



VULCAN  
VALUE  
PARTNERS

## Firm Update Letter

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### FIRM UPDATE LETTER - TUESDAY, SEPTEMBER 27, 2022

When I thought about starting this business in 2007, I dreamed of what the future might hold. Fifteen years later, I am proud of what Vulcan Value Partners has become. Our founding partners have built a strong culture grounded in our values, and we have forged meaningful relationships with remarkable clients. Over the years, we have also been very fortunate to attract, retain and develop intelligent, talented, and thoughtful colleagues who share our values, and the business has grown tremendously.

At our most recent biannual strategic retreat in August, the firm's leadership team continued its focus on succession planning and actions we should undertake to ensure the firm is well positioned for the future. For a firm that has endured for as long as we have, these types of conversations are natural and imperative to have to ensure ongoing success. It was abundantly clear from our discourse that we see ourselves in the next generation of Vulcan's leaders, many of whom are already significantly contributing to the success of our company. Importantly, we agreed that we must do more now to provide this next generation of leadership with new opportunities and more ownership.

So, as we prepare for the future, I have decided to reallocate a portion of my ownership to both current partners and our employee pool over the coming months and years. I believe this is the right thing to do as it will help to further position the firm for continued success and ensure that our alignment of interests remains closely tied to those of our clients. I will still retain significant ownership in the company and am looking forward to working alongside the next generation of leaders.

Hampton McFadden, who joined Vulcan in 2009 as a partner and who currently serves as a Portfolio Manager, also intends to reallocate his ownership stake to our emerging leaders as he prepares to retire in the coming years. We have significant depth on our analyst team, and we will continue to develop the next generation of leaders to succeed Hampton so an orderly and seamless transition can take place at the right time. For now, there are no changes to Hampton's role or responsibilities.

Adam McClain, President, will also be reallocating his equity back to Vulcan as he intends to retire from the firm in November. Adam was the first person to join me when I launched Vulcan fifteen years ago and has given his all to building the company. His dedication and passion have been indispensable, and we would not be the firm we are today without him. We are grateful for Adam's partnership, advice and most of all his friendship over the years and deeply appreciate his contributions to the firm. We are taking the proper steps to thoughtfully prepare for a smooth and seamless transition of Adam's responsibilities and will communicate our plan in due course.

Given the extensive expertise of our non-investment related colleagues and the institutional knowledge that they possess, I expect the day-to-day management of the firm and our operational framework to remain consistent with the experience you have come to expect. While we will miss Adam, his transition will not adversely impact our mission.

Change is inevitable within organizations and can be challenging as firms evolve. However, these changes are often rewarding and must be embraced. Adam and Hampton have been extraordinary leaders at Vulcan, and they will do their part to pass the torch to the next generation of leadership. I am energized, inspired, and encouraged by my colleagues and the initiative they are taking to build a better Vulcan, and I am confident that the best and brightest days for the firm are ahead.

Thank you for your continued support and partnership, and for placing your confidence in us.

C.T. Fitzpatrick, CFA  
Chief Investment Officer



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## DISCLOSURES

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