



Wood Asset Management, Inc.

A Titanium Asset Management Company

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(941) 361-2195 • Fax (941) 906-9494 • www.woodasset.com

Large Cap Value Strategy

Quarterly Portfolio Update | December 31, 2011

Description	Investment Philosophy																																
<table border="0"> <tr> <td>CIO/Portfolio Manager:</td> <td>Harald Hvideberg, CFA</td> <td style="text-align: right;">Years of Experience</td> <td style="text-align: right;">15</td> </tr> <tr> <td>Global Strategist:</td> <td>Robert Stovall, Sr., CFA</td> <td></td> <td style="text-align: right;">58</td> </tr> <tr> <td>Senior Analysts:</td> <td>Tyler Pullen, CFA</td> <td></td> <td style="text-align: right;">10</td> </tr> <tr> <td></td> <td>Sean Keenan, CFA</td> <td></td> <td style="text-align: right;">11</td> </tr> <tr> <td>Strategy Inception:</td> <td colspan="3">1/1/2002</td> </tr> <tr> <td>Strategy AUM:</td> <td colspan="3">\$304.9 Million</td> </tr> <tr> <td>Strategy Accounts:</td> <td colspan="3">156</td> </tr> <tr> <td>Total Firm AUM:</td> <td colspan="3">\$432.5 Million</td> </tr> </table>	CIO/Portfolio Manager:	Harald Hvideberg, CFA	Years of Experience	15	Global Strategist:	Robert Stovall, Sr., CFA		58	Senior Analysts:	Tyler Pullen, CFA		10		Sean Keenan, CFA		11	Strategy Inception:	1/1/2002			Strategy AUM:	\$304.9 Million			Strategy Accounts:	156			Total Firm AUM:	\$432.5 Million			<p>The Large Cap Value strategy seeks to generate consistent, competitive long-term results relative to the Russell 1000 Value Index, but with lower levels of volatility.</p> <p>Our top-down macro and sector analysis identifies investment opportunities on the basis of relevant macro cycles and trends, after which we determine appropriate sector weightings.</p> <p>Using bottom-up stock selection, we employ fundamental and quantitative criteria to identify undervalued companies. These are typically high-quality, temporarily out-of-favor stocks with strong balance sheets, good revenue and earnings growth prospects, attractive and growing cash dividends, and strong management teams.</p> <p>Sell price targets are established and maintained for each individual security for constant evaluation of upside potential versus downside risk.</p>
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Holdings – Top 10 Securities ⁽¹⁾

XOM	Exxon Mobil	KFT	Kraft Foods Inc
CB	Chubb Corp	UTX	United Technologies
BLK	BlackRock Inc	MCD	McDonald's Corp
IBM	IBM Corp	MSFT	Microsoft Corp
PEP	PepsiCo Inc	PCG	PG&E Corp

The information provided in this report should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities identified herein will be a part of the portfolio at the time you receive this report.

Performance

	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>7 Year</u>	<u>Since Inception</u>
WAM LCV	-0.90%	11.68%	-0.54%	3.24%	3.96%
Russell 1000 Value	0.39%	11.55%	-2.64%	1.95%	3.89%

* Inception 1/1/02. Note: Returns greater than 1 year are annualized.

Standard Deviation

	WAM LCV	Russell 1000 Value
3 Year	18.58	20.98
5 Year	17.98	20.09

* Calculated using gross monthly performance

Holdings – Top 5 Market Sectors ⁽¹⁾

Sector	WAM Large Cap Value	Russell 1000 Value
Industrials	13.0%	8.9%
Cons. Discretionary	14.5%	9.0%
Energy	12.0%	12.5%
Health Care	12.0%	12.8%
Financials	21.8%	24.4%

(1) Top 5 Market Sectors shown are WAM Large Cap Value's top sectors. Supplemental information to the Large Cap Equity Disclosure Presentation found on the next page.

Statistical Information

	<u>WAM LCV</u>	<u>Russell 1000 Value</u>		<u>WAM LCV</u>
Current P/E (Fiscal Year 1)	12.36	12.23	5 Yr Alpha (vs. Russell 1000 Value Index)	1.69
Forward P/E (Fiscal Year 2)	10.77	11.16	5 Yr Beta (vs. Russell 1000 Value Index)	0.89
P/B (Weighted Average)	2.55	2.08	5 Yr R ² (vs. Russell 1000 Value Index)	0.96
Dividend Yield (Weighted Average)	2.20%	2.64%	5 Yr Return on Equity	16.7%
Market Cap (Median, in Billions)	\$34.8	\$4.6	Annual Turnover	38.5%
Market Cap (Weighted Avg., in Billions)	\$79.9	\$73.5		
Number of Positions	44	657		



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Wood Asset Management, Inc., a wholly-owned subsidiary of Titanium Asset Management Corp., is an SEC-registered investment adviser that manages a variety of fixed income and equity strategies. The firm maintains a complete list and description of composites, which is available upon request.

Wood Asset Management, Inc., claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Wood Asset Management, Inc. has been independently verified for the periods July 1, 1994 through December 31, 2010. 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. The Large Cap Value Equity Composite has been examined for the periods January 1, 2007 through December 31, 2010. The verification and examination reports are available upon request.

Results are based on fully discretionary accounts under management, including some accounts no longer with the firm. The annual standard deviation presented is an asset-weighted calculation of performance dispersion for accounts in the composite the entire year. Different types of investments and strategies involve varying levels of risk, and there can be no assurance that any specific investment or investment strategy will be suitable or profitable for a client's or prospective client's portfolio and may result in a loss of principal.

For reasons including variances in holdings among Composite accounts, variances in the investment management fee incurred, market fluctuation, the date on which a client engaged Wood Asset Management investment management services, and any account contributions or withdrawals, the performance of a specific client's account may vary substantially from Wood Asset Management composite performance results. Past performance is not indicative of future results.

The U.S. dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Actual returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. Fees are collected quarterly, which produces a compounding effect on the total rate of return of management fees. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) \$1,000,000 investment, (b) portfolio return of 8% a year, and (c) 1.00% annual investment advisory fee would be \$10,416 in the first year, and cumulative effects of \$59,816 over five years and \$143,430 over ten years. Additional information regarding policies for valuing portfolios, calculating performance, and preparing a compliant presentation are available upon request.

"Pure" gross returns do not reflect the deduction of any trading costs, fees, investment advisory or other expenses. "Pure" returns are supplemental to net returns. The Wrap fee includes all charges for trading costs, portfolio management, custody, and other administrative fees. The standard fee schedule currently in effect is as follows: 3.00% on total assets. Net returns are calculated by subtracting an assumed maximum annual Wrap fee of 3% (0.75% quarterly) in advance on a quarterly basis from the "pure" gross composite quarterly return. Bundled fee includes all the charges for trading costs, portfolio management, custody and other administrative fees. Gross performance results are supplemental to net returns.

The Wood Asset Management, Inc. equity fee schedule is 100 bps on the first \$5 million, 75 bps on the next \$5 million. Fees on accounts over \$10 million will be quoted upon request. Fees are based on the characteristics of the account, the client's requirements, and are negotiable. Actual investment advisory fees incurred by clients may vary.

Large Cap Value Equity Composite - The composite consists of all Large Cap Value Equity fee-paying and non-fee-paying accounts that are fully discretionary, are fully invested after one month, and are invested to the Large Cap Value Equity strategy. For comparison purposes it is measured against the Russell 1000 Value Index, which is an unmanaged index that measures the performance of those Russell 1000 Index companies with lower price-to-book-ratios and lower forecasted growth rates. The index includes the reinvestment of dividend and income, but does not reflect fees, brokerage commissions, withholding taxes, or other expenses of investing. Prior to 9/30/2008 the composite index was the S&P 500 index. As of January 1, 2009, the Large Cap Value Equity Composite has been redefined to eliminate the \$300,000 minimum for inclusion into the strategy, which was previously a requirement for inclusion in the composite. The Large Cap Value strategy seeks to generate consistent, competitive long term results relative to the Russell 1000 Value Index, but with lower levels of volatility. The investment objective is to maximize total return through capital appreciation, income generation, and the preservation of capital. These portfolios are primarily invested in high quality, temporarily out of favor stocks with strong balance sheets, good revenue and earnings growth prospects, attractive and growing cash dividends, and strong management teams. The overall level of risk should be consistent with the risk associated with the benchmark. Returns are generated through sector positioning and security selection, while aggregate risk measures (i.e., beta and standard deviation) are measured and monitored. The composite was created December 31, 2011. Prior to March 31, 2010 the composite name was Large Cap Relative Value Equity but no change occurred in the investment strategy. Prior to 2010, bundled fee accounts were included in the composite. Gross returns for bundled fee accounts were not reduced by transaction costs. The composite has been updated to remove wrap accounts historically.

Large Cap Value Equity										
Period End	Composite Assets (millions)	Total Firm Assets (millions)	% of Non Fee Paying Accounts	Accounts at Period End	Returns			Annual Standard Deviation	Composite Ex-Post Standard Deviation	
					Composite (Gross)	Composite (Net)	Russell 1000 Value	Composite	Composite	Russell 1000 Value
2011	239.9	432.5	0.00	22	-0.90	-1.23	0.39	0.3	18.36	20.69
2010	235.5	616.8	0.04	20	13.42	13.05	15.51	0.3	-	-
2009	235.5	684.1	0.04	19	23.93	23.42	19.69	0.3	-	-
2008	183.9	670.2	0.00	16	-32.36	-32.68	-36.85	0.5	-	-
2007	462.7	1,282.9	0.00	26	3.33	2.97	-0.17	1.1	-	-
2006	597.2	1,490.5	0.00	25	11.52	11.12	22.25	0.3	-	-
2005	603.3	1,313.6	0.00	27	15.22	14.80	7.05	0.5	-	-
2004	607.1	1,130.4	0.00	25	14.40	14.00	16.49	0.5	-	-
2003	399.6	1,042.3	0.00	20	20.12	19.59	30.03	0.7	-	-
2002	160.3	480.6	0.00	14	-14.37	-14.69	-15.52	0.2	-	-

Note: Composite assets and number of accounts are affected by client-imposed restrictions and changes in inclusion criteria. These statistics cannot be used to demonstrate gained or lost accounts of the firm or of total composite assets. Such data is available upon request. Please refer to the disclosure for more information.

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