



PERFORMANCE SCHEDULE – CAPITAL INCOME

	% Total Return Gross of Fees	% Total Return Net of Fees	% Total Return BofAML Cp/Gv/Mtg	% Total Return S&P	# of Accts	Internal Dispersion (%)	Comp. Assets (\$mm)	Total Firm Assets (\$mm)
2011	6.9	6.2	7.9	2.1	<6	n/m	8	16,171
2010 ⁽¹⁾	6.8	6.6	-1.4	10.8	<6	n/a	1	18,148

⁽¹⁾ Period from October 1, 2010 (composite inception) through December 31, 2010.

n/a – not applicable for periods less than one year.

n/m – not considered meaningful for composites with five accounts or less for the full year.

Hotchkis and Wiley Capital Management, LLC (the “Firm” or “H&W”) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. H&W has been independently verified for the periods October 9, 2001 through December 31, 2011. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm’s policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Capital Income Composite has been examined for the periods October 1, 2010 through December 31, 2011. The verification and performance examination reports are available upon request.

H&W is an independent investment management firm registered with the U.S. Securities and Exchange Commission and manages U.S. value equity and high yield assets for institutional and mutual fund investors. Its predecessor firm was established in 1980. The U.S. equity team of the predecessor firm established H&W in October 2001.

H&W refers to itself as a “registered investment adviser” in materials distributed to current and prospective clients. As a registered investment adviser with the SEC, H&W is subject to the rules and regulations adopted by the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Registration as an investment adviser is not an indication that H&W or its directors, officers, employees or representatives have attained a particular level of skill or ability.

Valuations and returns are stated in U.S. dollars. Investment returns include reinvestment of dividends, interest, and capital gains. Gross performance results are presented before management and custodial fees but after all trading expenses. Net performance results are presented after actual management fees and all trading expenses but before custodial fees. Prior to January 1, 2011 a model net return was calculated using the highest applicable fee of 65 basis points. H&W’s management fees are described in Part II of its Form ADV. The standard Capital Income management fee schedule is 65 basis points on the first \$25 million, 50 basis points on the next \$75 million and 35 basis points thereafter. Internal dispersion is calculated using the equal-weighted standard deviation of all portfolios that were included in the Composite for the entire year. A list of composite descriptions and policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Past performance is no guarantee of future performance.

Composite: The Composite includes all Capital Income discretionary accounts. The Capital Income investment strategy seeks high current income and long-term growth of income, as well as capital appreciation, primarily through investments in a diversified portfolio of debt and equity securities. The typical market cap range for stocks is over \$1 billion and the number of stocks and bonds in the portfolio generally ranges from 25 – 50 securities and 75 – 100 issuers, respectively. There was a non-fee paying account in the Composite which represented 100% of the Composite assets as of 12/31/10. (Composite creation: 2010)

Indexes: The S&P 500® Index (“S&P”) is a broad based unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general. The BofA Merrill Lynch U.S. Corporate Government & Mortgage Index (“BofAML Cp/Gv/Mtg”) is a broad-based measure of the total rate of return performance of the U.S. investment grade bond markets. The Index is a capitalization weighted aggregation of outstanding U.S. treasury, agency and supranational, mortgage pass-through, and investment grade corporate bonds meeting specified selection criteria. These indexes assume reinvestment of dividends and capital gains, and assume no management, custody, transaction or other expenses. The strategy used in managing the accounts in the Composite may prevent or limit investment in major bonds or stocks in the S&P and BofAML Cp/Gv/Mtg and returns may not be correlated to the indexes. Benchmark returns are not covered by the report of independent verifiers

The 3-year annualized standard deviation measures the variability of the composite (using gross returns) and the benchmark(s) returns over the preceding 36-month period. As of December 31, 2011 the Composite did not have a 3-year track record.