Fourth Quarter 2012

VULCAN VALUE PARTNERS

Portfolio Review

General

Vulcan Value Partners ended a strong year on a strong note. For the fourth quarter and for the year all of Vulcan Value Partners' strategies delivered exceptional absolute returns and beat their respective benchmarks by a substantial margin. Our "worst" strategy was up nearly 26%. The results are detailed in the table below. We are pleased with our progress in 2012. We are more pleased with our longer-term results and we strongly encourage you to focus on our long-term results when evaluating us. To that end, we are gratified that while all of our strategies' long-term results are in the very top of their peer rankings, the Vulcan Value Partners Small Cap Strategy is the #1 performing small cap strategy, since inception, among its Small Cap Value peer group according to Zephyr StyleADVISOR (eVestment Quarterly).

Directory

As of December 31, 2012

	QTD	YTD	Annualized Since Inception*	Peer Rank Since Inception[1]
Large Cap Composite (Gross)	2.3%	25.9%	8.2%	Top 0.7%
Large Cap Composite (Net)	2.2%	25.0%	7.3%	
Russell 1000 Value Index	1.5%	17.5%	0.3%	
S&P 500 Index	-0.4%	16.0%	2.3%	
Focus Composite (Gross)	2.6%	27.8%	8.9%	Top 0.6%
Focus Composite (Net)	2.4%	26.2%	7.4%	
Russell 1000 Value Index	1.5%	17.5%	0.4%	
S&P 500 Index	-0.4%	16.0%	1.5%	
Focus Plus Composite (Gross)	2.9%	27.2%	6.9%	Top 1.0%
Focus Plus Composite (Net)	2.5%	25.6%	5.5%	
Russell 1000 Value Index	1.5%	17.5%	0.3%	
S&P 500 Index	-0.4%	16.0%	2.3%	
Small Cap Composite (Gross)	5.2%	27.1%	9.3%	Top 0.0%
Small Cap Composite (Net)	5.0%	26.0%	8.2%	
Russell 2000 Value Index	3.2%	18.1%	1.0%	
Russell 2000 Index	1.9%	16.4%	2.5%	

[1]Peer ranking information sourced from Zephyr StyleADVISOR using Vulcan Value Partners Large Cap, Focus and Focus Plus Composites versus peer group of Zephyr Large Cap Value (eVestment Quarterly) and Vulcan Value Partners Small Cap Composite versus peer group of Zephyr Small Cap Value (eVestment Quarterly) since inception ending December 31, 2012. All returns are shown gross and net of fees. Vulcan Value Partners claims compliance with the Global Investment Performance Standards (GIPS®). *Inception date is 3/31/2007 for Large Cap, Small Cap, and Focus Plus Composites. Inception date is 11/30/2007 for Focus Composite. Past performance is no guarantee of future results.

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We are gratified that we were able to compound your capital and ours at high rates in 2012 but we are more concerned with capital preservation and our prospective returns over our five year time horizon. On the first point, our returns in 2012 were generated by taking on less risk, not more. Risk can be defined in many ways but the margin of safety in terms of value over price is our primary internal measure of

Portfolio Review (Cont.)

risk. Commonly used external measures of risk confirm the execution of our investment philosophy. To be very clear, stock market volatility is inevitable. Our goal is to take advantage of volatility rather than allowing volatility to take advantage of us, which brings me to the second point. We cannot predict and certainly cannot control the timing of when we will be rewarded by "the market." We can greatly improve our odds of compounding capital at superior rates by focusing on the long term and making sure that the building blocks for future compounding are in place.

There are two components to our returns. The first is the underlying growth in the value of the businesses we own. Note that we are talking about value growth, not necessarily growth in GAAP earnings. The second is the closing of the price to value discount, the magnitude of which is directly related to the margin of safety that we enjoy. So, after an above average year, how are we doing?

At the end of each calendar year we measure the change in the underlying values of the companies we own across all portfolios. Think of it as a "same stores sales" or apples to apples comparison. By definition, it is an imprecise estimate, as are most financial measures, but it is highly instructive. In 2012 our portfolio companies compounded their values, as distinct from their share prices, at over 20% in the aggregate. This level of value growth was much higher than we were expecting and also much higher than the assumptions we are using to value the companies we own, which means that our values are very conservative. It is also remarkable in light of a lackluster global economic environment and it speaks to the quality of the businesses we own.

Because our values compounded at above average rates our price to value ratios did not change very much during 2012, despite the strong performance that we enjoyed. So, as we enter 2013, the building blocks for future compounding remain intact. Our price to value ratios are in the mid-60's compared to the low 60's a year ago. Our companies cannot compound their values at 20% every year but we do think that they can grow their values at a low double-digit rate over our five-year time horizon as they have been able to do in the past. So, with price to value ratios in the mid 60's, and values compounding at double-digit rates we feel very good about our prospects over the next five years. One last thing to note regarding turnover: We have sold wonderful businesses that have risen closer to fair value and reallocated capital to businesses whose values have compounded more rapidly than their share prices, thereby lowering risk and improving our margin of safety. In other words, we have "refreshed" our portfolios.

Now, a few words about positive developments at Vulcan Value Partners. Our results are the product of hard work by an organization passionate about executing our investment philosophy. Every facet of our organization is designed to allow the investment team to be highly productive and free of distraction. Scott Sanfratel, our Chief Operating Officer, does an outstanding job running operations so that this is the case.

As you know we adhere to the principle of the margin of safety not only in terms of managing our portfolios but also in how we manage our business. We have always built out our infrastructure ahead of our needs and continue to do so. On that front I am happy to announce several positive additions to Vulcan Value Partners. First, Stephen Simmons is joining our research team. I have known Stephen for many years. He has a long and impressive resume but highlights include over ten years of experience at Flippin, Bruce & Porter where he was the Director of Equity Research. He has also served as the Chief Financial Officer of the Consolidated Shoe Company. Like Bruce Donnellan and Hampton McFadden, Stephen combines deep research acumen with real world operating experience. We like the combination and we like Stephen. We are further strengthening our research efforts by having hired Blevins Naff to bolster our compliance operations. Blevins has served as a Chief Compliance Officer, Chief Operations Officer, and Portfolio Manager. He is off to a fast start and has already freed up additional time for Hampton to dedicate more of his considerable talents to research. Allen Cox, who joined us as an intern while still in undergraduate school, is leaving us. We appreciate Allen's valuable contributions and

Portfolio Review (Cont.)

wish him well in his future endeavors. Last but not least we welcome Michele Robertson, who joins us in our portfolio accounting area. She has many years of experience in portfolio accounting and client service and will help Candace Edwards continue to meet the high standards you should expect from us. We hope to be able to share additional good news with you in our next letter regarding further additions to Vulcan Value Partners.

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 all portfolios and have a deep inventory of potential investments.

In the discussion that follows, we generally define material contributors and detractors as companies having a greater than 1% impact on the portfolio.

VULCAN VALUE PARTNERS

Large Cap

Vulcan Value Partners Large Cap Review

As of December 31, 2012						
			Annualized			
Investment Strategy	QTD	YTD	1 year	3 year	5 year	Since Inception*
VVP Large Cap (Gross)	**2.3%**	**25.9%**	**25.9%**	**14.6%**	**10.2%**	**8.2%**
VVP Large Cap (Net)	**2.2%**	**25.0%**	**25.0%**	**13.7%**	**9.2%**	**7.3%**
Russell 1000 Value Index	1.5%	17.5%	17.5%	10.9%	0.6%	0.3%
S&P 500 Index	-0.4%	16.0%	16.0%	10.9%	1.7%	2.3%

*Inception Date March 31, 2007

We purchased one new position in the fourth quarter, Checkpoint Software. Checkpoint Software is the industry leader in high-end internet security solutions. The company is based in Israel but does business around the world. Its products are mission critical to their customers and switching costs are high. Renewal rates exceed 90%. Checkpoint Software generates consistently high levels of free cash flow and has a very strong balance sheet. We applaud management's capital allocation decisions. They are using their substantial free cash flow to repurchase shares at a discount to our estimate of intrinsic worth thereby growing value per share in excess of their underlying value. The company has become discounted as growth slowed during the economic downturn to a lower but still robust rate due to the company's high market share and strong product development efforts. Our valuation reflects conservative assumptions about future growth well below historical averages.

We did not exit any positions during the fourth quarter.

There were no material contributors to performance in the fourth quarter. The only material detractor to performance was Apple. Earlier in 2012 we reduced our weight in Apple as its share price hit record highs. More recently, we have increased our weight in Apple as its shares have declined meaningfully and its price to value ratio has become more attractive. As this letter is being written Apple is selling for approximately 7X after tax earnings, adjusted for its considerable net cash position. Apple has grown at unsustainably high levels in recent years and its growth will slow. Our value has always assumed slowing growth. What is more impressive to us than Apple's bottom line growth is the company's ability to grow at such a rapid rate and still convert more than one dollar of earnings into free cash flow. Given that Apple has one of the most recognized brands in the world, a very loyal customer base, unparalleled integrated software/hardware development capabilities, global distribution, manufacturing economies of scale, and a fortress like balance sheet, we believe that its current valuation more than adequately compensates us for all of the negatives that detractors level at the company.

We are virtually fully invested in Large Cap and continue to find qualifying investments.

Vulcan Value Partners Large Cap Review (Cont.)

Large Cap Strategy							
4Q 2012 Top 5 Performers		4Q 2012 Bottom 5 Performers		2012 Top 5 Performers		2012 Bottom 5 Performers	
Security	**Return %**	**Security**	**Return %**	**Security**	**Return %**	**Security**	**Return %**
Bank of NY Mellon	14.2%	Apple Inc.	-19.2%	InterContinental Hotels Group	58.6%	Medtronic Inc.	1.7%
Visa	13.0%	Microsoft	-9.5%	Discovery Communications C	54.7%	CME Group	2.5%
Dover Corp	11.1%	CME Group	-8.5%	Visa	49.8%	Nasdaq Stock Mkt	3.7%
Unilever N.V. (ADR)	9.1%	Google Inc.	-6.3%	Time Warner Inc.	35.3%	Microsoft	5.6%
MasterCard	8.8%	Coca-Cola Co.	-3.8%	Franklin Resources	35.0%	Tesco PLC (ADR)	6.0%

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 Review

As of December 31, 2012						
			Annualized			
Investment Strategy	QTD	YTD	1 year	3 year	5 year	Since Inception*
VVP Small Cap (Gross)	**5.2%**	**27.1%**	**27.1%**	**20.0%**	**12.7%**	**9.3%**
VVP Small Cap (Net)	**5.0%**	**26.0%**	**26.0%**	**18.8%**	**11.5%**	**8.2%**
Russell 2000 Value Index	3.2%	18.1%	18.1%	11.6%	3.6%	1.0%
Russell 2000 Index	1.9%	16.4%	16.4%	12.3%	3.6%	2.5%

*Inception Date March 31, 2007

We purchased two new positions in the fourth quarter, Boingo Wireless and Curtiss-Wright. Boingo Wireless is the largest provider of WiFi hotspots in the country. It is benefitting from ever increasing demand for high speed data access as mobile devices such as smart phones and tablets proliferate. The company generates substantial free cash flow and has net cash on its balance sheet. Curtiss-Wright makes highly engineered systems that perform critical functions in complex industrial applications. Its products are used in nuclear power plants, nuclear propulsion systems, commercial and military aircraft, oil and gas, and general industrial applications. Curtiss-Wright specializes in making advanced systems designed to operate in harsh conditions. The company is a leader in most of its end markets, generates consistent high levels of free cash flow, and has a strong balance sheet. We want to thank one of our client partners, Jim Miller, former Chief Executive Officer of Southern Nuclear, for his help in our due diligence process with Curtiss-Wright. It is wonderful to work for clients like Jim who act as true partners with us and share their expertise and contacts with us as we go through our research process.

We sold two positions in the fourth quarter, Gardner Denver, and Towers Watson. Gardner Denver's stock appreciated as it became the subject of takeover speculation. Interestingly, a bid emerged that was reportedly equal to our estimated value of the company. As the stock traded near those levels we sold it since we no longer enjoyed a sufficient margin of safety. That decision turned out to be a good one as the bid ultimately fell apart and Gardner Denver's stock declined substantially AFTER we sold it. Our value dropped at Towers Watson due to poor capital allocation decisions. We are very patient owners as long as our values are growing. Value declines cause us to re-evaluate. We sold Towers Watson to redeploy capital into more discounted companies with larger margins of safety.

There were no material contributors to performance and one material detractor, Universal Technical Institute. Universal Technical Institute is the only for-profit college that we like in an industry that we generally do not like. We like Universal Technical Institute for several reasons. First, Universal Technical Institute outperforms other for-profit schools by a wide margin in terms of positive outcomes for its students. Second, it specializes in one niche where it is dominant instead of offering multiple degree programs with questionable economic benefit to students. Third, there is strong long-term demand for its graduates who command high wages that

Vulcan Value Partners Small Cap Review (Cont.)

make tuition an attractive proposition. Universal Technical Institute is the leading provider of mechanics for the automotive, diesel, motorcycle, and marine repair industries. Changing rules at the Department of Education combined with a sub-par economy have caused enrollments to decline for the entire for-profit education industry. Even with depressed results, Universal Technical Institute generates free cash flow and has a large net cash position on its balance sheet. We believe that Universal Technical Institute will emerge from the current industry downturn more competitively entrenched than before and that the long-term fundamentals of its business remain intact.

We are virtually fully invested in Small Cap and continue to find qualifying investments.

Small Cap Strategy							
4Q 2012 Top 5 Performers		4Q 2012 Bottom 5 Performers		2012 Top 5 Performers		2012 Bottom 5 Performers	
Security	**Return %**	**Security**	**Return %**	**Security**	**Return %**	**Security**	**Return %**
Lincoln Electric	25.1%	Universal Technical Institute	-27.2%	Jarden Corp	71.6%	Universal Technical Institute	-24.5%
Iconix Brand	22.3%	Jos A Bank	-12.2%	Nathan's Famous	60.4%	Towers Watson	-15.6%
Altra Holdings	21.6%	Janus Capital Group	-8.6%	Sonic Corp	52.9%	Jos A Bank	-13.2%
NetSpend Holdings	20.6%	Heartland Payment Systems	-6.7%	NetSpend Holdings	48.9%	Donaldson Co.	-3.4%
Tupperware Brands	20.3%	Donaldson Co.	-5.1%	Interval Leisure Group	46.2%	KMG Chemicals I	2.0%

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Focus

VULCAN VALUE PARTNERS

Vulcan Value Partners Focus Review

As of December 31, 2012						
			Annualized			
Investment Strategy	QTD	YTD	1 year	3 year	5 year	Since Inception*
VVP Focus (Gross)	**2.6%**	**27.8%**	**27.8%**	**14.5%**	**10.2%**	**8.9%**
VVP Focus (Net)	**2.4%**	**26.2%**	**26.2%**	**12.9%**	**8.6%**	**7.4%**
Russell 1000 Value Index	1.5%	17.5%	17.5%	10.9%	0.6%	0.4%
S & P 500 Index	-0.4%	16.0%	16.0%	10.9%	1.7%	1.5%

*Inception Date November 30, 2007

We did not buy or sell any new positions during the fourth quarter.

There were two material contributors to performance in the fourth quarter and one detractor.

Bank of New York Mellon gained 14.2% during the fourth quarter. Bank of New York Mellon is one of a handful of global custody banks. Custody banks are nothing like commercial banks. Bank of New York Mellon generates high, recurring levels of free cash flow, has high returns on capital, and a strong balance sheet. The raw material for its value, assets under custody and assets under management, continue to grow. However, earnings growth is being held back by record low interest rates. If interest rates return to anything like a normal relationship with regard to inflation Bank of New York Mellon should experience strong earnings growth. In the meantime, the company continues to generate ample amounts of free cash, which it is using to repurchase its shares at a large discount to our estimate of intrinsic worth.

Eaton Vance is a well managed asset manager with a deep, well established distribution network for its diversified investment products. The company has outperformed its peers as investors have been withdrawing money from equity funds for the last several years. Eaton Vance generates ample free cash flow, has a very strong balance sheet, and an enviable capital allocation track record. Its shares remain substantially discounted.

The only material detractor to performance was Apple. Earlier in 2012 we reduced our weight in Apple as its share price hit record highs. More recently, we have increased our weight in Apple as its shares have declined meaningfully and its price to value ratio has become more attractive. As this letter is being written Apple is selling for approximately 7X after tax earnings, adjusted for its considerable net cash position. Apple has grown at unsustainably high levels in recent years and its growth will slow. Our value has always assumed slowing growth. What is more impressive to us than Apple's bottom line growth is the company's ability to grow at such a rapid rate and still convert more than one dollar of earnings into free cash flow. Given that Apple has one of the most recognized brands in the world, a very loyal customer base, unparalleled integrated software/hardware development capabilities, global distribution, manufacturing

VULCAN VALUE PARTNERS

Vulcan Value Partners Focus Review (Cont.)

economies of scale, and a fortress like balance sheet, we believe that its current valuation more than adequately compensates us for all of the negatives that detractors level at the company.

We are virtually fully invested in Focus and continue to find qualifying investments.

Focus Strategy							
4Q 2012 Top 5 Performers		4Q 2012 Bottom 5 Performers		2012 Top 5 Performers		2012 Bottom 5 Performers	
Security	**Return %**	**Security**	**Return %**	**Security**	**Return %**	**Security**	**Return %**
Eaton Vance	14.9%	Apple Inc.	-19.4%	Discovery Communications C	55.0%	Google, Inc.	-10.2%
Bank of NY Mellon	14.2%	Microsoft	-9.5%	Visa	50.7%	CME Group	2.3%
Visa	13.2%	CME Group	-8.5%	Eaton Vance	43.8%	Microsoft	5.9%
Dover Corp	11.1%	Coca-Cola Co.	-3.8%	Franklin Resources	35.2%	Coca-Cola Co.	6.5%
MasterCard	9.1%	Disney Company	-3.3%	Disney Company	34.8%	United Technologies	15.2%
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Focus Plus

VULCAN VALUE PARTNERS

Vulcan Value Partners Focus Plus Review

As of December 31, 2012						
			Annualized			
Investment Strategy	QTD	YTD	1 year	3 year	5 year	Since Inception*
VVP Focus Plus (Gross)	**2.9%**	**27.2%**	**27.2%**	**13.7%**	**8.8%**	**6.9%**
VVP Focus Plus (Net)	**2.5%**	**25.6%**	**25.6%**	**12.2%**	**7.3%**	**5.5%**
Russell 1000 Value Index	1.5%	17.5%	17.5%	10.9%	0.6%	0.3%
S & P 500 Index	-0.4%	16.0%	16.0%	10.9%	1.7%	2.3%

*Inception Date March 31, 2007

We did not write any options contracts during the fourth quarter. Volatility began to decrease in the fourth quarter of 2011 and has remained low throughout 2012, which has made direct purchase and sale of stock more attractive. We use options to lower risk. We also make high, equity like returns 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 double-digit returns on our cash 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.

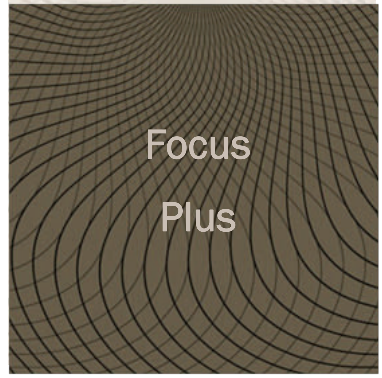
We did not buy or sell any new positions during the fourth quarter.

There were two material contributors to performance in the fourth quarter and one detractor.

Bank of New York Mellon gained 14.2% during the fourth quarter. Bank of New York Mellon is one of a handful of global custody banks. Custody banks are nothing like commercial banks. Bank of New York Mellon generates high, recurring levels of free cash flow, has high returns on capital, and a strong balance sheet. The raw material for its value, assets under custody and assets under management, continue to grow. However, earnings growth is being held back by record low interest rates. If interest rates return to anything like a normal relationship with regard to inflation Bank of New York Mellon should experience strong earnings growth. In the meantime, the company continues to generate ample amounts of free cash, which it is using to repurchase its shares at a large discount to our estimate of intrinsic worth.

Eaton Vance is a well managed asset manager with a deep, well established distribution network for its diversified investment products. The company has outperformed its peers as investors have been withdrawing money from equity funds for the last several years. Eaton Vance generates ample free cash flow, has a very strong balance sheet, and an enviable capital allocation track record. Its shares remain substantially discounted.

VULCAN VALUE PARTNERS



Vulcan Value Partners Focus Plus Review (Cont.)

The only material detractor to performance was Apple. Earlier in 2012 we reduced our weight in Apple as its share price hit record highs. More recently, we have increased our weight in Apple as its shares have declined meaningfully and its price to value ratio has become more attractive. As this letter is being written Apple is selling for approximately 7X after tax earnings, adjusted for its considerable net cash position. Apple has grown at unsustainably high levels in recent years and its growth will slow. Our value has always assumed slowing growth. What is more impressive to us than Apple's bottom line growth is the company's ability to grow at such a rapid rate and still convert more than one dollar of earnings into free cash flow. Given that Apple has one of the most recognized brands in the world, a very loyal customer base, unparalleled integrated software/hardware development capabilities, global distribution, manufacturing economies of scale, and a fortress like balance sheet, we believe that its current valuation more than adequately compensates us for all of the negatives that detractors level at the company.

We are virtually fully invested in Focus Plus and continue to find qualifying investments.

Focus Plus Strategy							
4Q 2012 Top 5 Performers		**4Q 2012 Bottom 5 Performers**		**2012 Top 5 Performers**		**2012 Bottom 5 Performers**	
Security	**Return %**	**Security**	**Return %**	**Security**	**Return %**	**Security**	**Return %**
Eaton Vance	14.8%	Apple Inc.	-19.5%	Discovery Communications C	55.2%	Google, Inc.	-10.3%
Bank of NY Mellon	14.2%	Microsoft	-9.4%	Visa	50.5%	CME Group	2.3%
Visa	13.2%	CME Group	-8.5%	Eaton Vance	43.9%	Microsoft	6.0%
Dover Corp	11.1%	Coca-Cola Co.	-3.7%	Disney Company	35.3%	Nasdaq Stock Mkt	6.0%
MasterCard	8.9%	Disney Company	-3.3%	Franklin Resources	35.2%	Coca-Cola Co.	6.3%

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VULCAN VALUE PARTNERS

Vulcan Value Partners All Cap Review

As of December 31, 2012						
			Annualized			
Investment Strategy	QTD	YTD	1 year	3 year	5 year	Since Inception*
VVP All Cap (Gross)	3.4%	28.6%	28.6%	-	-	12.1%
VVP All Cap (Net)	3.2%	27.2%	27.2%	-	-	11.0%
Russell 3000 Value Index	1.7%	17.6%	17.6%	-	-	5.4%
Russell 3000 Index	0.3%	16.4%	16.4%	-	-	5.6%

*Inception Date April 1, 2011

We purchased three new positions and exited two positions during the fourth quarter.

Dun & Bradstreet is a leading information services provider. The company has been collecting difficult to collect private data and using it to maintain and create value added databases and products for many years. Its products are very hard to duplicate. It has long-term relationships with customers and enjoys an 80% + renewal rate. Additionally, the company has totally revamped its customer interface, making it much more user friendly. Demand for Dun & Bradstreet's products suffered because of the financial crisis, followed by the Euro crisis. Despite economic headwinds, Dun & Bradstreet has maintained high margins and generated strong free cash flow but earnings have declined modestly until recently. Demand is slowly recovering and Dun & Bradstreet's bottom line is recovering. The company has been buying in its shares aggressively at large discounts to our estimate of intrinsic worth. We are pleased to establish this new position in All Cap.

Heartland Payment Systems is a credit card processor focusing on small merchants. Heartland Payment Systems is the only company competing for these small merchants that has a large, in-house sales force. The company has increased its value dramatically in recent years through a combination of strong bottom line growth, free cash flow production, and intelligent capital allocation. During the course of 2012 Heartland Payment System's value increased even faster than its usual high rate. Its stock price started to decline midway through the year so that we had an opportunity to buy it at an attractive discount during the fourth quarter. Heartland Payment Systems is a well managed company with a strong competitive position in a growing market. We are pleased to be able to buy it with a substantial margin of safety.

Universal Technical Institute is the only for-profit college that we like in an industry that we generally do not like. We like Universal Technical Institute for several reasons. First, Universal Technical Institute outperforms other for-profit schools by a wide margin in terms of positive outcomes for its students. Second, it specializes in one niche where it is dominant instead of offering multiple degree programs with questionable economic benefit to students. Third, there is strong long-term demand for its graduates who command high wages that make tuition an attractive proposition. Universal Technical Institute is the leading provider of mechanics for the automotive, diesel, motorcycle, and marine repair industries. Changing rules at the Department of

Vulcan Value Partners All Cap Review (Cont.)

Education combined with a sub-par economy have caused enrollments to decline for the entire for-profit education industry. Even with depressed results, Universal Technical Institute generates free cash flow and has a large net cash position on its balance sheet. We believe that Universal Technical Institute will emerge from the current industry downturn more competitively entrenched than before and that the long-term fundamentals of its business remain intact.

Our value dropped at Towers Watson due to poor capital allocation decisions. We are very patient owners as long as our values are growing. Value declines cause us to re-evaluate. We sold Towers Watson to redeploy capital into more discounted companies with larger margins of safety.

Jarden was an outstanding investment for us. The company delivered solid results operationally but also created tremendous value through intelligent capital allocation. Even though Jarden's value grew at high rates in 2012 its share price appreciated even more. Since our margin of safety eroded we sold it in order to purchase more discounted companies which enabled us to reduce risk by driving down the weighted average price to value ratio of the entire portfolio.

There were no material contributors or detractors in the fourth quarter.

We are virtually fully invested in All Cap and continue to find qualifying investments.

All Cap Strategy							
4Q 2012 Top 5 Performers		4Q 2012 Bottom 5 Performers		2012 Top 5 Performers		2012 Bottom 5 Performers	
Security	**Return %**	**Security**	**Return %**	**Security**	**Return %**	**Security**	**Return %**
Iconix Brand	22.3%	Apple Inc.	-18.4%	Nathan's Famous	64.2%	Towers Watson	-15.8%
NetSpend Holdings	20.2%	Microsoft	-9.5%	InterContinental Hotels Group	58.4%	Ituran Location & Control LTD	-13.7%
Eaton Vance	14.8%	CME Group	-8.5%	Jarden Corp	54.7%	Dun & Bradstreet	-1.5%
Bank of NY Mellon	14.2%	Google Inc.	-6.3%	Discovery Communications C	54.7%	CME Group	2.2%
Visa	13.2%	Towers Watson	-5.2%	Visa	50.3%	Nasdaq Stock Mkt	3.5%

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

2012 was a great year. We made material progress compounding your capital and ours. Moreover, we were able to put important building blocks in place for future compounding. We greatly appreciate the confidence you have placed in us and look forward to working with you in the new year.

Sincerely,

C.T. Fitzpatrick

Chief Investment Officer

Disclosures

The performance presented is for our Large Cap Composite, Focus Composite, Focus Plus Composite, Small 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. Past performance is no guarantee of future results and we may not achieve our return goal. 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 II of our ADV.

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. 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 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. The information provided in this presentation is furnished as of the date shown and no representation is being made with respect to its accuracy on any future date. Vulcan Value Partners does not assume any duty to update any information in this presentation. Vulcan buys concentrated positions for our portfolios, 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® Index 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 is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940. Vulcan focuses on long term capital appreciation; targeting securities purchases that we believe 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. 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 Hampton McFadden at 205.803.1582 or write Vulcan Value Partners, 3500 Blue Lake Drive, Suite 400 Birmingham AL, 35243.

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 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 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.

Disclosures (Cont.)

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. The portfolio is typically invested in between seven and fourteen names. 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 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 with sometimes 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.