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First

Quarter

2013

Portfolio Review

General

It is difficult not to be pleased with the strong start to the year that we have enjoyed during the first quarter of 2013. Our results are particularly noteworthy following very strong results during the fourth quarter of 2012 and all of 2012. Our results would have been even better had we not made decisions that we believe will improve our long-term results but held back our short term results during the first quarter (see below). Once again, Small Cap was the standout. As we have often said we place no weight on short-term results, good or bad, and neither should you. In fact, we will and have willingly made decisions that negatively impact short-term performance when we think we can improve our long-term returns and lower risk. We encourage you to place more weight on our longer term historical results and a great deal of weight on our long-term prospects. Within this context we are gratified that all of our investment strategies are ranked in the top 3% of our peers over the last six years.

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	As of March 31, 2013			
	QTD	YTD	Annualized Since Inception*	Peer Rank Since Inception[1]
Large Cap Composite (Gross)	10.5%	10.5%	9.0%	Top 2%
Large Cap Composite (Net)	10.3%	10.3%	8.1%	
Russell 1000 Value Index	12.3%	12.3%	2.0%	
S&P 500 Index	10.6%	10.6%	3.9%	
Small Cap Composite (Gross)	16.2%	16.2%	11.7%	Top 1%
Small Cap Composite (Net)	16.0%	16.0%	10.5%	
Russell 2000 Value Index	11.6%	11.6%	2.8%	
Russell 2000 Index	12.4%	12.4%	4.4%	
Focus Composite (Gross)	9.6%	9.6%	9.6%	Top 2%
Focus Composite (Net)	9.3%	9.3%	8.1%	
Russell 1000 Value Index	12.3%	12.3%	2.6%	
S&P 500 Index	10.6%	10.6%	3.4%	
Focus Plus Composite (Gross)	9.8%	9.8%	8.3%	Top 3%
Focus Plus Composite (Net)	9.4%	9.4%	6.8%	
Russell 1000 Value Index	12.3%	12.3%	2.2%	
S&P 500 Index	10.6%	10.6%	3.9%	

[1]Peer ranking information sourced from eVestment as of February 6, 2019 using Vulcan Value Partners Large Cap, Focus and Focus Plus Composites versus peer group of US Large Cap Value Equity Universe, and Vulcan Value Partners Small Cap Composite versus peer group of US Small Cap Value Equity Universe since inception ending March 31, 2013. All returns are shown gross and net of fees. Vulcan Value Partners claims compliance with the Global Investment Performance Standards (GIPS®). *Inception date is 3/31/2007 for Large Cap, Small Cap, and Focus Plus Composites. Inception date is 11/30/2007 for Focus Composite. Past performance is no guarantee of future results. Please see important disclosures at the end of this document.

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We are more concerned with risk than we are with return. We reduce risk by limiting our investments to extremely high quality companies with stable values. We further reduce risk by demanding a discount to those stable values. Our discipline allows us to take advantage of stock price volatility because our companies' values are less volatile than their stock prices. Unfortunately for us stock price volatility has waned

Portfolio Review (Cont.)

so far in 2013 as it did in 2012. We would characterize the environment we are in as "normal." In the aggregate, prices are neither extraordinarily discounted as they were in 2008 or extraordinarily elevated as they were in 2007. As a result, our portfolios have become slightly more diversified as prices have risen faster than our values have compounded. We have reduced our weights or sold wonderful companies whose prices have risen closer to or reached our conservative estimate of intrinsic value. At the same time we have increased our positions in companies whose prices are more discounted in relation to our estimate of fair value. Consequently, our margin of safety is higher than it would be otherwise.

We will go into more detail in the individual portfolio reviews below but the most extreme example of this process of reducing risk through reallocating capital into companies with larger margins of safety from companies with lower margins of safety involves Apple and NASDAQ-OMX. NASDAQ-OMX was one of our top performers, rising nearly 30% during the first quarter. Its value did not change materially during the first quarter so that its price to value ratio increased and its margin of safety decreased. At the same time, Apple, whose value was also stable, experienced steady price declines and was by far and away the largest negative contributor to our performance. As Apple's stock declined roughly 16% during the first quarter its price to value ratio became more and more attractive. Consequently, we reduced our position in NASDAQ-OMX from approximately 5% to 3.5% and steadily added to our position in Apple, taking its weight to approximately 6.5%, making Apple our largest position. This reallocation of capital and many other similar changes to our portfolios reduces risk by improving our margin of safety and increasing our diversification as prices in general have risen faster than our values in the first quarter.

The most important aspect to executing our portfolio management discipline is the reduction in risk as illustrated above. We cannot resist updating you on recent progress since the quarter ended. NASDAQ-OMX announced a large acquisition and its stock price dropped after rising sharply in the first quarter. We were not as impacted as we might have been because we reduced our allocation to NASDAQ-OMX after its price had risen in the first quarter. Apple, on the other hand, continued to decline until they announced their fiscal second quarter results, with which we were very pleased. In addition to better than expected operational results, Apple announced plans to return $100 billion of capital to shareholders over the next three years with an emphasis on share repurchases. This intelligent capital allocation decision by them should materially increase our value per share for Apple. Stay tuned for more detail on Apple and the math behind their capital allocation decisions in our second quarter letter.

As you know we spend 90% of our time on bottom-up analysis of our companies. This analysis helps us form an opinion about macro economic impacts to our investments. We spend 10% of our time on purely macroeconomic analysis. The two tend to reinforce each other and give us better insights overall. So, what are we seeing? The global economy remains weak, but it is growing. It is growing less than it should, but it is expanding. This sustained weak but positive growth is enabling our companies to produce satisfactory results overall. Valuation levels remain attractive but are not extremely discounted as they were in 2008. However, valuation levels in relation to bonds are extreme. As we have written before, bonds do not make any sense to prudent investors. It is sad and ironic that many imprudent investors, attempting to reduce risk, have pushed bond yields to levels that virtually guarantee negative real returns and increase the risk of capital destruction. There were early signs that capital flows might be reversing into equities during the first quarter. As long-term investors we greatly prefer to own high quality companies with large margins of safety and high free cash flow yields to bonds of any kind today. If "the market" comes to the same conclusion there will be a re-pricing of equities and bonds and those who thought they were taking less risk will be reminded, once again, how important valuation is to assessing risk.

Portfolio Review (Cont.)

As we write our letters we always feel like we are "preaching to the choir." We are extremely fortunate to be in partnership with intelligent, long-term investors. You make our jobs easier and much more enjoyable. We could not execute our investment philosophy as effectively if we worked for a different kind of client base. We are grateful for you and take our fiduciary duty to you very seriously. We look forward to working with you over the course of 2013 and in the years to come.

In the discussion that follows, we generally define material contributors and detractors as companies having a greater than 1% impact on the portfolio.

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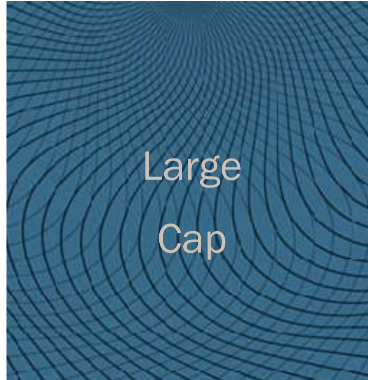

Vulcan Value Partners Large Cap Review

As of March 31, 2013						
			Annualized			
Investment Strategy	QTD	YTD	1 year	3 year	5 year	Since Inception*
VVP Large Cap (Gross)	10.5%	10.5%	20.8%	15.6%	13.1%	9.0%
VVP Large Cap (Net)	10.3%	10.3%	20.0%	14.7%	12.2%	8.1%
Russell 1000 Value Index	12.3%	12.3%	18.8%	12.7%	4.9%	2.2%
S&P 500 Index	10.6%	10.6%	14.0%	12.7%	5.8%	3.9%

*Inception Date March 31, 2007

NASDAQ-OMX was one of our top performers, rising nearly 30% during the first quarter. Its value did not change materially during the first quarter so that its price to value ratio increased and its margin of safety decreased. At the same time, Apple, whose value was also stable, experienced steady price declines and was by far and away the largest negative contributor to our performance. As Apple's stock declined roughly 16% during the first quarter its price to value ratio became more and more attractive. Consequently, we reduced our position in NASDAQ-OMX from approximately 5% to 3.5% and steadily added to our position in Apple, increasing its weight to approximately 6.5%, making Apple our largest position. This reallocation of capital and many other similar changes to our portfolios reduces risk by improving our margin of safety and increasing our diversification as prices in general have risen faster than values in the first quarter.

We cannot resist updating you on recent progress since the quarter ended. NASDAQ-OMX announced a large acquisition and its stock price dropped after rising sharply in the first quarter. We were not as impacted as we might have been because we reduced our allocation to NASDAQ-OMX after its price had risen in the first quarter. Apple, on the other hand, continued to decline until they announced their fiscal second quarter results, with which we were very pleased. In addition to better than expected operational results the company announced plans to return $100 billion of capital to shareholders over the next three years with an emphasis on share repurchases. This intelligent capital allocation decision by them should materially increase our value per share for Apple. Stay tuned for more detail on Apple and the math behind their capital allocation decisions in our second quarter letter.

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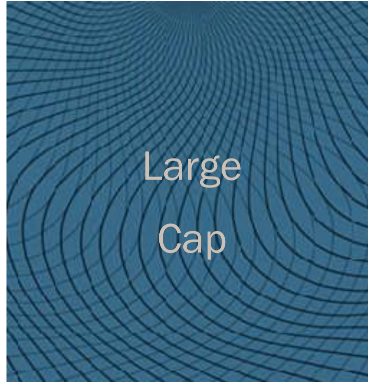

Vulcan Value Partners Large Cap Review (Cont.)

Large Cap Strategy			
1Q 2013 Top 5 Performers		**1Q 2013 Bottom 5 Performers**	
Security	**Return %**	**Security**	**Return %**
NASDAQ Stock Mkt Inc	29.4%	Apple Inc.	-14.6%
CME Group Inc	22.0%	Oracle Corp.	-1.6%
Time Warner Inc	21.1%	Check Point Software	-1.4%
Franklin Resources Inc	20.2%	Tesco PLC	6.0%
Discovery Communications-C	18.9%	Cisco Systems Inc	6.4%

It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities in this list. A company's relative contribution to return for the portfolio may not equal its absolute return and return for other portfolios for the relevant period because of differences in portfolio weights and holding periods.

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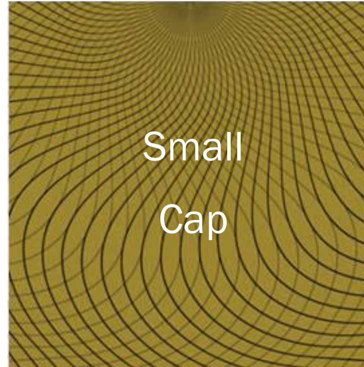

Vulcan Value Partners Small Cap Review

As of March 31, 2013						
			Annualized			
Investment Strategy	QTD	YTD	1 year	3 year	5 year	Since Inception*
VVP Small Cap (Gross)	16.2%	16.2%	29.2%	20.9%	16.6%	11.7%
VVP Small Cap (Net)	16.0%	16.0%	28.2%	19.8%	15.4%	10.5%
Russell 2000 Value Index	11.6%	11.6%	18.1%	12.1%	7.3%	2.8%
Russell 2000 Index	12.4%	12.4%	16.3%	13.5%	8.2%	4.4%

*Inception Date March 31, 2007

We had a great deal of activity during the first quarter. We sold several positions, one of which was taken away from us in a buyout and one of which rose to our estimate of fair value on buyout speculation. We also purchased several new positions with larger margins of safety to replace companies whose prices had risen closer to our estimate of fair value.

There were three material contributors to performance in the first quarter and no detractors.

We exited Nathan's Famous, NetSpend Holdings, and Boingo Wireless. We have held Nathan's Famous for several years, first buying it at $15.20 in 2010. It has been a core position for us with its weight fluctuating according to its price to value ratio over time. We finally exited the position this quarter at $34.09. Nathan's Famous management team did a fantastic job growing sales, increasing margins, and generating free cash flow while we owned it, which resulted in steady, double-digit value growth. When evaluating our returns it is important to understand that we did not just buy a discounted, static asset. We purchased an outstanding company that consistently grew its value per share while we patiently waited for its stock price to reflect fair value. It is much easier to be a long-term investor when you own companies that compound their values so that you are paid to wait.

Our NetSpend investment was similar to Nathan's Famous but even better. NetSpend was a broken IPO when we purchased it in the fall of 2011. There was nothing wrong with NetSpend whatsoever but its stock price had declined dramatically as the company grew but did not match inflated Wall Street expectations. Speculators who purchased the company's shares at high valuation levels exited the stock, driving its price to less than 50% of our conservative appraisal. While we owned it the company grew its bottom line at double-digit rates and produced large amounts of free cash flow at the same time. It was the combination of the two that impressed us. Moreover, its management team allocated capital brilliantly, using the company's free cash flow to repurchase shares when it was discounted. Consequently, we enjoyed high double-digit value growth while we owned it. We started buying NetSpend at $5.20 with a value estimate of $11. We were forced to sell it during the first quarter when Total Systems made a bid for the company at $16, which was close to our estimate of fair value for the company at that time. Note, that just as with Nathan's Famous, our returns were driven by both the underlying compounding of the value and the closing of the price to value gap. We want both economic forces working in our favor.

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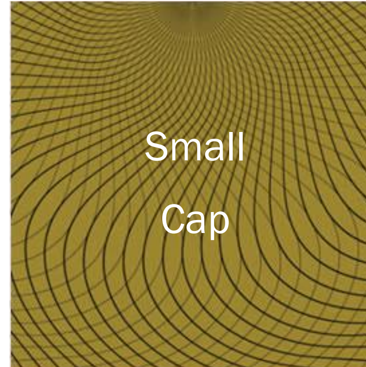

Vulcan Value Partners Small Cap Review (Cont.)

Boingo Wireless was a mistake. We define a mistake as a company whose value declines. As long as our values are stable or rising we welcome stock price volatility and will buy more as price to value ratios improve. Boingo Wireless' value declined because their competitive advantage in terms of controlled real estate in airports was not as strong as we had thought. Consistent with our investment discipline we reassessed our investment case and sold the position.

We purchased Global Payments, John Wiley, MSCI Inc., Nordson, Federated Investors, Open Text, Perkin Elmer, and Value Click during the first quarter.

Top contributors to performance included Universal Technical Institute, NASDAQ-OMX, and Eaton Vance. As noted, there were no material detractors to performance. Universal Technical Institute is the diamond in the rough of the for-profit education industry. There is robust demand for its students and its students learn skills that are valued in the market place. Its placement and salary record is superior to many others in the industry. We believe their operating results, which are depressed, will improve as the job market continues to gradually rebound.

NASDAQ-OMX's stock price increased nearly 30% but its value did not change materially during the first quarter so that its price to value ratio increased and its margin of safety decreased. Consequently, we reduced our position in NASDAQ-OMX from approximately 5% to 3.5%. Eaton Vance was similar with a greater than 30% stock price gain and a stable value. As with NASDAQ-OMX, we reduced our weight in Eaton Vance. This reallocation of capital and many other similar changes to our portfolios reduces risk by improving our margin of safety and increasing our diversification as prices in general have risen faster than values in the first quarter. It is of interest to note that this process resulted in 16.7% name turnover but actual turnover of 39.2%. These contradictory turnover statistics indicate that we truly are long-term investors but that we also actively seek to reduce risk in our portfolios.

We cannot resist updating you on recent progress since the quarter ended. NASDAQ-OMX announced a large acquisition and its stock price dropped after rising sharply in the first quarter. We were not as impacted as we might have been because we reduced our allocation to NASDAQ-OMX after its price had risen in the first quarter.

Small Cap Strategy			
1Q 2013 Top 5 Performers		**1Q 2013 Bottom 5 Performers**	
Security	**Return %**	**Security**	**Return %**
Eaton Vance Corp	30.0%	Boingo Wireless Inc	-27.4%
NASDAQ Stock Mkt Inc	29.3%	Perkin-Elmer Inc	-4.5%
Tupperware Brands	28.4%	Jos A Bank Clothiers Inc	-4.4%
Universal Technical Institute Inc	26.8%	Federated Investors Inc	-0.4%
Jarden Corp	24.0%	MSCI Inc	0.5%

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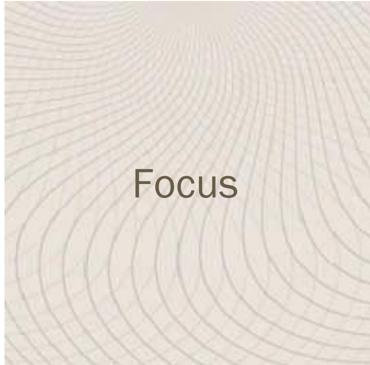

Vulcan Value Partners Focus Review

As of March 31, 2013						
			Annualized			
Investment Strategy	QTD	YTD	1 year	3 year	5 year	Since Inception*
VVP Focus (Gross)	9.6%	9.6%	17.7%	15.9%	12.8%	9.6%
VVP Focus (Net)	9.3%	9.3%	16.5%	14.3%	11.2%	8.1%
Russell 1000 Value Index	12.3%	12.3%	18.8%	12.7%	4.9%	2.6%
S & P 500 Index	10.6%	10.6%	14.0%	12.7%	5.8%	3.4%

*Inception Date November 30, 2007

We did not buy any new positions during the first quarter but did exit one position and used the proceeds to reallocate capital to more discounted existing names.

We sold Microsoft because its competitive position within the broad device market is waning. We do not believe that Microsoft's competitive position in the PC market is waning. Rather, PC's are under assault from tablets and smart phones, devices that did not exist when we first purchased Microsoft. Microsoft's value is stable because of the very large free cash flow coupon it produces and because strength in their enterprise area is offsetting weakness in Windows. Focus is a concentrated non-diversified portfolio where we want to overweight our own capital in our most competitively entrenched, most discounted companies. Unfortunately, Microsoft no longer qualifies for an investment in Focus, despite its stable value.

There were five material contributors to performance in the first quarter and one material detractor.

Material contributors included Eaton Vance, Franklin Resources, CME Group, Discovery Communications, and Bank of New York Mellon. Four of the five top contributors were in the financial services industry. Eaton Vance and Franklin Resources benefitted from rising equity market values. In addition, both have outperformed their peers in terms of attracting additional clients in a challenging environment. Discovery Communications had another strong year operationally and also continued to allocate capital to the benefit of shareholders with virtually all of its large free cash flow coupon being used for share repurchases at attractive prices. We are fortunate to own such outstanding businesses at prices that do not reflect their intrinsic worth, thus adding to our margin of safety.

Apple, whose value was stable, experienced steady price declines and was by far and away the largest negative contributor to our performance. As Apple's stock declined roughly 16% during the first quarter its price to value ratio became more and more attractive. Consequently, we steadily added to our position in Apple, increasing its weight to approximately 12%, making Apple our largest position. This reallocation of capital and many other similar changes to our portfolios reduces our risk by improving our margin of safety.

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Vulcan Value Partners Focus Review (Cont.)

We cannot resist updating you on recent progress since the quarter ended. Apple's stock price continued to decline until they announced their fiscal second quarter results, with which we were very pleased. In addition to better than expected operational results, Apple announced plans to return $100 billion of capital to shareholders over the next three years with an emphasis on share repurchases. This intelligent capital allocation decision by them should materially increase our value per share for Apple. Stay tuned for more detail on Apple and the math behind their capital allocation decisions in our second quarter letter.

Focus Strategy			
1Q 2013 Top 5 Performers		1Q 2013 Bottom 5 Performers	
Security	**Return %**	**Security**	**Return %**
Eaton Vance	31.1%	Apple Inc.	-14.1%
CME Group	22.1%	Oracle Corp	-2.1%
Franklin Resources Inc	20.2%	Microsoft Corp	2.0%
Discovery Communications—C	18.9%	Bank of NY Mellon Corp	9.4%
United Technologies	14.6%	MasterCard	10.0%

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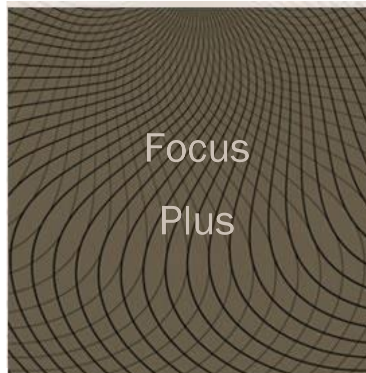


Vulcan Value Partners Focus Plus Review

As of March 31, 2013						
			Annualized			
Investment Strategy	QTD	YTD	1 year	3 year	5 year	Since Inception*
VVP Focus Plus (Gross)	9.8%	9.8%	18.8%	14.3%	12.0%	8.3%
VVP Focus Plus (Net)	9.4%	9.4%	17.4%	12.8%	10.5%	6.8%
Russell 1000 Value Index	12.3%	12.3%	18.8%	12.7%	4.9%	2.2%
S & P 500 Index	10.6%	10.6%	14.0%	12.7%	5.8%	3.9%

*Inception Date March 31, 2007

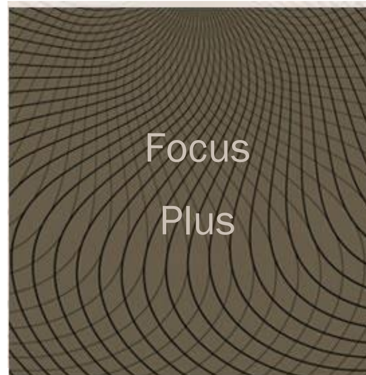
We did not write any options contracts during the first quarter. Volatility began to decrease in the fourth quarter of 2011 and has remained low so far in 2013, which has made direct purchase and sale of stock more attractive. We use options to lower risk. We also make high, equity like returns when option prices reflect higher levels of implied volatility. If exercised, these options give us the right to purchase stakes in companies we want to own at a lower price than the market price at the time the option was written. We would like for these options to be exercised and have set aside cash for that purpose. We employ no leverage. In effect, we are being paid double-digit returns on our cash while we wait for lower prices and a corresponding larger margin of safety. We also use options to exit positions. Generally, we write covered calls with the strike price being our estimate of fair value. As with our puts, we are being paid to do something we would do anyway at a given price.

We did not buy any new positions during the first quarter but did exit one position and used the proceeds to reallocate capital to more discounted existing names.

We sold Microsoft because its competitive position within the broad device market is waning. We do not believe that Microsoft's competitive position in the PC market is waning. Rather, PC's are under assault from tablets and smart phones, devices that did not exist when we first purchased Microsoft. Microsoft's value is stable because of the very large free cash flow coupon it produces and because strength in their enterprise area is offsetting weakness in Windows. Focus Plus is a concentrated non-diversified portfolio where we want to overweight our own capital in our most competitively entrenched, most discounted companies. Unfortunately, Microsoft no longer qualifies for in investment in Focus Plus, despite its stable value.

There were six material contributors to performance in the first quarter and one material detractor.

Material contributors included Eaton Vance, Franklin Resources, CME Group, Disney, Discovery Communications, and Bank of New York Mellon. Four of the six top contributors were in the financial services industry and two were in the media industry. Eaton Vance and Franklin Resources benefitted from rising equity market values. In addition, both have outperformed their peers in terms of attracting additional clients in a challenging environment. Discovery Communications had another strong year operationally and also continued to allocate capital to the benefit of shareholders with virtually all of its large free cash flow coupon being used for share repurchases at attractive prices. Disney's results and capital allocation decisions were similar to Discovery Communications. We



Vulcan Value Partners Focus Plus Review (Cont.)

are fortunate to own such outstanding businesses at prices that do not reflect their intrinsic worth, thus adding to our margin of safety.

Apple, whose value was stable, experienced steady price declines and was by far and away the largest negative contributor to our performance. As Apple's stock declined roughly 16% during the first quarter, its price to value ratio became more and more attractive. Consequently, we steadily added to our position in Apple, increasing its weight to approximately 12%, making Apple our largest position. This reallocation of capital and many other similar changes to our portfolios reduces our risk by improving our margin of safety.

We cannot resist updating you on recent progress since the quarter ended. Apple's stock price continued to decline until they announced their fiscal second quarter results, with which we were very pleased. In addition to better than expected operational results, Apple announced plans to return $100 billion of capital to shareholders over the next three years with an emphasis on share repurchases. This intelligent capital allocation decision by them should materially increase our value per share for Apple. Stay tuned for more detail on Apple and the math behind their capital allocation decisions in our second quarter letter.

Focus Plus Strategy			
1Q 2013 Top 5 Performers		1Q 2013 Bottom 5 Performers	
Security	**Return %**	**Security**	**Return %**
Eaton Vance	31.1%	Apple Inc.	-14.1%
CME Group	22.1%	Oracle Corp	-2.1%
Franklin Resources Inc	20.1%	Microsoft Corp	2.0%
Discovery Communications—C	18.9%	Bank of NY Mellon Corp	9.4%
United Technologies	14.6%	MasterCard	9.9%

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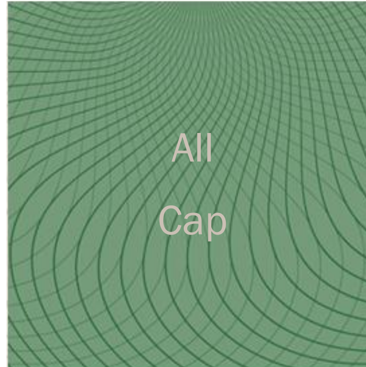

Vulcan Value Partners All Cap Review

As of March 31, 2013						
			Annualized			
Investment Strategy	QTD	YTD	1 year	3 year	5 year	Since Inception*
VVP All Cap (Gross)	12.8%	12.8%	25.4%	-	-	17.5%
VVP All Cap (Net)	12.6%	12.6%	24.2%	-	-	16.2%
Russell 3000 Value Index	12.3%	12.3%	18.7%	-	-	11.0%
Russell 3000 Index	11.1%	11.1%	14.6%	-	-	10.6%

*Inception Date April 1, 2011

We purchased three new positions in the first quarter and exited two positions.

We exited Nathan's Famous and NetSpend Holdings. We have held Nathan's Famous for several years, first buying it at $15.20 in 2010 in our Small Cap program. When All Cap began operations in the second quarter of 2011 we purchased Nathan's Famous at $17.41. Its portfolio weight has fluctuated according to its price to value ratio over time. We exited the position this quarter at $34.09. Nathan's Famous management team did a fantastic job growing sales, increasing margins, and generating free cash flow while we owned it, which resulted in steady, double digit value growth. When evaluating our returns it is important to understand that we did not just buy a discounted, static asset. We purchased an outstanding company that consistently grew its value per share while we patiently waited for its stock price to reflect fair value. It is much easier to be a long term investor when you own companies that compound their values so that you are paid to wait.

Our NetSpend investment was similar to Nathan's Famous but even better. NetSpend was a broken IPO when we purchased it in the fall of 2011. There was nothing wrong with NetSpend whatsoever but its stock price had declined dramatically as the company grew but did not match inflated Wall Street expectations. Speculators who purchased the company's shares at high valuation levels exited the stock, driving its price to less than 50% of our conservative appraisal. While we owned it the company grew its bottom line at double digit rates and produced large amounts of free cash flow at the same time. It was the combination of the two that impressed us. Moreover, its management team allocated capital brilliantly, using the company's free cash flow to repurchase shares when it was discounted. Consequently, we enjoyed high double digit value growth while we owned it. We started buying NetSpend at $5.21 with a value estimate of $11. We were forced to sell it during the first quarter when Total Systems made a bid for the company at $16, which was close to our estimate of fair value for the company at that time. Note, that just as with Nathan's Famous, our returns were driven by both the underlying compounding of the value and the closing of the price to value gap. We want both economic forces working in our favor.

We had no material contributors to performance during the first quarter and one material detractor.

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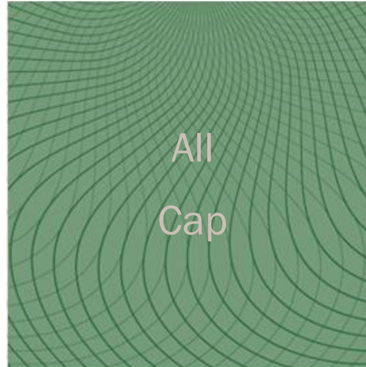

Vulcan Value Partners All Cap Review (Cont.)

Apple, whose value was stable, experienced steady price declines and was by far and away the largest negative contributor to our performance. As Apple's stock declined roughly 16% during the first quarter, its price to value ratio became more and more attractive. Consequently, we steadily added to our position in Apple, increasing its weight to approximately 6.5%, making Apple our largest position. This reallocation of capital and many other similar changes to our portfolios reduces our risk by improving our margin of safety.

We cannot resist updating you on recent progress since the quarter ended. Apple's stock price continued to decline until they announced their fiscal second quarter results, with which we were very pleased. In addition to better than expected operational results, Apple announced plans to return $100 billion of capital to shareholders over the next three years with an emphasis on share repurchases. This intelligent capital allocation decision by them should materially increase our value per share for Apple. Stay tuned for more detail on Apple and the math behind their capital allocation decisions in our second quarter letter.

All Cap Strategy			
1Q 2013 Top 5 Performers		**1Q 2013 Bottom 5 Performers**	
Security	**Return %**	**Security**	**Return %**
Eaton Vance	31.1%	Apple Inc.	-14.7%
NASDAQ Stock Mkt	29.3%	Check Point Software	-11.0%
Universal Tech Institute Inc	26.8%	Jos A Banks Clothiers	-3.5%
CME Group Inc	22.0%	Oracle Corp	-2.0%
Endurance Specialty Holdings	21.2%	Nathan's Famous	1.1%

It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities in this list. A company's relative contribution to return for the portfolio may not equal its absolute return and return for other portfolios for the relevant period because of differences in portfolio weights and holding periods.

Closing

At the risk of being repetitive, while we are pleased with a strong start to the year, especially after a strong year in 2012, we do not place any emphasis on short-term results and neither should you. We will willingly take actions that hurt our short-term results if we believe that doing so will reduce risk and improve our prospects over our five-year time horizon. We know that you understand our investment philosophy and share our long-term time horizon. We have fantastic client partners and we are grateful for you.

Thank you for the confidence you have placed in us.

Sincerely,

C.T. Fitzpatrick

Chief Investment Officer

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Disclosures

The performance presented is for our Large Cap Composite, Focus Composite, Focus Plus Composite, Small Composite, and All Cap Composite. The model composite portfolio performance figures reflect the deduction of brokerage or other commissions and the reinvestment of dividends and capital gains. Past performance is no guarantee of future results and we may not achieve our return goal. We have presented returns gross and net of fees. Gross of fees returns are calculated gross of management and custodial fees and net of transaction costs. Net of fees returns are calculated net of management fees and transaction costs and gross of custodian fees, taken at the highest applicable fee. The performance figures do not reflect the deduction of any taxes an investor might pay on distributions or redemptions. Our standard fees are presented in Part II of our ADV.

Value is our estimate of the price a willing buyer would pay, and a willing seller would accept, assuming neither was compelled to enter into a transaction. Total return percentages for an individual security is the performance of the security from price at initial purchase date to the price at final sale date. Actual returns for the composites holdings of those securities may differ from total return as the composites rebalanced or changed weights in the individual securities. There may be market or economic conditions which affect our performance, or that of our relevant benchmarks, that may have changed Vulcan Value Partners' views regarding the prospects of any particular investment. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities discussed in this letter. The information provided in this presentation is furnished as of the date shown and no representation is being made with respect to its accuracy on any future date. Vulcan Value Partners does not assume any duty to update any information in this presentation. Vulcan buys concentrated positions for our portfolios, averaging 5% in our model portfolios, which may make our performance more volatile than that of our benchmark indices and our performance may diverge from an index, positively or negatively, as a result. Our focus is on long term capital appreciation, so our clients should consider at least a five year time horizon for an investment with Vulcan.

The S&P 500 Index is an unmanaged index of 500 common stocks chosen for market size, liquidity, and industry group representation. It is a market-value weighted 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 companies with lower price-to-book ratios and lower expected growth values. The Russell 2000® Index includes the 2000 firms from the Russell 3000® Index with the smallest market capitalizations. The Russell 2000® Index Value Index measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. Index figures do not reflect deductions for any fees, expenses, or taxes. Investors cannot invest directly in an index.

Vulcan Value Partners is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940. Vulcan focuses on long term capital appreciation; targeting securities purchases that we believe have a substantial margin of safety in terms of value over price and limiting our investments to companies that we believe have sustainable competitive advantages that will allow them to earn superior returns on capital. Vulcan Value Partners claims compliance with the Global Investment Performance Standards (GIPS®). To receive a complete list and description of Vulcan Value Partners' composites and a presentation that adheres to the GIPS standards, please contact Hampton McFadden at 205.803.1582 or write Vulcan Value Partners, 3500 Blue Lake Drive, Suite 400 Birmingham AL, 35243.

Large Cap Composite Information: This portfolio strategy invests in companies with larger market capitalizations. Subject to price, any publicly traded company with above average economics that is too large be included in our small capitalization composite would be a potential investment in this portfolio. A core position is 5% so that theoretically our clients would hold 20 names diversified across various industries. It is very rare that enough companies are sufficiently discounted to warrant this level of concentration so concentration will vary with the price to value ratio. We will invest client assets in positions as small as 1% when price to value ratios are higher. We will not invest client assets in any business that is trading above our estimate of fair value. The composite benchmark is the S&P 500 which is an index of 500 stocks selected based on market size, liquidity, and sector and is designed to provide a broad snapshot of the overall U.S. equity market. New accounts that fit the composite definition are added at the beginning of the first full calendar month for which the account is under management. Closed account data is included in the composite as mandated by the standards in order to eliminate a survivorship bias. The composite was created on March 31, 2007. Portfolios below the minimum asset level of $50,000 are not included in the composite.

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Disclosures (Cont.)

Focus Composite Information: This portfolio strategy invests in companies with larger market capitalizations. Subject to price, any publicly traded company with above average economics that is too large be included in our small capitalization composite would be a potential investment in this portfolio. This is a very concentrated portfolio holding between seven and fourteen positions. We will not invest client assets in any business that is trading above our estimate of fair value. The composite benchmark is the S&P 500 which is an index of 500 stocks selected based on market size, liquidity, and sector and is designed to provide a broad snapshot of the overall U.S. equity market. New accounts that fit the composite definition are added at the beginning of the first full calendar month for which the account is under management. Closed account data is included in the composite as mandated by the standards in order to eliminate a survivorship bias. The composite was created on November 30, 2007. Portfolios below the minimum asset level of $50,000 are not included in the composite.

Focus Plus Composite Information: This portfolio strategy invests in companies with larger market capitalizations. Subject to price, any publicly traded company with above average economics that is too large to be included in our small capitalization composite would be a potential investment in this portfolio. The portfolio is typically invested in between seven and fourteen names. We will use options instead of limit orders to acquire and/or sell the stock. We do not intend to employ any leverage, but will utilize options to sell volatility when it is expensive and buy volatility when it is cheap. We will focus on options which give our clients the right to buy or sell stock in companies at prices that we would buy or sell anyway, and we will generate revenue through option premiums. Generally, we plan to use options instead of buying stock directly when we can earn double digit returns from selling options. We only intend to purchase options under rare circumstances, and to continue to focus on reducing risk through the purchase of qualifying companies at attractive prices. We will not invest client assets in any business that is trading above our estimate of fair value. The composite benchmark is the S&P 500 which is an index of 500 stocks selected based on market size, liquidity, and sector and is designed to provide a broad snapshot of the overall U.S. equity market. New accounts that fit the composite definition are added at the beginning of the first full calendar month for which the account is under management. Closed account data is included in the composite as mandated by the standards in order to eliminate a survivorship bias. The composite was created on March 31, 2007. Portfolios below the minimum asset level of $50,000 are not included in the composite.

Small Cap Composite Information: This portfolio strategy invests in companies with smaller market capitalizations. Subject to price, any publicly traded company with above average economics that is not "large" would be a potential investment in this portfolio. While we do not have any defined cutoffs we use the Russell 2000 as a guide to define small cap, and any small publicly traded company with reasonable economics would be a potential investment in this portfolio. A core position is 5% so that theoretically our clients would hold 20 names diversified across various industries. It is very rare that enough companies are sufficiently discounted to warrant this level of concentration so concentration will vary with the price to value ratio. We will invest client assets in positions as small as 1% when price to value ratios are higher. We will not invest client assets in any business that is trading above our estimate of fair value. The composite benchmark is the Russell 2000 Index which measures the performance of the small-cap segment of the U.S. Equity universe and includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. New accounts that fit the composite definition are added at the beginning of the first full calendar month for which the account is under management. Closed account data is included in the composite as mandated by the standards in order to eliminate a survivorship bias. The composite was created on March 31, 2007. Portfolios below the minimum asset level of $50,000 are not included in the composite.

All Cap Composite Information: This portfolio strategy invests in companies across all market capitalizations. Generally, positions held in this strategy will also be held in either the Large Cap or Small Cap strategies, though with sometimes differing weights. As with those strategies, a core position in this portfolio is 5% so that theoretically we would hold 20 positions diversified across various industries. Because it is rare that we would find 20 companies meeting our investment guidelines, concentration will vary with the price to value ratios we determine for companies in which we invest. We will invest client assets in positions as small as 1% when price to value ratios are higher. We will not invest client assets in any business that is trading above our estimate of fair value. The composite benchmark is the Russell 3000 Index which measures the performance of the largest 3000 US companies representing approximately 98% of the investable US Equity market. New accounts that fit the composite definition are added at the beginning of the first full calendar month for which the account is under management. Closed account data is included in the composite as mandated by the standards in order to eliminate a survivorship bias. The composite was created on April 1, 2011. Portfolios below the minimum asset level of $50,000 are not included in the composite.

All returns are expressed in US dollars.