

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 **Small 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 **Small Cap Value Composite** and calculated the **Small 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 **Small 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 **Small 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.
SMALL CAP VALUE COMPOSITE
QUARTERLY PERFORMANCE PRESENTATION
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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	3.89%	0.28%	3.28%	6.49%	14.59%
	Net	3.68%	0.09%	3.06%	6.26%	13.65%
2015	Gross	3.40%	(0.28%)	(7.92%)	(1.79%)	(6.75%)
	Net	3.20%	(0.48%)	(8.11%)	(1.99%)	(7.50%)
2014	Gross	1.40%	2.29%	(4.48%)	6.18%	5.21%
	Net	1.19%	2.08%	(4.68%)	5.97%	4.34%
2013	Gross	8.26%	2.04%	5.99%	6.81%	25.07%
	Net	8.07%	1.86%	5.80%	6.60%	24.16%
2012	Gross	10.53%	(5.79%)	12.44%	3.51%	21.18%
	Net	10.38%	(5.99%)	12.24%	3.31%	20.32%
2011	Gross	10.54%	0.52%	(16.70%)	15.37%	6.80%
	Net	10.36%	0.38%	(16.87%)	15.18%	6.07%
2010	Gross	12.77%	(8.79%)	14.03%	19.43%	40.08%
	Net	12.55%	(8.96%)	13.82%	19.24%	39.07%
2009	Gross	(15.02%)	33.74%	32.65%	8.61%	63.74%
	Net	(15.21%)	33.55%	32.48%	8.38%	62.58%
2008	Gross	1.35%	13.29%	(11.87%)	(31.30%)	(30.48%)
	Net	1.17%	13.12%	(12.01%)	(31.48%)	(31.00%)
2007	Gross	2.35%	10.69%	(6.49%)	(5.19%)	0.44%
	Net	2.21%	10.53%	(6.66%)	(5.36%)	(0.20%)

NEWSOUTH CAPITAL MANAGEMENT, INC.
SMALL CAP VALUE COMPOSITE
QUARTERLY PERFORMANCE PRESENTATION
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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	11.16%	2.00%	(1.61%)	13.37%	26.47%
	Net	10.98%	1.83%	(1.77%)	13.19%	25.66%
2005	Gross	(2.03%)	0.33%	7.73%	4.01%	10.14%
	Net	(2.20%)	0.13%	7.56%	3.82%	9.35%
2004	Gross	7.01%	3.52%	(2.59%)	11.93%	20.78%
	Net	6.88%	3.34%	(2.78%)	11.72%	19.96%
2003	Gross	(4.00%)	24.15%	3.42%	14.48%	41.11%
	Net	(4.15%)	23.98%	3.28%	14.31%	40.28%
2002	Gross	7.10%	(9.14%)	(22.76%)	5.04%	(21.04%)
	Net	6.95%	(9.27%)	(22.89%)	4.92%	(21.49%)
2001	Gross	(3.06%)	9.59%	(20.99%)	17.12%	(1.69%)
	Net	(3.18%)	9.45%	(21.10%)	16.98%	(2.19%)
2000	Gross	(0.66%)	5.01%	0.07%	4.73%	9.33%
	Net	(0.78%)	4.87%	(0.05%)	4.58%	8.77%
1999	Gross	(3.48%)	25.90%	(12.13%)	3.39%	10.39%
	Net	(3.64%)	25.73%	(12.26%)	3.25%	9.74%

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 Small Cap Value Equity Composite – Tax Exempt Funds

	Gross of Fees	Net of Fees	Russell 2000	Russell 2000 Value	Russell 2000 Growth	Number of Portfolios	Internal Dispersion	3-Yr STDV	Russell 2000 3-Yr STDV	Russell 2000 Value 3-Yr STDV	Russell 2000 Growth 3-Yr STDV	Total Composite Assets (Millions)	Total Small Cap Assets (Millions)	Total Firm Assets (Millions)	Percent of Comp with Bundled Fees
1983*	19.9%	18.6%	9.9%	18.0%	2.2%	1						\$2.5			
1984	-1.1%	-2.6%	-7.3%	2.3%	-15.8%	1						\$3.1			
1985	42.8%	40.8%	31.0%	31.0%	31.0%	1						\$4.3	\$4.3	\$533.2	
1986	-1.3%	-2.8%	5.7%	7.4%	3.6%	1						\$4.1	\$4.1	\$619.8	
1987	3.1%	1.5%	-8.8%	-7.1%	-10.5%	1						\$5.0	\$5.0	\$640.5	
1988	26.0%	24.2%	24.9%	29.5%	20.4%	1	N/A					\$6.1	\$6.1	\$793.6	0.0%
1989	24.4%	22.6%	16.2%	12.4%	20.2%	1	N/A					\$7.4	\$7.4	\$784.1	0.0%
1990	-17.3%	-18.6%	-19.5%	-21.8%	-17.4%	1	N/A					\$9.6	\$9.6	\$723.2	0.0%
1991	35.2%	33.7%	46.0%	41.7%	51.2%	2	N/A					\$16.6	\$16.6	\$809.4	24.7%
1992	15.4%	14.3%	18.4%	29.1%	7.8%	3	N/A					\$22.8	\$22.8	\$945.3	38.7%
1993	27.2%	25.9%	18.9%	23.9%	13.4%	3	N/A					\$30.9	\$34.1	\$1,255.8	42.4%
1994	-3.3%	-3.9%	-1.8%	-1.5%	-2.4%	4	0.3%					\$32.5	\$40.9	\$1,384.4	47.4%
1995	31.9%	31.0%	28.4%	25.8%	31.0%	3	N/A					\$33.9	\$41.0	\$1,590.4	11.2%
1996	24.6%	23.8%	16.5%	21.4%	11.3%	4	0.4%					\$44.7	\$57.1	\$1,852.4	10.7%
1997	35.8%	34.9%	22.4%	31.8%	12.9%	6	3.7%					\$60.8	\$151.8	\$1,870.2	8.9%
1998	-0.9%	-1.6%	-2.6%	-6.5%	1.2%	17	1.3%					\$99.2	\$220.1	\$1,858.9	19.4%
1999	10.4%	9.7%	21.3%	-1.5%	43.1%	32	1.2%					\$358.5	\$496.2	\$2,025.3	4.1%
2000	9.3%	8.8%	-3.0%	22.8%	-22.4%	48	2.2%	21%	24%	17%	33%	\$592.7	\$789.2	\$2,370.9	5.3%
2001	-1.7%	-2.2%	2.5%	14.0%	-9.2%	51	1.2%	19%	23%	15%	34%	\$597.6	\$732.7	\$2,363.5	5.5%
2002	-21.0%	-21.5%	-20.5%	-11.4%	-30.3%	36	1.6%	21%	24%	17%	33%	\$273.3	\$375.4	\$1,682.9	7.4%
2003	41.1%	40.3%	47.3%	46.0%	48.5%	29	1.1%	21%	22%	18%	27%	\$262.7	\$355.1	\$1,725.7	8.6%
2004	20.8%	20.0%	18.3%	22.2%	14.3%	25	1.1%	19%	19%	18%	21%	\$231.7	\$315.6	\$1,645.8	6.1%
2005	10.1%	9.4%	4.6%	4.7%	4.2%	24	0.6%	13%	15%	14%	17%	\$204.7	\$307.6	\$1,453.2	5.2%
2006	26.5%	25.7%	18.4%	23.5%	13.4%	22	0.9%	12%	14%	12%	16%	\$277.3	\$396.8	\$1,382.5	3.9%
2007	0.4%	-0.2%	-1.6%	-9.8%	7.1%	29	0.3%	12%	13%	13%	14%	\$301.2	\$359.6	\$1,341.7	3.3%

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* Represents the last nine months of 1983

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

ANNUAL PERFORMANCE

NSCM Small Cap Value Equity Composite – Tax Exempt Funds

	Gross of Fees	Net of Fees	Russell 2000	Russell 2000 Value	Russell 2000 Growth	Number of Portfolios	Internal Dispersion	3-Yr STDV	Russell 2000 3-Yr STDV	Russell 2000 Value 3-Yr STDV	Russell 2000 Growth 3-Yr STDV	Total Composite Assets (Millions)	Total Small Cap Assets (Millions)	Total Firm Assets (Millions)	Percent of Comp with Bundled Fees
2008	-30.5%	-31.0%	-33.8%	-28.9%	-38.5%	26	1.3%	23%	20%	19%	21%	\$176.7	\$220.1	\$ 939.5	3.1%
2009	63.7%	62.6%	27.2%	20.6%	34.5%	23	1.3%	31%	25%	26%	25%	\$291.8	\$358.4	\$1,105.0	2.2%
2010	40.1%	39.1%	26.9%	24.5%	29.1%	27	0.5%	33%	28%	28%	28%	\$408.4	\$489.5	\$1,474.6	2.3%
2011	6.8%	6.1%	-4.2%	-5.5%	-2.9%	38	0.2%	27%	25%	26%	24%	\$699.5	\$805.5	\$2,064.5	1.5%
2012	21.2%	20.3%	16.4%	18.1%	14.6%	47	0.4%	19%	20%	20%	21%	\$920.4	\$1,111.4	\$2,596.7	1.3%
2013	25.1%	24.2%	38.8%	34.5%	43.3%	38	1.1%	15%	16%	16%	17%	\$1,001.3	\$1,414.2	\$3,365.6	1.2%
2014	5.2%	4.3%	4.9%	4.2%	5.6%	42	0.4%	12%	13%	13%	14%	\$1,055.6	\$1,393.4	\$3,732.0	1.2%
2015	-6.8%	-7.5%	-4.4%	-7.5%	-1.4%	41	0.2%	11%	14%	13%	15%	\$549.5	\$1,128.2	\$4,262.9	1.9%
2016	14.6%	13.7%	21.3%	31.7%	11.3%	42	1.0%	12%	16%	16%	17%	\$700.3	\$1,158.0	\$4,584.6	0.7%

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

NSCM SMALL 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 Small 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 Small 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 2000 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. Performance 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 the 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 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 small cap accounts invested with a small 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 1.00% on the first \$25 million of assets, 0.85% on the next \$25 million, and 0.75% on all assets above \$50 million. The account minimum is \$10,000,000. Past performance is not indicative of future results.