Fourth

Quarter

2011

VULCAN
VALUE
PARTNERS

Portfolio Review

General

We are pleased to report that both Vulcan Value Partners Fund and Vulcan Value Partners Small Cap Fund delivered double digit gains and that all exceeded the returns of one or more of their respective benchmarks during the fourth quarter. For 2011 both funds delivered positive returns and exceeded the returns all of their respective benchmarks. Returns are net of fees. The Vulcan Value Partners Small Cap Fund deserves special mention with a positive 1.48% return for the year compared to a negative 5.50% and negative 4.18% from the Russell 2000 Value Index and Russell 2000 Index, respectively. The results for 2011 are all the more gratifying to us because the majority of active managers and especially value managers underperformed. Though we are pleased with 2011, what really matters is long-term performance and, again, we have very good news to report. Our performance is summarized below.

Directory

As of December 31, 2011

	Inception Date	QTD	Annualized 1 Year	Annualized Since Inception
Vulcan Value Partners Fund (VVPLX)	**12/31/2009**	**13.10%**	**4.01%**	**6.95%**
Russell 1000 Value Index		13.11%	0.39%	7.17%
S&P 500 Index		11.82%	2.11%	7.85%
Vulcan Value Partners Small Cap Fund (VVPSX)	**12/31/2009**	**16.42%**	**1.48%**	**13.74%**
Russell 2000 Value Index		15.97%	-5.50%	7.69%
Russell 2000 Index		15.47%	-4.18%	9.55%

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 month-end performance may be higher or lower than the quoted performance and may be obtained by calling 877.421.5078 or visiting www.vulcanvaluepartners.com.

It is important to understand that when we discuss long-term performance we are referring to the building blocks of compounding capital over our five-year time horizon. We have no idea what our results will be next quarter or even next year. 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.

The building blocks of return are free cash flow, growth in free cash flow, and the premium or discount we pay for both. If we bought and sold every investment we made at fair value then

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Portfolio Review (Cont.)

our returns would be equal to the free cash flow coupon we received plus the growth in that same free cash flow coupon. This return also would be equal to the value growth of our portfolios. We estimate that on average our companies are compounding their values at a low double digit rate. When times are bad (2008 for example) we estimate that our companies compounded their values at a low single digit rate on average. When times are good (2009 for example) we estimate that our companies compounded their values in the high teens on average. We expect this trend to hold true for the foreseeable future. If we pay a premium to our estimate of fair value (which we never do) then our prospective returns are reduced and we increase risk. If we pay a discount to our estimate of fair value (which we always do) then our prospective returns are increased and, at the same time, we lower the risk of loss of capital.

We have spent a lot of time so far talking about returns. However as we analyze our investments, we are more concerned with risk than we are with returns. Our goal is to reduce risk by limiting our investments to high quality companies whose values are inherently more stable than their stock price. Fundamental to our philosophy is our belief that we further reduce risk by demanding a discount to the estimated stable values. Doing so allows us to take advantage of stock price volatility because the estimated values of our companies are not as volatile as their stock prices.

What about the Euro crisis? What about the debt situation in the U.S.? What about the debt situation in Japan? What if China has a hard landing or if a crisis in the Middle East causes oil prices to soar? How can we protect ourselves and you from these macro risks and many others we have not named?

The answer is to seek to own high quality businesses that get stronger when times are bad and prosper when times are good and to own them at a discount to intrinsic worth. Fortunately for us, the companies that fit our quality criteria are more discounted than many lesser quality companies that we would not want to own. We cannot protect you nor us from market volatility but we can take advantage of it by executing our investment philosophy. Most companies do not have stable values. Our philosophy is to invest in those that do. When prices rise faster than our estimate of the increase in values, we can manage risk by harvesting returns and redeploying capital into more discounted companies. When prices decline and our values are stable we can manage risk by making additional purchases with a greater margin of safety. It all starts with discipline in what kinds of companies we will buy. It is then reinforced by being disciplined in the price we pay.

We look into the early days of 2012 with concern about the numerous macro risks confronting the global economy that we cannot control. At the same time we are very optimistic about our portfolios because of the hard work done in 2011. We are fully invested in companies that we believe are deeply discounted to our estimate of fair value and we are confident they are capable of consistently compounding their values in good times and bad. We are grateful to be working in partnership with like minded, long term investors whose stable capital allows us to execute our investment philosophy.

VULCAN
VALUE
PARTNERS

PARTNERS
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FUND

Vulcan Value Partners Fund Review

As of December 31, 2011				
			Annualized	
Investment Strategy	Inception Date	QTD	1 Year	Since Inception
VVP Fund (VVPLX)	**12/30/2009**	**13.10%**	**4.01%**	**6.95%**
Russell 1000 Value Index		**13.11%**	**0.39%**	**7.17%**
S&P 500 Index		**11.82%**	**2.11%**	**7.85%**

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 month-end performance may be higher or lower than the quoted performance and may be obtained by calling 877.421.5078 or visiting www.vulcanvaluepartners.com.

As we enter a new year we want to spend more time talking about changes to the portfolio instead of our winners and losers. Having said that, the top contributor to performance for the year was MasterCard, which delivered a 64.94% return in 2011 and was the fourth best performing company in the S&P 500®. We have written about MasterCard extensively in past letters. It fits our criteria perfectly. Our estimate of MasterCard's value has grown steadily since we purchased it during the financial crisis in 2008. In 2011, MasterCard's stock price began to catch up with its value and we reduced our position in it to redeploy capital into companies we believe to be more discounted with equally high quality such as Visa. MasterCard remains discounted to our estimate of fair value and its value continues to compound. We are pleased to continue to own a smaller position in it.

There was only one material detractor to performance in 2011, Hewlett Packard, and none in the fourth quarter. We sold Hewlett Packard because our estimate of its value declined due to poor capital allocation decisions. Its stock price also declined, which negatively impacted performance. Hewlett Packard delivered a –43.87% return in 2011 although we did not hold it for the entire year. The reason we sold it was because its value declined, not because its stock price declined.

We generally define material contributors and detractors as companies having a greater than 1% impact on the portfolio.

During the fourth quarter we were able to buy four new positions and exited three. The three companies we sold were high quality businesses and all were discounted to our estimate of fair value. We sold them because we were

Vulcan Value Partners Fund Review (Cont.)

able to buy, what we believe to be even better businesses at even more substantial discounts to our estimate of fair value. The most difficult decisions were not what to buy but what to sell to pay for our new companies.

We exited Proctor and Gamble, Comcast, and DIRECTV in the fourth quarter. We sold Proctor and Gamble to redeploy capital into companies we believe to be more discounted. We sold Comcast and DIRECTV for the same reason but also because we have become increasingly concerned that their competitive position could begin to erode as more and more viable media distribution offerings emerge. We are hyper focused on competitive entrenchment. If a company's competitive position begins to erode we want to sell it before we see it in the numbers. DIRECTV deserves special mention. It was a fantastic investment for us. We purchased it at a compelling discount to our estimate of fair value and added to our position over time because we believe its value consistently grew through both operational execution and outstanding capital allocation. We are grateful to DIRECTV's board and management team for the outstanding job they did while we were shareholders.

We purchased Franklin Resources, Fiserv, Intercontinental Hotel Group and Unilever during the fourth quarter. These are companies that we have followed for many years, some even decades, that are rarely discounted. They are all leaders in their respective industries, are extremely well managed, generate substantial free cash flow, have strong balance sheets, and consistently grow their values. Intercontinental Hotel Group and Unilever are domiciled outside the U.S. and are global in scale. Franklin Resources, which is domiciled in the U.S., has substantial exposure to overseas markets. Fiserv is the only new purchase we made whose business is U.S. centric.

Each of these new purchases is more competitively entrenched today than they were several years ago. Moreover, three of the four have better growth opportunities today than they did a decade ago because they serve substantial new markets outside the U.S. that were not nearly as meaningful to their business ten years ago. We look forward to enjoying many years of steady compounding from these extraordinary businesses we purchased at significant discounts to our estimate of fair value.

We are fully invested in Vulcan Value Partners Fund and continue to find qualifying investments.

VULCAN VALUE PARTNERS

SMALL · CAP · FUND

Vulcan Value Partners Small Cap Fund Review

As of December 31, 2011				
			Annualized	
Investment Strategy	Inception Date	QTD	1 Year	Since Inception
VVP Small Cap Fund (VVPSX)	**12/30/2009**	**16.42%**	**1.48%**	**13.74%**
Russell 2000 Value Index		**15.97%**	**-5.50%**	**7.69%**
Russell 2000 Index		**15.47%**	**-4.18%**	**9.55%**

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 month-end performance may be higher or lower than the quoted performance and may be obtained by calling 877.421.5078 or visiting www.vulcanvaluepartners.com.

As we enter a new year we want to spend more time talking about changes to the portfolio instead of our winners and losers. Having said that, the top contributor to performance for the year was Heartland Payment Systems, which delivered a 56.22% return in 2011. It was closely followed by Fair Isaac, which delivered a 53.51% return in 2011. Both companies serve the financial services industry but neither are commercial banks. Instead, they have strong balance sheets and generate high levels of free cash flow. They are both very well managed and were able to improve their competitive positions during the financial crisis. Conditions in the financial services industry, especially with regard to the commercial banks, are still challenging. Owning these companies allows us the opportunity to capture a revenue stream from the financial services industry without taking on the balance sheet risk that continues to challenge the industry. Fair Isaac and Heartland Payment Systems have performed well in spite of industry headwinds. We are optimistic about their ability to compound their values at even higher rates as industry conditions gradually improve.

NetSpend was the top contributor in the fourth quarter, returning 52.22% for the quarter. We would not have been able to buy this outstanding company at such attractive prices without the combined efforts of our research team and our head trader, Anne Morrow. Anne and our research team work closely together to execute our investment philosophy. NetSpend was so discounted to our estimate of fair value when we made the decision to purchase it, we feared that we would not have long to make purchases at prices we wanted to pay. Anne, who is the only trader I am aware of anywhere who is a true value investor, understood the discount and acted accordingly. Thank you, Anne.

NetSpend is yet another financial services company that is not a commercial bank but operates around the edges of the banking industry. The company has a superior business model that produces strong free cash

Vulcan Value Partners Small Cap Fund Review (Cont.)

flow without financial leverage. NetSpend is a leader in providing prepaid debit cards that can substitute for checking accounts. Their customer base primarily consists of lower income workers who are un-banked or are under-banked because banks do not want to serve them. This market has expanded because these customers are not profitable for commercial banks in the wake of the Dodd-Frank financial reform bill. NetSpend provides a superior product at a lower cost than commercial banks and is capturing market share in a large, underserved market.

There were no material detractors in the fourth quarter but there were for the year. We sold Lender Processing Services because its value declined, not because its stock price declined. Lender Processing Services delivered a –48.97% return for 2011 although we did not hold it the entire year. We redeployed the proceeds from this sale into companies we believe to be both higher quality and to have stable growing values such as Fair Isaac and Heartland Payment Systems. Janus Capital, which delivered a –50.18% return for 2011, declined in price for the year but we are pleased with its management team and are optimistic about its prospects. Sonic Corp. declined for the year and for the quarter even though its management team made material progress throughout the year. Sonic delivered a –33.72% return for 2011. Sonic Corp.'s business is more sensitive to employment levels than most. Its results are improving but not as rapidly as we would like because employment growth has been very weak in an anemic recovery. As employment conditions gradually improve, we expect Sonic Corp. to benefit.

We sold Markel Corp. to redeploy capital into companies we believe to be more discounted.

We generally define material contributors and detractors as companies having a greater than 1% impact on the portfolio.

We are fully invested in Vulcan Value Partners Small Cap Fund and continue to find qualifying investments.

Closing

We are pleased with the material progress we made during 2011 to take advantage of market volatility to redeploy capital into companies we believe are higher quality and offer better discounts. Doing so helped us produce above average results in a challenging environment. More important, we believe it helps to reduce risk in our portfolios and positions us well for future compounding.

We appreciate your confidence in us and look forward to updating you in three months.

Best wishes for a prosperous New Year.

Sincerely,

C.T. Fitzpatrick
Chief Investment Officer

VULCAN VALUE PARTNERS

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. Fair, or intrinsic, 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. Margin of Safety is a favorable difference between the price of a company's shares and the estimated fair value of those shares. The price to earnings ratio is a calculation that compares the company's stock price to the company's earnings per share. The return on capital is a measure of efficiently a business employs its assets to generate operating returns. 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 funds holdings of those securities may differ from total return as the funds rebalance or changed weights in the individual securities. Free cash flow is the amount of cash that a company has left over after it has paid all of its expenses, including investments. All publically traded companies are required to file a 10-K report. This report contains detailed information about the company's business, finances, management, bylaws, and information about any lawsuits in which the company is involved. Macro factors encompass the general economic and business environment.
This letter reflects our views, opinions, and portfolio holdings as of December 31, 2011. 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, 2012 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.

Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market or economic developments. Value stocks can perform differently from the market as a whole. They can remain undervalued by the market for long periods of time. Foreign securities, specially emerging or frontier markets, will involve additional risks including exchange rate fluctuations, social and political instability, less liquidity, greater volatility, and less regulations. 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.

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.

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Reference Holdings as of December 31, 2011*	% of Net Assets
Franklin Resources	4.87%
Visa Inc.	4.47%
InterContinental Hotel	3.81%
Unilever NV	3.07%
MasterCard Inc.	2.98%
Fiserv Inc.	2.52%
Proctor & Gamble	Sold
Comcast	Sold
DIRECTV	Sold
Hewlett Packard	Sold

*The referenced holdings are subject to change.

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 December 31, 2011. 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, 2012 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 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. 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.

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 December 31, 2011*	% of Net Assets
Netspend Holdings	5.76%
Heartland Payment Systems	4.94%
Janus Capital	3.47%
Fair Isaac	2.85%
Sonic Corp	2.45%
Lender Processing Services	Sold
Markel Corp	Sold

*The referenced holdings are subject to change.

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Expires April 15, 2012