

## BOGLE INVESTMENT MANAGEMENT, L.P.

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**This brochure provides information about the qualifications and business practices of Bogle Investment Management, L.P. If you have any questions about the contents of this brochure, please contact us at [llf@boglefunds.com](mailto:llf@boglefunds.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**Additional information about Bogle Investment Management, L.P. also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Bogle Investment Management, L.P. is a registered investment adviser. SEC registration does not imply a certain level of skill or training.**

### **Material Changes:**

**This brochure does not contain material changes from our last annual update.**

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## **Section 1**

### **Item 4 - Advisory Business**

Bogle Investment Management, L.P. (the “Adviser”) started as a firm in 1999 and specializes in the global equity markets through long-only and long/short market-neutral strategies. The Adviser is 100% owned by its employees and its principal owner is John C. Bogle, Jr. (he owns more than 25% but less than 50% of the Adviser). The Adviser does not have any affiliates, other than its commingled hedge funds and associated General Partners. Bogle Investment Group, LLC (“BIG”) is General Partner of the Adviser and John C. Bogle, Jr. is its sole member. The following employees are “affiliated persons:” John C. Bogle Jr., Keith D. Hartt, Lisa A. LaFrance, Britt S. Bardinelli, Jonathon D. Lewis, Paul R. Hummel, and Christopher N. Sabbey. Their educational and business backgrounds are contained in **Section 17** of this brochure.

The Adviser manages portfolios of publicly traded US and non-US stocks for Clients. Stocks are selected for Clients' portfolios according to the Adviser's proprietary quantitative research models. The models are designed to identify certain financial characteristics that the Adviser believes are influential in determining whether the individual stocks will subsequently perform better or worse than the stock market as a whole. Based on the outputs from the models, the investment management team then uses its best efforts to determine whether the models are capturing accurate information about individual stocks. The team also determines whether there exist other factors that the models cannot analyze that are likely to cause the models to be less influential in forecasting returns for a stock, such as a significant corporate action or management change. Other types of investments may be included in Client accounts, subject to Client-specific or Fund-specific restrictions. Methods of analysis are described in more detail under **Section 5**.

In general we do not tailor our advisory service to the individual needs of Clients; however, we can accommodate specific security restrictions set by Clients.

As of February 29, 2012, 100% of the regulatory assets managed by the Adviser (\$1,111.2 million) is fully discretionary.

## **Section 2**

### **Item 5 - Fees and Compensation**

The Adviser is compensated with investment management fees, mutual fund shareholder servicing fees, and in some cases performance fees. The Adviser's fees for investment management services are based on a percentage of the market value of the assets under management. With the exception of the Mutual Fund, fees are payable at the end of each quarter and in arrears. The fee schedule in effect on the date of this amendment is as follows:

#### Investment Management Fees

For long-only accounts, the Adviser generally will charge a management fee of 100 basis points per year. Generally, fees will be based either on the value of assets under management at the end of the quarter or on the average of the value of assets under management at the end of each of the three months within the quarter. Clients may select to pay fees out of the account or to be billed for fees separately. Mutual Fund fees are payable monthly.

For investment management services involving unlevered long/short market-neutral strategies, the Adviser generally will charge a management fee of 100 basis points per year, plus a performance fee of 20% on the portfolio's returns (net of management fees) over the return of specified hurdle rates (most commonly the return of the Net Margin Rebate or the 90-day T-bill) from the portfolio's inception date or high water mark through the measurement date. Net Margin Rebate is defined as the net interest earned on the proceeds

of securities sold short plus the net interest earned/paid on credit/debit free cash balances. Therefore, the return over net margin rebate is a pure measure of the Adviser's ability to add value. Net Margin Rebate may be a negative number.

Management fees for levered strategies may be higher than 100 basis points per year. Adviser will be in compliance with Rule 205-3.

#### Performance Fees

Performance fees are generally paid annually at the end of each calendar year or over annual periods determined in conjunction with the Client. In the event of termination of a client relationship or withdrawal of capital, performance fees will be paid at the time of such termination or withdrawal, covering the applicable period. If the advisory arrangement is not terminated at the end of the quarter, Adviser will charge fees on a pro rata basis based on the number of days within the quarter that the Client had assets under management.

#### Other Expenses

Other expenses may be charged to a Client's account, including but not limited to audit fees, legal fees, and custody fees. Clients will also incur brokerage and other transaction costs; please see **Section 9** for a discussion of brokerage practices.

#### Shareholder Servicing Fees

The Adviser also receives compensation pursuant to a shareholder servicing agreement with the RBB Fund. Under the agreement, the Adviser provides shareholder services to the Bogle Small Cap Growth Fund (the "Fund"), including responding to shareholder inquiries and assisting shareholders with their accounts. The Investor Class of the Fund pays shareholder servicing fees to the Adviser at the annual rate of 0.10% of the average daily net assets of the Investor Shares of the Fund.

The Adviser's fees are negotiable.

### **Section 3**

#### **Item 6 - Performance-Based Fees and Side-By-Side Management**

As outlined above, the Adviser accepts performance-based fees.

Portfolio managers may manage accounts that are charged an asset-based fee plus a performance fee and accounts that are charged just an asset-based fee. These portfolio managers have an incentive to favor accounts for which the Adviser receives a performance-based fee. We address this conflict in the following ways. The Adviser's founding principals have investment interests in all investment strategies. Further, all of the strategies have some Clients/portfolios that compensate the Adviser at least partly on a performance fee basis. Through Adviser ownership and compensation policies, employees at the Adviser have an interest in the success of the overall Adviser, not just a specific investment strategy. Finally, the Adviser monitors account performance on a regular basis to analyze significant return differences and ensure that one portfolio is not being favored over another.

## **Section 4**

### **Item 7 - Types of Clients**

The Adviser generally provides investment advice to pension plans, foundations, endowments, comingled hedge funds, individuals, trusts, and investment companies.

The Adviser generally requires a minimum of \$20 million in order to start and maintain an account.

## **Section 5**

### **Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss**

When managing the investment strategies described under **Section 1** above, the Adviser uses the following methods of analysis.

The Adviser typically uses proprietary investment models that are categorized principally into two categories. The first category uses information, compiled by the Adviser, consisting of various historical data for the companies the Adviser evaluates. These data consist of public information about the companies, drawn from their financial statements, sell side security analysts, stock exchanges, and other sources of information that the Adviser may use. The Adviser uses its proprietary analytics to measure and compare each company, both to other similar companies and to each company's own history, to estimate the relative attractiveness of each company. The Adviser believes that using its analytics in a careful, disciplined manner will allow it, over time, to successfully discriminate between stocks whose prices are likely to rise or fall over time, compared with similar stocks. The analytics used in this first category frequently consist of data that change relatively slowly over time, such as data from each company's quarterly, semi-annual, and/or annual public financial filings.

The second category of proprietary investment models used by the Adviser largely uses data that are available from stock exchanges and other providers of data related to securities or derivatives prices and marketplace transactions. The models also use other data that the Advisor believes will be relatively more quickly discounted into security prices. This category of investment models is designed to be relatively more different from the first category of investment models, and thus the Adviser believes that these two categories, when combined, will diversify the Adviser's investment approach, resulting in what the Adviser believes will be a lower risk of the strategy bearing significant investment losses over time.

The Adviser uses proprietary analytics to combine the information from the two categories of investment models to create a composite measure of the Adviser's estimate of the relative attractiveness of each of the securities it includes in its investment universe.

The Adviser's analytical approach may cause it to use different combinations of the various data it evaluates in different markets, market segments or individual stocks. The Adviser believes that certain data are more, or less effective, over time, in forecasting future security price changes. The Adviser also uses various data to estimate how much it might cost, in terms of market impact, opportunity cost, and/or commissions, fees and other costs, in deciding whether to transact in a security, and /or to what degree.

#### **Portfolio Construction**

Portfolios are managed using either a long-only or a long/short structure. Long strategies seek to outperform the appropriate equity market benchmark. In the long/short strategies, the long stocks are expected to outperform the stocks held short, while the stocks held short are expected to underperform similar stocks and the long portfolio. Long/short structures may also employ leverage to achieve more than 1:1 long/short exposure.

The objective of the long-only portfolios is to exceed the return of the Russell 2000® Index. Portfolios may also be constructed to outperform other small cap benchmarks. The objective of the long/short portfolio is to exceed the return of the Net Margin Rebate (as defined in **Section 2** on pages 3 and 4), 90-day T-bills, or similar cash benchmarks. Long-only portfolios hold the bulk of assets in between 125 and 200 positions, while long/short portfolios hold the bulk of assets in between 400 and 750 positions long and a similar number short. The portfolios might hold more or fewer stocks. Stocks will be selected by using some combination of the above-mentioned stock selection models.

In the long-only portfolios, risk is controlled partly by limiting specific stock exposure to generally no more than 1.5% of portfolio value. In addition, the portfolios remain essentially fully invested to ensure that market-timing bets are not made. The economic sector exposures of the portfolios approximate those of the benchmark, within a tolerance of about five percent. Capitalization and other fundamental factor exposures are controlled to be approximately similar to those of the benchmark.

In the long/short portfolios, risk is controlled partly by ensuring that the amount of capital invested in the long portfolio is similar to the amount invested in the short portfolio. In a levered long/short portfolio, the amount of notional capital invested in the long portfolio will be similar to the amount invested in the short portfolio. Further, risk control is accomplished by holding positions in approximately equal-weighted proportions, and by balancing the exposure to economic sectors such that the long and short portfolios have within about five percent of the same exposure. Country, capitalization and growth exposures will also be approximately similar long versus short.

While the Adviser seeks to manage portfolios so that risks are appropriate to the investment strategy, any investment in securities involves risk of loss. Clients should understand that they could lose some or all of the assets they have invested and should be prepared to bear the risk of such potential losses.

#### Material Risks

##### Management Team

The Adviser relies on the services of a small number of key personnel in managing Client assets. The death, disability or departure of such key individuals could adversely affect Client accounts or the Adviser's ability to manage the Client assets. Also, the Adviser is given broad discretion in managing Client assets.

##### Risk of Loss in Long Positions

Although the Adviser employs a variety of risk management tools (as described above), investing in securities still involves the risk of loss. Clients should realize that at any given time their account may be worth less than their original investment(s). Although the Adviser will invest in stocks that are believed to be undervalued, there is no guarantee that the prices of these stocks will not move even lower.

##### Small Cap Stocks

The Adviser frequently invests in smaller cap stocks, which may be more volatile than investments in issuers with a market value greater than \$2 billion. Issuers of small cap stocks are not as diversified in their business activities as issuers with market values greater than \$2 billion and are more susceptible to changes in the business cycle. Small company stocks may also be less liquid than large company stocks.

##### Risks Related to Shorting Stocks

Although the Adviser intends to sell short securities that are believed to be overvalued and likely to decrease in price, there can be no assurances that such securities will in fact decrease in value. If the price of such securities increases, the Adviser could be forced to cover its short position at a higher price than the short sale price (resulting in a loss) or to sell other securities at unfavorable prices to cover margin calls (also resulting in a loss). A security lender may also demand the return of securities that were lent to the Adviser to

effectuate short sales. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby increasing the loss. A short sale involves a finite opportunity for appreciation, but a theoretically unlimited risk of loss. The Adviser may be limited in its ability to sell securities short (for a variety of reasons including regulatory restrictions and absence of lenders) and therefore may not be able to effectively manage risk. Markets tend to be less liquid on the short side than on the long side.

#### Investing in Foreign Markets

The Adviser invests in equity and other instruments of non-U.S. corporations and non-U.S. countries. In addition to the usual risks inherent in domestic investments, substantial risks are involved in investing in securities issued by companies in foreign nations. Such risks include: the possibility of expropriation; nationalization; confiscatory taxation; taxation of income earned in foreign nations or other taxes imposed relating to investments in foreign nations; foreign exchange controls (which may include suspension of the ability to transfer currency from a given country); political or social instability, and diplomatic developments that could affect investments in securities of issuers in foreign nations.

In addition, in many countries there is less publicly available information about issuers than is available in reports about companies in the United States. Foreign companies are not generally subject to uniform accounting, auditing and financial reporting standards, and auditing practices and requirements may not be comparable to those applicable to U.S. companies.

Changes in foreign exchange rates will affect the value of those securities that are denominated or quoted in currencies other than the U.S. dollar.

#### Swaps

The Adviser may use swaps to invest in certain markets. Swap transactions may be highly illiquid. Moreover, a Client's account is exposed to the risk of loss of the amount expected to be received under a swap agreement in the event of the default or insolvency of its counterparty.

#### Use of Leverage

The Adviser may use leverage to implement its investment strategies. In a levered strategy the fluctuations in account values will be magnified. Lenders will typically have a security interest in the Client portfolio and the lender may force a rapid disposition of portfolio assets at an inopportune time. Also, unanticipated increases in applicable margin requirements could adversely affect portfolio performance.

#### Frequent Trading

The Adviser utilizes a short-term trading strategy, which results in higher commission costs for Clients than would otherwise be the case. Taxable Clients will pay higher taxes than would otherwise be the case due to the short-term nature of trading. Further, in light of the high volumes traded, some slippage, errors and miscommunications with brokers and counterparties may result in Client losses.

#### Prime Brokers

There is the possibility that brokerage firms and/or banking institutions at which the Adviser maintains custody of Client assets may encounter financial difficulties including bankruptcy and/or insolvency. Clients may rank as unsecured creditors to their Prime Broker in relation to assets that the Prime Broker borrows, lends or otherwise uses. In addition, if applicable law permits, cash that the Prime Broker holds or receives on a Client's behalf may not be treated by the Prime Broker as Client money, may not be segregated from the Prime Broker's own cash and may be used by the Prime Broker in the course of its investment business. In the event of a failure of a broker-dealer that has custody of Client assets, (i) the Client may incur losses due to its assets being unavailable for a period of time, (ii) the Client may ultimately receive less than full recovery of its assets, or (iii) both.

#### Sub-Custodians in Non-U.S. Jurisdictions

Custody services in certain non-U.S. jurisdictions remain undeveloped and accordingly there is a transaction and custody risk of dealing in certain non-U.S. jurisdictions. Given the undeveloped state of regulations on custodial activities and bankruptcy in certain non-U.S. jurisdictions, the ability to recover assets held by a sub-custodian in the event of the sub-custodian's bankruptcy would be in doubt. Also, under certain circumstances, including certain transactions where assets are pledged as collateral for leverage from a non-broker-dealer custodian or a non-broker-dealer affiliate of the Prime Broker, the securities and other assets deposited with the custodian or broker may be exposed to a credit risk with regard to such parties. In addition, there may be practical or time problems associated with enforcing a Client's rights to its assets in the case of an insolvency of any such party.

#### Lack of Liquidity for Shares and Restrictions on Redemption

Shares of the Adviser's commingled hedge funds are not registered under the 1933 Act or any other securities laws and therefore cannot be resold. Shares are also subject to substantial restriction on transferability. There is no market for the Shares and none is expected to develop. Shares are only redeemable on a quarterly basis with 30 days notice.

#### Effect of Substantial Redemptions

In the event that there are substantial redemptions from the Adviser's accounts, the Adviser might be required to liquidate positions at an inappropriate time or on unfavorable terms. It may also be difficult to adjust asset allocation and trading strategies to the suddenly reduced amounts of assets. Substantial redemptions from the accounts of other Advisers who have similar investment styles could also lead to sharp losses in the Adviser's accounts.

#### Legal, Tax and Regulatory Risks

The Advisor may take positions with respect to certain tax issues that depend on legal conclusions not yet resolved by the courts. Should any such positions be successfully challenged by the Internal Revenue Service or other applicable taxing authority, there could be a materially adverse effect on a Client's assets.

**Please refer to the Mutual Fund prospectus, hedge fund offering memoranda, or other documents related to the pooled vehicles offered by the Adviser, for a more detailed discussion of risks.**

## **Section 6**

### **Item 9 - Disciplinary Information**

There have never been any disciplinary acts or events, either regarding the Adviser or any of its employees, that would be considered material to a Client's or prospective client's evaluation of our advisory business or the integrity of our management.

## **Section 7**

### **Item 10 - Other Financial Industry Activities and Affiliations**

The Adviser, and/or a related person, manages and serves as the general partner (or director) of a small number of limited partnerships (or offshore corporations), which provide Clients with the opportunity to participate in hedged investment strategies. Clients, at the discretion of the Adviser, may be admitted as limited partners of such partnerships or shareholders of such offshore corporations.

Investors in the Adviser's commingled limited partnerships and offshore corporations may have separately negotiated side letters with special terms and provisions. Further, different Clients may receive different levels of reporting, depending primarily upon the Adviser's assessment of the need to protect the



proprietary nature of its investment process. In all cases, Clients receive the minimum level of reporting required by law. The Adviser also serves as a Subadviser to a mutual fund, the Bogle Small Cap Growth Fund, and the Adviser and/or its related persons may have a financial interest in the Mutual Fund.

Conflicts associated with these activities are discussed in Section 3, Item 6 and relate to the fact the Adviser and/or its related persons may have a financial interest in the Funds.

## **Section 8**

### **Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

The Adviser has adopted a Code of Ethics, the purpose of which is to specify the responsibilities of all employees of the Adviser to comply with applicable Federal and State securities laws and regulations, to adhere to standards of conduct that recognize their fiduciary obligations to the Adviser's Clients, and to observe certain requirements when trading securities for Client accounts or for their own accounts (as referred to above). The Code of Ethics requires that all employees adhere to a set of principles that 1) place the interests of Clients and mutual fund shareholders first; 2) require any personal securities transactions to be accomplished in a way that avoids any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility; and 3) reflect a fundamental standard that employees must not take inappropriate advantage of their positions. Employees should be highly sensitive to the potential for real and perceived conflicts of interest and should understand that full disclosure of any possible conflict is critical in all mutual fund shareholder and Client relationships. A copy of the Adviser's full Code of Ethics will be provided to any Client or prospective client upon request. Please make your request in writing, either via regular mail or via e-mail to:

Lisa LaFrance  
Bogle Investment Management, L.P.  
2310 Washington Street, Suite 310  
Newton Lower Falls, MA 02462  
llf@boglefunds.com

It is not anticipated that the Adviser will purchase or sell securities for its own account. Under rare circumstances, the Adviser may transfer securities from a Client account to a proprietary account in order to facilitate liquidation. Should this situation arise, the Adviser will disclose the details of the anticipated transaction to the Client who held the security and obtain unanimous Client consent prior to making the transfer.

All persons associated with the Adviser avoid security transactions for their own account, which might be in conflict with, or be detrimental to the interests of Clients, or which are designed to profit by the market effect of the Adviser's advice to its Clients.

Transactions in securities by the Adviser's officers and employees are required to be effected in compliance with such policies on securities transactions as may be adopted from time to time by the Adviser. Specific prior approval of any such transaction is required to be obtained from the Adviser's Compliance Officer or the Adviser's President.

The Adviser, its officers, and employees, may have personal investments in its hedge funds and/or mutual funds, in which case the Adviser will have a financial interest in securities that it is also recommending to Clients.

## **Section 9**

### **Item 12 - Brokerage Practices**

Although the Adviser does not specifically recommend broker-dealers to Clients, the Adviser does have broad supervision over the placement of securities orders for the Client portfolios it manages. The Adviser has the authority to determine the broker-dealer to be used in any securities transaction and the commission rate to be paid. While the primary criteria for all transactions in portfolio securities is the execution of orders at the most favorable net price, numerous additional factors are considered by the Adviser when arranging for the purchase and sale of Clients' portfolio securities. These include restrictions imposed by the federal securities laws and the allocation of brokerage in return for certain services and materials described below. In assessing the broker-dealer's ability to obtain best execution of a particular transaction, the Adviser considers all relevant factors including the execution capabilities required by the transaction(s), whether the broker-dealer can effect the account's portfolio transactions promptly and at reasonable expense, the importance to the account of speed, efficiency or confidentiality and the broker-dealer's familiarity with sources from or to whom particular securities might be purchased or sold, as well as any other matters the Adviser deems relevant to the selection of a broker-dealer for a particular portfolio transaction of the account.

When the "best execution" criteria are satisfied, those broker-dealers who supplement the Adviser's capabilities with trading execution and research services, within the parameters of Section 28(e) of the Securities Exchange Act of 1934, as amended, may be selected by the Adviser to provide brokerage services. Research services include both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.

Ongoing research, computer systems and market data feeds are critical elements of the Adviser's investment management process. Accordingly, the Adviser is a significant user of broker-provided products and services that assist the Adviser in carrying out its investment and trading decisions. These products and services include: quotation services; trading, research (including proprietary) and portfolio management systems and consulting services; computer data; software; seminars; prime brokerage, custody and clearing services; other data services; telephone lines (relating to trading and research services); trading and data feeds; proxy research; and trading communication services. In the absence of soft dollar arrangements, the Adviser would have to pay directly for these services. Further, the use of soft dollars means that the Adviser has no incentive to go to execution-only brokers and that the Adviser may not always obtain the best price, although best execution is always the primary objective in broker selection.

In some cases the Adviser acquires research products or services with soft dollars that also have non-research uses. In these cases the Adviser makes a reasonable allocation of the cost of the product or service according to its use. That portion of the product or service that provides administrative or other non-research services is paid for by the Adviser in hard dollars.

In cases where research providers will not accept payment from a third-party and will not agree to establish a third party billing arrangement, the Adviser may execute step-out trades through its approved broker list. In a step-out trade, the approved broker executes the trade on behalf of the portfolios and the research provider clears the trade and uses the commission received as payment for the research provided. The Adviser selects the broker to be used based upon the Adviser's best execution criteria, the research provider's list of approved brokers, and the Adviser's list of approved brokers.

There may be a timing mismatch between soft dollars paid and research and trading services purchased. In other words, credit balances may build up in soft-dollar accounts in order to pay for services at some future date.

All research services received from broker-dealers to whom commissions are paid are used

collectively. There is no direct relationship between commissions received by a broker-dealer from a particular Client's transactions and the use of any or all of that broker-dealer's research material in relation to that Client's account. The Adviser may pay a broker-dealer a brokerage commission in excess of that which another broker-dealer might have charged for the same transaction in recognition of research and brokerage related services provided by the broker-dealer.

Except as described below, the Adviser ordinarily aggregates orders for the purchase and sale of securities for Client portfolios, including portfolios of the investment partnerships and registered investment companies it advises. As a result, orders for investment partnerships or registered investment companies in which the Adviser or persons associated with the Adviser have an interest may be aggregated with orders for other Client portfolios. Securities purchased or proceeds of securities sold through aggregated orders are allocated to the account of each Client that bought or sold such securities at the same weighted average execution price. In the event that less than the total of the aggregated orders is executed, purchased securities or proceeds are allocated pro rata among the participating portfolios in proportion to their planned participation in the aggregated orders. Transaction costs for any transaction will be shared pro rata based on each portfolio's participation in the transaction.

The Adviser performs investment advisory and management services for various Clients. The Adviser may give advice or take action in performing its duties with respect to one or more of its Clients that may differ from advice given or from the timing or nature of actions taken with respect to one or more other Clients. For example, the Adviser may be buying a security for one account and, at the same time, be selling the same security for another account.

Because the Adviser may employ different investment strategies for different Clients, and because different investment strategies employ different trading processes and horizons, the Adviser may, from time to time, be buying or selling the same securities for different strategies, at the same time, through different brokers. This may cause one Client to pay higher or to realize lower prices than another Client for such securities.

## **Section 10**

### **Item 13 - Review of Accounts**

#### Account Review

John C. Bogle, Jr. (President) and Keith D. Hartt (Director of Research) head up the portfolio management and research team. The team also includes, under the supervision of John and Keith, Jonathon D. Lewis, Christopher N. Sabbey, and Paul R. Hummel. The portfolio management team regularly reviews information regarding the investment strategies, models and processes and determines whether any adjustments need to be made. The team regularly reviews investment performance to attempt to determine whether and why investment performance has recently been favorable or unfavorable, and whether the investment strategies, models and/or processes should be changed. Changes are made when John and/or Keith, and/or other members of the investment team under John's and/or Keith's supervision, decides a change is warranted.

#### Client Reports

The Adviser provides brief monthly reports to Clients as to the status of their account. In addition, Clients receive a more comprehensive portfolio report and review on a quarterly basis.

Clients who participate in hedged investment partnerships as limited partners receive a quarterly unaudited report of the total return earned by the partnership. Audited financials with respect to the

partnerships are provided to limited partner clients on an annual basis.

## **Section 11**

### **Item 14 - Client Referrals and Other Compensation**

The Adviser (including its related persons) does not receive any economic benefit from a non-client in connection with giving advice to Clients.

The Adviser (including its related persons) does not directly or indirectly compensate any unrelated person for Client referrals.

## **Section 12**

### **Item 15 - Custody**

The Adviser is deemed to have custody of Funds (limited partnerships or offshore corporations) where it or an affiliate is a General Partner or Director. The Adviser is exempt from certain third party reporting requirements with regard to custody.

## **Section 13**

### **Item 16 - Investment Discretion**

The Adviser accepts discretionary authority to manage securities accounts on behalf of Clients. The Adviser's authority is generally quite broad within the framework of agreed upon investment guidelines. As mentioned in **Section 1**, a Client may also provide a restricted securities list. Before assuming discretionary authority, both the Adviser and the Client must execute an Investment Management Agreement, which generally includes any specific investment guidelines and/or restrictions.

## **Section 14**

### **Item 17 - Voting Client Securities**

Consistent with the Adviser's fiduciary obligation, it is the Adviser's policy to vote all proxies in order to maximize shareholder value and the value of our investments. This objective is primary and whenever there is a conflict between the Adviser's interests and the interests of Clients, the Clients' interest takes precedence. Very generally, the Adviser tends to vote proxies in accordance with management of the company for most standard, non-controversial issues. Non-standard or more controversial issues, including but not limited to mergers, acquisitions, shareholder rights plans, compensation issues, and shareholder initiated proposals, are evaluated based on the Adviser's assessment of whether the proposal would be in a Client's best interests. In order to facilitate the proxy voting process, the Adviser may retain a proxy service provider to assist with proxy research, vote execution (in accordance with pre-established policies) and record keeping. A copy of the Adviser's current "Proxy Voting Guidelines" is available to Clients at any time, upon written request. A Client may also request, at any time, information about how Client securities were voted. Please request this information in writing, either via regular mail or via e-mail to:

Lisa LaFrance  
Bogle Investment Management, L.P.  
2310 Washington Street, Suite 310  
Newton Lower Falls, MA 02462  
[llf@boglefunds.com](mailto:llf@boglefunds.com)

If the Adviser is given the authority to vote Client securities, Clients cannot direct the Adviser's vote in a particular solicitation.

In accounts where the Adviser does not have authority to vote Client securities, Clients will receive their proxies or other solicitations directly from their custodian. Clients can contact the Adviser with questions about a particular solicitation.

## **Section 15**

### **Item 18 - Financial Information**

We do not require prepayment of fees.

## **Section 16**

### **Privacy Notice**

Financial companies choose how they share personal information. Federal law gives Clients the right to limit some but not all sharing. Federal law also requires the Adviser to tell Clients how we collect, share, and protect personal information. Please read this Section carefully to understand what we do with regard to your personal information. The types of personal information we collect and share depend on the product or service you have with us. When you are no longer our Client, we continue to share your information as described in this notice.

All financial companies need to share Clients' personal information to run their everyday business, such as to process transactions and maintain accounts. The Adviser may also share Client information for marketing purposes.

The Adviser takes precautions to maintain the privacy of personal information concerning our current and prospective Clients. These precautions include the adoption of certain procedures designed to maintain and secure such Client's nonpublic personal information from inappropriate disclosure to third parties.

The Adviser collects nonpublic personal information about its Clients from the following sources:

- Information the Adviser receives from a Client over the telephone, in written correspondence and investment management agreements, in e-mails or other forms (e.g., your name, social security number and address); and
- Information about a Client's transactions with the Adviser, its affiliates, or others; and
- Information the Adviser may receive from a consumer reporting agency.

The Adviser does not disclose any nonpublic personal information about its prospective, existing or former Clients to anyone, except as permitted by law and regulation.

To protect your personal information from unauthorized access and use, the Adviser uses security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. The Adviser restricts access to nonpublic personal information about its Clients to those employees and agents of the Adviser who need to know that information in order to provide services to its Clients. The Adviser may disclose such information to its affiliates and to service providers and financial institutions that provide services to the Adviser. The Adviser will require such third party service providers and financial institutions to protect the confidentiality of the Clients' nonpublic personal information and to use the information only for purposes for which it is disclosed to them. The Adviser maintains physical, electronic, and procedural safeguards that comply with federal standards to safeguard the Clients' nonpublic

personal information and which the Adviser believes are adequate to prevent unauthorized disclosure of such information.

If you have any questions concerning the Adviser's privacy policy, please contact Lisa LaFrance via telephone at 781-283-5000 or via e-mail at [llf@boglefunds.com](mailto:llf@boglefunds.com).

**Section 17**  
**Part 2B – Brochure Supplement**  
**Supplementary Information Regarding Supervised Persons**

Professional Standards

The Adviser requires that those involved in determining or furnishing investment advice to Clients possess a sufficient level of education and experience such that the individual can provide a high level of professional service to Clients. An undergraduate degree is required in addition to appropriate experience for the responsibilities required of the individual with respect to his or her particular role within the Adviser's business.

John Clifton Bogle, Jr.  
Year of Birth: 1959

**Educational Background and Business Experience**

B.S. Economics - Vanderbilt University 1982

M.B.A. Finance - Vanderbilt University 1983

C.F.A., Charter awarded 1990

May, 1999 to present: Chief Executive Officer, Bogle Investment Management L.P.

1990 to February, 1999: Director of Portfolio Strategies, Numeric Investors L. P.

**Disciplinary Action**

None

**Other Business Activities**

None

**Additional Compensation**

None

Keith D. Hartt  
Year of Birth: 1961

**Educational Background and Business Experience**

Ph.D. Mathematical Statistics – U. Mass Amherst 1993

M.S.E.E. – U. Mass Amherst 1987

B.S.E.E. - U. Mass Amherst 1983

C.F.A., Charter awarded 2000

May, 1999 to present: Director of Research, Bogle Investment Management L.P.

1993 to June, 1999: Research Analyst, Fidelity Management & Research Company

**Disciplinary Action**

None

**Other Business Activities**

None

**Additional Compensation**

None

Lisa A. LaFrance  
Year of Birth: 1967

**Educational Background and Business Experience**

B.A. Economics - Smith College 1989  
C.F.A., Charter awarded 1996  
Investment Adviser Representative (Series 65), 1995  
Series 3, 1998  
August, 1999 to present: Director of Client Service, Bogle Investment Management L.P.  
1/97 to 8/99: Investment Officer, Strategic Investment Management  
1/95 to 12/96: Investment Analyst, Strategic Investment Management  
1/93 to 12/94: Research Associate, Strategic Investment Management

**Disciplinary Action**

None

**Other Business Activities**

None

**Additional Compensation**

None

Britt S. Bardinelli  
Year of Birth: 1970

**Educational Background and Business Experience**

B.S. Accounting – Fairfield University 1992  
September, 1999 to present: Director of Finance, Bogle Investment Management L.P.  
1996 to 1999: Client Service Executive, Morgan Stanley Dean Witter, and Co.  
1992 to 1996: Senior Auditor, Deloitte & Touche, L.L.C.

**Disciplinary Action**

None

**Other Business Activities**

None

**Additional Compensation**

None

Christopher N. Sabbey  
Year of Birth: 1971

**Educational Background and Business Experience**

Ph.D. Astronomy - Yale University 1999  
B.A. Physics, Astronomy and Astrophysics – Harvard University 1993  
C.F.A., Charter awarded 2005  
June, 2001 to present: Research Analyst/Portfolio Manager, Bogle Investment Management L.P.  
1999 to June, 2001: Research Associate, Institute of Astronomy-University of Cambridge



**Disciplinary Action**

None

**Other Business Activities**

None

**Additional Compensation**

None

Jonathon D. Lewis

Year of Birth: 1974

**Educational Background and Business Experience**

M.B.A. Finance –Northwestern University 2002

B.S. Mechanical Engineering – Lehigh University 1996

C.F.A., Charter awarded 2000

August, 2002 to present: Research Analyst/Portfolio Manager, Bogle Investment Management L.P.

1996 to 2000: Assistant Vice President, Strategic Research and Development Group, Putnam Investment Management

**Disciplinary Action**

None

**Other Business Activities**

None

**Additional Compensation**

None

Paul R. Hummel

Year of Birth: 1967

**Educational Background and Business Experience**

M.B.A. – MIT Sloan School of Management 1997

Master of Engineering – Mechanical Engineering – Cornell University 1993

B.S. Mechanical Engineering – Cornell University 1990

C.F.A., Charter awarded 2006

April, 2004 to present: Research Analyst/Portfolio Manager, Bogle Investment Management, L.P.

1999 to 2004: Principal, Inference Group, LLC

1997 to 1999: Portfolio Strategist and Equity Trader, Long Term Capital Management

1996 to 1997: Financial Engineering Research Consultant, Investment Technology Group, Inc.

**Disciplinary Action**

None

**Other Business Activities**

None

**Additional Compensation**

None

## **Supervision**

John C. Bogle, Jr., President, and Keith D. Hartt, Director of Research, head up the portfolio management and research team and are responsible for supervising all of the advisory activities on behalf of the firm. They can both be reached at 781-283-5000. Because the investment process is quantitatively implemented, the development of the models involves investment research as well as computer coding. The entire team, under the supervision of John and/or Keith, is involved in investment research and computer coding of the research and investment processes.