

KEY FACTS

The ESG Investment Program applies Environmental, Social and Governance (ESG) integration, active company engagement and shareholder advocacy to ClearBridge Advisors' pure-style investment strategies

Portfolio Management Team:

Mary Jane McQuillen, Robert Feitler, Dmitry Khaykin

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:

- ESG Large Cap Value portfolio management team has an average of 17 years of investment industry experience

Benchmark: Russell 1000 Value Index

OBJECTIVE

The primary investment objective is to generate long-term growth of capital while achieving competitive returns over a market cycle.¹

PHILOSOPHY & STRATEGY

Managers utilize an interactive research driven approach to identify companies with strong business franchises and attractive valuations, while Integrating Environmental, Social and Governance (ESG) factors into the stock-selection process.

Strong Business Franchises

- Proven business models we understand
- Companies with sustainable competitive advantage
- Capable of generating superior returns across a range of potential scenarios

Attractive Valuations

- Timing and probability of cash flows
- Discount earnings from emerging business models or products
- Consider price relative to normalized earnings power

INVESTMENT PROCESS

Step 1

Define the Investment

U.S. Large Cap companies with a market cap typically greater than \$5 billion are screened based on business models and valuations resulting in a universe of securities on which portfolio managers perform further analysis

Step 2

Fundamental Analysis

Review financial statements and understand industry competitive dynamics; Work interactively with analysts and perform scenario analysis; Attractive valuation emphasizing normalized earnings power while heavily discounting profits from unproven business models. Apply ESG integration.

Step 3

Portfolio Construction

Combine bottom-up fundamental analysis with macro outlook to construct diversified portfolio of stocks that is consistent with our ESG criteria; Target equity position size generally ranges from 1-4% of the total portfolio; Characteristics similar to Large Cap Value benchmark with attractive risk adjusted returns

Step 4

Risk Management

Risk Management: Diversified portfolio by sector and security; continuously monitor existing holdings; dedicated risk management team assists CIO and portfolio managers in controlling investment risks

Review/Sell Process: Reduce or eliminate holdings that exceed position size limits, are approaching full valuation, that do not meet fundamental expectations or in favor of more attractive opportunities

KEY STRENGTHS

- Leverages the strength and tenure of the ClearBridge Advisors institutional strategies
- Over 20 years of history managing ESG investment portfolios
- ESG analysts integrated into the Fundamental Research Platform
- Collaboration with the Team's sector-specific Research Analysts for full coverage of each stock
- Customization available based on client-specific guidelines/investment policy statement
- Active Proxy Voting according to ESG Proxy Guidelines
- Access to ClearBridge ESG investment management teams

PORTFOLIO CHARACTERISTICS ²

Characteristics	Representative Portfolio	Russell 1000 Value Index
P/E Ratio (trailing 12 mos.)	14.2	14.2
P/E Ratio (forward 12 mos.)	12.2	12.3
Price/Book	2.4	1.9
EPS Growth Next 3-5 Years (%)	10.8	9.6
Weighted Median Market Cap (\$ bn)	38.5	39.0
Weighted Average Market Cap (\$ bn)	73.9	78.7
ROE	15.7	12.8
Dividend Yield	2.4	2.4

SECTOR WEIGHTINGS ²

Sector	Representative Portfolio (%)	Russell 1000 Value Index (%)	Relative Weight (%)
Financials	22.9	26.8	-3.8
Consumer Discretionary	16.6	9.3	7.3
Energy	12.1	11.6	0.4
Consumer Staples	10.8	7.7	3.1
Industrials	10.5	9.2	1.2
Information Technology	9.5	9.1	0.4
Health Care	7.0	12.3	-5.3
Telecommunication Services	3.6	4.4	-0.9
Materials	3.1	2.6	0.5
Utilities	1.9	6.9	-5.0
Cash	2.0	0.0	2.0

¹ There is no guarantee that the Portfolio's objective will be met.

² Source: FactSet. Representative portfolio characteristics, holdings, sector weightings and market capitalization are based on a representative portfolio and are subject to change at any time. Holdings, sector weightings, market capitalization 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.

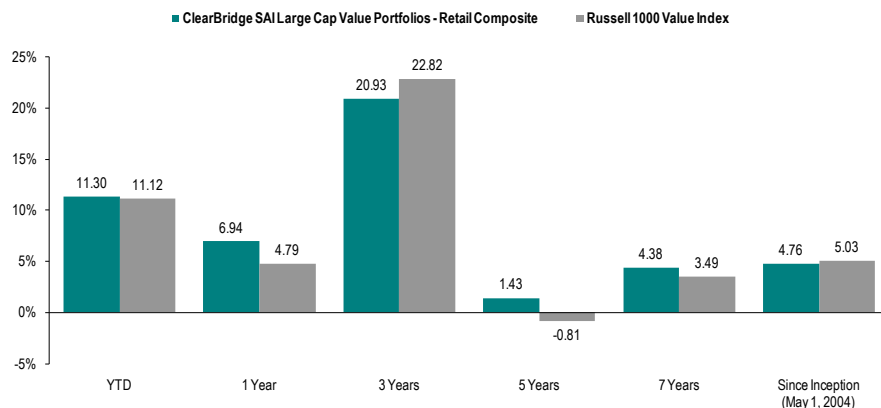
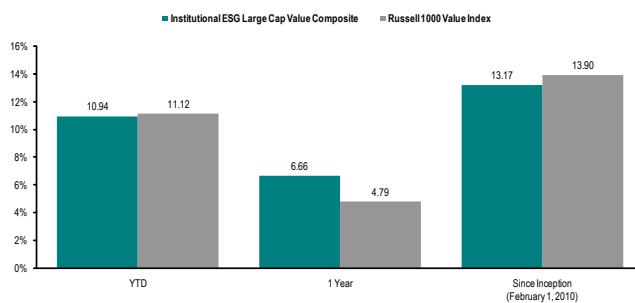
P/E ratios are weighted harmonic average. Price/Book is weighted average.

ESG LARGE CAP VALUE COMPOSITE AVERAGE ANNUAL TOTAL RETURN (GROSS OF FEES)

As of March 31, 2012

INSTITUTIONAL ESG LARGE CAP VALUE COMPOSITE (GROSS OF FEES)

SUPPLEMENTAL SAI LARGE CAP VALUE PORTFOLIOS – RETAIL COMPOSITE (GROSS OF FEES)



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

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ENDNOTES:

	1 Year (ending 31-Mar-12)	Since Inception (ending 31-Mar-12)
Institutional ESG Large Cap Value		
Annualized Returns:		
Net-of-fees	6.0%	12.4%
Gross-of-fees	6.7%	13.2%
Russell 1000 Value	4.8%	13.9%

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

ClearBridge Advisors, LLC ("ClearBridge") offers institutional and retail investors a diverse menu of professional investment strategies, including equity strategies covering value, core and growth-oriented approaches across the major market capitalization ranges. ClearBridge encompasses all assets managed or advised on a discretionary or non-discretionary basis by ClearBridge Advisors, LLC. In June 2008, ClearBridge combined its separate institutional and retail firms to form a single GIPS firm, "ClearBridge". The two predecessor firms were "ClearBridge Advisors Institutional" and "ClearBridge Advisors Retail".

The Institutional ESG Large Cap Value Composite primarily invests in large-capitalization U.S. equities, with an objective of outperforming the Russell 1000 Value. Accounts are comprised primarily of equity securities of U.S. companies but also may include significant investments in ADRs and U.S.-traded shares of non-U.S. issuers. The managers actively integrate criteria inclusive of environmental, social and governance (ESG) issues into the portfolio construction of the strategy. The ESG Investment Program includes active company engagement for purposes of advocacy and improved corporate practices. Results are calculated in U.S. dollar. The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. equity universe.

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

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