First

Quarter

2016

VULCAN
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PARTNERS

Portfolio Review

General

We are pleased to report that all strategies produced positive returns and beat their respective benchmarks during the first quarter. Much more importantly, all five of our investment strategies have produced exceptional long-term results. In fact, Large Cap, Small Cap and Focus are in the top 2% of their peer groups since inception. Focus Plus is in the top 3%, and All Cap rounds out our strategies in the top 5%. These results are detailed in the table below.

Directory

As of March 31, 2016

	QTD	YTD	Annualized Since Inception*	Peer Rank Since Inception[1]
Large Cap Composite (Gross)	**4.3%**	**4.3%**	**9.8%**	**Top 2%**
Large Cap Composite (Net)	**4.2%**	**4.2%**	**8.9%**	
Russell 1000 Value Index	1.6%	1.6%	4.5%	
S&P 500 Index	1.3%	1.3%	6.5%	
Small Cap Composite (Gross)	**4.7%**	**4.7%**	**10.8%**	**Top 2%**
Small Cap Composite (Net)	**4.4%**	**4.4%**	**9.7%**	
Russell 2000 Value Index	1.7%	1.7%	3.8%	
Russell 2000 Index	-1.5%	-1.5%	5.2%	
Focus Composite (Gross)	**3.6%**	**3.6%**	**10.3%**	**Top 2%**
Focus Composite (Net)	**3.4%**	**3.4%**	**9.0%**	
Russell 1000 Value Index	1.6%	1.6%	5.0%	
S&P 500 Index	1.3%	1.3%	6.3%	
Focus Plus Composite (Gross)	**3.8%**	**3.8%**	**9.5%**	**Top 3%**
Focus Plus Composite (Net)	**3.7%**	**3.7%**	**8.2%**	
Russell 1000 Value Index	1.6%	1.6%	4.5%	
S&P 500 Index	1.3%	1.3%	6.5%	
All Cap Composite (Gross)	**3.9%**	**3.9%**	**13.0%**	**Top 5%**
All Cap Composite (Net)	**3.7%**	**3.7%**	**12.0%**	
Russell 3000 Value Index	1.6%	1.6%	9.8%	
Russell 3000 Index	1.0%	1.0%	10.9%	

[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, Vulcan Value Partners Small Cap Composite versus peer group of US Small Cap Value Equity Universe and Vulcan Value Partners All Cap Composite versus peer group of US All Cap Value Equity Universe since inception ending March 31, 2016. 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. Inception date is 4/1/2011 for All Cap Composite. Past performance is no guarantee of future results. Please see important disclosures at the end of this document.

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Portfolio Review (Cont.)

As we have often said, we place no weight on short-term results, good or bad, and neither should you. In fact, we have made and will continue to 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.

Noise. Short-term noise. Our excellent first quarter 2016 results should not influence your evaluation of Vulcan Value Partners any more than our poor fourth quarter 2015 results. Instead, we encourage you to focus on our long-term results, the consistent execution of our investment philosophy, our outstanding team, and our conflict-free, fiduciary structure. Our compliance department does excellent work and has an enviable operating environment. Everyone at Vulcan Value Partners is required to invest in publicly traded equities exclusively through Vulcan Value Partners. This policy eliminates a lot of conflicts and focuses energy on where it should be focused – you, our client partners. These characteristics are what drive our long-term results, which is all that we care about. Now, please re-read the paragraph above this one.

2016 started with increased volatility but ended with generally rising markets around the world. We were able to take advantage of the downturn, but it did not last long enough or decline enough for us to materially improve our price to value ratios. In fact, our price to value ratios rose slightly during the quarter. Small Cap remains the highest, in the mid-70's, with every other strategy in the mid to upper 60's.

The lower our price to value ratios, the higher our margin of safety. Our goal is to reduce risk. Returns will take care of themselves over our five-year time horizon. It is very important to understand that market volatility is not risk. We define risk as the probability of permanently losing capital over our five-year time horizon. Our investment discipline requires us only to invest in companies that we believe have inherently stable values. As a result, market price volatility creates opportunities for us to lower risk by improving our price to value ratios.

This counterintuitive result is possible because of our dual discipline. One critical variable is our ability to find the few businesses with stable values and to have the discipline to avoid the many that do not have stable values, no matter how "cheap" they might be at a point in time. Most of the businesses that qualify for investment at Vulcan Value Partners in terms of value stability are overpriced most of the time. So, the second critical variable is to be disciplined about the price we are willing to pay for these outstanding businesses.

Ironically to some, but not to us, when markets are volatile and when our short-term results are at their worst, we are reducing risk and planting the seeds for exceptional long-term compounding. Your stable, long-term capital allows us to take advantage of sellers who confuse stock price volatility with risk and/or do not have our long-term time horizon. Together, we form a powerful partnership that gives us a sustainable advantage over other market participants.

Increasingly, these market participants include mindless index funds and ETF's, and factor-based approaches such as "smart beta." To paraphrase my business partner Adam McClain, smart beta reminds us of someone who thinks they have discovered something wonderful when they smell bacon cooking and then eat the grease instead of the meat. Thank you very much, but we prefer to do the real work and enjoy the bacon. With more capital being deployed based on flavor of the week factors instead of a coherent investment philosophy based on a comprehensive set of fundamentals,

Portfolio Review (Cont.)

our opportunities to find mispriced companies should improve over time.

We have no idea where markets will head over the remainder of the year, but we hope they will decline. Please rest assured that if they do, we will rigorously follow our investment discipline and redeploy capital into companies with stable values at more attractive price to value ratios. For a real world example of this process taking place, keep on reading about Hilton in the Large Cap section below.

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

Large Cap

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Vulcan Value Partners Large Cap Review

As of March 31, 2016						
			Annualized			
Investment Strategy	QTD	YTD	1 year	3 year	5 year	Since Inception*
VVP Large Cap (Gross)	**4.3%**	**4.3%**	**-4.5%**	**11.3%**	**14.2%**	**9.8%**
VVP Large Cap (Net)	**4.2%**	**4.2%**	**-5.0%**	**10.6%**	**13.5%**	**8.9%**
Russell 1000 Value Index	1.6%	1.6%	-1.5%	9.4%	10.2%	4.5%
S&P 500 Index	1.3%	1.3%	1.8%	11.8%	11.6%	6.5%

*Inception Date March 31, 2007

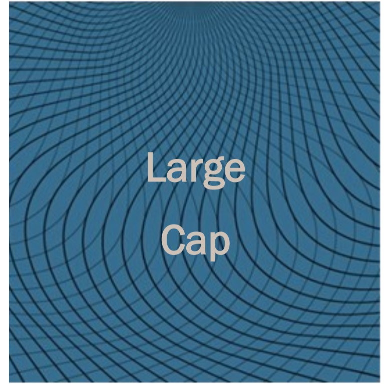
We bought one new position and sold five positions during the first quarter.

There were two material contributors and no material detractors to performance in the first quarter.

Hilton Worldwide Holdings is a company that I have followed and owned numerous times over my career, making very attractive returns each time over several decades. Shortly after Vulcan Value Partners was formed, Blackstone took Hilton private at a price well in excess of our estimate of fair value. Since it was private, it was no longer available to us. A little over two years ago, Hilton did an IPO and was available again. Hilton came public at a price too high to be of interest to us but we continued to follow it as we do with the relatively small number of companies we have found with stable values. Following these sound but over-priced companies is a big benefit to us. Our values are based on a set of fundamental assumptions about the companies we follow. If the companies we follow exceed our expectations, then our assumptions are conservative as are our values. Hilton's results were much better than we expected, and yet the stock price declined, particularly during the fourth quarter of 2015. When markets declined in January, Hilton declined more. With a steadily rising value and a declining stock price, we were able to purchase Hilton at a substantial discount to our conservative estimate of intrinsic worth.

Please note that nothing changed about Hilton's business except that its value grew. Stock market and stock price volatility created an opportunity for us to reduce risk and improve our long-term prospects. Because we limit ourselves to companies with stable values like Hilton, stock price volatility is not risk. Instead, stock price volatility is a tool that can be used to lower risk for disciplined, long-term investors like Vulcan Value Partners and you, our client partners.

We sold Carlisle Companies, Honeywell International, Microsoft, MSC Industrial Direct, and Verizon Communications. All are outstanding businesses. We have owned some of them more than once and hope to have the opportunity to purchase them again at more attractive price to value ratios. We sold these businesses to reallocate capital into more discounted companies such as Hilton.



Vulcan Value Partners Large Cap Review (Cont.)

Parker-Hannifin gained over 15% in the first quarter. Parker-Hannifin is the world's leading motion control company.[1] It is a wonderful business and extremely well managed. Parker-Hannifin's short-term results have been hurt by the very strong dollar and weak demand in the global industrial economy. Despite these headwinds, which have reduced Parker-Hannifin's top line, the company has done a terrific job of managing costs and protecting profit margins. We expect conditions to remain challenging over the course of 2016. While we wait for the global economy to improve, Parker-Hannifin is producing strong free cash flow and using its free cash to repurchase stock at a discount to our estimate of intrinsic worth.

Oracle gained approximately 12.5% in the first quarter. Like Parker-Hannifin, Oracle has faced a significant headwind from the strong dollar. More importantly, the company is rapidly shifting its business mix to Cloud-based delivery of its software products. Cloud-based revenues are more profitable over time than on-premise software license fees. However, Oracle's consolidated growth has slowed because Cloud sales do not have one-time setup fees, while on-premise sales do. Investors with shorter time horizons than ours have punished Oracle's stock for the last couple of years because of its slowing consolidated growth. As Oracle's Cloud business continues to grow at high double-digit rates, the company's consolidated growth rate should begin to accelerate sometime over the next twelve months and continue to accelerate for many years to come. As this inflection point becomes more visible to short-term investors, they are pushing up Oracle's stock price, and we are being rewarded for our patience.

Large Cap Strategy			
1Q 2016 Top 5 Performers		**1Q 2016 Bottom 5 Performers**	
Security	**Return %**	**Security**	**Return %**
Fossil Group Inc	21.5%	Boeing Company	-11.4%
MSC Industrial Direct Company Inc	19.9%	State Street Corp	-11.3%
Parker-Hannifin Corp	15.3%	Bank of New York Mellon Corp	-10.2%
Time Warner Inc	12.9%	National Oilwell Varco Inc	-5.8%
Oracle Corp	12.5%	Microsoft Corp	-5.8%

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. The returns shown above reflect the actual returns of the above securities in our composite for the time period indicated.

Small Cap

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Vulcan Value Partners Small Cap Review

As of March 31, 2016						
			Annualized			
Investment Strategy	**QTD**	**YTD**	**1 year**	**3 year**	**5 year**	**Since Inception***
VVP Small Cap (Gross)	4.7%	4.7%	-2.7%	9.1%	12.5%	10.8%
VVP Small Cap (Net)	4.4%	4.4%	-3.6%	8.1%	11.5%	9.7%
Russell 2000 Value Index	1.7%	1.7%	-7.7%	5.7%	6.7%	3.8%
Russell 2000 Index	-1.5%	-1.5%	-9.8%	6.8%	7.2%	5.2%

*Inception Date March 31, 2007

We bought three new positions and sold one position during the first quarter.

There was one material contributor to performance in the first quarter and one material detractor.

New purchases included Herman Miller, La Quinta Holdings, and Trade Me Group.

Herman Miller makes iconic office furniture. It is benefitting from higher employment levels and modest growth in office occupancies.

La Quinta Holdings is a small cap version of Hilton. In fact, it was also taken private by Blackstone and had an IPO roughly two years ago. La Quinta is a much smaller company than Hilton and focuses on the limited service segment of the hotel market. Its results, while positive, were below inflated expectations when it IPO'd. With the stock price down significantly and its value stable, we were able to purchase La Quinta at an attractive price to value ratio.

Trade Me Group is based in New Zealand, where it dominates large segments of the online market including auctions, real estate listings, and classified advertising. If you combined eBay, Zillow, Craigslist, and Monster.com into one company and placed it in New Zealand, you would have Trade Me Group. The company generates high levels of free cash flow and should be able to grow its bottom line at an upper single digit rate as investments it is making in new web services contribute to its bottom line.

We sold Nordson Corp. because it reached our estimate of fair value.

Fossil Group was our largest contributor to performance with a 21.5% gain in the first quarter. We are sure you remember that it was our biggest detractor in the fourth quarter and that we continued to purchase more shares. Fossil Group reported fourth quarter results that were better than Wall Street expected. More importantly, the company made material progress developing well-received wearables. As we described in our fourth quarter letter, the company is investing substantial resources to ramp up production of wearables and smart watches. These investments hurt 2015's results

Vulcan Value Partners Small Cap Review (Cont.)

and will continue to pressure 2016 margins as well. We believe that Fossil's significant competitive advantages can be used to expand into a much larger total addressable market than traditional watches and jewelry. We expect more uneven results this year and continued stock price volatility, but we are confident that long-term investors will be well rewarded for the investments that Fossil Group is making today.

Virtus was our only material detractor with a 33% decline in the first quarter. Virtus has a number of investment strategies, some managed in-house and some sub-advised. One of them is a highly successful emerging markets strategy sub-advised by Vontobel Asset Management. During the quarter, Vontobel announced that the lead manager of its investment team for emerging markets was leaving the company. It is probable that Vontobel will experience net outflows for some period of time. Vontobel is a well-respected manager with a deep bench of professionals and the emerging markets strategy has always been managed by a team. While we are disappointed by this news, we enjoy a substantial margin of safety. Roughly two thirds of Virtus's market cap is in cash and securities. Assigning no value to Vontobel whatsoever, the market is valuing Virtus's remaining assets under management of approximately $35 billion at approximately $200 million.

Price to value ratios are higher for Small Cap than our other strategies and cash levels are rising. We encourage you to continue to refrain from adding capital to Vulcan Value Partners Small Cap. We look forward to being able to tell you the opposite, and will when risk levels are lower.

Small Cap Strategy			
1Q 2016 Top 5 Performers		1Q 2016 Bottom 5 Performers	
Security	**Return %**	**Security**	**Return %**
MSC Industrial Direct Company Inc	36.6%	Virtus Investment Partners Inc	-33.2%
Fossil Group Inc	21.5%	Savills PLC	-16.4%
Herman Miller Inc	21.4%	Concentric	-10.6%
Timken Company	18.2%	SAI Global Limited	-2.9%
Nordson Corp	14.6%	ACI Worldwide Inc	-2.9%

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Vulcan Value Partners Focus Review

As of March 31, 2016						
			Annualized			
Investment Strategy	**QTD**	**YTD**	**1 year**	**3 year**	**5 year**	**Since Inception***
VVP Focus (Gross)	3.6%	3.6%	-3.6%	11.6%	14.1%	10.3%
VVP Focus (Net)	3.4%	3.4%	-4.3%	10.7%	12.9%	9.0%
Russell 1000 Value Index	1.6%	1.6%	-1.5%	9.4%	10.2%	5.0%
S & P 500 Index	1.3%	1.3%	1.8%	11.8%	11.6%	6.3%

*Inception Date November 30, 2007

We did not buy any new positions, nor did we sell any positions during the first quarter.

We had two material contributors to performance in the first quarter and one material detractor.

Parker-Hannifin gained over 15% in the first quarter. Parker-Hannifin is the world's leading motion control company.[1] It is a wonderful business and extremely well managed. Parker-Hannifin's short-term results have been hurt by the very strong dollar and weak demand in the global industrial economy. Despite these headwinds, which have reduced Parker-Hannifin's top line, the company has done a terrific job of managing costs and protecting profit margins. We expect conditions to remain challenging over the course of 2016. While we wait for the global economy to improve, Parker-Hannifin is producing strong free cash flow and using its free cash to repurchase stock at a discount to our estimate of intrinsic worth.

Oracle gained approximately 12.5% in the first quarter. Like Parker-Hannifin, Oracle has faced a significant headwind from the strong dollar. More importantly, the company is rapidly shifting its business mix to Cloud-based delivery of its software products. Cloud-based revenues are more profitable over time than on-premise software license fees. However, Oracle's consolidated growth has slowed because Cloud sales do not have one-time setup fees, while on-premise sales do. Investors with shorter time horizons than ours have punished Oracle's stock for the last couple of years because of its slowing consolidated growth. As Oracle's Cloud business continues to grow at high double-digit rates, the company's consolidated growth rate should begin to accelerate sometime over the next twelve months and will continue to accelerate for many years to come. As this inflection point becomes more visible to short-term investors, they are pushing up Oracle's stock price, and we are being rewarded for our patience.

Boeing declined over 11% in the first quarter. Boeing had a very good year in 2015 but reduced its guidance for 2016 below Wall Street's expectations. In addition, some pundits questioned Boeing's GAAP accounting methods for program costs for its very long-tailed products. We emphasize free cash flow and value Boeing on that basis. We pay a lot of

VULCAN VALUE PARTNERS

Vulcan Value Partners Focus Review (Cont.)

attention to GAAP accounting and IFRS as well. Free cash flow is what matters, and Boeing's free cash flow production exceeds its stated GAAP profits. For this reason we are comfortable with Boeing's GAAP accounting for program costs, which has not changed in decades.

Focus Strategy			
1Q 2016 Top 5 Performers		1Q 2016 Bottom 5 Performers	
Security	**Return %**	**Security**	**Return %**
Parker-Hannifin Corp	15.3%	Boeing Company	-11.4%
Oracle Corp	12.5%	Bank of New York Mellon Corp	-10.2%
Discovery Communications	7.1%	Walt Disney Company	-5.5%
Franklin Resources Inc	6.5%	ACI Worldwide Inc	-2.9%
Dover Corp	5.70%	Mastercard Inc	-2.7%

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Focus Plus

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Vulcan Value Partners Focus Plus Review

As of March 31, 2016						
			Annualized			
Investment Strategy	QTD	YTD	1 year	3 year	5 year	Since Inception*
VVP Focus Plus (Gross)	3.8%	3.8%	-3.1%	11.9%	13.2%	9.5%
VVP Focus Plus (Net)	3.7%	3.7%	-3.6%	11.0%	12.1%	8.2%
Russell 1000 Value Index	1.6%	1.6%	-1.5%	9.4%	10.2%	4.5%
S & P 500 Index	1.3%	1.3%	1.8%	11.8%	11.6%	6.5%

*Inception Date March 31, 2007

We did not write any options contracts during the first quarter. Volatility began to increase in the fourth quarter of 2015 when we had the opportunity to sell calls with attractive economics, but it has fallen over the course of the first quarter, 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 any new positions, nor did we sell any positions during the first quarter.

We had two material contributors to performance in the first quarter and one material detractor.

Parker-Hannifin gained over 15% in the first quarter. Parker-Hannifin is the world's leading motion control company.[1] It is a wonderful business and extremely well managed. Parker-Hannifin's short-term results have been hurt by the very strong dollar and weak demand in the global industrial economy. Despite these headwinds, which have reduced Parker-Hannifin's top line, the company has done a terrific job of managing costs and protecting profit margins. We expect conditions to remain challenging over the course of 2016. While we wait for the global economy to improve, Parker-Hannifin is producing strong free cash flow and using its free cash to repurchase stock at a discount to our estimate of intrinsic worth.

Oracle gained approximately 12.5% in the first quarter. Like Parker-Hannifin, Oracle has faced a significant headwind from the strong dollar. More importantly, the company is rapidly shifting its business mix to Cloud-based delivery of its software products. Cloud-based revenues are more profitable over time than on-premise software license fees. However, Oracle's consolidated growth has slowed because Cloud sales do not have one-time setup fees, while on-premise sales do. Investors with shorter time horizons than ours have punished Oracle's stock for the last couple of years because of

Vulcan Value Partners Focus Plus Review (Cont.)

its slowing consolidated growth. As Oracle's Cloud business continues to grow at high double-digit rates, the company's consolidated growth rate should begin to accelerate sometime over the next twelve months and will continue to accelerate for many years to come. As this inflection point becomes more visible to short-term investors, they are pushing up Oracle's stock price, and we are being rewarded for our patience.

Boeing declined over 11% in the first quarter. Boeing had a very good year in 2015 but reduced its guidance for 2016 below Wall Street's expectations. In addition, some pundits questioned Boeing's GAAP accounting methods for program costs on its very long-tailed products. We emphasize free cash flow and value Boeing on that basis. We pay a lot of attention to GAAP accounting and IFRS as well. Free cash flow is what matters, and Boeing's free cash flow production exceeds its stated GAAP profits. For this reason we are comfortable with Boeing's GAAP accounting for program costs, which has not changed in decades.

Focus Plus Strategy			
1Q 2016 Top 5 Performers		1Q 2016 Bottom 5 Performers	
Security	**Return %**	**Security**	**Return %**
Parker-Hannifin Corp	15.3%	Boeing Company	-11.4%
Oracle Corp	12.5%	Bank of New York Mellon Corp	-10.2%
Discovery Communications	7.1%	Walt Disney Corp	-5.5%
Franklin Resources Inc	6.5%	ACI Worldwide Inc	-2.9%
Dover Corp	5.7%	Mastercard Inc	-2.7%

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Vulcan Value Partners All Cap Review

As of March 31, 2016						
			Annualized			
Investment Strategy	QTD	YTD	1 year	3 year	5 year	Since Inception*
VVP All Cap (Gross)	**3.9%**	**3.9%**	**-6.4%**	**10.2%**	**-**	**13.0%**
VVP All Cap (Net)	**3.7%**	**3.7%**	**-7.2%**	**9.3%**	**-**	**12.0%**
Russell 3000 Value Index	1.6%	1.6%	-2.1%	**9.1%**	-	9.8%
Russell 3000 Index	1.0%	1.0%	-0.3%	**11.1%**	-	10.9%

*Inception Date April 1, 2011

We purchased two new positions and exited six positions in the first quarter.

We had three material contributors and no material detractors to performance during the first quarter.

We sold Aberdeen Asset Management, Aetna, Microsoft, MSC Industrial Direct, Tupperware, and T. Rowe Price. We sold Microsoft because it had reached our estimate of fair value and no longer provided a margin of safety. In all other cases, we sold less discounted companies to reallocate capital to more discounted companies with better margins of safety.

New purchases were concentrated in the hotel industry and included Hilton Worldwide and La Quinta Holdings.

Hilton Worldwide Holdings is a company that I have followed and owned numerous times over my career, making very attractive returns each time over several decades. Shortly after Vulcan Value Partners was formed, Blackstone took Hilton private at a price well in excess of our estimate of fair value. Since it was private, it was no longer available to us. A little over two years ago, Hilton did an IPO and was available again. Hilton came public at a price too high to be of interest to us but we continued to follow it as we do with the relatively small number of companies we have found with stable values. Following these sound but over-priced companies is a big benefit to us. Our values are based on a set of fundamental assumptions about the companies we follow. If the companies we follow exceed our expectations, then our assumptions are conservative as are our values. Hilton's results were much better than we expected, and yet the stock price declined, particularly during the fourth quarter of 2015. When markets declined in January, Hilton declined more. With a steadily rising value and a declining stock price, we were able to purchase Hilton at a substantial discount to our conservative estimate of intrinsic worth.

Please note that nothing changed about Hilton's business except that its value grew. Stock market and stock price volatility created an opportunity for us to reduce risk and improve our long-term prospects. Because we limit ourselves to companies with stable values, like Hilton, stock price volatility is not risk. Instead, stock price volatility is a tool that can

Vulcan Value Partners All Cap Review (Cont.)

be used to lower risk for disciplined, long-term investors like Vulcan Value Partners and you, our client partners.

La Quinta Holdings is a small cap version of Hilton. In fact, it was also taken private by Blackstone and had an IPO roughly two years ago. La Quinta is a much smaller company than Hilton and focuses on the limited service segment of the hotel market. Its results, while positive, were below inflated expectations when it IPO'd. With the stock price down significantly and its value stable, we were able to purchase La Quinta at an attractive price to value ratio.

Material contributors included Fossil Group, Oracle, and Parker-Hannifin.

Fossil Group was our largest contributor to performance with a 21.5% gain in the first quarter. We are sure you remember that it was our biggest detractor in the fourth quarter and that we continued to purchase more shares. Fossil Group reported fourth quarter results that were better than Wall Street expected. More importantly, the company made material progress developing well-received wearables. As we described in our fourth quarter letter, the company is investing substantial resources to ramp up production of wearables and smart watches. These investments hurt 2015's results and will continue to pressure 2016 margins as well. We believe that Fossil's significant competitive advantages can be used to expand into a much larger total addressable market than traditional watches and jewelry. We expect more uneven results this year and continued stock price volatility, but we are confident that long-term investors will be well rewarded for the investments that Fossil Group is making today.

Parker-Hannifin gained over 15% in the first quarter. Parker-Hannifin is the world's leading motion control company.[1] It is a wonderful business and extremely well managed. Parker-Hannifin's short-term results have been hurt by the very strong dollar and weak demand in the global industrial economy. Despite these headwinds, which have reduced Parker-Hannifin's top line, the company has done a terrific job of managing costs and protecting profit margins. We expect conditions to remain challenging over the course of 2016. While we wait for the global economy to improve, Parker-Hannifin is producing strong free cash flow and using its free cash to repurchase stock at a discount to our estimate of intrinsic worth.

Oracle gained approximately 12.5% in the first quarter. Like Parker-Hannifin, Oracle has faced a significant headwind from the strong dollar. More importantly, the company is rapidly shifting its business mix to Cloud-based delivery of its software products. Cloud-based revenues are more profitable over time than on-premise software license fees. However, Oracle's consolidated growth has slowed because Cloud sales do not have one-time setup fees, while on-premise sales do. Investors with shorter time horizons than ours have punished Oracle's stock for the last couple of years because of its slowing consolidated growth. As Oracle's Cloud business continues to grow at high double-digit rates, the company's consolidated growth rate should begin to accelerate sometime over the next twelve months and will continue to accelerate for many years to come. As this inflection point becomes more visible to short-term investors, they are pushing up Oracle's stock price, and we are being rewarded for our patience.

All Cap Strategy			
1Q 2016 Top 5 Performers		1Q 2016 Bottom 5 Performers	
Security	**Return %**	**Security**	**Return %**
Ashmore Group PLC	27.5%	Boeing Company	-11.4%
Hilton Worldwide Holdings Inc	24.9%	State Street Corp	-11.3%
Fossil Group	21.5%	Bank of New York Mellon Corp	-10.2%
La Quinta Holdings Inc	19.5%	Microsoft Corp	-8.9%
MSC Industrial Direct Company Inc	17.4%	Tupperware Brands Corp	-7.2%

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. The returns shown above reflect the actual returns of the above securities in our composite for the time period indicated.

Closing

Approximately a year ago we announced that we were closing to new investors to protect the high quality of our client base and to preserve investment capacity for you, our client partners. It was a great decision. Market volatility is not risk to disciplined, long-term investors. It is an opportunity to lower risk by improving our margin of safety. Your patient capital alongside of ours and our shared long-term time horizon allows us to execute our investment philosophy and use short-term market disruptions to improve our long-term prospects.

We appreciate the confidence you have placed in us and look forward to updating you again this summer.

Sincerely,

C.T. Fitzpatrick
Chief Investment Officer

Disclosures

The performance presented is for our Large Cap Composite, Focus Composite, Focus Plus Composite, Small Cap Composite, and All Cap Composite. The model composite portfolio performance figures reflect the deduction of brokerage or other commissions and the reinvestment of dividends and capital gains. 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 2 of our ADV.

Value is our estimate of the intrinsic worth of a company based on our assessment of certain quantitative and qualitative factors. Vulcan defines risk reduction as reducing the portfolio's price to value ratio by either buying (or adding to existing positions) high quality companies which are trading well below fair value as estimated by Vulcan, or selling positions which are trading at or near their fair values. Total return percentage for an individual security is the performance of the security from price at initial purchase date to the price at final sale date. Actual returns for the composites holdings of those securities may differ from total return as the composites rebalanced or changed weights in the individual securities. There may be market or economic conditions which affect our performance, or that of our relevant benchmarks, that may have changed Vulcan Value Partners' views regarding the prospects of any particular investment. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities discussed in this letter. 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, at times averaging 5% in our model portfolios, which may make our performance more volatile than that of our benchmark indices, and our performance may diverge from an index, positively or negatively, as a result. Our focus is on long term capital appreciation, so our clients should consider at least a five year time horizon for an investment with Vulcan.

The S&P 500 Index is an unmanaged index of 500 common stocks chosen for market size, liquidity, and industry group representation. It is a market-value weighted index. The Russell 1000® Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values. The Russell 2000® Index includes the 2000 firms from the Russell 3000® Index with the smallest market capitalizations. The Russell 2000® 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 adviser registered with the Securities and Exchange Commission under the Investment Advisers 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 Blevins Naff at 205.803.1582 or write Vulcan Value Partners, Three Protective Center, 2801 Highway 280 South, Suite 300, Birmingham, AL 35223.

Large Cap Composite Information: This portfolio strategy invests in companies with larger market capitalizations. Subject to price, any publicly traded company with above average economics that is too large to be included in our small capitalization composite would be a potential investment in this portfolio. A core position is 5% so that theoretically our clients would hold 20 names diversified across various industries. It is very rare that enough companies are sufficiently discounted to warrant this level of concentration so concentration will vary with the price to value ratio. We will invest client assets in positions as small as 1% when price to value ratios are higher. We will not invest client assets in any business that is trading above our estimate of fair value. The composite benchmark is the S&P 500 which is an index of 500 stocks selected based on market size, liquidity, and sector and is designed to provide a broad snapshot of the overall U.S. equity market. New accounts that fit the composite definition are added at the beginning of the first full calendar month for which the account is under management. Closed account data is included in the composite as mandated by the standards in order to eliminate a survivorship bias. The composite was created on March 31, 2007. Portfolios below the minimum asset level of $50,000 are not included in the composite. 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 to be included in our small capitalization composite would be a potential investment in this portfolio. This is a very concentrated portfolio holding between seven and fourteen positions. We will not invest client assets in any business that is trading above our estimate of fair value. The composite benchmark is the S&P 500 which is an index of 500 stocks selected based on market size, liquidity, and sector and is designed to provide a broad snapshot of the overall U.S. equity market. New accounts that fit the composite definition are added at the beginning of the first full calendar month for which the account is under management. Closed account data is included in the composite as mandated by the standards in order to eliminate a survivorship bias. The composite was created on November 30, 2007. Portfolios below the minimum asset level of $50,000 are not included in the composite. 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.

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. This is a very concentrated portfolio holding between seven and fourteen positions. We will use options instead of limit orders to acquire and/or sell the stock. We do not intend to employ any leverage, but will utilize options to sell volatility when it is expensive and buy volatility when it is cheap. We will focus on options which give our clients the right to buy or sell stock in companies at prices that we would buy or sell anyway, and we will generate revenue through option premiums. Generally, we plan to use options instead of buying stock directly when we can earn double digit returns from selling options. We only intend to purchase options under rare circumstances, and to continue to focus on reducing risk through the purchase of qualifying companies at attractive prices. We will not invest client assets in any business that is trading above our estimate of fair value. The composite benchmark is the S&P 500 which is an index of 500 stocks selected based on market size, liquidity, and sector and is designed to provide a broad snapshot of the overall U.S. equity market. New accounts that fit the composite definition are added at the beginning of the first full calendar month for which the account is under management. Closed account data is included in the composite as mandated by the standards in order to eliminate a survivorship bias. The composite was created on March 31, 2007. Portfolios below the minimum asset level of $50,000 are not included in the composite.

Small Cap Composite Information: This portfolio strategy invests in companies with smaller market capitalizations. Subject to price, any publicly traded company with above average economics that is not "large" would be a potential investment in this portfolio. While we do not have any defined cutoffs, we use the Russell 2000 as a guide to define small cap, and any small publicly traded company with reasonable economics would be a potential investment in this portfolio. A core position is 5% so that theoretically our clients would hold 20 names diversified across various industries. It is very rare that enough companies are sufficiently discounted to warrant this level of concentration so concentration will vary with the price to value ratio. We will invest client assets in positions as small as 1% when price to value ratios are higher. We will not invest client assets in any business that is trading above our estimate of fair value. The composite benchmark is the Russell 2000 Index which measures the performance of the small-cap segment of the U.S. Equity universe and includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. New accounts that fit the composite definition are added at the beginning of the first full calendar month for which the account is under management. Closed account data is included in the composite as mandated by the standards in order to eliminate a survivorship bias. The composite was created on March 31, 2007. Portfolios below the minimum asset level of $50,000 are not included in the composite.

All Cap Composite Information: This portfolio strategy invests in companies across all market capitalizations. Generally, positions held in this strategy will also be held in either the Large Cap or Small Cap strategies, though sometimes with differing weights. As with those strategies, a core position in this portfolio is 5% so that theoretically we would hold 20 positions diversified across various industries. Because it is rare that we would find 20 companies meeting our investment guidelines, concentration will vary with the price to value ratios we determine for companies in which we invest. We will invest client assets in positions as small as 1% when price to value ratios are higher. We will not invest client assets in any business that is trading above our estimate of fair value. The composite benchmark is the Russell 3000 Index which measures the performance of the largest 3000 US companies representing approximately 98% of the investable US Equity market. New accounts that fit the composite definition are added at the beginning of the first full calendar month for which the account is under management. Closed account data is included in the composite as mandated by the standards in order to eliminate a survivorship bias. The composite was created on April 1, 2011. Portfolios below the minimum asset level of $50,000 are not included in the composite.

All returns are expressed in US dollars.

[1] Parker-Hannifin has the number one position in the motion and control industry; sourced from the Parker-Hannifin presentation for the Gabelli Aircraft Supplier Conference September 9,2015.