



Item 1 – Cover Page

Metropolitan West Capital Management, LLC
("MWCM")

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March 31, 2015

Form ADV Part 2; our "Disclosure Brochure" or "Brochure" as required by the Investment Advisers Act of 1940 is a very important document between clients and MWCM.

This Brochure provides information about the qualifications and business practices of MWCM. If you have any questions about the content of this Brochure, please contact us at 949-718-9701 or info@mwcm.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 MWCM also is available at the SEC's website at www.adviserinfo.sec.gov (click on the link, select "investment adviser firm" and type in our firm name).

MWCM is registered as an investment adviser with the SEC. Our registration as an investment adviser does not imply any level of skill or training. The oral and written communications we provide to you, including this Brochure, is information you use to evaluate us (and other advisers) which are factors in your decision to hire us or to continue to maintain a mutually beneficial relationship.

Item 2 – Material Changes

Summary of Material Changes Since Last Update (March 31, 2014)

There have been no material changes made to our Brochure since its last update on March 31, 2014.

We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Currently, our Brochure may be requested by contacting MWCM's Compliance department at (949) 718-9701 or info@mwcm.com.

Additional information about MWCM also is available at the SEC's website at www.adviserinfo.sec.gov (click on the link, select "investment adviser firm" and type in our firm name).

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Item 4 – Advisory Business

About Metropolitan West Capital Management, LLC

Our Firm's History

Metropolitan West Capital Management, LLC ("MWCM") is an SEC-registered asset management firm based in Newport Beach, California. MWCM was founded in August of 1997.

Ownership

MWCM is directly wholly owned by Wells Fargo Bank, N.A. (which is a wholly owned subsidiary of Wells Fargo & Company ("Wells Fargo")).

Types of Advisory Services Offered

MWCM offers equity account management. MWCM employs a bottom-up, value-oriented approach. MWCM's product offerings include domestic, global and international strategies. Various criteria are considered in selecting investments for clients, including, among others: business quality, intrinsic values, price-to-normalized earnings ratios, and return on equity. Accounts are reviewed to determine the suitability of an asset before an investment decision is made.

MWCM provides investment advisory services to a wide variety of retail and high net worth individual and institutional clients, including corporate plans, charitable organizations, trust accounts, estates, corporations or other business entities, banks and thrift institutions, insurance companies, governments and municipalities.

Additionally, MWCM provides investment sub-advisory services to affiliated and unaffiliated open-end investment companies registered under the Investment Company Act of 1940, as amended (the "1940 Act").

MWCM also provides investment advisory services to institutional and individual clients through wrap fee and dual contract managed account programs sponsored by broker-dealers and/or other financial intermediaries. Although most services are provided on a discretionary basis, MWCM also provides certain services on a non-discretionary and model portfolio basis.

For additional information regarding MWCM clients, please see the response to Item 7.

Assets Under Management

As of December 31, 2014, MWCM's investment team provided discretionary advisory services to assets totaling \$9,624.2 million and non-discretionary advisory services to assets totaling \$278.2 million.

Investment Restrictions

MWCM generally tailors its advisory services to the individual needs of its clients subject to directions, guidelines and limitations imposed by the client or, in the case of a managed account program, the program sponsor. Upon acceptance of the account and throughout the ongoing relationship, MWCM receives and reasonably relies on information or directions communicated by the client, managed account, program sponsor, adviser, broker, consultant, agent, representative or any other party acting with apparent authority on behalf of the client.

Upon engaging MWCM as investment adviser, a client selects an investment strategy that may be changed upon reasonable request to MWCM. The client may request reasonable restrictions on the management of its account, and after review and agreement, MWCM will manage the account in accordance with the agreed upon guidelines. Although MWCM seeks to provide individualized investment advice to its discretionary client accounts, MWCM will not be able to accommodate investment restrictions that are unduly burdensome or materially incompatible with MWCM's investment philosophy and MWCM may decline to accept or terminate client accounts with such restrictions.

MWCM is committed to a fully invested approach and under most circumstances cash or cash equivalents are not expected to exceed 10% of a client's portfolio for an extended period of time. However, if MWCM's investment team determines there are an insufficient number of securities that meet MWCM's investment criteria, or during periods of orderly investment of client funds, including but not limited to the initial start-up of the relationship, a client portfolio may hold outsized levels of cash reserves temporarily, or for an extended period of time for defensive purposes.

Similarly, in periods of market volatility, MWCM may be unable to invest new money contributed to an account, or proceeds from the sale of securities, as quickly as it might have been able to do under normal market conditions. Similarly, MWCM may be unable to sell securities to raise cash, or accommodate a terminating client's request to sell securities, as quickly as it might have been able to do under normal market conditions, or at favorable prices. Depending on market movements, such delays could have an adverse impact on client

accounts. In such periods of market volatility, MWCM may also, when deemed advisable, deviate from its normal trading practices with respect to sequencing and allocation of transactions. Market volatility and/or the lack of attractive investment opportunities may also cause MWCM to deviate from applicable account guidelines. In such circumstances, it may be an extended period of time before the account is restored to compliance with applicable guidelines. MWCM will use reasonable efforts to restore the account to compliance with applicable guidelines in a prudent manner under the circumstances.

Except as otherwise agreed upon by MWCM and the client, MWCM does not have any responsibility for the selection of the short-term cash management vehicle utilized by the client. Clients, their consultants, their financial advisers or their custodians select the interest-bearing accounts and/or short-term investment or money market funds in which cash reserves are invested. MWCM also is not responsible for the selection of a client's custodian.

Securities may be sold without regard to the length of time they have been held and clients are responsible for any tax consequences of such transactions. MWCM follows the directions of a client regarding harvesting tax losses, subject to certain scope, amount and timing limitations. In providing such directions, the client is responsible for understanding the potential benefits and consequences of the directions in light of the client's particular tax situation. Daily market risk fluctuations may affect the dollar amount of gain or loss. The monetary benefit created by tax loss selling may not exceed the risk of not being fully invested during that time. Executing tax sales (and repurchases) may adversely affect performance. Proceeds from tax sales that have resulted in losses are generally reinvested in ETFs or other pooled investment vehicles during the wash sale period. MWCM is not a tax advisor and does not provide advice as to the tax consequences of any transactions. Accordingly, clients should consult with their own tax advisers to review their particular tax circumstances.

Some clients may not be able to hold all types of investment securities or participate in certain corporate actions relating to portfolio holdings due to limitations or operational impediments associated with a client's custodian. MWCM therefore may not purchase certain securities or participate in certain corporate actions for some accounts where it believes it is not in the client's best interest because such impediments may have an adverse effect on MWCM's ability to manage the client's account. For example, some accounts may not be able to hold foreign securities in ordinary form because of custodial limitations. MWCM may purchase ordinary shares ("ORDs") of foreign securities in foreign markets and arrange for these ordinary shares to be converted into American Depositary Receipts ("ADRs"). Fees and costs associated with the conversion and purchase of ADRs are typically included in the net price of the ADR and

incurred by the purchasing account. Some portion of such costs may be attributable to local broker fees, stamp fees, and local taxes. Trades on foreign exchanges may incur greater transaction charges than trades on U.S. exchanges.

MWCM may also have difficulty liquidating certain client positions if MWCM holds a large percentage of a particular class of securities of an issuer. These securities may be illiquid due to MWCM's large ownership position and as such there may be a limited market for resale, which may adversely affect the value of the security if MWCM tries to sell all or a portion of the security.

In connection with an account termination, a client may request the liquidation of the account's portfolio securities. MWCM will generally honor such requests except where liquidation is impossible or impracticable (e.g., where MWCM is unable to liquidate an illiquid security). In these instances, MWCM may deliver portfolio securities to the client in kind.

MWCM provides investment advisory services to managed account program clients based upon the particular needs of the client as reflected in information provided to MWCM by the relevant program sponsor. Each client in a managed account program in which MWCM participates generally has the ability to impose reasonable restrictions on the management of its account. In such instances and, after review and agreement, MWCM will refrain from buying certain securities or types of securities the client does not wish to own. For managed account programs, MWCM will not be able to accommodate investment restrictions that are unduly burdensome or materially incompatible with MWCM's investment approach.

Item 5 – Fees and Compensation

MWCM's standard investment advisory fees for discretionary separate account services are listed below. MWCM's clients may either authorize their custodian to deliver payment of management fees directly from their custodial account or may choose to be billed for fees incurred. Asset-based fees are typically billed quarterly in advance based on the asset value of the account on the last business day of the preceding quarter for which the fee is due.

Large Cap Intrinsic Value:

First \$25 million 0.75%
Next \$25 million 0.65%
Next \$50 million 0.50%
Over \$100 million 0.40%
Minimum Account Size: \$10 million
Minimum Annual Fee: \$75,000

International Intrinsic Equity, International Intrinsic Equity ADR-Only and Global Intrinsic Equity strategies:

First \$25 million 0.85%
Next \$25 million 0.70%
Next \$50 million 0.60%
Above \$100 million 0.50%
Minimum Account Size: \$10 million
Minimum Annual Fee: \$85,000

Small /SMID Cap Value strategy:

First \$25 million 1.00%
Next \$25 million 0.90%
Next \$50 million 0.85%
Above \$100 million 0.80%
Minimum Account Size: \$10 million
Minimum Annual Fee: \$100,000

Assets managed for clients with more than one account may be combined for purposes of the above schedules. Exceptions to the above may be made depending on the circumstances. In

addition, assets managed for personnel of MWCM (or their relatives) may be charged advisory fees at reduced rates.

MWCM may charge clients a performance-based fee which consists of a base fee and a bonus fee calculated as a percentage of excess returns over a client-specified benchmark. Such fees shall comply with the terms and conditions of the Investment Advisers Act of 1940 (“Advisers Act”).

MWCM serves as a sub-adviser to certain affiliated and unaffiliated mutual funds and receives an annual fee equal to a percentage of each such mutual fund’s average daily net assets.

Clients for whom MWCM manages separate accounts may have assets of such accounts invested in mutual funds and therefore may be paying two investment advisory fees, one to MWCM for assets under its management, which include the assets invested in such mutual funds, and the other to the mutual fund’s adviser. The fees payable to any such mutual fund’s adviser will be described in the applicable mutual fund’s prospectus. The separate account-level fee will not be charged on any assets invested in mutual funds advised or sub-advised by MWCM or its affiliates.

Additional Fees and Expenses

Advisory fees payable to MWCM do not include all the fees clients pay when securities are purchased or sold for their account. The following list of fees or expenses are what clients pay directly to third parties, whether a security is being purchased, sold or held in a client account under MWCM’s management. Fees charged are by the broker-dealer / custodian. MWCM does not receive, directly or indirectly, any of these fees charged to a client account. They are paid to a client’s broker, custodian, mutual fund or other investment held by the client. The fees include, among others that may be incurred:

- Brokerage commissions;
- Transaction fees;
- Exchange fees;
- SEC fees;
- Advisory fees and administrative fees charged by mutual funds (MF) and exchange traded funds (ETFs);
- Advisory fees charged by sub-advisers (if any are used for your account);
- Custodial fees;
- Deferred sales charges (on MFs or annuities);
- Odd-lot differentials;

- Transfer taxes;
- Wire transfer and electronic fund processing fees; and
- Commissions or mark-ups / mark-downs on security transactions.

In addition, MWCM does not have or employ anyone that receives (directly or indirectly) any compensation from the sale of securities or investments that are purchased or sold for a client account or to which MWCM provides consulting expertise / services. As a result, MWCM is a “fee-only” investment adviser.

General Termination Provisions

Investment advisory agreements typically may be terminated by the client at any time and by MWCM upon 30 days’ written notice. In the event of termination, fees will be prorated to the date of termination. Any unearned fees that have been prepaid at the date of termination will be refunded.

Wrap-Fee or Similar Programs

Certain individuals and entities may become clients of MWCM through their participation in managed account programs (“Programs”) that are, or are similar to, “wrap-fee” programs sponsored by multi-service financial institutions (“Sponsors”) that may be affiliated or unaffiliated with MWCM. Such Programs typically fall into one of three categories: (i) Programs whose customers separately enter into an agreement with MWCM (and MWCM may or may not have an agreement with the Sponsor) (“Dual-Contract Arrangements”); (ii) Programs whose customers do not separately enter into an agreement with MWCM, but their accounts are managed on a discretionary basis by MWCM and MWCM has entered into an agreement with the Sponsor (“Single-Contract Arrangements”); and (iii) Programs where MWCM has entered into an agreement with the Sponsor to provide only “model” portfolios, and the Sponsor has discretion for implementing the model (“Model Arrangements”). Whether MWCM deems the Sponsor’s customer to be a client of MWCM, or the Sponsor to be a client of MWCM, depends on the circumstances of the specific Program.

A customer of the Sponsor, with the advice of the Sponsor, may choose to receive the investment advisory services of MWCM and also receive certain other services provided by the Sponsor and / or entities affiliated with the Sponsor, such as trade execution, custodial services and, in some cases, advisory services, for a single fee. Such a customer of the Sponsor pays the Sponsor a fee based upon the customer’s assets under the Sponsor’s management and the Sponsor pays MWCM a portion of such fee for advisory services rendered by MWCM to the

customer. Services similar or comparable to those provided to a Program customer may be available to the customer at a higher or lower aggregate cost elsewhere on an unbundled basis.

Although the types of services provided by MWCM to customers in these Programs are generally the same as the types of services provided by MWCM to its clients that are not participants in these Programs, certain differences do exist, including that (i) pursuant to the Program arrangements, MWCM may be restricted by the Sponsor from communicating directly with Program customers (including communications with respect to changes in the Program customer's investment objectives or restrictions), particularly in Model Arrangements and in some Single-Contract Arrangements, and therefore such communications may be required to be directed through the Sponsor; (ii) a Program customer may not be required to give MWCM investment discretion with respect to the Program customer's account, which is generally the case under Model Arrangements; (iii) MWCM does not provide investment supervisory services to Program customers; and (iv) MWCM does not provide reporting to Program customers.

The fees received by MWCM from the Sponsor of Single-Contract and Model Arrangements are typically equal to a percentage of the assets in the Sponsor's Program accounts for which MWCM provides advisory services. In general, the Sponsor may negotiate or discount the fee paid by a Program customer to the Sponsor. The portion of such fee received by MWCM may be negotiated between MWCM and the Sponsor, but may not be negotiated between MWCM and any Program customer. In Dual-Contract Arrangements, where there is an agreement directly between MWCM and the Program customer, the Program customer pays MWCM its standard investment advisory fee (as described above) subject to any negotiated exceptions.

MWCM receives its fees from Sponsors typically on a quarterly basis, at the annual rate of up to 0.50% of the assets under management. Services similar or comparable to those provided to a Program customer may be available to the customer at a higher or lower aggregate cost elsewhere on an unbundled basis. In addition, while MWCM's compensation pursuant to a Program may be lower than MWCM's standard fee schedule, the overall cost to a Program customer may be higher than the customer might otherwise experience by paying MWCM's standard fees and negotiating transaction charges with a broker-dealer payable on a per-transaction basis, depending on the extent to which securities transactions are initiated by MWCM for the customer during the period covered by the Program.

Other than in connection with MWCM's obligation to seek best execution for securities transactions effected through the Sponsor by those Program customers deemed by MWCM to be clients of MWCM, MWCM has no ongoing responsibility to assess for a Program customer the value of services provided by the Sponsor.

A Program customer may terminate its use of MWCM's advisory services upon written notice to MWCM or the Sponsor. In addition, MWCM may cease to provide services to a Program customer as set forth in its agreement with such customer (in the case of Dual-Contract Arrangements) and / or the agreement with the Sponsor. Finally, either MWCM or the Sponsor may terminate any agreement between them as provided in that document, in which case MWCM will cease to provide advisory services to Program customers of the Sponsor as provided in the agreement. If a Program customer's account with MWCM is terminated at any time during a fee period, MWCM will return to the Sponsor any prepaid but unearned advisory fees received by MWCM for refund to the Program customer.

In addition to the above-described arrangements, certain clients of MWCM have various "unbundled" wrap fee-type arrangements with broker-dealers. These types of arrangements include arrangements whereby the client, pursuant to an agreement with the broker-dealer, pays the broker-dealer an asset-based fee for various brokerage services, such as custodial and brokerage commission costs, and MWCM enters into an agreement directly with the client to provide portfolio management services. In such cases, the fees charged for MWCM's services and the fees charged for the brokerage services are billed separately by MWCM and the broker-dealer, respectively.

In Programs that permit MWCM to trade away from the Sponsor or its broker-dealer affiliate when such Sponsor or its affiliate cannot provide best price or execution under the circumstances, MWCM may trade away from such parties. In such cases, Program customers may incur transaction and other costs and fees in addition to the wrap fee, such as mark-ups or mark-downs on the transaction. In addition, a Sponsor may charge additional fees for settling step-out transactions. Program clients should review all materials available from a Sponsor concerning the Program, including its terms, conditions and fees, and the Sponsor.

General Provisions Applicable to all Services Provided

MWCM believes its fees for all of its services are similar to those charged by other investment managers for similar services. However, comparable services may be available from other sources for lower fees.

To help fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account.

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

MWCM provides investment advisory services for clients with varying fee structures, including performance fees, which are or have the potential to be higher or lower, in some cases significantly higher or lower, than MWCM's standard fee structure. The differences in fee structures may provide an incentive to the portfolio managers to allocate more favorable trades to the higher-paying accounts and / or those with performance fees.

To minimize the effects of these inherent conflicts of interest, MWCM has adopted and implemented WellsCap's policies and procedures, including brokerage and trade allocation policies and procedures, that it believes address the potential conflicts associated with managing portfolios for multiple clients and ensure that all clients are treated fairly and equitably. Additionally, MWCM minimizes inherent conflicts of interest by assigning the portfolio managers to accounts having similar objectives. Accordingly, security block purchases are allocated to all accounts with similar objectives in proportionate weightings. Furthermore, MWCM has adopted WellsCap's Code of Ethics under Rule 17j-1 of the 1940 Act and Rule 204A-1 under the Advisers Act to address potential conflicts associated with managing client accounts and any personal accounts the portfolio managers may maintain.

The portfolio managers often provide investment management for separate accounts and mutual funds advised in the same or similar investment style. While management of multiple accounts could potentially lead to conflicts of interest over various issues such as trade allocation, fee disparities and research acquisition, MWCM has implemented policies and procedures for the express purpose of ensuring that clients are treated fairly and that potential conflicts of interest are minimized.

Item 7 – Types of Clients

We provide our services to a number of natural person and institutional clients, including the following (among others):

- Corporations or other business entities
- High Net Worth Individuals
- Public funds and municipalities
- Foundations, endowments, trusts and estates
- Mutual fund companies
- Taft-Hartley plans, governmental plans, and unions
- Insurance organizations
- Wrap program sponsors
- Charitable organizations and non-profit entities

Please refer to the “Fees and Compensation” section for more information regarding account minimums and standard fee schedules.

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

Analysis:

MWCM's fundamental analysis involves identifying the stocks of high-quality, growing businesses that are selling at a discount to their intrinsic or true value. While the investment team finds value in the traditional places, they also look where others may have not as they seek underappreciated assets. The team thoroughly examines the business, as if they were buying the whole firm. They look beyond the balance sheet and income statement for overlooked assets. The resulting intrinsic value is what a prudent investor should pay for the entire enterprise. The team can then compare that value to the company's stock price to determine whether it presents an opportunity.

Successful value investing requires an understanding that a cheap stock may not be a good value or a sound investment. For that reason, the team also requires the existence of one or more positive catalysts that they believe will create and unlock the value and cause the stock price to move up to its intrinsic value over the investment time horizon.

Investment Strategies:

MWCM manages Large Cap Intrinsic Value, Pelican Small Cap Value, Pelican SMID Cap Value, International Intrinsic Equity and Global Intrinsic Equity portfolios for institutional and individual clients.

- The Large Cap Intrinsic Value strategy invests primarily in equity positions that are managed with a view toward capital appreciation, through large cap holdings that typically have a market cap in excess of \$2 billion at the time of purchase.
- The Small Cap Value strategy invests primarily in equity positions that are managed with a view toward capital appreciation, through small cap holdings that typically have a market cap between \$100 million and \$3 billion at the time of purchase when added as a new name in the strategy. Market capitalizations may exceed \$3 billion after the initial position is established.
- The SMID Cap Value strategy invests primarily in equity positions that are managed with a view toward capital appreciation, through small and mid cap holdings that typically have a market cap between \$1 billion and \$15 billion at the time of purchase.

- The International Intrinsic Equity strategy invests primarily in international, non-U.S., equity positions that are managed with a view toward capital appreciation, through diversified international holdings.
- The Global Intrinsic Equity strategy invests primarily in equity positions that are managed with a view toward capital appreciation, through diversified global holdings.

Material Risks of Loss:

All investments in securities include a risk of loss of your principal (invested amount) and any profits that have not been realized (the securities were not sold to “lock in” the profit). Stock and bond markets may fluctuate substantially over time. In addition, as recent global and domestic economic events have indicated, performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets we manage that may be out of our control. We cannot guarantee any level of performance or that you will not experience a loss of your account assets.

Principal investment risks may include, but are not limited to:

- **Issuer Risk.** The value of a security may decline because of adverse events or circumstances that directly relate to conditions at the issuer or any entity providing it credit or liquidity support.
- **Liquidity Risk.** A security may not be able to be sold at the time desired without adversely affecting the price.
- **Management Risk.** There is no guarantee of your account’s performance or that your account will meet its objective. The market value of your investment may decline and you may suffer investment loss. An investment with MWCM is not a deposit of Wells Fargo Bank, N.A. or its affiliates and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.
- **Market Risk.** The market price of securities owned in your account may rapidly or unpredictably decline due to factors affecting securities markets in general or particular industries.
- **Regulatory Risk.** Changes in government regulations may adversely affect the value of a security.

- **Smaller Company Securities Risk.** Securities of companies with smaller market capitalizations tend to be more volatile and less liquid than larger company stocks.
- **Value Style Investment Risk.** Value stocks may lose value quickly and may be subject to prolonged depressed valuations.
- **Foreign Investment Risk.** Foreign investments face the potential of heightened illiquidity, greater price volatility and adverse effects of political, regulatory, tax, currency, economic or other macroeconomic developments.
- **Emerging Markets Risk.** Emerging market countries may rely on international trade and could be adversely affected by the economic conditions in the countries with which they trade. The risks of investing in emerging markets also include greater political and economic uncertainties than in developed foreign markets, the risk of nationalization, diplomatic developments (including war), social instability, currency transfer restrictions, and a more limited number of potential buyers for investments.

Item 9 – Disciplinary Information

MWCM is obligated to disclose any regulatory, disciplinary, or legal matter that may be material to you when evaluating your advisory relationship with us.

We do not have any such item to report to you. This statement applies to our firm, and to every employee of our firm.

MWCM is directly wholly owned by Wells Fargo Bank, N.A. (which is a wholly owned subsidiary of Wells Fargo. Wells Fargo operates in a legal and regulatory environment that exposes it to significant risks. As a result, Wells Fargo, from time to time, may be involved in various legal and regulatory matters, including litigation, arbitrations, and investigations. Such matters are subject to many uncertainties, and their outcomes are often difficult to predict, including the impact on Wells Fargo's operations or financial results, particularly in the early stages of a matter. Many, but not necessarily all, of such matters are disclosed in Wells Fargo's securities and regulatory filings made under the Securities Act of 1933 and the Securities Exchange Act of 1934, among other laws and regulations, or otherwise may be reported on in the media from time to time. Wells Fargo's regulatory filings generally are available from Wells Fargo, the Securities and Exchange Commission, or the Financial Industry Regulatory Authority (FINRA). No such matters are expected to materially impact MWCM.

Item 10 – Other Financial Industry Activities and Affiliations

MWCM is not actively engaged in businesses other than giving investment advice. MWCM's parent company, Wells Fargo & Company, is a global financial institution with many affiliates that provide various financial services, in addition to giving investment advice.

The following is a list of certain affiliates of MWCM, a wholly owned subsidiary of Wells Fargo & Company. The list includes investment advisers registered with the SEC and broker-dealers registered with the SEC. MWCM is also affiliated with other financial institutions but it does not have arrangements that are material to its advisory business or its clients with such financial institutions.

Investment Company / Adviser Affiliations

MWCM acts as sub-adviser to five Wells Fargo Advantage Funds registered as open-end management investment companies, each advised by Wells Fargo Funds Management, LLC ("WFFM").

MWCM may use trading, operations and compliance resources available through its affiliate, Wells Capital Management Incorporated ("WellsCap"), in order to service certain investment strategies and/or client accounts. Among other things, this means that services provided by WellsCap for MWCM's clients would be undertaken in accordance with WellsCap's policies and procedures. MWCM's trades may also be combined/bundled with any similar trades in the same securities for WellsCap's clients and WellsCap may share brokerage and research resources. If you wish to receive a copy of WellsCap's Policies and Procedures or WellsCap's Form ADV Part 2A, please contact Wells Cap's Office of Compliance at (415) 396-5502 or nobuko.nagata@wellscap.com.

Broker-Dealer Affiliations

Wells Fargo Advisors, LLC ("WFA") is a wholly owned subsidiary of Wells Fargo & Company and a registered investment adviser and broker-dealer, it may effect securities transactions for compensation for certain funds and advisory accounts advised by MWCM.

Other Financial Industry Affiliates, Banking or Thrift Institution

MWCM is directly wholly owned by Wells Fargo Bank, N.A. (which is a wholly owned subsidiary of Wells Fargo. WellsCap and its affiliated investment advisers, including MWCM, may share,

with each other, research and analyst reports that each produces, and may do so through combined meetings of analyst and/or portfolio management teams, a central database of research and reports, or as they otherwise deem appropriate. These affiliated investment advisers have determined that their clients generally will benefit from such shared research by effectively broadening the resources of each adviser. Although they may share research, each adviser will make buy and sell decisions independently from the others.

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

WellsCap's Code of Ethics (Code) is adopted pursuant to Section 204A of the Advisers Act. The Code governs a number of potential conflicts of interest that we may have when providing our advisory services to you, and is designed to ensure that we meet our fiduciary obligations to you. The Code applies to all MWCM employees by governing employee personal trading activities and providing guidance with respect to potential conflicts of interest, insider trading, and the use of material non-public information. In addition, all MWCM employees are also subject to a separate Code of Ethics that is applicable to all employees of Wells Fargo & Company.

The Code is designed to detect and prevent violations of securities laws while addressing the obligations we owe to you. The Code is comprehensive, is distributed to each employee at the time of hire as a condition of employment, and its terms and compliance must be acknowledged in writing by each employee annually thereafter. MWCM supplements the Code with on-going monitoring of employee activity.

While a copy of the Code of Ethics is available to any client or prospective client upon request at any time by contacting us at the address listed in this Brochure, the material provisions of the Code include the following:

- Requirements related to the confidentiality of your information and finances;
- Prohibitions on insider trading or the misuse of material, non-public information;
- A prohibition on the acceptance of gifts and entertainment that exceed our policy standards;
- Pre-clearance of employee personal securities transactions; and,
- Reporting of relevant personal securities transactions.

All personal trading activities for investment personnel are subject to WellsCap's pre-clearance requirements under the Code, as well as ongoing monitoring by WellsCap's compliance department. The Code requires daily pre-clearance of personal trade transactions and reconciliation of trading activity against trade confirmations and employees' brokerage statements to help deter and/or detect activities such as "front-running", "scalping", and insider trading. Employees are required to disclose conflicts of interest and are barred from

acting upon material non-public information. In addition, prior approval requirements for purchases and sales of securities that may be common between personal holdings and holdings directly managed by portfolio managers are clearly delineated in the Code. MWCM employees who maintain brokerage or investment accounts for themselves and/or their immediate families are required to provide copies of their reportable securities transactions at the end of every calendar quarter.

Additional Potential Conflicts and Code Considerations

The Code does not prohibit personal trading by employees but rather seeks to monitor and manage their trading, and in some cases restrict it to certain conditions. In addition, MWCM is affiliated with a large financial services holding company which includes a variety of financial businesses and activities that are managed by Wells Fargo employees. As a result, due to our activities as a professional investment adviser, it is possible that conflicts may arise from time to time as MWCM employees are managing their personal assets concurrent with the ongoing functions related to their employment duties and our fiduciary obligations, or as affiliated entities or their employees are engaging in their own financial activity. While MWCM seeks to manage these conflicts by strict application of its Code provisions and policy requirements, the following situations may arise that could create an actual or perceived conflict of interest:

WFC Affiliation.

MWCM is directly wholly owned by Wells Fargo Bank, N.A. (which is a wholly owned subsidiary of Wells Fargo. Wells Fargo includes many different business activities, and each of the entities that conduct these activities is considered affiliated with MWCM. In particular, some of these entities may engage in their own trading involving the same securities that MWCM manages on your behalf. This means that while MWCM is managing its fiduciary duties to you, other entities within Wells Fargo may be engaging in transactions that could create a conflict; for example, they may be selling the same security that MWCM may be purchasing for you. In addition, these related persons may be recommending to their own clients the buying or selling of securities in which you have a material financial interest. In some instances it is even possible that you also have a client relationship yourself with one or more of these entities, and your securities transactions may appear conflicted. With limited exceptions described below, these transactions by related persons are independent of MWCM and are outside of the course and scope of MWCM's investment advisory services. However, in order to manage these potential conflicts, WellsCap maintains a variety of policies, of which MWCM has adopted, to

maintain effective business barriers and manage the confidentiality of its own information and activities, as described further below.

Brokerage Transactions with Affiliates. MWCM has multiple broker-dealers affiliated with its parent, Wells Fargo Bank. In order to limit any potential conflicts of interests when engaging in investment transactions on behalf of its clients, WellsCap prohibits any trade execution with broker dealers affiliated with Wells Fargo (i.e., those broker dealers that are wholly-owned, subsidiaries of Wells Fargo). MWCM does not participate in client transactions as a broker or a dealer in securities and does not operate as a broker or a dealer in effecting securities transactions for compensation for any client. This means that in all instances in which WellsCap transacts in a security on your behalf the transaction is effected using an independent third-party broker dealer. While this policy to restrict trading through affiliated broker-dealers limits the potential conflict of interest, MWCM may be limited in its ability to engage in certain securities transactions and to take advantage of market opportunities, as discussed elsewhere in this Brochure regarding the best execution of transactions.

Independent Activity by Wells Fargo Bank & Affiliates. MWCM believes that related persons within the Wells Fargo organization may from time to time recommend securities, proprietary products and/or services to MWCM's clients. To the extent such "recommendations" are made, they are made outside the MWCM investment advisory context.

For new security offerings or existing securities, Wells Fargo Bank may act in an agency or principal capacity, including but not limited to acting as a bond trustee, paying agent, note registrar, loan servicer, syndicate co-manager, originator of Mortgage, Asset or Commodity Backed Security, asset pool, remarketing agent, or lender in a bank loan syndicate (e.g., sales of pooled or packaged asset-backed securities). Wells Fargo may also participate in the underwriting syndicate. MWCM may from time to time purchase securities in a securities offering or underwriting in which Wells Fargo may have a financial interest in the outcome of the offering or syndication to the extent permitted by applicable law. In such case, MWCM and Wells Fargo follow the requirements and constraints of Regulation W of the Federal Reserve Act, Section 10(f) of the 1940 act, and ERISA rules where applicable. Should MWCM inadvertently purchase securities in violation of these rules, the purchase will be deemed a trade error and MWCM will make the client whole for any losses suffered in connection with the unauthorized transaction.

MWCM may from time to time purchase existing securities in which Wells Fargo may have a financial interest. However, with limited exceptions such purchases are only permitted where

Wells Fargo is acting in an agency capacity on behalf of a separate issuer (e.g., as bond trustee), as opposed to purchases of securities issued by Wells Fargo directly.

While it is generally not consistent with WellsCap's policy to purchase securities (I think we are being inconsistent in how we are referencing which entity is actually doing the trading. Let's discuss this issue) issued directly by Wells Fargo (WFC), from time to time MWCM accounts may hold publicly traded securities issued directly by Wells Fargo or its affiliates for various reasons, including but not limited to: 1) transferred accounts; 2) approved exceptions consistent with regulatory prohibitions and client requests; 3) money funds in the Wells Fargo Advantage Funds family; 4) index fund mandates; or, 5) positions resulting from Wells Fargo's mergers or other governance changes. Provided that the securities were purchased when it was initially appropriate to do so, MWCM may continue to hold such positions on behalf of clients in its discretion until it is prudent to dispose of them in the ordinary course of business.

Participation by MWCM in Client Securities Transactions. With exceptions noted below, MWCM does not buy or sell for itself securities that it would recommend to clients:

1) In order to limit personal securities transactions, certain employees, generally semi-retired or "Emeritus" status employees, may open accounts that mirror a managed strategy or a combination of managed strategies. In such case, trades are made on a pro-rata basis relative to the managed strategy. WellsCap treats and discloses (pursuant to Wells Cap's Code?) these as proprietary accounts, though MWCM does not have any ownership of these accounts and the employee serves as the only beneficial owner of the account. Because these are deemed proprietary accounts, the accounts are not permitted to participate in any IPO transactions and may not participate in cross trade activities. Moreover, trading in the accounts must be identical, in terms of percentage, to the trades conducted in the managed accounts. The accounts may not identically mirror the managed accounts as not all securities in the managed accounts were initially acquired by the proprietary Emeritus accounts. Over time, the accounts should be identical (with the exception of securities purchased for the managed accounts in which the Emeritus proprietary account could not participate).

2) MWCM investment professionals and other employees may and do invest in the funds/strategies that they manage. In no case does an employee's investment exceed five percent of fund holdings. This is tracked and monitored via quarterly testing. MWCM portfolio managers disclose on an annual basis their holdings in their funds, their interests in other investments, and the number of accounts they manage, either for themselves or for client accounts. WellsCap has no financial interest in any securities or investment products.

OTHER POTENTIAL CLIENT INVESTMENT CONCERNS AND INVESTMENT CONFLICTS

The investment identification, selection and management process may create potential or actual conflicts for MWCM and its clients, including:

- Certain types of investments such as mutual funds and ETF's may involve embedded management fees or other fees and expenses, which may in turn be passed indirectly to MWCM clients;
- Some investments may be created, managed, or issued by entities that may engage in social, economic, commercial, or political activities that could be deemed objectionable or questionable by certain clients;
- Some investments may only be available to clients who meet certain investor standards, such as qualified institutional buyer (QIB) or qualified purchaser status, or who may otherwise have considerations or restrictions with respect to investments in private or unregistered transactions or in transactions regulated by the federal government or state law (e.g., Native American gaming);
- Some investments (either directly, or due to the nature of underlying component assets or derivative structures) may involve actual or perceived liquidity constraints that could adversely impact pricing determinations, valuation methodologies, transparency and review of asset composition, and/or the actual marketability and sale of the investment; and,

To minimize any potential client investment conflicts, MWCM manages its advisory services, fee structure, and investment selection process in accordance with pre-established client investment guidelines, the advisory contract with the client, and all applicable policies and procedures pursuant to Rule 206(4)-7 of the Advisers Act. The Code includes firewall procedures and other information barriers to ensure the confidentiality of investment activity for each MWCM client in compliance with applicable law. Additional actual or potential client investment conflicts and concerns may include:

Purchase of Client Securities. From time to time MWCM may purchase publicly traded securities of issuers who are also advisory clients of MWCM. In these circumstances, WellsCap monitors its position and limits size to percentages that are consistent with existing benchmarks or other investment protection principles, and in keeping with the objectives of the applicable advisory strategy. Client investment guidelines and advisory contracts may also limit in whole or in part the purchase of related securities.

Side-By-Side Management

As a general rule, MWCM does not advise clients to purchase securities of issuers in which MWCM has an interest, or sell securities to or purchase securities from clients. MWCM does not own any securities. From time to time, however, MWCM may recommend or cause a client to invest in a security in which MWCM or a person associated with MWCM has an ownership position. MWCM has adopted certain WellsCap procedures intended to prevent advisory persons and immediate family from benefiting from any price movements that may be caused by client transactions or MWCM's recommendations regarding such securities. Under those procedures, without specific approval, advisory persons are not allowed to purchase securities for their own account or an account in which they have a beneficial interest for a period of time before and after a client account purchases that security. Thus, if an advisory person purchases a security in an account in which he or she has a beneficial interest, he or she generally cannot cause any client accounts to purchase that security within the stated time period unless circumstances warrant such action without likelihood of non-negligible impact to our clients.

Trade Allocation

MWCM has adopted WellsCap's trade allocation policies and compliance procedures to manage the potential conflicts of interest in the allocation of limited investment opportunities. MWCM may engage in transactions in the same security or securities on behalf of a group of accounts, and may execute trades separately or on an aggregated basis when MWCM reasonably believes that such execution may result in an economic benefit for the account(s). Generally, aggregated trades are allocated proportionately among accounts at or near the time of trade execution per these trade allocation policies, but MWCM does not maintain a rule that all trades must be allocated pro rata. MWCM's objective is to ensure that over time, no advisory account may be favored over any other advisory account as to any available investment for reasons outside of the client's investment guidelines and applicable law.

In allocating trades among accounts, MWCM may consider certain factors including: each account's investment objective(s) and risk exposure; restrictions and investment guidelines; available cash and ongoing liquidity needs; existing holdings of similar securities; and, correlation and deviation to any relevant model portfolio(s). In addition, investment opportunities within a strategy may be allocated either based on an individual security or groupings of similar securities, subject to investment guidelines and overall risk targets. Thus, similar advisory accounts will generally receive allocations based upon relative market values within each account's target asset class allocation and/or investment strategy. However, MWCM sometimes reallocates trades on a non-pro rata basis if necessary to rebalance

portfolios that have experienced cash flows or to address other general account management issues (e.g., avoidance of odd lots). Moreover, if a block order is not completed for MWCM in its entirety, partial fills will be allocated proportionately by MWCM, though minimum size and odd lot restrictions will affect the distribution, potentially resulting in an allocation that is not pro rata. As a result, one account may receive a price for a particular transaction that is different from the price received by another account for a similar transaction on the same day.

Participation or Interest in Client Transactions

Investments in shares of Wells Fargo shall not be made unless otherwise permitted by law.

As described more fully in the section titled, "Other Financial Industry Activities and Affiliations," WFA may effect securities transactions for compensation on behalf of accounts for which MWCM provides investment advice. MWCM, its affiliates and related parties may from time to time have an interest in securities that MWCM purchases or sells for its clients or recommends for purchase or sale by its clients. Directors, officers and employees of MWCM may also buy, sell or own securities that are bought, sold or owned by MWCM's clients. To prevent conflicts of interest, all officers, employees and directors of MWCM must comply with the Code, which has been described previously in greater detail.

MWCM provides investment advice to numerous funds, including mutual funds, and advisory accounts. While the advice rendered to such clients is furnished in light of their respective investment objectives and policies, securities owned by one client may also be owned by other clients and it may occasionally develop that the same investment advice and decision for more than one client is made at the same time. Furthermore, it may develop that a particular security is bought or sold for only some clients even though it might be held, bought or sold for other clients, or that a particular security is bought for some clients when other clients are selling the security.

MWCM may manage accounts for related persons, and in such cases generally will have full discretion with respect to such accounts. Other than establishing the investment objectives and policies of the portfolio, the related person generally has no influence or control over the investment decisions made for the account, and no prior knowledge of transactions that take place in the account. In certain instances, the related person may have influence or control over the investment decisions. In the exercise of its discretion, MWCM may cause a fund or account to sell a security to another fund or account managed by MWCM. Any such transaction would be effected in accordance with the Advisers Act and, if applicable, the 1940 Act. MWCM may recommend for purchase, and in the exercise of discretion may purchase for

its clients (i) securities in the secondary market that were originally underwritten by a related person, (ii) to the extent permitted by law, securities in an offering underwritten by a related person, provided that such purchases are from members of the underwriting syndicate other than a related person, and (iii) securities of issuers in which an affiliate of MWCM may have an interest.

Client Account Privacy

New and existing clients may be required to provide information to support MWCM's regulatory obligation to obtain, verify and record information that identifies each client pursuant to the requirements of various federal and state laws. Such procedures are required to help deter the funding of terrorist and money laundering activities.

MWCM complies with all applicable privacy regulations and has created policies regarding the collection and disclosure of information about MWCM's clients considered to be non-public personal information. Although these policies are designed to protect client confidentiality and non-public personal information, MWCM reserves the right to disclose such information where it believes in good faith that it may be required or permitted to do so by law, or in circumstances related to the servicing of client accounts where MWCM has retained affiliated or non-affiliated third parties who may be permitted to use such information solely to provide the service or as otherwise permitted by law.

Item 12 – Brokerage Practices

MWCM's Large Cap Intrinsic Value, Small Cap Value, SMID Cap Value, Global Intrinsic Equity, International Intrinsic Equity and International Intrinsic Equity ADR-Only products employ the use of various trading, operations and compliance resources available through its affiliate, WellsCap. Among other things, this means that services provided, including trading, by WellsCap for certain MWCM products would be undertaken in accordance with WellsCap's policies and procedures. MWCM's Global Intrinsic Equity, International Intrinsic Equity and International Intrinsic Equity ADR-Only trades are entered into WellsCap's trading and order management system. These trades may be combined/bundled with similar trades in the same securities for WellsCap's clients and WellsCap may share brokerage and research resources.

WellsCap's traders acting on behalf of MWCM, generally determine the broker through whom securities transactions are to be affected. In selecting brokers for a portfolio transaction, WellsCap considers, without limitation, the overall direct net economic results to an account, including both price paid or received and any commissions and other costs paid, the efficiency with which the transaction is effected, the ability to effect the transaction at all where a large block is involved, the availability of the broker to stand ready to execute possibly difficult transactions in the future, responsiveness to WellsCap, and the financial strength and stability of the broker.

Best Execution

WellsCap has adopted policies and procedures aimed at satisfying its fiduciary duty to seek the most favorable execution terms reasonably available given the specific circumstances of each trade ("best execution"). In order to seek to achieve best execution, WellsCap requires portfolio managers or their traders to create competitive bid/offer situations by contacting brokers. The portfolio manager or trader also researches the security for its suitability, relative value and optimal price, in addition to researching which broker-dealer(s) may be in the best position to provide the best price. With the evolution of electronic trading platforms, portfolio managers and traders are more able to request bids and offers from multiple broker/dealers. In the exercise of their business judgment, WellsCap may only contact one broker under conditions noted by policy. WellsCap considers, inter alia, the following factors for obtaining best execution; each factor, in and of itself, is not construed as a definitive factor:

- Broker-dealer's historic trade performance with WellsCap;
- Efficiency of the broker's back-office operations;
- Broker-dealer's ability to provide liquidity and make a "market" for certain securities, including capital commitment and execution platforms which may impose additional mark-ups;
- Broker-dealer's sharing of research with WellsCap;
- Whether the broker-dealer offers diverse resources, such as qualifying as an established women or minority-owned firm; and,
- If applicable, the broker-dealer's ability to facilitate "step-out" trades.

WellsCap does not use the trading facilities of any of its affiliated broker-dealers. The actual allocation of brokerage business may vary from year to year, depending on WellsCap's evaluations of all applicable considerations. In no case will WellsCap make binding commitments as to the level of brokerage commissions it will allocate to a broker, nor will it commit to pay cash if an informal target is not met.

Research

MWCM evaluates the amount and nature of research and research services provided by brokers and attempts to allocate a portion of the brokerage business of its clients on the basis of that consideration. When WellsCap uses client brokerage commissions (or markups or markdowns) to obtain research or other products and services, MWCM benefits because it does not have to pay for the research, products or services. WellsCap may have an incentive to select a broker-dealer based on its interest in receiving research or other products and services. Subject to the criteria of Section 28(e) of the Securities and Exchange Act of 1934 ("Section 28(e)"), MWCM may pay a broker a brokerage commission in excess of that which another broker might have charged for effecting the same transaction, in recognition of the value of the brokerage and research services provided by or through the broker. MWCM believes it is important to its investment decision-making process to have access to independent research.

Research furnished by brokers may be used to service any or all of MWCM's clients and may be used in connection with accounts other than those transacting with the broker providing the research, as permitted by Section 28(e). Brokerage and research services provided by brokers may include, among other things, effecting securities transactions and performing services incidental thereto (such as clearance, settlement, and custody), and providing information regarding: the economy; industries; sectors of securities; individual companies; statistical information; taxation; political developments; legal developments; technical market action;

pricing and appraisal services; credit analysis; risk measurement analysis and performance analysis. Such research services are received primarily in the form of written reports, telephone contacts and personal meetings with security analysts. In addition, research services may be provided in the form of access to various computer-generated data, computer hardware and software, and meetings arranged with corporate and industry spokespersons, economists and government representatives.

Research payments may be made through traditional soft dollar payments to third parties, paid through bundled commission arrangements with full service brokers or through client commission arrangements. Commission sharing arrangements enable MWCM to separate the execution decision from the research decision. Providers of commission sharing arrangements have designed programs that allow MWCM the flexibility to seek best execution while simultaneously pooling commissions to compensate both research firms and other service providers that are eligible to be paid by commissions under 28(e). MWCM determines in good faith that the commission rates paid for client commission dollar arrangements are reasonable in relation to the value of the brokerage and research provided. In certain situations, trades may be directed to brokers who refer clients to, or have their own accounts managed by, MWCM.

In addition, WellsCap maintains an Expert Network Policy, which MWCM has adopted, in order to help mitigate the potential insider trading liability when engaging expert networks. The policy details internal controls to insulate MWCM from the potential trading risks associated with using experts. Please see the Expert Network Policy for more details.

Directed Brokerage

WellsCap, on behalf of MWCM, executes trade orders by brokerage type. "Discretionary" brokerage gives WellsCap the authority to select counterparties based on its investment discretion and consideration of the most favorable total cost of each transaction including, but not limited to, client guidelines and current market conditions within the pursuit of best execution. Alternatively, directed brokerage requires WellsCap to trade with a broker/counterparty selected by the client. Only traders may direct trades to a specific broker. Portfolio managers may not direct specific trades except for fixed income portfolio managers who also act as traders for fixed income securities.

When a client directs MWCM to use particular broker-dealers, the client must do so in writing. In such case, the client generally negotiates commission rates which may result in higher commissions and possible disparity between discretionary and directed accounts. Trades for

clients that direct brokerage, particularly in the case of 100% mandatory requests, many not be combined with and may be placed after, orders for the same securities managed for other discretionary accounts. Requests for 100% mandatory or high threshold directed accounts may impede our ability to obtain best execution and negatively impact the efficiency and effectiveness of trading as these accounts may be split from the discretionary block and traded independently. As a result, directed transactions may be subject to price movements, particularly in volatile markets or less liquid securities that may result in the client receiving a price that is less than favorable than the price received by other aggregated orders. Under these circumstances, the direction by a client may result in higher commissions, greater spreads, or less favorable prices than might be the case if WellsCap could negotiate commission rates or spreads or select brokers based on best execution.

MWCM attempts to accommodate reasonable directed brokerage requests on a “best efforts” basis and it does not guarantee that any specific target thresholds can be met. In an effort to accommodate reasonable requests while also maintaining the advantages of aggregating client orders, WellsCap may execute on a “step-out” basis. Step-out trades allow WellsCap to aggregate orders of similar securities and execute one single block through one broker. Upon execution of the aggregated order, portions of the block are “stepped-out”, or given up, to other brokers, sometimes to those directed by clients. Clearing and settlement of step-out trades are the responsibility of the receiving broker. Consequently, step-out commissions and sales credits go to the brokers receiving the trades, not the executing broker. Commission rates may differ between the accounts that are stepped-out and those that remain in the aggregated block and some brokers or custodians may assess additional transaction fees for clients’ orders that are stepped in to them.

WellsCap periodically tests their order placement procedures to ensure that clients are treated equitably and fairly and that no client account is systematically advantaged or disadvantaged over time.

Trade Aggregation and Allocation

WellsCap seeks, but is not obligated, to bunch orders for the purchase or sale of the same security for client accounts where WellsCap deems this to be appropriate and in the best interests of the accounts, consistent with applicable regulatory requirements. When a bunched order is filled in its entirety, each participating client account will participate at the average share prices for the bunched order on the same business day, and the transaction costs shall be shared pro-rata based on each client’s participation in the bunched order. When a bunched order is only partially filled, the securities purchased will be allocated on a pro-rata basis to

each account participating in the bunched order based upon the initial amount requested for the account, subject to certain exceptions (such as de minimis orders) and each participating account will participate at the average share price for the bunched order on the same business day. WellsCap performs investment advisory services for various clients and may give advice, and take action, with respect to any of those which may differ from the advice given, or the timing or nature of action taken, with respect to any one account, provided that over a period of time WellsCap, to the extent practical, allocates investment opportunities to each account on a fair and equitable basis relative to other similarly situated client accounts.

Cross-Transactions

To reduce transaction costs and promote trading efficiency for mutual fund clients, WellsCap may engage in inter-account transactions consistent with procedures adopted pursuant to Rule 17a-7 under the 1940 Act. Where appropriate, WellsCap may engage in inter-account or cross-transactions with eligible advisory accounts and will comply with the applicable disclosure and consent requirements associated with such transactions under the Advisers Act.

Managed Accounts

Typically, the sponsor determines the broker-dealer through which the securities are to be bought or sold, and the commission rates, if any, at which transactions are effected.

Order Execution

In managed account programs where MWCM is directed to use the sponsor or its affiliate to execute trades, we may be unable to seek best execution under the circumstances. Depending upon the level of the managed account fee charged by a sponsor, the amount of portfolio activity in a client's account, the value of the custodial and other services that are provided under a managed account arrangement and other factors, a managed account client should consider whether the managed account fee would exceed the aggregate cost of such services if they were to be provided separately and if we were free to negotiate dealer spreads or other costs. Whenever possible, purchases or sales of the same security are aggregated at the sponsor level (a practice known as block trading or bunching) in order to allow the purchase or sale to be executed at the same time and to minimize small order fees that may be imposed on the client. In managed account programs that permit us to trade away from the sponsor or its broker-dealer affiliate when the sponsor or its affiliate cannot provide best price or execution under the circumstances, MWCM may trade away from such parties; a sponsor affiliated with us may recommend a broker or dealer to use in such circumstances. In such cases, clients may incur transaction and other costs and fees in addition to the managed account fee. Program

clients should review all materials available from a third party sponsor concerning the program, sponsor and the program's terms, conditions and fees.

Item 13 – Review of Accounts

A portfolio management team with extensive experience is assigned to each account and is responsible for monitoring and maintaining compliance with client-specific guidelines. Formal reviews are performed at least annually and include client portfolio structure, strategies, adherence to client investment policy and guidelines, and benchmarks. Portfolio advisers and investment risk personnel, including the Chief Investment Officer, may also perform more frequent informal reviews on an ongoing basis that include market conditions, portfolio holdings and transactions, cash flows and account performance.

Written account and performance reviews are offered to most clients on a quarterly basis. More-frequent reports may be provided upon request.

Additional compliance procedures are in place to review portfolio and account activity for conformity with client investment guidelines, best execution, use of derivatives, and other considerations. As part of the monitoring process WellsCap compliance utilizes two compliance and trade order systems, Bloomberg and Charles River Development, to provide automated compliance review on a daily basis. Alerts on these systems are monitored by compliance personnel, and any warnings are researched and cleared in a timely manner.

Item 14 – Client Referrals and Other Compensation

MWCM does not enter into agreements with or make commitments to broker-dealers under which MWCM is obligated to compensate broker-dealers for client referrals.

Certain designated persons will act as advisory representatives of MWCM. These persons may be institutional account representatives of affiliates of the firm and may offer advice or opinions as to the value of MWCM's services or the appropriateness of such services for a potential client. Compensation will be provided to these persons by way of salaries and bonuses through the WellsCap affiliate of with which the designated person is employed.

MWCM may permit certain designated persons (referred to as "Solicitors") to refer potential business outside of the United States to MWCM. Under this arrangement, MWCM would pay a portion of the referred client's management fee earned by MWCM to the referring party. Any solicitor will be required to conduct solicitation functions in accordance with Rule 206(4)-3 and the laws of the country in which such solicitation is made. Payments to Solicitors may range, depending on the type of investment vehicle.

The investment management services of MWCM,, are also offered to clients of Wells Fargo. The distribution of investment products and services in conjunction with this platform is dependent on interrelationships among WellsCap, its affiliates, and other entities in support of these activities. There exist certain potential or actual conflicts of interest within these interrelationships, which may or may not be readily apparent to an investor. In particular, WellsCap's parent and affiliated subsidiaries may enter into marketing or sponsorship arrangements with third-parties, sub-advisers and brokerage firms to promote the distribution of proprietary investment products including, but not limited to, variable products, mutual funds, managed accounts or the general enhancement of the "Wells" marketing image. Such parties, sub-advisers, and brokerage firms may concurrently have advisory, distribution, or other relationships with WellsCap. These arrangements may or may not necessarily result in additional assets under management to WellsCap or inure to the direct or indirect benefit of clients of the firm. In addition, WellsCap clients maintain their right to limit the nature and scope of all disclosures to the parent company, an affiliated subsidiary, third-parties, sub-advisers and brokerage firms.

Revenue Sharing for WellsCap Referrals

Wells Fargo may compensate WellsCap, including MWCM, for client referrals to other affiliate businesses within Wells Fargo under a revenue sharing program. This compensation to WellsCap would be indirect and may be based upon the aggregate amount of WellsCap's assets under management and not the client's assets invested with MWCM.

Item 15 – Custody

All MWCM client assets and securities are held by a qualified custodian, whether a broker-dealer, a bank, or a trust company.

As part of the billing process, for certain accounts, the client's custodian is advised of the amount of the investment advisory fee to be deducted from the client's account. Since the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things.

Clients should receive account statements from their bank, broker-dealer or other qualified custodian, in addition to the account statement that they may receive from MWCM. We urge clients to carefully review both account statements and compare official custodial records to the account statements provided by MWCM. MWCM's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Clients should contact us directly if they believe that there may be an error in their statement.

Item 16 – Investment Discretion

Discretionary Authority

Absent instructions to the contrary from the client, MWCM has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, amount of securities to be bought or sold, broker or dealer to be used, and commission rates paid. Generally, MWCM's clients grant it full discretionary authority over securities purchases and sales, subject to investment objectives and guidelines that are established by agreement between MWCM and the client at the time the account is opened. MWCM may select brokers/dealers that provide research or other transaction-related services and may cause a client to pay such broker-dealer commissions for effecting transactions in excess of commissions other broker-dealers may have charged. MWCM will consider the full range and quality of a broker-dealer's services, including, among other things, the value of research provided, execution capability, commission rate, reputation, market-making capabilities, efficiency, confidentiality, responsiveness and other factors it deems appropriate.

For registered investment companies sub-advised by MWCM, the respective Board of Directors, Managers or Trustees of such companies establish guidelines and restrictions with which MWCM complies with respect to investment strategies that include the type of securities to be bought and sold. Such guidelines can be found in each fund's prospectus and statement of additional information. In addition, when contracting with MWCM, clients may establish guidelines and restrictions that may limit the nature and scope of WellsCap's investment discretion.

Item 17 – Voting Client Securities (i.e., Proxy Voting)

Where MWCM is responsible to vote proxies for a client, it has adopted WellsCap’s policies and procedures in an effort to ensure that votes are cast in the best interests of its clients and that proper documentation is maintained relating to how proxies were voted. WellsCap’s basic policies and procedures are as follows:

WellsCap has adopted pre-determined proxy voting guidelines (the “Guidelines”) to make every effort to ensure the manner in which shares are voted is in the best interest of clients and the value of the investment. Under the Guidelines, WellsCap may delegate, to a non-affiliated third party vendor, the responsibility to review proxy proposals and make voting recommendations on behalf of WellsCap. WellsCap may also vote a proxy contrary to the Guidelines if it determines that such action is in the best interest of its clients. WellsCap believes that, in most instances, any material conflicts of interest will be minimized through a strict and objective application of the voting guidelines. In addition, the Proxy Administrator will seek to avoid any undue influence as a result of any material conflict of interest that exists between the interest of a client and WellsCap or any of its affiliates. The method selected by WellsCap to address any such conflict will depend on the facts and circumstances of each situation and the requirements of applicable law. The method selected by WellsCap may also conflict with other interests the client may have, but will always be in the best interest of the shareholder.

WellsCap may choose not to vote proxies in certain situations or for certain accounts, such as: (1) where a client has informed the firm that it wishes to retain the right to vote the proxy, the firm will instruct the custodian to send the proxy material directly to the client; (2) where the firm deems the cost of voting would exceed any anticipated benefit to the client; (3) where a proxy is received for a client account that has been terminated; (4) where a proxy is received for a security the firm no longer holds for any client (i.e., the firm had previously sold the entire position); and/or (5) where the exercise of voting rights could restrict the ability of an account’s portfolio manager to freely trade the security in question.



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

Wells Capital Management
Attention: Compliance Department/Nobuko Nagata
525 Market Street, 10th Floor
San Francisco, CA 94105

Email requests may be sent to: nobuko.nagata@wellscap.com

Item 18 – Financial Information

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

MWCM has not been the subject of a bankruptcy petition at any time during the past 10 years.

As a wholly owned subsidiary of Wells Fargo & Company, MWCM's financial statements are consolidated with those of the parent company. There has been no material adverse change in the financial condition of MWCM since the date of the financial statements provided in our parent firm's most recent Form 10-Q.