



VULCAN
VALUE
PARTNERS

SMALL CAP
DECEMBER 31, 2019

ANNUALIZED

PORTFOLIO TEAM

C.T. Fitzpatrick, CFA
Founder
Chief Executive Officer
Chief Investment Officer
Portfolio Manager

McGavock Dunbar, CFA
Principal, Analyst

Hampton McFadden, CFA
Principal, Analyst

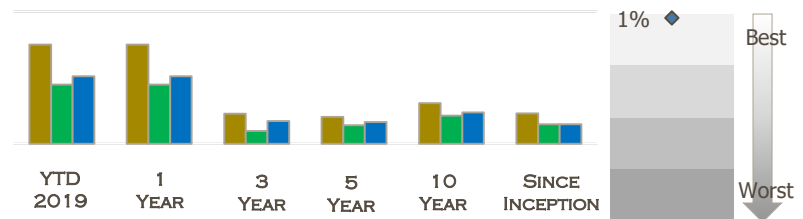
Stephen Simmons, CFA
Principal, Analyst

Jim Falbe, CFA
Principal, Analyst

SUMMARY
PERFORMANCE

	YTD 2019	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION	PEER RANK ¹ SINCE INCEPTION
Small Cap Composite (Gross)	37.5%	37.5%	11.3%	10.1%	15.3%	11.5%	1%
Small Cap Composite (Net)	36.4%	36.4%	10.3%	9.1%	14.3%	10.4%	-
Russell 2000 Value Index	22.4%	22.4%	4.8%	7.0%	10.6%	5.9%	-
Russell 2000 Index	25.5%	25.5%	8.6%	8.2%	11.8%	7.4%	-

- ◆ Small Cap Composite
- Russell 2000 Value Index
- Russell 2000 Index



STRATEGY INCEPTION

March 31, 2007

STATISTICS (vs. R2000V) ²	CHARACTERISTICS ³	TOP 10 HOLDINGS ²	INDUSTRY WEIGHTINGS ²
Alpha	6.3%	Number of Holdings 30	Cushman & Wakefield Plc 6.2%
Upside Capture	94.1	Average Market Cap \$4.2B	Jones Lang LaSalle Inc. 5.5%
Downside Capture	77.9	Median Market Cap \$4.5B	Ibstock Plc 5.5%
Standard Deviation	18.2%	Turnover 65.7%	Coherent Inc. 4.9%
Sharpe Ratio	0.59	Name Turnover 32.4%	Savills Plc 4.7%
R Squared	82.3%	FCF Yield 6.1%	EnerSys 4.4%
Active Share	99.5	Dividend Yield 1.5%	Virtus Investment Partners Inc. 3.8%
		ROE 14.7%	ACI Worldwide Inc. 3.7%
		P/FCF 16.5x	Sleep Number Corp. 3.4%
		P/E Ratio 21.0x	Sabre Corp. 3.3%
		P/B Ratio 2.5x	Total 45.4%
		P/S Ratio 1.2x	All Others (12 Industries) 25.2%

INVESTMENT PHILOSOPHY

We limit our search for qualifying investments to good businesses with identifiable, sustainable competitive advantages which have the ability to consistently produce free cash flow. We have no interest in businesses with inferior economics that are statistically cheap. Qualifying investments have stable and growing values, a large part of which is derived from the production of free cash flow. Free cash flow can be measured and valued using conservative assumptions and discounted cash flow analysis. A margin of safety exists when price deviates below fair value. It is very important to understand and worth emphasizing that price is not the same thing as value. A margin of safety only occurs when underlying business values are less volatile than stock prices, which is why we limit ourselves to competitively entrenched businesses. Our time horizon is five years for each investment we make. **Vulcan Value Partners' investment philosophy will not protect us from market volatility. However, it will allow us to take advantage of volatility and use it to our benefit.**

INVESTMENT STRATEGY

Invests in companies with smaller market capitalizations. Subject to price, any publicly traded company with above average economics that is not large (as defined by the Russell 1000 Index) would be a potential investment in this portfolio. A core position is 5% so that theoretically we would hold 20 names diversified across various industries. **It is very rare that enough qualifying companies are sufficiently discounted to warrant this level of concentration, so concentration will vary with the price to value ratio. We will not invest in any business that is trading above our estimate of fair value.**

FOR ADDITIONAL INFORMATION, PLEASE VISIT OUR WEBSITE AT WWW.VULCANVALUEPARTNERS.COM OR CONTACT:

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DISCLOSURES

The performance presented is for our Small 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.

There may be market or economic conditions which affect our performance, or that of our relevant benchmarks. Market conditions can vary widely over time and can result in a loss in portfolio value. 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 Russell 2000® Index includes the 2000 firms from the Russell 3000® Index with the smallest market capitalizations. The Russell 2000® Value Index measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. Index figures do not reflect deductions for any fees, expenses, or taxes. Investors cannot invest directly in an index.

Vulcan Value Partners 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 Ashley Morris at 205.803.1582 or write Vulcan Value Partners, Three Protective Center, 2801 Highway 280 South, Suite 300, 35223.

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 returns are expressed in US dollars.

Note 1: Vulcan Value Partners Small Cap Composite versus peer group of the eVestment US Small Cap Value Equity Universe since inception through December 31, 2019 as of January 21, 2020. Information provided is supplemental information for the Small Cap Composite.

Note 2: Information provided is supplemental information for Small Cap Composite. Statistics computed since strategy inception against the Russell 2000 Value Index.

Note 3: Information provided is supplemental information for Small Cap Composite. All information is provided on a trailing 12 months basis unless otherwise indicated. Free Cash Flow Yield is free cash flow divided by market price. P/FCF is market price divided by free cash flow. Characteristics run in FactSet on January 22, 2020 as of December 31, 2019.