VULCAN
VALUE
PARTNERS

Fourth
Quarter
2011

Portfolio Review

General

We are pleased to report that all of Vulcan Value Partners investment strategies delivered double digit gains and that all exceeded the returns of one or more of their respective benchmarks during the fourth quarter. For 2011 every strategy delivered positive returns and all also exceeded the returns on one or more of their respective benchmarks. Please note that All Cap is excluded from this last statement since it was not open for the full year. All returns are gross of fees. Small Cap deserves special mention with a positive 2.53% return for the year compared to negative 5.50% and negative 4.18% from the Russell 2000 Value Index and Russell 2000 Index, respectively. As detailed in the performance table below these results place us solidly at the top of our peer rankings.

Directory

Introduction	1
Portfolio Review	1
Large Cap Review	3
Small Cap Review	5
Focus Review	7
Focus Plus Review	9
All Cap Review	11
Closing	13
Disclosures	14

For more information please contact us at :

Vulcan Value Partners
3500 Blue Lake Dr.
Suite 400
Birmingham, AL 35243

205.803.1582 phone

As of December 31, 2011

	QTD	YTD	Annualized Since Inception*	Peer Rank[1]
Large Cap Composite (Gross)	**13.2%**	**5.2%**	**4.1%**	**Top 6%**
Russell 1000 Value Index	13.1%	0.4%	-3.0%	
S&P 500 Index	11.8%	2.1%	-0.4%	
Focus Composite (Gross)	**12.1%**	**3.6%**	**3.8%**	**Top 4%**
Russell 1000 Value Index	13.1%	0.4%	-3.4%	
S&P 500 Index	11.8%	2.1%	-1.8%	
Focus Plus Composite (Gross)	**12.4%**	**0.6%**	**3.1%**	**Top 9%**
Russell 1000 Value Index	13.1%	0.4%	-3.0%	
S&P 500 Index	11.8%	2.1%	-0.4%	
Small Cap Composite (Gross)	**16.6%**	**2.5%**	**5.9%**	**Top 4%**
Russell 2000 Value Index	16.0%	-5.5%	-2.3%	
Russell 2000 Index	15.5%	-4.2%	-0.3%	

[1]Peer ranking information sourced from eVestment as of February 6, 2019 using Vulcan Value Partners Large Cap, Focus and Focus Plus Composites versus peer group of US Large Cap Value Equity Universe, and Vulcan Value Partners Small Cap Composite versus peer group of US Small Cap Value Equity Universe since inception ending December 31, 2011. 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. Please see important disclosures at the end of this document.

The results for 2011 are all the more gratifying to us because the majority of active managers underperformed. Though we are pleased with 2011, what really matters is long-term performance and, again, we have very good news to report. We will be five years old on March 31, 2012. We started our Large Cap, Small Cap, and Focus Plus strategies four and three quarter years ago. Since inception each of them has delivered mid single digit positive returns while their respective benchmarks have produced negative returns.

www.vulcanvaluepartners.com

Portfolio Review (Cont.)

There is more good news. We took advantage of market volatility during the course of 2011 to both upgrade our already high business quality and to increase our margin of safety. In three of the four strategies open during all of 2011 price to value ratios improved year over year and the fourth strategy was essentially unchanged. Consequently, the prospective returns from our portfolios, all of which are fully invested, look very promising.

It is important to understand that when we say "prospective returns" we are referring to the building blocks of compounding capital over our five-year time horizon. We have no idea what our results will be next quarter or even next year. We are focused on producing superior real rates of return over our five year time horizon. Everything we do is with that goal in mind, even if it hurts our results in the short run.

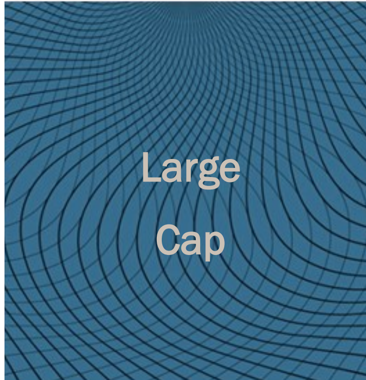
The building blocks of return are free cash flow, growth in free cash flow, and the premium or discount we pay for both. If we bought and sold every investment we made at fair value then our returns would be equal to the free cash flow coupon we received plus the growth in that same free cash flow coupon. This return also would be equal to the value growth of our portfolios. We estimate that on average our companies are compounding their values at a low double digit rate. When times are bad (2008 for example) our companies compounded their values at a low single digit rate on average. When times are good (2009 for example) our companies compounded their values in the high teens on average. We expect this trend to hold true for the foreseeable future. If we pay a premium to our estimate of fair value (which we never do) then our prospective returns are reduced and we increase risk. If we pay a discount to our estimate of fair value (which we always do) then our prospective returns are increased and we lower risk at the same time.

We have spent a lot of time so far talking about returns. We are more concerned with risk than we are with returns. We reduce risk by limiting our investments to high quality companies whose values are inherently more stable than their stock price. We further reduce risk by demanding a discount to those stable values. Doing so allows us to take advantage of stock price volatility because the values of our companies are not as volatile as their stock prices.

What about the Euro crisis? What about the debt situation in the U.S.? What about the debt situation in Japan? What if China has a hard landing or if a crisis in the Middle East causes oil prices to soar? How can we protect ourselves and you from these macro risks and many others we have not named?

The answer is to own superior businesses that get stronger when times are bad and prosper when times are good and to own them at a discount to intrinsic worth. Fortunately for us, the companies that fit our quality criteria are more discounted than many lesser quality companies that we would not want to own at any price. We cannot protect you nor us from market volatility but we can take advantage of it by executing our investment philosophy. Most companies do not have stable values. Our philosophy is to invest in those that do. When prices rise faster than values we can reduce risk by harvesting returns and redeploying capital into more discounted companies. When prices decline and our values are stable we can reduce risk by making additional purchases with a greater margin of safety. It all starts with discipline in what kinds of companies we will buy. It is then reinforced by being disciplined in the price we pay.

We look into the early days of 2012 with concern about the numerous macro risks confronting the global economy that we cannot control. At the same time we are very optimistic about our portfolios because of the hard work done in 2011. We are fully invested in companies that are deeply discounted to our estimate of fair value and we are confident they are capable of consistently compounding their values in good times and bad. We are grateful to be working in partnership with like minded, long-term investors whose stable capital allows us to execute our investment philosophy.



VULCAN
VALUE
PARTNERS

Vulcan Value Partners Large Cap Review

As of December 31, 2011					
			Annualized		
Investment Strategy	QTD	YTD	1 year	3 year	Since Inception*
VVP Large Cap (Gross)	13.2%	5.2%	5.2%	22.8%	4.1%
VVP Large Cap (Net)	13.0%	4.5%	4.5%	21.7%	3.1%
Russell 1000 Value Index	13.1%	0.4%	0.4%	11.5%	-3.0%
S&P 500 Index	11.8%	2.1%	2.1%	14.1%	-0.4%

*Inception Date March 31, 2007

As we enter a new year we want to spend more time talking about changes to the portfolio instead of our winners and losers. Having said that, the top contributor to performance for the year was MasterCard, which delivered a 64.7% return in 2011 and was the fourth best performing company in the S&P 500®. We have written about MasterCard extensively in past letters. It fits our criteria perfectly. MasterCard has grown its value steadily since we purchased it during the financial crisis in 2008. In 2011, MasterCard's stock price began to catch up with its value and we reduced our position in it to redeploy capital into more discounted companies with equally high quality such as Visa. MasterCard remains discounted and its value continues to compound. We are pleased to continue to own a smaller position in it.

There was only one material detractor to performance in 2011 and none in the fourth quarter. Hewlett Packard was sold because its value declined due to poor capital allocation decisions. Its stock price also declined, which negatively impacted performance. Hewlett Packard delivered a –43.2% return in 2011 although we did not hold it for the entire year. The reason we sold it was because its value declined, not because its stock price declined.

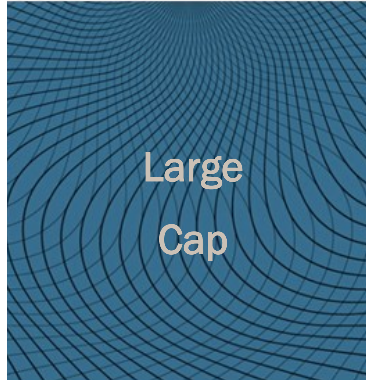
We generally define material contributors and detractors as companies having a greater than 1% impact on the portfolio.

Please note that the return shown for a company for either the quarter or the year may be different from strategy to strategy if the company is owned in more than one strategy because of differences in holding periods from strategy to strategy. The returns shown are the actual returns for the company for the period it was held by the strategy being discussed.

We thought that we had done everything that could possibly be done to reallocate capital during the third quarter's spike in volatility and that our Large Cap portfolio could not get any better. We were wrong. We bought four new positions during the fourth quarter and exited three.

The three companies we sold were high quality businesses and all were discounted. We sold them because

VULCAN
VALUE
PARTNERS



Vulcan Value Partners Large Cap Review (Cont.)

we were able to buy even better business at even more substantial discounts. The most difficult decisions were not what to buy but what to sell to pay for our new companies.

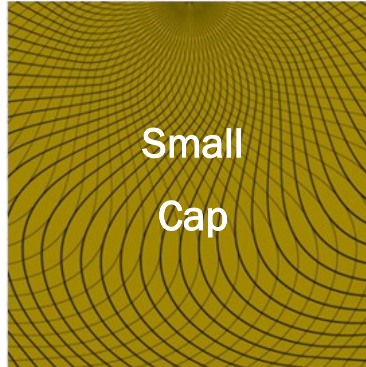
We exited Proctor and Gamble, Comcast, and DIRECTV in the fourth quarter. We sold Proctor and Gamble to redeploy capital into more discounted companies. We sold Comcast and DIRECTV for the same reason but also because we have become increasingly concerned that their competitive position could begin to erode as more and more viable media distribution offerings emerge. We are hyper focused on competitive entrenchment. If a company's competitive position begins to erode we want to sell it before we see it in the numbers. DIRECTV deserves special mention. It was a fantastic investment for us. We purchased it at a compelling discount nearly five years ago and added to our position as its value consistently grew through both operational execution and outstanding capital allocation. We are grateful to DIRECTV's board and management team for the outstanding job they did while we were shareholders.

We purchased Franklin Resources, Fiserv, Intercontinental Hotel Group and Unilever during the fourth quarter. These are companies that we have followed for many years, some even decades, that are rarely cheap. They are all leaders in their respective industries, are extremely well managed, generate substantial free cash flow, have strong balance sheets, and consistently grow their values. Intercontinental Hotel Group and Unilever are domiciled outside the U.S. and are global in scale. Franklin Resources, which is domiciled in the U.S., has substantial exposure to overseas markets. Fiserv is the only new purchase we made whose business is U.S. centric.

Each of these new purchases is more competitively entrenched today than they were several years ago. Moreover, three of the four have better growth opportunities today than they did a decade ago because they serve substantial new markets outside the U.S. that were not nearly as meaningful to their business ten years ago. We look forward to enjoying many years of steady compounding from these extraordinary businesses purchased at significant discounts to fair value.

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

Large Cap Strategy							
4Q 2011 Top 5 Performers		4Q 2011 Bottom 5 Performers		2011 Top 5 Performers		2011 Bottom 5 Performers	
Security	Return %	Security	Return %	Security	Return %	Security	Return %
Disney Company	26.3%	Bard CR Company	-2.1%	MasterCard Inc.	64.7%	Hewlett-Packard	-43.2%
Google Inc.	25.4%	Fiserv Inc.	1.4%	Diageo	23.0%	Whirlpool Corp	-25.8%
Dover Corp	25.6%	Franklin Resources	1.8%	Chubb Corp	20.8%	Teva Pharmaceutical	-21.1%
Time Warner Inc.	21.4%	InterContinental Hotel Group	2.6%	Visa Inc.	19.8%	Cisco Systems	-9.9%
Parker Hannifin	21.3%	Unilever N.V.	3.0%	DIRECTV	16.8%	Texas Instruments	-7.6%
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, 2011					
			Annualized		
Investment Strategy	QTD	YTD	1 year	3 year	Since Inception*
VVP Small Cap (Gross)	16.6%	2.5%	2.5%	24.5%	5.9%
VVP Small Cap (Net)	16.3%	1.6%	1.6%	23.2%	4.7%
Russell 2000 Value Index	16.0%	-5.5%	-5.5%	12.4%	-2.3%
Russell 2000 Index	15.5%	-4.2%	-4.2%	15.6%	-0.3%

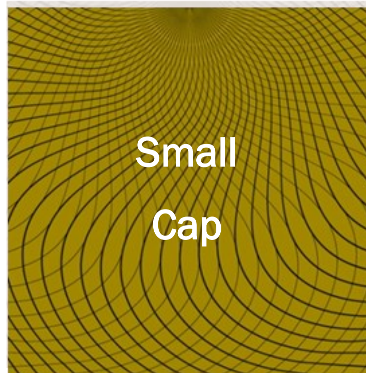
*Inception Date March 31, 2007

As we enter a new year we want to spend more time talking about changes to the portfolio instead of our winners and losers. Having said that, the top contributor to performance for the year was Fair Isaac, which delivered a 61.2% in 2011. It was closely followed by Heartland Payment Systems, which delivered a 63.3% return for 2011. Fair Isaac had a greater impact on the portfolio because its weight in the portfolio was higher. Both companies serve the financial services industry but neither are commercial banks. Instead, they have strong balance sheets and generate high levels of free cash flow. They are both very well managed and were able to improve their competitive positions during the financial crisis. Conditions in the financial services industry, especially with regard to the commercial banks, are still challenging. Owning these companies allows us to capture a revenue stream from the financial services industry without taking on the balance sheet risk that continues to challenge the industry. Fair Isaac and Heartland Payment Systems have performed well in spite of industry headwinds. We are optimistic about their ability to compound their values at even higher rates as industry conditions gradually improve.

Fair Isaac was also the top contributor in the fourth quarter, closely followed by our only new purchase in the fourth quarter, NetSpend. NetSpend returned 53.5% in the fourth quarter. We would not have been able to buy this outstanding company at attractive prices without the combined efforts of our research team and our head trader, Anne Morrow. Anne and our research team work closely together to execute our investment philosophy. NetSpend was so discounted when we made the decision to purchase it, we feared that we would not have long to make purchases at prices we wanted to pay. Anne, who is the only trader I am aware of anywhere who is a true value investor, understood the discount and acted accordingly. Thank you, Anne.

NetSpend is yet another financial services company that is not a commercial bank but operates around the edges of the banking industry. The company has a superior business model that produces strong free cash flow without financial leverage. NetSpend is a leader in providing prepaid debit cards that can substitute for checking accounts. Their customer base primarily consists of lower income workers who are un-banked or are under-banked because banks do not want to serve them. This market has expanded because these customers are not profitable for commercial banks in the wake of the Dodd-Frank financial reform bill. NetSpend provides a superior product at a lower cost than commercial banks and is capturing market share in a large, underserved market.

VULCAN
VALUE
PARTNERS



Vulcan Value Partners Small Cap Review (Cont.)

There were no material detractors in the fourth quarter but there were for the year. We sold Lender Processing Services because its value declined, not because its stock price declined. Lender Processing Services delivered a –49.9% return for 2011 although we did not hold it the entire year. We redeployed proceeds from this sale into higher quality companies with stable growing values such as Fair Isaac and Heartland Payment Systems. Janus Capital, which delivered a –48.3% return for 2011, declined in price but we are pleased with its management team and are optimistic about its prospects. Sonic Corp. also declined, -31.7% return for the year, even though its management team made material progress throughout the year. Sonic Corp.'s business is more sensitive to employment levels than most. Its results are improving but not as rapidly as we would like because employment growth has been very weak in an anemic recovery. As employment conditions gradually improve, we expect Sonic Corp. to benefit.

We sold Markel Corp. to redeploy capital in more discounted companies.

We generally define material contributors and detractors as companies having a greater than 1% impact on the portfolio.

Please note that the return shown for a company for either the quarter or the year may be different from strategy to strategy if the company is owned in more than one strategy because of differences in holding periods from strategy to strategy. The returns shown are the actual returns for the company for the period it was held by the strategy being discussed.

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

Small Cap Strategy

4Q 2011 Top 5 Performers		4Q 2011 Bottom 5 Performers		2011 Top 5 Performers		2011 Bottom 5 Performers	
Security	Return %	Security	Return %	Security	Return %	Security	Return %
Fair Isaac	72.2%	Sonic Corp	-2.1%	Heartland Pmt Sys	63.3%	Lender Processing Services	-48.9%
Netspend Holdings	53.5%	Towers Watson	0.2%	Fair Isaac	61.2%	Janus Capital	-48.2%
KMG Chemicals I	42.8%	Markel Corp	4.7%	Netspend Holdings	53.5%	Sonic Corp	-31.7%
Lincoln Electric Holdings	42.1%	Interval Leisure Group	6.3%	Proassurance Corp	35.0%	Speedway Motors	-22.6%
Donaldson Co.	28.5%	Jos A Bank Clothiers	8.0%	Lincoln Electric Holdings	29.4%	Corelogic Inc.	-21.2%

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 Focus Review

As of December 31, 2011					
			Annualized		
Investment Strategy	QTD	YTD	1 year	3 year	Since Inception*
VVP Focus (Gross)	12.1%	3.6%	3.6%	23.5%	3.8%
VVP Focus (Net)	11.7%	2.1%	2.1%	21.6%	2.3%
Russell 1000 Value Index	13.1%	0.4%	0.4%	11.5%	-3.4%
S & P 500 Index	11.8%	2.1%	2.1%	14.1%	-1.8%

*Inception Date November 30, 2007

As we enter a new year we want to spend more time talking about changes to the portfolio instead of our winners and losers. Having said that, the top contributor to performance for the year was MasterCard, which delivered a 64.6% return in 2011 and was the fourth best performing company in the S&P 500®. We have written about MasterCard extensively in past letters. It fits our criteria perfectly. MasterCard has grown its value steadily since we purchased it during the financial crisis in 2008. In 2011, MasterCard's stock price began to catch up with its value and we reduced our position in it to redeploy capital into more discounted companies with equally high quality such as Visa. MasterCard remains discounted and its value continues to compound. We are pleased to continue to own a smaller position in it.

Other top contributors for the year included Diageo, DIRECTV, and Google. Top contributors in the fourth quarter included Google, Dover, Visa, Disney, and MasterCard. Detractors for the year included Hewlett Packard and Teva Pharmaceutical. Hewlett Packard delivered a –44.1% return in 2011 although we did not hold it for the entire year. There were no material detractors in the fourth quarter. We discuss several of these companies below.

We purchased Bank of New York Mellon and Franklin Resources during the fourth quarter. Both are in the financial services industry and both derive over a third of their economics from outside the U.S. Neither are commercial banks. Bank of New York Mellon is a leading global custody bank and a leading asset manager. It produces high levels of free cash flow, has attractive returns on invested capital, has a strong balance sheet, and has significant operations outside the U.S. Its growth is driven by global growth in financial assets. Franklin Resources, which is domiciled in the U.S., also has substantial exposure to overseas markets. It also produces high levels of free cash flow, has attractive returns on invested capital, and has a strong balance sheet. In fact, Franklin Resources has net cash on its balance sheet.

We sold Diageo, Comcast, and DIRECTV in the fourth quarter. We sold Diageo to redeploy capital into more discounted companies. Diageo was a fantastic investment for us that we purchased during the financial crisis. U.K. based Diageo is a global company with very strong brands and excellent distribution. Its value compounded while we owned it but its stock price appreciated faster than its value so that its margin of

VULCAN
VALUE
PARTNERS

Vulcan Value Partners Focus Review (Cont.)

safety was reduced.

We sold Comcast and DIRECTV for the same reason but also because we have become increasingly concerned that their competitive position could begin to erode as more and more viable media distribution offerings emerge. We are hyper focused on competitive entrenchment. If a company's competitive position begins to erode we want to sell it before we see it in the numbers. DIRECTV deserves special mention. It was a fantastic investment for us. We purchased it at a compelling discount nearly five years ago and added to our position as its value consistently grew through both operational execution and outstanding capital allocation. We are grateful to DIRECTV's board and management team for the outstanding job they did while we were shareholders.

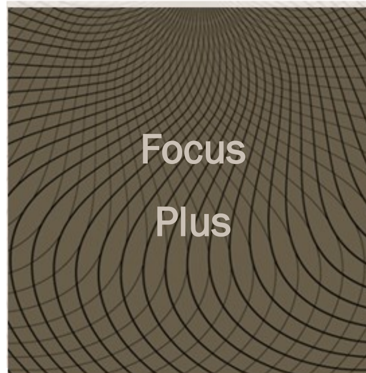
We generally define material contributors and detractors as companies having a greater than 1% impact on the portfolio.

Please note that the return shown for a company for either the quarter or the year may be different from strategy to strategy if the company is owned in more than one strategy because of differences in holding periods from strategy to strategy. The returns shown are the actual returns for the company for the period it was held by the strategy being discussed.

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

Focus Strategy							
4Q 2011 Top 5 Performers		4Q 2011 Bottom 5 Performers		2011 Top 5 Performers		2011 Bottom 5 Performers	
Security	**Return %**	**Security**	**Return %**	**Security**	**Return %**	**Security**	**Return %**
Disney Company	25.8%	Bank of NY Mellon	-4.2%	MasterCard Inc.	64.6%	Hewlett-Packard	-44.1%
Google Inc.	25.0%	Franklin Resources	1.8%	Visa Inc.	19.1%	Whirlpool	-25.2%
Dover Corp	24.9%	Coca-Cola	4.1%	Diageo	18.7%	Teva Pharmaceutical	-22.1%
Visa Inc.	17.3%	United Technologies	4.2%	DIRECTV	14.5%	Bank of NY Mellon	-4.2%
MasterCard Inc.	16.9%	Microsoft Corp	4.9%	Discovery Communications	14.0%	Microsoft	-4.0%
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 Focus Plus Review

As of December 31, 2011					
			Annualized		
Investment Strategy	QTD	YTD	1 year	3 year	Since Inception*
VVP Focus Plus (Gross)	12.4%	0.6%	0.6%	22.6%	3.1%
VVP Focus Plus (Net)	12.0%	-0.6%	-0.6%	20.9%	1.7%
Russell 1000 Value Index	13.1%	0.4%	0.4%	11.5%	-3.0%
S & P 500 Index	11.8%	2.1%	2.1%	14.1%	-0.4%

*Inception Date March 31, 2007

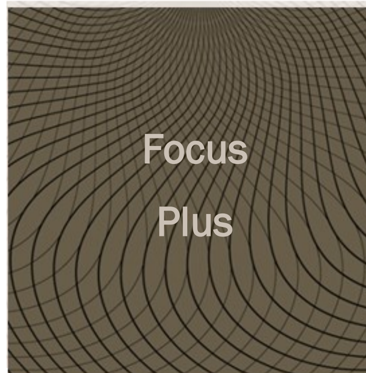
We did not write any options contracts during the fourth quarter. Volatility decreased throughout the fourth quarter, which made direct purchase and sale of stock more attractive. Despite writing no options in the fourth quarter the annualized yield on our option contracts averaged north of 45% for the year. 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 45% + on our cash while we wait for lower prices and a corresponding larger margin of safety. Unlike many market participants, we use options to decrease risk. We are long-term investors. Oftentimes, those on the other side of our trade are speculators. Their appetite for risk is the reason we enjoy high yields on our option positions. We are happy to provide liquidity for them.

As we enter a new year we want to spend more time talking about changes to the portfolio instead of our winners and losers. Having said that, the top contributor to performance for the year was MasterCard, which delivered a 64.6% return in 2011 and was the fourth best performing company in the S&P 500®. We have written about MasterCard extensively in past letters. It fits our criteria perfectly. MasterCard has grown its value steadily since we purchased it during the financial crisis in 2008. In 2011, MasterCard's stock price began to catch up with its value and we reduced our position in it to redeploy capital into more discounted companies with equally high quality such as Visa. MasterCard remains discounted and its value continues to compound. We are pleased to continue to own a smaller position in it.

The other top contributor for the year was DIRECTV. Top contributors in the fourth quarter included Google, Disney, and Dover. Detractors for the year included Hewlett Packard and Teva Pharmaceutical. Hewlett Packard delivered a –44.9% return in 2011 although we did not hold it for the entire year. There were no material detractors in the fourth quarter. We discuss several of these companies below.

We purchased Bank of New York Mellon and Franklin Resources during the fourth quarter. Both are in the financial services industry and both derive over a third of their economics from outside the U.S. Neither are commercial banks. Bank of New York Mellon is a leading global custody bank and a leading asset manager.

VULCAN
VALUE
PARTNERS



Vulcan Value Partners Focus Plus Review (Cont.)

It produces high levels of free cash flow, has attractive returns on invested capital, has a strong balance sheet, and has significant operations outside the U.S. Its growth is driven by global growth in financial assets. Franklin Resources, which is domiciled in the U.S., also has substantial exposure to overseas markets. It also produces high levels of free cash flow, has attractive returns on invested capital, and has a strong balance sheet. In fact, Franklin Resources has net cash on its balance sheet.

We sold Comcast and DIRECTV in the fourth quarter to redeploy capital into more discounted companies but also because we have become increasingly concerned that their competitive position could begin to erode as more and more viable media distribution offerings emerge. We are hyper focused on competitive entrenchment. If a company's competitive position begins to erode we want to sell it before we see it in the numbers. DIRECTV deserves special mention. We purchased it at a compelling discount nearly five years ago and added to our position as its value consistently grew through both operational execution and outstanding capital allocation. We are grateful to DIRECTV's board and management team for the outstanding job they did while we were shareholders.

We generally define material contributors and detractors as companies having a greater than 1% impact on the portfolio.

Please note that the return shown for a company for either the quarter or the year may be different from strategy to strategy if the company is owned in more than one strategy because of differences in holding periods from strategy to strategy. The returns shown are the actual returns for the company for the period it was held by the strategy being discussed.

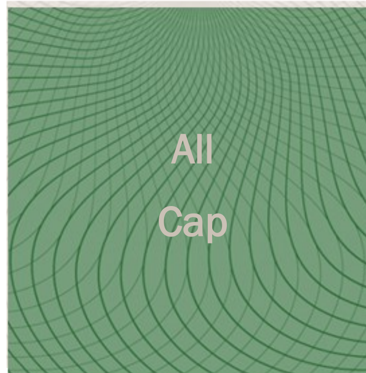
We are fully invested in Focus Plus and continue to find qualifying investments.

Focus Plus Strategy

4Q 2011 Top 5 Performers		4Q 2011 Bottom 5 Performers		2011 Top 5 Performers		2011 Bottom 5 Performers	
Security	**Return %**	**Security**	**Return %**	**Security**	**Return %**	**Security**	**Return %**
Disney Company	26.3%	Bank of NY Mellon	-4.0%	MasterCard Inc.	64.6%	Hewlett-Packard	-44.9%
Dover Corp	25.3%	Franklin Resources	1.8%	Visa Inc.	19.7%	Whirlpool Corp	-24.5%
Google Inc.	25.2%	Coca-Cola	4.4%	DIRECTV	15.1%	Teva Pharmaceutical	-22%
Visa Inc.	17.9%	United Technologies	4.9%	Coca-Cola	11.2%	Bank of NY Mellon	-4.0%
MasterCard Inc.	17.3%	Nasdaq Stock Mkt	5.0%	Comcast	11.0%	United Technologies	-0.0%

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 All Cap Review

As of December 31, 2011					
			Annualized		
Investment Strategy	QTD	YTD	1 year	3 year	Since Inception*
VVP All Cap (Gross)	14.1%	-5.0%	-	-	-5.0%
VVP All Cap (Net)	13.8%	-5.7%	-	-	-5.7%
Russell 3000 Value Index	13.3%	-6.7%	-	-	-6.7%
Russell 3000 Index	12.1%	-5.5%	-	-	-5.5%

*Inception Date April 1, 2011

All Cap started operations at the beginning of the second quarter. All Cap is simply an application of our investment philosophy without market cap constraints. We have a five-year time horizon for each investment and will willingly sacrifice short-term returns to set the stage for outsized long term, risk adjusted returns. Because All Cap has only recently begun operations we limit our comments to fourth quarter results and activity.

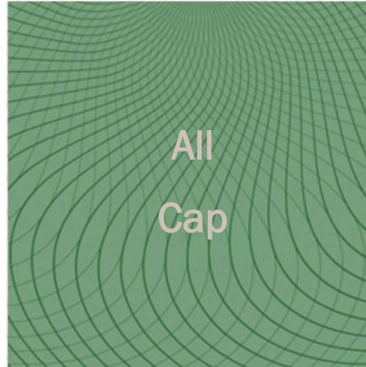
Top contributors in the fourth quarter included Google, Disney, and NetSpend. Google continues to exceed our expectations operationally and we are very pleased with the company's efforts to strengthen its competitive position. Disney goes from strength to strength, steadily growing its value and strengthening its business franchise through intelligent capital allocation.

There were no material detractors in the fourth quarter. We generally define material contributors and detractors as companies having a greater than 1% impact on the portfolio.

Please note that the return shown for a company for either the quarter or the year may be different from strategy to strategy if the company is owned in more than one strategy because of differences in holding periods from strategy to strategy. The returns shown are the actual returns for the company for the period it was held by the strategy being discussed.

NetSpend, which was a new purchase, gained 53.0% in the fourth quarter. We would not have been able to buy this outstanding company at attractive prices without the combined efforts of our research team and our head trader, Anne Morrow. Anne and our research team work closely together to execute our investment philosophy. NetSpend was so discounted when we made the decision to purchase it, we feared that we would not have long to make purchases at prices we wanted to pay. Anne, who is the only trader I am aware of anywhere who is a true value investor, understood the discount and acted accordingly. Thank you, Anne.

NetSpend is a financial services company that is not a commercial bank but operates around the edges of the banking industry. The company has a superior business model that produces strong free cash flow without financial leverage. NetSpend is a leader in providing prepaid debit cards that can substitute for



VULCAN
VALUE
PARTNERS

Vulcan Value Partners All Cap Review (Cont.)

checking accounts. Their customer base primarily consists of lower income workers who are un-banked or are under-banked because banks do not want to serve them. This market has expanded because these customers are not profitable for commercial banks in the wake of the Dodd-Frank financial reform bill. NetSpend provides a superior product at a lower cost than commercial banks and is capturing market share in a large, underserved market.

We also purchased Apple, Franklin Resources, and Intercontinental Hotel Group in the fourth quarter.

Apple's value has grown more rapidly than its stock price in recent years. In fact, we were able to buy this outstanding business at a single digit P/E ratio, net of cash. It is amazing to be able to own a company with such strong brands, ample free cash flow production, high returns on capital, and above average growth prospects at such a low valuation.

Franklin Resources and Intercontinental Hotel Group are companies we have followed for decades. They are rarely cheap. They are both leaders in their respective industries, are extremely well managed, generate substantial free cash flow, have strong balance sheets, and consistently grow their values. Intercontinental Hotel Group is domiciled outside the U.S. and is global in scale. Franklin Resources, which is domiciled in the U.S., has substantial exposure to overseas markets.

We sold Comcast and DIRECTV in the fourth quarter to redeploy capital into more discounted companies but also because we have become increasingly concerned that their competitive position could begin to erode as more and more viable media distribution offerings emerge. We are hyper focused on competitive entrenchment. If a company's competitive position begins to erode we want to sell it before we see it in the numbers. DIRECTV deserves special mention. We purchased it at a compelling discount nearly five years ago and added to our position as its value consistently grew through both operational execution and outstanding capital allocation. We are grateful to DIRECTV's board and management team for the outstanding job they did while we were shareholders.

We reluctantly sold Janus Capital to redeploy capital into higher quality, more discounted companies. Our opportunities greatly exceed our capital resources.

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

All Cap Strategy							
4Q 2011 Top 5 Performers		**4Q 2011 Bottom 5 Performers**		**2011 Top 5 Performers**		**2011 Bottom 5 Performers**	
Security	**Return %**	**Security**	**Return %**	**Security**	**Return %**	**Security**	**Return %**
Netspend Holdings	53.0%	Janus Capital	-1.2%	Netspend Holdings	53.0%	Janus Capital	-59.4%
Disney Company	26.0%	Towers Watson	0.2%	Donaldson Co.	45.0%	Lender Processing Services	-45.2%
Google Inc.	25.2%	Franklin Resources	1.8%	MasterCard Inc.	37.7%	Hewlett Packard	-45.0%
Dover Corp	25.1%	Inter-continental Hotels Group	2.4%	Sonic Corp	25.5%	Whirlpool Corp	-27.0%
Donaldson Co.	23.9%	Nordson Corp	3.8%	Proassurance Corp	25.1%	Corelogic Inc.	-25.5%

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

We are pleased with the material progress we made during 2011 to take advantage of market volatility to redeploy capital into higher quality companies at better discounts. Doing so helped us produce above average results in a challenging environment. More importantly, it reduces risk in our portfolios and positions us well for future compounding.

The next letter we write to you will be our five year anniversary. We appreciate your confidence in us and look forward to updating you in three months.

Best wishes for a prosperous New Year.

Sincerely,

C.T. Fitzpatrick

Chief Investment Officer

VULCAN
VALUE
PARTNERS

Fourth
Quarter
2011

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. Effective February 2019, the following returns were restated: 2009 Large Cap composite returns – Gross of Fees changed from 60.26% to 55.80% and Net of Fees changed from 58.67% to 54.25%; 2011 Large Cap composite returns – Gross of Fees changed from 5.88% to 5.23% and Net of Fees changed from 5.15% to 4.51%. All associated inception to date returns, dispersions, and 3 yr ex-post standard deviation calculations have also been updated to reflect these adjustments. Additional information regarding these changes is available upon request.

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. Effective February 2019, the following returns were restated: 2009 Focus composite returns – Gross of Fees changed from 66.42% to 60.28% and Net of Fees changed from 63.95% to 57.90%. The dispersion return was also adjusted from 2.40% to 0.66% to reflect the update. All associated inception to date returns, dispersions, and 3 yr ex-post standard deviation calculations have also been updated to reflect these adjustments. Additional information regarding these changes is available upon request.

VULCAN VALUE PARTNERS

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.