



VULCAN VALUE PARTNERS

SECOND QUARTER 2024



## PORTFOLIO REVIEW

Our quarterly results were mixed. 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.

We experienced stock price volatility with several companies in the portfolios. We followed our discipline and took advantage of this volatility by allocating capital to companies where our price to value ratios improved.

INVESTMENT STRATEGY	QTD	YTD	Annualized Since Inception*
<b>Large Cap Composite (Gross)</b>	<b>-2.8%</b>	<b>9.0%</b>	<b>10.3%</b>
<b>Large Cap Composite (Net)</b>	<b>-2.9%</b>	<b>8.7%</b>	<b>9.5%</b>
Russell 1000 Value Index	-2.2%	6.6%	7.0%
S&P 500 Index	4.3%	15.3%	10.3%
<b>Small Cap Composite (Gross)</b>	<b>0.3%</b>	<b>0.6%</b>	<b>8.4%</b>
<b>Small Cap Composite (Net)</b>	<b>0.1%</b>	<b>0.3%</b>	<b>7.4%</b>
Russell 2000 Value Index	-3.6%	-0.8%	6.0%
Russell 2000 Index	-3.3%	1.7%	7.0%
<b>Focus Composite (Gross)</b>	<b>-0.3%</b>	<b>12.5%</b>	<b>14.4%</b>
<b>Focus Composite (Net)</b>	<b>-0.4%</b>	<b>12.2%</b>	<b>13.4%</b>
Russell 1000 Value Index	-2.2%	6.6%	7.3%
S&P 500 Index	4.3%	15.3%	10.4%
<b>Focus Plus Composite (Gross)</b>	<b>-0.4%</b>	<b>12.6%</b>	<b>13.8%</b>
<b>Focus Plus Composite (Net)</b>	<b>-0.8%</b>	<b>12.0%</b>	<b>12.7%</b>
Russell 1000 Value Index	-2.2%	6.6%	7.0%
S&P 500 Index	4.3%	15.3%	10.3%
<b>All Cap Composite (Gross)</b>	<b>1.3%</b>	<b>8.2%</b>	<b>11.1%</b>
<b>All Cap Composite (Net)</b>	<b>1.1%</b>	<b>7.8%</b>	<b>10.1%</b>
Russell 3000 Value Index	-2.3%	6.2%	9.7%
Russell 3000 Index	3.2%	13.6%	12.8%

\*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.



As of 06/30/2024

INVESTMENT STRATEGY	QTD	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	Since Inception
<b>Large Cap Composite (Gross)</b>	<b>-2.8%</b>	<b>9.0%</b>	<b>23.9%</b>	<b>-0.3%</b>	<b>10.2%</b>	<b>9.3%</b>	<b>10.3%</b>
<b>Large Cap Composite (Net)</b>	<b>-2.9%</b>	<b>8.7%</b>	<b>23.2%</b>	<b>-0.8%</b>	<b>9.5%</b>	<b>8.7%</b>	<b>9.5%</b>
Russell 1000 Value Index	-2.2%	6.6%	13.1%	5.5%	9.0%	8.2%	7.0%
S&P 500 Index	4.3%	15.3%	24.6%	10.0%	15.0%	12.8%	10.3%

Inception 03/31/2007

We did not purchase any new positions during the quarter.

We sold one position during the quarter: Ball Corp.

There were no material contributors to performance. There was one material detractor: NICE Ltd.

We sold Ball Corp. to reallocate capital into more discounted companies.

NICE is a global enterprise software company that provides mission-critical contact center software. NICE was a material contributor last quarter. As we said last quarter, the company continues to perform well, and fundamentals are strong. Cloud revenue has grown in line with our expectations. We believe that generative AI will continue to drive cloud adoption and that AI is an opportunity rather than a threat to NICE's business. As the leading platform in the space, the company has many competitive advantages that position them well to win. Cloud penetration is in the low 20% range today and AI will likely accelerate cloud adoption, which should benefit NICE. We believe that this growth will more than offset any seat count attrition due to automation. Furthermore, data and customer examples show AI is driving higher levels of revenue per customer and that AI specific product adoption is increasing rapidly. We followed our discipline and added to our position during the quarter.



As of 06/30/2024

INVESTMENT STRATEGY	QTD	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	Since Inception
<b>VVP Small Cap (Gross)</b>	<b>0.3%</b>	<b>0.6%</b>	<b>7.6%</b>	<b>-8.5%</b>	<b>2.5%</b>	<b>5.2%</b>	<b>8.4%</b>
<b>VVP Small Cap (Net)</b>	<b>0.1%</b>	<b>0.3%</b>	<b>6.8%</b>	<b>-9.2%</b>	<b>1.6%</b>	<b>4.3%</b>	<b>7.4%</b>
Russell 2000 Value Index	<b>-3.6%</b>	-0.8%	10.9%	-0.5%	7.1%	6.2%	6.0%
Russell 2000 Index	<b>-3.3%</b>	1.7%	10.1%	-2.6%	6.9%	7.0%	7.0%

Inception 03/31/2007

We purchased three new positions during the quarter: Planet Fitness Inc., Qorvo Inc., and CarMax Inc.

We did not sell any positions during the quarter.

There was one material contributor to performance: Sdiptech AB. There were no material detractors.

Planet Fitness pioneered the “high value, low price” (HVLPL) gym model and operates over 2,500 gyms globally with 18.7 million members. Their straightforward, no-frills approach offers excellent value, appealing to a diverse and casual fitness demographic. Members enjoy a clean environment, regularly updated equipment, and accessible pricing starting at \$10 per month, with their premium “Black Card” membership providing extensive benefits and access to all locations. Planet Fitness captured roughly 90% of U.S. gym membership growth from 2011-2019. The company’s dominant scale coupled with high advertising spend drives powerful growth, and the company plans to double its number of U.S. locations. Planet Fitness demonstrates robust same-store sales growth, high EBIT margins, strong returns on capital, and excellent free cash flow conversion.

Qorvo is a leader in radio frequency (RF) systems and power management solutions for mobile devices, wireless infrastructure, aerospace and defense, the Internet of Things, and various other applications. Qorvo’s chipsets are a small cost but are critical components in modern mobile devices. As data needs increase and telecommunications technology continues to evolve and become more complex, more RF content is needed in each device. The complexity and barriers to entry intensify as content requirements increase and space constraints become more pronounced. Qorvo operates in an oligopoly with only a small number of companies capable of producing these increasingly complex chipsets at scale. Qorvo should also benefit as growth accelerates in adjacent markets and these markets eventually become a larger piece of the business through the adoption of the Internet of Things, satellite, Wi-Fi, and other markets. The company has faced headwinds over the past few years including lower demand in China, excess inventory in the channel, and factory underutilization; but secular tailwinds should drive growth and, in turn, margin expansion.

CarMax is the largest used car retailer in the United States. The company has the third largest wholesale business in the U.S. and a large captive finance business. We believe that CarMax's omnichannel approach is a competitive advantage that will enable the company to continue taking market share in a highly fragmented market. This strategy enables the company to generate higher and more stable levels of profit per used vehicle sold and generate solid returns on capital. A significant portion of the used car market is made up of small independent dealerships without resources to invest in digital infrastructure. Another significant portion of the market is made up of digital-only retailers, who are now focused on profitability at the expense of volume. CarMax continues to invest in its digital infrastructure which has improved its customer experience. These investments have made it easier to buy, sell and finance vehicles. Over the last two years, management has focused on de-leveraging the company's balance sheet and right sizing the firm, which has significantly de-risked the business and positioned CarMax well for when volumes normalize. We believe that the combination of a leaner cost structure and an improved competitive position will strengthen the company's prospects.

Sdiptech acquires and develops niche infrastructure companies that contribute to more sustainable, efficient, and safe societies. Today, Sdiptech is a collection of approximately 40 operating businesses. We believe these businesses are positioned well to compete and possess a natural ability to grow their competitive moats. Sdiptech's management team has appropriately navigated the varied markets over the past few years and has consistently operated with the long-term in mind. Over the last two years, the stock price has traded at a substantial discount to our estimate of fair value. We followed our discipline and added to the position accordingly. The recent share price increase could be attributed to the company's consistently strong operating performance.



## Focus Review

As of 06/30/2024

INVESTMENT STRATEGY	QTD	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	Since Inception
<b>VVP Focus (Gross)</b>	<b>-0.3%</b>	<b>12.5%</b>	<b>32.7%</b>	<b>10.4%</b>	<b>20.8%</b>	<b>15.6%</b>	<b>14.4%</b>
<b>VVP Focus (Net)</b>	<b>-0.4%</b>	<b>12.2%</b>	<b>32.2%</b>	<b>9.9%</b>	<b>20.2%</b>	<b>14.8%</b>	<b>13.4%</b>
Russell 1000 Value Index	<b>-2.2%</b>	6.6%	13.1%	5.5%	9.0%	8.2%	7.3%
S&P 500 Index	<b>4.3%</b>	15.3%	24.6%	10.0%	15.0%	12.8%	10.4%

Inception 11/30/2007

We did not purchase any new positions during the quarter.

We did not sell any positions during the quarter.

There was one material contributor to performance: Alphabet Inc. There was one material detractor: CoStar Group Inc.

During the first quarter, Alphabet's revenue growth accelerated and margins expanded. The company continues to introduce new search pathways with advanced models and algorithms that are 100 times more efficient than they were 18 months ago. Disruption risks to core search from generative AI have not completely abated, but Alphabet's technical prowess and historical investments in leading technologies are becoming more apparent.

CoStar Group is a premier information services provider to the commercial and residential real estate industries. It is founder led, sells access to mission critical data and information assets, and is supported by a largely recurring, subscription-based revenue model. While it is difficult to pinpoint the exact reason for the stock's underperformance over the last quarter, its operating results continue to impress us. Therefore, with a stable value, we followed our discipline and added to our position.



As of 06/30/2024

INVESTMENT STRATEGY	QTD	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	Since Inception
<b>VVP Focus Plus (Gross)</b>	<b>-0.4%</b>	<b>12.6%</b>	<b>33.0%</b>	<b>10.5%</b>	<b>20.9%</b>	<b>15.7%</b>	<b>13.8%</b>
<b>VVP Focus Plus (Net)</b>	<b>-0.8%</b>	<b>12.0%</b>	<b>31.6%</b>	<b>9.7%</b>	<b>19.9%</b>	<b>14.7%</b>	<b>12.7%</b>
Russell 1000 Value Index	<b>-2.2%</b>	6.6%	13.1%	5.5%	9.0%	8.2%	7.0%
S&P 500 Index	<b>4.3%</b>	15.3%	24.6%	10.0%	15.0%	12.8%	10.3%

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 any new positions during the quarter.

We did not sell any positions during the quarter.

There was one material contributor to performance: Alphabet Inc. There was one material detractor: CoStar Group Inc.

During the first quarter, Alphabet's revenue growth accelerated and margins expanded. The company continues to introduce new search pathways with advanced models and algorithms that are 100 times more efficient than they were 18 months ago. Disruption risks to core search from generative AI have not completely abated, but Alphabet's technical prowess and historical investments in leading technologies are becoming more apparent.

CoStar Group is a premier information services provider to the commercial and residential real estate industries. It is founder led, sells access to mission critical data and information assets, and is supported by a largely recurring, subscription-based revenue model. While it is difficult to pinpoint the exact reason for the stock's underperformance over the last quarter, its operating results continue to impress us. Therefore, with a stable value, we followed our discipline and added to our position.



As of 6/30/2024

INVESTMENT STRATEGY	QTD	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	Since Inception
<b>VVP All Cap (Gross)</b>	<b>1.3%</b>	<b>8.2%</b>	<b>22.3%</b>	<b>-2.1%</b>	<b>7.7%</b>	<b>8.5%</b>	<b>11.1%</b>
<b>VVP All Cap (Net)</b>	<b>1.1%</b>	<b>7.8%</b>	<b>21.4%</b>	<b>-2.9%</b>	<b>6.9%</b>	<b>7.6%</b>	<b>10.1%</b>
Russell 3000 Value Index	-2.3%	6.2%	12.9%	5.1%	8.9%	8.1%	9.7%
Russell 3000 Index	3.2%	13.6%	23.1%	8.0%	14.1%	12.1%	12.8%

Inception 04/01/2011

We purchased one position during the quarter: ISS A/S.

We sold one position during the quarter: Park Hotels & Resorts Inc.

There was one material contributor to performance: Sdiptech AB. There was one material detractor: NICE Ltd.

We sold Park Hotels to reallocate capital into more discounted companies.

ISS A/S is a facility management company, specializing in services that are non-core to their customers. Its services include routine and specialized cleaning, food management and catering, building management, security, and other services. We like the company's scale, focus, geographic footprint, wide array of services, employee base, and sticky customer relationships. Its focus on services that are non-core to its customers allows for the company to benefit from the trend of outsourcing these types of services. The company executed well throughout the pandemic showing consistent progress towards its goals including growth, margins, free cash flow, and financial leverage. The company has improved margins and is entering a relatively more normalized operating environment, and it continues to trade at an attractive discount to our estimate of fair value.

Sdiptech acquires and develops niche infrastructure companies that contribute to more sustainable, efficient, and safe societies. Today, Sdiptech is a collection of approximately 40 operating businesses. We believe these businesses are positioned well to compete and possess a natural ability to grow their competitive moats. Sdiptech's management team has appropriately navigated the varied markets over the past few years and has consistently operated with the long-term in mind. Over the last two years, the stock price has traded at a substantial discount to our estimate of fair value. We followed our discipline and added to the position accordingly. The recent share price increase could be attributed to the company's consistently strong operating performance.



NICE is a global enterprise software company that provides mission-critical contact center software. NICE was a material contributor last quarter. As we said last quarter, the company continues to perform well, and fundamentals are strong. Cloud revenue has grown in line with our expectations. We believe that generative AI will continue to drive cloud adoption and that AI is an opportunity rather than a threat to NICE's business. As the leading platform in the space, the company has many competitive advantages that position them well to win. Cloud penetration is in the low 20% range today and AI will likely accelerate cloud adoption, which should benefit NICE. We believe that this growth will more than offset any seat count attrition due to automation. Furthermore, data and customer examples show AI is driving higher levels of revenue per customer and that AI specific product adoption is increasing rapidly. We followed our discipline and added to our position during the quarter.



CLOSING

We appreciate the confidence you have placed in us. Your stable capital, invested alongside our own, provides a foundation that allows us to make sound, long-term investment decisions that lower risk and provide the opportunity to achieve superior long-term results. You, our client-partners, are one of our most important competitive advantages.

The Vulcan Value Partners Investment Team,

C.T. Fitzpatrick, CFA

McGavock Dunbar, CFA

Stephen W. Simmons, CFA

Colin Casey

Taylor Cline, CFA



## 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 March 31, 2024. This information is paid for by Vulcan and sourced from eVestment as of July 10, 2024. Vulcan Value Partners Large Cap and Focus Plus Composites are compared to eVestment's US Large Cap Value Equity Universe (209 observations), Vulcan Value Partners Focus Composite is compared to eVestment's US Large Cap Value Equity Universe (211 observations), Vulcan Value Partners Small Cap Composite is compared to eVestment's US Small Cap Value Equity Universe (123 observations) and Vulcan Value Partners All Cap Composite is compared to eVestment's US All Cap Value Equity Universe (71 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*
<b>Large Cap Composite (Gross)</b>	<b>12.1%</b>	<b>12.1%</b>	<b>10.6%</b>	<b>Top 13%</b>
<b>Large Cap Composite (Net)</b>	<b>12.0%</b>	<b>12.0%</b>	<b>9.9%</b>	
Russell 1000 Value Index	9.0%	9.0%	7.2%	
S&P 500 Index	10.6%	10.6%	10.2%	
<b>Small Cap Composite (Gross)</b>	<b>0.4%</b>	<b>0.4%</b>	<b>8.5%</b>	<b>Top 57%</b>
<b>Small Cap Composite (Net)</b>	<b>0.2%</b>	<b>0.2%</b>	<b>7.5%</b>	
Russell 2000 Value Index	2.9%	2.9%	6.3%	
Russell 2000 Index	5.2%	5.2%	7.4%	
<b>Focus Composite (Gross)</b>	<b>12.8%</b>	<b>12.8%</b>	<b>14.7%</b>	<b>Top 1%</b>
<b>Focus Composite (Net)</b>	<b>12.7%</b>	<b>12.7%</b>	<b>13.6%</b>	
Russell 1000 Value Index	9.0%	9.0%	7.6%	
S&P 500 Index	10.6%	10.6%	10.2%	
<b>Focus Plus Composite (Gross)</b>	<b>13.0%</b>	<b>13.0%</b>	<b>14.1%</b>	<b>Top 1%</b>
<b>Focus Plus Composite (Net)</b>	<b>12.9%</b>	<b>12.9%</b>	<b>12.9%</b>	
Russell 1000 Value Index	9.0%	9.0%	7.2%	
S&P 500 Index	10.6%	10.6%	10.2%	
<b>All Cap Composite (Gross)</b>	<b>6.8%</b>	<b>6.8%</b>	<b>11.2%</b>	<b>Top 41%</b>
<b>All Cap Composite (Net)</b>	<b>6.6%</b>	<b>6.6%</b>	<b>10.2%</b>	
Russell 3000 Value Index	8.6%	8.6%	10.1%	
Russell 3000 Index	10.0%	10.0%	12.8%	

\*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. Peer rankings are based on Vulcan performance as of March 31, 2024, because more current data is not yet available and rankings may change based on additional peer group reporting.

# Important Definitions

TERM	VULCAN DEFINITION*
<b>Competitive Advantage/Position Moat or Economic Moat</b>	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.
<b>Discount</b>	The difference between Vulcan's estimated intrinsic value and the market price of a company.
<b>EBITDA</b>	EBITDA is earnings before interest, taxes, depreciation, and amortization.
<b>Fair Value/ Intrinsic Value/ Value/ Intrinsic Worth</b>	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.
<b>Firm Assets</b>	Vulcan's fully discretionary assets under management.
<b>Free Cash Flow</b>	The amount of cash that a company has left over after a company has paid all of its expenses, including investments.
<b>Free Cash Flow Yield (FCF Yield)</b>	A company's free cash flow divided by its market price.
<b>High Quality Business</b>	A company that meets Vulcan's standards for investment.
<b>Investment Team</b>	Vulcan's Investment Team includes members from both its Research and Trading Teams.
<b>Investment Time Horizon</b>	Investment holding period considered by Vulcan when evaluating a potential investment.
<b>Macro Factors</b>	The general economic and business environment.
<b>Margin of Safety</b>	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.
<b>MVP List</b>	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.
<b>Name Turnover</b>	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.
<b>Portfolio Improvement</b>	Overall improvement of the quality of the businesses in the applicable portfolio.
<b>Position Size</b>	A security's weight in the applicable portfolio or composite.
<b>Price to Value Ratio</b>	A calculation that compares the price of a company's stock to our appraisal of the company's intrinsic value.
<b>Risk Reduction/ Risk Management</b>	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.
<b>Stable Value Companies</b>	Companies with intrinsic values that Vulcan believes will remain stable over its investment horizon of five years.
<b>Total Addressable Market (TAM)</b>	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.
<b>Value Growth</b>	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; purchasing publicly-traded companies that we believe are competitively entrenched and emphasize a margin of safety in terms of price as compared to our estimation of their intrinsic value. 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 specific securities identified and described are not representative of all the securities purchased, sold, or recommended for client accounts. Actual holdings may vary for each client and there is no guarantee that a particular client's account will hold all of the securities described. 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. 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.