

ARONSON JOHNSON ORTIZ

This brochure provides information about the qualifications and business practices of ARONSON JOHNSON ORTIZ ("AJO"). If you have any questions about the contents of this brochure, please contact our chief compliance officer, Joe Dietrick, at 215.546.7500 or dietrick@ajopartners.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

AJO is a registered investment adviser. Registration as an investment adviser does not imply a certain level of skill or training. Additional information about AJO is available on the SEC's website at www.adviserinfo.sec.gov.



*"Short-term I like cash; mid-term, bonds;
long-term, ARONSON JOHNSON ORTIZ."*

ITEM 2 – MATERIAL CHANGES

There are no material changes to our Brochure dated March 30, 2011.

ITEM 3 – TABLE OF CONTENTS

Item 1 – Cover Page	i
Item 2 – Material Changes.....	ii
Item 3 – Table of Contents	iii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	1
Item 6 – Performance-Based Fees and Side-By-Side Management	3
Item 7 – Types of Clients	3
Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss.....	4
Item 9 – Disciplinary Information	5
Item 10 – Other Financial Industry Activities and Affiliations	5
Item 11 – Code of Ethics	6
Item 12 – Brokerage Practices	7
Item 13 – Review of Accounts	9
Item 14 – Client Referrals and Other Compensation.....	9
Item 15 – Custody	9
Item 16 – Investment Discretion	10
Item 17 – Voting Client Securities.....	10
Item 18 – Financial Information.....	11

ITEM 4 – ADVISORY BUSINESS

AJO is an independent, registered investment adviser founded in 1984. The firm is a limited partnership, wholly owned by 13 active principals, with a staff of 30 investment professionals and 11 support personnel. Theodore R. Aronson is the founder, principal owner, and managing principal of the firm.

As of December 31, 2011, we managed \$19,158,682,962 in value-oriented, U.S. equity mandates for 88 institutional clients in 119 discretionary accounts. In addition, AJO provides model portfolio holdings to one or more clients.

We offer benchmark-relative and absolute-return strategies across the market-cap spectrum of U.S. equities, subject to the investment policies, limitations, and restrictions of our clients. Portfolios can be long-only, 130/30, or long/short. We can vary tracking error or total volatility. Additional information on AJO's quantitative investment process can be found under Item 8.

ITEM 5 – FEES AND COMPENSATION

The specific manner in which fees are charged by AJO is established in a client's written agreement with AJO. Fees are calculated as a percentage of the value of assets under management and are payable in arrears and usually billed quarterly. Management fees shall be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of *de minimis* contributions and withdrawals). Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. A client may terminate at any time on written notice; generally, AJO may terminate 30 days after written notice.

AJO's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses, which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties, such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees, and commissions are exclusive of and in addition to AJO's fee, and AJO shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that AJO considers in selecting or recommending broker-dealers for client transactions and for determining the reasonableness of their compensation (*e.g.*, commissions).

AJO's fee schedules for new accounts are as follows:

AJO Top Cap

AJO Top Cap – Absolute Value

AJO Large Cap – Absolute Value LTE

0.25% on first \$250 million

0.15% on next \$250 million

0.10% thereafter

AJO Large Cap

AJO Large Cap – Absolute Value

AJO Large Cap 1000

AJO Large Cap – Absolute Value 500

AJO Managed Volatility

0.30% on the first \$250 million

0.20% on the next \$250 million

0.15% on the next \$500 million

0.125% thereafter

AJO Mid Cap

0.55% on all assets

AJO Small Cap

AJO Small Cap – Absolute Value

0.70% on all assets

AJO Dollar-Neutral Long/Short

0.75% on all assets

130/30 strategies are charged based on the fee rates for the corresponding long-only mandate, multiplied by gross exposure (*e.g.*, 130/30 = 160%).

In addition to the fees and strategies listed above, AJO provides model portfolio holdings to one or more clients for a negotiated fee.

Fees are generally not negotiable for clients with less than \$750 million in assets under management with AJO. In certain instances, such as performance-based fees, clients may pay a negotiated fee. AJO may combine or stack assets for multi-account and multi-mandate clients when calculating fees.

If any client of AJO pays a lower standard fee than that contracted by another client for the same investment mandate and the same size portfolio, such other client will also be charged the lower fee. The most-favored-nation fee is applied to discretionary fixed-fee client portfolios and is generally not applied to performance-based-fee client portfolios. Performance-based fees have variables that may result in unique fee arrangements and are considered on a case-by-case basis.

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

In some cases, AJO has entered into performance-fee arrangements with qualified clients. A performance-fee arrangement consists of an annual fee and a bonus fee calculated as a percentage of excess returns over a client-specified benchmark.

AJO will structure any performance-fee arrangement subject to applicable rules and regulations. In measuring client assets for the calculation of performance-based fees, AJO shall include realized and unrealized capital gains and losses.

Clients with similar performance may pay different fees due to their unique performance-fee arrangement, and performance-based fees may present a conflict of interest. Performance-based-fee arrangements create an incentive for AJO to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor performance-based-fee or higher-fee-paying accounts over other accounts in the allocation of investment opportunities or in other ways. AJO has procedures designed and implemented to ensure that all clients are treated fairly and equally and to prevent this conflict from influencing the allocation of investment opportunities among clients. AJO does not consider individual client fee structures when allocating trades or investment opportunities.

ITEM 7 – TYPES OF CLIENTS

AJO provides portfolio management services to corporate pension and profit-sharing plans, Taft-Hartley plans, multi-employer plans, charitable institutions, foundations, endowments, municipalities, registered mutual funds, private investment funds, trust programs, sovereign funds, foreign funds, and other U.S. and international institutions.

Minimum initial investment is \$25 million, with limited exceptions.

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

Our approach to asset allocation, portfolio construction, research, security selection, and trading is consistent across all of our investment strategies. It is also nearly 100% quantitative. As such, we don't have traditional Wall Street-type analysts that cover sectors, industries, or individual companies. As a quantitative asset manager, AJO's research effort is focused on enhancing our firmwide valuation, risk, and transaction-cost models, and ensuring that the data that feeds these models are accurate and representative for each company.

Our systematic, bottom-up investment process is best described in four steps:

Investment Universe – We begin with every stock that trades on a major U.S. exchange, about 6,000 names. After screening, we end up with an investment universe of 2,000 or so companies that are seasoned (at least three years of operating history), suitable (no bankruptcies, ADRs, gold stocks, or funds), and liquid (minimum \$700,000 average daily trading volume). Our strategies draw on all or parts of this universe.

Valuation – We evaluate each company by examining it relative to its industry peers, using multiple measures within the categories of value, management (quality and growth), and momentum: we favor asset-rich companies with higher earnings relative to price; we use numerous measures to gauge the effectiveness and outlook of management; and we look for momentum to signal the direction of price and earnings. Each measure varies in influence, determined by a stock's industry, cap size, and growth characteristics. In the end, we derive an all-in excess expected return for each company.

Portfolio Construction – Individual security weights are driven by combining our notion of future profits (our all-in excess expected return) and our assessment of risk (tracking error). Portfolios are fully invested and well-diversified in terms of industry, fundamental characteristics, and other statistical measures of risk. Benchmark-relative portfolios are sector-neutral to their target benchmark; however, gross sector exposure is unconstrained in our managed-volatility work. It is also unconstrained in our dollar-neutral long/short portfolios, although such portfolios are sector-neutral long versus short. For a benchmark strategy, we buy no more than 1.2% over the benchmark weight, at purchase; for a non-benchmark name or a non-benchmark strategy, 1.2% is the absolute maximum purchase weight; and for a strategy where shorting is permitted, -1.2% is the absolute maximum short weight. Portfolios hold an average of 80 to 200 names (per side for long/short), depending upon the strategy. Generally, the smaller the targeted capitalization of a strategy, the more names held.

Implementation – We seek to minimize implementation shortfall, defined as the difference between valuation price and execution price, including commissions, spreads, market impact, and opportunity cost. We capture trading results in our transaction-cost model and use them to inform our investment decisions and guide our selection of trading methods and venues. We use active ECNs, passive crossing networks, hybrid alternative trading systems, and principal packages, as well as a well-screened roster of traditional agency brokers.

Portfolio rebalancing is entirely systematic and disciplined. Purchases and sales are driven by changes in valuations, combined with our realistic, empirically derived, stock-specific estimates of cost, both described above. If transaction costs eat up projected profits, we'll stand pat.

Risk – Investment performance is not guaranteed. Investing in securities involves risk of loss that clients should be prepared to bear. An investment in stocks will fluctuate within a wide range and could lose money over short or even long periods. Particular market capitalization segments (*e.g.*, large cap versus small cap) or style categories (*e.g.*, value versus growth) might underperform or outperform the overall stock market. In addition, poor security selection by AJO could cause your portfolio to underperform relevant benchmarks or other portfolios with similar investment objectives. Long/short and 130/30 strategies involve a degree of "leverage": borrowed stocks are sold short; short sale proceeds and long stocks become collateral. Long/short investing can be riskier than long-only investing, since both the long and short sides can simultaneously lose value.

ITEM 9 – DISCIPLINARY INFORMATION

Neither AJO nor any principal or employee of the firm has ever been involved in any securities-related disciplinary action or litigation.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

AJO has no other financial-industry activities or affiliations. Investment management is our only business.

ITEM 11 – CODE OF ETHICS

AJO has established a Code of Ethics that prohibits AJO principals and employees from engaging in security transactions for their own or related accounts that might be detrimental to the interests of AJO's clients. In addition, it imposes restrictions on transactions by AJO principals and employees in securities that have been or will be the subject of a recommendation to AJO's clients. The Code of Ethics includes provisions relating to reporting personal securities transactions, the confidentiality of client information, restrictions on giving or receiving significant gifts, and the prohibition of insider trading and spreading rumors.

Subject to satisfying the Code of Ethics and applicable laws, officers and employees of AJO may trade for their own accounts in securities that are recommended to and/or purchased for AJO's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of the employees of AJO will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while at the same time allowing employees to invest for their own accounts. Under the Code of Ethics, certain classes of securities have been designated as exempt transactions, based upon a determination that transactions in these securities would not materially interfere with the best interest of AJO's clients. Nevertheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Trading by AJO personnel is monitored under the Code of Ethics to reasonably prevent conflicts of interest between AJO and our clients.

Clients or prospective clients may obtain a copy of AJO's Code of Ethics by contacting our chief compliance officer, Joe Dietrick, at 215.546.7500 or at dietrick@ajopartners.com.

In addition to any trading done by employees for their personal accounts, AJO may trade individual securities for its own account or invest firm monies in mutual funds and/or other commingled funds managed by AJO. In addition, AJO may purchase or sell securities as a result of trading errors (see Item 12, "Trade Errors"). In instances when AJO may be engaged in proprietary trading, AJO may not take for itself investment opportunities suitable for client accounts or otherwise disadvantage client accounts. However, AJO may participate in the allocation of investment opportunities in accordance with AJO's policy on such allocations. The AJO compliance team will review all instances of proprietary trading to ensure that no clients were disadvantaged.

ITEM 12 – BROKERAGE PRACTICES

Best Execution – We trade on a best-execution basis, which we define as the minimization of total firm transaction costs. We subscribe to the implementation shortfall methodology of transaction-cost measurement, which measures the difference between decision price and the final execution price of each trade. This measure encompasses all of the underlying components of transaction costs, including market impact, commissions, spreads, and opportunity cost.

Our internal transaction-cost model was built from and is regularly calibrated against our actual, realized transaction costs. We use it pre-trade to help us select the most promising venue/approach and post-trade as a transaction-cost benchmark.

We use a variety of trading approaches and venues, including active ECNs, passive crossing networks, hybrid alternative trading systems, and principal packages, as well as a well-screened roster of traditional agency brokers. This roster consists of first-, second-, and third-string brokers, each ranked according to their prior period's measurements of trading added-value. Broker/dealers are retained primarily on their ability to deliver low-cost executions, based on the price paid for the security and the commission paid for the transaction. Other considerations include clearance, settlement, efficiency of execution and error resolution, and block trading and package trading capabilities. We adjust our roster roughly every 12 to 18 months.

AJO may place trades with, purchase products from, or otherwise do business with an entity that is a client, a client affiliate, or a client consultant. As stated previously, AJO places trades with broker-dealers from which it feels it will receive best execution and does not consider any other relationship when selecting brokers or venues. At times, AJO may pay higher commissions in recognition of brokerage services considered necessary for the realization of best execution of certain securities transactions that might not be available otherwise.

Soft Dollars – AJO does not utilize any soft dollars for its benefit. Some dealers or brokers may also provide statistical and research information to AJO, but any research provided does not affect AJO's broker selection or retention.

Directed Brokerage – AJO believes that clients who direct brokerage may not obtain best execution. AJO generally does not direct trades for clients.

Allocation of Investment Opportunities – AJO is a quantitative manager with a systematic, model-driven investment process. Investment opportunities are allocated to client portfolios on a fair and equitable basis, with all investment opportunities available to all eligible portfolios. Portfolios are similarly managed within a given strategy, but holdings may differ across portfolios due to client-imposed restrictions and timing and optimization issues. Investment decisions are made without regard to client fees or our relationship to the client. AJO's investment model requires seasoned companies; therefore, AJO does not purchase IPOs or hot issues.

Trade Aggregation and Allocations – AJO may aggregate client trades in order to receive best execution, lower commissions, or to ensure that no client benefits by trading first or last at the expense of other clients. Client accounts participating in the aggregated trade will receive the average price for the trade. Trades are allocated on a pro rata basis, according to the target positions on the initial allocation. For example, if AJO places an aggregated purchase order and only trades 50% of the order amount, each account in the aggregated trade will receive 50% of its initial order amount. Exceptions are made due to client restrictions, cash availability, or other extenuating circumstances. Clients who trade their own accounts or who use transition managers do not receive the benefit of trade aggregation and may be traded later than other AJO accounts.

In most instances, allocations are subject to a 100-share or round-lot minimum. Incomplete trades are typically cancelled prior to a new investment model run. Clients with broker restrictions may not be able to participate in aggregated or packaged trades. Model-generated trades are generally produced weekly.

Trading Conflicts – Investment decisions for AJO's client accounts are made with a view to achieving each account's investment objectives, and are the product of many factors in addition to basic suitability for the particular client involved. Thus, a specific security may be bought for certain clients and sold for other clients. There may be circumstances when purchases or sales of securities for one or more client accounts will have an adverse effect on other clients. For example, AJO may sell securities to raise cash for one client and purchase the same securities for other client accounts. In addition, AJO may hold a stock short in one client's account and long in another client's account in a different strategy.

AJO may invest in client or client-affiliated securities. Any purchase of client or client-affiliated securities would only be in the normal course of our investment process.

Trade Errors – In the event of a trade error, it is AJO’s policy to ensure that clients do not incur any losses from the error and that the client’s account is made whole. For all errors identified post-settlement, the client will keep any gains and AJO will reimburse the client for any losses. Errors identified prior to settlement may be settled in the AJO trade error account.

Broker Recommendation – AJO will recommend brokers or dealers to clients in very limited circumstances, generally in situations where a client is transitioning its business to or from AJO or utilizes a prime broker. Any such broker may be an AJO client or may provide services to, and receive fees from, AJO. These arrangements may create a potential conflict of interest. However, clients requiring a prime broker are free to select any prime broker.

ITEM 13 – REVIEW OF ACCOUNTS

Portfolio reviews are conducted at least weekly by portfolio management and research staff to judge the appropriateness of securities held, although abnormal performance will trigger more frequent reviews. All portfolio managers share supervision of all accounts. Normal account reviews occur simultaneously across all portfolios.

Clients receive written monthly and quarterly reviews that include but are not limited to securities valuation, performance, proxies voted, commissions and transaction costs, and activity since the previous report.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Not applicable. AJO does not receive any economic benefit from any non-client for providing advisory services to a client, nor does AJO compensate any person or entity for client referrals.

ITEM 15 – CUSTODY

AJO does not accept custody of client assets.

Each client should receive at least quarterly statements from the broker-dealer, bank, or other qualified custodian that holds and maintains the client’s investment assets. AJO urges you to carefully review such statements and to notify us immediately if any material differences are found.

ITEM 16 – INVESTMENT DISCRETION

AJO and a new client typically enter into a written investment management agreement at the outset of the advisory relationship. The agreement generally grants AJO discretionary authority to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the agreement and with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, AJO observes the client's investment policies, limitations, and restrictions. For registered investment companies, AJO's authority to trade securities may also be limited by certain federal securities and tax laws.

Investment guidelines and restrictions must be provided to AJO in writing.

Item 17 – Voting Client Securities

AJO exercises proxy voting responsibilities on behalf of many of our clients pursuant to express or implied authorization in the client's investment management agreement; other clients retain this authority. In the case of ERISA accounts, AJO, as adviser to the plan, must vote all proxies for the securities managed by AJO, unless the authority to vote proxies is retained by another plan fiduciary. We have adopted and implemented policies and procedures reasonably designed to ensure proxies are voted in the best interests of clients, in accordance with our fiduciary duties and the requirements of ERISA and of SEC Rule 206(4)-6 under the Investment Advisers Act of 1940.

For detailed analyses of proxy issues, AJO will rely primarily on one or more independent third-party proxy voting services, and we will generally vote proxies in accordance with the recommendations we receive from these services. AJO will only vote against the third-party recommendation where it is in the portfolio's best interests to do so and where AJO has no material conflict of interest.

Actual and potential conflicts of interest, including conflicts of interest of our third-party proxy service, are monitored by AJO's Proxy Oversight Committee. In the case of a material AJO conflict, AJO will vote the proxy in accordance with the recommendation of our proxy voting service, unless the client directs us otherwise or, in the case of an ERISA client, revokes our proxy voting authority in writing. If our primary proxy voting service has a conflict of interest that causes it to abstain from making a recommendation on the proxy, the Committee will determine how to vote the proxy. In some instances, AJO may abstain from voting a client proxy, particularly when the effect on the client's economic interest or the value to the

portfolio is insignificant or the cost of voting the proxy outweighs the benefit to the portfolio.

Each proxy voted by AJO for a client account is disclosed to the client quarterly. Clients may obtain a copy of AJO's proxy voting policies and procedures or receive additional reports of proxies voted on their behalf by contacting our chief compliance officer, Joe Dietrick, at 215.546.7500 or dietrick@ajopartners.com.

AJO may be required by law or regulation to report or disclose to the SEC or to other regulatory bodies how AJO votes on certain proxy issues. Such disclosure may become publicly available.

ITEM 18 – FINANCIAL INFORMATION

AJO has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.