



**OBJECTIVE**

The GLA Large Cap Value strategy seeks to provide total return in excess of the Russell 1000 Index over a full market cycle.

**Benchmark:** Russell 1000 Value Index

**Inception Date:** June 30, 1990

**Assets Under Management/Advisement:** \$2.17B

**PHILOSOPHY**

Our active approach to value investing centers around a company's ability to produce above-average earning power.

**We define value as earning power as a company's ability to:**

- Generate profit for reinvestment or payout in the form of dividends
- Deliver above average or improving ROE.

**We capture value in the market by:**

- Utilizing valuation metrics based on our definition of earning power
- Focusing on profits, dividends, cash flows, and assets

**We manage risk through diversification that:**

- Is industry-based
- Avoids both large concentrations or "closet indexing"

**As a result of our approach, we expect our portfolios to have:**

- A focus on value
- Diverse industries and established companies
- Improving or sustained earnings power
- 35-55 quality stocks

**PORTFOLIO CHARACTERISTICS**

	LC Value	S&P 500	R1000 Value
Return on Equity (ROE) <sup>1</sup>	18.1%	15.5%	11.3%
P/E Ratio <sup>1,2</sup>	15.83	19.19	18.77
Dividend Yield <sup>1</sup>	2.70%	2.11%	2.23%
Active Share	72.24%	N/A	N/A

**PROCESS**

**1. Focus on Long-Term Earning Power**

Identify opportunities to improve or sustain above average ROC/ROE, including:

- Margin improvement
- Better asset utilization
- Skillful use of cash flow
- Improving balance sheet
- Management change
- Change in industry structure

**2. Assess Current Valuations**

- Low price/earnings ratio
- High dividend yield

**3. Add Stocks to Portfolio to:**

- Increase ROC/ROE
- Improve valuation
- Enhance diversification
- Ensure portfolio is not highly-concentrated or index-like

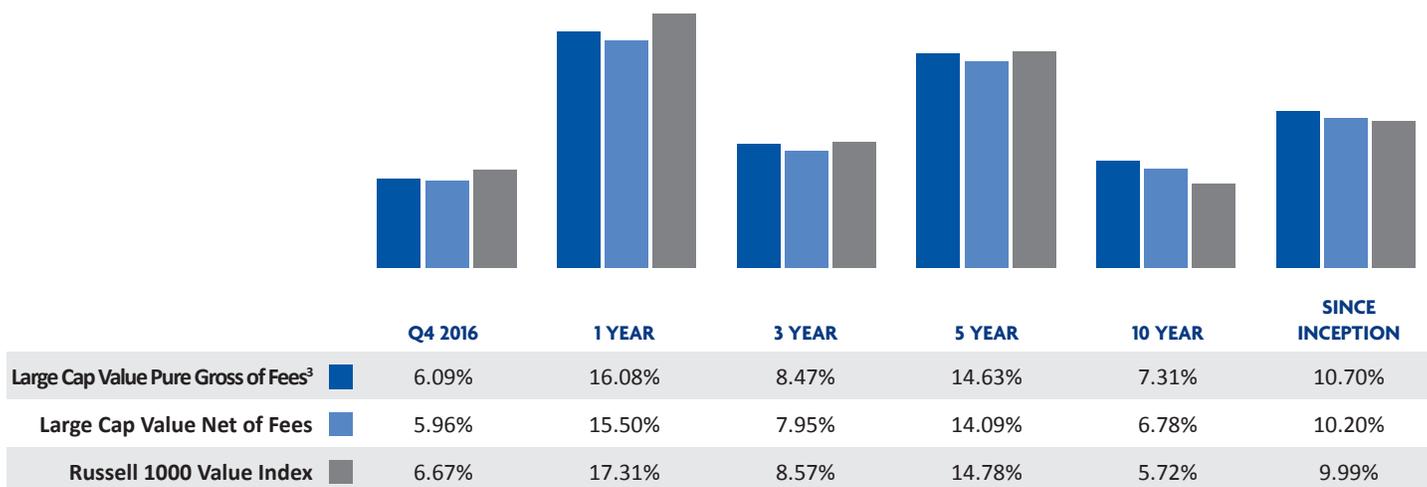
**4. Sell or Review Stocks if:**

- Targeted return achieved
- There is a major change in investment case
- Another stock offers better portfolio diversification or better value

**Benefits**

- Competitive absolute and risk-adjusted returns
- Low volatility relative to benchmark and other managers
- Disciplined, repeatable, proven process

**COMPOSITE PERFORMANCE**



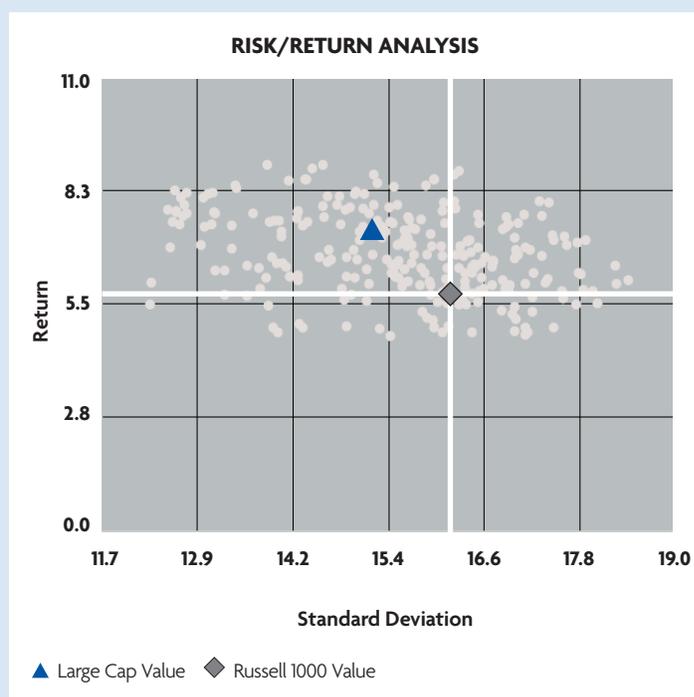
## RISK VERSUS RETURN

Our primary objective is to provide excess returns with less risk than the benchmark. We define and measure portfolio risk as the standard deviation of return relative to the benchmark. We measure, monitor and compare this risk/reward relationship to similar managers, as detailed in the chart on the right.

## RISK MANAGEMENT

Our belief is that value investors should focus on three broad sector classifications: Consumer, Industrials, and a sub category of Financials, Energy and Utilities. Accordingly, our ability to manage market risk centers on diversification by industry within these three sector-based baskets. As a result, our portfolio composition is aligned on an industry basis across the value side of the S&P 500.

Additionally, our typical portfolio of 35-55 stocks achieves diversification without the risk associated with concentration or dilution. These core risk management tenets allow us to enhance the probability of success while mitigating the impact of any security-level decisions.



\*10 Years, ending 12/31/2016. Source: Morningstar. The plotted datapoints represent the Morningstar peer group of US large value managers.

## ABOUT GREAT LAKES ADVISORS

Founded in 1981, Great Lakes Advisors is a Chicago-based investment manager with over \$7.6 billion in assets under management and advisement. We offer a wide range of quality fixed income and domestic equity strategies across all market caps, with additional SRI/ESG and tax-managed capabilities. Our clients include public funds, multi-employer plans, corporations, religious communities, endowments/foundations, health care plans, and private wealth management clients. It is the mission of Great Lakes Advisors to be a collaborative partner in helping our clients attain their investment goals through proven actively managed strategies, implemented by experienced skilled professionals and communicated with a focus on exceptional client service.

1. Median
2. P/E data excludes non-earning stocks.
3. Pure gross performance has not been reduced by transaction costs for bundled fee accounts.

Bundled fee accounts are included in this composite and are defined as client accounts where Great Lakes Advisors maintains a direct contract with the client as opposed to a wrap fee platform sponsor, and the client has entered into a bundled fee arrangement with a custodian or broker-dealer which does not separately identify trading costs from other services covered by the bundled fee, typically including custody, consulting, administration and reporting. Gross composite performance is reduced by trading costs for non-bundled fee accounts but not for bundled fee accounts.

Prior to 1/1/12, net composite performance is pure gross performance after the subtraction of only investment management fees. Net returns are calculated by subtracting a 0.50 annual model management fee from the gross composite quarterly return, which results in a lower return than the actual investment management and bundled fees charged. Effective 1/1/12, Great Lakes Advisors adopted a new methodology to calculate net composite returns and actual investment management and bundled fees paid are now utilized. Additionally, a highest bundled fee of 2.50% in addition to the actual investment management fee is used for all accounts where the actual bundled fee is not known to Great Lakes. Bundled fees vary by sponsor, client, and strategy.

Great Lakes Advisors, LLC ("Great Lakes" or "GLA") is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940. Established in 1981, Great Lakes is a subsidiary of Wintrust Financial Corporation and a part of the Wintrust Wealth Management family of companies. On October 1, 2013, majority owned subsidiary Advanced Investment Partners, LLC ("AIP") became fully-owned and integrated into Great Lakes. Great Lakes is a distinct business unit with distinct investment processes and procedures relating to the management and/or trading of investment portfolios for its clients.

The Large Cap Value Composite includes all institutional, discretionary, fee paying, total return portfolios managed with the Firm's Large Cap value equity approach. For periods prior to 11/1/14, the Large Cap Value Composite also included all institutional, discretionary, fee paying, tax-exempt total return portfolios. The benchmark selected for comparison of returns for the Large Cap Value Composite is the Russell 1000 Value. Prior to 9/30/13, the S&P 500 and S&P 500 Value indices were also utilized in marketing materials. The two additional benchmarks were removed in all marketing materials after 10/1/13 to simplify the presentation, because the actual strategy is managed to the R1000V and because the majority of our clients only benchmark to the R1000V now. The Firm's Large Cap value equity approach employs large and medium capitalization, principally U.S.-based equities with attractive earning power and favorable valuation. Portfolios subject to substantial client imposed restrictions are excluded from the composite. Accounts meeting the above criteria will be added to the Large Cap Value Composite the first full month of discretionary management. Accounts are removed from the composite, while retaining prior historical performance in the composite, at termination of the Firm as investment manager or when investment policy guidelines are instituted substantially restricting implementation of the value equity approach. Terminated portfolios will be removed from the Equity Composite after the last full month of active management. Accounts within this composite do not employ leverage. The composite inception date was June 30, 1990; and the composite was created on December 31, 1992. All cash reserves and equivalents are included in returns. Returns are time weighted and include reinvestment of dividends, income and gains. The value of assets and returns is expressed in U.S. dollars. Market commentary is available at [www.greatlakesadvisors.com](http://www.greatlakesadvisors.com) or upon request.

The benchmark selected for comparison of returns for the Large Cap Value Composite is the Russell 1000 Value (the large-cap value segment of the Russell 1000, consisting of the 1,000 largest companies within the Russell 3000 index. Frank Russell Company reports its indices as one-month total returns). Index returns are provided to represent the investment environment existing during the time periods shown. All indexes are fully invested, which includes the reinvestment of income. The returns for the index do not include any transaction costs, management fees or other costs. The indexes are not available for direct investment. Industry sectors are presented to illustrate the diversity of areas in which we may invest, and may not be representative of current or future investments. All holdings available upon request.

Great Lakes Advisors, LLC claims compliance with the Global Investment Performance Standards (GIPS®). A complete list of firm composites and performance results, and the policies for valuing portfolios, calculating performance, and preparing GIPS compliant presentations are available upon request by calling 312.553.3700. Great Lakes Advisors, LLC's fees are available upon request and may be found in our Form ADV Part 2A. Performance data quoted herein represents past performance. Past performance does not guarantee or indicate future results. All data is as of December 31, 2016 unless otherwise noted. Returns and net asset value will fluctuate. To determine if this strategy is appropriate for you, carefully consider the investment objectives, risk factors, and expenses before investing.

Securities, insurance products, financial planning, and investment management services are offered through Wayne Hummer Investments, LLC (Member FINRA/SIPC), founded in 1931. Trust and investment management services offered by The Chicago Trust Company, N.A. and Great Lakes Advisors, LLC, respectively. Investment products such as stocks, bonds, and mutual funds are not insured by the FDIC or any federal government agency, not bank guaranteed or a bank deposit, and may lose value.