Third

Quarter

2012

VULCAN
VALUE
PARTNERS

Portfolio Review

General

We had another outstanding quarter with both of Vulcan Value Partners Funds delivering strong absolute returns and outperforming their respective benchmarks. Moreover, 1 year returns exceed 30% in each fund and each fund is comfortably ahead of its respective benchmark. These results are detailed in the table below.

		As of September 30, 2012		
			Annualized	
	Inception Date	QTD	1 Year	Since Inception
Vulcan Value Partners Fund (VVPLX)	**12/31/2009**	**8.45%**	**37.64%**	**12.79%**
Russell 1000 Value Index		6.51%	30.92%	10.92%
S&P 500 Index		6.35%	30.20%	11.67%
Vulcan Value Partners Small Cap Fund (VVPSX)	**12/31/2009**	**5.69%**	**38.85%**	**17.10%**
Russell 2000 Value Index		5.67%	32.63%	10.83%
Russell 2000 Index		5.25%	31.91%	12.17%

Directory

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 1.25%*. 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.

The stock market has exceeded most peoples' expectations so far in 2012 and Vulcan Value Partners funds have done materially better than "the market." We note that we were extremely bullish about our long-term prospects in our communications to you at the end of 2011. How do we feel right now? In the near term we are neither bullish nor bearish. In the long term (our minimum investment time-horizon is five years) we are very bullish.

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Portfolio Review (Cont.)

The near term:

There are a number of positives and negatives but no extremes that would cause us to be bullish or bearish. The positives include continued flows out of stocks and into bonds. In our opinion, bonds are the next bubble that will pop – more on this topic below. Other positives include an improving housing market for the first time in a very long time, low inflation, thawing credit conditions, and a tremendous amount of liquidity being provided by the Federal Reserve. Negatives include sub-par economic growth in the U.S., a recession in Europe, and a slowdown in China, and in the developing world. Uncertainties include the outcome of the U.S. election, which is in a statistical dead heat, and the looming fiscal cliff. Many things could go badly but no more so than is the norm. We have no crystal ball but we pay attention to extremes. Other than a bubble in bonds (which ultimately could be good for stocks) we do not see any extremes, which is why we are neutral near term.

The long term:

The relationship between bonds and stocks does not make mathematical sense to us. Moreover, bonds do not make mathematical sense to us. The yield on 10-year treasuries was 1.64% at the end of the quarter. The most recent Consumer Price Index release showed year over year increases in both actual and core CPI of 2%. The consensus forecast of inflation exceeds 2%. Our own opinion is that over the next ten years (admittedly back loaded) inflation will significantly exceed 2%. If we are correct, stated simply, investors in 10-year treasuries are accepting a negative real return in exchange for "safety." There are many kinds of risks, and preserving purchasing power is among the most important. Also and very importantly, valuation can either increase or decrease risk. When we buy ownership in a publicly traded company at a discount we reduce risk, though not necessarily volatility. If we pay a premium (and we never knowingly do) we increase risk. Bonds are the same. Investors in long-term treasuries are taking on very high levels of risk because of high valuations. An investor in a 10-year treasury will suffer a 9% capital loss if interest rates rise a mere 1%. When your going in yield is less than 2% nominally and negative in real terms, a 9% capital loss is a calamity. An investor in 30-year treasuries would suffer a 20% loss with only 1% rise interest rates. Valuation matters. Long-term treasuries have no margin of safety in our opinion.

Equities, on the other hand, look attractive to us. Our equities look very attractive. Both of our strategies are managed by the same investment philosophy and they have similar long-term returns. At certain points in time one strategy will be more attractive than another. Right now, everything is remarkably uniform. So, we can use our Vulcan Value Partners Fund as a proxy for both funds in this example. The dividend yield on our Vulcan Value Partners Fund is 1.8%. This yield is the same as the yield on 10-year treasuries. The yield on 10-year treasuries is fixed. The dividend yield on our fund is not fixed and we think it is likely to grow at rates well above inflation. Why? Our companies' earnings and, much more important, our companies' free cash flow are both growing well above inflation. Moreover, our companies have strong balance sheets (a lot stronger than the Federal Government). This combination of strong balance sheets, ample free cash flow, and strong earnings growth has, and we think should, continue to result in dividend growth well ahead of inflation.

Why would anyone prefer a fixed rate of return below the rate of inflation with meaningful risk of capital loss to an equivalent yield that should grow well in excess of the rate of inflation? We can't think of a rational answer. Yet, hundreds of billions of dollars continue to flow out of equities and into bonds. Like all bubbles, we are confident that this bubble too will burst eventually. When it does, equities and bonds will be re-priced. Those who understand the true risks they are taking will be rewarded and those who do not will suffer. In the meantime, our values are continuing to grow and we estimate that our portfolios, despite above average price appreciation, remain attractively discounted in the mid

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Portfolio Review (Cont.)

to upper 60's. This price to value discount is our margin of safety. Said another way, valuation is reducing risk for us and it is increasing risk for bond investors. We much prefer to be equity investors.

There are two other reasons we are bullish long term. The second is related to the first. Because of attractive valuation, our free cash flow yield is much higher than our dividend yield. Free cash flow is an ultimate determinant of the value of the companies we own. Free cash flow, by definition, belongs to us as owners, whether or not it is used to pay a dividend, repurchase stock, pay down debt, make acquisitions, our to just accrue to the balance sheet. So, our free cash flow yield is much more relevant to our investment outcome than the dividend yield. We expect our companies to grow their free cash at rates well above inflation. In our view, the equities we own (again taking the Vulcan Value Partners Fund as a proxy) with an estimated forward 12 month free cash flow yield of 8.2%, that is growing well ahead of inflation are compelling, especially compared to a fixed rate of return of less than 2% on 10-year treasuries.

The third reason we are bullish long term is that we continue to produce a robust list of companies that we would like to own if businesses we already own become more fully valued. This inventory of potential investments means that we can maintain our margin of safety by replacing higher price to value ratio stocks with lower price to value ratio stocks.

Does all of the above suggest that we expect continued smooth sailing? Of course not. While we cannot predict when it will happen, market volatility is inevitable. We look forward to it. Because we limit ourselves to companies that have demonstrated themselves to have had inherently stable values we can take advantage of market volatility to improve our margin of safety. Said simply, our companies' values are more stable than their stock prices. Therefore, declines in stock prices caused by market volatility or security specific volatility create opportunities for us to lower risk by improving our margin of safety. What if there is continued upward volatility? In that case, we intend to follow our discipline and sell companies that are more fully valued by our estimate and buy companies that are more discounted by our estimate from our inventory of potential investments. Our challenge is to execute our investment philosophy regardless of the market environment that confronts us. I am pleased to be able to say that our research team is doing an excellent job in this regard.

As we have often said we place no weight on short-term results, good or bad, and neither should you. In fact, we will willingly 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. We are virtually fully invested across both funds and have a deep inventory of potential investments.

Please note that in the commentary that follows regarding both of our funds, we generally define material contributors and detractors as companies having a greater than 1% impact on the portfolio. We generally limit comments about top contributors and detractors to the top three. This quarter there were very few material contributors and no material detractors. Moreover, we did not buy or sell many new positions so the introduction above is the bulk of this quarter's letter. When there are things to talk about we will communicate with you clearly about them. On the other hand, we do not want to waste your time with commentary that is not useful.

As of September 30, 2012				
			Annualized	
Investment Strategy	Inception Date	QTD	1 Year	Since Inception
VVP Fund (VVPLX)	**12/30/2009**	**8.45%**	**37.64%**	**12.79%**
Russell 1000 Value Index		6.51%	30.92%	10.92%
S&P 500 Index		6.35%	30.20%	11.67%

Vulcan Value Partners Fund Review

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 1.25%.* 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.

There was one material contributor to performance and no detractors in the third quarter.

Google was up 30.0% in the third quarter. Google has consistently grown its free cash flow at double digit rates. Moreover, the company's relentless focus on improving its competitive position has enabled Google to transition from the desktop to a mobile centric world much more smoothly than its rivals. In fact, one of the reasons its stock price moved closer to fair value is that investors who wildly overvalued Facebook noted Google's much lower valuation and Google's relatively smooth transition to mobile search compared to Facebook's stumbles on mobile devices.

As this letter is being written, Google has reported noisy third quarter results due to closing the Motorola acquisition. Drilling down to Google's core results, the company generated robust free cash flow, grew its bottom line at double digit rates and made substantial progress in mobile. Despite its progress the stock sold off on concerns that mobile pricing is currently below desktop search pricing. As mobile search evolves, the opportunity to add value through location based services means that mobile pricing has the potential to exceed desktop pricing over time. With a long-term investment horizon we welcome stock price volatility combined with value stability.

We did not buy or sell any new positions in the third quarter.

Vulcan Value Partners Fund Review (Cont.)

Vulcan Value Partners Fund (VVPLX)			
3Q 2012 Top 5 Performers		3Q 2012 Bottom 5 Performers	
Security	**Return %**	**Security**	**Return %**
Google	29.94%	Coca-Cola	-2.37%
Time Warner Inc.	18.44%	Microsoft Inc.	-2.31%
Apple Inc.	14.57%	Nasdaq Stock Mkt Inc.	3.04%
Franklin Resources	12.61%	Bank of NY Mellon	3.45%
Discovery Communications C	11.72%	Everest Re Group	3.56%

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.

VULCAN VALUE PARTNERS

Vulcan Value Partners Small Cap Fund Review

As of September 30, 2012				
			Annualized	
Investment Strategy	Inception Date	QTD	1 Year	Since Inception
VVP Small Cap Fund (VVPSX)	**12/30/2009**	**5.69%**	**38.85%**	**17.10%**
Russell 2000 Value Index		5.67%	32.63%	10.83%
Russell 2000 Index		5.25%	31.91%	12.17%

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 1.25%.*** **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.**

There were no material contributors or detractors to performance in the third quarter. We did buy one new position and we had some interesting trading activity in a second related to the first. We also exited a successful investment.

We purchased Neustar and added to our position during the quarter. Neustar is the repository for all of the phone numbers in the United States. Every time a call is connected they are involved. As you think about your own experiences using the phone, they do a pretty good job. In fact, we think they do an excellent job. They can be replaced but the switching costs and risk of doing so make it highly unlikely that any of the 4,500 carriers using them would want to do so. They also own internet registries, provide internet infrastructure services and analytics to telecom providers. As you would expect with one of our investments, Neustar has a strong balance sheet, ample free cash flow and attractive returns on capital.

We sold Nordson and Lincoln Electric to buy Neustar and to add to more discounted portfolio companies. Nordson and Lincoln Electric are both exceptional businesses and are well managed. Both were good investments for us. However, we had an opportunity to reduce risk in the portfolio by reallocating capital to new companies such as Neustar and existing positions within the portfolio at larger discounts, which resulted in a larger margin of safety for the overall portfolio.

We had an opportunity to buy Lincoln Electric again later in the third quarter. Our value had increased and the stock price declined after we sold it. In the meantime, we made a nice gain (19.3%) on Neustar. We are not

Vulcan Value Partners Small Cap Fund Review (Cont.)

traders. We are long-term investors. Even after we sold Lincoln Electric we followed it closely. We hope to own it for a very long time but we will always reallocate capital to reduce risk by improving our margin of safety.

We are pleased with our research productivity and have a number of qualified companies competing for purchase should one or more of our current holdings reach fair value.

When there are things to talk about we will communicate with you clearly about them. On the other hand, we do not want to waste your time with commentary that is not useful so this review is fairly short this quarter. Please refer to our opening comments as well.

Vulcan Value Partners Small Cap Fund (VVPSX)			
3Q 2012 Top 5 Performers		3Q 2012 Bottom 5 Performers	
Security	**Return %**	**Security**	**Return %**
Jarden Corporation	25.27%	Towers Watson	-11.35%
Janus Capital Group	20.65%	KMG Chemicals I	-4.25%
Neustar Inc.	20.58%	Lincoln Electric Holdings	-4.17%
Altra Holdings Inc.	15.32%	Navigators Group Inc.	-1.90%
Jos A Bank Clothiers Inc.	13.86%	Tupperware Brands Corp	-1.72%
It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities in this list. A company's relative contribution to return for the portfolio may not equal its absolute return and return for other portfolios for the relevant period because of differences in portfolio weights and holding periods.			

Closing

We are pleased to be able to share so much good news with you this quarter. We work for an exceptional group of long-term investors who all know that compounding in equities is not a straight line. Our goal is to be ready to take advantage of stock price volatility when it occurs by limiting our investments to businesses with inherently stable values. We look forward to such opportunities and appreciate your contribution of stable capital, which allows us to execute our investment philosophy.

As the weather is getting cooler we wish you and your families the best during the approaching holiday season. We will be hard at work preparing for opportunities that may present themselves in the new year.

Sincerely,

C.T. Fitzpatrick
Chief Investment Officer

Third

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2012

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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 September 30, 2012. 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. Past Performance does not guarantee future results.

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 1.25% 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, 2013 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 1.25% of such Fund's average daily net assets during any fiscal year following such fiscal year.

Reference Holdings as of September 30, 2012*	% of Total Portfolio
Franklin Resources	4.88%
Bank of NY Mellon	4.80%
Discovery Communications	4.71%
Time Warner Inc.	4.65%
Nasdaq Stock Mkt Inc.	4.46%
Everest RE Group	4.36%
Microsoft Corp	4.32%
Google Inc.	4.30%
Apple Inc.	4.29%
Coca-Cola	3.45%

*The referenced holdings are subject to change.

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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VULCAN VALUE PARTNERS

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, 2012. 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. Past Performance does not guarantee future results.

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 1.25% 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, 2013 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 1.25% 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.

Reference Holdings as of September 30, 2012*	% of Total Portfolio
Jos A Bank Clothiers Inc.	4.70%
Neustar Inc.	4.42%
Navigators Group Inc.	4.27%
Janus Capital Group	4.05%
Towers Watson & Co.	3.83%
KMG Chemicals I	3.81%
Tupperware Brands Corp	3.75%
Altra Holdings Inc.	3.37%
Jarden Corporation	3.04%
Lincoln Electric Holdings	2.97%
Nordson	Sold

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.

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

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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*The referenced holdings are subject to change.