DVM DREMAN VALUE MANAGEMENT, LLC
Asset Management

DAM LARGE CAP VALUE STRATEGY

QUARTERLY MANAGER COMMENTARY

First Quarter 2015

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PORTFOLIO MANAGEMENT TEAM

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Market Review

Equity market volatility returned during the first quarter of 2015 as the macro data turned less positive. Even so, most of the major equity indices ended the quarter in positive territory. The Dow Jones Industrial Average experienced 16 triple-digit moves during the month of March, the second highest of any month in history. Rising concerns about the timing of the Federal Reserve's ("FED") next interest rate move and news that the European Central Bank ("ECB") finally launched its Quantitative Easing ("QE") program caused increased investor angst. The ECB has committed to buy 60 billion euros of Eurozone sovereign debt each month through September 2016 with the goal of heading off deflation and assisting economic growth. The jury is still out on the efficacy of such a strategy as neither the US or Japan have not been particularly successful in generating sustainable growth with such an approach. Other areas of increased concern include the volatility of oil prices, currency volatility, the financial situation in Greece, and the ever-present and growing geopolitical risks in Middle East.

There is little doubt that central bank easing has been a significant positive catalyst for equity market returns since the financial crisis. Despite the unprecedented economic stimulus, the U.S. economy has been slow to gain traction. While the headline unemployment rate has dropped from almost 10% to under 6% today, the actual gains in the job market have been more muted. Most of the improvement in the unemployment rate is due to workers dropping out of the labor market rather than finding new jobs. As the Fed moves back from their zero rate policy, increased uncertainty as to the economic outlook likely translates into higher equity market volatility.

January and March were marked by market downturns, while February saw the major indices hit record highs. The big debate during the quarter revolved around when the Fed commences interest rate hikes. It seemed the market took some comfort in several economic data points that were fairly anemic (i.e. February retail sales, the producer price index and the Michigan consumer sentiment index) which may delay any rate increases.

Most of the U.S. indices posted positive returns for the first quarter, with small cap leading the way as shown in the table below.

From a Russell 1000® sector perspective, seven out of ten sectors had positive returns for the first quarter led by Healthcare (+7.3%), Consumer Discretionary (+4.7%,) and Telecommunication Services (+2.0%). The two weakest sectors were in the Utilities (-5.1%) and Energy (-2.3%) sectors.

Within the style box, Growth outperformed Value for the quarter, with the Russell 1000® Growth index returning 3.8% versus the Russell 1000® Value index returning -.7%. The Growth index outperformance was primarily the result of stronger returns in the, Information Technology sector.

Portfolio Review

The Dreman Large Cap Value Equity Portfolio (the "Portfolio") slightly underperformed the Russell 1000® Value benchmark for the 1st quarter of 2015. The underperformance primarily reflected weak stock selection and an overweight in the Information Technology sector. Healthcare and Financials holdings also contributed to the underperformance. Holdings in the Energy and Consumer Discretionary sectors were positive contributors to performance.

Oil continued its slide during the first quarter with WTI pricing falling 11%. Despite falling oil prices, the portfolio's energy holdings were slightly positive contributors to performance. While E&P holdings generally declined, the portfolio's refining holdings Valero (+29.4%) and Phillips 66 (+10.4%), benefited from the wide spread between WTI and Brent crude pricing as well as low natural gas pricing.

We pared back the portfolio's energy holding toward quarter end with sales of Chesapeake Energy and Seadrill LTD.

QUARTERLY RETURN BREAKDOWN

Total Return %	January	February	March	1sth Quarter
Russell 1000® Index	-2.8%	5.8%	-1.3%	1.6%
Russell Midcap® Index	-1.6%	5.5%	0.1%	4.0%
Russell 2000® Index	-3.2%	5.9%	1.7%	4.3%
Russell Global ex-U.S. Index	-0.2%	5.3%	-1.4%	3.6%

Source: FactSet and Advent Axys

We added to Chesapeake early in the year, but the year-end conference call changed our near term outlook. At current natural gas pricing, Chesapeake will outspend cash flow by $2 billion this year, partly as a result of having to produce to fulfil pipeline contracts. As one of the largest producers in the Marcellus shale, Chesapeake is being hurt by significant price discounts due to supply and demand imbalances in the Marcellus. Currently, gas in the Marcellus is selling at approximately $1.65 per a thousand cubic feet (Mcf) compared to the widely quoted Henry Hub price of approximately $2.50. We would not be surprised to see the price discounts widen this summer. Longer term, we believe Chesapeake will be a winner, but in the near term their inability to keep capital expenditure within cash flow and a weak near-term natural gas outlook have us moving to the side line. Seadrill, a premier deep water driller, has suffered not only from lower oil prices, but also from the economic sanctions on Russia. Like Chesapeake, we believe Seadrill will be a long term winner, but we believe that deep water exploration will be slow to rebound compared to the on-shore shale plays.

We remain constructive on the price of oil going forward. As long as the price of oil remains below the cost of production in most basins, exploration companies will continue to cut capital expenditures. Over the last few weeks U.S. production has flat lined and as we move into the summer we expect U.S. output to fall. The U.S. rig count has suffered the largest decline since the mid 80's with the overall rig count down 58% from the highs. The notion that the U.S. is running out of storage space and that oil prices will collapse as a result, is all hype, in our view. Storage capacity in the U.S. is approximately 540 million barrels and currently only about 340 million is filled. We suspect that as refiners gear up to produce gasoline for the summer driving season that talk of overflowing storage will quickly fade.

In the Consumer Discretionary sector, Kohl's was responsible for the strong performance rising 28.9% for the quarter. Early in February, Kohl's preannounced favorable sales for Q4 2014 and raised guidance to $4.20-$4.22 for 2014 relative to expectations of $4.05. Just recently, Kohl's reported 2014 earnings of $4.24 and gave guidance of $4.40 to $4.60 for 2015. While not as cheap as it once was, Kohl's still offers attractive value at 14 times 2015 earnings and a solid dividend yield of 2.4%. Early in the quarter, we sold Staples as the rapid rise in price into year-end had it reaching our valuation target of 17 times earnings. Recently, Staples announced a merger with Office Depot, which temporarily spiked the stock price. Subsequently, the price has drifted lower and despite the merger the outlook for earnings growth remains muted. Ford Motor company also performed well during the quarter returning +5.2%. The stock has been stuck in a fairly tight trading range over the last year or so as concerns about the growth outlook of the auto market and their market share weighed on the stock. We continue to believe Ford is undervalued as it trades at just 10 times analysts' estimates for 2015 and yields 3.8%. Also, Ford is in much better financial shape as its pension obligations are effectively fully funded.

Stock selection and an overweight in the Information Technology sector were significant drags on performance for the quarter. Information Technology was the worst performing sector in the Russell 1000® Value returning -7%. The Portfolio's holdings returned -7.7%. Apple was the only standout performer returning +13.2%. While price appreciation has raised the valuation of Apple to 15 times analyst's forecasts for 2015, we continue to like the stock and believe the roll out of the iWatch and other initiatives such as Apple TV and Apple Pay will continue to drive revenue and earnings growth. Most important, Apple will generate close to $60 billion in free cash during 2015 for an 8% free cash flow yield. We have pared back the Apple position over the last year but we still consider it a core Information Technology holding.

Hewlett Packard, Micron, and SanDisk were all poor performers during the quarter with each falling more than 20%. Pricing concerns in the flash memory have weighed on SanDisk and the competitive pressures have led the company to temper guidance for 2015. There are also rumors that Apple has dropped SanDisk as a supplier on their latest phone. Like SanDisk, pricing concerns in DRAM market weighted on Micron. While the DRAM market has always been volatile, recent consolidation has created a more stable pricing environment. Samsung recently announced a new fab that will come on line at the end of 2017 and some have speculated that it will produce DRAM thus creating downward pressure on prices. While a concern, we believe Samsung is focused on supplying a growing market rather than taking significant market shares through price competition. Trading at just 9 times analyst's estimates for 2015, we believe Micron is significantly undervalued. We have high expectations for the second half of 2015 when their joint venture with Intel brings to market their first 3D NAND product.

The lack of Utilities and Consumer Staples sector exposure added to performance as both sectors were laggards in the Russell 1000® Value. While we are attracted to the dividend yields these sectors offer, investors have bid up many of the traditional yield stocks to levels where we believe the downside risks outweigh the offered yields.

In the Materials sector we continue to hold a small weight in gold miners. The bear market in gold has lasted longer than we expected, despite our expectations of massive liquidity injections from central banks around the world being fulfilled. Gold is a strange asset, but then, these are strange times in the financial markets. Gold is a hedge against currency debasement that typically follows massive monetary easing. While we have had the monetary easing, there is little evidence of any consequence in terms of inflationary expectations. In fact, interest rates are plunging around the world despite the best efforts of central banks. For the moment we are content to hold a small position in gold as a hedge. We took advantage of the sell-off in commodities to add Freeport-McMoran, Inc to the portfolio. Freeport is one of the largest and lowest cost copper producers in the world as well as a producer of oil, natural gas and molybdenum. We added a position after the stock collapsed 50% on near term earnings worries. While 2015 will be a down year for earnings with analyst's expecting just $0.75 for the year, we expect Freeport's earnings will rebound to better than $2 in 2016, with longer term expectations of $4.00. We are long term bulls on copper as all signs point to supply shortages in the years ahead.

Financials sector stocks still represent the largest sector weighting in the portfolio with just over a 30% weight. The first quarter was not a good one for the Financials as worries over central bank policies increased interest rate uncertainty. Banks and insurance companies will generally benefit from rising rates and the stagnation of rates around the world has called into question whether U.S. rates, especially longer term rates, will rise any time soon. While the FED may raise the Federal Funds rate, the overnight rate that banks borrow and lend to each other, there is little reason to think U.S. longer term rates will move higher when 10 year government yields in Germany and Japan are less than 0.5%. In fact, many shorter duration European bonds are currently selling at negative yields. In the current environment, banks are struggling to maintain net interest margins, which is a headwind for earnings growth. Even with the interest rate headwinds, U.S. banks offer attractive valuations relative to the market. For example, JP Morgan trades at 11 times 2015 analyst estimates and yield is 2.6%. The insurance stocks are equally cheap with Met Life and Prudential Financial trading at less than 9 times 2015 estimates with yields approaching 3%. At current valuations, we believe the risk/reward is favorable in Financials stocks.

Investment Activity – 1st Quarter

The following new purchases and new sales occurred during the quarter:

1ST QUARTER NEW PURCHASES & SALES	
Purchases	**Sales**
Freeport McMoran	Chesapeake Energy
Quanta Services	FedEx
HCA Holdings	Staples
Viacom Inc	SeaDrill Ltd.

PORTFOLIO ANALYTICS

The best and worst contributors to performance for the first quarter of 2015 are shown below:

1ST QUARTER DETRACTORS	
Worst of 1Q 2015	**Contribution**
Valero Energy	+56 bps
Kohl's	+54 bps
Quest Diagnostics	+28 bps
Apple	+26 bps
Phillips 66	+20 bps

Source: FactSet. Based on a representative account.

1ST QUARTER CONTRIBUTORS	
Best of 1Q 2015	**Contribution**
Micron Tech	-54 bps
SanDisk	-54 bps
Hewlett-Packard	-51 bps
Chesapeake	-49bps
Bank of America	-31 bps

Source: FactSet. Based on a representative account.

Finally, from a fundamental perspective, we believe the Portfolio remains attractive as shown by the representative characteristics below:

1ST QUARTER REPRESENTATIVE CHARACTERISTICS		
3/31/2015	**DAM Large Cap Value**	**Russell 1000® Value**
P/E (wtd. median)	15.2x	19.9x
P/E (Est.) (wtd. median)	12.9x	17.5x
Dividend Yield	2.2%	2.3%
ROE (5yr. average) (median)	12.4%	10.6%

Source: FactSet. Based on a representative account.

INVESTMENT OUTLOOK

It seems our "wall of worry" thesis is wearing thin as the U.S. bull market slowly plows ahead. Over the foreseeable future we expect an increase in financial market volatility as we get closer to the start of a rising interest rate cycle driven by the FED. However, its policy is data dependent and the views of market participants can be expected to shift with every surprising economic number. Given the sentiment that the U.S. recovery is progressing and the interest rate increases are coming at least by late 2015, the odds favor further dollar appreciation against the Euro.

We continue to believe that the positives for equities versus fixed income remain in place. In our opinion, primarily due to the exorbitant money printing of the global central banks since the 2008 crisis, there is now a colossal fixed income bubble in the developed world. Today, there are nearly $2 trillion of European bonds trading with a negative yield-to-maturity. Why anyone would buy a German 30 year bond with a 68bp yield or any other developed market bond, especially government bonds, is beyond us. The resolution to this era of financial repression, be it deflation, default, inflation or the resumption of a normal economic cycle, has yet to be decisively embraced by investors. As it does, financial market volatility is very likely to rise.

We are confident that Ms. Yellen, if spooked by weak economic data points, would be the first to delay any U.S. interest rate increases. In fact, recent comments from the Minnesota FED president, Narayana Kocherlakota, indicated that he believes that interest rates should not be increased until mid-2016 at the earliest and in fact that QE4 is theoretically possible. Stay tuned.

Despite the not-terribly-attractive valuations of the major U.S. indices, we believe that the Portfolio remains attractive based on valuations as evidenced by the Portfolio's median earnings yield of 7.8% as compared to 5.7% for the Russell 1000® Value .

As we start the second quarter of 2015, we believe that the Portfolio is a prudent choice for your U.S. equity allocation.

We thank you for your support.

FIRM OVERVIEW

Dreman Value Management, L.L.C. is a leading *contrarian value* investment management firm founded in 1997 by David Dreman, a pioneer in the field of contrarian investment strategies and behavioral finance.

Today we are a team of dedicated contrarians offering a *true* value solution to investors seeking *diversification and long-term results*. Our goal is to provide superior investment performance, consistently and over a long-term horizon, using the *unique* contrarian investment philosophy and *disciplined* investment approach pioneered by David Dreman over 30 years ago. We are committed to our efforts to provide unparalleled client service to all of our accounts by coupling what we believe to be exceptional talent with industry leading technology as we strive to provide the *best in class* portfolio management, trading, compliance, and marketing teams.

We believe that the market over-reacts to events in a predictable fashion and consistently misjudges the prospects of stocks, often resulting in over-exuberance for outperforming stocks and overwhelming negativity for underperforming stocks. Negative over-reactions create an opportunity to purchase solid stocks at a discount to the market and result in substantial long-term gains. The best way to identify these stocks is through a low p/e approach to stock selection. Studies have proven that low p/e stocks have far better appreciation than their high p/e counterparts.[1]

Combining a close understanding of behavioral tendencies with a low p/e approach to stock selection provides the best way to beat the market over time. This Contrarian value philosophy forms the basis of our low p/e strategy and leads to a highly disciplined approach to investing that avoids style drift and offers downside protection.

[1]Dreman, David N. Contrarian Investment Strategies: The Psychological Edge
New York: Free Press, A Division of Simon & Schuster, 2012.

Disclosures

Dreman Asset Management ("DAM") is a division of Dreman Value Management, L.L.C. ("Dreman"), an independent investment management firm and registered investment adviser established on July 1, 1997. DAM participates in a number of wrap-fee SMA/UMA sponsor programs with several large financial institutions. These institutions provide separately managed account services to their clients.

Past performance is historical and is no guarantee of future results. The opinions expressed herein are those of Dreman and are subject to change without notice. Economic and market forecasts presented herein reflect our judgment as of the date of this review and we have no obligation to make updates or changes to these forecasts in the future. These forecasts do not take into account the specific investment objectives, restrictions, tax and financial situation or other needs of any specific investor. Actual data will vary and may not be reflected here. These forecasts are subject to high levels of uncertainty that may affect actual performance. Accordingly, these forecasts should be viewed as merely representative of a broad range of possible outcomes. These forecasts are estimated, based on assumptions, and are subject to significant revision and may change materially as economic and market conditions change. Examples are provided for illustrative purposes only. Under no circumstances does the information contained within represent a recommendation to buy, hold or sell any security and it should not be assumed that any companies or sectors discussed were or will prove to be profitable. There is no assurance that any securities discussed herein remain in any fund or account of DAM at the time that you receive this or that securities sold have not been repurchased.

The market indices used herein have been included for purposes of comparison of an investment in the relevant strategy to an investment in certain well-known, broad-based equity benchmarks. The statistical data regarding such indices have been obtained from FactSet and returns are calculated assuming all dividends are reinvested. Such indices are not subject to any of the fees or expenses to which funds or accounts managed by DAM are subject. Funds and accounts managed by DAM are not restricted to investing in the securities which comprise any such index, their performance may or may not correlate to any such index, and they should not be considered a proxy for any such index. The performance results have been compared to one or more indices. The volatility of these indices may be materially different from that of funds and accounts of DAM. These indices are unmanaged, with no fees, expenses or taxes. It is not possible to invest directly in an unmanaged index; however, an individual can invest in exchange traded funds or other investment vehicles that attempt to track the performance of an unmanaged index.

Current and future holdings are subject to risk including the potential loss of all principal invested.

For more information with respect to the methodology used in the above attribution analysis and/or to obtain a list showing the contribution to the overall performance of each holding in the portfolios during the quarter please contact us at rfi@dreman.com. The securities discussed above do not represent all of the securities purchased or sold within the portfolios or investment strategy.

Benchmark Definitions

S&P 500® Index
The Standard & Poor's 500 Composite Stock Price Index ("S&P 500®") is a capitalization-weighted index of 500 stocks intended to be a representative sample of leading companies in leading industries within the U.S. economy. Stocks in the Index are chosen for market size, liquidity, and industry group representation. The Index includes 500 large-cap stocks, which together represent about 75% of the total U.S. equities market. To be eligible for addition to the S&P 500, companies must have a market capitalization of at least US$4 billion.

Russell 1000® Index
The Russell 1000® Index measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000® Index and includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000® represents approximately 92% of the US market. The Russell 1000® Index is constructed to provide a comprehensive and unbiased barometer for the large-cap segment and is completely reconstituted annually to ensure new and growing equities are reflected.

Russell 1000® Value Index
The Russell 1000® Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000® Index companies with lower price-to-book ratios and lower expected growth values. The Russell 1000® Value Index is constructed to provide a comprehensive and unbiased barometer for the large-cap value segment. The Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics

Russell 2000® Index
The Russell 2000® Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000® Index is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.

Russell Midcap® Index
The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap is a subset of the Russell 1000® Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap represents approximately 31% of the total market capitalization of the Russell 1000 companies. The Russell Midcap® Index is constructed to provide a comprehensive and unbiased barometer for the mid-cap segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true mid-cap opportunity set.

Russell Global® ex-U.S. Index
The Russell Global ex-U.S. Index measures the performance of the global equity market based on all investable equity securities, excluding companies assigned to the United States. The Russell Global ex-U.S. Index is constructed to provide a comprehensive and unbiased barometer for the global segment and is completely reconstituted annually to accurately reflect the changes in the market over time.

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