

FORM ADV**Uniform Application for Investment Adviser Registration****Part II - Page 1****OMB APPROVAL**

OMB Number: 3235-0049

Expires: February 28, 2011

Estimated average burden
hours per response. . .4.07

Name of Investment Adviser:

FundaMental Investment Advisors, LLC

Address: (Number and Street)

(City)

(State)

(Zip Code)

Area Code: Telephone Number:

456 Montgomery Street, 8th Floor**San Francisco****CA****94104****(415) 830-4372**

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any government authority.**

Table of Contents

<u>Item Number</u>	<u>Item</u>	<u>Page</u>
1	Advisory Services and Fees	2
2	Types of Clients	2
3	Types of Investments	3
4	Methods of Analysis, Sources of Information and Investment Strategies	3
5	Education and Business Standards	4
6	Education and Business Background	4
7	Other Business Activities	4
8	Other Financial Industry Activities or Affiliations	4
9	Participation or Interest in Client Transactions	5
10	Conditions for Managing Accounts	5
11	Review of Accounts	5
12	Investment or Brokerage Discretion	6
13	Additional Compensation	6
14	Balance Sheet	6
	Continuation Sheet	Schedule F
	Balance Sheet, if required.	Schedule G

(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form
Are not required to respond unless the form displays a currently valid OMB control number.

FORM ADV
Part II – Page 2

Applicant:
FundaMental Investment Advisors, LLC

SEC File Number:
801 - 69513

Date:
January 20, 2009

1. **A. Advisory Services and Fees.** (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service.
(See instruction below.)

- Applicant:
- | | | | |
|-------------------------------------|-----|---|-------------|
| <input type="checkbox"/> | (1) | Provides investment supervisory services | ____% |
| <input checked="" type="checkbox"/> | (2) | Manages investment advisory accounts not involving investment supervisory services | <u>100%</u> |
| <input type="checkbox"/> | (3) | Furnishes investment advice through consultations not included in either service described above | ____% |
| <input type="checkbox"/> | (4) | Issues periodicals about securities by subscription | ____% |
| <input type="checkbox"/> | (5) | Issues special reports about securities not included in any service described above | ____% |
| <input type="checkbox"/> | (6) | Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities | ____% |
| <input type="checkbox"/> | (7) | On more than an occasional basis, furnishes advice to clients on matters not involving securities | ____% |
| <input type="checkbox"/> | (8) | Provides a timing service | ____% |
| <input type="checkbox"/> | (9) | Furnishes advice about securities in any manner not described above | ____% |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

- | | | | |
|----|---|------------------------------|--|
| B. | Does the applicant call any of the services it checked above financial planning or some similar term? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
|----|---|------------------------------|--|

C. Applicant offers investment advisory services for: (check all that apply):

- | | | | | | |
|-------------------------------------|-----|--|-------------------------------------|-----|-------------------|
| <input checked="" type="checkbox"/> | (1) | A percentage of assets under management | <input type="checkbox"/> | (4) | Subscription fees |
| <input type="checkbox"/> | (2) | Hourly charges | <input type="checkbox"/> | (5) | Commissions |
| <input type="checkbox"/> | (3) | Fixed fees (not including subscription fees) | <input checked="" type="checkbox"/> | (6) | Other |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. **Types of Clients** - Applicant generally provides investment advice to: (check those that apply)

- | | | | | | |
|-------------------------------------|----|----------------------------------|-------------------------------------|----|---|
| <input checked="" type="checkbox"/> | A. | Individuals | <input checked="" type="checkbox"/> | E. | Trusts, estates, or charitable organizations |
| <input checked="" type="checkbox"/> | B. | Banks or thrift institutions | <input checked="" type="checkbox"/> | F. | Corporations or business entities other than those listed above |
| <input type="checkbox"/> | C. | Investment companies | <input type="checkbox"/> | G. | Other (describe on Schedule F) |
| <input checked="" type="checkbox"/> | D. | Pension and profit sharing plans | | | |

3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> A. Equity Securities | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities | |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input checked="" type="checkbox"/> I. Options contracts on: |
| <input checked="" type="checkbox"/> (3) foreign issues | <input checked="" type="checkbox"/> (1) securities |
| | <input type="checkbox"/> (2) commodities |
| <input checked="" type="checkbox"/> B. Warrants | |
| <input checked="" type="checkbox"/> C. Corporate debt securities
(other than commercial paper) | <input type="checkbox"/> J. Futures contracts on: |
| | <input type="checkbox"/> (1) tangibles |
| <input checked="" type="checkbox"/> D. Commercial paper | <input type="checkbox"/> (2) intangibles |
| <input checked="" type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input checked="" type="checkbox"/> F. Municipal securities | <input type="checkbox"/> (1) real estate |
| | <input type="checkbox"/> (2) oil and gas interests |
| <input type="checkbox"/> G. Investment company securities | <input checked="" type="checkbox"/> (3) other (explain on Schedule F) |
| <input type="checkbox"/> (1) variable life insurance | <input checked="" type="checkbox"/> L. Other (explain on Schedule F) |
| <input type="checkbox"/> (2) variable annuities | |
| <input type="checkbox"/> (3) mutual fund shares | |

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- | | |
|---|---|
| (1) <input type="checkbox"/> Charting | (4) <input type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input checked="" type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|--|--|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the
Securities and Exchange Commission |
| (3) <input type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases |
| (4) <input checked="" type="checkbox"/> Corporate rating services | (8) <input checked="" type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|--|---|
| (1) <input checked="" type="checkbox"/> Long term purchases
(securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases
(securities sold within a year) | (6) <input checked="" type="checkbox"/> Option writing, including covered options,
uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days) | (7) <input checked="" type="checkbox"/> Other (explain on Schedule F) |
| (4) <input checked="" type="checkbox"/> Short sales | |

Applicant: FundaMental Investment Advisors, LLC	SEC File Number: 801 - 69513	Date: January 20, 2009
---	--	----------------------------------

5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?

Yes No
☐ ☒

(If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- formal education after high school
- year of birth
- business background for the preceding five years

7. Other Business Activities. (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☒ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input type="checkbox"/> (3) other investment adviser | <input type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?

Yes No
☒ ☐

(If yes, describe on Schedule F the partnerships and what they invest in.)

9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☒ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account?

Yes ☒ No ☐

(If yes, describe on Schedule F.)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

All accounts are managed and reviewed continuously by Christopher Panos. Mr. Panos is one of Registrant's managers and members and is the portfolio manager of each client account. Mr. Panos' investment decisions are based primarily on quantitative models that Registrant developed and will continue to develop. Professor Abbie J. Smith and Professor Robert F. Bushman are Registrant's Co-Directors of Investment Research and, together with Mr. Panos, continuously develop the quantitative models that Registrant employs.

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

Quarterly – Letter to clients and investors stating performance for the quarter.

Annually – Letter to clients and investors stating annual performance and investment outlook.

12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- | | | |
|---|--|--------------------------------|
| (1) securities to be bought or sold? | Yes
<input checked="" type="checkbox"/> | No
<input type="checkbox"/> |
| (2) amount of the securities to be bought or sold ? | Yes
<input checked="" type="checkbox"/> | No
<input type="checkbox"/> |
| (3) broker or dealer to be used ? | Yes
<input checked="" type="checkbox"/> | No
<input type="checkbox"/> |
| (4) commission rates paid? | Yes
<input checked="" type="checkbox"/> | No
<input type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients? Yes ☒ No ☐

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- | | | |
|---|--|--------------------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? | Yes
<input checked="" type="checkbox"/> | No
<input type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? | Yes
<input checked="" type="checkbox"/> | No
<input type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
 - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- Has applicant provided a Schedule G balance sheet? Yes ☐ No ☒

6708\002\JFROLIK\1537086.2

**Schedule F of
FORM ADV**

**Continuation Sheet for Form ADV
Part II**

Applicant: FundaMental Investment Advisors, LLC	SEC File Number: 801 - 69513	Date: January 20, 2009
---	--	----------------------------------

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: FundaMental Investment Advisors, LLC	IRS Empl. Ident. No.:
--	-----------------------

4Item of Form (identify)	Answer
Notice of Privacy Policy	<p>FundaMental Investment Advisors, LLC ("FIA") and the investment limited partnerships for which it serves as general partner:</p> <p>(a) Collect non-public personal information about their clients and investors from the following sources:</p> <ul style="list-style-type: none"> * Information received from clients or investors on applications or other forms, and * Information about clients' or investors' transactions with FIA, its affiliates or others; <p>(b) Do not disclose any non-public personal information about their clients or investors or former clients or investors to anyone, except as permitted by law;</p> <p>(c) Restrict access to non-public personal information about their clients and investors to their employees who need to know that information to provide services to clients; and</p> <p>(d) Maintain physical, electronic and procedural safeguards that comply with federal standards to guard clients' and investors' personal information.</p>
Notice of Proxy Voting Policy	<p>FIA expects that it will not to vote proxies in almost all cases, because (1) the quantitative strategy that FIA employs on behalf of client accounts does not depend on understanding the types of factors that are relevant in deciding how to vote on a particular proposal (and the time spent on researching and analyzing those proposals detracts from its time developing and implementing its quantitative strategies) and (2) FIA expects that proposals typically will not have a material effect on its investment strategy. However, if FIA decides to vote a particular proxy, in determining whether a proposal serves the best interests of an account, FIA will consider a number of factors, including the economic effect of the proposal on shareholder value, the threat posed by the proposal to existing rights of shareholders, the dilution of existing shares that would result from the proposal, the effect of the proposal on management or director accountability to shareholders, and, if the proposal is a shareholder initiative, whether it wastes time and resources of the company or reflects the grievance of one individual.</p> <p>If a material conflict of interest over proxy voting arises between FIA and a client, FIA will vote all proxies in accordance with the policy described above. If FIA determines that this policy does not adequately address the conflict of interest, FIA will notify the client of the conflict and request that the client consent to FIA's</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
FORM ADV**

**Continuation Sheet for Form ADV
Part II**

Applicant: FundaMental Investment Advisors, LLC	SEC File Number: 801 - 69513	Date: January 20, 2009
---	--	----------------------------------

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: FundaMental Investment Advisors, LLC	IRS Empl. Ident. No.:
--	-----------------------

4Item of Form (identify)	Answer
	<p>intended response to the proxy solicitation. If the client consents to FIA's intended response or fails to respond to the notice within a reasonable period of time specified in the notice, FIA will vote the proxy as described in the notice. If the client objects to FIA's intended response, FIA will vote the proxy as directed by the client.</p> <p>A client can obtain a copy of FIA's proxy voting policy and a record of votes cast by FIA on behalf of that client by contacting Christopher Panos at cpanos@fiadvisors.com.</p>
Notice of Trade Error Policy	<p>FIA places orders for the purchase and sale of securities with brokers on behalf of its clients. The trading process can be complex and can vary for different types of securities. Moreover, FIA may be required to break up orders, or may buy or sell the same security for more than one client, further complicating the trading process. Generally, the client account with respect to which a trade error is made bears all losses, costs and expenses relating to a trade error unless (1) FIA's Chief Compliance Officer (the "CCO") determines otherwise (e.g., if the CCO determines that the error is not within the limitation of liability clause in a client's investment management agreement or the agreement of limited partnership for FundaMental Long/Short Fund, L.P. or any other investment limited partnership for which FIA is the general partner or (2) otherwise provided in a client's investment management agreement or in the agreement of limited partnership for an investment limited partnership for which FIA is the general partner.</p>
Part II Page 2 Item 1.D	<p>FIA provides investment advice and management to private investment funds and other separately-managed accounts. Below is a summary of some of the general management fee, performance-based special profit allocation and liquidity terms applicable to the funds that FIA manages or intends to manage. The investment objectives and strategy of each investment fund and other information material to an investment decision regarding each such fund is disclosed in each fund's Confidential Offering Circular, and the information contained herein is qualified by such offering materials. FIA may choose to manage additional funds or cease managing these funds in the future.</p> <p><u>FundaMental Long/Short Fund, L.P.</u></p> <p>FIA is the general partner of and investment adviser to FundaMental Long/Short Fund, L.P., a Delaware limited partnership (the "Fund").</p> <p><i>Management Fees.</i> FIA charges each investor a quarterly management fee with equal to 0.375% (i.e. approximately 1.5% per year) of that investor's capital account</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
FORM ADV**

**Continuation Sheet for Form ADV
Part II**

Applicant: FundaMental Investment Advisors, LLC	SEC File Number: 801 - 69513	Date: January 20, 2009
---	--	----------------------------------

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: FundaMental Investment Advisors, LLC	IRS Empl. Ident. No.:
--	-----------------------

4Item of Form (identify)	Answer
	<p>balance. The management fee is due in advance on the first day of each quarter based on the capital account balance on that date.</p> <p><i>Special Profit Allocations.</i> The Fund allocates to FIA a performance-based special profit allocation equal to 20% of net profits (including both realized and unrealized gains and losses) otherwise allocable to that investor that exceed the investor's previous unrecovered losses. Special profit allocations are assessed in arrears on an annual basis.</p> <p><i>Withdrawal Terms.</i> Each investor in the Fund may withdraw all or part of its investment on the last day of any calendar quarter that occurs on or after the day preceding the first anniversary of that investor's investment in the Fund, on at least 30 days prior written notice and subject to restrictions specified in the Fund's governing documents. On any such withdrawal, the <i>pro rata</i> portion of the management fee and the special profit allocation through the date of withdrawal are charged to the applicable investor.</p> <p><u>Termination of FIA's Relationships with Funds</u></p> <p>Relationships with all investment funds are terminable on expiration of the term of the fund or dissolution of the fund pursuant to the terms of its governing documents or on the withdrawal by FIA as general partner of that fund.</p> <p>On any termination of a fund, the <i>pro rata</i> portion of the management fee and the performance fee or allocation through the date of termination are charged to the fund's investors.</p> <p><u>Separately-Managed Accounts</u></p> <p><i>Management and Performance Fees.</i> FIA expects to act as investment adviser to separately-managed accounts that may or may not employ similar investment strategies to those employed by the investment funds described above. If FIA chooses to manage any such account, the compensation is negotiable and varies, but typically consists of the following components. First, FIA charges an annual fee of 1-2% of assets under management, which amount is payable in monthly or quarterly installments at the beginning or end (depending on the provisions of each client's account agreement) of each calendar month or quarter based on the net market value of the client's account on the date the fee accrues and becomes payable. Second, FIA typically receives from each individually managed account a performance fee equal to 20% of net profits of the account (including both realized and unrealized gains and</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
FORM ADV**

**Continuation Sheet for Form ADV
Part II**

Applicant: FundaMental Investment Advisors, LLC	SEC File Number: 801 - 69513	Date: January 20, 2009
---	--	----------------------------------

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: FundaMental Investment Advisors, LLC	IRS Empl. Ident. No.:
--	-----------------------

4Item of Form (identify)	Answer
	<p>losses). Performance fees are assessed in arrears on an annual basis, and are only applied to profits that exceed the cumulative losses previously incurred by the respective clients.</p> <p><i>Termination Provisions.</i> Except as may be otherwise negotiated in particular cases, a client may terminate an individually managed account by giving 45 days' written notice. In all cases, expenses, the pro rata portion of the management fee and the performance fee through the date of termination are charged to the client. All prepaid but unearned advisory fees are refunded to the client on termination of an account.</p> <p><u>General Information For All Investors and Clients</u></p> <p>The terms applicable to any particular investor's investment or any client account are negotiable and may vary. FIA (directly, or through one of its affiliates or a fund's administrator or prime broker) may provide certain investors and clients more frequent or more detailed reports of a particular fund's or account's portfolio holdings or performance, special fee and allocation arrangements and special withdrawal and redemption rights that it does not provide to other investors or clients. FIA may waive all or any portion of the management fees or performance-based fees or allocations with respect to any investor or client and it intends to do so for certain employees and independent contractors of FIA or its affiliates and certain persons with whom FIA or its affiliates have close personal or business relationships and their families.</p> <p>FIA complies with Rule 205-3 under the Investment Advisers Act of 1940, as amended, and California Code of Regulations section 260.237, as amended, to the extent required by applicable law. FIA believes that its fees are competitive with fees charged by other investment advisers for comparable services. Comparable services may be available, however, from other sources for lower fees than those charged by FIA.</p>
Part II Page 3 Item 3.L	FIA is authorized to enter into any type of investment transaction that it deems appropriate for its clients, pursuant to the terms of the partnership or other account agreement. FIA does not currently advise clients on any types of investments other than those identified in this section.
Part II Page 4 Item 6	<p>Christopher Panos, born 1960.</p> <p><u>Education</u></p> <p>1986 - 1989 University of Chicago; MBA, Finance</p> <p>1978 - 1982 Indiana University; BA, Literature</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
FORM ADV**

**Continuation Sheet for Form ADV
Part II**

Applicant: FundaMental Investment Advisors, LLC	SEC File Number: 801 - 69513	Date: January 20, 2009
---	--	----------------------------------

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: FundaMental Investment Advisors, LLC	IRS Empl. Ident. No.:
--	-----------------------

4Item of Form (identify)	Answer
	<p><u>Business Background</u></p> <p>2004 - Present FundaMental Investment Advisors, LLC, San Francisco, CA; Manager, Member and Portfolio Manager</p> <p>2001 - 2004 Athena Root Inc., Richmond, CA; Co-Founder and Chief Executive</p> <p>1999 - 2001 Peacemaker Institute and Peacemaker Community, Santa Barbara, CA; Program Director</p> <p>1997 - 1999 Greyston Foundation, Yonkers, NY; Program Director/Staff</p> <p>1982 - 1997 Chicago Board of Trade, Chicago, IL; Member and Trader</p> <p>Professor Abbie J. Smith, born 1953.</p> <p><u>Education</u></p> <p>1979 - 1981 Cornell University; Ph.D., Accounting</p> <p>1977 - 1979 Cornell University M.B.A.</p> <p>1971 - 1975 Cornell University; B.S., Nutrition</p> <p><u>Business Background</u></p> <p>2004 - Present FundaMental Investment Advisors, LLC, San Francisco, CA; Manager, Member and Co-Director of Investment Research</p> <p>2000 - Present Dimensional Fund Advisors, Inc. (Member of Board of Directors/ Trustees and Audit Committee member of various investment companies)</p> <p>2000 - Present Director of HNI Corporation (Audit Committee member, 2000-May 2003 and May 2004-August 2005; Human Resources and Compensation committee member May 2003-May 2004 and August 2005 to present, currently Chair)</p> <p>2003 - Present Director of Ryder System, Inc. (Audit and Finance Committees, currently Chair of Audit Committee)</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
FORM ADV**

**Continuation Sheet for Form ADV
Part II**

Applicant: FundaMental Investment Advisors, LLC	SEC File Number: 801 - 69513	Date: January 20, 2009
---	--	----------------------------------

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

I. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: FundaMental Investment Advisors, LLC	IRS Empl. Ident. No.:
--	-----------------------

4Item of Form (identify)	Answer
	<p>1980 - Present Graduate School of Business, University of Chicago, Chicago, IL; Boris and Irene Stern Professor of Accounting</p> <p>Professor Robert M. Bushman, born 1951.</p> <p><u>Education</u></p> <p>1972 - 1975 Ohio University; BBA, Accounting</p> <p>1979 - 1989 University of Minnesota; Ph.D., Accounting</p> <p><u>Business Background</u></p> <p>2004 - Present FundaMental Investment Advisors, LLC, San Francisco, CA; Member and Co-Director of Investment Research</p> <p>1999 - Present Kenan-Flagler Business School, University of North Carolina, Chapel Hill; Professor of Accounting</p> <p>1988 - 1999 Graduate School of Business, University of Chicago, Chicago, IL; Faculty Member</p>
Part II Page 4 Item 7.C	<p>Professor Abbie J. Smith (a Manager, Member and Co-Director of Investment Research for FIA) is a Professor of Accounting at the University of Chicago Graduate School of Business and is a Director of HNI Corporation and Ryder System, Inc. She spends approximately 85% of the time she devotes to her business and academic pursuits on those duties and 15% of such time on FIA-related matters.</p> <p>Professor Robert F. Bushman (a Member and Co-Director of Investment Research for FIA) is a Professor of Accounting at the University of North Carolina Kenan-Flagler Business School. He spends approximately 90% of the time he devotes to his business and academic pursuits on those duties and 10% of such time on FIA-related matters.</p>
Part II Page 4 Items 8.C(2) & (3)	<p>Professor Abbie J. Smith (a Manager, Member and Co-Director of Investment Research for FIA) is a member of the Board of Directors or Trustees and Audit Committee of DFA Investment Dimensions Group, Inc., Dimensional Investment</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
FORM ADV**

**Continuation Sheet for Form ADV
Part II**

Applicant: FundaMental Investment Advisors, LLC	SEC File Number: 801 - 69513	Date: January 20, 2009
---	--	----------------------------------

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: FundaMental Investment Advisors, LLC	IRS Empl. Ident. No.:
--	-----------------------

4Item of Form (identify)	Answer
	Group Inc., the DFA Investment Trust Company and Dimensional Emerging Markets Trust (the "DFA Funds"), which are registered investment companies managed by Dimensional Fund Advisors Inc. ("DFA"). DFA is an investment adviser currently managing assets of approximately \$150 billion that applies academic research to the practical world of investing. The DFA Funds each have adopted a code of ethics to which Professor Smith is subject. The code of ethics may restrict FIA's ability to purchase or sell or cause its clients to purchase or sell securities at times when a profit could be realized.
Part II Page 4 Item 8.D	As mentioned above, FIA acts as the general partner of an investment limited partnership formed to invest and trade in securities. FIA may solicit clients for whom it manages accounts to invest in such partnership.
Part II Page 5 Item 9.D & E	<p>FIA has adopted a Code of Ethics in compliance with Rule 204A-1 under the Investment Advisers Act of 1940, as amended, which establishes standards of conduct for FIA's supervised persons. The Code of Ethics includes general requirements that FIA's supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information.</p> <p>The Code of Ethics requires supervised persons annually to report their holdings and quarterly to report any personal securities transactions to FIA's CCO, and requires the CCO to review those reports. The Code of Ethics requires the CCO to pre-approve most personal securities transactions, other than purchases and sales of any of the following securities: (a) broad-based exchange-traded funds; (b) mutual funds not affiliated with or sub-advised by FIA; (c) securities issued by the government of the U.S. or any state; (d) money market instruments; and (e) shares of money market funds.</p> <p>The Code of Ethics also requires supervised persons to report any violations of the Code of Ethics promptly to FIA's CCO. Each supervised person of FIA receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received the materials. Quarterly, each supervised person must certify that he or she complied with the Code of Ethics during that quarter. Clients and prospective clients may obtain a copy of FIA's Code of Ethics by contacting Christopher Panos.</p> <p>FIA and its managers, members and employees may personally invest in securities of the same classes as are purchased for clients and may own securities of issuers whose securities are subsequently purchased for clients, except that FIA and its managers,</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
FORM ADV**

**Continuation Sheet for Form ADV
Part II**

Applicant: FundaMental Investment Advisors, LLC	SEC File Number: 801 - 69513	Date: January 20, 2009
---	--	----------------------------------

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: FundaMental Investment Advisors, LLC	IRS Empl. Ident. No.:
--	-----------------------

4Item of Form (identify)	Answer
	members and employees may not buy or sell securities for their own accounts, without making a good faith determination whether those securities are appropriate for investment by a client account and, if they are appropriate, without equitably allocating the investment to client accounts first, based on such considerations as available capital and current positions, and then to their own accounts. FIA and its managers, members and employees may also buy or sell specific securities for their own accounts based on personal investment considerations aside from company or industry fundamentals, which FIA does not deem appropriate to buy or sell for clients.
Part II Page 5 Item 9.E	As mentioned above, FIA is the general partner of and investment adviser to an investment fund formed to invest and trade in securities. FIA or such affiliates may solicit clients for whom it manages accounts to invest in such funds.
Part II Page 5 Item 10	FIA generally requires a minimum investment of \$1,000,000 in FundaMental Long/Short Fund, L.P. FIA generally requires a minimum investment of \$10,000,000 to open an individually managed account. FIA or the funds it manages may waive these minimums in its discretion.
Part II Page 6 Items 12 & 13	<p><u>Discretionary Authority Over Client Accounts</u></p> <p>FIA has discretion, on behalf of each client, to determine which investments are made by a particular client, sold to others or made by it or its affiliates, with or without the participation of any other person. The interests of FIA's clients in selecting, negotiating and administering investments may conflict in some circumstances. FIA may give advice and take action with respect to one client account that differs from the advice that it gives or the timing or nature of action that it takes with respect to another client account. For example, FIA selects investments for some client accounts based solely on the investment strategy to be employed on behalf of those clients. Other client accounts may have different investment strategies and expected levels of trading. In the course of providing advisory services, FIA may buy or sell a security for one type of client but not for another. Further, FIA may buy (or sell) a security for one type of client while simultaneously selling (or buying) the same security for another type of client. FIA or its affiliates may be able to obtain more favorable compensation, cost reimbursement or risk sharing arrangements in connection with some investments if some client accounts do not participate. These factors could influence FIA not to make investments on behalf of some client accounts even though participation might benefit those client accounts. It is FIA's policy, however, to the extent practicable, to allocate investment opportunities among client accounts fairly over time.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
FORM ADV**

**Continuation Sheet for Form ADV
Part II**

Applicant: FundaMental Investment Advisors, LLC	SEC File Number: 801 - 69513	Date: January 20, 2009
---	--	----------------------------------

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

I. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: FundaMental Investment Advisors, LLC	IRS Empl. Ident. No.:
--	-----------------------

4Item of Form (identify)	Answer
	<p><u>Brokerage Practices</u></p> <p><i>Best Execution.</i> FIA also has complete discretion over the selection of brokers to be used and the commission rates to be paid. FIA allocates portfolio transactions for the client accounts to securities brokers based on best execution. In determining whether a broker provides best execution, FIA primarily considers the net price, as well as other factors such as research services, economic and market information, portfolio strategy advice, industry and company comments, technical data, recommendations, research conferences, general reports, consultations, performance measuring data, on-line pricing, special execution capabilities, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, willingness to commit capital, knowledge of other buyers and sellers, order of call, clearance, settlement, reputation, financial strength and stability, efficiency of execution and error resolution, quotation services, the availability of stocks to borrow for short trades, and other matters involved in the receipt of brokerage services generally.</p> <p><i>Soft Dollar Arrangements.</i> FIA also may purchase from a broker or allow a broker to pay for all or a portion of its or a client's costs and expenses of operation, such as newswire and data processing charges, proxy voting services, quotation services, periodical subscription fees, telephone and utility charges, all costs and expenses of offering and selling interests in its investment funds and communicating with existing and prospective clients and investors (including travel expenses, such as airfare, hotel accommodations and meals), all costs and expenses incurred in visiting companies and attending research conferences (including airfare, hotel accommodations and meals), all accounting and administrative fees (including the expenses of the accounting and bookkeeping services of third party vendors that provide such services), legal fees and the like. Accordingly, a client may be deemed to be paying for research and these other services with "soft" or commission dollars, as well as profits that brokers make on principal transactions.</p> <p>FIA may cause a client account to pay a brokerage commission in excess of that which another broker might charge for effecting the same transaction in recognition of the value of the brokerage, research, other services and soft dollar relationships provided by that broker. FIA also may direct client brokerage transactions to brokers who refer prospective clients and investors to FIA and its investment funds.</p> <p>Section 28(e) of the Securities Exchange Act of 1934 provides a "safe harbor" to investment advisers who use commission dollars of their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the manager in performing investment decision-making responsibilities.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
FORM ADV**

**Continuation Sheet for Form ADV
Part II**

Applicant: FundaMental Investment Advisors, LLC	SEC File Number: 801 - 69513	Date: January 20, 2009
---	--	----------------------------------

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

I. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: FundaMental Investment Advisors, LLC	IRS Empl. Ident. No.:
--	-----------------------

4Item of Form (identify)	Answer
	<p>Conduct outside of the safe harbor of section 28(e) is subject to the traditional standards of fiduciary duty under state and federal law. If FIA uses commission dollars to pay for products or services that provide administrative or other nonresearch assistance to FIA or its affiliates, such payments may not fall within the safe harbor of section 28(e). In addition, FIA may receive soft dollar credits on principal, as well as agency, securities transactions with brokers.</p> <p>FIA generally considers the amount and nature of research, execution and other services provided by brokers as well as the extent to which clients accounts rely on such services, and attempts to allocate a portion of the brokerage transactions of the client accounts on the basis of that consideration. FIA may use the investment information and other services received from brokers, however, in servicing all of its accounts, but it may not use all such information and services for a particular account. FIA believes that allocating brokerage transactions in this manner helps clients obtain research and execution capabilities and provides other benefits to those clients.</p> <p>The relationships with brokerage firms that provide soft dollar services to FIA and its affiliates influence FIA's judgment in allocating brokerage transactions and create a conflict of interest in using the services of those brokers to execute FIA's brokerage transactions. The brokerage fees that a client account pays benefit FIA at the expense of the client account, to the extent that soft dollars are used to pay FIA's expenses that are not otherwise reimbursable by that client. FIA believes that these relationships benefit both it and its clients, but client trades executed through these firms or any other brokerage firm may or may not be at the best price otherwise available. Prospective clients who consider such soft dollar practices material to their decision to engage FIA should request FIA's most recent information on soft dollar practices.</p> <p>Arrangements with Prime Broker and Custodian. FIA will retain a custodian to serve as the prime broker and custodian for its clients. FIA may replace the custodian or appoint an additional prime broker and custodian at any time. The services that the custodian provides as prime broker may include custody, margin financing, clearing, settlement and stock borrowing in accordance with the terms of the prime brokerage agreement entered into between each client and the custodian. The custodian has custody of most client assets and may receive other services from the custodian. These services may include: technology services (such as e-mail archiving and disaster recovery systems), capital introduction services, portfolio reporting and access to electronic communications networks. FIA expects to use a substantial portion of these services for research and trading on behalf of client accounts, but some may be used for administrative purposes, which would not be within the safe harbor of section 28(e). Although many prime brokers provide similar services to</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
FORM ADV**

**Continuation Sheet for Form ADV
Part II**

Applicant: FundaMental Investment Advisors, LLC	SEC File Number: 801 - 69513	Date: January 20, 2009
---	--	----------------------------------

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: FundaMental Investment Advisors, LLC	IRS Empl. Ident. No.:
--	-----------------------

4Item of Form (identify)	Answer
	<p>investment advisers in exchange for brokerage, custody and clearance fees and other charges, if FIA did not receive these services from the prime broker, FIA would be required to pay for all or some portion of them. FIA is not required to direct a particular number of trades to the custodian or to continue to use it as the custodian, but it has an incentive to do so based on the custodian's prior and continued services.</p> <p>A client's obligations to a prime broker and any other custodian (and their affiliates) are secured by first priority perfected security interests over that client's assets held in custody by that custodian. A custodian may transfer to itself or to an affiliate all rights, title and interest in and to those assets as collateral and may deal with, lend, dispose of, pledge or otherwise use all such collateral for its own purposes. If any such transfer occurs, the client will rank among such custodian's (or affiliate's) unsecured creditors. If such custodian or affiliate becomes insolvent, the client may not be able to recover such equivalent securities in full. In addition, each client's cash held by a custodian may not be segregated from such custodian's own cash and, if not so segregated, may be used by such custodian or affiliate in the course of its business and the client will therefore rank as an unsecured creditor in relation thereto.</p> <p>If any client's investments are registered in the name of a custodian or affiliate due to the nature of the law or market practice of a particular jurisdiction, such investments will not be segregated from the custodian's or affiliate's own investments and if such custodian or affiliate becomes insolvent, the client may not be able to recover such equivalent investments in full.</p> <p>Trade Aggregation. FIA may aggregate sale and purchase orders of securities held by a client account with similar orders being made simultaneously for other client accounts if, in its judgment, such aggregation is reasonably likely to result in an overall economic benefit to the client accounts, in the aggregate, based on an evaluation that the client accounts will benefit from relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other factors. In many instances, FIA purchases or sells securities for a client account and simultaneously purchases or sells like securities for other client accounts. Such transactions may be made at slightly different prices, because of the volume of securities purchased or sold. In such event, a client account may be charged or credited, as the case may be, the average transaction price of all securities purchased or sold in such transactions. As a result, the price may be less favorable to a client account than it would be if similar transactions were not executed concurrently for other client accounts.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
FORM ADV**

**Continuation Sheet for Form ADV
Part II**

Applicant: FundaMental Investment Advisors, LLC	SEC File Number: 801 - 69513	Date: January 20, 2009
---	--	----------------------------------

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: FundaMental Investment Advisors, LLC	IRS Empl. Ident. No.:
--	-----------------------

4Item of Form (identify)	Answer
	<p><i>Cross Transactions.</i> Periodically, FIA may seek to adjust or rebalance the portfolios of client accounts by effecting cross trades between or among those accounts (i.e., causing one or more of those accounts to sell securities to one or more of those accounts). In effecting such cross trades, FIA seeks to reduce the transaction costs to its clients of such account adjustments. All such cross trades will be consistent with the investment objectives and policies of each client account involved in the trades.</p> <p><i>Directed Brokerage.</i> If a client directs FIA to use a specific broker, FIA has not negotiated the terms and conditions (including, but not limited to, commission rates) relating to the services provided by such broker. FIA does not have any responsibility for obtaining for the client from any such broker the best prices or particular commission rates with or through any such broker. The client may not obtain rates as low as it might otherwise obtain if FIA had discretion to select broker-dealers other than those chosen by the client. The client may not participate in aggregate securities transactions, as described above, and may trade after such aggregate transactions and receive less favorable execution.</p> <p><i>Third Party Solicitors.</i> FIA may engage solicitors to whom it pays cash or a portion of the advisory fees paid by clients and investors referred to it by those solicitors. In such cases, this practice is disclosed in writing to the client or investor and FIA complies with the other requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940, as amended, to the extent required by applicable law.</p>

6708\002\JFROLIK\1536336.3

Complete amended pages in full, circle amended items and file with execution page (page 1).