

Large Cap Value

A large-cap equity portfolio that aims to generate outperformance by uncovering research insights to exploit discounts to intrinsic value.

Product Facts

Benchmark

Russell 1000 Value Index

Research Universe

Companies typically with a market capitalization greater than \$5 billion

Typical Number of Holdings

45 - 50

Investment Team

Colin Glinsman, Managing Director
- Portfolio Manager/Senior Analyst
- 27 years experience/18 years tenure

7 Dedicated Research Analysts

- Average 18 years experience/11 years tenure
- 5 Chartered Financial Analysts

Please see reverse for performance information

For More Information

For more information about Large Cap Value and other Oppenheimer Capital strategies, please contact us at 877.716.9787, via e-mail at info@opcap.com, or visit us on the Web at www.opcap.com.

Objective

Large Cap Value is a value equity portfolio managed by Oppenheimer Capital for long-term appreciation through investment in large-capitalization companies. The portfolio seeks to outperform its benchmark over a full market cycle through fundamental equity analysis and active portfolio management.

Philosophy

- › Consistent investment in stocks at a discount to intrinsic value is the key driver of long-term alpha potential.
- › Short-term stock mispricings can be uncovered through insightful fundamental research and analysis.
- › Portfolios should profit as long-run market efficiency causes a stock's price to appreciate to its intrinsic value.

Investment Approach

- › **Research.** We aim to outperform through superior fundamental analysis. We seek to anticipate and value the future fundamental changes in a business, concentrating our analytical effort on points of divergence from consensus to develop a cogent investment thesis about a stock's true worth.
- › **Insight.** We seek to develop proprietary research insights about a company's intrinsic value that are differentiated from the market's view. Our objective is to identify stocks that are undervalued because of one of two general conditions:
(1) A company's temporary earnings weakness is misperceived to be permanent.
(2) The sustainability of a company's profitability is underestimated.
- › **Alpha.** Others own 'value' or 'growth' stocks; we own stocks that are undervalued. Our intrinsic-value approach seeks the most compelling valuation discounts anywhere in the market, without bias as to a stock's statistical profile.

About Oppenheimer Capital

Since our inception in 1969, Oppenheimer Capital has been a leading innovator of research-driven investment management. With more than \$13 billion in assets under management, Oppenheimer Capital features 42 investment professionals focused on profiting from research-driven insights. We are a multi-strategy manager with capabilities in equities, fixed income and structured products that are designed to generate alpha.

Product Data

All data as of September 30, 2008 unless otherwise noted. Performance data reflect Large Cap Value Composite returns; all other information reflects representative account data.

Annualized Performance (%)

	Large Cap Value, gross	Large Cap Value, net	Russell 1000 Value Index
Quarter	(14.1)	(14.2)	(6.1)
1 Year	(41.3)	(41.4)	(23.6)
3 Years	(9.1)	(9.3)	0.1
5 Years	(0.2)	(0.4)	7.1
10 Years	1.0	0.6	5.6

Returns are annualized for periods of 1-year or more. Data source: FactSet.

Portfolio Characteristics

	Portfolio	Russell 1000 Value Index
Market Cap (weighted average, in \$ billion)	80.5	91.8
P/E Ratio (forward 1-year estimate)	10.1	11.2
Earnings Growth (long-term forecast)	10.4	9.7
Return on Equity (1-year)	17.2	15.3
Price/Book Ratio	1.3	1.6
Target Tracking Error (%)	5.0 - 8.0	n/a
Beta (3-years annualized vs. Russell 1000 Value Index)	1.26	1.00

Data source: FactSet, Oppenheimer Capital

Top Ten Holdings (%)

	Portfolio Weight
ConocoPhillips	5.8
General Electric	5.0
Capital One Financial	4.9
WellPoint	4.8
Chevron	4.7
Unilever	4.4
Bank of America	4.3
Annaly Capital Management	3.9
Aetna	3.4
Prudential Financial	3.1
TOTAL	44.2

Data Source: FactSet

GICS® Sector Distribution (%)

	Portfolio Weight	Russell 1000 Value Index Weight
Consumer Discretionary	4.6	8.5
Consumer Staples	8.9	8.1
Energy	24.3	18.0
Financials	27.8	24.9
Health Care	11.3	10.9
Industrials	14.7	9.5
Information Technology	0.5	3.4
Materials	1.0	4.3
Telecom Services	1.5	5.8
Utilities	5.4	6.8

Based on GICS® Sector Classification. Data source: FactSet

The Large Cap Value Composite, created in 1993 (and formerly known as the Intrinsic Value Composite), is composed of all discretionary equity oriented accounts with market values of \$5 million or greater (prior to 1997, only employee benefit plans were included) managed by Oppenheimer Capital in its Large Cap Value style. Composite returns are based upon trade date accounting and include the reinvestment of dividends and interest. Composite returns are asset weighted using beginning of month market values. Prior to 7/1999, Composite and portfolio returns are calculated using a time weighted monthly linked rate of return formula. Effective 7/1999, portfolios are valued daily and monthly rates of return are calculated by geometrically linking daily rates of return. Quarterly and annual returns are calculated by geometrically linking monthly and quarterly rates of return, respectively. In order to calculate the net performance, from 1/1999 to 12/2003, the gross performance is reduced by the highest annual advisory fee charged to any account within the Composite. Prior to 1/1999 and after 12/2003, net performance is calculated by deducting the actual advisory fee from each portfolio in the Composite. Actual account performance will vary depending on the size of a portfolio and the applicable fee schedule. Actual account performance will vary depending on the size of a portfolio and the applicable fee schedule. Oppenheimer Capital's current standard fee schedule is contained in Part II of its Form ADV. Effective 1/2004, accounts in the Composite reflect those managed from a single model portfolio that is constructed by one portfolio manager who incorporates input from Oppenheimer Capital's Large Cap Value Portfolio Construction Team. Prior to 1/2004, the Composite consisted of accounts managed by various Oppenheimer Capital portfolio managers who managed portfolios from a common list of eligible stocks but applied different portfolio construction processes. Certain characteristics of the securities held in a representative account may be displayed above. On any given date, any particular account managed in the Large Cap Value style may include securities not held by the representative account and may not hold each security held in the representative account and consequently, may have portfolio characteristics that differ from those of the representative account. The characteristics and sector distribution data for the representative account are based on estimated data obtained from FactSet. The typical number of holdings represents the number of stocks which the portfolio manager utilizes in building a portfolio. This number may vary at any given stage of the investment process. The Russell 1000 Value Index is a broad measure of the large cap value style and measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. The Index is referred to for comparative purposes only and is not intended to parallel the risk or investment style of the accounts in the Composite. A list of all recommendations made by Oppenheimer Capital for the Large Cap Value strategy for the preceding 12 months is available upon request. It should not be assumed that any of the holdings were or will prove to be profitable, or that the investment recommendations we make in the future will be profitable or will equal the performance of the securities presented in this list. Source of GICS® Sector Classification: S&P and MSCI. The information presented in this Product Profile has been developed internally and/or obtained from sources which Oppenheimer Capital believes to be reliable; however, Oppenheimer Capital does not guarantee the accuracy, adequacy or completeness of such information nor does it guarantee the appropriateness of any strategy referred to for any particular investor. There is no guarantee that any opinion, forecast, estimate or objective will be achieved. This Product Profile is provided for informational purposes only and should not be construed as a recommendation for the purchase or sale of any security. This Product Profile reflects the opinion of the commentator(s) on the date made and is subject to change at any time without notice. Past performance is not indicative of future performance. Frank Russell Company ("FRC") is the source and owner of the Russell Index data contained herein (and all trademarks related thereto), which may not be redistributed. The information herein is not approved by FRC.