VULCAN
VALUE
PARTNERS

Third
Quarter
2010

Portfolio Review

General

We are pleased with our progress in the third quarter, which is summarized below. Both the Vulcan Value Partners Fund and the Vulcan Value Partners Small Cap Fund delivered double digit returns. Vulcan Value Partners Small Cap Fund was the standout once again with an 11.7% return in the third quarter. Our performance was slightly above major market indices for the Vulcan Value Partners Small Cap Fund and slightly below for the Vulcan Value Partners Fund for the quarter and year to date. Having said all of the above, we place no weight on short term results, good or bad, and neither should you. We are focused on producing superior real rates of return over our five year time horizon. Everything we do is with that goal in mind, even if it hurts our results in the short run. We encourage you to place more weight on our longer term historical results and a great deal of weight on our long-term prospects. On that score, we are feeling very good.

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	Inception Date	As of September 30, 2010 QTD	YTD	Annualized Since Inception
Vulcan Value Partners Fund (VVPLX)	12/30/2009	10.0%	2.1%	1.3%
Russell 1000 Value Index		10.1%	4.5%	3.5%
S&P 500 Index		11.3%	3.9%	2.9%
Vulcan Value Partners Small Cap Fund (VVPSX)	12/30/2009	11.7%	15.1%	13.8%
Russell 2000 Value Index		9.7%	7.9%	6.4%
Russell 2000 Index		11.3%	9.1%	7.7%

Vulcan Value Partners Fund and Vulcan Value Partners Small Cap Fund returns are net of fees and expenses and assume reinvestment of dividends and capital gains. Total expense ratio is 1.50%. Neither fund imposes a sales charge. Index returns do not reflect deductions for fees or expenses. Performance data quoted represents past performance. Past performance is not indicative of future results. Investment return and value of shares will fluctuate. Upon redemption, shares may be worth more or less than their original cost. The performance figures do not reflect the deduction of any taxes a shareholder might pay on distributions or redemptions. The current performance may be higher or lower than the quoted performance.

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Portfolio Review (Cont.)

Stated simply, we are bullish. Why?

1) Most everyone we talk to is negative on the economy, the business environment, and equities in general. We acknowledge all of the challenges that give rise to these concerns but we also are acutely aware of what we are paying to bear these macro risks. Ten years ago, virtually everyone who was not a value investor was wildly bullish and valuation levels reflected this optimism. The result? Equities have provided a negative return over the last ten years. Yet, over the last decade the economy has grown, and, unlike the terrible fiscal management of the government, corporate America has done a very good job of growing values and strengthening balance sheets. The problem has not been with the performance of the companies, the problem has been the price that people paid for equities ten years ago. We believe that today is the opposite of 2000. Rampant pessimism has resulted in very attractive valuation levels. As a result, we believe that the next ten years are likely to be much better for equities than the previous decade.
2) For the past several years investors have been taking money out of equities and putting money into bonds. Since the beginning of 2009 investors have withdrawn $100 billion from U.S. stock funds and have put $620 billion into bond funds. The trend continued in the third quarter, with $43 billion flowing out of U.S. stock funds and $87 billion going into bond funds. In light of record low bond yields and very attractive stock valuation levels we view this herd mentality as extremely bullish for equities.
3) There are numerous ways to compare the attractiveness of equities to bonds and other asset classes. One measure often used is to compare earnings yields (earnings divided by price, which is the inverse of the P/E ratio) to bond yields (usually the 10 year treasury). The basic idea of this comparison is that stocks are more risky than bonds but they can grow their value while bonds do not. For equities, the negative of higher risk is more or less offset by the positive of higher growth and the resulting higher long term returns. Averaging the results over many decades, this ratio of earnings yield to bond yield is close to 1.0. We pay no attention to this market metric except in cases when it is far off the average. Today the earnings yield on equities is 8% on 2011 estimates and the ten year treasury yield is 2.5%, for a ratio of 3.2 to 1. This valuation differential is at extreme levels and it is even more extreme than it looks when you adjust for record levels of cash on corporate balance sheets (more of that below). When this relationship returns to its long term average, equities should perform very well or bonds should perform very poorly, or both in combination.
4) Corporations are in exceptional financial shape. At June 30, the most recent data available, industrial companies in the S&P 500 had a record $843 billion in cash on their balance sheets, up from $773 billion a year ago. This staggering number is equal to 11.6% of their market value and is roughly double the average percentage since 1980. Equity investors today are paying comparatively little for equities and are taking little financial risk based on historical balance sheet numbers.
5) Finally and most importantly, we believe in this market that the highest quality companies are often the cheapest. Since these are the companies we strive to limit ourselves to buying, we have been able to assemble portfolios full of exceptional businesses at what we believe are extremely attractive prices. Both funds are fully invested. Most of our companies are compounding their values at double digit rates. When price eventually converges with our growing values we believe we will be handsomely rewarded. Meanwhile, we will have taken on comparatively little operational or financial risk.

So, we are bullish. On the macro front, things could get worse before they get better. If they do, our companies are extremely well positioned to ride out the storm as they did during the recession and emerge stronger than ever. If things get better faster than expected, all of the trends that have caused valuations to be so attractive should reverse and we should be rewarded sooner rather than later. We have no idea when values will be recognized but we are confident they will be eventually. That is why we are long term investors. As long as our values are rising we are content to be patient and remain bullish.

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Vulcan Value Partners Fund Review

Investment Strategy	Inception Date	As of September 30, 2010		
		QTD	YTD	Annualized Since Inception
VVP Fund (VVPLX)	**12/30/2009**	10.0%	2.1%	1.3%
Russell 1000 Value Index		10.1%	4.5%	3.5%
S&P 500 Index		11.3%	3.9%	2.9%

Vulcan Value Partners Fund and Vulcan Value Partners Small Cap Fund returns are net of fees and expenses and assume reinvestment of dividends and capital gains. *Total expense ratio is 1.50%.* Neither fund imposes a sales charge. Index returns do not reflect deductions for fees or expenses. Performance data quoted represents past performance. Past performance is not indicative of future results. Investment return and value of shares will fluctuate. Upon redemption, shares may be worth more or less than their original cost. The performance figures do not reflect the deduction of any taxes a shareholder might pay on distributions or redemptions. The current performance may be higher or lower than the quoted performance.

Top contributors to performance included Direct TV, Everest RE, and Google. We went into some detail about Direct TV in the second quarter as it was one of our top contributors then as well. Since nothing has changed except that its value is higher, we will repeat what we said three months ago: Direct TV made progress on multiple fronts. First, the company produced outstanding operational results with strong revenue gains, led by robust subscriber growth, which resulted in higher profitability and outstanding growth in free cash flow. In addition, the company improved its corporate governance by its decision to move to one class of stock. Lastly, Direct TV announced a plan to optimize its capital structure by increasing leverage and aggressively accelerating an already robust share repurchase program. Direct TV has an extremely strong balance sheet and substantial free cash flow that is growing at high double digit rates. Meanwhile, the stock price is trading at a discount to the company's growing value. Therefore, every dollar spent repurchasing stock results in more than a dollar of return to us, as shareholders. Direct TV's financial leverage will remain moderate compared to its free cash flow. We applaud its management team for delivering both strong operating results and outstanding capital allocation decisions.

Everest RE combines two of the qualities we prize, it is very cheap and very well managed. The company provides reinsurance in the U.S., Bermuda and International markets. Despite a soft underwriting market, the company is compounding its value at double digit rates through intelligent capital allocation and disciplined underwriting. Its formidable balance sheet is getting stronger. When the hard market eventually returns it will have ample capacity to write business at attractive prices.

Google is a wonderful company to own. Its value consistently compounds, it generates tremendous free cash flow, and management is relentlessly focused on strengthening the company's competitive position. We were pleased to be featured in an article in Bloomberg BusinessWeek entitled "Google a Value Play? Really?" Yes, really: Google has roughly $100 a share in net cash and significant non-earning but very valuable assets that are poised to

Vulcan Value Partners Fund Review (Cont.)

become highly profitable soon (YouTube, Android). Adjusting for these assets and cash, its core search business, which Google dominates globally, is very attractively priced. Why is Google cheap? The company does not issue any earnings guidance whatsoever. Google's conference calls are refreshingly centered around competitive position, corporate strategy, and building long term value. We wish every company's conference calls were like Google's. Despite the fact that Google does not offer guidance, Wall Street analysts forecast detailed quarterly earnings estimates for the company. Google routinely reports double digit growth, coupled with strong free cash flow generation. However, when its EPS is a penny or two shy of the "whisper numbers" that it is supposed to beat, the stock sells off. Whenever Google "misses" earnings estimates and only grows 18% instead of 20% it is usually because it is investing to strengthen its competitive advantage and build long term value. The value goes up, the stock goes down, and we buy more. As Ben Graham, a noted value investor, stated many years ago, the market is a weighing machine in the long run while it is a voting machine in the short run. This quarter the market weighed Google's growing value a little more accurately.

Detractors to performance included Dr. Pepper Snapple Group, Hewlett-Packard, and Whirlpool Corp. Dr. Pepper Snapple Group was one of our top performers in the second quarter and is up nearly 30% year to date. Its value is growing above our expectations. As long as our values are growing we view short term fluctuations in price as opportunities.

Hewlett-Packard, on the other hand, was a bit of a soap opera in the second quarter. The reason we demand a margin of safety in terms of value over price is to protect us from unknowable events. We had no idea that Mark Hurd, who had done a wonderful job running Hewlett-Packard, would fall out of favor with the board of directors and leave the company. We have a favorable impression of Hewlett-Packard's new CEO, Leo Apotheker. The company has a very strong balance sheet, is highly profitable, is a dominant force in the global technology industry, and we believe its price is very discounted. We are not pleased with the drama of the last several months but we are willing to put up with all of the noise to own one of the premier technology companies in the world at a single digit price to free cash flow ratio.

In spite of a severe U.S. housing recession, Whirlpool Corp. is generating strong free cash flow, producing double digit bottom line results, and building its brands around the world, with notable success in Brazil and India. Whirlpool Corp. has the number one market position in the U.S., where only 10% of its business is dependent on new home construction. Our value is growing. The stock is dropping. As our partners, you can surmise what we are doing.

As this letter is being written, Vulcan Value Partners Fund is fully invested. We believe its weighted average price to value ratio is very attractive, values are growing, and we continue to find qualifying investments.

VULCAN VALUE PARTNERS

Vulcan Value Partners Small Cap Fund Review

Investment Strategy	Inception Date	As of September 30, 2010		
		QTD	YTD	Annualized Since Inception
VVP Small Cap Fund (VVPSX)	**12/30/2009**	11.7%	15.1%	13.8%
Russell 2000 Value Index		9.7%	7.9%	6.4%
Russell 2000 Index		11.3%	9.1%	7.7%

Vulcan Value Partners Fund and Vulcan Value Partners Small Cap Fund returns are net of fees and expenses and assume reinvestment of dividends and capital gains. *Total expense ratio is 1.50%.* Neither fund imposes a sales charge. Index returns do not reflect deductions for fees or expenses. Performance data quoted represents past performance. Past performance is not indicative of future results. Investment return and value of shares will fluctuate. Upon redemption, shares may be worth more or less than their original cost. The performance figures do not reflect the deduction of any taxes a shareholder might pay on distributions or redemptions. The current performance may be higher or lower than the quoted performance.

There is a moderate amount of overlap between our Vulcan Value Partners Fund and our Vulcan Value Partners Small Cap Fund, so sometimes the top contributors overlap as well. This overlap occurs primarily because sometimes the companies we purchase for Vulcan Value Partners Small Cap Fund grow into companies large enough for Vulcan Value Partners Fund over time.

Top contributors to performance included Everest RE, Harley Davidson, and Towers Watson. Everest RE combines two of the qualities we prize, it is very cheap and very well managed. The company provides reinsurance in the U.S., Bermuda and International markets. Despite a soft underwriting market, the company is compounding its value at double digit rates through intelligent capital allocation and disciplined underwriting. Its formidable balance sheet is getting stronger. When the hard market eventually returns it will have ample capacity to write business at attractive prices.

Harley Davidson is doing a great job of responding to the poor economy by aggressively cutting costs while continuing to strengthen its iconic brand. We are very pleased with its progress on margins. When demand returns, the company will be very well positioned and translate revenues into bottom line gains. The company's stock has responded favorably to these positive developments, as it should. Towers Watson is the product of a merger between publicly traded Watson Wyatt and privately held Towers Perrin. The combination is a consulting powerhouse with a global reach. We are not fans of mergers and acquisitions as prices are often too high and hoped for synergies rarely occur. To their credit, Towers Watson is proving to be the exception to the rule. The company's stock, which, in our opinion, over-discounted the risks of the merger, has reacted favorably as the company has made material progress bringing the two organizations together.

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Vulcan Value Partners Small Cap Fund Review (Cont.)

Detractors to performance included Dr. Pepper Snapple Group, Washington Post, and Investment Technology Group. Dr. Pepper Snapple Group was one of our top performers in the second quarter and is up nearly 30% year to date. Its value is growing above our expectations. As long as our values are growing we view short term fluctuations in price as opportunities.

Washington Post was an embarrassing mistake which we exited during the third quarter. We feel that we learn more from our mistakes than from our successes, so what did we learn? When we bought it, Washington Post had net cash on its balance sheet, some high profile "old media" assets to which we ascribed very little value (The Washington Post, Newsweek) and some highly profitable businesses that we liked (their cable business and Kaplan). Valuing each business segment separately resulted in a sum of the parts valuation well in excess of the stock price. Moreover, we have long admired the company's management team, led by Don Graham. We knew when we bought the company that Kaplan, its for profit education business, was under scrutiny along with the rest of that industry. Having incomplete information but also having confidence in Washington Post's management team, we believed that the weaker players would withdraw from the market and that Kaplan would benefit as the Federal government proposed new rules for the for profit education industry. As the new rules were released and Kaplan disclosed details about its students for the first time, we were chagrined to learn that Kaplan did not measure up very well. In fact, it stands a good chance of failing one or more eligibility tests under the new rules. Consequently, our value for Kaplan declined and our margin of safety was reduced.

As we have said in this letter and in other letters, we are pleased when stock prices fall and our values grow. It gives us an opportunity to buy additional shares at a greater margin of safety. When our values fall, however, all of our alarm bells go off and we completely re-evaluate the investment. After doing so with Washington Post we decided that we did not have a sufficient margin of safety to compensate us for the risks facing Kaplan. We lost money on this investment but our investment disciplines contained the damage. So, the first lesson is to ruthlessly follow our investment disciplines and admit a mistake when we make one. We do not want to compound one mistake with others by arrogantly clinging to an idea where we were wrong. We did follow our disciplines and though the lesson is a painful one, which we will well remember, the net economic effect on the portfolio was slightly more than 1/2 of one percent over the lifetime of our investment. The second lesson is not to take too much comfort in any management team, no matter how much we like them, when we do not have adequate disclosure to test our investment thesis. If we cannot quantify it with reasonable precision then assume the worst. If we had done so at Washington Post we would have saved you and us money. We hope to learn our lessons well and not have to re-learn them again.

Investment Technology Group has one of the best price to value ratios of any company we own. It is extremely out of favor. Why? Because their core customers are long only, active equity managers who are suffering withdrawals as investors take money out of stocks and put them into bonds (see point number 2 above as to why we are bullish). Investment Technology Group operates off exchange trading platforms, sometimes called "dark pools." In fact, it is one of three firms that dominate that business. Investment Technology Group's earnings are cyclical and difficult to forecast in the short run because it has a fixed cost base and revenues depend on trading volumes. With trading volumes down due to equity outflows their current earnings are depressed. In 2008 it earned $2.61 per share. This year it should earn a little more than $1.00 per share. Its long term earnings power is somewhere in between. Investment Technology Group has just under $8.00 per share of net cash on its balance sheet, zero debt, generates healthy free cash flow, and is repurchasing its shares which trade for $14. This is not a typo. It is trading for $6.00, net of cash, or 6 times its current depressed earnings.

As this letter is being written, Vulcan Value Partners Small Cap Fund is fully invested. We believe its weighted average price to value ratio is very attractive, values are growing, and we continue to find qualifying investments.

Closing

We have been able to deliver solid results in extreme market conditions since we began operations three and a half years ago. More importantly, we believe the prospective returns implied by our discounted price to value ratios and consistent value growth are very compelling. Neither is by accident. Our research team has been very productive and very disciplined in executing our investment philosophy. I could not be more proud to associate myself with our outstanding research team comprised of Bruce Donnellan, Hampton McFadden, Allen Cox, and our newest addition, Mac Dunbar. I bring up the rear.

The stable capital entrusted to us by you is the cornerstone of our ability to execute our investment philosophy. Because of you we are able to make rational long term investment decisions when others are reacting to short term market noise. We take the confidence you have placed in us very seriously with our capital invested along side of yours.

We hope you and your families enjoy the upcoming holiday season and we look forward to updating you again early in the New Year.

Sincerely,

C.T. Fitzpatrick
Chief Investment Officer

Disclosures

Vulcan Value Partners Fund:

The fund seeks to achieve long-term capital appreciation by investing primarily in med- and large-capitalization U.S. companies believed to be both undervalued and possessing a sustainable competitive advantage.

The price to value ratio is a calculation that compares the price of a company's stock to our appraisal of the company's intrinsic value. The price to earnings ratio is a calculation that compares the company's stock price to the company's earnings per share.

This letter reflects our views, opinions, and portfolio holdings as of September 30, 2010. Our views may change at any time based upon market or other conditions and Vulcan Value Partners disclaims any responsibility to update our views. Our views should not be relied on as investment advice and, because investment decisions for the fund are based on numerous factors, may not be relied on as an indication of trading intent on behalf of the fund.

For more complete information, please download the fund's prospectus available on www.vulcanvaluepartners.com or call 877.421.5078 for copies. You should consider the fund's investment objectives, risks, charges, and expenses carefully before you invest. Information about these and other important subjects is in the fund's prospectus, which you should read carefully before investing.

Vulcan Value Partners, LLC ("Vulcan" or the "Adviser") has given a contractual agreement to the Funds that to the extent the Total Annual Fund Operating Expenses (as defined in Item 3 of Form N-1A) with respect to either Fund (exclusive of Acquired Fund Fees and Expenses (if any), brokerage expenses, interest expense, taxes and extraordinary expenses) ("Designated Annual Fund Operating Expenses") exceed 1.50% of such Fund's average daily net assets for a particular fiscal year of the Fund, the Adviser will reduce the Management Fee and/or Other Expenses otherwise payable to the Adviser with respect to such Fund for such fiscal year by an amount equal to such excess, and/or the Adviser shall reimburse the Fund by the amount of such excess. This agreement is in effect through August 31, 2011 and will be reevaluated on an annual basis thereafter. Without this agreement, expenses could be higher. If the Adviser foregoes any fees and/or reimburses a Fund pursuant to this letter agreement with respect to a particular fiscal year, then the Adviser shall be entitled to recover from the Fund(s) the amount foregone or reimbursed to the extent Designated Annual Fund Operating Expenses are less than 1.50% of such Fund's average daily net assets during any fiscal year following such fiscal year.

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 S&P 500 Index figures do not reflect any fees, expenses, or taxes. Investors cannot invest directly in this 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. An investment cannot be made directly into an index.

All information in this report is as of the date shown in the upper right hand corner unless otherwise indicated.

The Fund is newly formed and, therefore, has limited performance history for investors to evaluate. Also, it is possible that each Fund may invest in securities offered in certain types of transactions (such as private placements) that, because of that Fund's size, may have a disproportionate impact on that Fund's performance results. That Fund would not necessarily have achieved the same performance results if its aggregate net assets had been greater.

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ALPS Distributors, Inc. is the distributor for the Vulcan Value Partners Fund.

Reference Holdings as of September 30, 2010	% of Net Assets
Google, Inc.	6.32%
Direct TV	6.11%
Everest Re Group Ltd	4.61%
Hewlett-Packard Co.	4.57%
Whirlpool Corp	4.42%
Dr. Pepper Snapple	1.74%

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Disclosures (Cont.)

Vulcan Value Partners Small Cap Fund:

The fund seeks to achieve long-term capital appreciation by investing primarily in small-capitalization U.S. companies believed to be both undervalued and possessing a sustainable competitive advantage.

This letter reflects our views, opinions, and portfolio holdings as of September 30, 2010. Our views may change at any time based upon market or other conditions and Vulcan Value Partners disclaims any responsibility to update our views. Our views should not be relied on as investment advice and, because investment decisions for the fund are based on numerous factors, may not be relied on as an indication of trading intent on behalf of the fund.

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The Funds may invest in the securities of companies with small or medium market capitalizations. Small or medium-sized companies may have more limited product lines, markets, and financial resources than larger companies. In addition, their securities may trade less frequently and in more limited volume than those of larger companies. Small- or mid-cap stocks may be more volatile than those of larger companies and, where trading volume is thin, the ability to dispose of such securities may be more limited. Because the Vulcan Value Partners Small Cap Fund normally invests at least 80% of its equity assets in securities of smaller companies, these risks may be increased.

The Russell 2000 Index includes the 2000 firms from the Russell 3000 Index with the smallest market capitalizations. The Russell 2000 Index figures do not reflect any fees, expenses, or taxes. Investors cannot invest directly in this index. The Russell 2000® Value Index measures the performance of those Russell 2000® companies with lower price-to-book ratios and lower forecasted growth values. The Russell 2000 Value Index figures do not reflect any fees, expenses, or taxes. Investors cannot invest directly in this index.

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ALPS Distributors, Inc. is the distributor for the Vulcan Value Partners Small Cap Fund.

Referenced Holdings as of September 30, 2010	% of Net Assets
Everest Re Group Ltd	5.98%
Towers Watson & Co.	4.55%
Harley-Davidson Inc	4.54%
Investment Technology Group	4.26%
Dr. Pepper Snapple	3.93%
Washington Post	Sold

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Expires January 31, 2011