

# Metropolitan West Capital Management, LLC

MANDATE: PINNACLE AMERICAN VALUE EQUITY FUND (THE "FUND")

## INVESTMENT OBJECTIVE OF THE FUND

To achieve superior long-term returns through capital growth using a value-oriented investment style by investing primarily in stocks of large capitalization U.S. corporations.

## BACKGROUND OF METROPOLITAN WEST CAPITAL MANAGEMENT, LLC

- Founded in 1997, Metropolitan West Capital Management, LLC (MetWest Capital) is minority owned by key employees. Its client roster includes the Government of Guam, Blue Cross/Blue Shield, University of Maine and the State of Idaho.
- On June 1, 2006, Evergreen Investments acquired a majority interest in MetWest Capital, a registered investment advisor. The existing principals retained minority ownership.

## INVESTMENT PHILOSOPHY AND PROCESS OF METROPOLITAN WEST CAPITAL MANAGEMENT, LLC

- MetWest Capital's investment approach is to identify the stocks of high-quality, growing businesses that are selling at a discount to their "intrinsic" or true value.
- MetWest Capital thoroughly examines each business, as if they were buying the whole firm. A company must pass 3 additional levels of screening:
  1. Must be a high-quality business that has financial strength; capable, proven and properly motivated management; and improving business fundamentals.
  2. The company must sell at a significant discount to its intrinsic value.
  3. One or more positive catalysts must exist that will unlock the value and cause the stock price to move up to its intrinsic value, within the investment horizon (typically three to five years).
- The resulting intrinsic value is what a prudent investor should pay for the entire enterprise. The investment professionals then compare the value to the company's stock price to determine if it presents an opportunity.
- MetWest Capital establishes a sell target when a security is purchased, based on the company's price discount to its intrinsic value. As the fundamentals change over time, they re-evaluate the sell target based on the stock price relative to those fundamentals.

## BIOGRAPHIES OF KEY PERSONNEL

**Howard Gleicher**, CFA is CEO & CIO and Lead Strategist for the Large Cap Intrinsic Value strategy. He has 23 years of experience, 11 of which are with MetWest Capital.

**Gary W. Lisenbee** is President and Co-Lead Strategist for the Small Cap Intrinsic Value strategy. He has 36 years of investment experience, 11 of which are with MetWest Capital.

**Samir Sikka** is Senior Vice President and Co-Lead Strategist for the Small Cap Intrinsic Value strategy. He has 12 years of investment experience, 2 of which are with MetWest Capital.

**Jeffrey Peck** is Director of Research with 14 years of experience, 5 of which are with MetWest Capital.

**David M. Graham** is Senior Vice President with 41 years of experience, 8 of which are with MetWest Capital.

**Jay Cunningham**, CFA is Senior Vice President with 14 years of experience, 3 of which are with MetWest Capital.

**Miguel E. Giaconi**, CFA is Equity Analyst with 14 years of experience, 5 of which are with MetWest Capital.

**Pranav M. Rawal** is Equity Analyst with 9 years of experience, 4 of which are with MetWest Capital.

**Alex Alvarez**, CFA is Equity Analyst with 9 years of experience, less than 1 of which is with MetWest Capital.

**Jake Gilden** is Equity Analyst with 7 years of experience, 1 of which is with MetWest Capital.

**Steven M. Borowski** is Managing Partner with 29 years of experience, 11 of which are with MetWest Capital.

**Sandra L. Incontro**, CFA is Managing Director/Portfolio Manager with 15 years of experience, 7 of which are with MetWest Capital.

## SUMMARY\*

Location: Newport Beach, CA  
 Founded: 1997  
 Ownership: 23% by employees,  
 77% by Evergreen  
 Investments  
 Staff: 52  
 Managers/  
 Analysts: 14

**Assets:**  
 Corporate: \$1,762 million  
 Public/  
 Taft-Hartley: \$423 million  
 Foundations/  
 Endowments: \$487 million  
 Mutual Funds  
 (sub-advised): \$3,648 million  
 Individual: \$1,682 million  
 TOTAL: \$8,002 million

**Portfolio Characteristics:**  
 Style: Large Cap Value  
 P/E: Lower than market  
 P/B: Lower than market  
 Yield: Higher than market

**Turnover:**  
 Trailing 12 month less than 40%

### STYLE

	Value	Blend	Growth
Large	●		
Medium			
Small			

\*Information provided as of December 2008.

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