

# EQUITIES: LARGE CAP VALUE

## DISCLOSURE NOTES

- Legacy Asset Management, Inc. (LAMI) is an independent SEC Registered Investment Advisory firm. LAMI offers equity, balanced and fixed income portfolios to its clients predominantly in a core equity style invested in the securities of U. S.-based organizations and ADRs. The definition of the firm excludes Legacy Asset Securities, Inc. (LASI), an affiliated broker-dealer.
- The LAMI Value Composite is managed in a large cap value equity style defined as having an investment policy target of 75% or greater of the portfolio in Lami-managed large cap value equity securities. No more than 25% of the portfolio should be in cash equivalents or fixed income securities.
- A complete list and description of all of the LAMI composites is available upon request.
- The minimum asset level below which portfolios are not included in composites is \$250,000.
- The currency used to express performance is the U.S. dollar.
- Neither leverage nor derivatives are included in fully discretionary LAMI client accounts or LAMI composites. Leverage and/or derivatives may be utilized in smaller or non-discretionary portfolios at the client's direction. This client-directed usage is not regarded as material.
- Returns are calculated net of non-reclaimable withholding taxes on dividends, interest and capital gains. Reclaimable withholding taxes are not accrued. All LAMI indices are U.S.-based and gross of taxes.
- There are no known inconsistencies in the exchange rates used among the portfolios within a composite and between the composite and the benchmark.
- Presentations conform to local laws and regulations that do not differ from or conflict with GIPS in any known material manner.
- Presentations contain no periods of non-compliance with GIPS.
- When presenting gross of fee returns, no fees are deducted in addition to the direct trading expenses. When presenting net of fee returns, no fees are deducted in addition to the investment management fee and direct trading expenses.
- Additional information regarding policies for calculating and reporting returns is available upon request.
- There are not believed to be any events of note not otherwise disclosed in the composite disclosures or in the firm's SEC Form ADV Part II and Schedule F.
- Composite creation is mid-2002 coincident with the firm's initial claim of compliance and the subsequent verification of that claim.
- The dispersion measure presented for its composites as the asset-weighted standard deviation of the gross returns of the individual component portfolios around the composite mean gross return for the period presented. If the composite contains 5 portfolios or less for the full period, a measure of dispersion is not required as not being meaningful (NM).
- Returns of portfolios and composites for periods of less than 1 year are not annualized.
- LAMI reports its performance track record as linked to a past firm or affiliation track record in accordance with GIPS, i.e., the investment decision maker is employed by the new firm; the decision making process remains intact and independent within the new firm; and the new firm has the records that document and support the reported performance. Performance results from the past firms are linked to the performance record of the new firm. Performance history prior to LAMI firm inception of August 24, 1998, includes history from February of 1996 to the end of 1997 for five accounts managed by Richard E. Kaplan, CFA, while he was at a predecessor firm, Kaplan Investment, where he was the key investment decision maker for these accounts. From January 1, 1998 through August 23, 1998, performance results are those of from five accounts, increasing to ten accounts, managed by Richard E. Kaplan, CFA, while he was at a predecessor firm, Post Oak Advisors, Inc., where he was the key investment decision maker for these accounts. These accounts all moved to LAMI as of August 24, 1998, the date of LAMI firm inception.
- LAMI, as a GIPS-compliant firm, it has neither acquired nor been acquired by a non-compliant firm.
- LAMI composites (and the firm) contain no non-fee-paying portfolios.