

## DREMAN LARGE CAP VALUE COMPOSITE

1Q 2015

### FIRM INFORMATION AS OF 3/31/2015

**Firm AUM:** \$1.2 billion  
**Large Cap Value AUM:** \$49 million  
**Total Staff:** 19  
**Portfolio Managers:** 4  
**Portfolio Managers / Analysts:** 3

### SUPPLEMENTAL INFORMATION

**Total GIPS & Wrap/SMA Assets:** \$2.2 billion

### PORTFOLIO MANAGEMENT TEAM

**NELSON WOODARD, PHD**

Co-Chief Investment Officer  
Lead Portfolio Manager  
29 years investment experience

**E. CLIFTON HOOVER, CFA**

Chief Investment Officer  
30 years investment experience

**DAVID DREMAN**

Founder and Chairman  
41 years investment experience

### PHILOSOPHY

- \* The market over-reacts to events often overpricing out-performing stocks and underpricing poorly performing stocks.
- \* Negative over-reactions create an opportunity to purchase solid stocks at a discount to their intrinsic value and result in substantial long-term gains.
- \* This contrarian value philosophy forms the basis of our low p/e strategy and leads to a highly disciplined approach to investing that avoids style drift and offers downside protection.

### INVESTMENT PROCESS

1. Identify stocks that are undervalued by the market or have experienced declining profits and/or prices due to market over-reactions; based on low P/E, P/B, P/CF.
2. Conduct fundamental analysis to select from this universe the best stocks for our portfolio and eliminate value traps and stocks with deteriorating fundamentals.
3. Purchase selected stocks as they trough and maintain positions over long-term horizon (3-5 years) until they reach full valuation.

### SELL DISCIPLINE

1. Stock's valuation rises above the market.
2. Stock's valuation exceeds that of its industry.
3. Stock experiences weak or declining price momentum and/or deteriorating fundamentals.

### ANNUALIZED PERFORMANCE

AS OF 3/31/2015	1Q15 (cum.)	1 YEAR	3 YEARS	5 YEARS	7 YEARS	10 YEARS	INCEPTION (12/31/90)
LARGE CAP VALUE (GROSS)	-1.13%	4.02%	12.68%	10.62%	4.91%	4.81%	10.71%
LARGE CAP VALUE (NET)	-1.38%	2.99%	11.58%	9.53%	3.86%	3.77%	9.63%
RUSSELL 1000® VALUE	-0.72%	9.32%	16.43%	13.75%	7.73%	7.21%	10.80%

Source: CAPS 4.0. Based on a composite. Past performance is not indicative of future results. Please refer to page 2 for important performance disclosures.

### CHARACTERISTICS

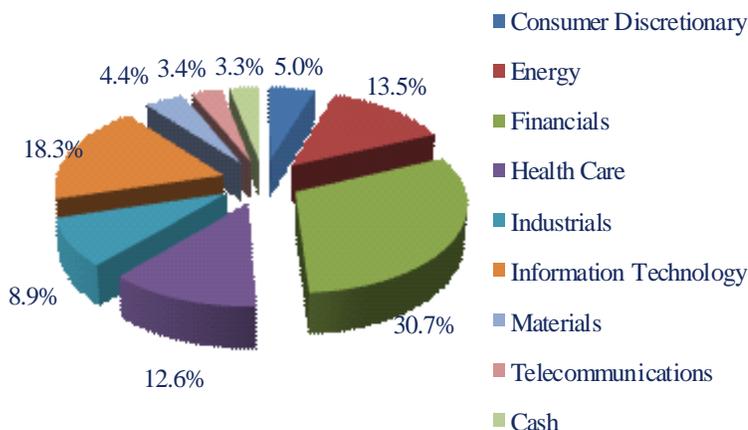
AS OF 3/31/2015	LARGE CAP VALUE	RUSSELL 1000® VALUE
WTD. AVG MKT CAP (\$MM)	85,077	105,988
DIVIDEND YIELD	2.2%	2.3%
P/E (NTM) (MEDIAN)	12.7x	17.0x
P/B	2.8x	4.8x
ROE	14.0%	12.3%
# OF HOLDINGS	53	700
1YR. AVG. PORTFOLIO TURNOVER	20.9%	12.0%

### 5 YEAR STATISTICAL ANALYSIS

AS OF 3/31/2015	LARGE CAP VALUE
ANNUALIZED STANDARD DEVIATION	16.62
SHARPE RATIO	0.63
ANNUALIZED ALPHA (VS R1000V)	-5.12
BETA (VS R1000V)	1.21
R SQUARED	94.08
INFORMATION RATIO	-0.64
TRACKING ERROR	4.92

Source: FactSet. Based on a representative account. The inclusion of the securities and sectors mentioned above is not to be interpreted as recommendations to buy or sell.

## SECTOR BREAKDOWN AS OF 3/31/2015



## TOP 10 HOLDINGS AS OF 3/31/2015

Valero Energy Corporation	2.47%
Corning Incorporated	2.38%
Devon Energy Corporation	2.37%
L-3 Communications Holdings, Inc.	2.37%
Hartford Financial Services Group, Inc.	2.29%
Thermo Fisher Scientific Inc.	2.28%
PNC Financial Services Group, Inc.	2.24%
Teva Pharmaceutical Industries ADR	2.23%
Apple Inc.	2.19%
Bank of New York Mellon Corporation	2.19%

Source: FactSet. Based on a representative account. The inclusion of the securities and sectors mentioned above is not to be interpreted as recommendations to buy or sell.

### **Compliance Statement:** Dreman Value Management claims compliance with the Global Investment Performance Standards (GIPS®).

- Dreman Value Management ("DVM") is a division of Dreman Value Management, L.L.C. ("Dreman"), an independent investment management firm and registered investment adviser established on July 1, 1997. DVM manages a variety of equity strategies. For the period from 1991 through June 30, 1997, David Dreman was the Chief Investment Officer of Dreman's predecessor firm and was responsible for executing all investment management decisions. Performance returns for periods prior to July 1, 1997 is from accounts maintained by DVM's predecessor firm. Effective January 1, 2006, Dreman's wrap-fee SMA/UMA assets were re-defined as a separate division under the name Dreman Asset Management ("DAM"). Prior to January 1, 2006, total firm assets included assets managed by Dreman. Effective January 1, 2006, total firm assets include only the assets of DVM. Additional information regarding policies for calculating and reporting returns is available upon request. Effective July 1, 2009 the methodology used to determine total composite assets, number of portfolios and percent of firm assets has changed. The new method of calculation is based on end of period assets whereas the previous method used beginning of next period assets. This change has been made due to an upgrade in the program used to calculate composite performance. This change effects time periods beginning July 1, 2009. The Dreman Large Cap Value Composite has been examined for the periods July 1, 1997 – December 31, 2014. The verification and performance examination reports are available upon request.
- The Dreman Large Cap Value Composite began on December 31, 1990. The composite shows the firm's performance results from its commencement of operations on July 1, 1997 and is linked to the returns of its predecessor firm prior to July 1, 1997. David Dreman was the Chief Investment Officer for all predecessor firms from 1981 to June 30, 1997. This composite includes all of the firm's accounts or portfolios that are in excess of \$1,000,000 in market value, that are managed by the firm on a fully discretionary basis in a large capitalization trading style without regard to any tax sensitivity. Prior to July 1, 2009 the composite had a minimum account size requirement of \$5,000,000. Fully discretionary accounts include accounts that have investment restrictions, where the restriction accounts for less than 5% of the total portfolio value. Portfolios in the composite generally invest in securities with below market P/E ratios and market capitalizations greater than \$8 billion.
- The Dreman Large Cap Value Composite benchmarks is the Russell 1000® Value Index. 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® Index companies with lower price-to-book ratios and lower expected growth values. The Russell 1000® Value Index is constructed to provide a comprehensive and unbiased barometer for the large-cap value segment. The Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics. The market indices used herein have been included for purposes of comparison of an investment in the relevant strategy to an investment in certain well-known, broad-based equity benchmarks. The statistical data regarding such indices have been obtained from Factset and returns are calculated assuming all dividends and income are reinvested. The volatility of these indices may be materially different from that of funds and accounts of DVM. These indices are unmanaged, with no fees, expenses or taxes. It is not possible to invest directly in an unmanaged index; however, an individual can invest in exchange traded funds or other investment vehicles that attempt to track the performance of an unmanaged index.
- Valuations are computed and performance is reported in U.S. Dollars.
- Returns are presented gross and net of management fees and include the reinvestment of all dividends and income. Gross-of-fees performance returns are presented before management and custodial fees but after all trading expenses. Returns are presented net of non-reclaimable withholding taxes. Net-of-fees performance returns are calculated by deducting the highest annual fee of 1.00% which is applied on a monthly basis. Prior to July 1, 2009, the Net-of-fees performance returns were calculated by deducting the highest annual fee which was applied on a quarterly basis. The annual fee schedule is as follows: 1.00% on the first \$3,000,000, 0.65% on the next \$17,000,000, 0.60% on the next \$30,000,000 and 0.55% on assets greater than \$50,000,000. Please refer to Dreman's Form ADV Part 2A, for all composite fee schedules. *Actual investment advisory fees incurred by clients may vary.*
- The Dreman Large Cap Value Composite was inception on December 31, 1990 and the composite was created on June 30, 1997. The firm maintains a complete list and description of all composites, which is available upon request. The Dreman Large Cap Value Composite performance results are linked to the performance track record of the Large Cap Value portfolios of DVM's predecessor firms.

**Verification:** Dreman Value Management has been independently verified for the periods July 1, 1997 – December 31, 2014. Beginning July 1, 2005 DVM has been verified by Ashland Partners & Company LLP.

**Past performance does not guarantee future results, and periodically, current performance may be lower or higher than the performance data quoted.** There is no assurance that any securities discussed herein remain in any fund or account of DVM at the time that you receive this or that securities sold have not been repurchased. All investments involve risk including the potential loss of all principal invested. The investment return and principal value of an account will fluctuate so that a client's account may be worth more or less than its original value. Actual account performance may differ due to; among other things, the timing of investments and withdrawals, individual account restrictions and limitations and differing tax treatment. **To request a fully GIPS® compliant performance presentation and/or a list and description of all firm composites please contact us at [rfi@dreman.com](mailto:rfi@dreman.com) or 1.800.952.6667.**

**This material has been prepared for investors and investment professionals, including broker-dealers and investment advisers.**

## MARKETING & CLIENT SERVICING CONTACTS c/o CONTRARIAN SERVICES CORP.

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