



NEWSOUTH

SMALL CAP VALUE EQUITY

PREPARED FOR

CITY OF ALEXANDRIA, VA POLICE & FIREFIGHTERS' PENSION PLAN

Brooke A. Morrow, CFA
Principal

Christine Burns Patti, CFA
Director of Marketing

July 14, 2011

NEWSOUTH CAPITAL MANAGEMENT, INC.
Tel: 901.761.5561
www.newsouthcapital.com

TABLE OF CONTENTS

Organization

- Overview
- Mandates and Clients
- Organizational Structure
- Investment Philosophy

Investment Methodology

- Equity Research Selection Criteria
- Decision Flow
- Our Approach to Value
- Risk Control
- Sell Discipline

Performance

Summary

Appendix

- Business Objectives
- Biographies
- Points of Differentiation
- Portfolio Characteristics
- Reference Material
- Fee Schedule
- GIPS Performance

NEWSOUTH OVERVIEW

Value Investors for over 25 Years

- **FOUNDED 1985**
 - Trow Gillespie & Steve Morrow
- **MEMPHIS-BASED**
- **OWNERSHIP**
 - 10 Active Partners: 74%
 - 3 Private Individuals: 26%
- **EXPERIENCE**
 - 7 of 9 Investment Professionals with Over 20 Years Experience
- **ASSETS**
 - Approximately \$1.9 Billion
- **CLIENTS**
 - Institutional: 80%
 - Private Clients: 20%
- **MANDATES**
 - 4 Equity Strategies

INVESTMENT MANDATES

STRATEGY	INCEPTION	TARGET CAP RANGE	CAPACITY
Small Cap Value	1983	\$250 million to \$2 billion	\$1.2 billion
Small/Mid Cap Value	1996	\$500 million to \$15 billion	\$1.5 billion
Mid Cap Value	1981	\$2.0 billion to \$15 billion	\$3 billion
Value Opportunity	2000	\$500 million++	\$5 billion

REPRESENTATIVE CLIENTS*

Baylor College of Medicine (TX)

Community Foundation of Greater Memphis (TN)

ConocoPhillips (TX)

Gannett Co., Inc. (VA)

John D. and Catherine T. MacArthur Foundation (IL)

Makena Capital Management (CA)

Ohio Public Employees Retirement System (OH)

Omaha School Employees Retirement System (NE)

Phoebe Putney Health System, Inc. (GA)

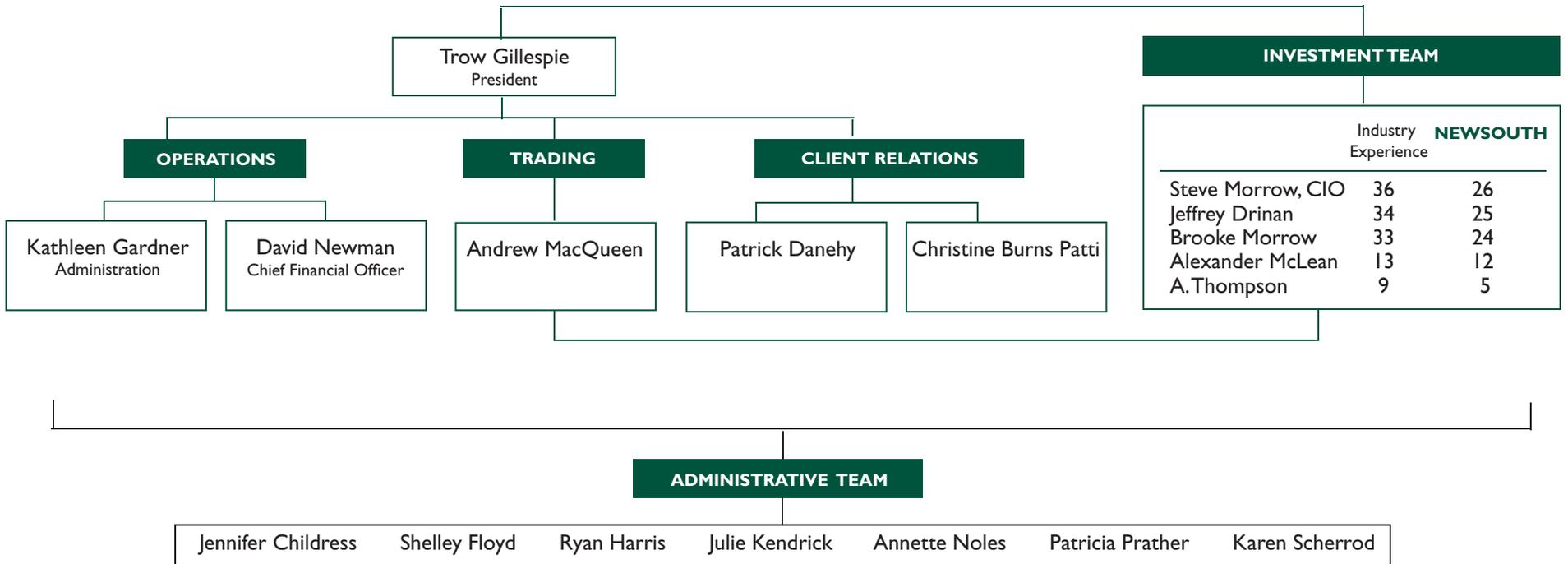
Shelby County Equity Retirement System (TN)

U.A. Plumbers Local #68 Pension Fund (TX)

Weil, Gotshal & Manges LLP (NY)

* In accordance with SEC policy, NewSouth makes the following disclosures concerning this list of clients. It is not known whether the listed clients approve or disapprove of NewSouth or the advisory services provided. NewSouth selected clients representing a wide range of account sizes, types (corporate, pension, municipal, endowment/foundation, taxable and tax-exempt), geographic location, long and short term relationships, and clients who are similar to and readily recognizable by a prospective client.

ORGANIZATION



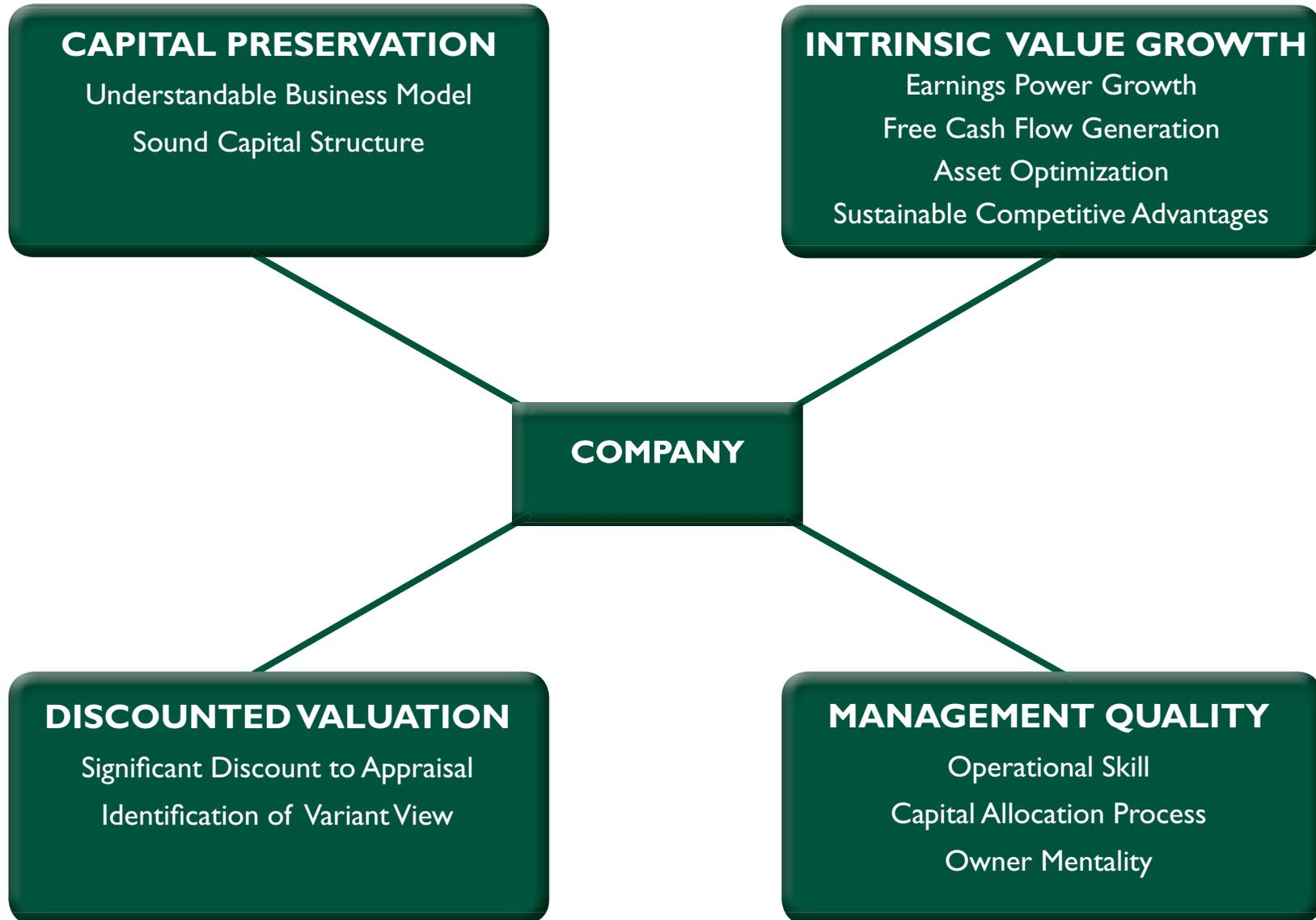
One Investment Team..... One Philosophy..... One Process..... Four Mandates

INVESTMENT PHILOSOPHY

We manage equity portfolios based on our observations and beliefs:

- For identifiable reasons, stock prices fluctuate in relatively wide ranges around company valuations.
- Bottom up stock selection is the highest quality source of excess return.
- Our opportunity universe is a market of companies, not a stock market. We own partial interests in businesses, and our investment time horizon reflects this view.
- We avoid businesses that we cannot confidently value.
- It is important to have thorough knowledge about a company and its industry. However, the key is to identify where our insights differ from the market and understand our degree of conviction in these insights.
- High levels of diversification are a weak substitute for knowledge. Our strategy is best accomplished by concentrating investments in the 25 to 35 best values we can find.
- Risk is a multifaceted concept. While we understand and accept the use of index benchmarks for performance comparisons, our risk control methods emphasize avoiding mistakes in assessing the companies we own and minimizing the performance impact when a mistake does occur. A “margin of safety” for individual holdings and assuring portfolio diversification far supersedes concerns related to benchmark risk.
- Our conviction in individual holdings varies based on our assessment of the fundamentals and the margin of safety. Position size is directly related to conviction.
- All holdings, even wonderful businesses, should be sold when the market price becomes too dear.
- Our money is invested the same way we invest for our clients.

QUALITIES WE SEEK IN A COMPANY



DECISION FLOW

Idea Generation

Financial Screens
Wall Street Research
Boutique Research Providers
Industry Publications / Conferences
SEC Filings – 13D, 13F, 13G
Insider Transactions

Fundamental Analysis

Company Financial Reports – AR, 10-K, 10-Q's
Industry Analysis / Competitive Environment
Management Review – Track Record, Shareholder Orientation
Valuation Analysis
Catalysts – Restructurings, M & A, Management Change, Spin-Offs

Develop, Debate Investment Thesis

Review by Equity Research Team
Examine Risk / Return Tradeoff

Action

ESTABLISH POSITION

PLACE ON MONITOR LIST

REJECT

THE NEWSOUTH APPROACH TO VALUE MANAGEMENT

	<u>Average Allocation</u>
Quantifiable — Current	
1. “Mechanistic” Value <i>Enhanced Index, Quantitative & Diversified</i>	0%
2. Deep Discount <i>Contrarian</i>	20%
Insight Oriented — Future Projections	
3. Reorganizations	20%
4. Discounted Franchise Businesses	60%
5. High Growth Companies	0%

NEWSOUTH APPROACH TO VALUE INVESTING

	Deep Discounts	Reorganizations	Discounted Franchise Businesses
Definition	<i>Fallen Angels; Contrarian Plays; Companies whose current share prices overly discount near and/or long-term fundamental problems. Extreme negative investor sentiment leads to deep discounts to intrinsic value.</i>	<i>Underperforming companies undergoing a restructuring or turnaround possessing understated, underutilized assets or poorly performing business segments that can be restructured, sold or spun off to create shareholder value.</i>	<i>High return, high cash flow generating businesses with strong balance sheets, excellent management and defensible franchises.</i>
Portfolio Exposure	20% average - range of 10% to 25%	20% average - range of 10% to 25%	60% average - range of 50% to 80%
Valuation Methods/Metrics	Price/"Normalized" EPS Price/Asset Value Price/Free Cash Flow	Sum of the Parts Analysis Price/Earnings Price/Cash Flow Price/Asset Value Price/Book Value	Discounted Cash Flow Price/Earnings Price/Cash Flow
Projected Holding Period	1 to 3 years	1 to 5 years	3 years to perpetuity
Company Examples	Brookfield Asset Mgmt Inc. Gannett Inc. Forestar Group Inc. Walter Energy, Inc.	Infinity P & C Scripps Networks Interactive Howard Hughes Corp. HSN, Inc.	Fiserv Inc. ManTech Intl Corp. Autozone Inc. Thermo Fisher Scientific Inc.



FORESTAR GROUP INC. (NYSE: FOR)

Forestar owns directly or through ventures more than 200,000 acres of real estate located in 9 states and 12 markets, 622,000 net acres of oil and gas mineral interests, roughly 175,000 forested and recreational acres, and 1.6 million acres of water interest (45% non-participating royalty interest).

Capital Preservation

- ❑ The balance sheet consists of roughly 30% debt to total book capital and carries no goodwill.
- ❑ Interest is covered by timber sales, royalties, rents, and land sales.
- ❑ Hard assets in the form of land, improvements, timber, and minerals underpin valuation.

Discounted Valuation

- ❑ The value of FOR's operating properties and natural resource assets (excluding potential upside) roughly offsets net debt.
- ❑ At a high teens price per share, the market values the remaining acreage at approximately \$2,500 per acre. This gives little credit for the company's development pipeline of more than 5,000 commercial acres and 40,000 residential acres. 2010 sales of 5,800 acres of undeveloped land averaged \$3,500 per acre.
- ❑ We think the NAV approximates \$40/share.
- ❑ As a spinout that does not fit neatly into a single industry and has no direct comps, FOR has almost no sell-side coverage and is not well understood.

Intrinsic Value Growth

- ❑ The company primarily adds value by entitling and developing land. Residential lots typically sell for more than \$50,000 (2 lots/acre), and commercial developments have typically sold for between \$200,000/acre and \$300,000/acre. Land holdings are concentrated in some of the country's fastest growth corridors.
- ❑ Management has assembled a team to better exploit its oil and gas properties, particularly shale plays in the southern U.S.

Management Quality

- ❑ Within five years of the spinoff (year end 2012) each NEO must own 3x salary in stock and the CEO must own 5x salary in stock.
- ❑ Management has adopted a very shareholder friendly strategy of arbitrating asset values.

HSNⁱ

HSN INC.

(NYSE: HSNI)

HSNI is an interactive multi-channel retailer with two operating segments featured on television, in catalogs, online and in brick and mortar stores.

Capital Preservation

- ❑ With more than \$350 million of cash on the balance sheet, the company carries negative net debt against \$427 million of tangible book equity. It comfortably satisfies all covenants.
- ❑ HSN has developed a strong brand both on television and more recently on the Internet. The company's business has high barriers to entry due to limited space among the prime cable channel slots.
- ❑ HSN's worst quarterly sales comp during the 2008-2009 recession was -4% YOY.

Discounted Valuation

- ❑ Liberty purchased about half of QVC and sold its stake in a Japanese shopping channel for more than 11x FTM EBITDA in each case. If we apply that multiple to HSN, add in a modest value for HSN's catalog business, and add in net cash, we arrive at a value of around \$47 per share.

Intrinsic Value Growth

- ❑ Shopping channels require much less in the way of fixed investment than store-based retailers, allowing for faster growth and more free cash flow.
- ❑ HSN's EBITDA margins are less than half those of competitor QVC, and the management team sees numerous opportunities to improve as it gains market share and leverages its fixed cost base.
- ❑ At Cornerstone, management slashed costs to offset weakness in sales of home-related goods but invested in its strongest catalogs. Efforts are paying off as sales in 2010 grew 19% YOY, and EBITDA improved from a slight loss in 2009 to \$36.2 million in 2010.

Management Quality

- ❑ CEO Mindy Grossman has done a stellar job revitalizing the company. Her compensation is strongly weighted toward performance-based incentives including an equity-based component with three- to four-year vesting periods.
- ❑ Liberty Interactive, which owns 100% of QVC, owns 32% of HSN including a purchase of nearly 2 million shares subsequent to the spinoff.

MANTECH INTERNATIONAL CORP. (NasdaqGS: MANT)

ManTech International Corporation provides technologies and solutions for national security programs in the United States and internationally.

Capital Preservation

- ❑ ManTech has a bulletproof balance sheet. As of the end of 3Q10, LTD of \$200 million is nearly offset by cash in hand of \$152 million. Trailing 12 months EBITDA is \$230 million, and estimated 2010 FCF of \$137 million exceeds net debt by a factor of almost four.

Discounted Valuation

- ❑ MANT at \$40 sells at a nearly 40% discount to our intrinsic business valuation of \$65 per share.
- ❑ ManTech sells at only 11x 2010 EPS estimate of \$3.62, a 30 - 40% discount to MANT's historical P/E multiples.
- ❑ At \$40, MANT sells at an 8.3% FCF yield.
- ❑ While there is a growing concern in the Wall Street community that defense spending may be under pressure in the future, the current valuation of ManTech more than reflects this concern and is overdone in our view. We think any budget pressure will impact large military defense projects more than those niche areas MANT services.

Intrinsic Value Growth

- ❑ ManTech is in the sweet spot for U.S. defense spending priorities. Over 90% of MANT's services are national security based and focused on homeland security, border security, counterterrorism, and cyber security. Threats to the U.S. in these areas are growing, not diminishing.
- ❑ MANT has a consistent record of above average growth in sales and earnings with mid-teens ROE.
- ❑ Sales and earnings have compounded at 23% and 25%, respectively, over the last 3 years. FY2010 estimated EPS of \$3.62 is a 16.5% increase over 2009 earnings level.
- ❑ The business requires almost no capital investment and generates significant and growing FCF.
- ❑ MANT historically has successfully augmented its organic growth with a disciplined acquisition strategy.

Management Quality

- ❑ The company was founded in 1968 by its Chairman and CEO, George Pedersen. Pedersen has an excellent reputation in the defense industry and is largely responsible for the company's growth. Pedersen also owns 38% of the outstanding stock, so his interests are definitely aligned with public shareholders.

INTERNAL PORTFOLIO GUIDELINES & CONSTRUCTION

- 25 to 35 Companies

- Fully Invested

- Portfolio Construction Considerations

- 35% maximum in any one sector;
20% maximum per industry
- The sector impact varies between sectors
- Proprietary macro and micro factor exposure analysis

- Position Sizing

- 10% maximum
- 2% to 4% entry level
- Largest positions
 - Top 5 Top 10
 - 25% to 30% 45% to 55%

- Conviction-Based Sizing

- Discount
- Business Risk
- Our Information Advantage
- Growth of Intrinsic Value
- A Catalyst
- Liquidity
- Diversification

RISK CONTROL

Risk is the probability of underperforming expectations.

Risk is multi-faceted.

OUR RISK CONTROL EFFORTS EMPHASIZE:

Process

- Instills objectivity
- Utilizes devils' advocate perspectives
- Re-evaluates positions whose intrinsic value is marked down
- Company ownership mindset impacts time horizon and turnover

Individual Stocks

- Businesses we understand
- Margin of safety
Value > Market Price
- Strong financial position
- Competent management
- Confirmation of variant view

Portfolio

- Diversification
 - Stock-specific risks
 - Macro factors
 - Industries and sectors
- Position size limits
- Concentration

Risk Control Does Not Involve

- Targeting low tracking error
- Owning low conviction stocks for diversification reasons
- Beta or price volatility metrics

SELL DISCIPLINE

Turnover

- ❑ 20%–35% in dollar terms
- ❑ On average, we add and eliminate six holdings per year

Reasons for Sale of a Position

	<u>Expected Frequency</u>
■ Successful Positions	
❑ Valuation — company approaches or exceeds fair value	30%
❑ We identify an idea which is better	20%
❑ The company is acquired	15%
■ Mistakes	
❑ Unforeseen competitive pressures	20%
❑ Poor execution by management	15%

PERFORMANCE SUMMARY

AS OF MARCH 31, 2011

	Year-to-Date	Last 12 Months	Annualized Last 3 Years	Annualized Last 5 Years	Annualized Last 10 Years	Annualized Since Inception*
NSCM Small Cap Value Total Return						
Gross of Fees	10.5%	37.3%	20.3%	15.0%	12.9%	13.8%
Net of Fees	10.4	36.4	19.4	14.2	12.2	12.8
Russell 2000	7.9	25.8	8.6	3.4	7.9	9.5
Russell 2000 Value	6.6	20.6	6.8	2.2	9.0	11.6 <i>(*Inception: 3/31/83)</i>
NSCM SMID Cap Value Total Return						
Gross of Fees	8.3%	31.7%	18.1%	14.6%	11.4%	11.2%
Net of Fees	8.1	30.9	17.4	13.8	10.7	10.5
Russell 2500	8.7	26.1	8.9	4.4	8.9	9.0
Russell 2500 Value	7.7	22.7	8.0	3.3	9.6	10.5 <i>(*Inception: 5/31/96)</i>
NSCM Mid Cap Value Total Return						
Gross of Fees	7.1%	24.1%	11.4%	9.5%	9.6%	13.5%
Net of Fees	7.0	23.4	10.8	8.8	9.0	12.9
Russell Mid	7.6	24.3	7.3	4.7	8.5	13.0
Russell Mid Value	7.4	22.3	6.6	4.0	9.2	N/A <i>(*Inception: 12/31/81)</i>
NSCM Value Opportunity Total Return						
Gross of Fees	7.1%	28.1%	14.6%	13.2%	11.6%	11.6%
Net of Fees	7.0	27.3	13.8	12.4	10.9	10.9
Russell 3000	6.4	17.4	3.4	3.0	4.1	2.7
Russell 3000 Value	6.5	15.6	1.1	1.4	4.9	4.2
S&P500	5.9	15.3	2.3	2.5	3.3	1.9 <i>(*Inception: 12/31/00)</i>

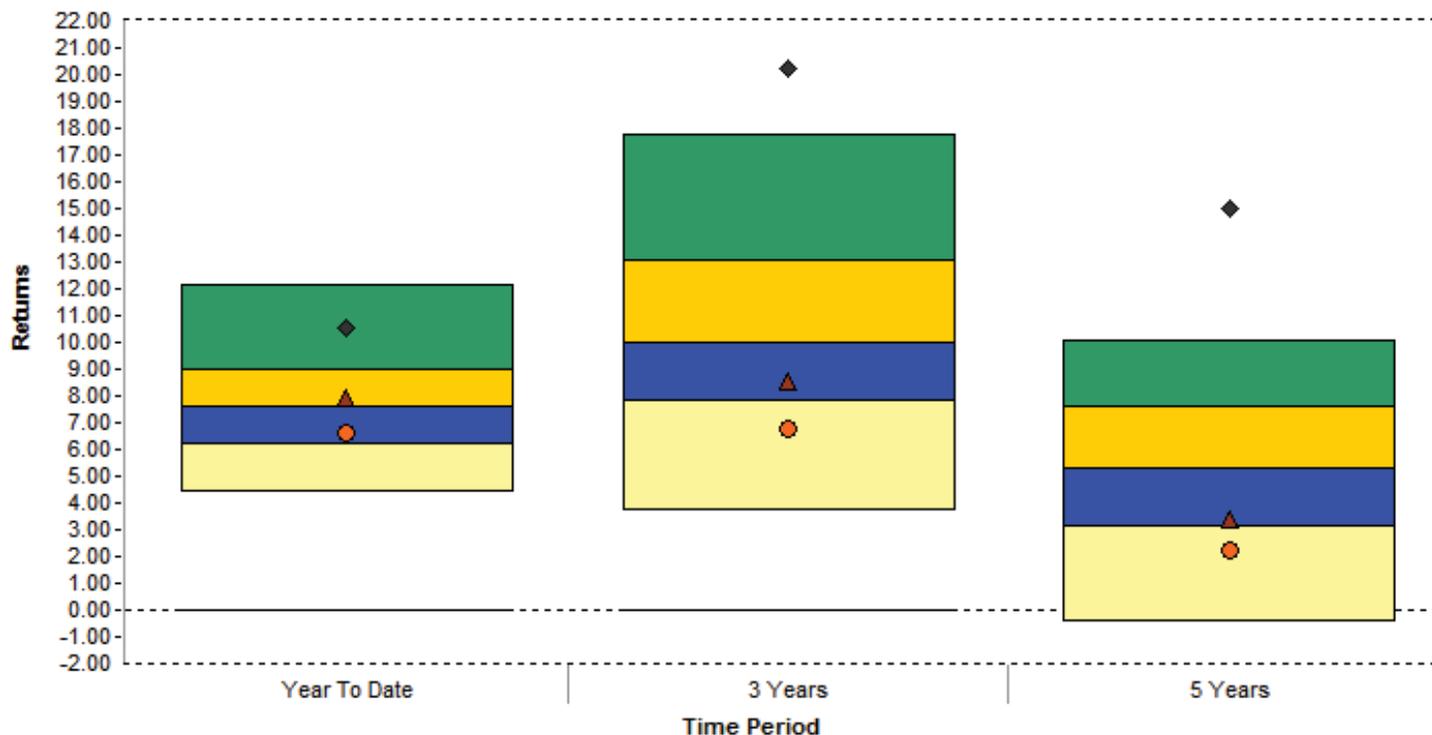
Please call Patrick Danehy (901)761-5561 for a complete list of composites and GIPS disclosures. The accounts included in the composites will invest primarily in companies with market capitalizations similar in size to those found in the benchmark.

NewSouth Capital Management, Inc. claims compliance with the Global Investment Performance Standards (GIPS®). NewSouth Capital Management, Inc. is defined as an independent investment management firm that is not affiliated with any parent organization. For comparison purposes the composite is measured against the appropriate Russell benchmarks. The composite results reflect the reinvestment of dividends, capital gains, and other earnings.

The composite represents 100% of discretionary, tax-exempt assets in fee-paying accounts invested with the designated mandate, with asset values greater than the firm's \$1 million account minimum. Past performance is not indicative of future results. All returns are calculated and reported in U.S. Dollars and are calculated as of calendar month ends. No leverage was used in the strategies.

US Small Cap Value Equity Funds*

As of 3/31/11



- ◆ NewSouth Capital Management- Small Cap Value
- ▲ Russell 2000 Index
- Russell 2000 Value Index

Product Name	Year To Date	3 Years	5 Years
NewSouth Capital Management-Small Cap Value (Gross of Fees)	10.54	20.26	15.03
Russell 2000 Index	7.94	8.57	3.35
Russell 2000 Value Index	6.60	6.76	2.23
5th Percentile	12.12	17.75	10.07
25th Percentile	9.02	13.04	7.64
50th Percentile	7.60	10.03	5.28
75th Percentile	6.24	7.88	3.19
95th Percentile	4.45	3.78	-0.38

*Data and graph from Investworks.com includes separate accounts and commingled funds gross of fees.

There are 266 funds in the peer group with total assets of \$186.3 billion; the average product assets under management is \$700.5 million.

*The NSCM Small Cap Value performance graphic is included as supplemental information and complements a full disclosure which can be found at the end of this presentation.

NEWSOUTH

We are Confident in Our Ability to Positively Impact Client Portfolios.

- An independently-owned organization
- Incentives in place to promote a high energy, positive culture and stability
- An investment team well experienced in research and working together
- A winning investment approach — concentrated value orientation unencumbered by artificial restrictions
- A sound, qualitative approach to risk control
- Assets under management large enough to sustain a robust firm but kept below a level that would compromise investment flexibility
- Client communication directly with investment professionals

APPENDIX

OUR BUSINESS OBJECTIVES AND CONSIDERATIONS

- Meeting and exceeding client performance objectives will always be our top priority.
- The institutional marketplace has evolved to increasingly seek the qualities NewSouth has always exemplified:
 - ❑ The stability and energy of independently owned firms
 - ❑ High conviction investing provides enhanced alpha potential and good value for active fees
 - ❑ Investment flexibility within our areas of expertise is superior to strict style box constraints
 - ❑ Benchmark oriented risk measurement is a weak substitute for true risk management
 - ❑ Increased recognition of the benefits of hiring “complementary” managers
- Close products as they reach projected AUM capacity. Maintain a fee schedule that is in line with the investment approach we are delivering.
- Place a premium on partnering with institutional clients who fully understand and appreciate our approach.

PARTNERS AND MANAGEMENT TEAM

Paul Trowbridge Gillespie, Jr., President

B.A. Vanderbilt University, 1969

Started Firm in 1985 - Client Service, Marketing and Firm Management
Formerly Vice President and Secretary, Co-Founder, Southeastern Asset Management, Inc., (1975–1985);

First Tennessee Investment Management, Inc. (1973–1975); First Tennessee Bank Investment Department (1970–1973)

D. Stephen Morrow, CFA, Chief Investment Officer

B.A. University of Virginia, 1975

Started Firm in 1985 - Chief Investment Officer - Head of Equity Research
Formerly Vice President, Southeastern Asset Management, Inc. (1980–1985); First Tennessee Investment Management, Inc. (1975–1980)

Jeffrey O. Drinan, CFA, Principal

B.A. Northwestern University, 1975; M.B.A. University of Illinois, 1977

Joined Firm in 1986 — Equity Research

Formerly Pension Analyst, Economist, and Cash Manager, Marathon Oil Company (1977–1981); Manager, Acquisitions and Venture Capital; Manager, Trust Investments, Federal Express Corporation (1981–1986)

Brooke A. Morrow, CFA, Principal

B.A. Hollins University, Phi Beta Kappa, 1978; M.B.A. The Colgate-Darden School of Business, University of Virginia, 1983

Joined Firm in 1987 — Equity Research

Formerly Investment Officer, Dominion Bankshares (1978–1981); Manager Strategic Planning, Manager Finance/Sales Analysis, Federal Express Corporation (1983–1987)

Andrew L. MacQueen, CFA, Principal

B.A. Rhodes College, 1987

Joined Firm in 1988 — Head Trader

Formerly Fixed Income Analyst, First Tennessee Investment Management (1987–1988)

Patrick J. Danehy, CFA, Principal

B.A. Appalachian State University, 1986

Joined Firm in 1994 — Client Service, Marketing and Compliance

Formerly Vice President/Senior Strategist, Commerce Investment Corporation (1993-1994); Financial Analyst, Consulting Services Group (1990–1993); Audit Senior, Coopers & Lybrand (1987–1990)

Alexander D. McLean, CFA, Principal

B.A. University of North Carolina at Chapel Hill, 1992; M.B.A. The Wharton School, University of Pennsylvania, 1997

Joined Firm in 1999 — Equity Research

Formerly Associate, Security Capital Group, Inc. (1997–1999); Export Manager, Intertrans Corporation (1994–1995); Import Manager, Intertrans de Mexico, S.A de C.V. (1993–1994); Faculty, The St. Paul's School (1992–1993)

Samuel A. Thompson, Principal

B.A. Furman University, 2002

Joined Firm in 2006 –Equity Research

Formerly Associate, Brown Brothers Harriman (2005); Associate, Blackbaud, Inc. (2004); Analyst, Wachovia (2002–2004)

Christine Burns Patti, CFA, Director of Marketing

B.S. University of Connecticut, 1982; M.B.A. University of Connecticut, 1987

Joined Firm in 2010 – Business Development

Formerly Vice President-Marketing, DKR Capital (2005-2008); Director-Institutional Relationship Management, Credit Suisse Asset Management (2004-2005); First Vice President, Schroder Investment Management (2000–2004); Director-National Account Sales, MetLife (1990-2000); Director-Asset Management Sales, The Travelers (1987-1990)

POINTS OF DIFFERENTIATION

A COMPETITIVE EDGE TO GENERATE EXCESS RETURN

- The desire to fully understand the business and industry of portfolio and candidate companies.
- A long-term investment horizon (low turnover).
- An insistence on purchasing shares at significant discounts to our estimate of intrinsic value.
- A concentrated approach to portfolio construction that maximizes returns from the team's best ideas.

It is not essential to have a unique process to be effective.

It is essential to identify how our insights on individual companies differ from those of the market and to determine our degree of conviction in those insights.

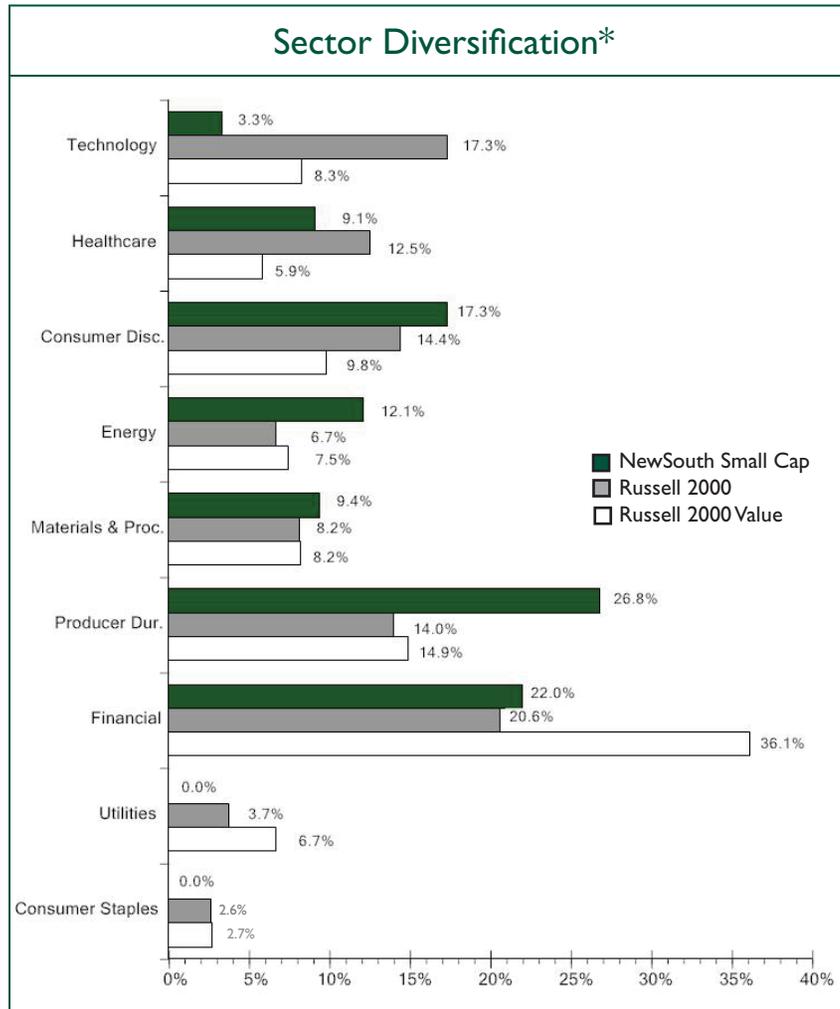
WHY THE MARKET GIVES US OPPORTUNITIES

1. Information edge - we know more about a company than the competition: low coverage/apathy.
2. Time horizon - the current “pricers” of a company are seeking short-term gratification.
3. The market is mispricing a company's business risk (trends and fads - greed and fear).
4. Market participants trading on technical factors (without regard to business valuations).

PORTFOLIO CHARACTERISTICS

Small Cap Value Equity

3/31/11



Sector data based on Russell/Mellon Analytical Services, LLC categorization.

Market Cap Distribution

Market Capitalization	
High	\$7.2 billion
Low	\$160 million
Median	\$1.0 billion
Average	\$1.9 billion
Weighted Average	\$2.1 billion

Top 10 Holdings*

HSN, Inc.	6.0%
Buckeye Technologies Inc.	5.8%
Walter Energy Inc.	5.2%
Gardner Denver Inc.	4.4%
MSC Industrial Direct Co.	4.3%
Infinity Property & Casualty Corp.	4.0%
Brookdale Sr Living Inc.	4.0%
Stewart Enterprises Inc.	3.7%
Jarden Corp.	3.5%
Oceanering Intl. Inc.	3.4%
<hr/>	
Percentage of total portfolio	44.3%

* The NSCM Small Cap Value sector weights and ten largest holdings are included as supplemental information and complement a full disclosure which can be found at the end of this presentation.

NSCM Small Cap Value Portfolio of Investments

3/31/11

	Percent of <u>Assets</u>		Percent of <u>Assets</u>
Technology — 3.1%		Producer Durables — 25.2%	
ManTech Intl Corp.	3.1	Corrections Corp. of America	2.4
		Gardner Denver Inc.	4.4
Health Care — 8.5%		Liquidity Services Inc.	2.4
Brookdale Sr Living Inc.	4.0	Mettler Toledo Intl.	3.0
Kendle International	2.4	MSC Industrial Direct Co.	4.3
Medidata Solutions Inc.	2.1	MTS Systems Corp.	3.0
		Rush Enterprises Inc.	3.2
Consumer Discretionary & Services — 16.2%		UniFirst Corp.	2.5
HSN, Inc.	6.0	Financial Services — 20.6%	
Jarden Corp.	3.5	Amerisafe Inc.	2.1
Pool Corp.	1.2	Ares Capital Corp.	2.8
Scripps E W Co. Class A	1.7	First Cash Financial Services Inc.	3.2
Stewart Enterprises, Inc.	3.7	Forestar Group Inc.	2.8
Energy — 11.3%		Howard Hughes Corp.	1.9
Oceaneering Intl., Inc.	3.4	Infinity Property & Casualty Corp.	4.0
Tesco Corp.	2.7	Stancorp Financial Group	2.5
Walter Energy Inc.	5.2	Walter Investment Management Corp.	1.1
Materials & Processing — 8.8%		TOTAL EQUITIES	<u>93.7</u>
Buckeye Technologies Inc.	5.8	CASH AND EQUIVALENTS	<u>6.3</u>
Haynes International Inc.	3.0	TOTAL PORTFOLIO	<u>100.0</u>

Sector data based on Russell/Mellon Analytical Services, LLC categorization.

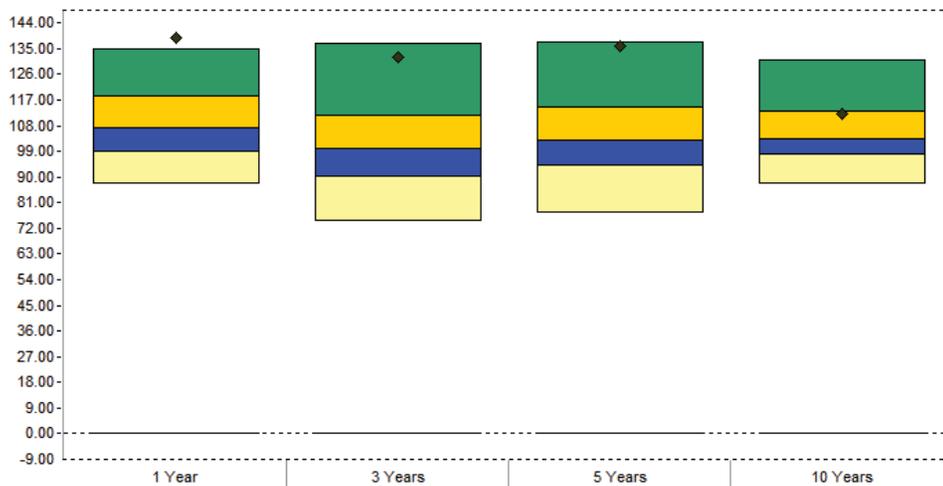
* The NSCM Small Cap Value holdings are included as supplemental information and complement a full disclosure which can be found at the end of this presentation.

US Small Cap Value Equity Funds*

Periods Ending 3/31/11

Over the last 5 years, NewSouth's Small Cap Value equity strategy has a bull market capture of 136.09% and a bear market capture of 61.58% compared to the Russell 2000 Value index. (source: Investworks)

Bull Market Capture



Bear Market Capture



◆ = NewSouth Capital Management– Small Cap Value

Product Name	1 Year	3 Years	5 Years	10 Years
NewSouth Capital Management-Small Cap Value (Gross of Fees)	138.90	131.78	136.09	112.21
5th Percentile	134.72	137.08	137.49	130.84
25th Percentile	118.43	111.46	114.49	113.30
50th Percentile	107.12	100.12	102.92	103.21
75th Percentile	99.15	90.27	94.40	97.97
95th Percentile	87.78	74.77	77.92	88.05

Product Name	1 Year	3 Years	5 Years	10 Years
NewSouth Capital Management-Small Cap Value (Gross of Fees)	82.94	71.27	61.58	85.73
5th Percentile	120.14	109.98	116.93	124.61
25th Percentile	99.84	92.61	94.59	98.71
50th Percentile	90.12	83.76	85.81	87.91
75th Percentile	75.08	74.88	75.77	76.31
95th Percentile	50.00	56.09	55.97	58.64

*Data and graph from Investworks.com includes separate accounts and commingled funds gross of fees. There are 266 funds in the peer group with total assets of \$186.3 billion; the average product assets under management is \$700.5 million.

*The NSCM Small Cap Value performance graphic is included as supplemental information and complements a full disclosure which can be found at the end of this presentation.

PORTFOLIO ACTIVITY

Small Cap Value Equity

Year	Dollar Turnover	Companies Added	Companies Eliminated
2002	20%	5	6
2003	27%	7	8
2004	27%	5	9
2005	36%	8	6
2006	34%	8	10
2007	24%	4	5
2008	32%	5	4
2009	19%	4	3
2010	29%	9	4
2011 (3.31.11)		0	1

* The NSCM Small Cap Value portfolio activity is included as supplemental information and complements a full disclosure which can be found at the end of this presentation.

NEWSOUTH EQUITY FEE SCHEDULE

Small Cap and Small/Mid Cap Value

1.00% on the first \$25 million
0.85% on the next \$25 million
0.75% over \$50 million

Mid Cap Value and Value Opportunity

0.75% on the first \$25 million
0.65% on the next \$25 million
0.60% over \$50 million

Minimum Account Size

\$5,000,000

Performance fees available upon request.

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	2.2%					\$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%
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 (3.31.11)	10.5%	10.4%	7.9%	6.6%	9.2%	28	N/A	32%	27%	28%	27%	\$639.7	\$709.9	\$1,847.9	1.6%

* Represents the last nine months of 1983

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 March 31, 2011. 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 March 31, 2011. 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. 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 \$5,000,000. Past performance is not indicative of future results.

Independent Verifier's Report

NewSouth Capital Management, Inc.
1100 Ridgeway Loop Road, Suite 444
Memphis, TN 38120

We have verified the compliance of NewSouth Capital Management, Inc. (the "Company"), as defined in their annual disclosure presentations, with the requirements of the Global Investment Performance Standards (GIPS®) on a firm-wide basis from January 1, 1999 through March 31, 2011 and whether the Company's processes and procedures are designed to properly construct composites, calculate performance results and present composite information in compliance with the GIPS standards. In addition, we have examined the performance results in the accompanying performance presentations and disclosures of the Company's *Small Cap Value Composite* from January 1, 1999 through March 31, 2011. The Company's management is responsible for compliance with the GIPS standards, the design of its processes and procedures, and for the Quarterly Performance Presentation, Annual Performance and the NSCM Small Cap Value Disclosure Statement. Compliance with the Standards does not obviate the need for due diligence on the part of prospective or current clients or consultants in evaluating performance data and other important qualitative research on investment managers. Our responsibility is to express an opinion based on our verification and performance examination.

Our verification was conducted in accordance with the verification procedures set forth in the GIPS standards. Also our performance examination was conducted in accordance with the procedures set forth in the Guidance Statement on GIPS Performance Examinations. These procedures included examining, on a test basis, evidence about the Company's compliance with the GIPS standards, evaluating the design of the Company's processes and procedures referred to above, performing the procedures for a performance examination and performing any other procedures we considered necessary in the circumstances. Verification, including a performance examination, is not an audit of financial statements and is substantially less in scope than such. It does not involve forensic testing of every transaction in every account and does not ensure the absolute accuracy of performance information or guarantee against fraudulent activity. We believe that the procedures completed provide a reasonable basis for our opinion.

In our opinion, the Company, in all material respects, has complied on a firm-wide basis with the composite construction requirements of the GIPS standards as adopted by the CFA Institute. Additionally, the Company's processes and procedures are designed to calculate and present performance results in compliance with the GIPS standards. Also, in our opinion, the performance in the accompanying performance presentations and disclosures of the Company's *Small Cap Value Composite*, for the period stated above, reflects results that comply with the calculation requirements of the GIPS standards in all material respects. The Quarterly Performance Presentation, Annual Performance and the NSCM Small Cap Value Disclosure Statement are an integral part of this opinion.

Ashland Partners + Company LLP

Ashland Partners & Company LLP
May 30, 2011

**NEWSOUTH CAPITAL MANAGEMENT, INC.
SMALL CAP VALUE COMPOSITE
QUARTERLY PERFORMANCE PRESENTATION**

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

		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Annual
2011	Gross	10.54%				
	Net	10.36%				
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%)
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 Verifier's Report, Annual Performance and the NSCM Small Cap Value Disclosure Statement are an integral part of this presentation.



NEWSOUTH

NEWSOUTH CAPITAL MANAGEMENT, INC.

www.newsouthcapital.com

1100 Ridgeway Loop Road, Suite 444
Memphis, Tennessee 38120-4058 USA
Tel: 901.761.5561
Fax: 901.761.5699