VULCAN VALUE PARTNERS

Second Quarter 2016

Portfolio Review

General

All strategies produced negative returns and trailed their respective benchmarks during the second quarter. Our disappointing second quarter results should not influence your evaluation of Vulcan Value Partners, nor should our very good first quarter results. As we have often said, we place no weight on short-term results, good or bad, and neither should you. In fact, we have made and will continue to make 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.

All five of our investment strategies have produced exceptional long-term returns and, once again, all five strategies are in the top 15% of their peer groups since inception. These results are detailed in the table below.

As of June 30, 2016

	QTD	YTD	Annualized Since Inception*	Peer Rank Since Inception[1]
Large Cap Composite (Gross)	**-2.6%**	**1.5%**	**9.2%**	**Top 4%**
Large Cap Composite (Net)	**-2.8%**	**1.2%**	**8.3%**	
Russell 1000 Value Index	4.6%	6.3%	4.9%	
S&P 500 Index	2.5%	3.8%	6.6%	
Small Cap Composite (Gross)	**-1.4%**	**3.1%**	**10.3%**	**Top 2%**
Small Cap Composite (Net)	**-1.7%**	**2.7%**	**9.2%**	
Russell 2000 Value Index	4.3%	6.1%	4.2%	
Russell 2000 Index	3.8%	2.2%	5.5%	
Focus Composite (Gross)	**-2.5%**	**1.0%**	**9.7%**	**Top 4%**
Focus Composite (Net)	**-2.7%**	**0.6%**	**8.4%**	
Russell 1000 Value Index	4.6%	6.3%	5.4%	
S&P 500 Index	2.5%	3.8%	6.4%	
Focus Plus Composite (Gross)	**-2.6%**	**1.1%**	**8.9%**	**Top 6%**
Focus Plus Composite (Net)	**-2.8%**	**0.8%**	**7.6%**	
Russell 1000 Value Index	4.6%	6.3%	4.9%	
S&P 500 Index	2.5%	3.8%	6.6%	
All Cap Composite (Gross)	**-2.9%**	**0.9%**	**11.8%**	**Top 12%**
All Cap Composite (Net)	**-3.1%**	**0.5%**	**10.7%**	
Russell 3000 Value Index	4.6%	6.3%	10.3%	
Russell 3000 Index	2.6%	3.6%	10.9%	

[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, Vulcan Value Partners Small Cap Composite versus peer group of US Small Cap Value Equity Universe and Vulcan Value Partners All Cap Composite versus peer group of US All Cap Value Equity Universe since inception ending June 30, 2016. 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. Inception date is 4/1/2011 for All Cap Composite. Past performance is no guarantee of future results. Please see important disclosures at the end of this document.

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Portfolio Review (Cont.)

The second quarter was dominated by macro concerns. The quarter began with intense speculation that the Federal Reserve would raise interest rates and ended with global market upheaval from the UK's decision to exit the EU, or "Brexit". At the end of the quarter, developed nations' government bond yields were plunging worldwide with the futures market pricing in only a 16% probability that the U.S. Federal Reserve would raise rates again in 2016. Ten-year government bond yields were 1.47% in the U.S., 0.86% in the UK, -0.14% in Germany, and -0.24% in Japan as the second quarter ended. Also, the U.S. dollar rallied again against a steep drop in the pound and euro on the Brexit news late in the second quarter.

Most of the time, the macro environment is noisy and contradictory. We pay attention to outliers, and Brexit is an outlier that few people were expecting. Said another way, it is a real event. As a result, there are greater risks that the EU eventually could disintegrate and that the UK itself could break apart. These are risks, not forecasts. In the short run, several outcomes are likely. The UK should enter into a mild recession with real estate taking the brunt of the pain. Eurozone growth should slow further from its anemic pace, and the strong U.S. dollar should pressure U.S. corporate earnings for the third year in a row. The U.S. economy overall should feel minimal impact from Brexit, but slower global growth and a stubbornly strong dollar should create additional headwinds to earnings growth.

At the portfolio level, Brexit-centered volatility gave us a brief but meaningful window to reallocate capital to more discounted companies, lower our price to value ratios, and become more fully invested. These changes were especially welcome in Small Cap where we have struggled to find qualifying investments at sufficient discounts for some time. As you might expect, we allocated capital to several UK based companies, some of which we have owned in the past. The drop in the pound hurt our quarterly results, but it was not material. More importantly, the majority of companies we purchased in the UK generate most of their profits outside the UK, so the falling pound did not impact our values. Stable values and falling prices create opportunities for long-term investors.

Several companies, including Oracle, our largest position, exceeded our expectations when they reported earnings in the second quarter. A few, including Fossil, reported results that disappointed Wall Street (but were consistent with our expectations). Most of our companies performed as we expected. From an earnings perspective, the post-Brexit external environment overall is more challenging than it was pre-Brexit. Despite a more challenging macro environment, we expect our companies to grow their values in 2016. While we can never predict the timing of returns, growing values and deeper discounts lower risk by increasing our margin of safety. Our long-term prospects are promising as values continue to grow and discounts are materially deeper than they were a couple of years ago. Keep reading for more detail.

As evidenced by extremely low government bond yields, strong results from defensive sectors such as utilities, and very high valuation levels for other defensive sectors such as consumer staples and REIT's, investors are paying a lot for "less risky" assets. Ironically, the high prices being paid for those assets make them very risky indeed. Their prices can keep going higher in the short run. The 10-year U.S. Treasury yield has declined from 2.27% at the beginning of the year to 1.47%, its biggest rally in six years. With the Federal Reserve targeting a 2% inflation rate, investors in U.S. Treasuries are locking in a negative real return of roughly half of 1% over the next ten years. It could be a lot worse if inflation overshoots on the upside. Investors in UK 10-year gilts are getting less than 1%, and German, Japanese, and Swiss investors in government bonds are accepting negative nominal interest rates. As this letter is being written, $11.7 trillion dollars of sovereign developed world debt has a negative yield.

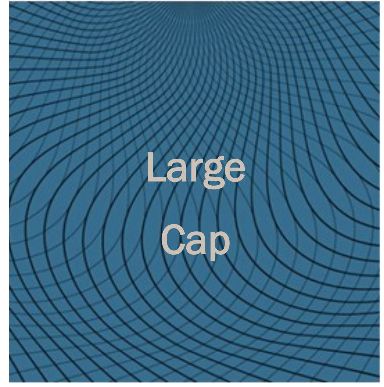
Portfolio Review (Cont.)

To repeat, investors in much of the developed world are accepting negative absolute and real returns. They are paying the government to take their money. These statements sound crazy and they are. We have become accustomed to these unprecedented times, so it bears noting that these conditions are crazy and we believe it will end very badly. What rational investor would accept a guaranteed negative return for ten years or for fifty years in Switzerland? Investors placing trillions in yen, euros, Swiss francs and U.S. dollars are doing just that. We are not among them.

In contrast, we own the “risky” assets including financials, technology stocks, U.S. dollar exposed industrials, and more recently, UK based businesses. These “risky” companies sell for extremely compelling valuation levels, especially compared to the prices paid for “less risky” assets. They produce ample free cash flow, which is being used to repurchase discounted shares, pay dividends, and occasionally to make acquisitions. This free cash flow belongs to us as shareholders, and it is being returned to us in one form or another in an intelligent way by our companies’ outstanding management teams. (As an example, please see the following discussion on Oracle in the Large Cap review.) In addition, our companies’ pricing power will serve us very well when inflation inevitably returns. Investors in “less risky” fixed-rate government bonds will see dramatic losses from their “risk free” bonds.

In the short run, the market does not like what we own. Our prices overall are down while “less risky” assets have delivered strong returns. Our values, however, are rising. Consequently, our price to value ratios are improving, which lowers risk and improves our long-term prospective returns. In fact, our price to value ratios have improved roughly 10 points across all strategies (except Small Cap, which has improved 5 points) over the last couple of years. This improvement has occurred despite a lackluster global economy and a strong U.S. dollar. Given this steady improvement and the margin of safety we enjoy, we would much rather own our portfolios than the overvalued “less risky” assets that are working in the short run.

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



VULCAN
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Vulcan Value Partners Large Cap Review

As of June 30, 2016						
			Annualized			
Investment Strategy	QTD	YTD	1 year	3 year	5 year	Since Inception*
VVP Large Cap (Gross)	**-2.6%**	**1.5%**	**-7.4%**	**9.6%**	**13.4%**	**9.2%**
VVP Large Cap (Net)	**-2.8%**	**1.2%**	**-7.9%**	**9.0%**	**12.7%**	**8.3%**
Russell 1000 Value Index	4.6%	6.3%	2.9%	9.9%	11.4%	4.9%
S&P 500 Index	2.5%	3.8%	4.0%	11.7%	12.1%	6.6%

*Inception Date March 31, 2007

We bought five new positions and sold two positions during the second quarter.

There were no material contributors and one material detractor to performance in the second quarter.

New purchases included GKN PLC, LVMH, Marriott International, Sabre Corp., and Verizon. With the exception of GKN PLC, we have owned all of these businesses in the past, and all of them have been good investments for us.

GKN PLC is a UK based industrial company. Importantly, 88% of its revenue is derived outside the UK. The weaker pound, which hurts our price performance as U.S. dollar investors, is offset by higher cash flows in pound terms. GKN generates high levels of free cash flow and has leading global positions in aerospace and drivelines.

LVMH owns one of the best, if not the best, luxury brand portfolios in the world. Its growth has slowed due to a clampdown on gifting in China and reduced spending from major oil exporting countries. We expect demand to improve along with the global economy over time. In the meantime, the company produces a strong free cash flow coupon.

Marriott International is buying Starwood Hotels and Resorts, another company we have owned in the past that worked out well for us. Marriott already has a number of global hotel brands but does not have much exposure to the boutique hotel segment that is increasingly popular with travelers. We think the combination with Starwood further enhances Marriott International's competitive position in the industry.

Sabre Corp. is also a travel-related business. It is one of four "Global Distribution Systems" or "GDS's". GDS's are networks that connect travel service providers such as airlines and hotel companies like Marriot with travel agents, including online providers such as Expedia. Revenues are recurring and grow with demand for travel, which is growing faster than global GDP.

Verizon operates the largest and most robust cellular network in the U.S. We sold Verizon and Apple to reallocate capital into much more discounted companies when markets convulsed over Brexit. We made money on both. We have owned

Vulcan Value Partners Large Cap Review (Cont.)

Apple for many years, taking its weight up and down according to its price to value ratio. Apple's value compounded steadily while we owned it. Apple was an excellent investment for us and we are grateful to their management team, led by Tim Cook, for their sound operational and capital allocation decisions.

Last quarter, Fossil was discussed as a material contributor to performance in our Small and All Cap reviews. This quarter it was a material detractor with a 35.8% decline. Last quarter we said the following about Fossil:

> "Fossil Group was our largest contributor to performance with a 21.5% gain in the first quarter. We are sure you remember that it was our biggest detractor in the fourth quarter and that we continued to purchase more shares. Fossil Group reported fourth quarter results that were better than Wall Street expected. More importantly, the company made material progress developing well-received wearables. As we described in our fourth quarter letter, the company is investing substantial resources to ramp up production of wearables and smart watches. These investments hurt 2015's results and will continue to pressure 2016 margins as well. We believe that Fossil's significant competitive advantages can be used to expand into a much larger total addressable market than traditional watches and jewelry. We expect more uneven results this year and continued stock price volatility, but we are confident that long-term investors will be well rewarded for the investments that Fossil Group is making today."

What we said in the first quarter is what happened in the second quarter. We have nothing to add except to repeat: We expect more uneven results this year and continued stock price volatility, but we are confident that long-term investors will be well rewarded for the investments that Fossil Group is making today.

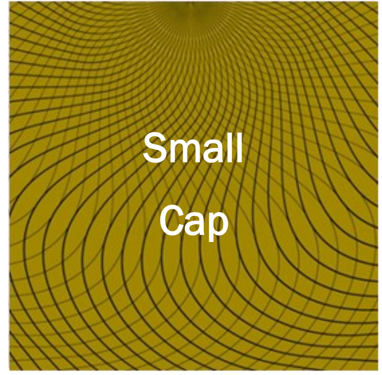
Our largest position, Oracle, deserves special mention. The stock price was virtually unchanged in the second quarter. Operationally, on the other hand, Oracle reached a milestone much faster than we anticipated. For the past couple of years, Oracle's consolidated growth rate has slowed as the company has shifted its business mix from on-premise software to Cloud-based software products. The strong dollar has been a headwind as well. On-premise sales have one-time setup fees and generate more revenue per sale as a result. Cloud-based sales do not have one-time set up fees but are more profitable over time. During the second quarter, Oracle hit an inflection point whereby it's rapidly growing Cloud business led to an increase in Oracle's consolidated growth rate. We expect Oracle's top and bottom line growth rates to accelerate from this point forward for many years to come. Moreover, Oracle's success in the Cloud, combined with its strong but slower growing on-premise software business makes the company even more competitively entrenched than before. Oracle's total addressable market is larger because smaller companies who could not afford its on-premise enterprise software products can afford and are buying its Cloud-based products. Oracle is the only company able to offer a comprehensive combination of on-premise and Cloud-based enterprise software solutions. In our opinion and in the opinion of management, Oracle's stock price does not reflect its prospects. Over the past twelve months, the company has generated over $12 billion in free cash flow and used it to repurchase over $10 billion of its discounted shares. The company paid an additional $2.5 billion in dividends, returning over 100% of free cash flow to us as owners. Since we

Vulcan Value Partners Large Cap Review (Cont.)

became owners in Oracle, the company has generated $35 billion in free cash flow and used $30 billion of it to repurchase stock at a discount to our estimate of intrinsic worth. Oracle's free cash flow yield is over 7%, and we conservatively expect it to grow at a high single-digit rate over our five-year time horizon. We much prefer owning Oracle to U.S. Treasuries, negative yielding sovereign bonds, high priced consumer staples companies, utilities, and REIT's.

Large Cap Strategy			
2Q 2016 Top 5 Performers		2Q 2016 Bottom 5 Performers	
Security	**Return %**	**Security**	**Return %**
Aetna Inc	9.0%	Fossil Group Inc	-35.8%
Dover Corp	8.4%	Franklin Resources Inc	-14.1%
National Oilwell Varco Inc	8.4%	Apple Inc	-11.8%
Verizon Communications Inc	7.2%	Discovery Communications Inc	-11.7%
Bank of New York Mellon Corp	5.9%	GKN PLC	-11.3%

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. The returns shown above reflect the actual returns of the above securities in our composite for the time period indicated.



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Vulcan Value Partners Small Cap Review

As of June 30, 2016						
			Annualized			
Investment Strategy	**QTD**	**YTD**	**1 year**	**3 year**	**5 year**	**Since Inception***
VVP Small Cap (Gross)	-1.4%	3.1%	-5.1%	7.7%	13.3%	10.3%
VVP Small Cap (Net)	-1.7%	2.7%	-6.0%	6.8%	12.3%	9.2%
Russell 2000 Value Index	4.3%	6.1%	-2.6%	6.4%	8.1%	4.2%
Russell 2000 Index	3.8%	2.2%	-6.7%	7.1%	8.4%	5.5%

*Inception Date March 31, 2007

We bought five new positions and sold several smaller positions during the second quarter. The smaller positions were sold because prices rose before we could establish a full position and to fund purchases of more discounted companies. We made money on these smaller positions.

There were no material contributors and one material detractor to performance in the second quarter.

New purchases held at the end of the quarter included Jones Lang LaSalle, Sally Beauty Holdings, Select Comfort, Wesco, and Sotheby's.

Jones Lang LaSalle is a leading global real estate services company. In fact, it and CBRE are the only two companies in the world with the scale and geographical reach to provide comprehensive real estate services to Global Fortune 500 companies.[1] Jones Lang LaSalle provides leasing, property sales and acquisitions, consulting, property management and investment management to its clients. The company generates strong free cash flow, and its product and geographical diversity insulates it from the cyclical nature of its real estate end markets.

Sally Beauty Holdings is the largest beauty products supplier in North America. The company has exclusive access to a number of the products it supplies to salons. In addition, it owns a number of brands that it sells through its store network and online. Its customer base is very loyal and tends to be repeat buyers. The company produces strong free cash flow, and its business is not economically sensitive.

Select Comfort is a company we have successfully owned before. Select Comfort has a unique distribution model that it uses to sell premium bedding products including mattresses. The company produces high levels of free cash flow and is benefitting from a shift to more comfortable, higher-end mattresses among consumers. Its Sleep Number mattresses have a loyal following, which is impressive for such a long-lasting product with infrequent sales. My wife and I personally bought a Sleep Number bed as part of our research process, and I have to say that we love it. We will never buy another brand.

Vulcan Value Partners Small Cap Review (Cont.)

Wesco is the largest electrical supplies distributor in North America. The industry is highly fragmented, and larger suppliers such as Wesco have an advantage in being able to offer a broad product line across multiple geographies. Consequently, Wesco is gaining market share. The company generates strong free cash, which it is using to repurchase its discounted shares. We expect earnings to decline in 2016 as Wesco's customers are experiencing weak demand because of low oil and gas prices and the strong dollar. Over our five-year time horizon, we expect Wesco will grow its value steadily and that earnings will improve with the industrial economy.

Sotheby's enjoys a global oligopoly with Christies and Phillips. The company, founded in 1744, is older than the United States and has strong brand name recognition among art buyers and sellers worldwide. Auction houses are the preferred venue to sell higher value art, so Sotheby's has maintained market share despite competition from galleries and online auction sites. The company generates strong free cash flow and is using it to repurchase its discounted stock.

Last quarter, Fossil was a material contributor to performance. This quarter it was a material detractor with a 35.8% decline. Last quarter we said the following about Fossil:

> "Fossil Group was our largest contributor to performance with a 21.5% gain in the first quarter. We are sure you remember that it was our biggest detractor in the fourth quarter and that we continued to purchase more shares. Fossil Group reported fourth quarter results that were better than Wall Street expected. More importantly, the company made material progress developing well-received wearables. As we described in our fourth quarter letter, the company is investing substantial resources to ramp up production of wearables and smart watches. These investments hurt 2015's results and will continue to pressure 2016 margins as well. We believe that Fossil's significant competitive advantages can be used to expand into a much larger total addressable market than traditional watches and jewelry. We expect more uneven results this year and continued stock price volatility, but we are confident that long-term investors will be well rewarded for the investments that Fossil Group is making to day."

What we said in the first quarter is what happened in the second quarter. We have nothing to add except to repeat: We expect more uneven results this year and continued stock price volatility, but we are confident that long-term investors will be well rewarded for the investments that Fossil Group is making today.

We have been vocal about the challenges in small cap stocks for some time now, and we have encouraged you to continue to refrain from adding capital to Vulcan Value Partners Small Cap. While we are not bullish, we have become less bearish as our price to value ratio has improved to roughly 70% and we have been able to become more fully invested. We remain cautious, but conditions have improved from terrible to less terrible.

Vulcan Value Partners Small Cap Review (Cont.)

Small Cap Strategy			
2Q 2016 Top 5 Performers		2Q 2016 Bottom 5 Performers	
Security	**Return %**	**Security**	**Return %**
Nu Skin Enterprises Inc	21.9%	Fossil Group Inc	-35.8%
Ituran Location & Control Ltd	16.4%	Savills PLC	-22.8%
Natus Medical Incorporated	15.3%	Jones Lang LaSalle Incorporated	-20.0%
Curtiss-Wright Corp	11.5%	Sotheby's	-14.9%
Woodward Inc	11.0%	La Quinta Holdings Inc	-8.8%

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. The returns shown above reflect the actual returns of the above securities in our composite for the time period indicated.

VULCAN VALUE PARTNERS

Vulcan Value Partners Focus Review

As of June 30, 2016						
			Annualized			
Investment Strategy	QTD	YTD	1 year	3 year	5 year	Since Inception*
VVP Focus (Gross)	-2.5%	1.0%	-7.0%	10.2%	13.3%	9.7%
VVP Focus (Net)	-2.7%	0.6%	-7.7%	9.3%	12.2%	8.4%
Russell 1000 Value Index	4.6%	6.3%	2.9%	9.9%	11.4%	5.4%
S & P 500 Index	2.5%	3.8%	4.0%	11.7%	12.1%	6.4%

*Inception Date November 30, 2007

We bought one new position and we sold one new position during the second quarter.

We had no material contributors to performance in the second quarter and two material detractors.

We sold Dover Corp. to reallocate capital to Hilton Worldwide Holdings. Dover was our best performing stock during the quarter, rising 11.5%. Its value growth is challenged due to a downturn in its large energy segment so that its price to value ratio rose along with its stock price. Hilton, on the other hand, is experiencing strong value growth, and its stock price is down from its highs in 2015. Moreover, the company is very well managed and shareholder friendly. Hilton recently announced that it would split into three companies to highlight the value of its real estate holdings and its core management and franchise businesses. We were able to improve our price to value ratio and lower risk by selling Dover and reallocating capital to Hilton. What we said about Hilton in our Large Cap review from the first quarter letter is apt today for Focus:

> "Hilton Worldwide Holdings is a company that I have followed and owned numerous times over my career, making very attractive returns each time over several decades. Shortly after Vulcan Value Partners was formed, Black stone took Hilton private at a price well in excess of our estimate of fair value. Since it was private, it was no longer available to us. A little over two years ago, Hilton did an IPO and was available again. Hilton came public at a price too high to be of interest to us but we continued to follow it as we do with the relatively small number of companies we have found with stable values. Following these sound but over-priced companies is a big benefit to us. Our values are based on a set of fundamental assumptions about the companies we follow. If the companies we follow exceed our expectations, then our assumptions are conservative as are our values. Hilton's results were much better than we expected, and yet the stock price declined, particularly during the fourth quarter of 2015. When markets declined in January, Hilton declined more. With a steadily rising value and a declining stock price, we were able to purchase Hilton at a substantial discount to our conservative estimate of intrinsic worth.

Vulcan Value Partners Focus Review (Cont.)

> Please note that nothing changed about Hilton's business except that its value grew. Stock market and stock price volatility created an opportunity for us to reduce risk and improve our long-term prospects. Because we limit ourselves to companies with stable values like Hilton, stock price volatility is not risk. Instead, stock price volatility is a tool that can be used to lower risk for disciplined, long-term investors like Vulcan Value Partners and you, our client partners."

Discovery Communications and Franklin Resources were material detractors during the second quarter, declining 11.7% and 14.1% respectively.

Discovery Communications has leading pay TV brands including Discovery, Animal Planet, TLC, OWN, and ID among others. It has strong viewership and virtually 100% owned low-cost content. Its domestic segment's growth has slowed as distribution models evolve in the U.S. While bumpy, we believe that the company is well positioned to thrive on traditional linear TV and on newer lower cost "skinny bundles." In addition, Discovery Communications has a large, rapidly growing international business, whose results have been obscured by the strong U.S. dollar. The company generates high levels of free cash flow and is using its free cash flow to repurchase discounted shares. We acknowledge the headwinds facing its business but believe that we are more than adequately compensated with an attractive price to value ratio.

Franklin Resources is one of the leading money managers in the world. It is unique among U.S. money managers in that it has high exposure to international markets and to international clients. Roughly 35% of Franklin Resource's assets under management are invested outside the U.S. and roughly 35% of its clients are domiciled outside the U.S. The company is disciplined and follows a long-term investment strategy that is value biased. Value, as an investment style, has been out of favor for an extended period of time, and Franklin Resources' performance has been challenged. Consequently, it is experiencing net outflows in AUM and losing market share to better performing active and passive competitors. We believe they are managing the company intelligently, and performance will improve over time. Meanwhile, the company produces strong free cash flow and is using its free cash flow to repurchase its discounted shares. Roughly half of Franklin Resources' market capitalization is in net cash on its balance sheet. Consequently, we have no balance sheet risk and are paying very little for the company's asset management business.

Our largest position, Oracle, deserves special mention. The stock price was virtually unchanged in the second quarter. Operationally, on the other hand, Oracle reached a milestone much faster than we anticipated. For the past couple of years, Oracle's consolidated growth rate has slowed as the company has shifted its business mix from on-premise software to Cloud-based software products. The strong dollar has been a headwind as well. On-premise sales have one-time setup fees and generate more revenue per sale as a result. Cloud-based sales do not have one-time set up fees but are more profitable over time. During the second quarter, Oracle hit an inflection point whereby it's rapidly growing Cloud business led to an increase in Oracle's consolidated growth rate. We expect Oracle's top and bottom line growth rates to accelerate from this point forward for many years to come. Moreover, Oracle's success in the Cloud, combined with its strong but slower growing on-premise software business makes the company even more competitively entrenched than before. Oracle's total addressable market is larger because smaller companies who could not afford its

VULCAN VALUE PARTNERS

Vulcan Value Partners Focus Review (Cont.)

on-premise enterprise software products can afford and are buying its Cloud-based products. Oracle is the only company able to offer a comprehensive combination of on-premise and Cloud-based enterprise software solutions. In our opinion and in the opinion of management, Oracle's stock price does not reflect its prospects. Over the past twelve months, the company has generated over $12 billion in free cash flow and used it to repurchase over $10 billion of its discounted shares. The company paid an additional $2.5 billion in dividends, returning over 100% of free cash flow to us as owners. Since we became owners in Oracle, the company has generated $35 billion in free cash flow and used $30 billion of it to repurchase stock at a discount to our estimate of intrinsic worth. Oracle's free cash flow yield is over 7%, and we conservatively expect it to grow at a high single- digit rate over our five-year time horizon. We much prefer owning Oracle to U.S. Treasuries, negative yielding sovereign bonds, high priced consumer staples companies, utilities, and REIT's.

Focus Strategy

2Q 2016 Top 5 Performers		2Q 2016 Bottom 5 Performers	
Security	**Return %**	**Security**	**Return %**
Dover Corp	11.5%	Franklin Resources Inc	-14.1%
Hilton Worldwide Holdings Inc	6.6%	Discovery Communications Inc	-11.7%
Bank of New York Mellon Corp	5.9%	Mastercard Inc	-6.6%
Boeing Company	3.2%	ACI Worldwide Inc	-6.2%
Oracle Corp	0.4%	Visa Inc	-2.8%

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Focus Plus

VULCAN VALUE PARTNERS

Vulcan Value Partners Focus Plus Review

As of June 30, 2016						
			Annualized			
Investment Strategy	QTD	YTD	1 year	3 year	5 year	Since Inception*
VVP Focus Plus (Gross)	-2.6%	1.1%	-6.7%	10.3%	13.0%	8.9%
VVP Focus Plus (Net)	-2.8%	0.8%	-7.3%	9.4%	11.9%	7.6%
Russell 1000 Value Index	4.6%	6.3%	2.9%	9.9%	11.4%	4.9%
S & P 500 Index	2.5%	3.8%	4.0%	11.7%	12.1%	6.6%

*Inception Date March 31, 2007

We did not write any options contracts during the second quarter. Volatility began to increase in the fourth quarter of 2015 when we had the opportunity sell calls with attractive economics, but it has trended down over the course of the first half of 2016, 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 bought one new position and we sold one new position during the second quarter.

We had no material contributors to performance in the second quarter and two material detractors.

We sold Dover Corp. to reallocate capital to Hilton Worldwide Holdings. Dover was our best performing stock during the quarter, rising 9.9%. Its value growth is challenged due to a downturn in its large energy segment so that its price to value ratio rose along with its stock price. Hilton, on the other hand, is experiencing strong value growth and its stock price is down from its highs in 2015. Moreover, the company is very well managed and shareholder friendly. Hilton recently announced that it would split into three companies to highlight the value of its real estate holdings and its core management and franchise businesses. We were able to improve our price to value ratio and lower risk by selling Dover and reallocating capital to Hilton. What we said about Hilton in our Large Cap review from the first quarter letter is apt today for Focus Plus:

> "Hilton Worldwide Holdings is a company that I have followed and owned numerous times over my career, making very attractive returns each time over several decades. Shortly after Vulcan Value Partners was formed, Blackstone took Hilton private at a price well in excess of our estimate of fair value. Since it was private, it was no

Vulcan Value Partners Focus Plus Review (Cont.)

longer available to us. A little over two years ago, Hilton did an IPO and was available again. Hilton came public at a price too high to be of interest to us but we continued to follow it as we do with the relatively small number of companies we have found with stable values. Following these sound but over-priced companies is a big benefit to us. Our values are based on a set of fundamental assumptions about the companies we follow. If the companies we follow exceed our expectations, then our assumptions are conservative as are our values. Hilton's results were much better than we expected, and yet the stock price declined, particularly during the fourth quarter of 2015. When markets declined in January, Hilton declined more. With a steadily rising value and a declining stock price, we were able to purchase Hilton at a substantial discount to our conservative estimate of intrinsic worth.

Please note that nothing changed about Hilton's business except that its value grew. Stock market and stock price volatility created an opportunity for us to reduce risk and improve our long-term prospects. Because we limit ourselves to companies with stable values like Hilton, stock price volatility is not risk. Instead, stock price volatility is a tool that can be used to lower risk for disciplined, long-term investors like Vulcan Value Partners and you, our client partners."

Discovery Communications and Franklin Resources were material detractors during the second quarter, declining 11.7% and 14.1% respectively.

Discovery Communications has leading pay TV brands including Discovery, Animal Planet, TLC, OWN, and ID among others. It has strong viewership and virtually 100% owned low-cost content. Its domestic segment's growth has slowed as distribution models evolve in the U.S. While bumpy, we believe that the company is well positioned to thrive on traditional linear TV and on newer lower cost "skinny bundles." In addition, Discovery Communications has a large, rapidly growing international business, whose results have been obscured by the strong U.S. dollar. The company generates high levels of free cash flow and is using its free cash flow to repurchase discounted shares. We acknowledge the headwinds facing its business but believe that we are more than adequately compensated with an attractive price to value ratio.

Franklin Resources is one of the leading money managers in the world. It is unique among U.S. money managers in that it has high exposure to international markets and to international clients. Roughly 35% of Franklin Resource's assets under management are invested outside the U.S. and roughly 35% of its clients are domiciled outside the U.S. The company is disciplined and follows a long-term investment strategy that is value biased. Value, as an investment style, has been out of favor for an extended period of time, and Franklin Resources' performance has been challenged. Consequently, it is experiencing net outflows in AUM and losing market share to better performing active and passive competitors. We believe they are managing the company intelligently, and performance will improve over time. Meanwhile, the company produces strong free cash flow and is using its free cash flow to repurchase its discounted shares. Roughly half of Franklin Resources' market capitalization is in net cash on its balance sheet. Consequently, we have no balance sheet risk and are paying very little for the company's asset management business.

Vulcan Value Partners Focus Plus Review (Cont.)

Our largest position, Oracle, deserves special mention. The stock price was virtually unchanged in the second quarter. Operationally, on the other hand, Oracle reached a milestone much faster than we anticipated. For the past couple of years, Oracle's consolidated growth rate has slowed as the company has shifted its business mix from on-premise software to Cloud-based software products. The strong dollar has been a headwind as well. On-premise sales have one-time setup fees and generate more revenue per sale as a result. Cloud-based sales do not have one-time set up fees but are more profitable over time. During the second quarter, Oracle hit an inflection point whereby it's rapidly growing Cloud business led to an increase in Oracle's consolidated growth rate. We expect Oracle's top and bottom line growth rates to accelerate from this point forward for many years to come. Moreover, Oracle's success in the Cloud, combined with its strong but slower growing on-premise software business makes the company even more competitively entrenched than before. Oracle's total addressable market is larger because smaller companies who could not afford its on-premise enterprise software products can afford and are buying its Cloud-based products. Oracle is the only company able to offer a comprehensive combination of on-premise and Cloud-based enterprise software solutions. In our opinion and in the opinion of management, Oracle's stock price does not reflect its prospects. Over the past twelve months, the company has generated over $12 billion in free cash flow and used it to repurchase over $10 billion of its discounted shares. The company paid an additional $2.5 billion in dividends, returning over 100% of free cash flow to us as owners. Since we became owners in Oracle, the company has generated $35 billion in free cash flow and used $30 billion of it to repurchase stock at a discount to our estimate of intrinsic worth. Oracle's free cash flow yield is over 7%, and we conservatively expect it to grow at a high single-digit rate over our five-year time horizon. We much prefer owning Oracle to U.S. Treasuries, negative yielding sovereign bonds, high priced consumer staples companies, utilities, and REIT's.

Focus Plus Strategy			
2Q 2016 Top 5 Performers		2Q 2016 Bottom 5 Performers	
Security	**Return %**	**Security**	**Return %**
Dover Corp	9.9%	Franklin Resources Inc	-14.1%
Hilton Worldwide Holdings Inc	6.6%	Discovery Communications Inc	-11.7%
Bank of New York Mellon Corp	5.9%	Mastercard Inc	-6.6%
Boeing Company	3.2%	ACI Worldwide Inc	-6.2%
Oracle Corp	0.4%	Visa Inc	-2.8%

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. The returns shown above reflect the actual returns of the above securities in our composite for the time period indicated.

Vulcan Value Partners All Cap Review

As of June 30, 2016						
			Annualized			
Investment Strategy	QTD	YTD	1 year	3 year	5 year	Since Inception*
VVP All Cap (Gross)	-2.9%	0.9%	-8.4%	**8.5%**	**13.3%**	11.8%
VVP All Cap (Net)	-3.1%	0.5%	-9.2%	**7.6%**	**12.3%**	10.7%
Russell 3000 Value Index	4.6%	6.3%	2.4%	**9.6%**	**11.1%**	10.3%
Russell 3000 Index	2.6%	3.6%	2.1%	**11.1%**	**11.6%**	10.9%

*Inception Date April 1, 2011

We purchased five new positions and exited two positions in the second quarter.

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

GKN PLC is a UK based industrial company. Importantly, 85% of its revenue is derived outside the UK. The weaker pound, which hurts our returns as U.S. dollar investors, is offset by higher cash flows as GKN's profits are translated back into pounds. GKN generates high levels of free cash flow and has leading global positions in aerospace and drivelines.

Ashmore PLC is a UK based money manager specializing in emerging market debt. It is widely considered to be one of the best money managers in the world focusing on this asset class. Emerging markets growth has slowed, and the strong dollar has hurt bond prices in these markets. In the short run, Ashmore is suffering from outflows in assets under management. However, these conditions have created attractive valuation opportunities for Ashmore and its clients. Over the long term, emerging markets should grow faster than global GDP and investors are underweight emerging market debt as an asset class. We believe Ashmore will benefit from a cyclical opportunity to buy attractively priced assets and from the long-term trends mentioned above.

Virtus is a U.S. based money manager emphasizing outsourced managers for many of its funds. The company has experienced mixed results recently but has a strong stable of money managers and a very strong balance sheet. Virtus recently completed a tender offer for its discounted shares that improved its value per share while we wait for operating results to improve.

Select Comfort is a company with have successfully owned before. Select Comfort has a unique distribution model that it uses to sell premium bedding products including mattresses. The company produces high levels of free cash flow and is

Vulcan Value Partners All Cap Review (Cont.)

benefitting from a shift to more comfortable, higher-end mattresses among consumers. Its Sleep Number mattresses have a loyal following, which is impressive for such a long-lasting product with infrequent sales. My wife and I personally bought a Sleep Number bed as part of our research process, and I have to say that we love it. We will never buy another brand.

Sotheby's enjoys a global oligopoly with Christies and Phillips. The company, founded in 1744, is older than the United States and has strong brand name recognition among art buyers and sellers worldwide. Auction houses are the preferred venue to sell higher value art, so Sotheby's has maintained market share despite competition from galleries and online auction sites. The company generates strong free cash flow and is using it to repurchase its discounted stock.

We sold Dover and Nu Skin to reallocate capital into companies with lower price to value ratios. Dover was up 11.5% in the second quarter. Its value growth is challenged due to a downturn in its large energy segment so that its price to value ratio rose along with its stock price. Nu Skin returned 21.9% in the second quarter after reporting better than expected results from new product launches.

Last quarter, Fossil was a material contributor to performance. This quarter it was a material detractor with a 35.8% decline. Last quarter we said the following about Fossil:

> "Fossil Group was our largest contributor to performance with a 21.5% gain in the first quarter. We are sure you remember that it was our biggest detractor in the fourth quarter and that we continued to purchase more shares. Fossil Group reported fourth quarter results that were better than Wall Street expected. More importantly, the company made material progress developing well-received wearables. As we described in our fourth quarter letter, the company is investing substantial resources to ramp up production of wearables and smart watches. These investments hurt 2015's results and will continue to pressure 2016 margins as well. We believe that Fossil's significant competitive advantages can be used to expand into a much larger total addressable market than traditional watches and jewelry. We expect more uneven results this year and continued stock price volatility, but we are confident that long-term investors will be well rewarded for the investments that Fossil Group is making today."

What we said in the first quarter is what happened in the second quarter. We have nothing to add except to repeat: We expect more uneven results this year and continued stock price volatility, but we are confident that long-term investors will be well rewarded for the investments that Fossil Group is making today.

Our largest position, Oracle, deserves special mention. The stock price was virtually unchanged in the second quarter. Operationally, on the other hand, Oracle reached a milestone much faster than we anticipated. For the past couple of years, Oracle's consolidated growth rate has slowed as the company has shifted its business mix from on-premise software to Cloud-based software products. The strong dollar has been a headwind as well. On-premise sales have one-time setup fees and generate more revenue per sale as a result. Cloud-based sales do not have one-time set up fees but are more profitable over time. During the second quarter, Oracle hit an inflection point whereby it's rapidly growing

Vulcan Value Partners All Cap Review (Cont.)

Cloud business led to an increase in Oracle's consolidated growth rate. We expect Oracle's top and bottom line growth rates to accelerate from this point forward for many years to come. Moreover, Oracle's success in the Cloud, combined with its strong but slower growing on-premise software business makes the company even more competitively entrenched than before. Oracle's total addressable market is larger because smaller companies who could not afford its on-premise enterprise software products can afford and are buying its Cloud-based products. Oracle is the only company able to offer a comprehensive combination of on-premise and Cloud-based enterprise software solutions. In our opinion and in the opinion of management, Oracle's stock price does not reflect its prospects. Over the past twelve months, the company has generated over $12 billion in free cash flow and used it to repurchase over $10 billion of its discounted shares. The company paid an additional $2.5 billion in dividends, returning over 100% of free cash flow to us as owners. Since we became owners in Oracle, the company has generated $35 billion in free cash flow and used $30 billion of it to repurchase stock at a discount to our estimate of intrinsic worth. Oracle's free cash flow yield is over 7%, and we conservatively expect it to grow at a high single-digit rate over our five-year time horizon. We much prefer owning Oracle to U.S. Treasuries, negative yielding sovereign bonds, high priced consumer staples companies, utilities, and REIT's.

All Cap Strategy

2Q 2016 Top 5 Performers		2Q 2016 Bottom 5 Performers	
Security	**Return %**	**Security**	**Return %**
Nu Skin Enterprises Inc	21.9%	Fossil Group Inc	-35.8%
Dover Corp	11.5%	Franklin Resources Inc	-14.1%
Woodward Inc	11.0%	Discovery Communications Inc	-11.7%
National Oilwell Varco inc	8.4%	La Quinta Holdings Inc	-8.8%
EnerSys	7.0%	GKN PLC (ADR)	-8.3%

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. The returns shown above reflect the actual returns of the above securities in our composite for the time period indicated.

Closing

We have no idea how markets will behave or how our portfolios will perform over the short-term. However, with price to value ratios improving and with the vast majority of our businesses meeting or exceeding our expectations, we are optimistic about our long-term prospects. At the same time, we are skeptical of highly priced, "less risky" assets that are currently "working" which we do not want to own.

We appreciate the confidence you have placed in us and look forward to updating you again when the weather turns a little bit cooler.

Sincerely,

C.T. Fitzpatrick

Chief Investment Officer

Disclosures

The performance presented is for our Large Cap Composite, Focus Composite, Focus Plus Composite, Small Cap 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 2 of our ADV.

Value is our estimate of the intrinsic worth of a company based on our assessment of certain quantitative and qualitative factors. Vulcan defines risk reduction as reducing the portfolio's price to value ratio by either buying (or adding to existing positions) high quality companies which are trading well below fair value as estimated by Vulcan, or selling positions which are trading at or near their fair values. Total return percentage 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, at times 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 adviser registered with the Securities and Exchange Commission under the Investment Advisers 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 Blevins Naff at 205.803.1582 or write Vulcan Value Partners, Three Protective Center, 2801 Highway 280 South, Suite 300, Birmingham, AL 35223.

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 to 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.

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 to 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.

Disclosures (Cont.)

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. This is a very concentrated portfolio holding between seven and fourteen positions. 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 sometimes with 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.

[1] Representations of Jones Lang LaSalle