



VULCAN VALUE PARTNERS

THIRD QUARTER 2023



PORTFOLIO REVIEW

All five of our strategies produced negative returns for the third quarter. These results are detailed in the table below. As we have often said, we place no weight on short-term results, good or bad. When we think we can improve our prospective long-term returns and lower risk, we will make those decisions without regard to their effect on short-term performance.

INVESTMENT STRATEGY	QTD	YTD	Annualized Since Inception*
Large Cap Composite (Gross)	-4.1%	20.6%	9.1%
Large Cap Composite (Net)	-4.2%	20.1%	8.3%
Russell 1000 Value Index	-3.2%	1.8%	6.3%
S&P 500 Index	-3.3%	13.1%	9.1%
Small Cap Composite (Gross)	-5.5%	7.0%	7.9%
Small Cap Composite (Net)	-5.7%	6.4%	6.9%
Russell 2000 Value Index	-3.0%	-0.5%	5.4%
Russell 2000 Index	-5.1%	2.5%	6.4%
Focus Composite (Gross)	-1.8%	31.6%	13.0%
Focus Composite (Net)	-1.9%	31.2%	11.9%
Russell 1000 Value Index	-3.2%	1.8%	6.6%
S&P 500 Index	-3.3%	13.1%	9.1%
Focus Plus Composite (Gross)	-1.9%	31.5%	12.4%
Focus Plus Composite (Net)	-2.0%	30.6%	11.3%
Russell 1000 Value Index	-3.2%	1.8%	6.3%
S&P 500 Index	-3.3%	13.1%	9.1%
All Cap Composite (Gross)	-4.8%	18.3%	9.6%
All Cap Composite (Net)	-4.9%	17.7%	8.6%
Russell 3000 Value Index	-3.2%	1.7%	9.0%
Russell 3000 Index	-3.3%	12.4%	11.5%

*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.

Please reference additional performance information for each of the composites in the strategy reviews that follow and important disclosures at the end of this document.

In the discussion that follows, we generally define material contributors and detractors as companies having a greater than 1% impact on the portfolio and should be viewed in context with the performance information provided. The specific securities identified and described are not representative of all the securities purchased, sold, or recommended for client accounts. It should not be assumed that an investment in the securities identified has or will be profitable. Actual holdings may vary for each client and there is no guarantee that a particular client's account will hold all of the securities listed.



As of 09/30/2023

INVESTMENT STRATEGY	QTD	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	Since Inception
Large Cap Composite (Gross)	-4.1%	20.6%	30.7%	2.9%	4.9%	8.4%	9.1%
Large Cap Composite (Net)	-4.2%	20.1%	29.9%	2.3%	4.3%	7.8%	8.3%
Russell 1000 Value Index	-3.2%	1.8%	14.4%	11.1%	6.2%	8.4%	6.3%
S&P 500 Index	-3.3%	13.1%	21.6%	10.2%	9.9%	11.9%	9.1%

Inception 03/31/2007

We purchased four new positions: Diageo plc, Marriott International Inc., Texas Instruments Inc., and United Health Group Inc. We exited one position during the quarter: Lam Research Corp.

There were no material contributors to performance and no material detractors.

Diageo is a global spirits and beer producer with over 200 brands, including Johnnie Walker, Crown Royal, Guinness, Smirnoff, Baileys, Don Julio, and Casamigos. Diageo's spirits segment generates more than 80% of the company's revenue, and the spirits segment has been taking share from beer and wine over the last decade. The company is diversified across geographies, brands, and alcohol categories. Diageo has strong margins and high returns on invested capital. Its management team has an excellent track record for brand and product innovation, moving into high-growth categories at the right time. The company has pricing power and performs well during recessions. Additionally, the premiumization trend has been a tailwind to Diageo's revenue, and we believe this trend will continue, driven by an expanding global middle class and preference for higher quality spirits.

Marriott is a company that we have owned several times in the past. The company is an asset-light global lodging franchisor and operator that benefits from strong network effects. Approximately 99% of Marriott's global rooms are managed or franchised which enables the company to generate high returns on capital. Marriott has an extensive portfolio of brands ranging from luxury brands such as The Ritz-Carlton, to premium brands such as Westin Hotels & Resorts, to select brands such as Residence Inn by Marriott. The company is doing an excellent job converting independent hotels into the Marriott system through its soft brands including the Luxury Collection, the Autograph Collection, and the Tribute Portfolio. This conversion opportunity should benefit Marriott's net unit growth in a period when new hotel development could be challenging in North American and Europe. The company generates robust free cash flow through its long-term, contracted franchise fee and management fee revenue streams. Its competitive advantages include brand strength, operational scale, direct booking systems, and loyalty programs. We sold Marriott in the first quarter of 2020 because of our concerns about the company's debt structure. Since then, Marriott has restructured its debt and improved its balance sheet. Additionally, average daily rates (ADR) on corporate travel have returned to pre-Covid levels.

Texas Instruments is the world's largest designer and manufacturer of analog semiconductors. These semiconductors convert real-world signals, such as temperature, pressure, and sound, into digital data. Analog semiconductors are also used to manage power in electronic devices. We are drawn to this company because its products are mission critical, and product cost as a percentage of total system cost is low. Moreover, market positions are stable over long periods of time and barriers to entry are high. Its management team thinks strategically, in terms of decades, and focuses on maximizing free cash flow per share over the long term.

UnitedHealth Group is the largest health insurer in the country and also owns Optum, which is a rapidly growing healthcare services company. The health insurance business benefits from demographic tailwinds and network effects as more members attract more providers and vice versa, which reinforces United's value proposition and bargaining power with each side of the network. Over the last five years, Optum has grown significantly and roughly half of United's 2022 EBIT was generated from the Optum business. Optum Health provides care for 102 million consumers and serves more than 100 health payer partners. We expect Optum to continue to grow and be a significant contributor to UnitedHealth Group's future successes.

We have owned all four of these businesses in the past and are pleased to own them once again in the portfolio.

Lam Research designs and manufactures equipment used in the fabrication of semiconductors. Lam is a wonderful business with great long-term prospects. The company has shown tremendous financial resilience against what is currently a challenging industry backdrop. After a significant increase in its stock price over the last year, our margin of safety narrowed. We followed our discipline and sold our position to reallocate capital into businesses with larger discounts.



As of 09/30/2023

INVESTMENT STRATEGY	QTD	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	Since Inception
VVP Small Cap (Gross)	-5.5%	7.0%	19.1%	7.8%	0.6%	5.0%	7.9%
VVP Small Cap (Net)	-5.7%	6.4%	18.2%	7.0%	-0.2%	4.2%	6.9%
Russell 2000 Value Index	-3.0%	-0.5%	7.8%	13.3%	2.6%	6.2%	5.4%
Russell 2000 Index	-5.1%	2.5%	8.9%	7.2%	2.4%	6.6%	6.4%

Inception 03/31/2007

We did not purchase any positions during the quarter. We exited one position during the quarter: Forward Air Corp.

There were two material contributors to performance: MillerKnoll Inc. and Ituran Location and Control Ltd. There were two material detractors: ISS A/S and SmartRent Inc.

During the quarter we sold Forward Air. The company announced its decision to acquire Omni Logistics for an enterprise value of \$3.2 billion. The transaction will significantly increase leverage at the pro forma company and will materially dilute existing shareholders. We also think that the transaction has questionable strategic rationale and significant execution risk. In sum, the transaction not only reduced our estimate of intrinsic value per share, but made that estimate unstable, leading to our decision to exit the position.

MillerKnoll is a designer and manufacturer of premium furniture for the office and home. While there continues to be a fair amount of uncertainty as it relates to the future of office, the company performed well during the quarter due to strong execution, cost containment, and an indication from management that a positive inflection point in demand is in its sights. We continue to favor the quality of MillerKnoll's collection of brands, its multi-channel distribution model, and its experienced management team.

Ituran is an Israeli-based company that provides telematics services such as stolen vehicle recovery and usage-based insurance to insurance companies and individual car owners. While nothing material has changed during the past quarter, the company's growth initiatives continue to bear fruit and the intrinsic value continues to compound. We are happy with the progress the company is making and it remains an attractive price to value opportunity in the portfolio.

ISS is a facilities management company based in Denmark specializing in services that are non-core to their customers such as cleaning, food management, building maintenance, security, technical support, and other services. During the quarter, the CFO, Kasper Fangel, became the CEO. The prior CEO left to become CEO at the much larger brewer Carlsberg Group. The company also announced its plans to exit its struggling French operations. ISS has global scale

to service multinational accounts and is benefitting from the trend of companies outsourcing non-core functions. The company has stable operating margins due to the inherent nature of its business contracts which allow it to pass through wage and other cost increases to its customers.

SmartRent provides hardware and software that enables apartment owners to offer digital services to renters. For instance, their software allows apartment operators to control access, provide self-guided tours, and parking management to name a few of their services. Their products lower operating costs for apartment owners and improve their renters' experience enabling the owners to charge higher rents. During the quarter, we believe the stock price decreased in response to a short report that was published. Through our research, we believe the report to be unfounded and misleading. SmartRent's products offer a strong value proposition for its customers. The company has a significant and growing backlog with current installations only representing about 10% of the existing customer opportunity.



Focus Review

As of 09/30/2023

INVESTMENT STRATEGY	QTD	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	Since Inception
VVP Focus (Gross)	-1.8%	31.6%	41.7%	11.1%	15.6%	14.2%	13.0%
VVP Focus (Net)	-1.9%	31.2%	41.1%	10.6%	15.0%	13.5%	11.9%
Russell 1000 Value Index	-3.2%	1.8%	14.4%	11.1%	6.2%	8.4%	6.6%
S&P 500 Index	-3.3%	13.1%	21.6%	10.2%	9.9%	11.9%	9.1%

Inception 03/31/2007

We did not purchase or exit any positions during the quarter.

There were no material contributors to performance and no material detractors.



As of 09/30/2023

INVESTMENT STRATEGY	QTD	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	Since Inception
VVP Focus Plus (Gross)	-1.9%	31.5%	41.8%	11.1%	15.7%	14.3%	12.4%
VVP Focus Plus (Net)	-2.0%	30.6%	40.7%	10.1%	14.6%	13.4%	11.3%
Russell 1000 Value Index	-3.2%	1.8%	14.4%	11.1%	6.2%	8.4%	6.3%
S&P 500 Index	-3.3%	13.1%	21.6%	10.2%	9.9%	11.9%	9.1%

Inception 03/31/2007

We did not write any options contracts during the quarter. We use options to lower risk. Equity-like returns are possible 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 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 did not purchase or exit any positions during the quarter.

There were no material contributors to performance and no material detractors.



As of 09/30/2023

INVESTMENT STRATEGY	QTD	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	Since Inception
VVP All Cap (Gross)	-4.8%	18.3%	27.1%	2.7%	3.0%	7.5%	9.6%
VVP All Cap (Net)	-4.9%	17.7%	26.2%	1.9%	2.2%	6.6%	8.6%
Russell 3000 Value Index	-3.2%	1.7%	14.1%	11.2%	6.0%	8.3%	9.0%
Russell 3000 Index	-3.3%	12.4%	20.5%	9.4%	9.1%	11.3%	11.5%

Inception 03/31/2007

We purchased one new position during the quarter: Sealed Air Corp. We exited one position during the quarter: Applied Materials Inc.

There were no material contributors to performance and no material detractors.

Sealed Air is a global protective packaging company operating in the food and beverage, industrial, and e-commerce markets. The company sells both packaging equipment and consumable packaging. Sealed Air has a strong market position with leading technology and brands. In the food and beverage market, the Cryovac brand is the gold standard for packaging and shipping fresh, uncooked proteins. Food safety is critically important, and customers are willing to pay for quality and reliability. Additionally, switching costs are high and customer relationships are typically sticky and long term in nature. Sealed Air's brands in e-commerce and industrial include Bubble Wrap and Instapax, and the competitive advantages in these markets are largely similar.

We sold Applied Materials during the quarter as a source of capital to allocate to more attractive opportunities.



CLOSING

We are pleased to announce that we recently reopened our Small Cap strategy which we closed in 2013 and All Cap strategy which we closed in 2014. At that time the portfolios were capacity constrained. We have decided to reopen both strategies because the portfolios have capacity and price to value ratios are at historically attractive levels. We will continue to monitor both price to value ratios and portfolio capacity and will take appropriate action, including closing the strategies again, if conditions warrant.

We appreciate the opportunity to work with you, our client partners. We continue to follow our discipline and lay the building blocks for future compounding. We look forward to updating you again in the new year.

The Vulcan Value Partners Investment Team,

C.T. Fitzpatrick, CFA

McGavock Dunbar, CFA

F. Hampton McFadden, Jr., CFA

Stephen W. Simmons, CFA

Colin Casey



PORTFOLIO REVIEW

The table below summarizes peer ranking performance information for Vulcan Composite net returns from the quarter following the relevant composite's inception through June 30, 2023. This information is paid for by Vulcan and sourced from eVestment as of October 9, 2023. Vulcan Value Partners Large Cap, Focus and Focus Plus Composites are compared to eVestment's US Large Cap Value Equity Universe (212 observations), Vulcan Value Partners Small Cap Composite is compared to eVestment's US Small Cap Value Equity Universe (127 observations) and Vulcan Value Partners All Cap Composite is compared to eVestment's US All Cap Value Equity Universe (75 observations). Past performance is no guarantee of future results. Rankings are subject to change without notice based on the timing of information reported by other managers in each applicable universe. Please see important disclosures at the end of this document.

INVESTMENT STRATEGY	QTD	YTD	Annualized Since Inception*	Peer Rank Since Inception*
Large Cap Composite (Gross)	10.2%	25.8%	9.5%	Top 17%
Large Cap Composite (Net)	10.0%	25.4%	8.7%	
Russell 1000 Value Index	4.1%	5.1%	6.6%	
S&P 500 Index	8.7%	16.9%	9.5%	
Small Cap Composite (Gross)	4.6%	13.2%	8.4%	Top 39%
Small Cap Composite (Net)	4.4%	12.8%	7.4%	
Russell 2000 Value Index	3.2%	2.5%	5.7%	
Russell 2000 Index	5.2%	8.1%	6.9%	
Focus Composite (Gross)	11.2%	34.0%	13.3%	Top 1%
Focus Composite (Net)	11.1%	33.7%	12.3%	
Russell 1000 Value Index	4.1%	5.1%	7.0%	
S&P 500 Index	8.7%	16.9%	9.5%	
Focus Plus Composite (Gross)	11.2%	34.0%	12.8%	Top 1%
Focus Plus Composite (Net)	10.6%	33.2%	11.6%	
Russell 1000 Value Index	4.1%	5.1%	6.6%	
S&P 500 Index	8.7%	16.9%	9.5%	
All Cap Composite (Gross)	6.2%	24.2%	10.2%	Top 55%
All Cap Composite (Net)	6.0%	23.8%	9.3%	
Russell 3000 Value Index	4.0%	5.0%	9.5%	
Russell 3000 Index	8.4%	16.2%	12.0%	

*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.

Important Definitions

TERM	VULCAN DEFINITION*
Competitive Advantage/Position Moat or Economic Moat	A company's ability to maintain competitive advantages over its competitors in order to protect its long-term profits and market share from competing firms.
Discount	The difference between Vulcan's estimated intrinsic value and the market price of a company.
EBITDA	EBITDA is earnings before interest, taxes, depreciation, and amortization.
Fair Value/ Intrinsic Value/ Value/ Intrinsic Worth	Vulcan's estimate of the price a willing buyer would pay and a willing seller would accept, assuming neither was compelled to enter into a transaction.
Firm Assets	Vulcan's fully discretionary assets under management.
Free Cash Flow	The amount of cash that a company has left over after a company has paid all of its expenses, including investments.
Free Cash Flow Yield (FCF Yield)	A company's free cash flow divided by its market price.
High Quality Business	A company that meets Vulcan's standards for investment.
Investment Team	Vulcan's Investment Team includes members from both its Research and Trading Teams.
Investment Time Horizon	Investment holding period considered by Vulcan when evaluating a potential investment.
Macro Factors	The general economic and business environment.
Margin of Safety	A favorable difference between the price of a company's shares and Vulcan's estimated fair value of those shares. A quantitative Margin of Safety is measured by discount (defined above). Qualitative Margin of Safety is measured by our assessment of the quality of a business.
MVP List	A proprietary list of qualifying businesses that Vulcan believes have identifiable, sustainable competitive advantages and the ability to consistently produce free cash flow through Vulcan's five-year investment lens. This list includes Vulcan portfolio companies in addition to others but is not representative of any existing Vulcan client accounts, composites, or funds.
Name Turnover	The number of companies bought plus the number of companies sold divided by 2 and then divided by the average number of companies in the portfolio during the relevant time period.
Portfolio Improvement	Overall improvement of the quality of the businesses in the applicable portfolio.
Position Size	A security's weight in the applicable portfolio or composite.
Price to Value Ratio	A calculation that compares the price of a company's stock to our appraisal of the company's intrinsic value.
Risk Reduction/ Risk Management	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.
Stable Value Companies	Companies with intrinsic values that Vulcan believes will remain stable over its investment horizon of five years.
Total Addressable Market (TAM)	Also referred to as total available market, is the opportunity that would be available to a product or service if 100% market share was achieved.
Value Growth	The sum of the growth in a company's profitability and its free cash flow yield.

*These definitions should be referenced in the context of Vulcan commentary and do not necessarily represent the meanings that are used in all contexts.



DISCLOSURES

Vulcan Value Partners LLC is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. Registration does not imply a certain level of skill or training. 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. 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.

Opinions and views expressed constitute the judgment of Vulcan Value Partners as of the date shown and may involve a number of assumptions and estimates which are not guaranteed and subject to change without notice. No representation is being made with respect to their accuracy on any future date. Although the information and any opinions or views given have been obtained from or based on sources believed to be reliable, no warranty or representation is made as to their correctness, completeness or accuracy. Opinions, estimates, forecasts, and statements of financial market trends that are based on current market conditions constitute our judgment and are subject to change without notice, including any forward-looking estimates or statements which are based on certain expectations and assumptions. The views and strategies described may not be suitable for all clients. This document does not identify all the risks (direct or indirect) or other considerations which might be material when entering any financial transaction.

Vulcan focuses on long-term capital appreciation; targeting securities purchases that 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. 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.

References to specific securities, asset classes and financial markets are for illustrative purposes only and are not intended to be, and should not be interpreted as, recommendations. There is no assurance that any securities discussed herein will remain in the composite or that the securities sold will not be repurchased. The securities discussed do not represent the composite's entire portfolio. It should not be assumed that any of the securities transactions or holdings discussed will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein. 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. 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® 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 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 Josh Jones 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.

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.