

## **CHANNING CAPITAL MANAGEMENT, LLC**

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Chicago, IL 60603  
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[www.channingcapital.com](http://www.channingcapital.com)**

## **ADV-PART 2 BROCHURE**

**(PARTS 2A & 2B)**

**2/29/2012**

This combined ADV-Part 2 Brochure and Brochure Supplement (together “Brochure”) provides information about the business practices and qualifications of Channing Capital Management, LLC (“Channing”). If you have any questions about this Brochure, please contact us at [clientservice@channingcapital.com](mailto:clientservice@channingcapital.com) or 312.223.0211. The information in this Brochure has not been approved or verified by the U.S. Securities & Exchange Commission (“SEC”) or by any state securities authority.

Channing is a registered investment adviser with the SEC. Registration of an investment adviser does not imply any level of skill or training. Additional information about Channing is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). This Brochure was also filed with the SEC electronically and is also available on this same SEC website.

**ITEM 2 – MATERIAL CHANGES**

Channing's Brochure is a firm disclosure document prepared according to the SEC's current Form ADV-Part 2 requirements and rules. This Item notes only specific material changes that are made to the Brochure and provides clients with a summary of such changes. We also reference the date of our last annual update of our disclosure brochure: 3/2011.

We will provide and deliver to you a summary of any material changes to this and subsequent Brochures. We may further provide other ongoing disclosure information about material changes as necessary. We will further provide you with an updated Brochure as necessary based on changes or new information, at any time, without charge.

*Annual Amendment/Update: Material Changes*

1. Item 4 – Assets Under Management (AUM) disclosure was updated.

Currently, our Brochure may be requested by contacting our Firm's Client Service Team at 312.223.0211 or [clientservice@channingcapital.com](mailto:clientservice@channingcapital.com) or emailing our Compliance Dept. at [compliance@channingcapital.com](mailto:compliance@channingcapital.com).

**ITEM 3 - TABLE OF CONTENTS**

ITEM 2 – MATERIAL CHANGES .....	ii
ITEM 3 – TABLE OF CONTENTS .....	iii
ITEM 4 – ADVISORY BUSINESS .....	1
ITEM 5 – FEES AND COMPENSATION .....	1
ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....	2
ITEM 7 – TYPES OF CLIENTS .....	3
ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....	4
ITEM 9 – DISCIPLINARY INFORMATION .....	5
ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....	5
ITEM 11 – CODE OF ETHICS .....	6
ITEM 12 – BROKERAGE PRACTICES .....	6
ITEM 13 – REVIEW OF ACCOUNTS .....	9
ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION .....	10
ITEM 15 – CUSTODY .....	10
ITEM 16 – INVESTMENT DISCRETION .....	11
ITEM 17 – VOTING CLIENT SECURITIES .....	11
ITEM 18 – FINANCIAL INFORMATION .....	12
ITEM 19 – MISCELLANEOUS ITEMS .....	12
<b>BROCHURE SUPPLEMENTS .....</b>	<b>14</b>

**MISCELLANEOUS ITEMS**

- PRIVACY POLICY SUMMARY
- DISASTER RECOVERY PLAN SUMMARY
- COMPLIANCE PROGRAM & CONTROLS SUMMARY
- GENERAL EDUCATION AND BUSINESS STANDARDS SUMMARY

**BROCHURE SUPPLEMENTS:**

EDUCATIONAL AND BUSINESS BACKGROUND INFORMATION REGARDING  
FIRM PRINCIPALS AND PORTFOLIO MANAGEMENT GROUP

**ITEM 4 – ADVISORY BUSINESS**

Channing Capital Management, LLC (“Channing”) is a privately-held investment management firm founded in 2003 by Eric McKissack, Rodney Herenton and Wendell Mackey, who are the Firm’s principal owners. Channing provides investment management services to institutional, pension, and charitable organization clients and other institutional investors. Channing specializes in mid-cap and small-cap investing, and offers the institutional marketplace a mid-cap and small-cap value domestic equity product where Mr. McKissack serves as the lead portfolio manager for Channing’s mid-cap value product and Mr. Mackey serves as the lead portfolio manager for the firm’s small-cap value product.

In managing primarily institutional separate accounts, Channing adheres to its institutional clients’ written investment objectives, guidelines and restrictions. As of 2/29/2012, the Firm has approximately \$910,500,000 of total client assets under management (“AUM”) as follows:

- Discretionary: \$910,500,000
- Non-Discretionary: \$0.

**ITEM 5 – FEES AND COMPENSATION**

Fees for Channing’s services are generally based upon a percentage of assets under management, and our general annual fee schedule is as follows:

<b>FEE SCHEDULE</b>	<b>MID-CAP VALUE</b>	<b>SMALL-CAP VALUE</b>
\$0 to \$25M	75 bps	100 bps
Next \$25M	70 bps	90 bps
Over \$50M to \$100M	65 bps	85 bps
Above \$100M	65 bps	80 bps

However in certain circumstances, our investment management fees may be negotiable based upon funding mandate size and/or the ability to expand the relationship over time. Also the above-described fees are applicable only to long-only institutional or pension client separate accounts, and not hedge accounts or hedge funds which Channing does not manage.

Fees are payable quarterly on assets under management at the end of each calendar quarter. Fees are billed immediately following the close of each calendar quarter and are due upon receipt. Fees are pro-rated for asset additions or withdrawals prior to the end of the calendar quarter based on the number of days under management during the period. Fees are collected in arrears and not billed in advance; accordingly Channing does not contemplate a situation where it will be necessary to issue a refund of fees to a client. However, in the unlikely event a client is entitled to a refund of fees billed, the request for refund should be made in writing and directed to:

Eric T. McKissack, Chief Executive Officer  
c/o CCM Accountant  
Channing Capital Management, LLC  
10 S. LaSalle Street, Suite 2650  
Chicago, IL 60603  
Attn: Request for Refund

Clients with fixed term agreements may generally terminate their investment advisory agreement in accordance with the specific terms outlined in their agreement. Client agreements that are not for a fixed term generally may be terminated at any time by either party by giving to the other at least 60 days prior written notice of such intent of termination.

## **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Channing does not generally charge any performance-based fees and is generally compensated based on a percentage of AUM. However, on a limited basis pursuant to client request and subject to negotiation, we will consider entering into an institutional

investment management agreement containing performance-based fees relating solely to management of traditional or long-only client AUM. We do not manage hedge funds or other alternative funds or pooled investment vehicles and have no performance-based fee arrangements involving such investments.

Channing will structure any performance-based fee arrangement subject to Section 205(a)(1) of the Advisers Act and in accordance with SEC Rule 205-3 and its related exemptions. Performance-based fee arrangements may create incentives for investment managers to recommend investments which may be riskier or more speculative than those which would be recommended under a traditional AUM or different fee arrangement. Such fee arrangements may also create an incentive to favor higher-fee paying accounts over other accounts in the allocation of investment opportunities. However, Channing views such potential risks as limited or non-existent since each institutional long-only strategy is managed in a substantially similar manner subject to each institutional client's investment guidelines and restrictions. Also, Channing has implemented procedures reasonably designed to ensure that all clients are treated fairly and equally, and to prevent this potential conflict from influencing the allocation of investment opportunities among its institutional clients.

## **ITEM 7 – TYPES OF CLIENTS**

Channing generally makes its investment management services available to and serves a variety of institutional clients only, including:

- Corporate and Other Retirement Plans
- Endowments and Foundations
- Hospitals and Healthcare Institutions
- Public Retirement and Pension Funds
- Institutional Managers-of-Managers
- Sub-Advised Mutual Funds
- Religious Organizations
- Taft-Hartley Organizations
- Units of Government
- Trusts

### Conditions for Managing Accounts

Channing generally provides investment advisory services for institutional investors with a minimum of \$5,000,000 in assets to invest. In certain special circumstances and at the firm's discretion, this minimum may be negotiated. Channing's investment management services are generally limited to equity investments.

## **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

Channing's investment and portfolio management teams utilize a fundamental, bottom-up value investment philosophy that focuses on undervalued and neglected mid-capitalization and small-capitalization domestic (United States) equity stocks. With this approach, the Firm looks for publicly-traded companies that are trading at significant discounts to their intrinsic value. We seek to generate above-average returns for our clients through our investment process and discipline, and, as a result, Channing's relatively concentrated approach focuses on stock picking rather than market timing or sector allocation.

Institutional client portfolios are constructed on a stock-by-stock basis with emphasis given to the return potential of individual equity securities. Channing relies primarily on stock selection to seek to earn above-average returns as opposed to forecasts which emphasize sector weightings relative to a portfolio benchmark. However, sector and industry diversification is also employed as a risk management tool.

As part of Channing's research process, the investment team compiles information from multiple industry sources for insights including:

- Management quality
- Product and/or service quality
- Business cycle(s) for the company's key products or services
- New product or service offerings in the pipeline that could enhance future growth
- Industry characteristics.

Channing also uses proprietary in-house research developed by reviewing financial statements and records, interviewing company senior management, interviewing company customers, and monitoring consumer attitudes about company products or services. Such research may also in certain instances include company visits and observing company operations.

In limited isolated instances when deemed necessary, Channing may use Exchange Traded Funds (ETFs) to facilitate the transition of client funding requirements. The ETFs are not intended to be a permanent holding in the investment portfolio but used to allow for the orderly construction and maintenance of client portfolios. Strategic use of ETFs allows Channing to manage investment portfolios in the best interest of our clients. Investing in or holding securities as investments involves risk of loss that all clients should be prepared to bear.

## **ITEM 9 – DISCIPLINARY INFORMATION**

Registered investment managers are required to disclose all material facts regarding any disciplinary or legal events that would be material to your evaluation of the firm or the integrity of firm's management. Channing has no information applicable to this Item.

## **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Channing has no Item 10 disclosures as we are an independently-owned and managed institutional asset management firm.



**ITEM 11 – CODE OF ETHICS**

## Code of Ethics Summary.

Channing has adopted a Code of Ethics, which is compliant with Rule 204A-1. In summary, Channing's Code of Ethics requires all access persons to provide an initial holdings report upon hire and annually within thirty (30) days after the last day of the 4th quarter. Access persons are to receive pre-approval for covered securities from a portfolio manager and the CCO prior to placing a trade. Access persons are to provide Channing with duplicate statements of their brokerage accounts. The CCO will review for compliance with the Code of Ethics and to monitor against insider trading activity. The Code of Ethics also restricts other activities which could have the perception of a conflict of interest, such as directorships and the receipt of gifts. Channing's Code of Ethics is in general alignment with the central principles and tenets of the CFA Institute's professional code of ethics governing CFA Charterholders as well as its Asset Manager's Code of Conduct.

A copy of the Firm's Code of Ethics may requested by contacting our Firm's Client Service Team at 312.223.0211 or [clientservice@channingcapital.com](mailto:clientservice@channingcapital.com) or emailing our Compliance Dept. at [compliance@channingcapital.com](mailto:compliance@channingcapital.com).

**ITEM 12 – BROKERAGE PRACTICES**

## Institutional Investment, Trading &amp; Brokerage Discretion

The institutional client accounts over which Channing has discretion are generally subject to institutional client imposed investment restrictions and guidelines. Such restrictions and guidelines customarily impose a number of limitations with regard to the types of securities which can be purchased and also generally limit the percentage of account assets which can be invested in certain types of securities. When more than one client of Channing is seeking to buy or sell the same security, the sale or purchase is bunched or aggregated, which is considered fair and equitable to all accounts. Although sharing in large transactions may sometimes affect price or volume of shares acquired or sold, overall Channing believes there may be an advantage in execution.

Channing may follow the practice of grouping or aggregating orders of various clients for execution to get the benefit of lower prices or commission rates. In certain cases where the aggregate order may be executed in a series of transactions at various prices, the transactions are allocated on a pro-rata basis, so that each receives, to the extent practicable, the average price of such transactions.

Channing selects brokers to effect client transactions, subject to client approval in certain circumstances as described below. In selecting broker-dealers to execute transactions, consideration will be given to such factors as: the price of the security (including commission or mark-up); the size and difficulty of the order; the reliability, integrity, financial soundness and general operation and execution capabilities of the broker; the client's directives; the broker's expertise in particular markets; and research services provided by the broker. Preference may be given to those broker-dealers which consistently supply competent research coverage in markets in which they specialize. Channing's primary concern in selecting brokers is receiving the best price and transaction/order execution. Channing maintains lists of approved brokers which Channing believes are generally able to provide those services. Channing's traders only use brokers on those lists, except for client-directed orders as discussed below. On an ongoing basis Channing negotiates commissions and evaluates the reasonableness of those commissions based on the factors listed above. The level of brokerage commissions paid is reviewed periodically by Channing.

Clients also may limit discretionary authority by directing Channing to effect transactions through specific broker-dealers or limiting the compensation paid. Clients may condition such transactions by requiring that Channing only effect transactions with those broker-dealers if the broker-dealer is competitive as to price and execution. In the event that a client directs Channing to use a particular broker or dealer, Channing may be unable under those circumstances to negotiate commissions and to obtain volume discounts or best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to clients who direct Channing to use a particular broker or dealer.

Where permitted by client investment and trading guidelines, Channing may step-out transactions as a means to meet institutional and pension clients' directions or clients' utilization goals to trade with certain brokerage firms or with certain targeted or approved groups of brokerage firms. These firms are also subject to meeting Channing's best execution and approved broker requirements. Available upon client request is documentation on which transactions were stepped-out and to which brokerage firm with respect to an institutional client's account.

In the case of trade errors, Channing will, when available, provide to the client any gains as related to the error. In the case of a trade error conducted by the brokerage firm executing the transaction, the brokerage firm may decide solely to keep the gain. Channing has no control over the brokerage firm keeping such gain, however, Channing will make every reasonable effort to have such gain sent to the client. In no case will a client have a loss in its account related to a trade error. Channing's policy is to make the client whole in such circumstances.

Research provided by brokers supplements the research activities of Channing. Research services provided by brokers include: economic data on, and analysis of, the U.S. economy; information about specific companies, including earnings estimates; purchase recommendations for stocks; portfolio strategy services; political, economic, business and industry trend assessments; historical statistical information; market data services providing information on specific issues and prices. Research contact may be by telephone or in conjunction with seminar attendance or at other meetings. Channing may receive research products or services that are used for both research and other non-research purposes, such as for firm administration. In such cases, Channing makes a good faith reasonable effort to determine the relative proportion of the cost of such products or services used for non-research purposes and pays for such proportion out of its own funds. In making these determinations, a conflict of interest may exist by reason of Channing's allocation of the cost of such services between those that primarily benefit our Firm and those that primarily benefit our clients. Some brokerage firms or portfolio management evaluation firms also may provide to Channing investment performance evaluation services, which may be used by Channing in relation to investment decision-making.

Channing may pay a broker-dealer a commission in excess of that which another broker or dealer receives, or a commission in excess of that which another broker or dealer might have charged for effecting the same transaction (subject to limitations imposed by its contracts with its clients and to the extent authorized by law), when Channing, in its good faith, determines that the commission is reasonable in relation to the value of brokerage and/or research services provided by the broker-dealer. Research services furnished by broker-dealers through which Channing effects securities transactions may be used in servicing all accounts managed by Channing. Not all such services will necessarily be used exclusively in connection with the accounts which pay the commissions to the broker-dealer producing such services.

Channing may engage on a limited basis in "soft-dollar arrangements" or client commission arrangements (as governed under SEC regulations and rules as amended/updated) on a general basis or limited to certain portfolio strategies. Certain brokers and/or independent third-party investment research firms unaffiliated with Channing provide to Channing investment and performance-related evaluation services, which are used by Channing in connection with its investment decision-making process. To the extent these services are used for investment decision-making, these services are generally provided by such unaffiliated third-party research firms or brokerage firms in exchange for compensation or payments derived from client trading commissions in whole or in part. Channing may pay such unaffiliated firms trading commission-derived compensation or fees in excess of that which another third-party investment brokerage or third party research firm receives, or a an investment or trading services fee in

excess of that which another brokerage or third party firm might have charged for providing the same investment research or trading services (subject to limitations imposed by its contracts with its clients and to the extent authorized by law), when Channing, in its good faith, determines that the services fees or commission payments are reasonable in relation to the overall value of brokerage and/or research services provided by the third party brokerage firm or other third-party investment research services provider firm.

Soft-dollar benefits are not limited to those clients who may have generated a particular benefit although certain soft-dollar allocations are connected to particular clients or groups of clients. Soft-dollar benefits are not proportionally allocated to client accounts that may generate different amounts of the soft-dollar benefits.

## **ITEM 13 – REVIEW OF ACCOUNTS**

A. Account Reviews and Reviewers. Channing reviews all securities within each of its portfolio strategies through monitoring of fundamental data including revenue and cash flow growth, earnings, and balance sheet strength and valuation measures. Channing's investment and portfolio management teams are responsible for portfolio construction, monitoring and implementing investment policy decisions for their respective portfolio strategy products. Each Investment Team reviews each client account on a regular periodic basis or more frequently as investment and/or market circumstances dictate. Each account and compliance with accounts' investment guidelines are also reviewed periodically by the respective Investment Team (in conjunction with the Client Service Team and Compliance Dept.). Each Investment Team approves all buy and sell ideas after a thorough research and recommendation process. Each Investment Team has research responsibility for new stock ideas and recommendations, and stock ideas are introduced by members of the Investment Teams. Research reports are internally generated and discussed in regular periodic research meetings. The investment portfolio/product leader for the respective investment products of Channing (E. McKissack for mid-cap value portfolio; W. Mackey for small-cap value portfolio) has the final decision on all investments selected for such respective portfolios with input from members of the Investment Team focused on a particular portfolio.

B. Client Reporting. Channing provides each institutional client with information based upon their specific requirements as required by industry standards. Clients are furnished monthly, and/or quarterly reports as per their request, which outline each securities costs basis, market value and estimated annual income. Performance reviews and capital gain and loss schedules are provided to clients on an annual basis generally.

**ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION****Additional Compensation**

From time to time, Channing may enter into arrangements with brokerage firms which provide research and other goods or services in exchange for executing brokerage transactions with their firm. The goods and/or services provided are generally used to manage and maintain our various institutional client portfolios. Channing may engage in “soft dollar arrangements” or client commission arrangements (as governed under SEC regulations and rules as amended and updated from time to time). Please refer to Item 12 above for additional information.

**Participation or Interest in Client Transactions**

Channing may serve as sub-advisor for certain mutual funds. Channing Staff are generally permitted to invest in these mutual funds that Channing sub-advises as well as other mutual funds not sub-advised by Channing. Where Channing’s Staff invest in or engage in any trading of any Channing sub-advised fund, such Channing staff are required under our Code of Ethics to report such investments or trading as part of their periodic personal trading and pre-clearance reports. Such investing or trading activity will be reviewed as part of the periodic firm reviews of personal trading activity.

Also, Channing does not solicit or sell such sub-advised mutual funds in the normal course of its business. From time to time, Channing Staff may be asked by prospects, clients, business associates, friends and family for information on how to purchase the mutual funds. Those inquiries are responded to in very general terms by providing the ticker symbol of the mutual funds and recommending to the person making the inquiry that they contact a registered representative of one of the many publicly recognized brokerage firms for professional advice as to the suitability of any of the funds as an investment. With respect to the funds, Channing as well as its employees, do not make investment referrals and do not receive any referral or marketing fees. Channing Staff are prohibited by company and compliance policy, including Channing’s Code of Ethics and Insider Trading Policies, from sharing non-public information about the funds investments or acting in a manner that might have any appearance of self-dealing with a client.

**ITEM 15 – CUSTODY**

Channing has no custody of its institutional-only clients’ assets or accounts. Institutional clients customarily select and engage their own custodians independent of Channing.

**ITEM 16 – INVESTMENT DISCRETION**

Channing generally receives and accepts discretionary authority from its institutional clients at the outset of an advisory relationship pursuant to a governing investment management agreement to manage such clients' assets. In all cases, however, such investment discretion is to be exercised in a manner consistent with the stated investment objectives, guidelines, and restrictions for such institutional or pension client account.

When selecting and trading securities and determining amounts to be bought and sold, Channing adheres to the investment policies, limitations and restrictions of the institutional clients for which it manages assets. Investment guidelines and restrictions must be provided to Channing by our clients in writing. For additional related information, please refer to Item 12 above.

**ITEM 17 – VOTING CLIENT SECURITIES****Proxy Handling & Voting Summary**

Channing has a fiduciary obligation to, at all times, weigh and serve the best interest of its advisory clients as the sole consideration when voting proxies of portfolio companies. As part of its investment management services provided to clients and pursuant to SEC rule, Channing has adopted a proxy voting policy and related procedures. The Proxy Voting Policy and Procedures are designed to ensure that Channing votes client proxies in the best interest of its clients and outline how any proxies received on behalf of its clients will be handled.

Channing has retained third-party proxy firm Risk Metrics Group, Inc. ("RM") for proxy advisory and voting services. Regardless of material conflict (if any), Channing through its reliance on independent third-party RM will, at all times, vote in the best interest of its client. RM will generally analyze the voting issues and make a proxy vote recommendation. Channing customarily follows such recommendation, subject to certain limited exceptions (requiring a documented rationale), and the proxy is voted in accordance with RM's guidelines, which have been reviewed by Channing's Proxy Review Team. Proxy issues receive consideration based on all relevant facts and circumstances. Some accounts for which Channing is investment manager may wish to retain responsibility for proxy voting or to assign that responsibility to a different investment manager. Such accounts must either provide Channing with a plan document that expressly precludes Channing from voting proxies or include in the investment manager contract that Channing will not vote their proxies. In the absence of

such documentation, Channing undertakes the obligation to vote on behalf of the accounts it manages, and will do so supported by RM's services. It is also Channing's policy to fully comply with ERISA requirements regarding proxy voting.

Copies of Channing's proxy voting policy and procedures and information regarding proxy votes are available to clients upon request. To obtain a copy, please direct any written or electronic client requests as follows:

Channing Capital Management, LLC  
c/o CCM Client Service Team  
[clientservice@channingcapital.com](mailto:clientservice@channingcapital.com)  
10 South LaSalle St., Suite 2650  
Chicago IL 60603  
Attn: Robin Anderson, Proxy Administrator

## **ITEM 18 – FINANCIAL INFORMATION**

Channing has no financial commitment or adverse financial condition that impairs its ability to meet its investment management or advisory contractual and fiduciary commitments to its institutional clients. Also, Channing has not been the subject of any bankruptcy proceeding.

## **ITEM 19 – MISCELLANEOUS ITEMS**

### **PRIVACY POLICY SUMMARY**

The SEC adopted Regulation S-P, a comprehensive set of rules intended to implement privacy requirements aimed at preventing financial institutions from disclosing various types of non-public personal information gathered from individual clients to certain unaffiliated entities. A privacy policy pursuant to Regulation S-P is not required of Channing at this time due to its client base being exclusively institutional. Should Channing accept in the future clients that are individual/natural persons, Channing will provide these clients with a privacy policy as part of entering into an advisory agreement and annually thereafter.



**DISASTER RECOVERY PLAN SUMMARY**

Channing has adopted and implemented a disaster recovery and business continuity plan. Channing's Disaster Recovery Plan consists of regular and frequent full computer network system data backups and offsite secure storage of such system data and all related data content for the requisite retention period under governing SEC rules. Also as part of its disaster recovery back-office and business continuity plan, Channing uses SunGard, a well-recognized provider of disaster recovery remote locations, and our plan's business resumption timeframe is structured to be in general accord with SEC guidance.

**COMPLIANCE PROGRAM & CONTROLS SUMMARY**

In compliance with Rule 206(4)-7 of the Advisers Act, Channing has appointed a Chief Compliance Officer, has adopted and implemented policies and procedures reasonably designed to prevent violations of federal securities laws, and will review its policies and procedures for their adequacy and effectiveness at least annually. A summary of Channing's compliance program and key policies/procedures is available upon request.

**GENERAL EDUCATION AND BUSINESS STANDARDS SUMMARY**

Channing requires that all personnel involved in providing investment advice and portfolio management services to clients have a combination of prior business experience and formal academic training consistent with and/or exceeding its industry peers. Staff currently employed by Channing as part of its portfolio management group have greater than 50 years of combined investment management experience and have received undergraduate degrees from accredited four-year colleges or universities. Staff currently employed by Channing also hold various professional certifications and degrees including: the Chartered Financial Analyst ("CFA") designation issued by the CFA Institute, (formerly known as the Association for Investment Management and Research, or "AIMR"); and graduate degrees including MBA's from accredited universities and business schools.



# **BROCHURE SUPPLEMENT (COMBINED)**

## **EDUCATIONAL AND BUSINESS BACKGROUND INFORMATION REGARDING FIRM PRINCIPALS AND PORTFOLIO MANAGEMENT GROUP**

**Eric T. McKissack  
Wendell E. Mackey  
Rodney B. Herenton  
Jawanza T. Hughes  
Anton Gordon  
Ryan Rosenthal**

**CHANNING CAPITAL MANAGEMENT, LLC**

**2/29/2012**

**This Brochure Supplement provides information about our Firm's principals and portfolio management group that supplements our Firm's Disclosure Brochure (above).**

**Additional information about the *supervised person(s)* listed above may be available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**ERIC T. McKISSACK, CFA****ITEM 2- EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE****Eric T. McKissack, CFA*****Co-Founder & Chief Executive Officer; Lead Portfolio Manager, Mid-Cap Equities***

Eric T. McKissack, CFA (born 1953), is a Co-Founder, Chief Executive Officer, and Portfolio Manager of the Mid-Cap Value Product for Channing Capital Management, LLC. Mr. McKissack has over 26 years of investment experience, and has been a founding principal with Channing since 2004. Mr. McKissack was formerly Vice-Chairman and Co-Chief Investment Officer of Ariel Capital Management, a Chicago-based investment management firm with over \$10 billion in assets under management in 2003, specializing in equities. In this capacity, Mr. McKissack served as the portfolio manager responsible for the Ariel Appreciation Fund and various institutional separate accounts. Prior to joining Ariel Capital Management in 1986, Mr. McKissack worked for five years as a research analyst for First Chicago and First Chicago Investment Advisors, then-led by Gary Brinson. Mr. McKissack received a B.S. in Management from the Massachusetts Institute of Technology and an MBA from the University of California at Berkeley. He has also earned the Chartered Financial Analyst designation from the CFA Institute.

**ITEM 3- DISCIPLINARY INFORMATION**

None

**ITEM 4- OTHER BUSINESS ACTIVITIES**

None

**ITEM 5- ADDITIONAL COMPENSATION**

None

**ITEM 6 - SUPERVISION**

Eric McKissack serves as Channing's CEO and as Lead Portfolio Manager for the Mid-Cap Value Portfolio; Wendell Mackey serves as Lead Portfolio Manager for the Small-Cap Value Portfolio. Each Lead Portfolio Manager supervises and oversees the members of their respective investment teams within the structure of the Firm's overall portfolio management group. Also the Firm has adopted a compliance program, code of ethics, and related supervisory controls that governs all officers and staff. Each officer and staff confirms in writing that he or she has received and agrees to abide by Channing's code of ethics, compliance and governance standards. CEO Eric McKissack may be contacted at 312-223-0211 regarding any general firm governance and supervision matters.

**WENDELL E. MACKEY, CFA****ITEM 2- EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE****Wendell E. Mackey, CFA*****Co-Founder; Lead Portfolio Manager, Small-Cap Equities***

Wendell E. Mackey, CFA (born 1963), is a Co-Founder and Portfolio Manager of the Small-Cap Value Product for Channing Capital Management, LLC. Mr. Mackey has over 17 years of investment experience, and has been a founding principal with Channing since 2004. Mr. Mackey launched the Small-Cap Value Product for the firm in 2006. Mr. Mackey was formerly Senior Managing Director of Valenzuela Capital Partners, LLC, a small and mid cap equities boutique, where he shared responsibility for managing the firm's assets, research staff, and overall firm (1998-2003). Prior to Valenzuela Capital Partners, LLC, Mr. Mackey was a portfolio manager with Barnett Capital Advisors, responsible for Mid/Large cap institutional assets. Mr. Mackey also held a senior role at NCM Capital Management Group where he served as portfolio manager responsible for The Calvert Social Investment Managed Growth Fund and The Calvert CRI Balanced Fund. Mr. Mackey received a BBA from Howard University and an MM from the J.L. Kellogg Graduate School of Management, Northwestern University. He has also earned the Chartered Financial Analyst designation from the CFA Institute.

**ITEM 3- DISCIPLINARY INFORMATION**

None

**ITEM 4- OTHER BUSINESS ACTIVITIES**

None

**ITEM 5- ADDITIONAL COMPENSATION**

None

**ITEM 6 - SUPERVISION**

Eric McKissack serves as Channing's CEO and as Lead Portfolio Manager for the Mid-Cap Value Portfolio; Wendell Mackey serves as Lead Portfolio Manager for the Small-Cap Value Portfolio. Each Lead Portfolio Manager supervises and oversees the members of their respective investment teams within the structure of the Firm's overall portfolio management group. Also the Firm has adopted a compliance program, code of ethics, and related supervisory controls that governs all officers and staff. Each officer and staff confirms in writing that he or she has received and agrees to abide by Channing's code of ethics, compliance and governance standards. CEO Eric McKissack may be contacted at 312-223-0211 regarding any general firm governance and supervision matters.

**RODNEY B. HERENTON****ITEM 2- EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE****Rodney B. Herenton*****Co-Founder; Director of Marketing and Client Service***

Rodney B. Herenton (born 1966) is a Co-Founder and Director of Marketing and Client Service of Channing Capital Management, LLC. Mr. Herenton has over 8 years of investment management experience, and has been a founding principal with Channing since 2004. Mr. Herenton was formerly First Vice-President of the Private Fund Group at Morgan Keegan & Company, Inc, which he was affiliated with from 1997 to 2001. Prior to Morgan Keegan & Company, Inc., Mr. Herenton was an Associate in the Investment Banking Department of Bear Stearns, where he was responsible for deal execution of mergers and acquisitions, equity and high yield bond transactions. Prior to Bear Stearns, Mr. Herenton was an Associate in the Corporate Finance Department of Lehman Brothers. Mr. Herenton received a BA degree in Finance from Morehouse College and an MBA from Harvard Business School.

**ITEM 3- DISCIPLINARY INFORMATION**

None

**ITEM 4- OTHER BUSINESS ACTIVITIES**

None

**ITEM 5- ADDITIONAL COMPENSATION**

None

**ITEM 6 - SUPERVISION**

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**JAWANZA T. HUGHES****ITEM 2- EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE****Jawanza T. Hughes**  
***Portfolio Manager, Mid-Cap Equities***

Jawanza Hughes (born 1971) is a Portfolio Manager with Channing Capital Management, LLC. Mr. Hughes has over 11 years investment experience, and has been with Channing since 2004. Mr. Hughes was formerly with Profit Investment Management where he was a research analyst and covered a various number of industries. Prior to joining Profit Investment Management, Mr. Hughes was a research analyst with Ariel Capital Management and covered the Health Care and Environmental Services industries for its Small and Mid-cap products. His previous experience includes three years at J.P. Morgan & Co. as an investment banking financial analyst in the Financial Institutions Group primarily focused on the asset management industry. Mr. Hughes also was an investment banking financial analyst with Kidder, Peabody & Co. Mr. Hughes holds a BA in Finance from Morehouse College (magna cum laude) and a MBA from the Harvard Business School.

**ITEM 3- DISCIPLINARY INFORMATION**

None

**ITEM 4- OTHER BUSINESS ACTIVITIES**

None

**ITEM 5- ADDITIONAL COMPENSATION**

None

**ITEM 6 - SUPERVISION**

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**ANTON GORDON****ITEM 2- EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE****Anton Gordon*****Equity Analyst, Small-Cap Equities***

Anton Gordon (born 1976) is an Equity Analyst for Channing Capital Management, LLC, a role he has served in since his internship with Channing during the summer of 2007. His primary responsibilities are conducting research on Small-Cap companies. Prior to joining Channing, Mr. Gordon gained audit experience as an enterprise risk services auditor with Deloitte LLP from 2002 to 2004. He participated in audits of Oil Field Supply, Regional Banking, and PC manufacturing firms. Mr. Gordon was also a member of the Cougar Fund LLC Small Mid-Cap Growth Team at the University of Houston. As a member and leader of the Cougar Fund team he researched several industries and evaluated investment opportunities using price to intrinsic value analysis. Mr. Gordon earned a Masters of Finance, and BBA in Finance from the University of Houston; and an MBA from the University of Chicago Graduate School of Business (2005-2008).

**ITEM 3- DISCIPLINARY INFORMATION**

None

**ITEM 4- OTHER BUSINESS ACTIVITIES**

None

**ITEM 5- ADDITIONAL COMPENSATION**

None

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**RYAN ROSENTHAL****ITEM 2- EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE****Ryan Rosenthal**  
***Analyst, Small-Cap Equities***

Ryan Rosenthal (born 1981) is a Small-Cap Equity Analyst for Channing Capital Management. Prior to joining Channing in 2010, Ryan spent 3 years as a sell-side equity analyst at Sidoti & Co., LLC in New York where the firm's focus is Small Cap Equities. In this capacity, he was primarily responsible for researching Small-Cap companies in the Materials, Energy, and Utility sectors. Prior to Sidoti & Co., Ryan worked for the Vanguard Group LLC from 2004 to 2005 as a client relationship associate, where he advised retirement plan participants as a member of the Participant Services Group. Mr. Rosenthal holds a Bachelor of Arts in Psychology from the State University of New York (SUNY) at Binghamton (summa cum laude). At SUNY Binghamton he was twice named a Division I Intercollegiate Tennis Association Academic All-American, and was named his team's Captain. He earned his Master in Business Administration from Pennsylvania State University (2005-2007).

**ITEM 3- DISCIPLINARY INFORMATION**

None

**ITEM 4- OTHER BUSINESS ACTIVITIES**

None

**ITEM 5- ADDITIONAL COMPENSATION**

None

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