



## PERFORMANCE SCHEDULE – LARGE CAP FUNDAMENTAL VALUE

	% Total Return Gross of Fees	% Total Return Net of Fees	% Total Return S&P	% Total Return R1000V	# of Accts	Internal Dispersion (%)	Comp. Assets (\$mm)	Total Firm Assets (\$mm)
2011	-2.8	-3.3	2.1	0.4	33	0.3	5,953	16,171
2010	20.8	20.3	15.1	15.5	29	0.2	6,891	18,148
2009	36.3	35.6	26.5	19.7	34	0.7	6,290	14,494
2008	-45.6	-46.0	-37.0	-36.9	42	0.8	4,078	10,807
2007	-9.8	-10.3	5.5	-0.2	67	0.3	10,878	27,698
2006	14.7	14.2	15.8	22.2	81	0.3	15,116	35,571
2005	8.0	7.6	4.9	7.1	77	0.5	8,001	29,613
2004	22.7	22.2	10.9	16.5	41	0.7	7,069	19,482
2003	43.6	43.1	28.7	30.0	24	0.5	4,224	9,634
2002	-8.7	-9.1	-22.1	-15.5	21	0.9	3,355	4,884

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 Large Cap Fundamental Value Composite has been examined for the periods July 1, 1980 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. The performance history of Firm composites prior to October 9, 2001 is comprised of the performance history of the accounts managed by the predecessor firm. There has been no material change in the investment strategy related to these products as a result of the establishment of H&W.

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 (including performance-based fees if applicable) and all trading expenses but before custodial fees. H&W's management fees are described in Part II of its Form ADV. The standard Large Cap Fundamental Value management fee schedule is 75 basis points on the first \$15 million and 50 basis points after \$15 million. 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 Large Cap Fundamental Value discretionary accounts (\$10 million minimum market value prior to 2011; \$5 million prior to 1985). The Large Cap Fundamental Value investment strategy seeks current income and long-term growth of income, as well as capital appreciation, primarily through investments in common stocks of large cap U.S. companies. Prior to November 2001, the Composite included equity segments of balanced accounts, with its appropriate cash allocation. Cash is allocated to the carve-out segment returns on a pro rata basis depending on the proportion of equity assets to total portfolio assets based on beginning-of-period market values. The typical market cap range is over \$3 billion and the number of stocks in the portfolio generally ranges from 40 – 60 securities. Accounts with significant cash flows ( $\geq 10\%$  of beginning of the month assets for the periods January 1, 2006 through December 31, 2010, and  $\geq 25\%$  effective January 1, 2011) are excluded from the respective month's composite calculation and included in the subsequent month. (Composite creation: 1980)

**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 Russell 1000® Value Index ("R1000V") measures the performance of those Russell 1000® companies with lower price-to-book ratios and lower forecasted growth values. These stock indexes assume reinvestment of dividends and capital gains, and assume no management, custody, transaction or other expenses. The value disciplines used in managing the accounts in the Composite may prevent or limit investment in major stocks in the S&P and R1000V 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 ended:

	3-Year Annualized Standard Deviation (%)		
	Composite	S&P	R1000V
2011	24.4	18.7	20.7