

## KEY FACTS

**Portfolio Management Team:** John Goode, Peter Hable

### Fundamental Research Platform:

- A shared research platform, consisting of experienced analysts who support portfolio management
  - Coverage for sector analysts includes the top 300-400 existing holdings and 100-150 opportunistic ideas
- Experience:** Co-head portfolio managers of the All Cap Value team average 35 years of investment industry experience

**Benchmark:** Russell 3000 Value Index

**STRATEGY INCEPTION:** 1993

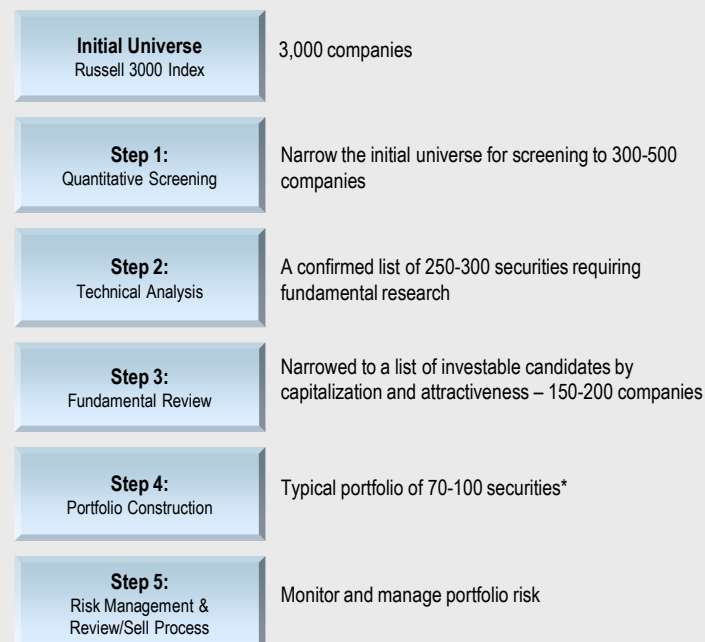
## OBJECTIVE

The strategy seeks long-term capital growth. Current income is a secondary consideration.<sup>2</sup>

## PHILOSOPHY & STRATEGY

- The strategy invests primarily in common stocks of companies that the portfolio managers believe are undervalued in the marketplace.
- The strategy invests in securities of large, well-known companies, but may also invest a significant portion of its assets in securities of small to mid-sized companies when the portfolio managers believe smaller companies offer more attractive value opportunities.
- When evaluating an individual stock, the portfolio managers look for:
  - low market valuations
  - positive changes in earnings prospects

## INVESTMENT PROCESS



## PORTFOLIO CHARACTERISTICS & RISK STATISTICS<sup>1,3</sup>

As of December 31, 2011

Characteristics	Representative Portfolio	Russell 3000 Value Index
P/E Ratio (trailing 12 mos.)	12.5	12.5
P/E Ratio (forward 12 mos.)	12.1	11.8
Price/Book	2.2	1.8
EPS Growth Next 3-5 Years (%)	11.3	9.9
Weighted Median Market Cap (\$ bn)	33.3	29.7
Weighted Average Market Cap (\$ bn)	60.0	69.8
ROE	18.1	12.6
Dividend Yield	2.3	2.5

3 Year Risk Statistics	Composite	Russell 3000 Value Index
Standard Deviation (%)	22.01	21.34
Sharpe Ratio	0.67	0.62
Tracking Error (%)	4.57	--
R <sup>2</sup>	0.96	--
Alpha (%)	1.44	--
Beta	1.01	--

## TOP TEN HOLDINGS<sup>1</sup>

Security	(%) of Total Representative Portfolio
Home Depot Inc.	3.67
Texas Instruments Incorporated	3.10
Allied World Assurance Co. Holdings Ltd.	3.07
Chubb Corp.	2.99
JPMorgan Chase & Co.	2.99
Safeway Inc.	2.87
U.S. Bancorp	2.84
Merck & Co Inc	2.83
Walt Disney Co.	2.81
Cisco Systems Inc.	2.74
<b>Total</b>	<b>29.91</b>
<b>Total Number of Holdings</b>	<b>57</b>

## SECTOR WEIGHTINGS<sup>1</sup>

Sector	Representative Portfolio (%)	Russell 3000 Value Index (%)	Relative Weight (%)
Financials	22.5	25.4	-2.9
Information Technology	17.9	9.0	8.8
Energy	14.5	11.7	2.7
Industrials	11.5	9.7	1.9
Consumer Discretionary	11.0	9.1	1.9
Health Care	8.9	12.3	-3.4
Consumer Staples	6.1	7.8	-1.6
Telecommunication Services	3.9	4.5	-0.6
Materials	2.7	2.8	-0.1
Utilities	0.0	7.7	-7.7
Cash	1.1	0.0	1.1

\* Actual number of portfolio holdings will vary.

<sup>1</sup> Source: FactSet. Representative portfolio characteristics, holdings, sector weightings, turnover and market capitalization are based on a representative portfolio and are subject to change at any time. Holdings, sector weightings, market capitalization, turnover and portfolio characteristics of individual client portfolios may differ, sometimes significantly, from those shown. This information does not constitute, and should not be construed as, investment advice or recommendations with respect to the securities and sectors listed.

P/E ratios are weighted harmonic average. Price/Book is weighted average.

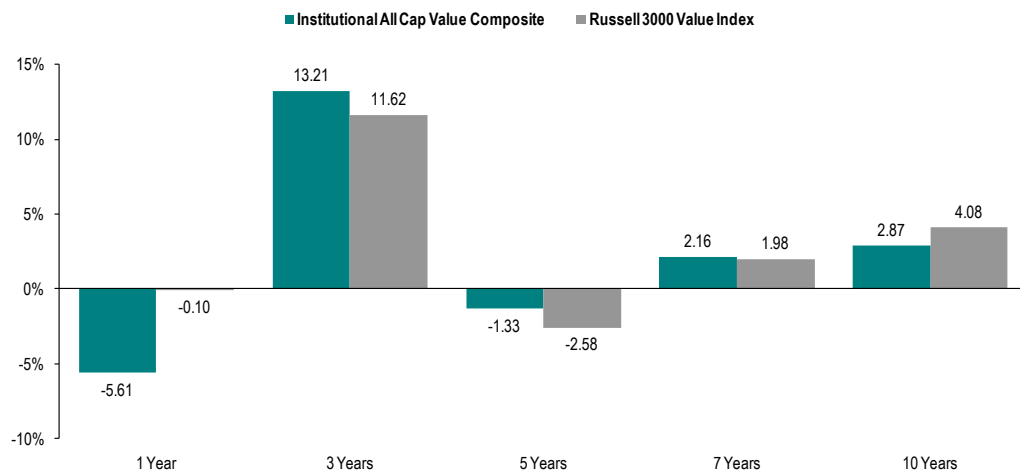
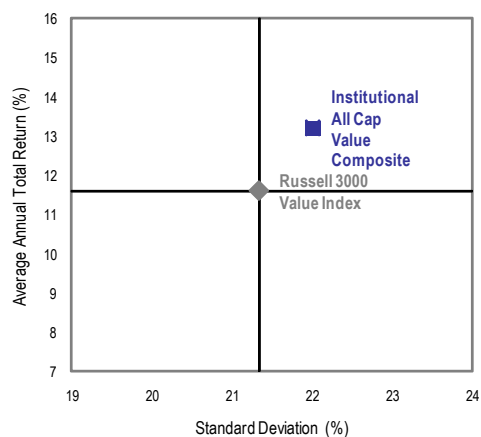
<sup>2</sup> There is no guarantee that the Portfolio's objective will be met.

<sup>3</sup> Past performance is no guarantee of future results. Please see GIPS endnotes.

Effective November 5, 2010, the All Cap Value Strategy's benchmark changed from the Russell 3000 Index to the Russell 3000 Value Index.

## INSTITUTIONAL ALL CAP VALUE COMPOSITE AVERAGE ANNUAL TOTAL RETURN (GROSS OF FEES) As of December 31, 2011

### RISK VS. REWARD: 3 - YEAR PERIOD



Performance source: Internal.  
Benchmark source: Frank Russell. Past performance is no guarantee of future results.

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#### ENDNOTES:

##### Institutional All Cap Value

##### Annualized Returns:

	1 Year (ending 31-Dec-11)	3 Years (ending 31-Dec-11)	5 Years (ending 31-Dec-11)	10 Years (ending 31-Dec-11)
Net-of-fees	-6.3%	12.4%	-2.1%	2.0%
Gross-of-fees	-5.6%	13.2%	-1.3%	2.9%
Russell 3000 Value	-0.1%	11.6%	-2.6%	4.1%
Russell 3000	1.0%	14.9%	0.0%	3.5%

#### ClearBridge Advisors

For purposes of compliance with GIPS, the "firm" is defined as ClearBridge Advisors, which encompasses all assets managed or advised on a discretionary or non-discretionary basis by ClearBridge Advisors, LLC and ClearBridge Asset Management Inc (collectively, "ClearBridge Advisors"). In June 2008, ClearBridge Advisors combined its separate institutional and retail firms to form a single GIPS firm, CBA. The two predecessor firms were "ClearBridge Advisors Institutional" and "ClearBridge Advisors Retail". ClearBridge Advisors Institutional ("CBA-Inst") encompassed ClearBridge Advisors' mutual fund and other collective investment vehicle businesses and separately managed accounts contracted directly with ClearBridge Advisors. ClearBridge Advisors Retail ("CBA-Retail") was created in 2008 and encompassed separately managed accounts for which ClearBridge Advisors served as sub-advisor under sponsored programs ("retail separately managed accounts"). CBA-Retail's claim of GIPS compliance is effective as of January 2006. In accordance with GIPS, CBA-Retail's historical performance returns prior to January 2006 are presented as non-compliant information. The ClearBridge Advisors entities are wholly-owned subsidiaries of Legg Mason, Inc. ("Legg Mason") and are not affiliated with Citigroup Inc. ("Citigroup").

For the institutional business only, CBA-Inst's predecessor "firm" for GIPS purposes was CAM Institutional ("CAM-NA"). CAM-NA encompassed assets managed by North America-based units of Citigroup Asset Management ("CAM"), the worldwide asset management business of Citigroup that was conducted through various subsidiaries of Citigroup on behalf of certain of its institutional, mutual fund and other collective investment vehicle clients. The CAM-NA "firm" definition was substantially similar to the "firm" definition of CBA-Inst. On December 1, 2005, Citigroup completed the sale of CAM, including CAM-NA, to Legg Mason. In connection with the transaction, ClearBridge Advisors became the manager of a significant portion of the institutional, mutual fund and other collective investment vehicle accounts, including most active equity accounts that were managed by CAM-NA up until the date of the Citigroup-Legg Mason transaction. Assets that were not transitioned to ClearBridge Advisors in connection with the transaction transitioned to other Legg Mason affiliates that were not part of CBA-Inst. Prior to January 2001, CAM maintained three separate AIMR (the predecessor to GIPS) firms. These firms were combined to form CAM-NA effective January 2001.

The linking of the historical track records of CBA, CBA-Inst., CAM-NA and CAM-NA's predecessor firms meets the portability requirements set forth by GIPS®.

The Institutional All Cap Value Composite consists of fully discretionary accounts with an account minimum of US \$1 million (prior to June 08, the account minimum was \$10 million). All accounts within the composite are primarily invested in common stocks and common stock equivalents of large, medium and small capitalization companies which are believed to be undervalued in the marketplace. Total assets in the composite at quarter end are \$2,389.9 million. Results are calculated in U.S. dollars and reflect realized and unrealized gains and losses, including those derived from cash positions.

CBA claims compliance with the Global Investment Performance Standards (GIPS®).

To receive a complete list and description of CBA composites and/or a presentation that adheres to the GIPS standards, please contact ClearBridge Institutional Marketing.