include, among other things, executing securities transactions, performing other incidental services (such as clearance, settlement and custody), and providing information regarding: the economy; industries; sectors of securities; individual companies; legal developments; pricing and performance analysis. Such research services are received primarily in the form of written reports; telephone contacts and personal meetings with analysts. In addition, research services may be provided in the form of access to conferences and meetings arranged with company management, industry spokespersons and economists.

Lateef does not currently have any contractual commission recapture arrangements in place and does not currently use brokerage commissions to obtain products or services which do not qualify for the safe harbor in Section 28(e) of the Securities and Exchange Act of 1934 (i.e., products and services that do not aid in the investment decision-making or trade execution).

## DIRECTED BROKERAGE

Lateef will accept direction from clients regarding the brokers to be used for their account. Clients may have existing arrangements permitting them to offset certain administration, accounting, custody or other fees in relation to the amount of brokerage transactions handled by a specific broker. At the same time, Lateef may have arrangements to receive investment related research products or services provided by the broker/dealer, which are separate from the arrangement negotiated by the client. In following the client's direction to use a particular broker to execute either all or part of the brokerage transactions from their accounts, clients must be aware that they may adversely affect our ability to, among other things, obtain, investment related research and/or seek to achieve best execution.

In those cases where the client has selected and negotiated a fee arrangement with a particular broker/dealer and/or directs transactions to a particular broker/dealer, the client is hereby advised that Lateef might be in a better position to (i) negotiate commission, (ii) achieve best execution and (iii) aggregate orders if brokerage was not selected/negotiated by the client. In the cases where the client has negotiated an "asset based" commission structure instead of a "transaction based" commission structure, the client is advised that the reasonableness of the asset based fee is dependent on Lateef's trading volume over the period and may result in a higher fee than would be paid under a "transaction based" structure.



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## TRADE AGGREGATION AND ALLOCATION

Lateef seeks, but is not obligated, to aggregate orders for the purchase or sale of the same security for client accounts where Lateef deems this to be appropriate and in the best interests of the accounts. Generally, Lateef aggregates orders by the account's broker/custodian. Delivery Verses Purchase ("DVP") refers to accounts where Lateef has discretion to trade where securities are purchased or sold. All orders for accounts that are held at a broker/dealer are aggregated into blocks ("non-DVP Blocks") and all orders for accounts that are held at traditional custodians (one that does not provide execution services) are aggregated into a block ("DVP Block"). These blocks are then randomly sorted to determine the order in which the trades are placed for execution. When a block order is filled in its entirety, each participating client account will participate at the average share price of the blocked order on the same business day. When a block order is only partially filled, the securities purchased or sold will be allocated on a pro-rata basis to each account participating in the bunched order based upon the initial amount requested for the account, subject to de minimis orders. The commission costs for each allocation in the "non-DVP Block" are determined based on the commission schedule negotiated by the client. The commission costs for each allocation in the "DVP Block" are shared pro-rata based on each client's participation in the block order.

Lateef performs investment advisory services for many clients. The timing of an account's funding and/or the timing of a contribution or withdrawal will impact the timing and nature of action taken. As a result, variations in the positions and weights will naturally exist between client accounts. Over time, to the extent possible, Lateef strives to allocate investment opportunities to each account on a fair and equitable basis.

## ITEM 13 – REVIEW OF ACCOUNTS

Accounts are reviewed on a regular basis by a member of the portfolio management team assigned to the account and/or by the Lateef traders. Accounts are reviewed: (1) when a decision has been made regarding a security held in the account, such as the addition, liquidation or the switching of a position, (2) when prompted by client communication, (3) when notified of a contribution or withdrawal of assets, (4) when a decision has been made to alter the asset allocation, (5) at the discretion of the portfolio management, client service or trading teams.

Generally, reports are furnished to each client on a quarterly basis. Reports generally include a written Market Commentary, Portfolio Summary, Investment Performance, Assets in Portfolio, Transaction Schedule, and a Tax Report. More frequent reports may be provided upon request.

## ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Lateef does not enter into agreements with or make commitments to broker/dealers under which Lateef is obligated to compensate broker/dealers for client referrals. However, in some cases, Lateef may recommend to a client a broker/dealer that has referred clients to Lateef when Lateef believes that said broker/dealer is capable of providing the best services to the client.



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In some cases Lateef will direct brokerage to certain brokers or dealers who have also referred clients to Lateef. Under such circumstances, the client is not, in all instances, assured of the lowest commissions and/or broker/dealer compensation.

Lateef may participate in a number of referral programs that provide qualified leads to Lateef. Participation in these programs may pose potential conflicts of interest. Lateef does not directly compensate the program sponsor for these leads. The leads are not required to custody their assets with the program sponsor. If the lead decides to engage the services of the program sponsor, the program sponsor will be the primary broker for the account and, as a result, will receive compensation in the form of brokerage commissions on the trades executed by the sponsor for the account.

Lateef participates in a number of Managed Account (aka WRAP) programs that direct accounts to Lateef. Lateef does not compensate the program sponsor for these accounts. The program sponsor charges a bundled fee (in some cases, representing research, execution and reporting services) of which a portion is paid to Lateef for providing investment advisory services to the account. Client is hereby advised that the services provided for the bundled fee may be less costly if negotiated on an unbundled basis.

Lateef currently participates in the following Managed Account programs:

1. Morgan Stanley – Fiduciary Services
2. Envestnet Asset Management – Envestnet
3. Charles Schwab – Access
4. UBS – Access
5. Janney Montgomery Scott – Advisor’s Platform
6. Lockwood/Pershing – Managed Account Command
7. LPL – Manager Select
8. Wells Fargo - Masters

Lateef may permit certain designated persons (referred to as “Solicitors”) to refer potential business to Lateef. Any Solicitor will be required to enter into a written agreement with Lateef that requires the Solicitor to deliver a disclosure document relating to Lateef and a separate disclosure document relating to the Solicitor’s arrangement with Lateef. Payments to Solicitors may vary.

## **ITEM 15 – CUSTODY**

Clients should receive monthly or quarterly account statements from their bank, broker/dealer or other qualified custodian, in addition to the account statements that they may receive from Lateef. We urge clients to carefully review both account statements and compare official custodial records to the account statements provided by Lateef.

Lateef statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Lateef generally has the client’s authority to instruct a client’s broker/dealer to deduct Lateef advisory fees directly from the client’s account.



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## ITEM 16 – INVESTMENT DISCRETION

Generally, Lateef's clients grant full discretionary authority over securities purchases and sales, subject to investment objectives and guidelines that are established by agreement between Lateef and the client at the time the account is opened. Absent instructions to the contrary from the client, Lateef has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, amount of securities to be bought or sold, broker/dealer to be used and commission rates to be paid (for "DVP Blocks").

Where Lateef has discretion to select the executing broker, Lateef will aims to select those brokers or dealers which will provide the best services at reasonable commission rates. The reasonableness of commissions is based on the broker's ability to provide professional services, competitive commission rates, research and other services, which will help Lateef in providing investment management services to clients. Lateef may, therefore, recommend the use of (or use) a broker who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance. Research services may be useful for the account for which the particular transaction was effected.

## **CLASS ACTION LAWSUITS**

Lateef is not responsible for exercising client's rights to participate in the proceeds of class action lawsuits affecting securities they own or have owned. Lateef will not notify clients regarding class action lawsuits and will not transmit proof of claim forms to clients except upon client request. Upon client request, Lateef may assist with the processing of a class action claim on behalf of the client. However, Lateef may refrain from processing the claim if it deems the claim to be de minimis relative to the time and effort involved to file the claim.

## ITEM 17 – VOTING CLIENT SECURITIES

Lateef typically does not vote proxies as part of its discretionary authority to manage accounts, unless the client has requested Lateef to do so in writing. When voting proxies, Lateef's primary objective is to make voting decisions solely in the best economic interests of its clients. Lateef will act in a manner that it deems prudent and diligent and which is intended to enhance the economic value of the underlying securities held in its clients' accounts.

Lateef has adopted written Proxy Policy Guidelines and Procedures (the "Proxy Guidelines") that are reasonably designed to ensure that Lateef is voting in the best interest of its clients. The Proxy Guidelines reflect Lateef's general voting positions on specific corporate governance issues and corporate actions. Some issues may require a case-by-case analysis prior to voting and may result in a vote being cast that will deviate from the Proxy Guidelines. Upon receipt of a client's written request, Lateef may also vote proxies for that client's account in a particular manner that may differ from the Proxy Guidelines. Deviation from the Proxy Guidelines will be documented and maintained in accordance with Rule 204-2 under the Investment Advisers Act of 1940.



# LATEEF

INVESTMENT  
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In accordance with the Proxy Guidelines, Lateef may review additional criteria associated with voting proxies and evaluate the expected benefit to its clients when making an overall determination on how or whether to vote the proxy. Lateef may vote proxies individually for an account or aggregate and record votes across a group of accounts, strategy or product. In addition, Lateef may refrain from voting a proxy on behalf of its clients' accounts due to de minimis holdings, impact on the portfolio, items related to foreign issuers, timing issues related to the opening/closing of accounts and contractual arrangements with clients and/or their authorized delegate.

To assist in the proxy voting process, Lateef may retain an independent third party services provider to assist in providing research, analysis and voting recommendations on corporate governance issues and corporate actions, as well as assist in the administrative process. Lateef currently uses ISS as a third party service provider for proxy voting.

Lateef may have conflicts of interest that can affect how it votes its clients' proxies. For example, Lateef may manage a pension plan whose management is sponsoring a proxy proposal. The Proxy Guidelines are designed to prevent material conflicts of interest from affecting the manner in which Lateef votes its clients' proxies. In order to ensure that all material conflicts of interest are addressed appropriately while carrying out its obligation to vote proxies, Lateef has designated a Managing Director who is not on the investment team to be responsible for addressing how Lateef resolves such material conflicts of interest with its clients. Resolutions of all material conflicts of interest will be documented.

If you are a client of Lateef and you would like to find out how your proxies have been voted or you would like a complete copy of Lateef's current Proxy Guidelines, please send a written request to:

Lateef Investment Management, L.P.  
Attention: Compliance Department  
300 Drakes Landing Road, Suite 210  
Greenbrae, CA 94904.

Email requests may be sent to [eeisenbarth@lateef.com](mailto:eeisenbarth@lateef.com).

## **ITEM 18 – FINANCIAL INFORMATION**

Lateef has many clients who pay their management fees annually in advance. As a result, Lateef is required to include a balance sheet for our most recent fiscal year. The balance sheet for the period ending December 31, 2015 is included.



**LATEEF**  
INVESTMENT  
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**ITEM 1 – COVER PAGE**

**ADV PART 2B – FIRM BROCHURE SUPPLEMENT**

**LATEEF INVESTMENT MANAGEMENT, L.P.  
300 DRAKES LANDING ROAD, SUITE 210  
GREENBRAE, CALIFORNIA 94904  
(415) 461-3800**

**WWW.LATEEF.COM**

**JANUARY 30, 2016**

This brochure supplement provides information about each supervised person at Lateef Investment Management, L.P. and supplements the Lateef Investment Management, L.P. brochure. You should have received a copy of that brochure. Please contact Kathleen Van Der Wal, Chief Compliance Officer, if you did not receive Lateef Investment Management, L.P.'s brochure or if you have any questions about the contents of this supplement.

Additional information about the supervised persons at Lateef Investment Management, L.P. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



# LATEEF

INVESTMENT  
MANAGEMENT

## ITEM 2 – EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

### **RYAN WILLSON**

Chief Executive Officer, joined Lateef in 2000 and became an owner in 2001. Prior to Lateef, Mr. Willson was Founder and President of Willson Investment Management, Inc., a Financial Consultant with Merrill Lynch and a Financial Advisor with Dean Witter. Mr. Willson received his B.A. degree in Communication from the University of Southern California.

### **JAMES TARKENTON, CFA<sup>1</sup>, MBA**

Managing Director and Co-Portfolio Manager, joined Lateef in 2008 and became an owner in 2009. Previous positions include Managing Member and Portfolio Manager at RBO & Co., LLC, Vice President and Senior Research Analyst at Oak Value Capital Management, and Senior Research Associate at Cambridge Associates. James received a B.S. degree in Finance from Virginia Commonwealth University and his MBA, with honors, from the University of North Carolina at Chapel Hill. Mr. Tarkenton is a CFA Charterholder and member of the CFA Society of San Francisco.

### **QUOC TRAN, MBA**

Managing Director and Co-Portfolio Manager, joined Lateef in 2005 and became an owner in 2007. In 2002, Quoc joined Wallace R. Weitz & Co. and held various positions in portfolio management and research. Prior to that, he spent five years at Goldman Sachs and Co. as an institutional sales professional, and left the company as Vice President and Director in the Equities Division. Mr. Tran is a member of the Board of Trustees of Bates College and serves on various committees, including the Bates College Investment Committee where he is Chair of Equities. Mr. Tran received a B.A. degree with high honors in Rhetoric from Bates College and his MBA in Finance and Competitive Strategy at the University of Chicago where he was also a Business Fellow.

## ITEM 3 – DISCIPLINARY INFORMATION

Item 3 is not applicable. Lateef does not have any disciplinary information to disclose.

## ITEM 4 – OTHER BUSINESS ACTIVITIES

Item 4 is not applicable. Lateef does not have other business activities to disclose.

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<sup>1</sup> To become a Chartered Financial Analyst (CFA) candidates must pass each of three six-hour exams, possess a bachelor's degree from an accredited institution (or have equivalent education or work experience) and have 48 months of qualified, professional work experience. CFA®s are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct.



## LATEEF

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### **ITEM 5 – ADDITIONAL COMPENSATION**

Item 5 is not applicable. Lateef does not have additional compensation to disclose.

### **ITEM 6 – SUPERVISION**

Ryan Willson, James Tarkenton, and Quoc Tran are supervised by the Managing Members of Lateef Investment Management, L.P.

***LATEEF INVESTMENT MANAGEMENT, L.P.***

***BALANCE SHEET***

***DECEMBER 31, 2015***

***INDEPENDENT AUDITORS' REPORT***

To the Partners of  
Lateef Investment Management, L.P.

We have audited the accompanying balance sheet of Lateef Investment Management, L.P. as of December 31, 2015, and the related notes to the balance sheet.

***Management's Responsibility for the Balance Sheet***

Management is responsible for the preparation and fair presentation of this balance sheet in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a balance sheet that is free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on the balance sheet based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the balance sheet is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the balance sheet. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the balance sheet, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the balance sheet in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the balance sheet.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the balance sheet referred to above presents fairly, in all material respects, the financial position of Lateef Investment Management, L.P. as of December 31, 2015, in conformity with accounting principles generally accepted in the United States of America.

*Navolio & Tallman LLP*

*San Francisco, California*  
*March 10, 2016*

**LATEEF INVESTMENT MANAGEMENT, L.P.**  
**Balance Sheet**  
**December 31, 2015**

***Assets***

***Current assets***

Cash and cash equivalents	\$ 3,818,409
Accounts receivable	174,560
Management fees earned and unbilled	5,098,619
Prepaid and other current assets	<u>190,418</u>
<i>Total current assets</i>	<u>9,282,006</u>
 Furniture and equipment, net of accumulated depreciation and amortization of \$196,377	134,432
Goodwill from redemption of partners' interests	<u>50,832,047</u>
 Total assets	<u>\$ 60,248,485</u>

***Liabilities and partners' capital***

***Current liabilities***

Accrued expenses	\$ 492,316
Current portion of note payable	2,756,099
Estimated current portion of notes payable to redeeming partners	2,590,546
Current portion of capital lease obligations	14,025
Deferred income	<u>1,564,426</u>
<i>Total current liabilities</i>	<u>7,417,412</u>
 Note payable, net of current portion	5,758,821
Notes payable to redeeming partners, net of estimated current portion	<u>19,096,626</u>
Capital lease obligations, net of current portion	<u>3,183</u>
 <i>Total liabilities</i>	<u>32,276,042</u>
 Partners' capital	<u>27,972,443</u>
 <i>Total liabilities and partners' capital</i>	<u>\$ 60,248,485</u>

*See Accompanying Notes to Balance Sheet*

**LATEEF INVESTMENT MANAGEMENT, L.P.**  
**Notes to Balance Sheet**  
**December 31, 2015**

**1. *Nature of operations***

Founded in 1974, Lateef Investment Management, L.P. (“Lateef” or “the Partnership”) is a California limited partnership providing professional portfolio management to individuals for taxable and retirement accounts, and to corporate pension plans, charitable foundations, and academic endowments through separate managed accounts. Lateef’s main office is in Greenbrae, California with additional offices in Portland, Oregon and Towson, Maryland.

**2. *Summary of significant accounting policies***

**Method of accounting**

Lateef maintains its accounting records on the cash basis method of accounting but converts to the accrual method for presentation of the balance sheet in conformity with accounting principles generally accepted in the United States of America.

**Cash and cash equivalents**

Cash and cash equivalents include all cash balances and highly liquid investments with an initial maturity of three months or less. The Partnership places its temporary cash investments with high credit quality financial institutions. At times such investments may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit. Management does not believe the Partnership is exposed to undue risk of loss to the extent cash balances may, from time to time, exceed the limits of insurance coverage.

**Accounts receivable**

Accounts receivable are recorded at the invoiced amount of management fees. Based on historical collection rates, the Partnership has not provided for an allowance for doubtful accounts. However, the Partnership continually reviews historical write-off experience, current market trends and, for larger accounts, the ability to pay outstanding balances. Past due balances over 90 days and other higher risk amounts are reviewed individually for collectability.

**Management fees earned and unbilled**

Management fees earned and unbilled include unbilled amounts resulting from services provided to customers that have not yet been invoiced as of December 31, 2015. Fees are generally invoiced within 20-25 business days of the end of the period in which services are provided.

**LATEEF INVESTMENT MANAGEMENT, L.P.**  
**Notes to Balance Sheet**  
**December 31, 2015**

**2. Summary of significant accounting policies (continued)**

Furniture and equipment

Furniture and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets, which range from three to five years. The cost of improvements to leased properties is amortized over the shorter of the estimated useful lives of the assets or term of the related lease. When assets are retired or disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gains or losses are included in income for the year of disposition. Lateef's capitalization policy is to capitalize furniture and equipment with a cost of greater than \$5,000.

In August 2012, Lateef entered into a lease agreement for office equipment for four years. In August 2013, Lateef entered into an additional lease agreement for office equipment for four years. The leases qualify as capital leases and Lateef recorded an asset and an obligation at an amount equal to the present value of the minimum lease payments at the beginning of the lease terms (see Note 4).

Goodwill from redemption of partners' interests

Goodwill of \$17,351,587, \$29,687,014, and \$3,793,446 were recorded in connection with the redemption of partners' interests in 2007, 2012, and 2014, respectively. Goodwill represents the excess of the redemption price over the respective partners' book capital at the time of redemption.

The Partnership evaluates the carrying value of goodwill during the end of each year and between annual evaluations if events occur or circumstances change that would more likely than not reduce the fair value of the goodwill of the reporting unit below its carrying amount. Such circumstances could include, but are not limited to (1) a significant adverse change in legal factors or in business climate, (2) a management fee collection problem, or (3) a reduction in the current sales price of partnership interests (if any). The Partnership's evaluation of goodwill completed during the year resulted in no impairment losses.

Revenue recognition

The Partnership recognizes revenues from management fees ratably over applicable periods for which services are performed. Amounts billed and collected before the services are performed are included in deferred income. Deferred income consists of management fees either invoiced in advance or received in advance of earning the fees. Certain fees are invoiced either annually or quarterly at the beginning of the period in which they will be earned. If the invoiced amount covers a period that extends beyond year-end, the invoiced amount is not recorded as income until earned.

**LATEEF INVESTMENT MANAGEMENT, L.P.**  
**Notes to Balance Sheet**  
**December 31, 2015**

**2. Summary of significant accounting policies (continued)**

Use of estimates

The preparation of a balance sheet in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the balance sheet. The most significant estimates relate to management fees earned and unbilled on wrap accounts and the current portion of the notes payable to redeeming partners. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

**3. Notes payable**

Term loan

On July 26, 2007, Lateef entered into a loan agreement with a financial institution acting as the administrative agent and issuing bank (the “Term Loan”) to pay a withdrawing partner for his partnership interest. Since this initial agreement, the Term Loan has been renegotiated eight times. As of the most recent amendment, the due date was extended from December 2018 to December 2020.

The agreement requires an annual minimum payment plus an additional payment of principal within 120 days after the end of each calendar year equal to a specified percentage of excess cash flow, as defined in the agreement. The additional principal payments are applied to the Term Loan balance in the inverse order of maturity. The additional principal payment based on 2015 results was \$956,099, which is included in the current portion of the note payable in the accompanying balance sheet.

The minimum principal payments on the Term Loan are due as follows:

Year	Amount
2016	\$ 1,800,000
2017	1,800,000
2018	1,800,000
2019	1,800,000
2020	<u>358,821</u>
	7,558,821
Plus: additional principal payment	<u>956,099</u>
	<u><u>\$ 8,514,920</u></u>

**LATEEF INVESTMENT MANAGEMENT, L.P.**  
**Notes to Balance Sheet**  
**December 31, 2015**

**3. Notes payable (continued)**

As of December 31, 2015, the Term Loan bears an annual interest rate equal to the greater of 3.5% or the prime rate plus the applicable margin, as defined in the loan agreement.

The Term Loan is secured by all of Lateef's receivables, furniture and equipment, and other property as defined in the Term Loan agreement. Borrowings under the Term Loan are subject to certain restrictions and financial covenants including, but not limited to: (i) a debt to pre-tax income ratio of not more than 1.5 to 1 at the end of each fiscal quarter, (ii) a cash flows from operations to debt service ratio of not less than 1.25 to 1 during the last ended fiscal quarter and the preceding three fiscal quarters and (iii) a minimum of \$3,000,000,000 of assets under management at the end of each fiscal quarter. As of December 31, 2015, the Partnership was in compliance with all covenants.

**Partner redemptions**

On December 31, 2012, Lateef issued installment notes for \$15,051,222 ("first note") and \$10,704,416 ("second note") to redeem a 17.58% and a 12.8% partnership interest, respectively. Interest on the notes accrues daily at an annual rate of five and one quarter percent from January 1, 2013 through December 31, 2017 and accrues at an annual rate equal to the Prime Rate plus two percent annually, up to eight percent, from January 1, 2018 through December 31, 2027. Interest is paid monthly in arrears on the last business day of the month. The first note includes a deferred down payment of \$323,379, which is due quarterly over three years, beginning in 2013. In addition, minimum principal payments on the remainder of the first note of \$83,618 are due on the last business day of every month. Principal payments on the second note are due quarterly and are calculated at 7.68% of "Cash Basis Net Income" as defined in the redemption agreement less an adjustment for interest expense.

On December 31, 2014, Lateef issued a third installment note for \$3,938,598 ("third note") to redeem a 4.54% partnership interest. Interest on the note accrues daily at an annual rate of five and one quarter percent from December 31, 2014 through December 31, 2019 and accrues at an annual rate equal to the Prime Rate plus two percent annually, up to eight percent, from January 1, 2020 through December 31, 2029. Interest is paid monthly in arrears on the last business day of the month. In addition, minimum principal payments on the third note of \$21,881 are due on the last business day of every month.

Each note is secured by all of Lateef's receivables, furniture and equipment, and other property as defined in the partner redemption agreements. Under the partner redemption agreements, borrowings are subject to certain restrictions and financial covenants including, but not limited to, a restriction that Lateef may not create, incur, assume, or suffer to exist, any debt or other obligation in excess of \$5,000,000 in the aggregate, other than the Senior Obligations, the Pari Passu Obligations, and any indebtedness secured by Permitted Liens, as defined in the partner redemption agreements. As of December 31, 2015, the Partnership was in compliance with all covenants.

**LATEEF INVESTMENT MANAGEMENT, L.P.**  
**Notes to Balance Sheet**  
**December 31, 2015**

**3. Notes payable (continued)**

The partner redemption agreements also require the Partnership to make additional payments of principal against the notes equal to the excess of a calculated amount as defined in the respective agreements. Per these redemption agreements, the additional principal payments, if any, are due annually by February 28<sup>th</sup> for the first and third notes and January 31<sup>st</sup> for the second note. However, the additional principal payment on the third note is not effective until February 2016. The additional payments based on 2015 results were \$525,098 for the first note and \$0 for the second and third notes, which are included in the estimated current portion of the notes payable to redeeming partners in the accompanying balance sheet.

The remaining minimum principal payments on the first note are due as follows:

Year	Amount
2016	\$ 1,003,415
2017	1,003,415
2018	1,003,415
2019	1,003,415
2020	1,003,415
Thereafter	<u>4,552,450</u>
	9,569,525
Plus: additional principal payment	<u>525,098</u>
	<u><u>\$ 10,094,623</u></u>

The remaining minimum principal payments on the third note are due as follows:

Year	Amount
2016	\$ 262,573
2017	262,573
2018	262,573
2019	262,573
2020	262,573
Thereafter	<u>2,363,160</u>
	<u><u>\$ 3,676,025</u></u>

The estimated current portion of the second note, which is included in the estimated current portion of notes payable to redeeming partners in the accompanying balance sheet, is \$799,460.

**LATEEF INVESTMENT MANAGEMENT, L.P.**  
**Notes to Balance Sheet**  
**December 31, 2015**

**4. Capital lease obligations**

On August 20, 2012, the Partnership entered into a 48 month lease agreement for office equipment. On August 13, 2013, the Partnership entered into an additional 48 month lease agreement for office equipment. Both leases are accounted for as capital leases. The cost of equipment under capital leases is included in the balance sheet as furniture and equipment and was \$74,600 as of December 31, 2015. Accumulated amortization of the leased equipment was \$57,391 as of December 31, 2015.

Minimum future lease payments for the years ending December 31 under the capital leases are as follows:

Year	Amount
2016	\$ 17,112
2017	3,852
Total minimum lease payments	<u>20,964</u>
Less amount representing interest	<u>(3,756)</u>
Present value of minimum lease payments	<u><u>\$ 17,208</u></u>

The present value of minimum lease payments is reflected in the balance sheet as current and noncurrent obligations under capital leases of \$14,025 and \$3,183, respectively.

**5. Operating lease commitments**

Lateef leases its primary office space under a non-cancellable operating lease which contains provisions for future rent increases through July 2020. During 2011, Lateef entered into another lease for a secondary office in Maryland. The secondary office lease was most recently renewed in December 2015 for a 13 month term.

Lateef's future minimum payments under the leases for the years ending December 31 are as follows:

Year	Amount
2016	\$ 459,269
2017	459,819
2018	466,849
2019	480,844
2020	<u>288,214</u>
	<u><u>\$ 2,154,995</u></u>

In addition, Lateef leases its Oregon office on a month to month basis.

**LATEEF INVESTMENT MANAGEMENT, L.P.**  
**Notes to Balance Sheet**  
**December 31, 2015**

**6. Profit sharing plan and 401K**

Lateef has a profit sharing Keogh Plan and a 401K which are discretionary in nature. No contribution into either plan is required unless agreed upon by management and employees, respectively. Total contributions in 2015 were \$877,647, of which, \$45,374 was funded by unvested and forfeited contributions of former employees. All contributions were funded as of December 31, 2015.

**7. Income taxes**

No liability for income taxes has been made in the accompanying balance sheet because each partner is individually responsible for reporting income or loss based on their respective share of the Partnership's income and expenses as reported for income tax purposes. The Partnership prepares calendar year U.S. and state information tax returns and reports to the partners their allocable shares of the Partnership's income, expenses, and realized gains or losses.

The Partnership applies the provisions of FASB Accounting Standards Codification Topic 740, *Income Taxes*, which provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the balance sheet. This guidance requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Partnership's balance sheet to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable taxing authorities. Tax positions with respect to tax at the partnership level not deemed to meet the "more-likely-than-not" threshold would be recorded as a tax benefit or expense in the current year. The General Partner has concluded there is no tax expense to be recorded by the Partnership for the year ended December 31, 2015. The Partnership continues to remain subject to examination by U.S. federal authorities for the years 2012 and forward and to various state authorities for the years 2011 and forward.

**8. Subsequent events**

From January 1, 2016 through March 10, 2016, the Partnership made distributions to its partners of \$2,810,597.

Effective as of February 29, 2016, Lateef closed its office located in Portland, Oregon.

In accordance with FASB accounting Standards Codification Topic 855, *Subsequent Events*, the Partnership has evaluated subsequent events through March 10, 2016, the date this balance sheet was available to be issued. With the exception of the matters discussed above, there were no other material subsequent events that required recognition or additional disclosure in this balance sheet.

# LATEEF INVESTMENT MANAGEMENT

## **PRIVACY POLICY AND PRACTICES OF LATEEF INVESTMENT MANAGEMENT, LP**

We at LATEEF value our clients' trust and are committed to the responsible management, use and protection of personal information. All investment advisers, such as LATEEF, must collect a certain amount of personal information to service our clients and administer our business. This notice describes our policy regarding the collection and disclosure of personal information.

1. **Categories of Personal Information Collected.** Personal information, as used in this notice, means information that identifies an individual personally and is not otherwise available to the public. It includes, but may not be limited to, personal financial information such as assets, liabilities, income, net worth and other similar financial information. We collect personal information from you in agreements, applications or other forms; and, we collect personal information about your transactions with us and others (e.g., the broker-dealer or broker-dealers used by you in connection with your utilization of our investment advisory services).
2. **Disclosure of Personal Information.** We do not disclose any of the personal information that we collect to anyone, except as permitted by law.
3. **Access to Personal Information.** LATEEF's partners and employees have access to personal information, on a "need-to-know" basis in the course of performing their services, which includes advising clients and administering client accounts with respect to matters relating to or arising out of performance of LATEEF's investment advisory services.
4. **Security Measures.** We use physical and procedural security measures to maintain the confidentiality and integrity of personal information in our possession and guard against unauthorized access to it. Some techniques we employ to protect personal information include locked files, secure code access and user authentication. Hardcopy information is disposed of securely via locked storage containers and is then shredded. Furthermore, the office is locked and an alarm is set after business hours. All outside vendors have different alarm codes to track entry. We are responsible for identifying information that must be protected, providing an adequate level of protection for that information and granting access to protected information only to persons who must use it in the performance of their job or service related duties. Partners, employees and/or outside vendors who violate our Privacy Policy will be subject to disciplinary action, which may include termination or expulsion, as the case may be.
5. **Continuation of Privacy Policy.** We will continue to follow this Privacy Policy regarding personal information even where a client or customer relationship between us no longer exists.
6. **Notifications.** LATEEF will notify its clients/customers of its Privacy Policy at the inception of its client/customer relationship with a given client and annually thereafter.
7. **Changes to Privacy Policy.** This Privacy Policy is subject to change at any time. We will notify our clients/customers of any modifications as necessary, not less than annually.

**LATEEF INVESTMENT MANAGEMENT - PROXY VOTING GUIDELINES**  
**As of February 2016**

**A. General Policy.** The Company typically does not vote proxies as part of its discretionary authority to manage accounts, unless the client has requested the Company to do so in writing. When voting proxies, the Company's primary objective is to make voting decisions solely in the best economic interests of its clients. The Company will act in a manner that it deems prudent and diligent and which is intended to enhance the economic value of the underlying securities held in its clients' accounts.

1. The Company has adopted written Proxy Policy Guidelines and Procedures (the "Proxy Guidelines") that are reasonably designed to ensure that the Company is voting in the best interest of its clients. The Proxy Guidelines reflect the Company's general voting positions on specific corporate governance issues and corporate actions. Some issues may require a case-by-case analysis prior to voting and may result in a vote being cast that will deviate from the Proxy Guidelines. Upon receipt of a client's written request, the Company may also vote proxies for that client's account in a particular manner that may differ from the Proxy Guidelines. Deviation from the Proxy Guidelines will be documented and maintained in accordance with Rule 204-2 under the Investment Advisers Act of 1940.
2. In accordance with the Proxy Guidelines, the Company may review additional criteria associated with voting proxies and evaluate the expected benefit to its clients when making an overall determination on how or whether to vote the proxy. The Company may vote proxies individually for an account or aggregate and record votes across a group of accounts, strategy or product. In addition, the Company may refrain from voting a proxy on behalf of its clients' accounts due to de-minimis holdings, impact on the portfolio, items related to foreign issuers, timing issues related to the opening/closing of accounts and contractual arrangements with clients and/or their authorized delegate.
3. To assist in the proxy voting process, the Company may retain an independent third party services provider to assist in providing research, analysis and voting recommendations on corporate governance issues and corporate actions, as well as assist in the administrative process. The Company currently uses ISS as a third party service provider for proxy voting.
4. The Company may have conflicts of interest that can affect how it votes its clients' proxies. For example, the Company may manage a pension plan whose management is sponsoring a proxy proposal. The Proxy Guidelines are designed to prevent material conflicts of interest from affecting the manner in which the Company votes its clients' proxies. In order to ensure that all material conflicts of interest are addressed appropriately while carrying out its obligation to vote proxies, the Company has designated a Managing Member, who is not on the investment team, to be responsible

for addressing how the Company resolves such material conflicts of interest with its clients. Resolutions of all material conflicts of interest will be documented.

- B. Records to be Maintained.** In accordance with Rule 206(4)-6, the Company's recordkeeping requirements are as follows:
  - 1. Copies of the Company's Proxy Voting Policy and Procedures;
  - 2. Copies or records of each proxy statement received with respect to clients' securities for whom the Company exercises voting authority;
  - 3. Records of each vote cast on behalf of clients, as well as certain records pertaining to the Company's decision on the vote;
  - 4. Records of written client request for proxy voting information; and
  - 5. Records of written responses from the Company to either written or oral client requests;
  - 6. Records are kept for at least five (5) years following the date that the last vote was cast. The company may maintain the records electronically. Third party service providers may be used to maintain proxy statements and proxy votes.
- C. Client Communications and Disclosure.** Generally, the Company's clients have the right, and shall be afforded the opportunity to have access to records of voting actions taken with respect to securities held in their respective account or strategy. The Company shall provide clients with a summary of this policy in the form of a general Proxy Voting Policy Statement. The delivery of this statement can be made in Part 2 of Form ADV or under separate cover. Voting actions are confidential and may not be disclosed to any third party, except as may be required by law or explicitly authorized by client.
- D. Testing.** The Operations Manager shall conduct periodic testing to confirm proxies are voted in accordance with the Company's guidelines, all proxies the Company is responsible for voting are being voted, and the third party service provider is able to provide voting records for clients in a timely manner if requested. The Operations Manager shall document these tests.