

Notes Regarding Our Performance Data

The paragraphs that follow contain certain information regarding the description of Willis Investment Counsel (WIC) investment portfolios and the methods by which portfolio returns are calculated. These notes are an integral part of WIC's performance data and should be read in conjunction with any WIC performance-related information. WIC historical performance data are available upon written request.

1. Compliance with Global Investment Performance Standards. Starting January 1, 1997, WIC's compliance with the Global Investment Performance Standards (GIPS®) has been verified by Ashland Partners & Company LLP. In addition, a performance examination was conducted on the tax-exempt balanced composite, tax-exempt equity composite, and tax-exempt bond composite beginning January 1, 1997. Each Independent Verifier's Report issued by 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.
2. Total Returns. All WIC returns are total returns and include reinvestment of income and realized and unrealized gains and losses. WIC returns are time-weighted using IRR calculations and are generally quarterly-linked, monthly-linked beginning on January 1, 2003. WIC returns are net of brokerage transaction and custodian costs. Composite returns are asset-weighted for years 1997 to date. For most years, there is no material difference between WIC's size-weighted and equal-weighted returns.
3. Fees and Costs; Impact on Returns. When WIC fees have been deducted, WIC returns are clearly labeled "net." If WIC fees have not been deducted, WIC returns are labeled "gross before fees." Client portfolio values and returns are reduced by WIC fees. WIC annual fees are described in our Form ADV, Part II, on file with the U.S. Securities and Exchange Commission and average less than 1.00% firm-wide. Fee examples: for portfolios valued at \$7,000,000, our annual fee is 0.64%; at \$4,000,000, 0.75%; at \$2,000,000, 1.00%; at \$1,000,000, 1.35%; at up to \$1,000,000, 1.43%; and if over \$10,000,000, negotiable. The following hypothetical example shows the impact of a 1.43% annual WIC management fee: a 25-year annualized return of 8.75%, gross before fees, is reduced to 7.32% net of fees. Return comparisons to the S&P 500 Index and other stock indices are gross before fees inasmuch as such indices include no fees.
4. Composite Description. Since 1982, composites have consisted of all fully-discretionary, actively managed client portfolios. However, not all clients are included in our composites: Non-discretionary client portfolios are excluded (i.e., those portfolios with respect to which clients have imposed restrictions on the holdings and/or management of their portfolios), as are portfolios valued at less than \$300,000.

WIC's tax-exempt balanced composite, created in 1997, includes all fully-discretionary tax-exempt clients that are managed as balanced portfolios, that are valued over \$300,000, and that have been clients for at least six months. 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 (cash), calculated monthly. For years prior to 2008, the benchmark was calculated annually.

WIC's tax-exempt stock composite, created in 1997, 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 WIC's investment strategy. It also includes the equity component of WIC's tax-exempt balanced composite. The portion of this composite that has been carved out of our tax-exempt balanced composite has ranged from 100% in 1997 to 14% in 2008. The comparative benchmark is the Wilshire 5000 Index, calculated on a rolling twelve-month basis.

WIC's tax-exempt bond composite, created in 1993, includes all fully-discretionary tax-exempt fixed income clients that are managed as fixed income portfolios, that are valued over \$300,000, and that are fully invested. For periods prior to 2009, it also includes the fixed income component of WIC's tax-exempt balanced composite if the total portfolio was valued over \$300,000. Beginning in 2009, only those portfolios with a fixed income component greater than \$300,000 will be 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. The comparative benchmark is the Barclays Capital Aggregate Index calculated on a rolling twelve-month basis.

WIC composites include all former clients for years noted above. Clients' returns vary due to client entry dates, cash flow, and constraint differences. WIC includes portfolios in a composite on the first day of the first month following the thirtieth day after all portfolio assets have been transferred to WIC's custodian and WIC has been given full management discretion. Cash basis accounting was used during the period 1982-1992; accrual basis since January 1, 1993. All composite valuations are in U.S. dollars, and return calculations are generated by Advent/Axys software. WIC employs trade date accounting. All WIC composites and supporting detail are available for review at our office.

5. Market Returns. For general comparison to market returns, we use the S&P 500 Index and the Wilshire 5000 Index for equities, the Barclays Capital Aggregate Index for bonds, and a mixture of 60% Wilshire 5000/39% Barclays Capital Aggregate Index /1% T-bill is used for balanced portfolios. These comparative market index returns are all total returns, gross before any fees or transaction costs, and exclude cash; the balanced index includes cash. All WIC returns are shown net of custodian and transaction costs, and are shown both gross and net of our fees. WIC returns for any time period are available upon request. Wilshire and S&P 500 returns for any time period can be found at www.wilshire.com and www.standardandpoors.com. We use those sources and Morningstar's Ibbotson data for historical market data.
6. Our Clients' Quarterly Reports. Our clients' quarterly reports provide (i) a list of all securities bought and sold, together with associated realized and unrealized gains and losses, (ii) the amount of all WIC fees paid, and (iii) year-to-date and since inception rate of return data.
7. Prospective Performance. Past portfolio performance is not predictive of future portfolio results.