
Fuller & Thaler Asset Management, Inc.

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This brochure provides information about the qualifications and business practices of Fuller & Thaler Asset Management, Inc. ("Fuller & Thaler"). If you have any questions about the contents of this brochure, please contact Ms. Hanna W. Zanoni, Chief Compliance Officer, at (650) 931-1500 or hzanoni@fullerthaler.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.

Fuller & Thaler is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about Fuller & Thaler is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This brochure dated March 30, 2012 amends the last annual update of our brochure dated March 31, 2011 and contains the following material changes:

- Item 5 includes clarifications regarding fees.
- Item 7 includes updated account minimums.
- Item 8 includes a further description of our methods of analysis
- Item 11 includes enhanced Code of Ethics disclosures.
- Item 19 includes additional disclosures regarding Fuller & Thaler's trade error policy, class action policy, prime brokerage/custodian recommendations, and Global Investment Performance Standards compliance.

Please note that all of the changes made to the brochure are not included in the above summary. We encourage you to review the entire brochure.

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	4
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	5
Item 9 – Disciplinary Information.....	10
Item 10 – Other Financial Industry Activities and Affiliations	10
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	10
Item 12 – Brokerage Practices	13
Item 13 – Review of Accounts	17
Item 14 – Client Referrals and Other Compensation	17
Item 15 – Custody.....	17
Item 16 – Investment Discretion	18
Item 17 – Voting Client Securities	18
Item 18 – Financial Information	19
Item 19 – Additional Disclosures.....	19

Item 4 – Advisory Business

Fuller & Thaler Asset Management, Inc. ("Fuller & Thaler") is organized as a California corporation and has been in business since April 1993. It has been registered with the United States Securities and Exchange Commission as a registered adviser since May 1993. Its principal owner is Fuller Revocable Trust with co-trustees Russell J. Fuller and Anne Fuller. Fuller & Thaler is controlled by key professionals.

Fuller & Thaler provides specialized discretionary investment management services that focus on exploiting market inefficiencies drawn from insights from behavioral finance. The firm's strategies range from micro-cap to large-cap equity strategies. It offers judgmental as opposed to quantitative or traditional fundamental strategies which are managed in both a long-short market neutral as well as long-only format.

Fuller & Thaler works with clients to tailor its investment strategies to meet the individual needs of each client. Some examples of how Fuller & Thaler can tailor its investment strategies include imposing restrictions on investing in certain securities or types of securities or by expanding the universe of securities or types of securities. This, however, is not an all-inclusive list and clients are encouraged to discuss their specific needs with Fuller & Thaler.

As of December 31, 2011, Fuller & Thaler had \$1,236,300,000 discretionary assets under management and no non-discretionary assets under management.

Item 5 – Fees and Compensation

Advisory fees are dependent upon the strategy managed. Management fees are typically payable quarterly and calculated on the value of assets under management as of the end of each calendar quarter, after adjusting for contributions and withdrawals of capital. Fees will be pro-rated depending upon the date of contribution and/or withdrawal. Normal policy is that such fees are billed and paid in arrears. However, fees may be paid in advance at the client's request (up to one quarter in advance). In the event of termination, any management fees paid in advance will be prorated to the date of termination and any unearned fees will be returned to the client. Fuller & Thaler does not deduct fees directly from separately managed accounts.

In addition to management fees, some strategies may charge performance fees based on absolute performance or performance relative to an agreed upon benchmark. In all cases, the performance based fee will include realized capital gains less realized capital

losses, unrealized capital appreciation less unrealized capital depreciation, and interest and dividend income for all portfolio assets for typically a quarterly or annual calendar period.

The advisory fees charged by a private investment fund sponsored by Fuller & Thaler are disclosed in the fund's private placement memorandum.

In some circumstances fees are negotiable under any specific or combined strategy. The fee will depend upon, among other things, the size of the assets, number of accounts, type of client or account, whether a client is seeding a new strategy, and complexity or level of service provided (for example, if hedging or leverage is involved). Fuller & Thaler will consider performance based fees if a client prefers them. Certain accounts of persons affiliated with Fuller & Thaler may be managed without fees or at reduced fees.

Provided below is Fuller & Thaler's current standard fee schedule by strategy.

LONG ONLY STRATEGIES

SMALL-CAP GROWTH, SMALL-CAP VALUE, and SMALL-CAP CORE:

<u>Account Market Value</u>	<u>Annual Management Fee Rate</u>
First \$20,000,000	0.90%
Amounts over \$20,000,000	0.70%

MICRO-CAP:

<u>Account Market Value</u>	<u>Annual Management Fee Rate</u>
All amounts	1.00%

US LARGE-CAP BEHAVIORAL ADVANTAGE:

<u>Account Market Value</u>	<u>Annual Fee Rate</u>
First \$50,000,000	0.40%
Next \$50,000,000	0.30%
Amounts over \$100,000,000	0.20%

LONG-SHORT STRATEGIES

LOW VOLATILITY BEHAVIORAL EQUITY MARKET-NEUTRAL:

<u>Account Market Value</u>	<u>Annual Management Fee Rate*</u>
All amounts	1.00%

* Strategy has a performance fee equal to twenty percent (20%), subject to a high watermark.

BEHAVIORAL EQUITY MARKET-NEUTRAL:

<u>Account Market Value</u>	<u>Annual Management Fee Rate*</u>
All amounts	1.50%

* Strategy has a performance fee equal to twenty percent (20%), subject to a high watermark.

Mutual Funds

Fuller & Thaler provides sub-advisory services to three mutual funds: the Undiscovered Managers Behavioral Growth Fund, the Undiscovered Managers Behavioral Value Fund, and the Allianz F&T Behavioral Advantage Large-Cap Fund. J.P. Morgan Investment Management, Inc. is the investment adviser of the Undiscovered Managers Funds and Allianz Funds Management, LLC is the investment adviser of the Allianz Fund.

Fund Annual Management Fee Rate

Undiscovered Managers Behavioral Growth Fund	0.95%
Undiscovered Managers Behavioral Value Fund	1.05%
Allianz F&T Behavioral Advantage Large Cap Fund	0.40%

Fuller & Thaler receives a management fee based on a percent of each fund's net assets. The fees above represent the aggregate management fees charged by a fund and include fees paid in aggregate to the investments adviser of a fund and Fuller & Thaler. Fuller & Thaler may waive certain of the fees it receives from the funds to assist the funds in maintaining their expense caps at the levels disclosed in the funds' prospectuses. Please refer to the funds' prospectuses for more information.

Other Fees and Expenses

Fuller & Thaler's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may also incur 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. Please refer to Item 12 for information regarding Fuller & Thaler's brokerage practices.

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

In addition to management fees, some strategies may charge performance fees based on absolute performance or performance relative to an agreed upon benchmark. In all cases, the performance based fee will include realized capital gains less realized capital losses, unrealized capital appreciation less unrealized capital depreciation, and interest and dividend income for all portfolio assets for typically a quarterly or annual calendar period.

A performance based fee arrangement may create an incentive to make investments that are riskier or more speculative than would be the case in the absence of a performance based fee and in some circumstances Fuller & Thaler may receive increased compensation with regard to unrealized appreciation as well as realized gains in a client's account. Such fee arrangements also create an incentive to favor performance-based fee paying accounts over other accounts in the allocation of investment opportunities. Fuller & Thaler 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.

Item 7 – Types of Clients

Fuller & Thaler provides portfolio management services to high net worth individuals, corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, municipalities, registered mutual funds, private investment funds, foreign funds, family offices, collective investment trusts, VEBA and other health and welfare plans, and other U.S. and international entities.

Fuller & Thaler has established the following minimum dollar values to open and maintain client accounts:

- Separately managed accounts are \$2,000,000.
- The Micro-cap strategy and private investment funds require \$1,000,000.
- The Low Volatility Behavioral Equity Market Neutral and Behavioral Equity Market Neutral strategies require \$25,000,000.
- The US Large-Cap Behavioral Advantage strategy requires \$50,000,000.

The size of the minimum investment may be reduced or waived at the discretion of Fuller & Thaler.

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

Methods of Analysis

Fuller & Thaler uses both fundamental and quantitative research as methods of analysis for its investment strategies, however, its investment approach does not fall into either the traditional fundamental or quantitative categories. The market anomalies and inefficiencies the firm is trying to capture are based on principles of behavioral finance, which explores how fundamental human psychology sometimes causes market participants to behave differently than what classical economics models predict. Fuller & Thaler believes that while stock markets are efficient most of the time, behavioral anomalies can arise under certain circumstances, resulting in exploitable mis-pricing opportunities.

Fuller & Thaler's investment philosophy draws upon a large body of academic research in the field of behavioral finance, including the work of scholars such as Tversky & Kahneman (a member of Fuller & Thaler's Board of Directors), Debondt & Thaler (a co-founder of Fuller & Thaler), Lakonishok & Lee, and Grinblatt & Han. The presence of behavioral biases in the stock market stems from human psychology and therefore has persisted, even after numerous studies have publicized these phenomena. This has been confirmed by considerable academic research as well as the firm's own experience at managing institutional strategies for close to 20 years.

Investment Strategies

Its strategies above generally invest in US listed companies and may be a long only strategy or a long/short strategy. Long positions will be in stocks that Fuller & Thaler believes, based on its analysis, are undervalued and short positions will be in stocks Fuller & Thaler believes are overvalued. When taking positions, Fuller & Thaler will apply principles based on behavioral finance. In order to take advantage of behavioral biases, Fuller & Thaler generally focuses on certain markers of possible under- and overreaction. Information from these and other variables are combined with measures of expectations and valuation, which ultimately lead to the selection of long and short positions. Fuller & Thaler strategies may employ futures and leverage. Fuller & Thaler's investment strategies are listed below.

- Small-Cap Growth primarily invests in the equities of growth oriented U.S. companies with less than \$3 billion in market capitalization and is measured against the Russell 2000 Growth Index.

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- Small-Cap Value primarily invests in the equities of value oriented U.S. companies with less than \$2.5 billion in market capitalization and is measured against the Russell 2000 Value Index.
 - Small-Cap Core primarily invests in the equities of U.S. companies with less than \$3 billion in market capitalization and consists of both growth and value equity components. The Small-Cap Core is measured against the Russell 2000 Index.
 - Micro-Cap primarily invests in the equities of U.S. companies with less than \$400 million in market capitalization and is measured against the Russell Micro-Cap Index.
 - Low Volatility Behavioral Equity Market Neutral primarily invests in the equities of the top 1,500 U.S. companies ranked by market capitalization and liquidity. It is a long/short strategy managed with minimal net dollar, sector, and beta exposures. Fuller & Thaler believes there is no benchmark that fully encompasses this strategy given the minimal net exposures, the use of shorts and the fact that the account is managed pursuant to an objective of delivering absolute returns over a cycle.
 - Behavioral Equity Market Neutral primarily invests in the equities of the top 1,500 U.S. companies ranked by market capitalization and liquidity. It is a long/short strategy managed with minimal net dollar, sector, and beta exposures and has a higher gross exposure than the Low Volatility strategy. Fuller & Thaler believes there is no benchmark that fully encompasses this strategy given the minimal net exposures, the use of shorts and the fact that the account is managed pursuant to an objective of delivering absolute returns over a cycle.
 - US Large-Cap Behavioral Advantage applies the firm's Behavioral Indexing® proprietary methodology that can apply to any common U.S. benchmark and a limited number of common international benchmarks. This strategy primarily invests in the equities of large market capitalization companies and uses the S&P 500 Index as its benchmark.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. An investment in any Fuller & Thaler strategy is suitable only for those who can afford fluctuations in the value of their investments and the potential loss of their entire investment and who have limited need for liquidity in their investment. An investment in any Fuller & Thaler strategy is not intended as a complete investment program. There can be no assurance that the investment objective of any Fuller & Thaler strategy will be successful.

Unless otherwise stated, each of the risks discussed below apply to all Fuller & Thaler strategies.

General Investment Risks. The prices of the securities and other instruments in any Fuller & Thaler strategy may be volatile. Market movements are difficult to predict and are influenced by, among other matters, government trade, fiscal, monetary and exchange rate and control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial instrument and currency markets, and such intervention (as well as other factors) may cause these markets and related investments to move rapidly. No assurance can be given that the investment strategies will be successful under all or any market conditions.

Equity Securities. The value of the equity securities held by a Fuller & Thaler strategy are subject to market risk, including changes in economic conditions, growth rates, profits, interest rates and the market's perception of these securities. While offering greater potential for long-term growth, equity securities are more volatile and more risky than some other forms of investment.

Behavioral Strategy Risk. When taking investment positions, Fuller & Thaler will apply principles based on behavioral finance. In order to take advantage of behavioral biases, Fuller & Thaler generally focuses on certain markers of possible under- and overreaction. Securities identified using this type of strategy may perform differently from the market as a whole as a result of the factors used in the analysis, the weight placed on each factor,

and changes in the factor's historical trends. The factors used in implementing this strategy and the weight placed on those factors may not be predictive of a security exposure's value, and the effectiveness of the factors can change over time. These changes may not be reflected in the current analytical approach used to implement the behavioral strategy.

Borrowing. Borrowing for investment purposes generally provides exposure to changes in price at a ratio greater than 1:1 in reference to the amount invested. The Behavioral Equity Market Neutral strategy may employ leverage and may otherwise engage in borrowing for investment, liquidity or other purposes. Leverage and other borrowing for investment purposes can be expected to magnify both the favorable and unfavorable effects of price movements in the investments made by the strategy, which may subject clients to substantial risk of loss. In addition, regardless of the price movements of the strategy's investments, the strategy will incur expenses whenever it borrows (such as fees, commissions, interest and taxes), which will reduce the return to clients.

Short Selling. The Behavioral Equity Market Neutral strategy may engage in short selling as part of its general investment strategy. Short selling involves selling securities that are not owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Because the borrowed securities must be replaced by purchases at market prices in order to close out the short position, any appreciation in the price of the borrowed securities would result in a loss upon such repurchase. The strategy's obligations under its short sales will be marked-to-market daily and collateralized by the strategy's assets held at the broker, including its cash balance and its long securities positions. Because short sales must be marked-to-market daily, there may be periods when short sales must be settled prematurely, and a substantial loss would occur.

Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Short-selling exposes the strategy (and thus the clients) to unlimited risk with respect to that security due to the lack of an upper limit on the price to which an instrument can rise.

Potential Impact of a Limited Number of Investments. A Fuller & Thaler strategy may invest in a limited number of securities and other instruments. Accordingly, a strategy could become highly concentrated in certain securities and other instruments at any

given time, particularly at inception and immediately prior to liquidation. As a result of the foregoing, the aggregate return of a strategy could be derived from a relatively undiversified, limited number of securities and other instruments.

Investments in Companies with Smaller Capitalizations or Limited Coverage. A Fuller & Thaler strategy may invest in the securities of companies with smaller capitalizations or that are the subject of little or no analysis or coverage by Wall Street or similar overseas firms. Investments in such companies may involve greater risk than is customarily associated with investments in the securities of companies with larger capitalizations or with greater Wall Street or similar coverage. For example, smaller companies often have limited product lines, markets, and/or financial resources, may be dependent for management on one or a few key persons, may lack substantial capital reserves, may not have established performance records and may be more susceptible to losses. Also, the securities of companies with smaller capitalizations or limited Wall Street or similar coverage may be thinly traded (and therefore may have to be sold at a discount from then-current market prices or in small lots over an extended period of time) and may be subject to wider and more abrupt price swings, thus creating the potential for greater losses than investments in the securities of companies with larger capitalizations or greater Wall Street or similar coverage. In addition, in connection with such reduced liquidity, transaction costs incurred by a Fuller & Thaler strategy with respect to investments in the securities of companies with smaller capitalizations or limited Wall Street, analyst or similar coverage may be higher than the transactions costs the Fuller & Thaler strategy would have incurred if it had invested only in the securities of larger capitalization companies or companies with greater Wall Street, analyst or similar coverage.

Potentially High Transaction Costs. A Fuller & Thaler strategy's investment program may involve active management of a strategy's portfolio. This could result in a strategy taking frequent trading positions. Consequently, a strategy's portfolio turnover and brokerage commission expenses are expected to significantly exceed those of most investment entities of comparable size and will ultimately affect the return achieved by a strategy. In addition, to the extent that a strategy holds its investments for only a short period of time, a strategy is unlikely to be eligible for long-term capital gains treatment with respect to such investments.

Futures Contracts. In entering into futures contracts, there is a credit risk that a counterparty will not be able to meet its obligations to the accounts with futures overlays. In such a situation, the investor is subject to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the accounts with futures overlays to suffer a loss.

The above represents only material risks of Fuller & Thaler's significant investment strategies and methods of analysis. There are other risks that clients should consider. With respect to a private investment fund, see also the risk factors set out in such fund's private placement memorandum. With respect to a mutual fund, see also the risk factors set out in such mutual fund's prospectus.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Fuller & Thaler or the integrity of Fuller & Thaler's management. Fuller & Thaler has no information applicable to this item.

Item 10 – Other Financial Industry Activities and Affiliations

Fuller & Thaler is registered as a commodity trading adviser. Russell J. Fuller, Raymond Lin, Fernando Villegas, and Hanna W. Zaroni are registered with the National Futures Association as associated persons of Fuller & Thaler.

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

Fuller & Thaler has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. Its supervised persons generally include its directors, officers, and employees. The Code of Ethics includes provisions relating to the prohibition on insider trading, restrictions on the acceptance and giving of significant gifts and the reporting of certain gifts and

business entertainment items, restrictions and the reporting of charitable and political contributions, and personal securities trading procedures, among other things. All supervised persons at Fuller & Thaler must acknowledge and follow the terms of the Code of Ethics.

Fuller & Thaler strictly prohibits any supervised persons from trading based on material non-public information or tipping others so that they may trade on material non-public information. The Code describes what may constitute material non-public information and outlines the procedures to be followed in the event a supervised person comes into possession of material non-public information.

Employees may trade securities for their personal accounts. However, prior to entering any order for personal securities transactions, each access person must obtain the pre-approval of the Chief Compliance Officer or her designee.

Generally, no employee of Fuller & Thaler shall be permitted to:

- Purchase a Reportable Security (as defined in the Advisers Act) within three (3) trading days before a client account purchases the same security
- Sell a Reportable Security within three (3) trading days before a client account sells the same security
- Purchase a Reportable Security within three (3) trading days after a client account sells that security
- Sell a Reportable Security within three (3) trading days after a client account purchases that security

Fuller & Thaler anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Fuller & Thaler has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Fuller & Thaler, its affiliates and/or clients, directly or indirectly, have a position of interest. Fuller & Thaler's employees and persons associated with Fuller & Thaler are required to follow Fuller & Thaler's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Fuller & Thaler and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Fuller & Thaler's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities

and interests of the employees of Fuller & Thaler 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.

A “Mixed Account” is a limited partnership or other pooled investment vehicle advised by Fuller & Thaler (and of which Fuller & Thaler may be the general partner) in which employees of Fuller & Thaler and/or members of their family/household own or hold beneficial interests. Because securities traded for these accounts may also be suitable for non-employee client accounts, Fuller & Thaler must take special care to prevent transactions on behalf of Mixed Accounts from unfairly advantaging employees over clients. However, because (among other factors) Mixed Accounts' activities are subject to supervision in the ordinary course of Fuller & Thaler's business and/or because persons not affiliated with Fuller & Thaler may also hold interests in them, Mixed Accounts generally are not subject to the regular pre-clearance process and other personal securities trading restrictions. The Chief Compliance Officer, in consultation with senior management, may determine otherwise in certain circumstances.

All access persons of Fuller & Thaler must submit quarterly transactions and annual holdings reports which are reviewed by the Chief Compliance Officer. Transactions and holdings of members of employees' family/households' beneficial interests in reportable securities are covered by these regulatory reporting requirements. Employee trading is monitored under the Code of Ethics.

A complete copy of Fuller & Thaler's Code of Ethics is available upon request.

Fuller & Thaler is the general partner of a private investment fund formed as a limited partnership and sponsored by Fuller & Thaler. Separate account clients are solicited to invest in the limited partnership.

Cross-Trading

Fuller & Thaler does not effect any principal cross securities transactions with client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account.

Fuller & Thaler may effect agency cross securities transactions between client accounts in limited circumstances such as when some clients are withdrawing assets from their accounts at the same time that other clients are contributing assets to their respective accounts. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Securities subject to cross transactions will typically be less liquid, such as microcaps and/or thinly traded securities. Fuller & Thaler will effect an agency cross transaction only when it believes the transaction will be beneficial to both clients and with consent of both clients.

Item 12 – Brokerage Practices

Selection of Brokers

Typically, Fuller & Thaler will determine the broker to be used and the commission rates at which transactions for client accounts will be effected, with the objective of attaining the most favorable price and market execution for each transaction.

In most cases, Fuller & Thaler uses brokers as "agents" and pay commissions. Fuller & Thaler, however, may also cause clients to buy or sell securities from or to dealers acting as principal at prices that include markups or markdowns, and may buy securities from underwriters or dealers in public offerings at prices that include compensation to the underwriters or dealers. The following discussion summarizes the material aspects of Fuller & Thaler's practices in selecting brokers and dealers to execute client transactions.

In cases where Fuller & Thaler has complete discretion over the selection of brokers or dealers, Fuller & Thaler makes those selections on a transaction-by-transaction basis. Fuller & Thaler may cause transactions to be effected by brokers on an agency basis for a commission or, alternatively, directly with market makers acting as principals on a net basis.

Fuller & Thaler will seek "best execution" in light of the circumstances involved in each transaction. In evaluating a broker's or dealer's ability to provide "best execution," historical net prices (after commissions or other transaction-related compensation) will be a principal factor, but Fuller & Thaler may also consider, among other factors, the execution, clearance, error resolution and settlement capabilities of the broker or dealer

in connection with securities of the type to be bought or sold; the broker's or dealer's reliability, integrity, and financial stability; the size of the transaction; and the market for the security. Fuller & Thaler will not obligate itself to obtain the lowest commission or best net price for an account on any particular transaction.

Fuller & Thaler monitors transaction results as orders are executed to evaluate the quality of execution provided by the various brokers and dealers it uses, to determine that compensation rates are competitive and otherwise to evaluate the reasonableness of the compensation paid to those brokers and dealers in light of all the factors described above. Fuller & Thaler's employees involved in trading monitor the quality of execution provided by brokers and dealers through whom Fuller & Thaler executes transactions on behalf of clients as well as the reasonableness of the compensation paid to those brokers and dealers in light of all the factors described above.

In the last fiscal year, Fuller & Thaler reviewed the execution performance of broker-dealers executing client transactions on a periodic basis. A review consisted of looking at a number of factors including identifying the broker-dealers utilized most and reviewing the soft dollar benefits received from such broker-dealers during the relevant period. All things being similar, Fuller & Thaler directed client brokerage to a broker-dealer that offered soft dollars.

The Role of Research and Brokerage Products and Services

In addition to execution quality, Fuller & Thaler may consider the value of various products and services a broker-dealer may provide. Selecting a broker-dealer in recognition of services or products other than simply transaction execution is known as paying for those services or products with "soft dollars". Research and brokerage products and services benefit Fuller & Thaler by reducing its cost of managing client accounts. Because many of those services could be considered to provide some benefit to Fuller & Thaler, and because the "soft dollars" used to acquire them will be assets of Fuller & Thaler's clients, Fuller & Thaler could be considered to have a conflict of interest in allocating client brokerage business. That is, Fuller & Thaler could receive valuable benefits by selecting a particular broker or dealer to execute client transactions and the transaction compensation charged by that broker or dealer might not be the lowest compensation Fuller & Thaler might otherwise be able to negotiate. In addition, Fuller & Thaler could have an incentive to cause clients to engage in more securities transactions than would otherwise be optimal in order to generate brokerage compensation with which to acquire products and services.

Fuller & Thaler will make decisions involving "soft dollars" in a manner that satisfies the requirements of the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended. Before placing orders with a particular broker-dealer, Fuller & Thaler will determine, in addition to considering all the factors described above under the heading *Selection of Brokers*, that the commissions to be paid are reasonable in relation to the value of all the brokerage and research services and products provided by that broker-dealer. In making that determination, Fuller & Thaler may consider not only the value of the brokerage and research services and products to a particular client, but also the value of those services in Fuller & Thaler's performance of its overall responsibilities to all of its clients. In some cases, the commissions charged by a particular broker-dealer for a particular transaction or set of transactions may be greater than the amounts another broker-dealer who did not provide research services and products might charge. And in some cases, a client's transactions may be executed by a broker-dealer in recognition of services or products that are not used in managing that client's account.

Research and brokerage products and services provided to Fuller & Thaler are typically from third party vendors and may include research reports on, or recommendations or other information about, particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; order management system; trade analytics; quantitative analytical software; market research on optimal execution venues and trading strategies; post trade matching services and other products and services that provide lawful and appropriate assistance to Fuller & Thaler in the performance of its investment decision making responsibilities. Only on rare and isolated instances does Fuller & Thaler receive any proprietary research. Any particular research and brokerage product or service that is obtained through soft dollars will assist Fuller & Thaler in managing some or all of its client accounts. In the last fiscal year, Fuller & Thaler received the research and brokerage products and services enumerated above with client brokerage commissions.

Should a particular service or product that a broker or dealer is willing to provide for soft dollars have both eligible and non-eligible components under the safe harbor, Fuller & Thaler may allocate the cost of the product or service between its eligible and non-eligible uses and pay only the eligible portion with soft dollars. Fuller & Thaler has an incentive to designate as great a portion of the cost as eligible as possible in order to permit payment with soft dollars.

Directed Brokerage

Some clients may instruct Fuller & Thaler to use one or more particular brokers or dealers in managing their accounts. A client may specify that a particular amount of business should be sent to a broker or dealer, that all business should be sent to a broker or a dealer, or merely that the broker or dealer should be used when all other considerations are equal. In some cases, the broker-dealer may serve as custodian of the assets in the account and/or consultant to the client. Clients should understand that giving such directions may prevent Fuller & Thaler from effectively negotiating brokerage commissions on their behalf or aggregating orders with other clients. These directions may even prevent Fuller & Thaler from obtaining the most favorable net price and execution. Thus, in directing brokerage business, those clients may lose possible advantages that other clients may have and they should consider whether the commission expenses, and execution, clearance, and settlement capabilities, they will obtain through their directions are adequately favorable in comparison to those that Fuller & Thaler otherwise attains for its clients to justify their direction of their brokerage business. Furthermore, under these circumstances a disparity in prices may exist between the prices paid by clients who direct Fuller & Thaler to use a particular broker or dealer and other clients who do not direct Fuller & Thaler to use a particular broker or dealer. For each such account, Fuller & Thaler may target 10% of all commission dollars for directed brokerage during any year, but may be more or less, and will be subject to best execution.

Aggregation of Orders

Fuller & Thaler performs investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by Fuller & Thaler, some of which accounts may have similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they will be effected only when Fuller & Thaler believes that to do so will be in the overall best interest of the affected accounts. When such concurrent authorizations occur, the objective will be to allocate the executions in a manner, which is deemed equitable to the accounts involved.

Where Fuller & Thaler buys or sells the same security for two or more clients, Fuller & Thaler may place concurrent orders with a single broker, to be executed together as a single “block” in order to facilitate orderly and efficient execution. When Fuller & Thaler does so, each account on whose behalf an order was placed, will receive a proportionate share of the securities purchased or the sales proceeds, based on the size of the account’s order, at the average price for the “block” transaction. Clients will bear a proportionate

share of all transaction costs in such transactions, although if such a transaction is effected with a broker-dealer with which a particular client has directly negotiated a special commission arrangement, that client's transaction costs may differ from the costs borne by other clients participating in the block.

Item 13 – Review of Accounts

The portfolio manager for any given strategy has day-to-day responsibilities with respect to all of the client accounts in such strategy. In addition, client accounts may be reviewed periodically by the Chief Investment Officer for overall adherence with the investment philosophy employed by the firm and any specific requirements of the strategy. Additionally, account holdings may be reviewed at any time changing market conditions may warrant.

Written investment reports are provided to clients at least quarterly and contain information on current investment holdings, transaction summaries, and market values, as well as performance measured over various historical time periods. These reports may also be produced on a monthly or other basis, upon request by the client and agreement by Fuller & Thaler.

If requested, clients may also receive confirmation of each securities transaction on the day following the execution of the trade. These reports contain a complete breakdown of each transaction, including principal amount, commission, taxes, etc.

Item 14 – *Client* Referrals and Other Compensation

Fuller & Thaler has no information applicable to this Item.

Item 15 – Custody

Fuller & Thaler does not have custody of any separately managed account assets but may be deemed in its capacity as general partner or in a comparable position to have custody of private investment fund assets. Fuller & Thaler does not take physical possession of

client funds or securities. Investors in a private investment fund receive monthly investor account statements from the fund administrator and an annual copy of the audited financial statements.

Item 16 – Investment Discretion

Fuller & Thaler usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. Clients generally grant Fuller & Thaler a power of attorney to invest the assets in a separate account through an investment advisory agreement. Fuller & Thaler manages only the portion of each client's assets for which an investment advisory agreement has been signed and will not provide advice on a client's other assets. In all cases, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. Investment guidelines and restrictions must be provided to Fuller & Thaler in writing.

As the general partner of each private investment fund, Fuller & Thaler has full discretion to invest the fund's assets. Limited Partners appoint Fuller & Thaler, as general partner of the fund, to act as their attorney-in-fact in order to carry out the provisions of the fund's partnership agreement.

When selecting securities and determining amounts, Fuller & Thaler observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, Fuller & Thaler's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments.

Item 17 – Voting Client Securities

Fuller & Thaler exercises its voting authority in a manner that will maintain or enhance shareholder value of the companies in which it has invested client assets. Unless a client specifically reserves the right, in writing, to vote its own proxies, Fuller & Thaler will vote all proxies in accordance with this policy.

Fuller & Thaler maintains guidelines on how to vote proxies and has hired an independent third-party vendor, Institutional Shareholder Services Inc. ("ISS"), to assist it in fulfilling its proxy voting obligations.

All proxies are voted solely in the best interests of our clients. Shareholders and employees of Fuller & Thaler will not be unduly influenced by outside sources nor be affected by any conflict of interest regarding the vote on any proxy. Where a proxy proposal raises a material conflict between our interests and a client's interests, Fuller & Thaler will rely on the recommendation of ISS to vote the proxy.

Clients may obtain a copy of Fuller & Thaler's complete proxy voting policies and procedures upon request. Clients may also obtain information from Fuller & Thaler about how Fuller & Thaler voted any proxies on behalf of their account(s).

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Fuller & Thaler's financial condition. Fuller & Thaler 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.

Item 19 – Additional Disclosures

Trade Error Policy

Should a trading error occur in a client account that was caused by Fuller & Thaler, Fuller & Thaler will seek to place the client in the same position that it would have been in had the error not occurred.

Prime Broker/Custodian Recommendation

Upon client request, Fuller & Thaler may recommend a prime broker/custodian it uses. There is no requirement that a client use the prime broker/custodian Fuller & Thaler recommends. Such recommendations do not take into account factors such as transaction fees, custodial fees charged by the broker for holding securities for the client, commission rates, interest charges on debit balances and interest credits on credit balances, quality of execution, record-keeping and reporting capabilities, and research services. It may be the case that the recommended prime broker/custodian charges a higher fee than can be obtained from another prime broker/custodian.

Class Actions

Fuller & Thaler will file a class action settlement claim on behalf of any eligible client accounts if directed to do so by a client. Should a client account be eligible for participation in a class action, Fuller & Thaler will file a claim so long as the recognized loss is greater than a de minimis amount as determined in Fuller & Thaler's sole discretion. The recognized loss is calculated pursuant to the plan of allocation formula contained in a class action notice. Fuller & Thaler does not assess the merits of a claim nor does it consider objections to, or exclusions from, a class action.

Fuller & Thaler will file a claim for eligible limited partnerships and other pooled investment vehicles it sponsored that may have been liquidated. Other than limited partnerships and other pooled investment vehicles it previously sponsored, Fuller & Thaler does not file claims on behalf of former clients as it no longer has any authority to act on behalf of such former clients.

Upon receipt of settlement proceeds in connection with filed claims, Fuller & Thaler will forward them to the appropriate custodian for deposit into a client account. For former clients, Fuller & Thaler will use commercially reasonable efforts to forward them to the former client. For closed funds, Fuller & Thaler will use commercially reasonable efforts to allocate and distribute the proceeds that are greater than a de minimis amount to the investors of record as of the liquidation date. A determination of whether an amount is greater than a de minimis amount will be made at Fuller & Thaler's sole discretion. In the event Fuller & Thaler is unable to contact or locate a former client or investor or determines the proceeds constitute a de minimis amount, Fuller & Thaler may retain the proceeds.

Global Investment Performance Standards

Fuller & Thaler claims compliance with the Global Investment Performance Standards (GIPS®). Fuller & Thaler has been independently verified for the periods 1/1/92 through 6/30/11. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. The verification report and a complete list and description of firm composites and/or policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request by clients and prospective clients.