

Value Equity Composite Performance Disclosure

Period Ending December 31	Composite Assets		Total Firm Assets at Period End (millions) ³	Accounts at Period End	Asset-Weighted Annual Returns		S&P 500 Index	Composite Dispersion ¹	3 Year Standard Deviation	
	U.S. Dollars (millions) ³	Percentage of Total Firm Assets ³			Gross of Fees	Net of Fees			Value Equity Composite ²	S&P 500 Index ²
2011	5,614	67%	8,397	6	-2.52%	-3.20%	2.11%	4.76%	22.51%	18.97%
2010	5,582	35%	15,838	8	8.56%	7.80%	15.06%	6.23%	N.A.	N.A.
2009	6,799	40%	17,169	11	42.17%	41.20%	26.46%	8.14%	N.A.	N.A.
2008	6,083	41%	14,903	8	-54.45%	-54.79%	-37.00%	8.62%	N.A.	N.A.
2007	25,669	43%	59,679	21	-5.13%	-5.80%	5.49%	3.82%	N.A.	N.A.
2006	32,441	48%	67,923	22	7.61%	6.86%	15.80%	3.10%	N.A.	N.A.
2005	28,444	47%	60,232	19	7.06%	6.31%	4.91%	3.54%	N.A.	N.A.
2004	22,325	46%	48,856	17	13.80%	13.06%	10.88%	3.99%	N.A.	N.A.
2003	14,625	42%	35,179	6	45.93%	44.99%	28.69%	4.77%	N.A.	N.A.
2002	9,586	47%	20,362	6	-17.49%	-18.04%	-22.10%	8.12%	N.A.	N.A.
2001	12,610	53%	23,971	6	-7.74%	-8.35%	-11.88%	6.43%	N.A.	N.A.
2000	13,164	58%	22,866	Five or Fewer	-5.56%	-6.21%	-9.11%	5.81%	N.A.	N.A.
1999	14,845	62%	23,975	Five or Fewer	28.89%	27.87%	21.04%	5.92%	N.A.	N.A.
1998	8,410	58%	14,528	12	50.21%	49.14%	28.58%	8.36%	N.A.	N.A.
1997	3,849	47%	8,105	Five or Fewer	39.35%	38.44%	33.36%	5.70%	N.A.	N.A.
1996	2,041	39%	5,173	Five or Fewer	40.86%	39.89%	22.96%	N.A.	N.A.	N.A.
1995	1,390	35%	3,936	Five or Fewer	43.29%	42.23%	37.58%	N.A.	N.A.	N.A.
1994	967	31%	3,099	Five or Fewer	3.24%	2.44%	1.32%	N.A.	N.A.	N.A.
1993	914	30%	3,060	Five or Fewer	13.30%	12.43%	10.08%	N.A.	N.A.	N.A.
1992	842	40%	2,109	Five or Fewer	13.53%	12.66%	7.62%	N.A.	N.A.	N.A.
1991	748	45%	1,657	Five or Fewer	37.26%	36.20%	30.47%	N.A.	N.A.	N.A.
1990	N.A.	N.A.	N.A.	Five or Fewer	-15.34%	-15.52%	-3.11%	N.A.	N.A.	N.A.
1989	N.A.	N.A.	N.A.	Five or Fewer	22.45%	20.22%	31.69%	N.A.	N.A.	N.A.
1988	N.A.	N.A.	N.A.	Five or Fewer	28.21%	25.04%	16.61%	N.A.	N.A.	N.A.
1987	N.A.	N.A.	N.A.	Five or Fewer	-5.51%	-1.80%	5.25%	N.A.	N.A.	N.A.
1986	N.A.	N.A.	N.A.	Five or Fewer	11.66%	11.41%	18.67%	N.A.	N.A.	N.A.
1985	N.A.	N.A.	N.A.	Five or Fewer	34.30%	33.30%	31.73%	N.A.	N.A.	N.A.
1984	N.A.	N.A.	N.A.	Five or Fewer	15.27%	14.27%	6.28%	N.A.	N.A.	N.A.
1983	N.A.	N.A.	N.A.	Five or Fewer	45.20%	44.20%	22.55%	N.A.	N.A.	N.A.
1982	N.A.	N.A.	N.A.	Five or Fewer	43.31%	42.60%	21.55%	N.A.	N.A.	N.A.

¹N.A. – Performance data for 1982 begins April 15, 1982.

²N.A. – Information is not GIPS compliant prior to 1991.

³N.A. – Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the period.

⁴N.A. – Information is not required for periods prior to 2011. The Firm implemented this requirement as of 12/31/10.

- Value Equity composite performance is shown only for years William H. Miller III was portfolio manager for the Value Equity strategy. Mr. Miller co-managed the strategy with Ernest Kiehne before becoming the strategy's sole portfolio manager in November 1990.
- Composite information is not GIPS compliant prior to 1991. The Value Equity composite is comprised of all discretionary accounts with no material investment restrictions invested in accordance with the Value Equity investment strategy, which invested primarily in U.S. equity securities with market capitalizations generally greater than \$5 billion at the time of purchase. The composite only contains accounts with a minimum market value of \$3 million (prior to 1999), \$5 million (January – March 1999), \$25 million (April – October 1999), and \$50 million (since November 1999). No balanced portfolio segments are included.
- Gross and net of fee performance results include the reinvestment of all dividends and income. Asset-Weighted performance measures the average performance of all portfolios in the composite weighted by size. The U.S. dollar is the currency used to express performance. Portfolio returns are calculated daily using the Modified Dietz method. Additional information regarding policies for valuing portfolios, calculating and reporting returns are available upon request.
- Gross of fees performance reflects the day-weighted performance of assets (including cash) managed for the period and does not reflect the deduction of management fees, but does reflect the deduction of trading commissions and withholding taxes. Net of fees performance reflects the deduction of trading commissions, withholding taxes, and management fees.
- The S&P 500 Index represents the large-cap segment of the U.S. equity markets and consists of approximately 500 leading companies in leading industries of the U.S. economy. Criteria evaluated include: market capitalization, financial viability, liquidity, public float, sector representation, and corporate structure. An index constituent must also be considered a U.S. company.
- The dispersion of annual returns is measured by the standard deviation of asset-weighted portfolio returns represented within the composite for the full calendar year.
- The Value Equity composite was created January 1, 1997.
- For time periods for which performance is shown, the Firm consisted of (i) Legg Mason Capital Management, Inc. ("LMCM"), (ii) Legg Mason Funds Management, Inc. ("LMFM") – until 2007, and (iii) LMM LLC ("LMM") – since December 1999. Each of LMCM and LMFM was a registered investment adviser and wholly-owned Legg Mason, Inc. subsidiary of which William H. Miller III was an officer and employee. Mr. Miller currently is Chairman and Chief Investment Officer of LMM, a registered investment adviser he established with Legg Mason, Inc. in 1999. As LMM does not offer the Value Equity strategy, Value Equity composite performance is shown only to evidence prior investment performance achieved by Mr. Miller.
- The Firm, which has consisted solely of LMM since June 2013, claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. The Firm was independently verified for the periods January 1, 2010 through December 31, 2012 by McGladrey & Pullen, LLP, periods January 1, 2004 through December 31, 2009 by Ernst & Young LLP and periods January 1, 1988 through December 31, 2003 by Ashland Partners & Company LLP. The verification reports are available upon request. 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. Verification does not ensure the accuracy of any specific composite presentation. A list of composite descriptions and policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

Special Investment Composite Performance Disclosure

Period Ending December 31	Composite Assets		Total Firm Assets at Period End (millions) ¹	Accounts at Period End	Asset-Weighted Annual Returns		Russell 2000 Index	Composite Dispersion ²
	U.S. Dollars (millions) ¹	Percentage of Total Firm Assets ¹			Gross of Fees	Net of Fees		
1999	2,693	11%	23,975	Five or fewer	37.95%	37.00%	21.26%	N.A.
1998	1,798	12%	14,528	Five or fewer	25.58%	24.67%	-2.55%	N.A.
1997	1,423	18%	8,105	Five or fewer	24.40%	23.48%	22.36%	N.A.
1996	1,008	19%	5,173	Five or fewer	31.10%	30.09%	16.49%	N.A.
1995	745	19%	3,936	Five or fewer	24.88%	23.88%	28.45%	N.A.
1994	606	20%	3,099	Five or fewer	-11.36%	-12.06%	-1.82%	N.A.
1993	509	17%	3,060	Five or fewer	26.53%	25.53%	18.88%	N.A.
1992	286	14%	2,109	Five or fewer	17.69%	16.69%	18.41%	N.A.
1991	164	10%	1,657	Five or fewer	42.39%	41.09%	46.04%	N.A.
1990	76	6%	1,170	Five or fewer	2.86%	1.84%	-19.48%	N.A.
1989	55	4%	1,334	Five or fewer	35.14%	33.85%	16.26%	N.A.
1988	41	4%	1,126	Five or fewer	22.68%	21.57%	25.02%	N.A.
1987	N.A.	N.A.	N.A.	Five or fewer	-8.08%	-8.90%	-8.80%	N.A.
1986	N.A.	N.A.	N.A.	Five or fewer	10.05%	9.24%	5.68%	N.A.

¹N.A. – Information is not GIPS compliant prior to 1988.

²N.A. – Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

- Special Investment composite performance is shown only for 1986–1999. During this period, William H. Miller III was the lead or sole portfolio manager for the Special Investment strategy. Mr. Miller also was the sole portfolio manager for the strategy in 2004, but performance for this period is not shown because it is not reflective of long-term investment performance.
- Composite information is not GIPS compliant prior to 1988. The composite is comprised of all discretionary accounts with no material investment restrictions and invested in accordance with the Special Investment strategy, a mid-cap equity investment strategy. The composite only contains accounts with a minimum market value of \$10 million. No balanced portfolio segments are included.
- Gross and net of fee performance results include the reinvestment of all dividends and income. The U.S. dollar is the currency used to express performance. Additional information regarding policies for valuing portfolios, calculating and reporting returns are available upon request.
- “Gross” of fees performance reflects the day-weighted performance of assets (including cash) managed for the period and does not reflect the deduction of management fees, but does reflect the deduction of trading commissions and withholding taxes. “Net” of fees performance reflects the deduction of trading commissions, withholding taxes, and management fees.
- The Russell 2000 Index represents the small-cap segment of the U.S. equity universe. It includes securities of approximately 2,000 of the smallest companies in this universe.
- The Special Investment composite was created January 1, 2002.
- For time periods for which performance is shown, the Firm consisted of Legg Mason Capital Management, Inc. (“LMCM”) and Legg Mason Funds Management, Inc. (“LMFM”), each a registered investment adviser and wholly-owned Legg Mason, Inc. subsidiary of which William H. Miller III was an officer and employee. Mr. Miller currently is Chairman and Chief Investment Officer of LMM LLC (“LMM”), which he established with Legg Mason, Inc. in 1999. As LMM does not offer the Special Investment strategy, Special Investment composite performance is shown only to evidence prior investment performance achieved by Mr. Miller.
- The Firm, which has consisted solely of LMM since June 2013, claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. The Firm was independently verified for the periods January 1, 2010 through December 31, 2012 by McGladrey & Pullen, LLP, periods January 1, 2004 through December 31, 2009 by Ernst & Young LLP and periods January 1, 1988 through December 31, 2003 by Ashland Partners & Company LLP. The verification reports are available upon request. 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. Verification does not ensure the accuracy of any specific composite presentation. A list of composite descriptions and policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.