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4th Quarter 2015 Webcast

Large Cap Value

Presented by

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Managing Director & Portfolio Manager

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Summary Comments

As of 12/31/2015

- We stuck to our investment process and discipline in an environment where it was severely out of favor. The strategy is the cheapest it has ever been versus peers and the index, but this has not helped.
 - In that there was a macro element to the underperformance, it correlated with where the cheapest stocks were found. The strategy was pro-cyclically positioned because that's where we found value, and this did not help in an environment driven by fear and momentum.
 - Underperformance was not from one sector or theme, but there were a small number of negative outliers.
 - The absence of winners was a problem- usually value strategies have something that works but that didn't happen in this environment.
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- Bottom line: a disciplined value style has periods out of favor, but the upside coming out of those periods is often tremendous IF you don't capitulate at the bottom. Our style works over time, but not all the time.

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Fourth Quarter 2015

- The average gross return for Large Cap Value accounts during the quarter was 4.22% (4.04% net) versus 5.64% for the Russell 1000 Value.

*Returns are presented gross and net of management fees and include the reinvestment of all income. Gross performance results include transaction costs but do not reflect the deduction of Brandywine Global's management fee. Gross performance returns over one year are annualized and assume the reinvestment of dividends, interest and capital gains. A client's return will be reduced by the advisory fees and other expenses incurred as a client. As fees are deducted quarterly, the compounding effect will be to increase the impact of fees by an amount directly related to the gross account performance. For example, an account with an annual fee of 0.70%, if the gross performance is 10%, the compounding effect of the fees will result in net performance of approximately 9.23% annually. Net of fee performance was calculated using the highest management fee as described in Part 2A of the firm's ADV, which is available upon request. The Russell 1000® Value Index is a registered trademark of Russell Investments (©2016 Russell Investments). The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values. Indices are unmanaged and not available for direct investment. **Past performance is no guarantee of future results.***

Characteristics*

As of 12/31/2015

Fourth Quarter 2015

- Strategy still trades at a lower multiple compared to historical norm and relative to the Russell 1000 Value Index.

	12/31/2015	
	Representative Account	Russell 1000 Value Index
Price-to-Earnings	12.4x	17.3x
Price-to-Book	1.5x	1.8x
Price-to-Cash Flow	5.6x	11.3x
Dividend Yield	2.6%	2.6%
Weighted Avg Market Cap (\$B)	\$83.9	\$108.5
Median Market Cap (\$B)	\$21.5	\$57.0

*Supplemental Information to the attached Classic Large Cap Value GIPS-compliant Composite.

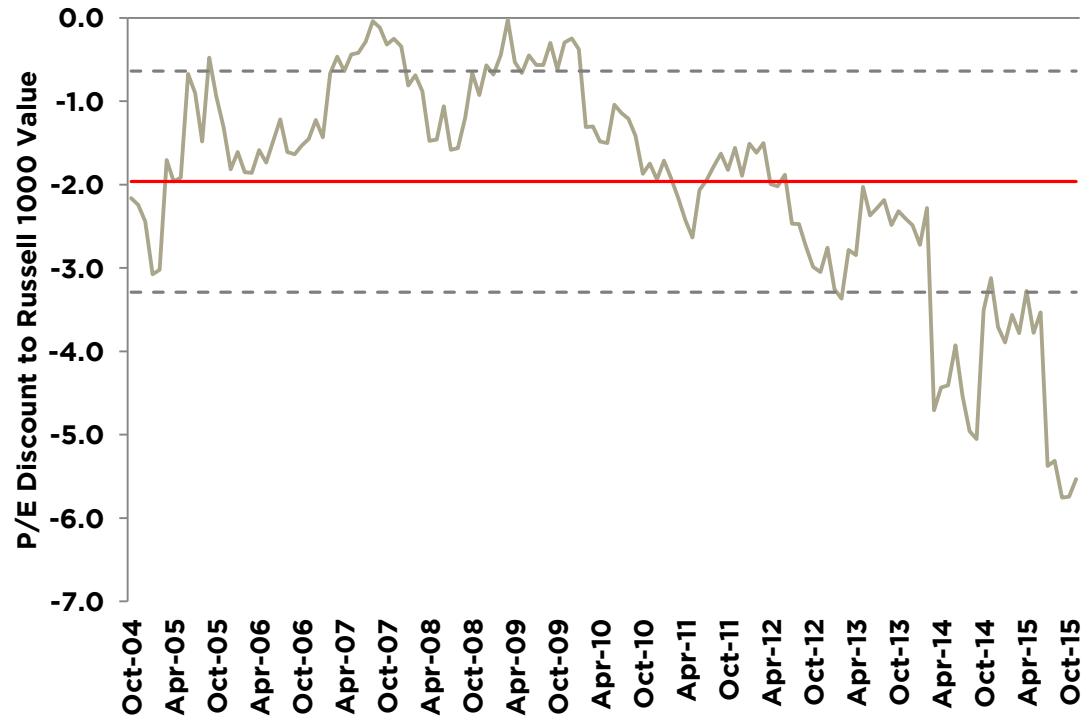
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Characteristics*

As of 12/31/2015

Fourth Quarter 2015

- Strategy P/E at all time low compared to the Russell 1000 Value Index.



*Supplemental Information to the attached Classic Large Cap Value GIPS-compliant Composite.

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Fourth Quarter 2015 Sector Attribution*

As of 12/31/2015

Classic Large Cap Value - Unrestricted Composite: 4.22% Gross (4.04% Net)

Russell 1000 Value Index: 5.64%

	Classic Large Cap Value Representative Account		Russell 1000 Value Index		Relative Performance (BPS)		
	Sector Weight (Avg.)	Sector Return	Sector Weight (Avg.)	Sector Return	Stock Selection	Sector Allocation	Total
Consumer Discretionary	16.5%	3.0%	5.3%	1.1%	27	-52	-24
Consumer Staples	--	--	6.8%	6.0%	--	-3	-3
Energy	14.3%	-3.1%	13.1%	0.0%	-39	-10	-49
Financials	29.6%	1.5%	30.1%	5.2%	-106	2	-104
Health Care	8.3%	15.8%	11.6%	7.9%	64	-6	58
Industrials	11.3%	7.6%	10.3%	10.7%	-33	4	-29
Information Technology	7.5%	6.2%	11.5%	9.6%	-18	-10	-28
Materials	5.5%	13.3%	2.7%	8.6%	22	7	29
Telecommunication Services	5.4%	1.1%	2.5%	6.7%	-30	1	-29
Utilities	--	--	6.1%	1.5%	--	23	23
Cash	1.6%	0.0%	--	--	--	-10	-10

* Source: FactSet Portfolio Analysis, Basis Points (BPS) 100 basis points = 1%

*Supplemental Information to the attached Classic Large Cap Value GIPS-compliant Composite.

Data is obtained from FactSet Portfolio Analysis (©2016, FactSet Research Systems, Inc.), and is believed to be reliable and accurate. The data represents the aggregate characteristics of all securities held in the Representative Portfolio, and is included for informational purposes only. The actual characteristics with regard to any particular client account may vary based on any investment restrictions applicable to the account. The sectors or industries discussed herein should not be perceived as investment recommendations and securities within a sector or industry may no longer be held in an account's portfolio. It should not be assumed that investments in any of the sectors or industries listed were or will prove to be profitable. Returns are presented gross and net of management fees and include the reinvestment of all income. Gross performance results include transaction costs but do not reflect the deduction of Brandywine Global's management fee. Gross performance returns over one year are annualized and assume the reinvestment of dividends, interest and capital gains. A client's return will be reduced by the advisory fees and other expenses incurred as a client. As fees are deducted quarterly, the compounding effect will be to increase the impact of fees by an amount directly related to the gross account performance. For example, an account with an annual fee of 0.70%, if the gross performance is 10%, the compounding effect of the fees will result in net performance of approximately 9.23% annually. Net of fee performance was calculated using the highest management fee as described in Part 2A of the firm's ADV, which is available upon request. Please refer to the GIPS-compliant performance presentations, which include performance footnotes, index descriptions and disclosures, as well as descriptions of the indices that Brandywine Global uses in connection with this strategy. The Russell 1000® Value Index is a registered trademark of Russell Investments (©2016 Russell Investments). The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values. Indices are unmanaged and not available for direct investment. **Past performance is no guarantee of future results.**

Economic Outlook

As of 12/31/2015

- Controversy around the U.S. outlook is rising
 - Employment data remains strong and wages are accelerating; if we are nearing full employment job gains may slow
 - Housing should strengthen but there is an apparent labor shortage
 - Energy price stimulus for consumers has not been as visible as expected – will that change?
- Global economic growth is soft
 - China services data is strong, manufacturing data is weak
 - Strong dollar is creating challenges for the U.S.
 - Several South American countries are disasters

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Investment Outlook & Positioning

As of 12/31/2015

- Strategy remains very cheap
- Strategy remains positioned for moderate growth
 - Rising rates will help
 - Continued Consumer strength likely a tailwind
 - Still avoiding more highly-valued industries
- New ideas: looking to maintain/upgrade quality
- Patience is necessary – we see others tempted to capitulate but value feels like it has pent-up energy

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Classic Large Cap Value

as of 12/31/2015

History doesn't repeat , but it often rhymes.

2011 Wall Street Journal headlines:

Junk Bonds Point to Recession

Claimed high yield prices pointed to recession.

Central Banks Run Short of Policy Options

Argued that conditions posed financial nightmare.

If Junk Is a Leading Indicator, Look Out

Compared conditions to those of 2008 and assigned 56% probability of recession due to high yield and credit market conditions.

Dow Tumbles 513 Points

Suggested no reason to buy US equities predicting ten additional years of austerity ahead.

Treasury Yield Curve Flashes Warning

Wrote that yield curve indicated looming recession.

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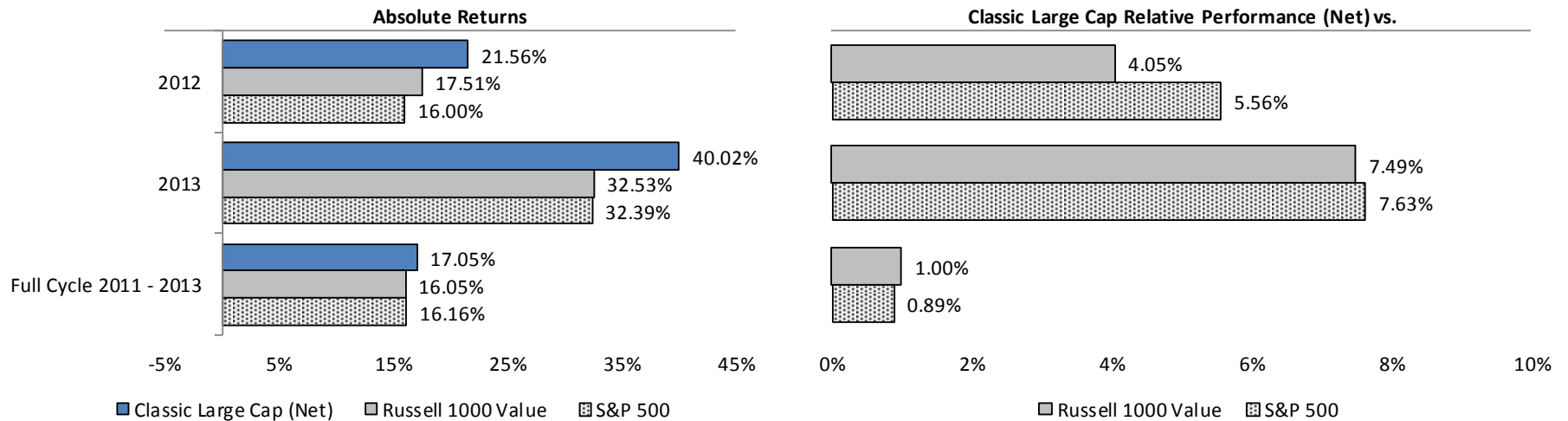
We remember 2011

Macro headlines very similar to 2015 – recession imminent:

- Underperformed by 547 basis points to the Russell 1000 Value Index
- Four really bad stocks in multiple industries
- Banks were the focus – huge capitulation
- Economically sensitive stocks were very cheap
- Building positions in banks, airlines, technology, automotive

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We Forgot the Great Recession of 2012



Why didn't all value investors participate in this rally?

Performance results are presented on a net-of-fees basis and reflect the deduction of, among other things: management fees, brokerage commissions, administrative expenses, and accrued performance allocation or incentive fees, if any. Net performance includes the reinvestment of all dividends, interest, and capital gains. Brandywine Global's selection process may prove incorrect, which may have a negative impact on performance. The Russell 1000® Value Index is a registered trademark of Russell Investments (©2015 Russell Investments). The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values. The S&P 500 Index has been widely regarded as the best single gauge of the large cap U.S. equities market since the index was first published in 1957. The index has over US\$ 4.83 trillion benchmarked, with index assets comprising approximately US\$ 1.1 trillion of this total. The index includes 500 leading companies in leading industries of the U.S. economy, capturing 75% coverage of U.S. equities. The S&P 500® Index is a trademark of Standard & Poor's Financial Services LLC, a subsidiary of The McGraw Hill Companies, Inc. (©2015 Standard & Poor's Financial Services LLC). Indices are unmanaged and not available for direct investment. **Past performance is no guarantee of future results.**

For Further Information

For more background on our products and to provide us with your feedback regarding this format for communication:

- e-mail us at client.service@brandywineglobal.com
- or phone us at 1-800-348-2499

Classic Large Cap Value - Unrestricted Composite Disclosure

As of 9/30/2015 Results shown in USD

Period	Returns (%)				# of Accts	Market Value (MM)	Firm Assets (MM)	Composite Dispersion (%)	St. Dev. (% 3-Year Rolling)			Returns (%)				
	Composite Gross of Fees	Composite Net of Fees	R1000V ¹	SP500 ²					Composite	R1000V ¹	SP500 ²	Period	Composite Gross of Fees	Composite Net of Fees	R1000V ¹	SP500 ²
2015	-13.39	-13.85	-8.96	-5.29	18	775	65,624	0.28	11.87	9.90	9.61	QTD	-13.64	-13.79	-8.39	-6.44
2014	11.37	10.60	13.45	13.69	18	1,254	63,375	0.27	10.84	9.20	8.97	YTD	-13.39	-13.85	-8.96	-5.29
2013	40.97	40.02	32.53	32.39	16	678	50,050	0.38	14.53	12.70	11.94	1 Year	-11.51	-12.14	-4.42	-0.61
2012	22.39	21.56	17.51	16.00	19	386	42,894	0.39	16.60	15.51	15.09	3 Year	12.31	11.53	11.59	12.40
2011	-5.08	-5.74	0.39	2.11	26	516	33,122	0.26	19.77	20.69	18.71	5 Year	11.72	10.95	12.28	13.33
2010	13.99	13.21	15.51	15.06	21	463	31,996	-	20.47	23.18	21.85	7 Year	10.33	9.57	8.21	9.75
2009	29.83	28.94	19.69	26.46	1	32	29,199	-	18.36	21.10	19.63	10 Year	8.19	7.44	5.71	6.79
2008	-30.33	-30.83	-36.85	-37.00	1	13	32,755	-	12.91	15.36	15.08	Since Inception	8.84	8.09	6.66	7.28
2007	7.37	6.63	-0.17	5.49	1	20	49,208	-	7.16	8.06	7.68					
2006	22.63	21.79	22.24	15.79	1	20	39,241	-	-	-	-					
2005	8.79	8.03	7.07	4.91	1	17	26,332	-	-	-	-					

Period	Composite Return Gross of Fees (%)				Composite Return Net of Fees (%)				R1000V ¹ Return (%)				SP500 ² Return (%)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2015	1.19	-0.90	-13.64	-	1.02	-1.07	-13.79	-	-0.72	0.11	-8.40	-	0.95	0.28	-6.44	-
2014	3.53	6.32	-0.97	2.17	3.35	6.14	-1.15	1.99	3.02	5.10	-0.19	4.98	1.81	5.23	1.13	4.93
2013	11.82	6.62	6.32	11.22	11.63	6.43	6.14	11.03	12.31	3.20	3.94	10.01	10.61	2.91	5.24	10.51
2012	16.33	-5.84	7.25	4.18	16.14	-6.01	7.07	4.00	11.12	-2.20	6.51	1.52	12.59	-2.75	6.35	-0.38
2011	4.49	-2.86	-16.20	11.60	4.31	-3.03	-16.35	11.41	6.46	-0.50	-16.20	13.11	5.92	0.10	-13.87	11.81
2010	7.07	-12.57	10.52	10.19	6.88	-12.73	10.33	10.00	6.78	-11.14	10.13	10.54	5.39	-11.43	11.29	10.76
2009	-9.78	14.55	17.95	6.50	-9.94	14.36	17.76	6.32	-16.77	16.70	18.24	4.22	-11.01	15.93	15.61	6.04
2008	-8.58	-3.92	-6.83	-14.87	-8.75	-4.09	-7.00	-15.02	-8.72	-5.31	-6.11	-22.18	-9.44	-2.73	-8.37	-21.94
2007	1.06	7.10	2.69	-3.40	0.88	6.91	2.52	-3.57	1.24	4.92	-0.24	-5.80	0.64	6.28	2.03	-3.33
2006	6.22	-0.09	6.11	8.89	6.04	-0.26	5.93	8.71	5.93	0.59	6.22	8.00	4.21	-1.44	5.67	6.70
2005	1.64	1.16	3.21	2.51	1.46	0.98	3.04	2.33	0.09	1.67	3.88	1.28	-2.15	1.37	3.60	2.09

¹R1000V = Russell 1000 Value ²SP500 = S&P 500 Inception Date: 10/1/2004

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