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This brochure provides information about the qualifications and business practices of Gotham Asset Management, LLC (“Gotham” or “we”). If you have any questions about the contents of this brochure, please contact us at info@gothamassetmanagement.com or (212) 319-4100. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Gotham is also available on the SEC’s website at www.adviserinfo.sec.gov.

Being a “registered investment adviser” or describing ourselves as being “registered” does not imply a certain level of skill or training. This brochure is not an offering or solicitation of interests in funds managed by Gotham or our affiliates.

Item 2 – Material Changes

This brochure dated March 27, 2013 is our annual amendment and replaces the brochure dated March 30, 2012, which was our last annual amendment. There are no material changes to report.

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Item 4 – Advisory Business

We are a value-oriented equity investment management firm that offers domestic and international value equity strategies for institutional and retail investors. We currently offer long-only and long/short strategies in U.S. traded equities and long-only strategies in internationally traded equities. We were formed in 2008 and are owned by Gotham Asset Management Holdings, L.P., which is controlled by Joel Greenblatt and Robert Goldstein, our Co-Chief Investment Officers (“Co-CIOs”).

We provide investment management services to private funds (the “Private Funds”) and mutual funds (“Mutual Funds”, collectively with the Private Funds, the “Funds”), and also provide investment advisory services through separately managed accounts to individuals, corporations, trusts, charitable foundations, endowments and other organizations. We also provide sub-advisory services to, or have a dual contract relationship with, investment advisers, and typically do not have regular contact with clients of such investment advisers.

We are the investment advisor to and sponsor a wrap fee program, the Formula Investing Investment Management Program, for which we receive a portion of the wrap fee. More detail on the Formula Investing Investment Management Program is found in Appendix 1 of this Brochure. Wrap fee clients should consider that, depending on the rate of the wrap fee charged, the amount of account activity, the value of custodial and other services provided and other factors, the wrap fee may exceed the aggregate costs of the services provided if they were to be obtained separately and, with respect to brokerage, transaction-based commissions. We may accept or reject a wrap fee client for any reason, including, but not limited to, the wrap fee client’s investment goals and restrictions.

We also provide investment advisory services to certain third parties in the form of index portfolios. An index portfolio represents our recommendation as to the composition of a portfolio of securities meeting specified criteria. We do not acquire securities or manage the index portfolio directly. We do not have regular contact with clients of such third parties.

We generally invest, on behalf of the Funds and accounts (including the separately managed accounts, wrap fee, dual contract and sub-advisory accounts, collectively the “Accounts”) in publicly traded equity securities. We believe that while individual stocks gravitate toward fair value over longer periods of time, they frequently trade at significant deviations from fair value. We generally take long positions in securities that we believe to be undervalued and short positions in securities that we believe to be overvalued, based on our analysis of the issuer’s financial reports and market valuation.

Private Fund investments are managed in accordance with the investment objective and program set forth in each Private Fund’s confidential offering memorandum and such investments are not

tailored to the individual needs of any particular Private Fund investor. The Accounts are managed in accordance with a client's chosen strategy and clients have a limited ability to tailor such strategies or limit certain securities. Mutual Fund investments are managed in accordance with each fund's investment objective, strategies and restrictions as set forth in the Mutual Fund's prospectus and are not tailored to the individualized needs of any particular investor in the Mutual Fund. There can be no assurance that the investment objectives of the Funds or Accounts will be achieved and investment results may vary substantially.

As of December 31, 2012, we had approximately \$2,741,011,382 in regulatory assets under management (as defined by the SEC) all of which is managed on a discretionary basis.

For a further discussion of these related items, See Item 7 (Types of Clients), Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss) and Item 10 (Other Financial Industry Activities and Affiliations).

Item 5 – Fees and Compensation

Fee Schedules

Our compensation depends on the manner in which we provide advisory services. We are compensated on various combinations of a percentage of assets under management, fixed fees, and performance-based fees. Fees may be negotiated or waived in certain circumstances.

Private Funds

Management fees for Private Funds range from 1.00% to 2.00% annually of client assets under management, calculated quarterly in advance and accrued monthly. Investments in a Private Fund that are initiated or terminated during a calendar quarter are charged a prorated management fee if they have been invested for at least 12 months. If an investor withdraws their investment in the initial 12 months of their investment, the investor would be charged the management fee for the remaining portion of the 12 month period following their initial investment.

Fees may also include a performance fee or allocation generally ranging from 10% to 25%, which may be paid to us or to our affiliates that serve as the general partners of the Private Funds. The performance fee or allocation is a percentage of the absolute net profits of the Private Fund (subject to a high water mark) or the Private Fund's outperformance relative to a targeted benchmark. Performance fees or incentive allocations are charged or made on December 31 of each year or, if earlier, when an investment is withdrawn. We may waive or lower management or performance fees for certain investors in the Private Funds because of their affiliation or relationship with us.

The Private Funds bear all expenses incidental to their operations and business, including organizational, investment and operating expenses. Investment expense include, but are not limited, to the expenses related to investing and holding capital, such as brokerage commissions, ticket charges, expenses related to short sales, trade execution platforms, clearing and settlement charges, custodial fees, bank service fees, interest expense, and extraordinary expenses. Operating expenses include but are not limited to third party professional and service fees and related expenses, including legal, administrative, consulting, custodial, regulatory reporting (including, but not limited to, Form PF, Schedule 13G, *etc.*), expenses related to the ongoing offering of Interests (including any “blue sky” filing fees), accounting, software and support, bookkeeping, investment and voting support, investor, auditing and tax preparation; premiums for directors’ and officers’ liability insurance (if any); indemnification expenses; research expenses such as systems, software, data, pricing feeds, databases, and related computing equipment. In addition, we manage one Private Fund that invests in other private funds. This Private Fund incurs multiple layers of fees, including the management and incentive fees paid to the underlying managers and the management fee paid to us.

Fees and expenses for each Private Fund are described to investors, in detail, in each Private Fund’s confidential offering memorandum.

Separately Managed Accounts (including Sub-Advisory and Dual Contract Accounts)

Advisory fees for separately managed accounts are based upon a percentage of assets under management and may vary depending upon the nature of the portfolio to be managed. Separately managed account advisory fees range from 0.75% to 2.00% annually of client assets under management, payable quarterly in advance, unless otherwise agreed with a client. Accounts initiated or terminated during a calendar quarter are charged a prorated management fee. Accordingly, if a separately managed account is terminated during a quarter in which a management fee has been charged in advance, then the account will receive a refund for the remaining portion of the quarter.

In addition, our clients may agree upon performance fees, which generally range from 10% to 25%. Performance fees are based on a client’s absolute net profits (subject to a high water mark) or the client’s outperformance relative to a targeted benchmark. Performance fees are charged to clients either on December 31 of each year or, if earlier, when the client terminates its investment. We may enter into individual agreements with clients or investors with respect to the timing of accrual or payment of any fees. We typically bill clients for fees; however, we may initiate payment of the management or performance fee from a client by instructions to the client’s custodian. Some clients may select the method by which management or performance fees are paid. Separately managed account fees are described to clients, in detail, in the client’s investment management agreement.

Sub-Advisory and Dual Contract Accounts

Fee schedules for clients participating in sub-advisory or dual contract programs are generally similar to the management fees charged to clients with separately managed accounts. Because fees may be separately negotiated between the relevant client and intermediary, the fees may be more or less than those for a similar strategy in a separately managed account. In many instances, the intermediary will also receive a fee negotiated between the intermediary and the client.

Wrap Fee Program Accounts

We sponsor a wrap fee program, the Formula Investing Investment Management Program, whereby a Formula Investing client pays a single fee that covers investment advisory services and brokerage expenses for trades. Fee schedules range from 0.80% to 1.00% of client assets under management, calculated and typically deducted quarterly in advance from the client's Account. Accounts initiated or terminated during a calendar quarter are charged a prorated fee. Accordingly, if a client terminates its management agreement during a quarter in which a fee has been charged in advance, then the client will receive a refund for the remaining portion of the period. If the calculated quarterly fees fall below a certain minimum, we charge a minimum quarterly fee, as outlined in the Formula Investing investment advisory agreement. We currently serve as a portfolio manager to the wrap fee program and are compensated from the wrap fee paid by program clients. More detail on the Formula Investing Investment Management Program is found in Appendix 1 of this Brochure.

Other Advisory Fee Arrangements

We provide investment advisory services in the form of index portfolios. Such arrangements are not uniform and fees are separately negotiated.

Mutual Funds

We provide advisory services to registered investment companies, commonly known as mutual funds. We are the investment adviser to the following Mutual Funds, each a series of FundVantage Trust:

- Gotham Absolute Return Fund
- Gotham Enhanced Return Fund*
- Formula Investing U.S. Value 1000 Fund
- Formula Investing U.S. Value Select Fund
- Formula Investing International Value 400 Fund
- Formula Investing International Value Select Fund

*Filed but not yet launched.

The Mutual Funds pay us advisory fees monthly at an annual rate ranging from 0.75% to 2.00% of the Mutual Fund's net assets, computed and accrued daily. Investors in the Mutual Funds bear their proportionate share of each Mutual Fund's fees and expenses, including their *pro rata* share of the advisory fees.

Information concerning the Mutual Funds, including a description of the services provided by management and the fees charged for those services, is generally contained in each Mutual Fund's prospectus. A prospectus may be obtained from the SEC's website.

Other Expenses

Unless a wrap fee is charged, management and performance fees do not cover brokerage commissions, transaction fees, service provider fees, and other related costs and expenses that will be incurred on behalf of clients. Execution of client transactions typically requires payment of brokerage commissions by clients. "Item 12 – Brokerage Practices" further describes the factors that we consider in selecting or recommending broker-dealers for the execution of transactions and determining the reasonableness of their compensation.

Other expenses for the Private Funds are described above under Private Funds. With respect to other funds and accounts, investment activity may also involve transaction fees payable by clients, such as sales charges, ticket charges, expenses related to short sales, clear and settlement charges, bank service fees, interest expenses, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. In addition, clients may incur certain charges imposed by custodians, broker-dealers, third party investment consultants, and other third parties, such as custodial fees, consulting fees, administrative fees, and transfer agency fees.

Cash balances (including those of the Mutual Funds) are sometimes swept into money market funds that may be sponsored by a client's custodian or broker-dealer. Exchange traded funds may be used as an investment vehicle by the Funds to increase or decrease market exposure while securities are being purchased or sold. When these types of funds are used, a client, in effect, pays two advisory fees with respect to the amount of assets so invested (i.e., the money market or exchange traded fund's fees and expenses and that portion of our management fee attributable to such assets).

We do not accept, and none of our principals, members, managers, directors, officers and employees (collectively, "*supervised persons*") accept, any compensation for the sale of securities or other investment products.

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

In some cases, we enter into performance fee arrangements. We structure any performance fees subject to federal rules and in accordance with the available exemptions granted under those rules.

We simultaneously manage multiple types of portfolios including the Private Funds, separately managed accounts and Mutual Funds, according to the same or a similar investment strategy (*i.e.*, side-by-side management). The simultaneous management of these different portfolios, some of which are charged a performance fee as well as management fees based on assets under management, and some of which are only charged management fees, creates certain conflicts of interest, as the fees for the management of certain clients are higher than others. Performance fees may also create an incentive for us to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement.

Side-by-side management of portfolios with differing fees raises the possibility of preferential treatment of a portfolio or a group of portfolios. As a fiduciary, we exercise due care to ensure that investment opportunities are allocated fairly and equitably over time among all suitable clients, regardless of their fee structure. We have implemented specific controls built on the general principle of treating all clients in a fair and equitable manner over time. Client trade opportunities are generally determined by our investment strategies as well as the client's investment objectives and any specified account restrictions.

Client transactions in the same securities are generally aggregated with trades for other clients, but may be handled individually when circumstances warrant. When we determine that a set of transactions should be aggregated we generally do so by executing broker, and prices will generally be averaged and transactions allocated among our clients *pro rata*, based on the original allocation to the purchase and sale orders placed for each client on any given day. In the event that we determine that a *pro rata* allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors. We have additional procedures that are designed to help ensure that all clients are treated fairly and equitably over time and to prevent conflicts from influencing the allocation of investment opportunities among clients (please refer to Item 12 – Brokerage Practices, for a detailed description of our trade aggregation and allocation procedures). By utilizing these procedures, we believe that portfolios managed side-by-side receive fair and equitable treatment over time.

Item 7 – Types of Clients

Our clients consist of individuals, institutions, mutual funds, pension and profit sharing plans, pooled investment vehicles, charitable organizations, corporations, other investment advisers, and other business entities.

Our investment minimums vary according to product and strategy. The minimum investment required to invest in a Private Fund is described in each Private Fund's offering memorandum. Generally, our separately managed account minimums range from \$100,000 to \$25 million. The minimum investment required to invest in the wrap program is described in Appendix 1. The minimum investment required by the Mutual Funds is described in each Mutual Fund's prospectus.

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

Our value investing principles use a fundamental research process developed by our Co-CIOs, Joel Greenblatt and Robert Goldstein. The Co-CIOs have used their experience in stock selection and portfolio management gained over 25 years of managing investment portfolios to develop a range of investing strategies. We believe that while individual stocks gravitate toward fair value over longer periods of time, they frequently trade at significant deviations from fair value, for various reasons such as emotion, analytical errors, and the inability of many large institutional investors to tolerate short-term underperformance.

We employ an analyst team that performs financial analysis and maintains a proprietary database covering roughly 3,000 domestic and 1,300 international companies. Our research team typically:

- Analyzes each company according to a predetermined methodology that creates consistency across the universe of companies;
- Adjusts operating income, cash flow, and balance sheet items, as necessary;
- Identifies companies that do not conform to our valuation methodology and excludes such companies from consideration. For example, if a company's value is not primarily derived from operating businesses it may be removed from the database;
- Updates data for press releases and financial statement filings;
- Tracks pending corporate actions and makes adjustments as appropriate; and
- Monitors the portfolios for anomalous positions and/or behavior.

The Co-CIOs, together with our analyst team, evaluate companies according to our proprietary analytical framework based on fundamental measures of financial

performance. Our process allows us to compare and rank companies within our universe from the most undervalued to the most overvalued. The portfolios are then adjusted (generally daily) to maintain exposure levels, manage risk and reposition the portfolio to reflect ranking changes resulting from earnings releases and other new information related to particular companies, subject to prespecified risk and diversification constraints.

We manage several long/short and long-only investment strategies. Each strategy uses its database, valuation measures, and technology to target different geographies, market exposures, market capitalizations and levels of diversification.

We offer three broad types of investment strategies: long/short U.S. traded equity, long-only U.S. traded equity, and long-only international traded equity. Portfolios have varying degrees of gross and net exposure and varying levels of concentration and diversification. Certain strategies employ leverage, and strategies may target various parts of the capitalization spectrum. These strategies may not be suitable for all investors.

Our portfolios are typically rebalanced to weight toward those stocks that are priced at the largest discount to various measures of value, as ranked by our proprietary metrics. Portfolios including a short strategy are typically rebalanced to weight toward those stocks that are priced at the largest premium to various measures of value for our short positions, as ranked by our proprietary metrics. Certain tax-managed portfolios are managed for long-term tax efficiency, with the portfolio rebalancing taking into consideration security holding periods. These tax-managed portfolios may have short-term tax consequences, particularly within the first year after investment.

For our wrap program, we use a proprietary strategy to identify and rank stocks based on the underlying company's earnings yield and return on capital. The portfolio strategy employs our fundamental research process to rank and select companies from a universe of stocks within the mid to large market capitalization spectrum. The portfolios are managed for long-term tax efficiency, with the portfolio rebalancing taking into consideration security holding periods. The portfolios may have short-term tax consequences, particularly within the first year after investment.

Before purchasing an interest in any of the Private Funds, investors should carefully consider various risk factors and potential conflicts of interest, as well as suitability requirements, restrictions on transfer and withdrawal of fund interests and various legal, tax and other considerations, all of which are discussed in each Private Fund's offering memorandum. An investment in a Private Fund involves significant risks including the loss of some or all principal and is suitable only for those persons who can bear the economic risk of the loss of their investment and who have limited need for liquidity in their investment. Investors in a private partnership who are subject to income tax should be

aware that the investment in the partnership may create taxable income or tax liabilities in excess of cash distributions to pay such liabilities.

Mutual fund investing involves risk, including loss of some or all principal. An investor should consider the investment objectives, risks, charges and expenses of the Mutual Fund carefully before investing. The prospectuses for the Mutual Funds may be downloaded from the SEC's website.

There can be no assurance that the objectives associated with any of our investment strategies will be met or that we will achieve profitable results. We may, at any time, add, remove or modify any of the strategies we employ and this includes any of the significant investment strategies discussed above. These investments, methods and strategies involve risk of loss to clients and clients must be prepared to bear the loss of their entire investment.

Risks associated with our strategies

The material risks associated with our strategies include, without limitation:

Equity Securities Risk – Common and preferred stocks are subject to greater fluctuations in market value than other asset classes as a result of such factors as a company's business performance, investor perceptions, stock market trends and general economic conditions. The rights of equity holders are subordinate to all other claims on a company's assets including debt holders. The value of equity securities could decline if the financial condition of the issuers decline or if overall market and economic conditions deteriorate. Equity investments risk a loss of all or a substantial portion of the investment.

Market Risk - Our portfolios are subject to market risk—the risk that securities markets and individual securities will increase or decrease in value. Market risk applies to every market and every security. Security prices may fluctuate widely over short or extended periods in response to market or economic news and conditions, and securities markets also tend to move in cycles. If there is a general decline in the securities markets, it is possible investments may lose value regardless of the business operations of the issuers. The magnitude of up and down price or market fluctuations over time is sometimes referred to as “volatility,” which, at times, can be significant. In addition, different asset classes and geographic markets may experience periods of significant correlation with each other. As a result of this correlation, the securities and markets in which we invest may experience volatility due to market, economic, political or social events and conditions that may not readily appear to directly relate to such securities, the securities' issuers or the markets in which they trade.

Value Investing Risk – Investing in “value” stocks carries the risk that the stocks may never reach what we believe are their full market values, either because the market fails to recognize what we consider to be the companies’ true business values or because we misjudge those values. In addition, value stocks may fall out of favor with investors and underperform growth stocks during given periods. Value-oriented investment approaches are subject to the risk that securities believed to be undervalued do not appreciate in value as anticipated or decline in value.

Systems Risk – We rely extensively on computer programs and systems to implement our strategies and to trade, clear and settle securities transactions, to monitor our portfolios, and to generate risk management and other reports that are critical to oversight of our activities. These programs or systems may be subject to certain defects, failures or interruptions, including, but not limited to, those caused by computer “worms,” viruses and power failures. Any such defect or failure could have a material adverse effect on our activities. For example, such failures could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades, and/or cause inaccurate reports, which may affect our ability to monitor investment portfolios and risk.

Database Errors – Our strategies rely on proprietary databases and third party data sources. As a result, any errors in the underlying data entry, database or the assumptions underlying the strategies may result in a portfolio acquiring or selling investments based on incorrect information. Additionally, data entry made by our internal team of financial analysts may contain errors, as may the database system used to store such data. When strategies and data prove to be incorrect, misleading, flawed or incomplete, any decisions made in reliance thereon expose our clients to potential risks. For example, by relying on our strategies and data, we may be induced to buy certain investments at prices that are too high, to sell certain other investments at prices that are too low, or to miss favorable opportunities altogether. Similarly, any hedging based on faulty strategies and data may prove to be unsuccessful. As a result, the portfolio could incur losses on such investments before the errors are identified and corrected. We do not reimburse the portfolios or clients for database errors.

Accuracy of Public Information Risk – We select investments, in part, on the basis of information and data filed by issuers with various government regulators or made publicly available by the issuers or through publicly available sources other than the issuers. Although we evaluate this information and data, we are not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information may not be available.

Operational Risk – Operational risks arise from mistakes made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or

accounted for or other similar disruption in our operations may cause us to suffer financial loss, the disruption of our business, liability to clients or third parties, regulatory intervention, or reputational damage. We rely heavily on our financial, accounting and other data processing systems. The ability of our systems to accommodate an increasing volume of transactions could also constrain our ability to properly manage a client's portfolio.

Account Type Risk – The terms and conditions applicable to the Private Funds, Accounts, and Mutual Funds may vary. Investors in one investment vehicle may pay different fees and other charges, and may not have the same liquidity or redemption options as investors in other investment vehicles. Due to the structure of a separately managed account, the account owners generally receive more information, including transparent portfolio holdings, and have more favorable liquidity and termination rights as compared to investors in the Private Funds and Mutual Funds. Based on such information account owners may be able to close their account before other investors. In addition, although we generally seek confidentiality provisions with respect to portfolio holdings, there can be no guarantee that such information will be maintained in confidence. Disclosure of certain information could be detrimental to other investors. For instance, the disclosure of short positions could lead to pressure on a portfolio from other market participants under certain circumstances (*i.e.*, a “short squeeze”).

Portfolio Turnover Risk – High rates of portfolio turnover caused by market volatility or other factors could lower performance of the portfolio through increased brokerage and other transaction costs and taxes.

Concentration/Non-diversification Risk – Certain portfolios may be concentrated in only a few industries, sectors, countries or geographic regions, or may be concentrated in other ways. This investment strategy could expose investors to greater risk than if the portfolios were more diversified. A concentrated portfolio may cause the value of the portfolio's shares to be especially sensitive to factors and economic risks that specifically affect areas of concentration. This may cause the value of the portfolio to fluctuate more widely than a comparative benchmark that is more diversified.

Securities Lending Risk – Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, a portfolio may lose money and there may be a delay in recovering the loaned securities. The portfolio could also lose money if it does not recover the securities and/or the value of the collateral falls, including the value of investments made with cash collateral. Securities lending also may have certain potential adverse tax consequences.

Prime Broker Risk – Portfolios may be held for us or our affiliates by prime brokers. The prime brokers, as brokerage firms or commercial banks, are subject to various laws and

regulations in various jurisdictions that are designed to protect their customers in the event of the prime broker's insolvency. However, the practical effect of these laws and their application to a portfolio's securities positions are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a prime broker, it is impossible to generalize about the effect of a prime broker's insolvency on a portfolio and its securities positions. The insolvency of any prime broker could result in the loss of all or a substantial portion of a portfolio's securities positions held by such prime broker, and, in the case of a Private Fund, could result in substantial disruption of the fund's operations, including withdrawals by investors.

Counterparty Risk – Counterparty risk is the risk to us that the counterparty to a services contract, prime brokerage arrangement or derivative arrangement will not fulfill its contractual obligations. Should the counterparty fail to fulfill its obligations to us, clients could potentially incur significant losses and may have access to their investments limited or restricted.

Swaps and Derivatives Risk – We may make use of swaps and other forms of derivative contracts. In general, a derivative contract (including options) typically involves leverage, *i.e.*, it provides exposure to potential gain or loss from a change in the level of the market price of a security, currency or commodity (or a basket or index) in a notional amount that exceeds the amount of cash or assets required to establish or maintain the derivative contract. Consequently, an adverse change in the relevant price level can result in a loss of capital that is more exaggerated than would have resulted from an investment that did not involve the use of leverage inherent in the derivative contract. Derivative contracts may be privately negotiated in the over-the-counter market. These contracts also involve exposure to credit risk, since contract performance depends in part on the financial condition of the counterparty or the counterparty's guarantor. These transactions may also involve significant transaction costs.

Key Personnel Risk – The effectiveness of our strategies is largely dependent upon the continued services of Joel Greenblatt and Robert Goldstein, who serve as the Co-CIOs. Messrs. Greenblatt and Goldstein are ultimately responsible for all of our investment strategies, and do not focus exclusively on any particular strategy. The loss of the services of either or both of Mr. Greenblatt or Mr. Goldstein could have a material adverse effect on our ability to implement our strategies.

Illiquid Investments Risk – In order to have liquid positions and portfolios, we generally limit the maximum quantity of shares that may be held in a single position based on the market's normal trading volumes for each security held. However, if liquidity were to rapidly disappear from a security or market, such an occurrence would increase our cost of

exiting such positions and could have a material adverse impact on performance. In addition, if markets were to close as they did during Hurricane Sandy, or for any other reason, we could not liquidate positions until the markets were to reopen.

Material, Nonpublic Information - From time to time, we may come into possession of material, nonpublic information that would limit our ability to buy and sell investments on behalf of clients. Investment flexibility may be constrained as a consequence of our inability to take certain actions because of such information. Clients may experience losses if we are unable to sell an investment that they hold because we have obtained material, nonpublic information about such investment.

Regulatory Risk - Investment management and the securities and financial industry generally are subject to a variety of governmental regulations. Recent efforts have included restrictions on short sales of certain securities and regulation of derivatives markets. It is possible that regulatory action could impose additional direct or indirect costs on our portfolios, limit the strategies that we may pursue or adversely impact the desirability of certain classes of investments or the anticipated return on certain investments.

Additional Risks of Long/Short Equity Strategies

In addition to the risks described above, some of the material risks associated with our long/short equity strategies may include:

Short Selling Risk - A short sale involves the sale of a security that a portfolio does not own in the expectation of purchasing the same security (or a related derivative security) at a later date at a lower price. To make delivery to the buyer, the portfolio must borrow the security, and the portfolio is obligated to return the security to the lender, which is accomplished by a later purchase of the security by the portfolio. In some cases, the lender may rescind the loan of securities. When a portfolio makes a short sale in the United States, it must leave the proceeds with the broker and it must also deposit with the broker an amount of cash or marketable securities sufficient under margin regulations to collateralize its obligation to replace the borrowed securities that have been sold. If short sales are affected on a foreign exchange, such transactions will be governed by local law. A short sale involves the risk of a theoretically unlimited increase in the market price of the security. As a result of margin calls, actions by the lender, changes in maintenance or other regulatory requirements or other matters, the portfolio may be forced to cover the short position at a time that is out of the control of the portfolio, resulting in losses or a failure to realize the value of the position. The extent to which a portfolio will engage in short sales depends upon the investment strategy. In addition, global regulatory prohibitions on short sales may impair our ability to implement our investment process. Bans may add additional constraints to a strategy, which may increase transaction costs as well as the time required to monitor compliance with the restrictions.

Leverage and Borrowing Risk – Certain of our strategies utilize varying amounts of leverage, which involves the borrowing of funds from brokerage firms, banks, and other institutions and may also be embedded in financial instruments, including short sales, over-the-counter derivatives, options, swaps, and forwards, which enable investors to gain exposure to assets whose value exceeds the amount of capital necessary to obtain such exposure. The use of leverage allows us to increase our exposure to assets, such that total assets may be greater than capital invested. However, the use of leverage may also magnify the volatility – or the likelihood of short-term changes in value – of any portfolio. The effect of the use of leverage in a portfolio may result in greater losses to the portfolio than would be the case if leverage were not used.

Additional Risks of Long-Only Internationally Traded Equity Strategies

Securities of foreign issuers, including depository receipts, are subject to special risks associated with foreign investments not typically associated with investing in U.S. markets, including:

Foreign Securities Risk – Investments in foreign securities involve certain factors not typically associated with investing in U.S. securities, such as risks relating to (i) differences between the U.S. and foreign securities markets, including the absence of uniform accounting, auditing and financial reporting standards and practices and disclosure requirements, and less government supervision and regulation; (ii) political, social or economic instability; (iii) the extension of credit, especially in the case of sovereign debt; and (iv) certain tax-related risks including, without limitation, uncertainties in the application of tax laws by non-U.S. jurisdictions, the imposition of withholding and other taxes on dividends, interest, capital gains or other income, the possibility of expropriation, confiscatory taxation and limitations on the removal of funds or other assets.

Depository Receipts Risk – The issuers of unsponsored depository receipts may not be obligated to disclose information that is, in the U.S., considered material. Therefore, less information may be available regarding these issuers and a correlation between such information and the market value of the depository receipts may not exist. Depository receipts are generally subject to the same risks as the foreign securities that they evidence or into which they may be converted.

Political and Economic Risk – Investing in foreign securities is subject to the risk of political, social or economic instability in the country in which the issuer operates or is organized, variation in international trade patterns, the possibility of the imposition of exchange controls, expropriation, confiscatory taxation, limits on movement of currency or other assets and nationalization of assets.

Currency Risk – Although we value securities in U.S. dollars, if a portfolio invests in securities denominated in currencies other than the U.S. dollar, the value of such securities will, to the extent unhedged, fluctuate with U.S. dollar exchange rates as well as with price changes of the securities in the various local markets and currencies. Thus, an increase in the value of the U.S. dollar in comparison to the other currencies in which a portfolio may make its investments will reduce the effect of increases and magnify the effect of decreases in the prices of the portfolio's securities in their local markets. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect of magnifying the effect of increases and reducing the effect of decreases in the prices of the portfolio's non-U.S. dollar securities. Portfolios may use futures, forward currency contracts and options to hedge against currency fluctuations in its non-U.S. dollar denominated portfolio, but there can be no assurance that any such hedging transactions will be effective.

Information Risk – Non-U.S. companies in certain countries may not be subject to uniform accounting, auditing and financial reporting standards or to other regulatory requirements that are similar to those applicable to U.S. companies.

Foreign Tax Risk – Income from foreign issuers may be subject to non-U.S. withholding taxes. Portfolios also may be subject to taxes on trading profits and, on certain securities transactions, transfer or stamp duties tax.

Investment Restriction Risk – Some countries restrict foreign investment in their securities markets. These restrictions may limit or preclude investment in certain countries or may increase the cost of investing in securities of particular companies.

Foreign Securities Market Risk – Securities of many non-U.S. companies may be less liquid and their prices more volatile than securities of comparable U.S. companies and therefore may involve greater risks.

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 an evaluation of us or the integrity of our management. We have no disclosure applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Some of our employees are registered representatives of Foreside Funds Distributors LLC, the distributor of the Mutual Funds that we manage.

Neither we nor any of our management persons are registered, nor do we or any of our management persons have an application pending to register, as a futures commission

merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

We are the investment adviser to several Mutual Funds that are series of the FundVantage Trust, as described in Item 5. The Mutual Funds' fees, a portion of which are paid to us, may be more or less than comparable Account or Private Fund advisory fees.

Certain of our affiliates are the general partners of Private Funds for which we serve as an investment manager. With respect to such funds, management fees are paid to us on a quarterly basis and incentive allocations, if any, generally are effected through an annual allocation of profits from each investor into the capital account of the general partner. Our affiliated general partners and/or managers of the Private Funds are Gotham Strategies, Ltd., Gotham Hedge Strategies GP, LLC, Gotham Funds G.P. LLC, Joel Greenblatt, and Robert Goldstein. We may have a conflict of interest related to the incentive allocations charged to investors in the Private Funds. Please refer to Item 6 of this document which provides details on the conflict and how we address the conflict.

Joel Greenblatt and Rob Goldstein, the Co-CIOs, moderate a not-for-profit investment ideas membership website that does not generate revenue.

Our affiliated entities have invested, and may continue to invest, in entities that serve as general partners or investment managers of various hedge funds. Our affiliated entities may also contribute "seed capital" to certain private funds, and our clients may invest in these private funds. For example, we select the private funds in which one of our clients, Gotham Asset Management (U.S.), L.P. invests. We may invest, and have invested, such client's assets in private funds managed by investment advisers in which a related person has a financial interest.

We provide certain back office services to several investment advisers, including the advisers in which our principals have invested in. The relationships among us, our clients and these investment advisers may create potential conflicts of interest. We employ certain privacy measures, confidentiality agreements and other processes to mitigate these conflicts.

As discussed in Item 11 below, subject to the provisions of our Code of Ethics, including pre-clearance requirements for purchases and sales of securities, our affiliates may engage in investment trading activities for their own accounts.

Neither we nor our affiliates are obligated to devote any specific amount of time to the affairs of our clients. We and our affiliates manage and expect to continue to manage other client accounts, including other collective investment vehicles that may be managed by us or our affiliates and in which we or any of our affiliates may have an equity interest. In

managing other clients, we and our affiliates may take positions that are different from, or inconsistent with, the positions taken by the other client accounts.

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

Code of Ethics

We have adopted a Code of Ethics (“Code”) pursuant to Rule 204A-1 of the Investment Advisers Act and Rule 17j-1 of the Investment Company Act. The Code sets forth standards of ethical and business conduct expected of supervised persons and addresses conflicts that may arise. The Code requires full compliance with all applicable laws and regulations governing the provision of investment management services to our clients. In addition, the Code highlights that we expect each supervised person to act with integrity, competence, dignity, and in an ethical manner. We also expect supervised persons to adhere to the highest standards with respect to any potential conflict of interest with clients.

Our Code contains guidelines relating to personal trading by supervised persons (and certain of their immediate family members). Our supervised persons must get approval to purchase: (a) any equity security (including common stock, preferred stock and securities convertible into an equity security) of a single public issuer; (b) any security issued in an initial public offering; (c) derivatives of the foregoing (derivatives, include, but are not limited to, options, swaps, and futures); (d) any security which is comprised predominately of an equity security or derivative (*e.g.*, a customized basket of two public issuers); and (e) private placements (including hedge funds and private equity funds).

The Code also requires supervised persons to provide us with certain securities holdings and periodic transaction reports, as required by Investment Advisers Act Rule 204A-1.

The Code includes policies and procedures on serving as officers, trustees and/or directors of outside organizations and participating in outside business activities. Additionally, the Code restricts and establishes preclearance requirements for political contributions and provisions relating to accepting offers of business gifts or business entertainment from third parties.

All supervised persons are required to contact the General Counsel or Chief Compliance Officer regarding any actual or suspected violation of the Code. A violation of the Code may result in the imposition of remedial action, including censure, fine, restriction on activities, suspension or termination of employment.

All of our personnel must acknowledge they understand the Code and agree to comply with it upon employment and annually thereafter, and must certify annually that they have

complied with the Code. Clients or prospective clients may obtain a copy of our Code, free of charge, upon request.

Potential Conflicts of Interest

Clients should carefully consider the conflicts of interest described here and, as applicable, in the Private Fund offering documents and in the Mutual Fund prospectuses.

Personal Trading – In providing investment management services, we and our personnel make investment decisions for our Private Funds, Accounts and Mutual Funds. Our personnel may trade and invest for their own accounts in the same securities as those in which we invest on behalf of clients. To address these conflicts of interest, we maintain the Code, as described above, including pre-approval of certain equity trades.

Allocation of Investment Opportunities and Other Accounts – We are not obligated to accord exclusivity or priority to clients in the case of limited investment opportunities arising from the application of capacity limits or other factors. There is no limit on the number of portfolios, private funds, mutual funds and/or clients that we may manage or advise. We may have financial incentives to favor certain clients over others. Even if we do not have such financial incentives, we are required to allocate limited resources among the various portfolios. We seek to allocate investment opportunities, and treat all similarly situated clients, fairly and equitably over time to the extent such opportunities are determined to be appropriate for the relevant clients. Although allocations may be *pro rata* among participating clients, they will not necessarily be so, where our allocation policies dictate a different result. There can be no assurance that a particular order or investment opportunity will be allocated in a particular manner. The performance of certain clients may differ even though their investment objectives may be substantially the same or similar.

Different Terms & Conditions – In order to expand its investment advisory business, we may permit certain investors to invest in Private Funds and Accounts on different terms and conditions that may result in a potential conflict of interest. Such different terms and conditions may include different fee structures and different investment minimums, as well as different redemption terms and conditions, permitting certain investors to redeem interests or liquidate their investments more rapidly than other investors. In addition, although we generally seek confidentiality provisions with respect to portfolio holdings, there can be no guarantee that such information will be maintained in confidence. Disclosure of certain information could be detrimental to other investors.

We may also have a conflict of interest because managing assets through a pooled arrangement offers certain efficiencies and economies of scale to us that may result in Private Fund fees being more profitable for us than fees received from the Accounts.

Although economies of scale resulting from investing in the Private Funds may result in smaller administrative, custodial, and/or transactional expenses than would be the case if certain assets were to be managed in a separate account, the Private Funds incur other audit and administrative expenses that are apportioned among their investors, which a separately managed account typically would not have.

Additionally, the owners of separately managed accounts generally receive more information, including portfolio information, compared to investors in the Funds. The holder of a separately managed account has an inherent ability to see all positions in the account. Accordingly, our advising a separately managed account pursuing the same or similar strategy as a Fund is equivalent to having an investor in the Fund with full transparency and perhaps more frequent liquidity. If the holder of a managed account pursuing substantially the same strategy as the Private Funds, Mutual Funds or other separately managed accounts decided to liquidate the positions in the account in a short time period, this could result in decreases in the valuations of the equivalent positions remaining in the Funds or other separately managed accounts, thereby causing losses.

We may enter into side letter agreements with certain prospective or existing investors in the Private Funds whereby such investors may be subject to terms and conditions that are more favorable than those applicable to other investors in the Private Funds. For example, such terms and conditions may provide for special rights to make future investments; special redemption rights, relating to frequency or notice; a reduction or rebate in fees to be paid by the investor and/or other terms; rights to receive reports on a more frequent basis or that include information not provided to other investors and other rights that may be negotiated between such investors and us. Side letter agreements are solely at our discretion and may, among other things, be based on the size of the investor's contribution to the Private Fund or an affiliated investment entity, an agreement by the investor to maintain such investment for a significant period of time, or other similar commitment by the investor. Any such arrangements are subject to our fiduciary duties to our clients.

In discussing various investment alternatives and opportunities with clients or potential clients, we may provide certain information that is more extensive than what is generally provided to all clients or potential clients. We provide such information only if we determine that doing so will not give the recipient an unfair informational advantage over other such entities.

Material Financial Interest – In addition to management and performance fees, certain of our affiliates serve as the general partner to the Private Funds, and such affiliates may receive incentive allocations based on the Private Funds' investment performance. As a result, because the fees and allocations paid by clients differ based on the particular investment chosen, we may have an incentive to recommend certain investments to clients

based on the financial interests of our affiliates rather than solely the interests of our client. Specifically, the existence of an incentive allocation or performance fee may create an incentive for us to choose riskier or more speculative investments than would otherwise be the case or take on more leverage. Because the incentive allocations and performance fees are calculated on the basis of unrealized appreciation, such allocation or fees may be greater than if they were based solely on gains actually realized.

Client Investments in Private Funds in which our Affiliates have a Financial Interest - We select other investment advisers for portions of the portfolio of Gotham Asset Management (U.S.), L.P., one of our Private Funds. Our related persons may have a financial interest in such advisers.

Principal and Cross Trades – We do not generally enter into principal or cross trades and do not anticipate doing so. If a situation develops that might involve a principal or cross trade and we believed such trade would be in the best interests of the affected clients, we would make such trades in compliance with applicable law.

Item 12 – Brokerage Practices

Our objective in selecting brokers and in effecting portfolio transactions is to seek the best combination of price and execution with respect to our portfolio transactions over time. The best net price, giving effect to brokerage commissions, spreads and other costs, is normally an important factor in this decision, but a number of other factors are considered as they are deemed relevant. In applying these factors, we recognize that different brokers may have varying execution capabilities with respect to certain types of securities. In determining whether a particular broker is likely to provide best execution, we may take into account the factors that we deem relevant, including, by way of illustration:

- price;
- the size of the transaction;
- the nature of the market for the security and the timing and impact of the trades on such market;
- the amount of the commission or size of the spread;
- the ability to fulfill the order in a timely manner;
- available algorithms, technical capabilities, programming flexibility, and borrowing abilities;
- the broker-dealer's clearance and settlement capabilities;
- the broker-dealer's trade error rate and ability or willingness to correct errors;

- the timing of the transaction, taking into account market prices and trends;
- the reputation, experience and financial stability of the broker-dealer; and
- the quality of service rendered by the broker-dealer in other transactions.

Best execution is not measured solely by reference to commission rates. Paying a higher commission rate may be appropriate if the difference in cost is reasonably justified by the quality of the service offered.

We believe that paying fair and reasonable commissions to broker-dealers in return for quality execution services benefits clients. Moreover, transactions that involve specialized services on the part of the broker-dealer will usually result in higher commissions or other compensation to the broker-dealer than would be the case with transactions requiring more routine services.

For significant portions of our client trading, we utilize execution management systems that provide advanced capabilities such as algorithmic trading and/or direct market access to electronic communications networks. We believe the principles of “best execution” are achieved by utilizing the advanced capabilities provided by these execution management systems.

We periodically review our execution policies and assess the quality of brokerage executions. We endeavor to be aware of current charges of eligible brokers and to minimize the expense incurred for effecting portfolio transactions to the extent consistent with the interests and policies of our clients. Any broker who has provided (or who is expected to provide) acceptable performance and whose financial condition and commission rates are acceptable to us may be selected to execute transactions for clients. We maintain an “approved brokers list” consisting of such brokers. However, brokers that are not on such a list may be used if we believe that using that such broker may result in best execution for a particular trade.

Research and Other Soft Dollar Benefits

We do not currently receive research or any other soft dollar benefits from broker-dealers. If we decide to enter into soft dollar arrangements, such arrangements would be consistent with the safe harbor provided by Section 28(e).

Brokerage for Client Referrals

We do not maintain any formal arrangements. From time to time, our representatives may speak at conferences and programs sponsored by prime brokers for customers interested in investing in Private Funds. Through such “capital introduction” events, prospective investors have the opportunity to meet with our representatives. Neither we nor our

clients compensate the prime brokers for organizing such events or for any investments ultimately made by prospective investors attending such events. However, such events and other services (including, without limitation, capital introduction services) provided by a prime broker may influence us in deciding whether to use such prime broker in connection with brokerage, financing and other activities.

Client-Directed Brokerage Transactions

While we generally select brokers for separately managed client accounts, we will accept in limited instances direction from clients as to which broker-dealer is to be used. Additionally, sub-advisory and dual contract clients may choose to designate the relevant intermediary or another broker which may or may not be affiliated with that intermediary to execute securities transactions. If a client directs the use of a particular broker, we ask that the client also specify in writing (i) general types of securities for which a designated firm should be used and (ii) whether the designated firm should be used for all transactions, even though we might be able to obtain a more favorable net price and execution from another broker in particular transactions. Clients who in whole or in part direct us to use a particular broker to execute transactions on their behalf should be aware that, in so doing, such decision may adversely affect our ability to, among other things, obtain volume discounts on aggregated orders or to obtain best price and execution by, for example, executing over-the-counter stock transactions with the market makers for such securities.

Additionally, as noted above, transactions for a client that directs brokerage are generally unable to be aggregated for execution purposes with orders for the same securities for other portfolios we manage. Accordingly, directed transactions may be subject to price movements, particularly in volatile markets, that may result in a client receiving a price that is less favorable than the price obtained for the aggregated order. Under these circumstances, the direction by a client of a particular broker or dealer to execute transactions may result in higher commissions, greater spreads, or less favorable net prices than might be the case if we could negotiate commission rates or spreads freely, or select brokers or dealers based on best execution. Consequently, best price and execution may not be achieved.

Wrap Fee Programs Sponsored by Us

We sponsor a wrap fee program, the Formula Investing Investment Management Program, which requires that brokerage transactions be effected through a designated broker-dealer. Clients in the program typically pay a 1% advisory fee, which includes trading commissions.

Use of a designated broker-dealer in the wrap program may result in greater spreads or less favorable net prices than might be the case if we could negotiate spreads freely. Moreover, the overall costs associated with obtaining these services through a wrap fee arrangement may exceed those that might be available if a client were to obtain those services separately. Accordingly, wrap fee clients should satisfy themselves that the wrap fee program is a suitable investment, given the client's particular financial needs and circumstances. More detail on the Formula Investing Investment Management Program is found in Appendix 1 of this Brochure.

Trade Aggregation and Allocation

Our policy seeks to sequence orders and/or allocate trades in a manner that treats all clients fairly and equitable over time. We may not allocate trades in such a way that our personal, proprietary or affiliated accounts receive more favorable treatment than clients over time.

When aggregating trades, we generally do so by executing broker and generally utilize a trade rotation schedule that provides all portfolios are treated fairly and equitably over time. We may include proprietary accounts (those in which our affiliates have significant ownership interests), and funds and accounts that we do not manage but for which we provide trade execution services, in such aggregate trades, subject to our duty to seek best execution.

When an aggregated order is filled in its entirety, each participating portfolio will participate at the average share price for the aggregated order, and transaction costs will be shared *pro rata* based on each portfolio's participation in the aggregated order. When an aggregated order cannot be fully executed in a single day, *pro rata* allocation may be used. The partial fill of the order is generally allocated among the participating portfolios based on the size of each portfolio's original order, subject to rounding in order to achieve "round lots." However, other methods of allocation may be appropriate, for example, when transaction sizes vary significantly or a trade is too limited to be effectively allocated *pro rata* among all eligible portfolios. We may allocate on a basis other than *pro rata*, if, under the circumstances, such other method of allocation is reasonable, does not result in improper or undisclosed advantage or disadvantage to other portfolios, and results in fair and equitable access over time to trading opportunities for all eligible portfolios.

When we do not aggregate trades, we allocate trades among clients and other portfolios by methods that, under the circumstances, are believed to be reasonable, do not result in improper or undisclosed advantage or disadvantage to any portfolios, and result in fair and equitable access over time to trading opportunities for all portfolios. Trade allocation methods may include trade rotation and random allocation. Absence of aggregation when

it would otherwise be feasible could, depending on trading activity and pricing, increase costs for clients.

We may be unable to aggregate orders for wrap fee clients (or directed brokerage clients) with orders for those clients who have granted brokerage discretion to us, which may result in wrap fee clients (or directed brokerage clients) receiving a price that is more or less favorable than the price obtained for discretionary brokerage clients. When possible we attempt to aggregate trades for wrap accounts that are trading in the same securities at the same time. More detail on the Formula Investing Investment Management Program is found in Appendix 1 of this Brochure.

Item 13 – Review of Accounts

Our client portfolios, including the portfolios of the Funds, are reviewed by our portfolio management team at least quarterly. This team is comprised of our Co-CIOs and Director of Research. This group monitors and reviews portfolio activity, including stock rankings, buy/sell decisions, and over/underweight of positions. Investment personnel employ various computer programs in conducting periodic account reviews, which include monitoring for account restrictions, consistency with investment objectives and strategy descriptions. More frequent reviews may be triggered by material changes in variables such as a client's individual circumstances, or the market, political or economic environment.

When requested, periodic written reports may be furnished to investors and our representatives may meet with such investors when requested or at such other times as may be mutually agreed with our client. Such meetings may be conducted in person or telephonically.

We provide written reports to the Mutual Funds' Board of Directors on a periodic basis and maintain contact with each Mutual Fund's administrative staff regarding that Mutual Fund's portfolio and transactions. Private Fund investors receive statements monthly and Mutual Fund investors receive statements at least quarterly from their respective administrators. Separately managed account clients receive custodian statements at least quarterly. Investors in a Private Fund are furnished with annual reports containing financial statements examined by the Private Fund's independent auditors within 120 days after the end of each taxable year (180 days in the case of fund-of-funds) and a quarterly investor letter.

Item 14 – Client Referrals and Other Compensation

We do not have any referral arrangements with individuals who are compensated for such referrals. If we were to enter into such an arrangement, we would do so in compliance

with applicable law and in accordance with Rule 206(4)-3 under the Investment Advisers Act. For a discussion of these and related items, see Item 12 (Brokerage Practices).

Item 15 – Custody

We are deemed to have custody of certain client securities under Rule 206(4)-2 under the Investment Advisers Act because certain clients have provided authorization to have advisory fees deducted directly from the assets held in their Accounts. In such instances, the advisory fees are deducted by the custodian and custodial statements are sent at least quarterly. In addition, we may be deemed to have custody of securities of Private Funds because our affiliates serve as general partners to the Private Funds.

In compliance with the rules under the Investment Advisers Act, client assets and securities are held at independent, qualified custodians. In addition, an independent public accountant provides audited financial statements to each Private Fund's investors within 120 days following the Private Fund's fiscal year end, or within 180 days for a fund of funds.

Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains the client's investment assets. On a monthly basis, Private Fund investors receive preliminary monthly statements from us as well as monthly statements from the third party administrator if one exists. Separately managed account and Mutual Fund investors receive statements directly from the qualified custodian. We urge clients to carefully review official custodial records and compare them with our statements.

Item 16 – Investment Discretion

Generally, our clients retain us on a discretionary basis upon execution of a management agreement. We have discretionary authority with respect to the investment decisions on behalf of our clients pursuant to the management agreements. Investment decisions for the Funds are made in accordance with the applicable Fund's investment objectives, strategies and restrictions and are not tailored to the individualized needs of any particular investor in the Fund. Investments for separately managed client accounts are managed in accordance with each client's stated investment objectives, strategies restrictions and guidelines.

Fund investors should consider whether the applicable fund meets their investment objectives and risk tolerance prior to investing. Information about the Private Funds can be found in their governing documents and offering memoranda, which are available to current and prospective investors only through us. Information about the Mutual Funds

may be found in publicly available fund prospectuses and statements of additional information, which may be accessed on the SEC's website.

Item 17 – Voting Client Securities

We have written proxy voting policies and procedures as required by Rule 206(4)-6 under the Investment Advisers Act. Under these policies and procedures, in cases where we have proxy voting authority with respect to voting securities held in our clients' portfolios, we vote in a manner that we believe reasonably furthers the best interests of our clients and is consistent with our investment philosophy, subject to any restrictions or directions from a client. We generally vote in the same manner for all clients holding a particular security, subject to investment objectives and best interests of each client. Each client account holding a separately managed account may choose to vote proxies for securities held in the account by notifying us in writing that the clients wishes to vote their securities. In such cases, the client will receive proxy solicitations directly from their custodian.

We have contracted with Broadridge Financial Solutions to use their Proxy Edge® platform ("PE"). PE provides proxy voting support by casting votes and keeping voting records. Under the terms of its arrangement with Broadridge, we generally follow the recommendations of Glass, Lewis & Co. ("Glass Lewis"). Glass Lewis is a neutral third party that issues recommendations based on its own internal guidelines and research, and retains a record of all of its recommendations. We believe that the retention of Glass Lewis to provide advice with respect to proxy voting is an efficient and effective means to assist us in complying with our fiduciary duties to clients, and also provides a means to avoid any impact on voting decisions that might arise from any conflicts of interests between our clients and us.

We may vote client securities in a manner that is inconsistent with Glass Lewis' recommendations when we believe it is in the best interest of our client and such a vote does not create a conflict of interest between our client and us. In such a case, we will keep a record of why we did not feel Glass Lewis' recommendation was in our client's best interest.

Our policies do not require us to vote every proxy we receive. This may be done, for example, if: (i) the resolution of the proxy is not relevant to the client's investment; (ii) we believe the cost of voting the proxy outweighs the potential benefit derived from voting; (iii) a proxy is received with respect to securities that are no longer held; (iv) the terms of a securities lending agreement prevent us from voting a loaned security; (v) we (or PE) receive proxy materials without sufficient time to reach an informed voting decision and vote the proxies; (vi) Glass Lewis does not have a recommendation; or (vii) the terms of the security or any related agreement or applicable law preclude us from voting.

We do not disclose proxy votes to clients regarding votes cast for other clients and do not disclose such information to third parties, unless specifically requested in writing by the affected client. However, to the extent that we serve as a sub-adviser to another adviser, we provide proxy voting records regarding such sub-advised accounts to the adviser for such accounts.

Since we generally vote in accordance with Glass Lewis' recommendations, we do not believe that any conflicts of interest will impact our vote. When voting client securities in a manner that is inconsistent with Glass Lewis' recommendations, we will review any conflicts of interest that are identified. Our General Counsel, or his designee, will attempt to resolve the conflict of interest before we vote. In the event that the material conflict of interest cannot be reasonably resolved prior to voting, we will either disclose the conflict to our client, obtain client consent or take other steps designed to ensure that a decision to vote the proxy was based on the determination of our client's best interest and was not the product of the conflict.

Clients may obtain, free of charge, a full copy of our proxy voting policies and procedures and/or a record of proxy votes on their behalf by contacting us at the following address:

Gotham Asset Management, LLC
535 Madison Avenue, 30th Floor
New York, New York 10022
Attention: Chief Compliance Officer
Telephone: 212-319-4100
Email: info@gothamassetmanagement.com

Item 18 – Financial Information

We do not require or solicit prepayment of fees six months or more in advance.

We are not aware of any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

We have not been the subject of a bankruptcy petition at any time during the past ten years.

GOTHAM ASSET MANAGEMENT, LLC

WRAP FEE PROGRAM BROCHURE

535 Madison Avenue, 30th Floor
New York, NY 10022
(212) 319-4100

March 27, 2013

www.formulainvesting.com

www.gothamassetmanagement.com

This wrap fee program brochure provides information about the qualifications and business practices of Gotham Asset Management, LLC (“Gotham” or “we”). If you have any questions about the contents of this brochure, please contact us at (212) 319-4100 or info@gothamassetmanagement.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Additional information about Gotham also is available on the SEC’s website at www.adviserinfo.sec.gov.

Being a “registered investment adviser” or describing ourselves as being “registered” does not imply a certain level of skill or training. This brochure is not an offering or solicitation of interests in funds managed by Gotham or our affiliates.

Item 2 – Material Changes

This brochure, dated March 27, 2013 is our annual amendment and replaces the March 30, 2012 version which was our last annual update. This brochure does not contain any material changes.

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Item 4 – Services, Fees and Compensation

We sponsor the *Formula Investing Investment Management Program* which provides investment advisory services on a discretionary basis to wrap account clients who may be individuals, corporations, trusts and charitable foundations or endowments. We generally follow the methodology outlined in Joel Greenblatt’s book, “The Little Book that Beats the Market” by using a proprietary strategy to identify and rank stocks based on the underlying company’s earnings yield and return on capital.

The Formula Investing Investment Management Program is a wrap fee program. Clients that participate in the program pay a single fee that covers investment advisory services and brokerage expenses. Such clients direct us to use Pershing LLC (“Pershing”), a subsidiary of the Bank of New York Mellon Corporation, to execute any and all trades for the client’s account. While we have negotiated compensation arrangements with Pershing for the program, we have not negotiated brokerage rates with Pershing for individual transactions, and we do not use other brokers. We receive a portion of the wrap fee for our advisory services and Pershing receives a portion of the fee for its custody and brokerage services, including brokerage commissions.

Client assets and securities are held at Pershing. In the Formula Investing investment management agreement, clients appoint Pershing as custodian for the client’s account. Clients also authorize us to issue instructions to Pershing in connection with transactions we initiate, and agree that the client will instruct Pershing to follow our instructions. We do not receive, retain or physically control any cash, securities, or other assets forming any part of a client’s account.

We will, in our sole and full discretion, supervise and direct the investment and reinvestment of the assets in the account in any and all securities, assets and other investments in a manner that is consistent with the investment restrictions for the account.

Upon termination, any fees paid in advance will be prorated to the date of termination and any excess will be refunded to client. Management fees are paid quarterly in advance and are based on the following schedule:

Client Assets Under Management	Annualized Wrap Program Fee (as a percentage of assets per annum)
First \$1,000,000	1.00%
Amount over \$1,000,000	0.80%

Accounts are subject to a minimum fee of \$50 per quarter (\$200 per annum). Wrap program fees are typically not negotiable.

The management fees pay for our advisory services to clients, administrative expenses, custody charges and brokerage services for a client's portfolio conducted through Pershing. These services or programs may cost more or less than the wrap program fee if purchased separately, depending on the fees charged by such other service providers and the volume of trading in the account.

Management fees do not include expenses of money market mutual funds or any other investment pools in the clients' portfolios. These expenses are paid indirectly by clients through expenses associated with clients' investments. Also, Pershing charges Individual Retirement Accounts (IRAs), Roth IRAs and 5305-SEP IRAs a \$35 annual maintenance fee and a \$50 termination fee. These maintenance and termination fees are charged by the custodian, Pershing and are in addition to the wrap program fee.

Our portion of the total fee ranges from 0.62% to 0.81% (as a percentage of assets per annum) and we receive \$12.50 per quarter (\$50 per annum) for accounts that are subject to the minimum fee.

We may recommend the program to clients or prospects, but we do not receive additional compensation beyond the management fee. Our investment adviser representatives are not compensated differently for clients that choose the wrap program versus other accounts and therefore the representatives do not have a financial incentive to recommend one investment alternative over the other.

Item 5 – Account Requirements and Types of Clients

We offer services to the following types of clients: individuals, pension and profit sharing plans, trusts, estates, or charitable organizations, and corporations or other business entities. Clients with internet access may view their accounts through an online portal; however, they may rely on the custodian statements instead of accessing the online portal.

The minimum investment for a new account is \$100,000. Additional investments must be at least equal to \$25,000. However, we may, at our sole discretion, accept investments with a lower value.

Item 6 – Portfolio Manager Selection and Evaluation

We are the only manager in the program. Accounts are managed by our portfolio management team. These individuals also manage other accounts. As a result, certain conflicts could arise. We have established certain policies and procedures, such as trade aggregation and trade rotation, to ensure that clients are treated fairly over time.

We calculate performance for accounts according to GIPS® policies and procedures. Ashland Partners & Company LLP provided a third party verification of composite performance for fiscal year 2012.

Responses have been provided in Part 2A of our Form ADV for Items 4 (Advisory Business), Item 6 (Performance-based Fees and Side-by-Side Management), Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss) and Item 17 (Voting Client Securities) and such responses are incorporated herein by reference.

Item 7 – Client Information Provided to Portfolio Managers

As we are both the sponsor and portfolio manager of the wrap program, we have all information provided by our clients. Such information is covered by our privacy policies.

Item 8 – Client Contact with Portfolio Managers

We provide email and telephone contact information for customer support, for use by clients. Clients may also use the online portal we offer to contact customer support.

Pershing provides clients with monthly reports for their accounts. The reports will show all securities held in the account at the close of the period and the beginning and ending value of the account. Clients may also log into their account online at any time to view account holdings and activity.

Item 9 – Additional Information

- A. Responses have been provided in Part 2A of our Form ADV for Item 9 (Disciplinary Information) and Item 10 (Other Financial Industry Activities and Affiliations) and such responses are incorporated herein by reference.
- B. Responses have been provided in Part 2A of our Form ADV for Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading), Item 13 (Review of Accounts), Item 14 (Client Referrals and Other Compensation), and Item 18 (Financial Information) and such responses are incorporated herein by reference.