Portfolio commentary\(^1\)

The Mittleman Global Value Equity Fund – Class P declined 4.6% net of fees in the second quarter of 2019, underperforming the MSCI ACW Total Return Index by 9.5%.

In Q2 2019, the top three performing stocks, from a contribution standpoint, were CMIC Holdings (2309 JP): $13.88 to $18.94 (+36.8%), Sberbank (SBRCY): $13.18 to $15.28 (+17.1%), and First Pacific Co. (142 HK): $0.36 to $0.41 (+11.4%).

The bottom three performing stocks, from a contribution standpoint, were AMC Entertainment (AMC): $14.85 to $9.33 (-35.8%), Clear Media (100 HK): $0.88 to $0.58 (-33.8%), and Village Roadshow (VRL AU): $2.30 to $1.98 (-14.0%).

Detailed portfolio commentary for Q2 2019 follows below.

Quarterly investment review\(^1\)

“Now, just remember that this thing isn’t as black as it appears.” — George Bailey, It’s a Wonderful Life\(^5\).

Equity markets were broadly higher in Q2 2019. Large-cap outperformed small-cap equities and growth remained in vogue over value once again. The S&P 500 returned 4.3% during the quarter and 18.5% calendar year-to-date. International (non-US) equities underperformed the US, even as the US dollar weakened. Developed markets, as measured by the MSCI EAFE Index, rose 3.7%, with strength from continental Europe. Emerging markets, as measured by the MSCI EM Index, eked out a 0.6% gain, hampered by China trade concerns.

Nothing transpired during Q2 2019 that was so fundamentally negative as to justify the Fund’s already incredibly undervalued collection of equities getting cheaper, Meanwhile, generally expensive shares continued to rise sharply.

Today, as in 1999, what the Fund owns is very cheap, and what is popular is very expensive. The popular, expensive shares have won the race over the past few years, and decisively so.

Today, as in 1999, what the Fund owns is very cheap, and what is popular is very expensive. The popular, expensive shares have won the race over the past few years, and decisively so.

The disparity in returns is reflective of the four years leading up to early 2000, where MIM also endured significant underperformance. Back then, substantial out-performance for the ensuing 7 years followed. The reason the comparison between then and now has

1. The securities herein identified and described do not represent all of the securities purchased, sold or recommended for client accounts. The reader should not assume that an investment in the securities identified was or will be profitable. There is no assurance that any securities discussed herein will remain in the portfolio at the time you receive this report, or that securities sold have not been repurchased. There can be no assurance that investment objectives will be achieved. All dollar amounts within this report are in USD unless otherwise stated.
2. Performance figures are presented in AUD on a net, pre-tax basis and assume the reinvestment of distributions. Past performance is not an indicator of future performance. Figures in the table may not sum correctly due to rounding.
3. Since inception returns are annualised and calculated from 13 October 2017. Past performance does not guarantee future results.
4. Portfolio holdings, country allocation and sector allocation of MGVEF are as of 30 June 2019 and are subject to change and should not be considered as investment recommendations to trade individual securities. Country allocation does not include cash.
5. George Bailey (played by James Stewart) is a fictional character and the protagonist in Frank Capra’s 1946 film It's a Wonderful Life. The character is a banker who sacrifices his dreams in order to help his community, to the point where he feels life has passed him by.
become even more relevant is that the arguments are beginning to sound the same.

In late 1999, for example, Chris Mittleman cited (as a cautionary comparison) the ‘Nifty-50’ stocks at the interim market peak of 1973. Each of Avon, Polaroid and Xerox were trading at 50x earnings or more, right before the brutal ’73-’74 bear market during which they dropped 70% to 85% (as the Dow Jones lost 44%). Now, Chris is citing 1999 to alert investors to (what may prove to have been) an untenable bifurcation between the valuation-haves and have-nots of today.

Is it different this time? In many ways it is, just as 1999 was very different from 1972 in many important ways. Yet human nature remains the same; short on memory, long on emotion, and thus an ongoing impediment to intelligent investing.

MIM believes the Fund has immense upside potential from current prices; about 127% to MIM’s current conservative estimate of fair value. Whilst it is impossible to predict the extent and the timing of the realisation of these prospective gains, history suggests they might be realised swiftly6.

These are the wages of concentrated contrarian value-investing: long-term out-performance comes, but usually in large chunks, and the periods in which such chunks are in absence can be painful when the popular averages are surging.

History is replete with examples of investors with outstanding long-term track records who endured multi-year periods of underperformance at various points along their path to great success. In a speech presented to Columbia University in 1984 (The Superinvestors of Graham-and-Doddsville) Warren Buffett discussed how some of the best value-oriented investment disciples of Ben Graham managed to significantly outperform the market over decades despite having to endure some big and extended bumps along the way.

MIM continues to see significant value in the unpopular, owning very few holdings in common with other managers and popular indices, so being so out of sync with them in any given time frame is no surprise. The businesses MIM owns are performing largely in line with its expectations and at some point MIM expects to see fair value expressed in their share prices.

Investing is a great business, as every day offers the prospect of finding something new and potentially even life-changing if one is diligent and disciplined. Chris Mittleman has enjoyed many such discoveries and acquisitions over nearly three decades. Set-backs have often led to unusually attractive opportunities, and the current portfolio set is as exciting as any that Chris has ever owned for his clients, not least as there are an unusual number of catalysts embedded in the portfolio that could manifest in the near term7.

Some colour on the stocks that contributed to and detracted from performance of the Fund in Q2 2019 follows.

**CMIC Holdings (2309 JP)**

CMIC’s share price rose from $13.88 to $18.94, for a return of +36.8% (dividends included). CMIC is one of the largest CROs (Contract Research Organisations) in Japan. It benefits from the secular tail wind of increasingly outsourced R&D spending by Japanese pharmaceutical companies. MIM likes that the founder and CEO, Kazuo Nakamura, still owns about 40% of the shares. MIM thinks fair value for CMIC is about $26, over 35% higher than the quarter-end price, which would put this growing company at only 8x EBITDA, versus 15x EBITDA for PRA Health Sciences (PRAH) and 18x for IQVIA Holdings (IQV), both much larger players in the global CRO peer group.

**Sberbank (SBRCY)**

Sberbank’s share price rose from $13.18 to $15.28, for a return of +17.1% (dividends included). Sberbank has been a strong contributor to the portfolio despite many referring to Russia as ‘uninvestable’ at the time of MIM’s initial investment in 2014. The company ranks #1 among all banks on a Return on Assets and Return on Equity (over 22%) basis, and the stock remains very cheap today at a P/E of 6x. MIM sold some of its position in Sberbank around $20 in early 2018 and it sees fair value in the mid-$20’s based on a P/E multiple of 10x est. 2019 EPS of $2.50 and 2.1x book value of $12 (all of which assumes RUB/USD exchange rate at 69, flat with the 31 December 2018 value). The Russian Ruble YTD has risen by nearly 10% year-to-date, and if that is sustained, MIM may raise its estimate for fair value accordingly.

**First Pacific Co**

First Pacific Co.’s share price rose from $0.36 to $0.41, for a return of +11.4% (dividends included). First Pacific is a simple sum of the parts situation, where almost all of its value is in three publicly traded stocks in which it has a controlling interest. A marked-to-market NAV as of 30 June 2019 = $4.26B = $1.00 per share versus a closing share price of $0.41 per share. First Pacific is a substantial conglomerate with telecom, food and infrastructure (among other business lines). It serves end markets primarily in the Philippines and Indonesia. The investees pay substantial cash dividends to the holding company, which in turn pays a decent yield of about 4% on its current price. Corporate overhead at the holding company is only $26M annually, only 0.61% of NAV. First Pacific recently released an insightful information summary for investors: First Pacific: Information Summary for Investors

**AMC Entertainment (AMC)**

AMC’s share price fell from $14.85 to $9.33, for a return of -35.8% (dividends included). AMC is the largest movie theatre company in the world. It has been savaged by short-sellers who seize upon every downdraft at the box office to question the viability of the business. Yet total gross box office receipts were a record in 4 of the past 6 years, and in 6 of the past 10 years, even given that Netflix and Amazon Prime grew significantly over that period. This is not a dying business. Patrons go to the theater when the content is there, and still like to go to the theatre when the content is not amazing.

A similar scenario occurred in Carmike Cinemas (which was bought out by AMC). Its price fell from $19 in 2010 to $5 in 2011 amidst aggressive short selling and concerns about margins and profitability. Record box office results followed in 4 of the next 5 years and Carmike was bought out (by AMC) for >$33/share in 2016. Short sellers in AMC may face similar disappointment in the near term.

AMC’s stock has also been pressured by the market’s misunderstanding of a new lease accounting standard, ASC 842, that (cosmetically) results in inflated valuation metrics and overstated leverage ratios.

---

6. There have been 5 calendar years (out of MIM’s 16 completed calendar years) in which MIM’s Composite performance (in USD) gained more than 45%, and those 5 years saw an average gain of over 79% (2003: 82.6%, 2009: 150.9%, 2010: 64%, 2012: 49.2%, 2013: 49.5%).

7. Despite poor recent results MIM’s Composite still held the #1 position over the 10 years ending 31 March 2019 (Q2 2019 rankings are not yet available) in the Broadridge/Lipper Asset Class Rankings for Global Equity Managers. That covers a 10-year period in which value stocks and strategies have significantly underperformed growth stocks and strategies.
AMC’s subscription program (A-List) has been a big success. It has attracted over 860,000 paid subscribers in just 12 months (the company forecast 500,000 subscribers in year 1 of the program). In addition, AMC increased prices by 20% in higher cost urban areas with no resistance. A-List is also providing a boon to concessions (food and beverage) sales, which have a c. 85% gross margin. Attendance is also positively impacted; most A-list members bring a friend or family member with them to the movies who (if not a subscriber) pay the full- ticket price.

At AMC’s Q2 2019 closing price of $9.33, the stock has an 8.6% dividend yield and trades at 3x FCF of $300M. MIM sees fair value at $26, which is 10x EBITDA (reduced by ASC 842) and 12x FCF.

Clear Media (100 HK)

Clear Media was down sharply in Q2 2019 (after being the 3rd biggest contributor to performance in Q1 2019). The stock fell from $0.88 to $0.58, a fall of -33.8% (dividends included). This was a vast overreaction to cautious earnings guidance that the company issued in April 2019. The stock closed Q2 2019 at a valuation of only 2.5x EBITDA of $100M (down from $109M in 2018), in an industry where major players almost never trade for less than 10x EBITDA. Moreover, most of those are highly leveraged entities, whereas Clear Media has a net cash balance sheet. There are also sizeable cash dividends. MIM started buying Clear Media within its Composite Portfolio Changes in November 2012 when the stock had a market cap. of USD 282M; it has since paid USD254M in cumulative cash dividends.

Recently, there have been some encouraging private market transactions. In November 2018 the largest outdoor advertising firm in the world, JCDecaux SA (DEC FP), closed on its cash buyout of APN Outdoor (APO AU). It paid 11x EBITDA (AUD 1.167B EV / AUD 103M EBITDA est. for 2019). In addition, Chinese giant Alibaba paid about 18x EBITDA for a 6.6% stake Focus Media (002027 CH), a much larger firm in China that handles indoor/ in-building flat screens for advertisers, in July 2018.

If Clear Media attains 10x EBITDA (est. USD 100M for 2019) it would be USD 2.00 per share, up +245% from the 30 June 2019 closing price of USD 0.58 per share. This does not include the sizable cash dividend payments that MIM expects to be forthcoming.

Village Roadshow (VRL AU)

Village Roadshow operates primarily theme parks and movie theatres, almost all of which are located in Australia. The stock had more than doubled from its July 2018 lows by May 2019, and MIM had lightened up the holding to rebalance the position weighting. Then the stock dropped about 27% from mid-May to the end of June for no legitimate reason. A plan to increase cap-ex on renovating and expanding certain parks makes sense, but it may have disappointed some investors. Changes to the Board of Directors and the CEO have addressed some concerns levied by activist investors (not MIM this time), but not entirely. In any case, MIM likes the business, and thinks it is worth A$5.35/US$3.75. This valuation is 3.6x FCF of A$627M; it has since paid USD254M in cumulative cash dividends.

Portofolio Changes

American Equity Investment Life Holding (AEL)

MIM initiated a position in American Equity Investment Life Holding (AEL) in Q2 2019. AEL is one of the pioneers in fixed indexed annuities (FIAs) and the last pure play businesses of its type. AEL has been an attractive organic growth story in insurance/ retirement savings products since these products originated in around 1995. It has since steadily taken market share from variable annuities. The Board of AEL has an average age of 70.5, average tenure of 13.5 years and average share ownership of $3.2M each (a total of about $32M in AEL shares is held by the entire board).

Chris Mittleman learned about this business when Harbinger Group (HRG), now Spectrum Brands (SPB), bought Old Mutual Plc’s U.S. life insurance business in 2010 for $350M and renamed it Fidelity Guarantee and Life. HRG took it public in 2013 and sold it for a huge gain in May 2017 to a Blackstone-led SPAC now called FGL Holdings (FG) at 11.3x EPS (2016) and a 1.13x BV (ex-AOCI) for a 10% ROE business.

AEL currently has an ROE in excess of 14%. At the same multiple of 11.3x EPS (est., $4.00 in 2020) it should trade at 1.5x book value (ex-AOCI) of $30, or $45. That is +66% from AEL’s 30 June 2019 price of $27.16. MIM paid just over $29 for the position.

In May 2018 AEL was approached by unnamed buyers but no deal materialised. It appears (from court filings) that Athena (A; a giant in this business that is controlled by Apollo) was amongst the bidders. On 7 June 2019 the company announced it was no longer in talks to be sold and the stock dropped from $30 to $27.

If no transaction occurs MIM is happy owning the stock as it likely will continue its growth trajectory for years to come as an aging population in the U.S. increasingly needs FIA products. But given the age and heavy ownership of the directors and management, a sale may be more likely than not at some point in the not too distant future.

KB Financial Group (KB)

In order to make room in the portfolio for AEL, MIM sold its remaining stake in the large Korean bank, KB Financial Group (KB). While MIM’s final sale of KB at $38.50 looks uninspiring (small gain or loss depending on entry date), it had sold about half of the position near $60 in late December 2017 into January 2018 (as it neared MIM’s estimate of fair value). Whilst MIM still thinks significant upside in KB remains, there is a more attractive risk/ reward in AEL.

Special Comment on the Fund’s Largest Holdings

Revlon (REV)

Ronald Perelman (Revlon’s largest shareholder via his holding company, MacAndrews & Forbes Incorporated) was an active open market buyer of Revlon in Q2 2019 (at prices as high as $23.75). This brings his YTD purchases to over 875K shares and total ownership to 87%. Once again, MIM believes the worst-case scenario here to be a tender offer that is well above the current stock price.

MIM’s minimum estimate of fair value is in the mid-$40s vs. Revlon’s $19.33 stock price at the end of Q2 2019.

MacAndrews & Forbes extended its standstill agreement on 21 September 2018 for another year, which was initiated at MIM’s prodding in September 2017. Even though the agreement expires soon, it seems highly unlikely that Perelman will reach 90% ownership (the threshold required to do a short-form merger) through open market purchases. Of the 13% of the shares outstanding that Perelman doesn’t own, MIM controls roughly 4.3%, index funds ~4%, and ~2% is in the hands of other informed value.
A special purpose acquisition company (SPAC) is a publicly traded company that raises a blind pool of capital through an initial public offering (IPO) for the purpose of acquiring an existing statutory shareholder rights. MIM will not be subdued in seeking received enough votes to attain the minimum 50% of "votes for" election of all director nominees who would otherwise not have just fulfilled. This action is being pursued notwithstanding the On 22 July 2019 Aimia sued MIM for breach of the standstill it under a ‘standstill agreement’ signed on 23 March 2018. On 1 July 2019 the standstill agreement expired. On 28 June 28 2019, at Aimia’s unusually brief Annual Meeting of all Board nominees and the other matters put forth in the proxy statement. About 2.5 million shares remain short, which is more than the tradeable float. The bonds have rallied CYTD while the stock has languished. There is just one equity analyst covering the stock. But there is more comprehensive research coverage on the debt, and those analysts appear to appreciate the deleveraging story underway and the fundamental improvement in the business. It is also not lost on MIM that the best performing S&P500 stock in the first half of 2019 was Coty (COTY), which is Revlon’s closest comparable. Fundamentally, Revlon’s mass market brands (Revlon, Almay) seem to be in better shape than Coty’s (Covergirl, Rimmel). For example, Covergirl’s square footage at Ulta (the largest U.S. beauty retailer) diminished and Rimmel is now completely out of Ulta stores, while Revlon and Almay both increased shelf space. Revlon's prestige business, Elizabeth Arden, continues to do well, particularly overseas and in the airport duty free shops.

**Aimia (AIM CN)**

On 28 June 28 2019, at Aimia’s unusually brief Annual Meeting in Toronto and as proxy for the roughly 23% of Aimia shares outstanding controlled by MIM, Chris Mittleman voted in favour of all Board nominees and the other matters put forth in the proxy circular, for the second year in a row. This fulfilled MIM’s obligations under a ‘standstill agreement’ signed on 23 March 2018. On 1 July 2019 the standstill agreement expired. On 22 July 2019 Aimia sued MIM for breach of the standstill it had just fulfilled. This action is being pursued notwithstanding the election of all director nominees who would otherwise not have received enough votes to attain the minimum 50% of “votes for” required for election (had MIM’s compelled votes been withheld). The suit also seeks to enjoin MIM from requisitioning any special meeting of shareholders now that it is free to do so.

MIM views this action as baseless and a wasteful legal harassment designed to silence Aimia’s largest shareholder from exercising its statutory shareholder rights. MIM will not be subdued in seeking vastly improved corporate governance at Aimia. The Fund will not bear any legal costs associated with the defense of this suit.

Aimia is a highly unique combination of:

- cash ($375M),
- minority stakes in fast growing businesses (PLM/Aeroméxico, Big Loyalty/AirAsia and Cardlytics (CDLX), worth an estimated C$748M combined, and
- C$650M in capital losses and net operating losses (NOLs) in Canada, the U.S. and the U.K.

It has no debt, as it is being financed by C$323M perpetual preferred shares at a 5.26% blended variable rate, costing about C$17M in preferred dividend pay-outs per year.

At last price of C$3.84 Aimia appears to be trading at a 45% discount to its NAV per share (which MIM calculates at C$7.00). Aimia is like a SPAC10, but vastly superior; it has no time limit, with highly attractive investments already made, plenty of cash remaining, huge tax assets and very attractive perpetual preferred stock financing. Moreover, instead of paying the usual $10 IPO price for a new SPAC, the Fund’s investors are paying $5.50 but still getting $10 in value on day one.

The key remaining asset at Aimia is Premier Loyalty & Marketing (“PLM”), the Aeroploy of Mexico (of which Aimia owns roughly 49%). Analysts covering Aimia estimate PLM’s value at roughly half of Aimia’s overall net asset value. Notably:

- gross billings grew from US$153M in 2014 to US$244M in 2018 (12.4% CAGR over 4 years),
- members grew from 3.7M to 6.1M during that period (13.3% CAGR),
- adjusted EBITDA grew from roughly break-even in 2014 to US$78M in 2018, and
- the EBITDA margin is currently 35%.

MIM thinks adjusted EBITDA will be US$90M in 2019 and that the business cannot be worth less than 10x EBITDA, making Aimia’s 49% stake in the US$900M enterprise value worth US$441M (CAD 592M) = C$5.00 per share.

There is no other way for an investor in securities to invest in such a profitable, fast growing airline-anchored loyalty program with shareholder protections in place (that Aeroplan did not have once it fully separated from Air Canada).

If a company such as Delta (owner of 49% of Aeroméxico, owner of 51% of PLM) doesn’t buy PLM out for a fair price, MIM expects the market will eventually appreciate the asset via the cash dividends it pays (approaching C$20M per year to Aimia for its share). It is nearly recession-proof, it is debt free, and its is a business MIM thinks can triple in size over the next 10 years (11.6% CAGR, less than the 12.4% sales growth CAGR of the past 4 years). This is a business one would normally expect to pay a premium to access, yet Fund investors are getting it via Aimia at a huge discount.

The C$323M in perpetual preferred stock has no maturity. It is more equity-like than normal preferred stocks, which are more debt-like in nature. Thus while it is a liability and a debit against NAV, it is valuable in that it is a very cheap form of equity financing. Along with the tax assets, the preferred stock provides a unique strategic advantage to Aimia as a permanent capital investment vehicle.

MIM has successfully invested in holding companies like this before (Leucadia LUK – now Jefferies (JEF), Brascan (BRS/A) now Brookfield Asset Management (BAM), American Real Estate Partners (ACP) now Icahn Enterprises (IEP), Sam Zell’s Danielson Holdings (DHC) now Covanta (CVA), and Harbinger Group (HRG) now Spectrum Brands (SPB) among others). This is the most attractive ‘set-up’ it has found. Even if Aimia doesn’t ultimately become a perfect permanent capital/ investment vehicle, it is still worth nearly double the current share price. Again that gives $0 value to the nearly C$650M in tax assets (CA, US, UK), and also gives $0 value to the ongoing wholly- owned loyalty businesses (ILS & ISS). Albeit these businesses are currently burning cash (and thus might have negative value), MIM thinks cash-flow breakeven is achievable by year-end.

---

10. A special purpose acquisition company (SPAC) is a publicly traded company that raises a blind pool of capital through an initial public offering (IPO) for the purpose of acquiring an existing company.

Mittleman Global Value Equity Fund * 4
### Top 10 holdings

<table>
<thead>
<tr>
<th>Stock</th>
<th>Country</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aimia Inc</td>
<td>Canada</td>
<td>21.7%</td>
</tr>
<tr>
<td>Revlon</td>
<td>US</td>
<td>12.7%</td>
</tr>
<tr>
<td>International Game Tech</td>
<td>US</td>
<td>7.2%</td>
</tr>
<tr>
<td>KT Corp</td>
<td>Korea</td>
<td>6.8%</td>
</tr>
<tr>
<td>Village Roadshow</td>
<td>Australia</td>
<td>6.6%</td>
</tr>
<tr>
<td>CMIC Holdings</td>
<td>Japan</td>
<td>6.3%</td>
</tr>
<tr>
<td>Clear Media</td>
<td>Hong Kong</td>
<td>5.8%</td>
</tr>
<tr>
<td>AMC Entertainment Holdings Inc</td>
<td>US</td>
<td>5.7%</td>
</tr>
<tr>
<td>ABS-CBN Holdings Corp</td>
<td>Philippines</td>
<td>3.6%</td>
</tr>
<tr>
<td>Intralot</td>
<td>Greece</td>
<td>3.4%</td>
</tr>
</tbody>
</table>

### Sector allocation

- **Consumer Disc.** 55.9%
- **Consumer Staples** 16.5%
- **Financials** 8.2%
- **Comm. Services** 6.8%
- **Materials** 2.8%
- **Healthcare** 2.8%
- **Industrials** 3.8%
- **Healthcare** 0.1%
- **Healthcare** 0.1%
- **Healthcare** 0.1%
- **Healthcare** 0.1%

### Portfolio statistics

<table>
<thead>
<tr>
<th>As at 30 June 2019</th>
<th>MGVEF</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted avg market cap</td>
<td>US$3,776m</td>
<td>US$16,431m</td>
</tr>
<tr>
<td>Median market cap</td>
<td>US$762m</td>
<td>US$5,581m</td>
</tr>
<tr>
<td>EV/EBITDA</td>
<td>6.0x</td>
<td>11.4x</td>
</tr>
<tr>
<td>Price/FCF</td>
<td>9.9x</td>
<td>20.4x</td>
</tr>
<tr>
<td>Free cash flow yield</td>
<td>10.1%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Number of securities</td>
<td>19</td>
<td>2,849</td>
</tr>
</tbody>
</table>

11. Portfolio holdings, country allocation and sector allocation of MGVEF are as of 30 June 2019 and are subject to change and should not be considered as investment recommendations to trade individual securities. Country allocation does not include cash. The securities herein identified and described do not represent all of the securities purchased, sold or recommended for client accounts. The reader should not assume that an investment in the securities identified was or will be profitable. There is no assurance that any securities discussed herein will remain in the portfolio at the time you receive this report, or that securities sold have not been repurchased. There can be no assurance that investment objectives will be achieved.

12. Portfolio statistics are reported in USD and are as at 30 June 2019. The statistics are updated in the report as at the end of each quarter.
Important Notes

The use of the MSCI ACWI herein has not been selected to represent an appropriate benchmark with which to compare against an investor’s performance in the Mittleman Global Value Equity Fund (MGVEF), but rather it has been provided to allow for comparison of such performance to that of a certain well-known and widely recognised broad-market index. The MSCI ACWI is an unmanaged index compiled by MSCI. The index is weighted by market capitalisation and its returns include the reinvestment of dividends. The index does not account for transaction costs or other expenses which an investor might incur in attempting to obtain such returns. The index was taken from published sources and deemed reliable. You cannot invest directly in an index. Investments made by Mittleman Investment Management, LLC (MIM) for its clients’ portfolios including MGVEF differ significantly in comparison to this (and any other) index in terms of security holdings, industry weightings, and asset allocations. Accordingly, investment results and volatility will differ from those of the benchmark.

Portfolios statistics are reported in USD and are as at 30 June 2019. The statistics are updated in the report as at the end of each quarter. All dollar amounts within this report are in USD unless otherwise stated.

All information provided herein is for informational purposes only and should not be deemed as a recommendation to buy or sell securities. This material may not be redistributed without the express written consent of MIM and does not constitute an offer to sell or the solicitation of an offer to purchase any security or investment product. All investments involve risk including the loss of principal. Specific companies or securities shown in this presentation are meant to demonstrate MIM’s investment style and the types of securities in which we invest and are not selected based on past performance. The analyses and conclusions of MIM contained in this presentation include certain statements, assumptions, estimates and projections that reflect various assumptions by MIM concerning anticipated results that are inherently subject to significant economic, competitive, and other uncertainties and contingencies and have been included solely for illustrative purposes. No representations, expressed or implied, are made as to the accuracy or completeness of such statements, assumptions, estimates or projections or with respect to any other materials herein. Past performance neither guarantees nor indicates future results.

This document has been prepared and issued by MIM and is intended for the general information of ‘wholesale clients’ (as defined in the Corporations Act 2001) only. MIM is exempt from holding an Australian Financial Services Licence pursuant to ASIC Class Order 03/1100 ‘Relief for US SEC regulated financial service providers’ in respect of the financial services it provides to Wholesale Clients, and is not licensed to provide financial services to retail clients, in Australia. MIM is regulated by the Securities and Exchange Commission of the United States of America under US laws, which differ from Australian laws. Equity Trustees Limited (Equity Trustees) (ABN 46 004 031 298, AFSL 240975) is a subsidiary of EQT Holdings Limited (ABN 22607 797 615), a publicly listed company on the Australian Securities Exchange (ASX:EQT). Equity Trustees is the Responsible Entity of the Mittleman Global Value Equity Fund (ARSN 161 911 306). This document is neither an offer to sell or a solicitation of any offer to acquire interests in any investment. The information contained in this document is of a general nature only. Accordingly, reliance should not be placed on this information as the basis for making an investment, financial or other decision. In preparing this document, MIM has not taken into account the investment objectives, financial situation and needs of any particular person. Before making any investment decision, you should consider whether the investment is appropriate in light of those matters. Whilst every effort is taken to ensure the information in this document is accurate, MIM and Equity Trustees provides no warranty as to the accuracy, reliability and completeness of the information in this document and you rely on this information at your own risk. To the extent permitted by law, MIM and Equity Trustees disclaims all liability to any person relying on the information contained in this document in respect of any loss or damage (including consequential loss or damage) however caused, which may be suffered or arise directly or indirectly in respect of such information. Past performance is not a reliable indicator of future performance. The return of capital or any particular rate of return is not guaranteed.