

Independent Accountant's Verification and Performance Examination Report

NewSouth Capital Management, Inc.:

We have examined whether (1) NewSouth Capital Management Inc. (the "Firm") has complied with all the composite construction requirements of the Global Investment Performance Standards (GIPS® standards) on a firm-wide basis for the periods from January 1, 1999, to December 31, 2016, and (2) the Firm's policies and procedures are designed to calculate and present performance results in compliance with the GIPS standards as of December 31, 2016. We have also examined the accompanying performance presentation and Composite Disclosure Presentation of the Firm's **Mid Cap Value Composite** for the periods from January 1, 1999, to December 31, 2016. The Firm's management is responsible for compliance with the GIPS standards, the design of its policies and procedures and for the Quarterly Performance and Composite Disclosure Presentations. Our responsibility is to express an opinion based on our examination.

Scope of Work

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Firm's compliance with the previously mentioned requirements; evaluating the design of the Firm's policies and procedures previously referred to; examining, on a test basis, evidence supporting the accompanying composite compliant presentation; and performing the procedures for a verification and performance examination required by the GIPS standards and such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

Opinion

In our opinion, in all material respects,

- the Firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis for the periods from January 1, 1999, to December 31, 2016; and
- the Firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards as of December 31, 2016.

Also, in our opinion, in all material respects, the Firm has

- constructed the **Mid Cap Value Composite** and calculated the **Mid Cap Value Composite** performance for the periods from January 1, 1999, to December 31, 2016, in compliance with the GIPS standards; and
- prepared and presented the Composite Disclosure Presentation of the Firm's **Mid Cap Value Composite** for the periods from January 1, 1999, to December 31, 2016, in compliance with the GIPS standards.

This report does not contain an opinion on the accuracy of any composite presentation of the Firm other than the Composite Disclosure Presentation of the Firm's **Mid Cap Value Composite** for the periods from January 1, 1999, to December 31, 2016.



Ashland Partners & Company LLP
March 1, 2017

NEWSOUTH CAPITAL MANAGEMENT, INC.
MID CAP VALUE COMPOSITE
QUARTERLY PERFORMANCE PRESENTATION
PAGE 1 OF 2

Asset-Weighted Performance Gross and Net of Fees
Results have been calculated in U.S. Dollars

		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Annual
2016	Gross	5.13%	1.20%	4.48%	1.68%	13.03%
	Net	5.04%	1.11%	4.38%	1.58%	12.61%
2015	Gross	4.81%	0.67%	(8.73%)	5.33%	1.44%
	Net	4.69%	0.64%	(8.83%)	5.23%	1.07%
2014	Gross	0.95%	8.11%	(0.99%)	4.61%	13.04%
	Net	0.84%	7.99%	(1.11%)	4.49%	12.53%
2013	Gross	8.53%	3.84%	8.26%	10.94%	35.36%
	Net	8.42%	3.67%	8.13%	10.82%	34.68%
2012	Gross	9.79%	(6.45%)	7.88%	3.54%	14.72%
	Net	9.67%	(6.57%)	7.75%	3.42%	14.18%
2011	Gross	7.08%	0.54%	(17.93%)	14.53%	1.19%
	Net	6.98%	0.42%	(18.04%)	14.41%	0.74%
2010	Gross	10.19%	(12.91%)	15.15%	15.55%	27.69%
	Net	10.01%	(13.05%)	14.99%	15.40%	26.93%
2009	Gross	(10.58%)	25.49%	33.97%	4.47%	57.05%
	Net	(10.77%)	25.31%	33.76%	4.29%	55.99%
2008	Gross	(4.04%)	3.28%	(11.31%)	(29.66%)	(38.17%)
	Net	(4.18%)	3.13%	(11.44%)	(29.79%)	(38.56%)
2007	Gross	5.15%	9.61%	(2.26%)	(6.10%)	5.78%
	Net	5.00%	9.45%	(2.41%)	(6.24%)	5.16%

NEWSOUTH CAPITAL MANAGEMENT, INC.
MID CAP VALUE COMPOSITE
QUARTERLY PERFORMANCE PRESENTATION
PAGE 2 OF 2

Asset-Weighted Performance Gross and Net of Fees
Results have been calculated in U.S. Dollars

		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Annual
2006	Gross	5.76%	(0.63%)	2.80%	9.59%	18.40%
	Net	5.60%	(0.77%)	2.64%	9.43%	17.68%
2005	Gross	0.44%	2.31%	7.24%	3.79%	14.37%
	Net	0.30%	2.11%	7.07%	3.63%	13.63%
2004	Gross	7.80%	2.84%	0.21%	10.90%	23.21%
	Net	7.66%	2.69%	0.07%	10.76%	22.54%
2003	Gross	(3.89%)	19.15%	4.43%	12.06%	34.00%
	Net	(4.02%)	19.00%	4.29%	11.91%	33.30%
2002	Gross	2.88%	(15.01%)	(21.37%)	10.20%	(24.24%)
	Net	2.73%	(15.14%)	(21.50%)	10.06%	(24.68%)
2001	Gross	0.06%	13.18%	(20.53%)	16.97%	5.27%
	Net	(0.07%)	13.04%	(20.64%)	16.81%	4.71%
2000	Gross	1.59%	0.08%	5.20%	0.40%	7.38%
	Net	1.46%	(0.04%)	5.04%	0.25%	6.80%
1999	Gross	(1.55%)	20.99%	(14.10%)	8.42%	10.94%
	Net	(1.68%)	20.86%	(14.21%)	8.30%	10.41%

Past performance is not indicative of future results. The Independent Accountant's Verification and Performance Examination Report and Composite Disclosure Presentation are an integral part of this presentation.

ANNUAL PERFORMANCE

NSCM Mid Cap Value Equity Composite – Tax Exempt Funds

	Gross of Fees	Net of Fees	S&P 500 w/div	Russell Midcap	Russell 2500	Russell 2500 Value	Number of Portfolios	Internal Dispersion	3-Yr STDV	S&P 500 w/div 3-Yr STDV	Russell Midcap 3-Yr STDV	Russell 2500 3-Yr STDV	Russell 2500 Value 3-Yr STDV	Total Composite Assets (Millions)	Total Mid Cap Assets (Millions)	Total Firm Assets (Millions)	Percent of Comp with Bundled Fees
1982	23.0%	22.5%	21.6%	23.3%	26.7%	N/A	1							\$12.4			
1983	37.4%	36.9%	22.6%	23.8%	27.7%	N/A	2							\$16.9			
1984	14.0%	13.4%	6.1%	1.4%	-4.2%	N/A	4							\$18.7			
1985	38.6%	37.9%	31.6%	32.0%	31.9%	N/A	4							\$101.9		\$533.2	
1986	2.4%	1.7%	18.2%	18.2%	12.0%	11.3%	6							\$139.5		\$619.8	
1987	-4.1%	-4.7%	5.3%	0.2%	-4.7%	-4.9%	7							\$146.5		\$640.5	
1988	25.2%	24.3%	16.5%	19.8%	22.7%	27.7%	18	2.9%						\$235.4		\$793.6	1.6%
1989	27.9%	27.1%	31.5%	26.3%	19.4%	15.2%	14	2.3%						\$275.3		\$784.1	1.5%
1990	-10.2%	-10.8%	-3.2%	-11.5%	-14.9%	-17.4%	14	1.8%						\$250.1		\$723.2	0.2%
1991	38.3%	37.5%	30.5%	41.5%	46.9%	40.7%	17	3.3%						\$299.2		\$809.4	0.2%
1992	12.4%	11.8%	7.6%	16.3%	16.1%	24.9%	21	1.9%						\$354.5		\$945.3	0.0%
1993	23.9%	23.2%	10.1%	14.3%	16.6%	19.3%	30	2.5%						\$454.2	\$635.8	\$1,255.8	0.7%
1994	-6.3%	-6.8%	1.2%	-2.1%	-1.1%	-1.3%	37	0.9%						\$465.2	\$637.4	\$1,384.4	1.1%
1995	26.0%	25.3%	37.5%	34.5%	31.7%	29.8%	37	2.0%						\$532.7	\$701.0	\$1,590.4	5.4%
1996	26.5%	25.8%	22.9%	19.0%	19.0%	22.2%	30	1.0%						\$582.5	\$772.2	\$1,852.4	4.9%
1997	28.1%	27.4%	33.4%	29.0%	24.4%	33.1%	25	2.0%						\$584.8	\$766.6	\$1,870.2	4.7%
1998	-1.2%	-1.8%	28.6%	10.1%	0.4%	-1.9%	22	3.0%						\$364.5	\$581.8	\$1,858.9	8.1%
1999	10.9%	10.4%	21.0%	18.2%	24.1%	1.5%	17	3.6%						\$324.6	\$492.1	\$2,025.3	8.0%
2000	7.4%	6.8%	-9.2%	8.2%	4.3%	20.8%	16	2.1%	24%	17%	19%	22%	17%	\$201.4	\$393.5	\$2,370.9	13.7%
2001	5.3%	4.7%	-11.9%	-5.6%	1.2%	9.7%	14	3.1%	22%	17%	18%	21%	15%	\$193.1	\$388.5	\$2,363.5	11.3%
2002	-24.2%	-24.7%	-22.2%	-16.2%	-17.8%	-9.9%	11	1.2%	24%	19%	20%	22%	16%	\$88.9	\$159.6	\$1,682.9	9.3%
2003	34.0%	33.3%	28.6%	40.1%	45.5%	44.9%	10	3.4%	22%	18%	19%	20%	17%	\$109.0	\$174.5	\$1,725.7	9.7%
2004	23.2%	22.5%	10.9%	20.2%	18.3%	21.6%	10	2.9%	19%	15%	15%	17%	16%	\$112.2	\$153.4	\$1,645.8	2.2%
2005	14.4%	13.6%	4.9%	12.7%	8.1%	7.7%	9	1.9%	11%	9%	11%	13%	13%	\$53.8	\$109.4	\$1,453.2	4.2%
2006	18.4%	17.7%	15.8%	15.3%	16.2%	20.2%	8	1.2%	10%	7%	10%	12%	11%	\$51.7	\$122.8	\$1,382.5	4.1%
2007	5.8%	5.2%	5.5%	5.6%	1.4%	-7.3%	7	0.8%	10%	8%	9%	12%	11%	\$45.2	\$96.5	\$1,341.7	4.5%

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Note: Past performance is not indicative of future results. Please see the following page for our disclosure.

ANNUAL PERFORMANCE

NSCM Mid Cap Value Equity Composite – Tax Exempt Funds

	Gross of Fees	Net of Fees	S&P 500 w/div	Russell Midcap	Russell 2500	Russell 2500 Value	Number of Portfolios	Internal Dispersion	3-Yr STDV	S&P 500 w/div 3-Yr STDV	Russell Midcap 3-Yr STDV	Russell 2500 3-Yr STDV	Russell 2500 Value 3-Yr STDV	Total Composite Assets (Millions)	Total Firm Assets (Millions)	Percent of Comp with Bundled Fees
2008	-38.2%	-38.6%	-37.0%	-41.5%	-36.8%	-32.0%	5	N/A	20%	15%	19%	19%	18%	\$10.4	\$939.5	5.4%
2009	57.1%	56.0%	26.5%	40.5%	34.4%	27.7%	3	N/A	27%	20%	24%	24%	25%	\$26.7	\$1,105.0	0.0%
2010	27.7%	26.9%	14.8%	25.5%	26.7%	24.8%	3	N/A	29%	22%	26%	27%	27%	\$45.8	\$1,474.6	0.0%
2011	1.2%	0.7%	2.2%	-1.6%	-2.5%	-3.4%	6	0.5%	24%	19%	22%	23%	24%	\$92.0	\$2,064.5	0.0%
2012	14.7%	14.2%	16.0%	17.3%	17.9%	19.2%	6	0.3%	17%	15%	17%	19%	18%	\$104.9	\$2,596.7	0.0%
2013	35.4%	34.7%	32.4%	34.8%	36.8%	33.3%	7	N/A	14%	12%	14%	16%	15%	\$141.0	\$3,365.6	0.0%
2014	13.0%	12.5%	13.7%	13.2%	7.1%	7.1%	5	N/A	11%	9%	10%	12%	11%	\$72.9	\$3,732.0	0.0%
2015	1.4%	1.1%	1.0%	-2.4%	-2.9%	-5.5%	8	0.1%	12%	11%	11%	12%	12%	\$426.5	\$4,262.9	0.0%
2016	13.0%	12.6%	12.0%	13.8%	17.6%	25.2%	9	0.3%	12%	11%	12%	14%	13%	\$575.3	\$4,584.6	0.0%

Note: Past performance is not indicative of future results. Please see the following page for our disclosure.

NSCM MID CAP VALUE DISCLOSURE STATEMENT

NewSouth Capital Management, Inc. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. NewSouth Capital Management, Inc. has been independently verified for the periods January 1, 1999 through December 31, 2016. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The NewSouth Mid Cap Composite has been examined for the periods January 1, 1999 through December 31, 2016. The verification and performance examination reports are available upon request. NewSouth Capital Management, Inc. is defined as an independent investment management firm that is not affiliated with any parent organization. Information regarding the firm's policies and procedures for valuing portfolio, calculating and reporting performance results, and preparing compliant presentations are available upon request. This composite was created in December of 1992. A complete list and description of the firm's composites is available upon request. The NewSouth Mid Cap Value Composite focuses on companies which sell at reasonable market multiples of earnings and/or book value based on historical data and which NewSouth believes have the potential for above average free cash flow over the next 2-3 years. Also, we look for companies which possess other catalysts which will cause the market to recognize the intrinsic value of the company. The accounts included in the composite will invest primarily in companies with market capitalizations similar in size to those found in the Russell Midcap Index. However, our composite accounts will differ from its benchmark with fewer holdings concentrated in fewer economic sectors.

All returns are calculated and reported in U.S. Dollars and are calculated as of calendar month ends. Performances results prior to December 31, 1987, are not in compliance, and annualized performance numbers that include periods prior to December 31, 1987, are not in compliance. Performance results prior to May 31, 1985, were accomplished while portfolio managers

were principals with another firm. NewSouth was founded on May 31, 1985, when 3 of the 5 principals of the prior firm left to form NewSouth. The accounts included in the composite prior to May 31, 1985, were the exclusive responsibility of the NewSouth principals while at the prior firm, and these accounts moved to NewSouth when the firm was founded. The minimum account size for this composite is \$1,000,000. Beginning April 1, 2008, composite policy requires the temporary removal of any portfolio incurring a client initiated significant cash outflow of 10% of portfolio assets.

The composite represents 100% of discretionary, tax-exempt assets in fee-paying mid cap value accounts invested with a mid-cap value mandate. Internal dispersion is calculated using the equal weighted standard deviation of all portfolios that were included in the composite for the entire year. Internal dispersion is calculated using the equal weighted standard deviation of all portfolios that were included in the composite for the entire year and is shown as N/A where there are 3 or fewer accounts included for the entire year. Gross of fee performance results do not reflect the impact of management fees or custodian fees. Net of fee returns are calculated using actual fees. Actual fees incurred by advisory clients may vary. Wrap or bundled fee accounts may be included in the composite. If accounts of this type are included in the composite, gross of fee performance results reflect the impact of the non-management fee portion of the total wrap fee while net of fee performance results reflect the impact of both the management and non-management fee portion of the wrap fee. Non-management fee portions of a wrap fee are defined as any fee paid by the client to another party to cover transaction fees, reporting, custody, or consulting. The composite results reflect the reinvestment of dividends, capital gains, and other earnings. Performance of taxable accounts may differ because taxable accounts may be managed to reduce the impact of taxes. NewSouth's published fee schedule for investment management services is 0.75% on the first \$25 million of assets, 0.65% on the next \$25 million, and 0.60% on all assets above \$50 million. The account minimum is \$10,000,000. Past performance is not indicative of future results.