

Notes Regarding Our Performance Data

Willis Investment Counsel (WIC) is an independent investment management firm founded in 1979 and registered with the U.S. Securities and Exchange Commission. The paragraphs that follow contain certain regulatory disclosures and information regarding WIC, and the description of WIC investment portfolios and composites, and the methods by which portfolio and composite returns are calculated. These notes and disclosures should be read in conjunction with the WIC performance-related information.

- Compliance with Global Investment Performance Standards. Willis Investment Counsel claims compliance with the Global Investment Performance Standards (GIPS®). Commencing as of January 1, 1997, Willis Investment Counsel has been verified firm-wide by ACA Compliance Group (formerly Ashland Partners & Company, LLP). A performance examination was conducted on WIC's tax-exempt balanced composite, tax-exempt equity composite, and tax-exempt bond composite beginning January 1, 1997, on WIC's Managed Volatility and Income Strategy Composite beginning August 1, 2010 and on WIC's Small Cap Value Composite beginning on May 31, 2009. WIC's tax-exempt composites generally include all discretionary tax-exempt clients that are fully invested in accordance with each strategy. WIC's Managed Volatility and Income Strategy Composite generally includes all discretionary equity clients that are fully invested in accordance with the strategy. WIC's Small Cap Value Composite includes all discretionary equity clients that are fully invested in accordance with the strategy. Each Independent Verifier's Report issued by ACA Compliance Group (formerly Ashland Partners & Company, LLP) to WIC is available for inspection in the WIC offices. WIC has not been verified for compliance with GIPS prior to 1997. To receive a complete list of WIC's composite descriptions and/or a presentation that adheres to the GIPS standards, contact Kelli Wright at (770)718-0706 or email kwright@wicinvest.com.
- Computation of Returns. All WIC returns are total returns and include reinvestment of income and realized and unrealized gains and losses. Returns are time-weighted using IRR calculations and are generally quarterly-linked; monthly-linked beginning on January 1, 2003. Returns are net of WIC management fees (unless indicated gross before fees or when WIC management fees are not, per agreement, paid from the portfolio account), brokerage commissions, and custodian costs. All portfolio valuations are in U.S. dollars, and return calculations are generated by Advent software. WIC employs trade date accounting.
- Fees and Costs; Impact on Returns. Client portfolio values and returns are reduced by WIC management fees, brokerage commissions, and custodian costs. Annual WIC management fees are described in WIC's Form ADV, Part 2A, which is provided on our website and is on file with the U.S. Securities and Exchange Commission or upon request, and average less than 1.00% firm-wide. Fee examples: For portfolios valued at \$10,000,000, our annual fee is 0.60%; \$9,000,000, 0.61%; \$8,000,000, 0.63%; \$7,000,000, 0.64%; \$6,000,000, 0.67%; \$5,000,000, 0.70%; \$4,000,000, 0.75%; \$3,000,000, 0.83%; \$2,000,000, 1.00%; \$1,000,000, 1.00%; and if over \$10,000,000, negotiable. The following hypothetical example shows the impact of a 1.00% annual WIC management fee: A 25-year annualized return of 8.75%, gross before fees, is reduced to 7.75% net of fees. Annual WIC management fees for WIC Value Fund, L.P., WIC Small Cap Value Fund, L.P., WIC Managed Volatility and Income Fund, L.P., and WIC Managed Volatility and Income Fund QP, L.P. average approximately 1.00%.
- Composite Descriptions. The *WIC Tax Exempt Balanced Composite* includes all fully-discretionary tax-exempt clients that are managed as balanced portfolios, and are valued over \$300,000. The allocation to bonds in balanced portfolios is driven by each client's tolerance for risk and portfolio volatility. The stocks in our balanced portfolios include 35 to 50 broadly diversified, large- to mid-cap common stocks whose stock prices are discounted relative to our proprietary calculation of their intrinsic value. The bonds in our balanced portfolios are tilted in favor of investment grade or near-investment grade with intermediate maturities. The investment strategy of this composite seeks to take advantage of the capital appreciation potential of stocks and the higher

yields and risk mitigation effects of corporate bonds. This composite was created in 1997. The comparative benchmark index is an index equal to 60% x the Wilshire 5000 Index (stocks) + 39% x Barclays Capital Aggregate Index (bonds) + 1% x the U.S. Treasury Bill yield calculated monthly. For years prior to 2008, the benchmark was calculated annually.

The *WIC Tax Exempt Equity Composite* includes all fully-discretionary tax-exempt equity clients that are managed as equity portfolios, that are valued over \$300,000, and that are fully invested in accordance with the model portfolio. The model portfolio consists of approximately 35 to 50 broadly diversified, large – to mid-cap common stocks, with the investment objective of achieving long-term, above-market returns with below-market risk. The investment strategy of this composite seeks to take advantage of the capital appreciation potential of companies whose stock prices are discounted relative to our proprietary calculation of their intrinsic value. Additional factors such as financial strength, sustained profitability, and competitive position in essential industries are considered in tandem with the valuation in selecting individual securities. Prior to January 1, 2010, this composite also included the equity component of WIC's tax-exempt balanced composite. The portion of this composite that had been carved out of our tax-exempt balanced composite has ranged from 100% in 1997 to 7% in 2009. This composite was created in 1997, and the primary comparative benchmark is the S&P 500 Index calculated on a rolling twelve-month basis.

The *WIC Tax-Exempt Bond Composite* includes all fully-discretionary tax-exempt fixed income clients that are managed as fixed income portfolios including their cash balance, that are valued over \$300,000, and that are fully invested. The fixed income portfolios are well-diversified generally consisting of investment grade or near-investment grade bonds with intermediate maturities. Bonds are employed for those clients whose investment objectives include a reliable income stream and reduced portfolio risk and volatility afforded by bonds. The investment strategies for WIC bond portfolios include capitalizing on the comparatively higher yields generally provided by investment grade corporate bonds, as well as avoiding realized losses at disposition or maturity. Prior to January 1, 2010, the composite also included the fixed income component of WIC's tax-exempt balanced composite in the following manner: for periods between 1993 and 12/31/2008, the fixed income component of WIC's tax-exempt balanced composite was included if the total portfolio value was over \$300,000. During 2009, only those portfolios with a fixed income component greater than \$300,000 were included in this composite, which is the minimum amount required to fully implement our fixed income investment strategy for new portfolios. Prior to 2008, this WIC composite was 100% carved-out of the WIC Tax-exempt Balanced Composite. This composite was created in 1993, and the comparative benchmark is the Barclays Capital Aggregate Index (Barclays) calculated on a rolling twelve-month basis.

The *WIC Small Cap Value Composite* includes all fully-discretionary equity clients that invest in our Small Cap Value Strategy, that are valued over \$100,000, and that are fully invested in accordance with the strategy. This strategy employs a long-only, deep value approach. The investment strategy employs a fundamental approach that is research intensive and concentrated, generally with 15-25 positions focused primarily in small-cap and lesser followed companies whose price dislocation often present greater opportunities. The WIC Small Cap Value Composite was created on May 31, 2009. The comparative benchmarks for this composite are the Russell 2000 Value and the Russell 2000.

The *WIC Managed Volatility and Income Strategy Composite* includes all fully-discretionary equity clients that invest in our Managed Volatility and Income Strategy, that are valued over \$300,000, and that are fully invested in accordance with the strategy. This strategy focuses on high quality, dividend yielding stocks and utilizes covered call option writing. The composite seeks to generate compelling annualized returns with a stable cash flow component and relatively low portfolio downside volatility. Cash flow yield is achieved by investing in stocks of high-quality companies with an above-average dividend yield and a high probability of future dividend growth. Yield is enhanced, and portfolio volatility is reduced, by selling "out of the money" covered call options against portfolio holdings. This composite was created on July 31, 2010. The comparative benchmarks for this composite are the S&P 500 and the Barclays Aggregate Bond Index.

5. Market Returns. For general comparison to market returns, WIC uses the S&P 500 Index as the primary benchmark and the Wilshire 5000 Index as the secondary benchmark for the WIC Tax-Exempt Equity Composite and client equity returns, the Barclays Capital Aggregate Index for the WIC Tax-Exempt Bond Composite, a mixture of 60% Wilshire 5000 /39% Barclays Capital Aggregate Index /1% T-bill is used for the WIC Tax-Exempt Balanced Composite and client balanced portfolios, and the S&P 500 Index for the WIC Managed Volatility and Income Strategy. The Russell 2000 Value and the Russell 2000 Index are the primary performance benchmarks for the WIC Small Cap Value Composite. These are unmanaged indices, assume reinvestment of income, do not reflect deductions of management fees or transaction costs, exclude cash (except the balanced index, which includes cash), and may experience volatility or other material characteristics which differ from WIC client portfolios. Prior to January 1, 2010, WIC Composite returns are shown gross and net of a 1.00% fee and cost estimate applied quarterly. Beginning in 2010, actual net returns are presented. WIC historical performance data is available upon written request.
6. Index Descriptions. WIC generally provides return comparisons to a wide range of market indices. Including but not limited to the following: The Wilshire 5000 is a market-capitalization weighted index of the market value of all stocks actively traded in the United States. The S&P 500 index is a market-value-weighted index of 500 stocks that are traded on the NYSE, AMEX and NASDAQ. The weightings make each company's influence on the index performance directly proportional to that company's market value. The Russell 2000 Value Index measures the performance of small-cap value segment of the U.S. equity universe. The Russell 2000 index is a capitalization weighted index which is comprised of 2,000 of the smallest stocks (on the basis of capitalization) in the Russell 3000 index. The Russell 1000 Value measures the performance of those Russell 1000 (over 90% of the total market capitalization of all listed U.S. stocks) companies with lower price-to-book ratios and lower forecasted growth values. The MSCI EAFE (Europe, Australasia, and Far East) Index is designed to measure the equity market performance of developed markets outside of the U.S. and Canada. The HFRX Equity Hedge index (HFRXEH) is comprised of hedge funds that maintain positions both long and short in primarily equity and equity derivative securities. Equity hedge managers would typically maintain at least 50% exposure to, and may in some cases be entirely invested in equities, both long and short. The Barclays Capital Aggregate Bond index provides a measure of the performance of the U.S. investment grade bond market. This includes investment grade U.S. Government bonds, investment grade corporate bonds, mortgage pass through securities and asset-backed securities. The Barclays Capital Corporate Bond index provides a measure of the investment grade, fixed-rate, taxable corporate bond market. This includes USD-denominated securities publicly issued by US and non-US industrial, utility and financial issuers. The Representative Return of Peer Firms is comprised of 25% Barclays Capital Aggregate Index, 5% Bloomberg Commodity Index, 5% Dow Jones Composite REIT Index Total Return, 15% EAFE, 5% HFRX Equity Hedge Index, 5% Merrill Lynch US Treasury Note Index 3 Month, 5% MSCI Emerging Markets Gross, 10% Russell 2000, and 25% S&P 500. Bank deposits corresponds to the price and yield performance of U.S. Treasury Bills that have a remaining maturity of less than 3 months and more than 1 month and are rated investment grade.
7. Quarterly Report Information. WIC is pleased to provide, upon request, a list of all securities recommended, purchased, and sold for client portfolios during the immediately preceding twelve-month period. Information including (i) largest holdings, (ii) sector diversification, (iii) year-to-date realized and unrealized gains and losses, (iv) income received and the amount of all WIC fees and other expenses paid during the year, and (v) year-to-date and since inception rate of return data can be found in each client's quarterly report. Information on portfolios can also be accessed through the qualified custodian. If you are not receiving account statements from the qualified custodian or are missing any account statements, please contact us immediately.
8. Future Portfolio Performance. Past portfolio performance is not predictive of future portfolio results, which may vary. The value of investments and the income derived from investments can decline as well as appreciate. Future returns are not guaranteed, and loss of principal can occur. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities presented.