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This Brochure provides information about the qualifications and business practices of Cooke & Bieler (“Cooke & Bieler,” “we,” or “us”). If you have any questions about the contents of this Brochure, please contact us at (215) 246-2030. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

Additional information about Cooke & Bieler is also available on the SEC’s website at www.adviserinfo.sec.gov (click on the link, select “investment adviser firm” and type in Cooke & Bieler). The results will provide you with a copy of both our ADV Part 1 and Part 2A.

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated March 31, 2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past, we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of December 31st which is our fiscal year end. We may also provide other material changes by any means reasonably sufficient to inform clients, such as via a letter or phone call with supporting documentation as necessary.

We will further 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 Linda Perna, Chief Compliance Officer at (215) 246-2030 or lperna@cooke-bieler.com.

Additional information about Cooke & Bieler is available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Cooke & Bieler who are registered, or are required to be registered, as investment adviser representatives of Cooke & Bieler.

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Item 4 – Advisory Business

Our firm was founded in Philadelphia in 1949 by Louis Bieler, and was incorporated as Cooke & Bieler, Inc. with the arrival of Jay Cooke in 1951.

Since its inception, Cooke & Bieler has managed accounts for individuals and the endowments and foundations that have been important to them. Our business steadily grew in the 1950s, reaching \$100 million under management by 1962. In 1963, Cooke & Bieler won its first pension account, marking the beginning of the significant growth of its large institutional client base. Through the 1960s, as the business expanded, new investment professionals joined the firm to provide additional expertise.

In 1986, the partners merged Cooke & Bieler into United Asset Management, a publicly traded company, but continued to actively manage the business. In 2000, United Asset Management agreed to be acquired by Old Mutual, an overseas insurance company. In 2001, the partners led a management buy-back of the firm. Cooke & Bieler, L.P. remains today an independent firm, owned by its partners. We do not have any principal owners controlling 25% or more of the company.

Cooke & Bieler is primarily a domestic equity value manager. We have been managing equity portfolios for 62 years employing a business owner's approach to investing. The firm provides investment advice with respect to the following strategies: Large Cap Value, Mid Cap Value, All Cap Value, Small Cap Value, Balanced and Fixed Income. Cooke & Bieler is employed by its clients as an investment advisor with either discretionary authority or non-discretionary authority. For those accounts for which Cooke & Bieler has discretionary authority, the firm supervises and directs the investments of the account in accordance with the investment objectives communicated by the client. For discretionary accounts, Cooke & Bieler, as agent with respect to the account, may without prior consultation with the client buy, sell, exchange, convert and otherwise trade instruments and place orders for the execution of such securities transactions. For those accounts for which Cooke & Bieler has non-discretionary authority, Cooke & Bieler makes recommendations with respect to the investments of the account to the client who makes all investment decisions. For non-discretionary accounts, Cooke & Bieler may or may not be authorized to place orders for the execution of securities transactions.

Our advisory services are tailored to the individual needs of our clients. Many institutional clients impose investment guidelines or restrictions to which the firm will adhere. We attempt to manage portfolios for our high net worth (HNW) clients in a tax-efficient manner, by seeking to avoid short-term capital gains, managing turnover, and using losses to offset gains. However, we do not give tax advice and recommend that each of our clients seek his or her own tax advice. Given that clients have differing investment objectives, we create portfolios that are customized to each client's particular situation. In general, these HNW accounts are managed with a mix of Large and Mid Cap stocks, with specific holdings

and weights determined based on individual clients' needs. As of December 31, 2010, Cooke & Bieler manages approximately \$3.9 billion in discretionary assets and almost \$1.0 billion in non-discretionary assets.

Cooke & Bieler serves as investment adviser and sub-adviser to mutual funds. The compensation paid to Cooke & Bieler from these funds may vary, and typically do, from our standard fee schedule outlined below. The financial terms of these engagements are covered in the advisory agreements entered into between the fund (or its adviser in sub-advised cases) and Cooke & Bieler, which is disclosed in each fund's prospectus and public filings.

Cooke & Bieler also provides non-discretionary advice to Wells Fargo Funds Management, LLC, "WFFM" in connection with wrap fee or similar programs for which WFFM serves as the sponsor or a participating investment adviser. In this capacity, Cooke & Bieler provides model Large Cap Value recommendations to WFFM (but not to WFFM's clients) and it in turn executes the recommendations as the client's discretionary manager and wrap program adviser. The approximate range of sponsors' fees which includes Cooke & Bieler's fee is disclosed in the managed account brochure provided by the corresponding sponsor.

Item 5 – Fees and Compensation

The compensation of Cooke & Bieler for its service is calculated in accordance with the following schedules:

Institutional Clients

Large Cap Equity Accounts

0.65 of 1% per annum on the first \$20,000,000 of principal
0.60 of 1% per annum on the next \$20,000,000 of principal
0.50 of 1% per annum on the next \$60,000,000 of principal
0.40 of 1% per annum on increments above \$100,000,000

Large Cap Balanced Accounts

0.65 of 1% per annum on the first \$20,000,000 of principal
0.55 of 1% per annum on the next \$20,000,000 of principal
0.45 of 1% per annum on the next \$60,000,000 of principal
0.35 of 1% per annum on increments above \$100,000,000

Mid Cap Equity Accounts

0.85 of 1% per annum on the first \$10,000,000 of principal
0.75 of 1% per annum on the next \$10,000,000 of principal
0.65 of 1% per annum on increments above \$20,000,000

All Cap Equity Accounts

0.75 of 1% per annum on the first \$10,000,000 of principal

0.65 of 1% per annum on the next \$10,000,000 of principal
0.55 of 1% per annum on increments above \$20,000,000

Small Cap Equity Accounts

Flat fee of 1% per annum

Fixed Income Accounts

0.30 of 1% per annum on the first \$25,000,000 of principal
0.25 of 1% per annum on the next \$25,000,000 of principal
0.20 of 1% per annum on increments above \$50,000,000

A 15% discount from the above applicable fee is given to charitable clients.

High Net Worth Clients

Large Cap Equity Accounts and Balanced Accounts

0.75 of 1% per annum on the first \$5,000,000 of principal
0.60 of 1% per annum on the next \$5,000,000 of principal
0.50 of 1% per annum on increments above \$10,000,000
0.25 of 1% per annum on fixed income if applicable
Excluding securities not under our supervision

The specific manner in which fees are charged by the firm is established in a client's written agreement. Clients may choose to have fees automatically deducted or they may send us a check. Fees are typically paid quarterly in arrears, although clients may pay fees in advance. The fee is calculated on the basis of the total market value of assets under supervision at the close of business on the last business day of each three-month period. In certain circumstances, Cooke & Bieler will negotiate a fee with a client. On rare occasions, outside of our Small Cap product, Cooke & Bieler may agree to charge clients for advisory services based upon a flat fee. In addition, the firm may also accept performance based fee arrangements in accordance with the SEC Rule 205-3 provided that certain client eligibility requirements are met and full and fair disclosures are made of material information, including any potential conflicts associated with these arrangements.

Investment advisory contracts entered into by Cooke & Bieler may be terminated at any time by either party by written notice of such termination. Clients who have elected to pay their fees in advance will receive a refund prorated to the date of termination specified in the notice of termination.

Cooke & Bieler's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers and other third parties such as custodial fees, transfer taxes, wire transfer and electronic fund fees, exchange fees, SEC fees among others. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Cooke & Bieler shall not receive any portion of these

commissions, fees and costs except to the extent of its advisory or sub-advisory fees, as disclosed.

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

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

As previously stated in Item 5, Cooke & Bieler may also accept performance based fee arrangements in accordance with the SEC Rule 205-3 provided that certain client eligibility requirements are met and full and fair disclosures are made of material information, including the conflicts associated with these arrangements. In general, performance based fee arrangements may create an incentive to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. However, since Cooke & Bieler manages portfolios in accordance with a model strategy, any outliers would be easily identified. Performance fees create an incentive for the firm to favor these types of accounts in the allocation of investment opportunities as a way to increase firm revenues. Therefore, the firm has implemented controls to monitor the performance of these accounts relative to other accounts in the same strategy. Our procedures are designed to ensure that all clients are treated fairly and equally.

Item 7 – Types of Clients

Cooke & Bieler provides portfolio management services to individuals, including high net worth individuals, banking or thrift institutions, registered mutual funds, corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, corporations or other business entities, municipalities, among others.

The initial dollar amount of assets for new accounts is outlined below. There is no ongoing minimum requirement once you become a client.

Institutional Account:

- \$20 Million for Large Cap Portfolio
- \$40 Million for Large Cap Balanced Portfolio
- \$10 Million for Mid Cap Portfolio
- \$10 Million for All Cap Portfolio
- \$10 Million for Small Cap Portfolio

Individual or Trust Account:

- \$5 Million

We do accept smaller clients only on an exception basis. For example, we will accept a smaller account size if the client already has an existing relationship with the firm or if the firm believes the prospect may grow larger. Our account minimums have changed over time and therefore, we may have older clients with account sizes that fall below the current minimum.

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

We employ a traditional, conservative value investment strategy. We generally employ a long-term approach, rather than engaging in trading or speculative investment strategies. We are active, bottom-up managers who study the fundamental characteristics of companies and the industries they operate in to reach a conclusion on their quality and intrinsic value. We seek to take advantage of short-term but fixable problems, either industry-wide or in specific investee companies. The quality characteristics we insist on allow management time to fix internal issues, to outlast competitors in consolidating industries, or to take advantage of economic cycles. We believe that our explicit focus on price and quality differentiates us from other value oriented managers. We strive to place a margin of safety around what “normal” will look like and when “normal” might be achieved. We are patient: we base our valuation on ten years of projected cash flow plus a terminal value, and our historical holding period has been 3-5 years as our thesis drivers play out. Our security analysis also emphasizes research meetings and interviews with corporate management.

We offer the following strategies: Large Cap Value, Mid Cap Value, All Cap Value, Small Cap Value, Balanced and Fixed Income.

Large Cap Value Equity:

For investment purposes, large cap equity investing is generally defined as investing in securities of companies whose market capitalization ranges from \$2 billion and above at time of purchase.

Mid Cap Value Equity:

For investment purposes, mid cap equity investing is generally defined as investing in securities of companies whose market capitalization is within a range of \$500 million to \$10 billion or within the Russell Midcap Value Index at the time of purchase.

All Cap Value Equity:

For investment purposes, all cap investing is generally defined as investing in securities of companies whose market capitalization ranges from \$500 million and above at the time of purchase.

Small Cap Value Equity:

For investment purposes, small cap equity investing is generally defined as investing in securities of companies whose market capitalization is within a range of \$200 million to \$2.5 billion or within the Russell 2000 Value Index at the time of purchase.

Large Cap Value Balanced:

Equity portion of balanced accounts: For investment purposes, large cap equity investing is generally defined as investing in securities of companies whose market capitalization ranges from \$2 billion and above at time of purchase.

Fixed Income (including the fixed income portion of balanced accounts):

Minimization of credit risk is an important element in our investment philosophy.

Cooke & Bieler applies the same qualitative and quantitative criteria to fixed income investments that are used in the analysis of equity securities. We invest in income bearing securities with a view towards maximizing the current return component of total return and minimizing the volatility inherent in low/zero coupon bonds.

Portfolios are usually composed of evenly staggered maturities. The slope of the yield curve and anomalies in the curve result in clustering of maturities under some conditions. The average length of maturity for a fixed income portfolio ranges from approximately 4 to 10 years. The average duration typically ranges from 3 to 6 years.

Cooke & Bieler's Large Cap Value, Mid Cap Value, All Cap Value, Small Cap Value and Large Cap Value Balanced strategies share certain risks as relatively concentrated, value equity products.

- Our strategies tend to invest in a smaller number of securities than do other similar advisers. Therefore changes in the value of an individual stock held in the portfolio may have a larger impact on performance than if we were more broadly invested.
- Value style stocks may be out of favor for prolonged periods of time and may lose value.
- The market price of stocks held in the portfolio may rapidly or unpredictably decline due to market or industry factors.
- All investments in securities include a risk of loss of principal (invested amount) and any profits that have not been realized (the securities were not sold to "lock in" the profit). Stock markets 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 will do our very best in the management of your assets; however, we cannot guarantee any level of performance or that there will be no loss of account assets. Investing in securities involves risk of loss that clients should be prepared to bear.

In addition to these risks common to all of our products, different products are exposed to companies in certain market capitalization ranges that may underperform in certain economic environments. Also, securities of companies with smaller market capitalizations tend to be more volatile and less liquid than larger company stocks. When assessing fixed income risk we are primarily concerned with credit risk.

Item 9 – Disciplinary Information

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

Item 10 – Other Financial Industry Activities and Affiliations

Cooke & Bieler has a financial interest in two mutual funds (Wells Fargo Advantage C&B Large Cap Value Fund and Wells Fargo Advantage C&B Mid Cap Value Fund) through the sub-advisory fees paid by those funds to us. If a potential client is below our account size minimum, the firm is inclined to tell them that we sub-advise these two Wells Fargo Funds and recommend they contact those funds for more information. Cooke & Bieler does not invest any of our clients' assets in these two mutual funds. We also provide investment advice to certain pooled investment vehicles or other investment products sponsored, maintained or established by Wells Fargo Bank or its affiliates. Also, as previously discussed in Item 4, the firm provides nondiscretionary advice to WFFM.

From time to time, Wells Fargo & Co. (WFC) stock may be held as part of our large cap value strategy. We have no arrangement or understanding with WFFM or its affiliates regarding this stock. We may buy/sell the stock for client accounts when it meets our investment criteria and any client restrictions, not in order to artificially "prop up" or otherwise manipulate the stock price and not for the purpose of preserving our relationship with WFFM or any of its affiliates. The amount of WFC stock held in our client accounts is too small to have any impact on the stock's price and the size of any WFC positions held in client accounts falls within the norm of other portfolio holdings in our large cap value strategy.

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

Cooke & Bieler has adopted a written Code of Ethics, in compliance with SEC requirements, covering all supervised persons. The Code was designed to promote our ethical standards by reinforcing fiduciary principles that govern the conduct of Cooke & Bieler and its employees. This Code requires certain standards of business conduct, compliance with federal securities laws, reporting and recordkeeping of personal securities transactions and holdings, reviews and sanctions.

Our Code is designed to: protect the firm's clients by deterring misconduct; educate employees regarding the firm's expectations and the laws governing their conduct; remind employees that they are in a position of trust and must act with complete propriety at all times; protect the reputation of the firm; guard against violations of the securities laws; and establish procedures for employees to follow so that Cooke & Bieler may determine whether our employees are complying with our firm's ethical principles.

A conflict of interest may occur or appear to occur when the personal interests of Cooke & Bieler's employees interfere or could potentially interfere with their responsibilities to the Firm and its clients. The overriding principle that we follow prohibits our employees from accepting inappropriate gifts, favors, entertainment, special accommodations, or other things of material value that could improperly influence their decision-making or make them feel unduly beholden to a person or firm. Similarly, no employee is permitted to offer gifts, favors, entertainment or other things of value that could be viewed as overly generous or aimed at influencing decision-making or making a client feel inappropriately beholden to the Firm or its employees.

Cooke & Bieler and its employees may make personal political contributions, charitable donations and provide gifts and entertainment to clients, client decision makers and prospective clients. These payments may benefit certain client personnel, and could conflict with the interests of the underlying client objectives. In recognition of this conflict, the firm has implemented policies and procedures to ensure proper oversight, documentation and pre-approval of all gifts and entertainment exceeding de minimis value (\$500 annually per person) by all investment personnel. In addition, all covered associates must pre-clear all political contributions exceeding \$150. Generally, approval will be given to covered associates to make aggregate political contributions of up to \$350 per election to an elected official or candidate for whom the covered associate is entitled to vote, and up to \$150 per election to an elected official or candidate for whom the covered associate is not entitled to vote.

Our Code does not prohibit personal trading by employees. As can be imagined, as a professional investment adviser, we generally follow our own advice. As a result, we may purchase or sell the same or similar securities that are suitable for our clients. However,

we may also purchase or sell securities in personal trading accounts that are not suitable for our clients.

As mentioned above, personal trading can raise certain conflicts of interest. To address these conflicts, Cooke & Bieler has adopted a pre-clearance policy to which all access people must adhere.

A brief synopsis of our personal securities transactions procedures is listed below.

Except for family or personal accounts under supervision by Cooke & Bieler on a fee basis, no officer or employee for himself or his immediate family may engage in personal securities transactions, unless they are exempted transactions, involving any securities which are:

1. being bought or sold on behalf of clients within seven calendar days before and two calendar days after any portfolio of the Firm trades in that security;
2. actively contemplated for transactions on behalf of clients, even though no buy or sell orders have been placed. This restriction applies from the moment that a portfolio manager intends to purchase or sell a specific security. This is a particularly sensitive area and one in which each employee must exercise caution to avoid actions which, to his or her knowledge, are in conflict or in competition with the interests of clients.

In addition to the various practices listed above regarding personal trading restrictions, Cooke & Bieler has also adopted prohibitions on insider trading and short swing profit restrictions. On an annual basis, we require all employees to re-certify that they are adhering to our Code. Any client or potential client may request a copy of our Code of Ethics by calling our office at 215-246-2030 or emailing us at lperna@cooke-bieler.com or tweiss@cooke-bieler.com.

Item 12 – Brokerage Practices

Investment or Brokerage Discretion

Generally, Cooke & Bieler is retained on a discretionary basis and authorized to determine and direct execution of portfolio transactions within the client's specified investment objectives without consultation with its clients on a transaction-by-transaction basis. Cooke & Bieler prefers to select broker-dealers who will execute portfolio transactions. However, we do have clients that direct the use of a particular broker-dealer to execute portfolio transactions. Some clients limit discretionary authority in terms of type or amount of securities to be bought or sold, the broker-dealer to be used, or the commission rates to be paid. A small number of clients retain Cooke & Bieler on a non-discretionary basis, requiring that portfolio transactions be discussed in advance and executed at the client's direction. Therefore, these non-discretionary accounts may not participate in block trading due to the timing of the approval process. In addition, because the firm will only

act after we receive client direction; it is likely that these transactions will come after our discretionary client trading since Cooke & Bieler does not need to wait for approval to place orders for discretionary clients. Also, the delayed trading will typically cause non-discretionary clients to receive different prices than our discretionary clients.

Selection of Broker-Dealers

Cooke & Bieler's overriding objective in the selection of broker-dealers is to obtain the best combination of price and execution. Best price, giving effect to brokerage commission, if any, and other transaction costs is normally an important factor in this decision, but the selection also takes into account the quality of brokerage services, including such factors as execution capability, financial stability, and clearance and settlement capability.

Accordingly, transactions will not always be executed at the lowest possible commission.

Fixed income securities are generally purchased from the issuer or primary market maker acting as principal on a net basis with no brokerage commission paid by the client. Such securities, as well as equity securities, may also be purchased from underwriters at prices which include underwriting fees.

Soft Dollar Policy

Where more than one broker-dealer is believed to be capable of providing the best combination of price and execution with respect to a particular portfolio transaction, Cooke & Bieler will frequently select a broker-dealer which furnishes eligible research. During 2010, we acquired the following proprietary and third party products and services with client brokerage commissions: research reports on companies, industries and securities; meetings with corporate executives to obtain oral reports on the performance of a company; economic and financial data; research platforms that provide analyses of securities; other platforms that provide transcripts, SEC filings and company presentations; company financial and market data; and software that examines trading costs and strategies in various scenarios and allows the firm to review price movements.

We generally divide our proprietary soft dollar relationships into three types. Large firms that provide broad coverage and analytic capability and which often offer large well-attended conferences which we find efficient. Smaller generalist firms that provide management access to companies not well covered by the larger firms. Lastly, we do business with firms with a particular area of expertise. Within each category firms differentiate themselves by the level of attention they give our needs and the degree to which market conditions favor their area of expertise.

Cooke & Bieler maintains an internal allocation procedure to identify those broker-dealers who have provided research and does endeavor to direct sufficient commissions to them to ensure the continued receipt of research that Cooke & Bieler believes to be useful and valuable. Cooke & Bieler will pay broker-dealers who supply it with research higher commissions than those obtainable from other broker-dealers who do not supply it with research in recognition of the values of such services. The reasonableness of brokerage commissions is evaluated on an on-going basis. Evaluation of the overall reasonableness of

the brokerage commissions paid is made by a comparison of the rate of commissions paid by Cooke & Bieler clients to the rate of commissions paid by other institutional investors. Several organizations publish period reports on the recent commission rates paid by clients of investment advisors such as Cooke & Bieler.

Research furnished by broker-dealers may be used in servicing any or all of the clients of Cooke & Bieler and may be used in connection with accounts other than those which pay commissions to the broker-dealer providing the research. Therefore, soft dollars are not proportionally allocated to any accounts that may generate different amounts of the soft dollar benefits.

Cooke & Bieler has adopted procedures to ensure the soft dollar products and services it receives qualify under the safe harbor of Section 28(e) of the Securities Exchange Act of 1934. The use of soft dollars can create potential conflicts of interest between the firm and its clients. Cooke & Bieler obtains research through brokerage commissions that the firm would otherwise have to pay for from our own assets. In addition, soft dollars could create an incentive for the firm to engage in unnecessary trading in client portfolios in an effort to obtain more research credits from broker-dealers. In recognition of these conflicts, the firm has adopted internal controls, such as monitoring portfolio turnover, to address these issues. When Cooke & Bieler obtains any mixed-use products or services on a soft dollar basis (i.e., products or services that have a research-related component and non-research-related), the firm will make a reasonable allocation of the cost between that portion which is eligible as research or brokerage services and that portion which is not so qualified. The portion eligible as research or other brokerage services will be paid for with discretionary client commissions and the non-eligible portion, e.g. proxy voting recordkeeping systems, accounting systems, etc., will be paid for with Cooke & Bieler's own funds. Since the firm determines the mixed-use allocation, this itself poses a conflict of interest. However, we will maintain appropriate records and reviews of our good faith determinations of the mixed-use allocations.

Directed Brokerage

Cooke & Bieler allows clients to direct their brokerage. When this direction occurs, Cooke & Bieler asks that the client also specify (1) the general types of securities for which the designated firm should be used and (2) whether the designated firm should be used for all transactions, even though Cooke & Bieler might be able to obtain a more favorable net price and execution from another broker-dealer in particular transactions. A client who designates use of a broker-dealer, including a client who directs the use of a broker-dealer who will also serve as custodian should consider whether, under the designation, commission expenses, execution, clearance and settlement capabilities, and whatever amount is regarded as allocable to the custodian fee, if applicable, will be comparable to those otherwise obtainable by Cooke & Bieler without any such designation. A client who designates use of a particular broker-dealer should understand that Cooke & Bieler may not be able to negotiate favorable commissions or to obtain volume discounts or best execution as compared to the commissions, discounts and overall execution Cooke & Bieler might be able to obtain if it was not otherwise directed to use a specific broker-dealer. In

addition, under these circumstances a higher commission charge may exist between the commissions charged to clients who direct Cooke & Bieler to use a particular broker-dealer and those clients who do not have directed brokerage arrangements. In other words, directing brokerage may cost the client more money.

Cooke & Bieler and its employees have developed long-standing relationships with various broker-dealers and their representatives. At times these broker-dealers (through their representatives) have and may in the future refer advisory clients to our firm. We believe these referrals are provided on the basis of our reputation, record and the quality of our service offering. Typically, the referred client will direct Cooke & Bieler to place orders in the account through the broker-dealer from which the referral originated. In addition, Cooke & Bieler has in the past and may in the future place orders with the referring broker as part of our ongoing business relationship. Under these circumstances, a conflict may arise between our client's interest in receiving best execution and Cooke & Bieler's interest in receiving future referrals from the broker-dealer. When these referrals occur each client is informed that we have a pre-existing relationship with the referring broker, and in cases where the client has directed us to trade through the referring broker, that the referring broker-dealer will benefit economically through the directed arrangement. Despite an interest in receiving future referrals, our policy is to seek best execution for our clients' transactions.

Client transactions are reviewed as part of our best execution analysis to evaluate commissions and overall quality of the executions, including transactions placed in directed arrangements. Testing procedures are used to ensure that volume of trades placed, quality of execution, and commission rates imposed by referring brokers are competitive with non referring brokers and do not materially change after any referral.

Commission Recapture Programs

Those clients who have entered into commission recapture programs, and instruct Cooke & Bieler to trade only through those selected brokers should understand the following:

1. Cooke & Bieler will be less likely to negotiate commission rates for these clients. Typically, all directed brokerage arrangements are negotiated by the client and the broker and not by Cooke & Bieler. Many of these commission recapture programs are arranged to pay for consultant services the client is receiving. Since consultants typically recommend our firm to their underlying clients, it may appear that we are not negotiating commission rates because we want to preserve the relationship with the consultant and receive future recommendations. However, as stated above, since the clients are entering into these arrangements with the broker, it is their responsibility to negotiate commission rates. Notwithstanding client's responsibility, there is an appearance of a conflict;
2. The firm may continue to trade through the consultant's brokerage affiliate after the consulting fee has been satisfied through the commission recapture program, despite the fact that it may be able to receive more favorable executions outside of

the directed brokerage arrangement. The reason Cooke & Bieler continues to trade through the recapture program is because we are not notified by the client when or whether the fee has been satisfied. We assume the client's commission recapture program is continuous in nature and unless notified by the client, we will continue to execute trades through this arrangement;

3. As a result of the above, the arrangement with the consultant may conflict with Cooke & Bieler's obligation to obtain best execution of client's trades; and
4. When permissible Cooke & Bieler may provide gifts and entertainment to certain pension and or investment consultants, which could result in a conflict of interest. However, C&B complies with any regulatory and reporting requirements associated with such gifts or entertainment.

To summarize, Cooke & Bieler may make payments to pension consultants in the form of directed brokerage, through the consultant's brokerage affiliate or through payments for consultant-sponsored seminars and products. Thus, there is an inherent conflict of interest associated with these activities.

Order Aggregation and Allocation Policy

Cooke & Bieler seeks to place orders for all clients in a manner that is fair and equitable to clients over time. The firm will typically aggregate trades for institutional accounts and allocate them on a pro-rata basis. In some cases of allocating partially filled orders, we will attempt to fill those orders that are furthest from the target first. The firm will also take into consideration the current cash position and any anticipated additions or withdrawals. In general, Cooke & Bieler typically aggregates orders for institutional clients separately from orders aggregated for high net worth clients. Due to the level of individualized treatment afforded to HNW clients and the investment decision-making process utilized for those clients, HNW client trades may not be aggregated in certain circumstances (e.g., because portfolio managers may decide not to purchase or sell the same security, due to tax implications, for more than one HNW account at the same time and thus would not have the opportunity to aggregate).

In placing orders for clients that direct Cooke & Bieler to use a specific broker-dealer, as opposed to orders for clients who do not so direct, Cooke & Bieler will randomly place these orders so that no set of orders for clients is routinely placed after another.

Cross Trading Policy

"Cross trading" means the purchase or sale of securities between various client accounts for the benefit of the accounts involved in the transactions. The opportunity to enter into a cross trade may be triggered by a variety of events that may include, but are not limited to, account re-balancing caused by market-related activity, account withdrawals or liquidations at client direction, additions to small positions already held in an account to reach certain percentage of account goals or liquidation of small positions to re-deploy client assets. The use of cross-trading, when appropriate, can minimize various costs,

including brokerage commissions, market price impact, custody fees and transfer taxes. From time to time, the firm encounters opportunities to cross trade client securities. When any such cross trade opportunity involves a registered investment company sub-advised by Cooke & Bieler as described in Item 9, above, we will follow the requirements of Rule 17a-7 under the Investment Company Act of 1940 which includes executing such trades directly through the funds' custodian at no commission and maintaining appropriate records. If no registered fund is involved on either side of the cross transaction, Cooke & Bieler is generally unable to effectuate cross transactions between participating accounts' custodians given the number of different custodians involved. Such transactions generally require the use of an executing broker-dealer. If possible, the firm may attempt to execute both sides of the trade through a single broker-dealer and split the commission between the participating accounts but cannot guarantee this result. Moreover, there are several circumstances under which securities may be purchased for one client account and sold for another on the same day which cannot be crossed. Examples include, but are not limited to, transactions entered by different portfolio managers or traders at different times of the trading day as a result of unexpected cash flows, client requests for account liquidation or to raise cash or when dealing with limit orders. In such circumstances, Cooke & Bieler may buy and sell the same security for different client accounts without seeking to cross through clients' custodians or to arrange a split commission through executing broker-dealers. In addition, the firm does not cross trade securities involving accounts subject to ERISA except as permitted by the Pension Protection Act and related regulations of the Department of Labor.

Item 13 – Review of Accounts

Investment advisory accounts are typically reviewed by the portfolio managers of the firm on a weekly basis depending on trade activity and client restrictions. These reviewers all play a key role for our clients through portfolio management. Compliance personnel also perform monthly investment guideline testing. Factors that may trigger a review include, but are not limited to, buy and sell decisions made by the Firm, restrictions that arise at time of trade, trade restriction overrides, and other compliance testing that lead to review of accounts. Client service professionals generally communicate with the client in regards to the portfolio reviews. There are 10 partners and principals, all portfolio managers, who are each responsible for approximately 5 - 40 accounts, although one partner handles approximately 60 client relationships. The number of accounts assigned to each manager varies according to their experience and the workload associated with the account. Accounts are reviewed for adherence to client guidelines as well as the Firm's policies with regard to asset mix and buy and sell decisions.

Clients are provided with a series of written reports regarding their investments on a quarterly basis. The quarterly portfolio appraisal contains a complete list of all securities held in the portfolio with its total cost, market value, portfolio weighting and current yield. In addition, clients receive a quarterly letter describing changes that occurred in their portfolio during the quarter. Recent additions and deletions are highlighted, their

performance over different time periods is displayed along with the relevant benchmark/s and we provide our assessment of the current market environment. In addition, some clients receive commission reports, purchase and sale information as well as write-ups on new securities that were purchased during the quarter. Similar reports are sent on a monthly basis if requested by the client.

Item 14 – Client Referrals and Other Compensation

Cooke & Bieler does not compensate any third party for client referrals. However, certain marketing personnel of Cooke & Bieler, who are partners of the firm, will be compensated based on a predetermined marketing trailer when they obtain new clients for Cooke & Bieler and when the firm receives additional funding from existing clients. Please also see Item 12, Brokerage Practices.

Item 15 – Custody

Cooke & Bieler is deemed to have custody of certain accounts solely because we deduct fees from those client accounts or send invoices directly to their custodian for payment of our advisory fees.

Clients should receive at least quarterly statements from their chosen broker-dealer, bank or other qualified custodian that holds and maintains client's investment assets. Cooke & Bieler urges you to carefully review such statements and compare such official custodial records to the account statements that we provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. For tax purposes, the custodial statement is the official record of your account and assets.

Item 16 – Investment Discretion

Cooke & Bieler typically receives discretionary authority from the client at the outset of an advisory relationship through language set out in our client agreement. The portfolio manager will select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

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

We require that investment guidelines and restrictions be provided to the firm in writing.

Item 17 – Voting Client Securities

Cooke & Bieler has adopted and implemented written policies and procedures that we believe are reasonably designed to ensure that proxies are voted in the best interest of our clients. Our voting authority is initially established by our advisory contracts or comparable documents. Clients, however, may change their proxy voting direction at any time. They may also contact us and direct us to vote in a particular fashion for a certain solicitation on behalf of their account. If any of our clients utilize a securities lending program, we will not vote proxies for those securities that are out on loan.

Our proxy voting policies and procedures are designed to allow the firm to analyze each proxy vote based on the facts and circumstances of each solicitation. The firm's overriding factor in voting proxies is to vote in the best interests of its clients. Cooke & Bieler defines the best interest of the client as the best economic interest of the shareholders of the company. Consistent with the client's best interests, the firm generally determines how to vote proxies on a case-by-case basis. The firm assigns proxies to specific analysts based upon who covers that particular security or industry and they determine how to vote.

Since the analyst considers each proxy proposal and the related corporate circumstances independently, he/she may vote differently with respect to similar proposals for different companies. Generally, each analyst votes in accordance with firm policy which tends to coincide with Glass Lewis recommendations. If the analyst votes differently than Glass Lewis's recommendations the analyst will document his rationale. Cooke & Bieler reserves the right to exercise its own judgment on a case-by-case basis.

Prior to making a final determination regarding a material conflict of interest, the firm may seek the advice of outside counsel. If the firm determines that an unresolved, material conflict of interest exists, the firm will vote according to an independent third party on the particular issue (e.g., Glass Lewis) or will otherwise resolve the conflict (e.g., by disclosing the conflict to clients and having the client instruct the firm on how to vote).

In determining how to vote on a particular issue, the firm will consider the opinion of management and the effect on management as well as the effect on shareholder value and the issuer's business practices. In addition, each analyst responsible for voting proxies assigned to him/her typically considers the voting recommendations of third parties, specifically Glass Lewis's recommendations. Each analyst may consider the recommendations of other firms, organizations or associations (e.g., the AFL-CIO), but these recommendations are not determinative. Overall, and since the corporate scandals and management abuses over the last decade, the firm changed its proxy voting philosophy from a "pro-management" approach to a more neutral approach. In the process of evaluating its proxy voting philosophy, the firm conducted extensive research, including research regarding the views of third parties, such as RMG (the Investor Responsibility

Research Center, which is now part of RMG), and the AFL-CIO. The firm's change in philosophy, as well as its willingness to consider the recommendations of organizations such as the AFL-CIO and individual latitude given to each voting analyst, could be viewed as solely an attempt to obtain or retain clients that have common interests with the AFL-CIO, which could create the appearance of a conflict of interest. Similarly, voting in accordance with the recommendations of the AFL-CIO could create the appearance of a conflict of interest. This appearance of a conflict of interest is more acute in circumstances where a voting analyst also performs portfolio management services for clients, including Taft-Hartley plans or union clients, and determines to vote in accordance with AFL-CIO recommendations. As stated above, however, the firm seeks to vote all proxies in the best interests of its clients, based on the facts and circumstances surrounding each particular proxy solicitation.

Cooke & Bieler utilizes the services of an outside proxy firm, currently Broadridge, to act as agent for the proxy process and to maintain records on proxy votes for our clients. In the rare situation where a custodian does not have a relationship with Broadridge, ~1% of custodians, we may use a different proxy voting vendor but continue to use Glass Lewis as the research provider.

On rare occasions, either our proxy voting vendor or an employee of Cooke & Bieler may make a processing error when voting proxies. Although these errors are obviously unintentional, they are not detected until after the proxy meeting has already taken place. Therefore, it is too late to correct these issues. Our proxy voting reports will reflect how the actual proxy was processed. We have also observed times when the custodians will inadvertently begin voting proxies on behalf of our clients. This situation may occur due to custodial mergers or when implementing new back office systems. Once detected by Cooke & Bieler, we work with the custodian to properly rectify the problem.

Cooke & Bieler currently provides quarterly proxy reports to many of our clients. If you would like to begin receiving this information with respect to the securities held in your account, please contact your account administrator at 215-246-2030 or email us at jgoldman@cooke-bieler.com. Clients may obtain a complete copy of our proxy policies and procedures upon request.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Cooke & Bieler's financial condition. Cooke & Bieler has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Item 19 – Additional Information

Cooke & Bieler has always vigilantly guarded the client's privacy and unauthorized access to the personal information to which the client has entrusted us. Cooke & Bieler will continue to maintain our policy of protecting the client's privacy and personal information as we have always done. Above all, this means the firm will not sell any personal information to any third parties without the client's consent. Further, Cooke & Bieler will not share or disclose any personal information about the client or the client's account with third parties unless: Cooke & Bieler receives the client's prior written consent; we believe the recipient is the client's authorized representative; we believe we are required or permitted by law to disclose information to the recipient; the client has directed us to disclose the information to the recipient; or we believe the disclosure is necessary in order to provide the client with Cooke & Bieler's services.

Cooke & Bieler collects and maintains the client's personal information from the client, the client's legal representative or custodian bank at time of account establishment and periodically as changes occur so we can provide investment management services to the client. The information we collect and maintain about the client may include:

- Name, address and phone number
- Social security or tax identification number
- Assets
- Income
- Investment Activity

This personal data, as well as any ancillary information that may come into Cooke & Bieler's possession during the course of normal business (such as brokers who execute trades on your behalf) will only be used by Cooke & Bieler for purposes of opening and maintaining account information, facilitating smooth flow of executing orders and maintaining the client's investment portfolio.

To maintain our privacy commitment at Cooke & Bieler, we have instituted firm-wide practices to safeguard the information that we maintain about the client. These practices include adopting policies and procedures to place physical, electronic and other safeguards to keep your personal information safe.

As Cooke & Bieler strives to maintain our obligations to the federal law and any applicable state law and to continue to provide the client with protection of the client's privacy, Cooke & Bieler will deliver to the client on an annual basis our current policy. Should the relationship become inactive in the future, we will continue to protect the client's personal information in the same manner as when the client was an active client.