



Mittleman Global Value Equity Fund – Class I

Monthly Report – September 2017

Commentary

The Mittleman Global Value Equity Fund (MGVEF) gained 11.8% in September, outperforming the MSCI ACW Net Total Return Index (Index) by 8.8%. MGVEF has returned 2.3% since its inception on 13 June 2017, outperforming the Index by 1.7%.

In September, the top three performing stocks, from a contribution standpoint, were Revlon (+45.3%), International Game Technology (+20.5%) and Aimia (+14.9%). The bottom three performing stocks, from a contribution standpoint, were KT Corp. (-15.9%), Intralot (-10.4%) and TV Azteca (-3.6%). There remains significant upside potential in Revlon, International Game Technology and Aimia, as these high quality, cash-flow generating businesses continue to trade at unduly low valuations.

Revlon had been a big detractor from the Fund's performance in the prior two months. As noted in the August 2017 report, MIM filed a Form 13D on Revlon, disclosing a 5.4% consolidated stake in the company. It also sent a letter to the CEO and Board of Directors seeking Revlon's commitment to the protection of its minority shareholder interests as its largest shareholder, MacAndrews & Forbes Inc. (M&F, Ronald Perelman's holding company), was increasing its position. M&F responded by filing a Form 13D/A on 15 September stating that it would adhere to a shareholding limit of 89% (MIM asked for less than 90%), but only for one year when MIM asked for five. MIM views this agreement as a modest improvement in the position of minority shareholders. The stock rose sharply following M&F's 13D/A filing, from \$16.00 on 18 September to \$24.55 on 29 September. With the option of a no-premium, short-form merger off the table, at least for one year, potential investors may have started to buy the stock. In addition, Perelman bought more shares immediately after the 13D/A filing, which MIM believes reinforces the notion that the shares are cheap.

MIM filed a new Form 13/D on 19 October 2017 disclosing an additional letter to Revlon's Board of Directors as well as an increase in MIM's stake in Revlon. In the letter MIM noted that M&F's 15 September 2017 response was inadequate and urged the Revlon Board to obtain a standstill agreement with M&F for at least the next 5 years or else enact other so-called 'poison pill' protections in favour of minority shareholders. MIM summarised its case in favour of a five year standstill agreement and noted that it may take further steps to seek Court relief which, if granted, may enjoin M&F against further share purchases until minority shareholder value is duly protected.

Fund Details	
Index	MSCI All Country World Index (ACWI) Net Total Return in AUD
Strategy Inception Date	13 June 2017

Performance ¹ – 30 September 2017			
	MGVEF	Index (AUD)	Excess Return
1 Month	11.8%	3.0%	8.8%
3 Months	1.9%	2.8%	(0.9%)
1 Year	n/a	n/a	n/a
Since Inception ²	2.3%	0.6%	1.7%

Top 10 Holdings³

As at 30 September 2017		
Stock	Country	Weight
Revlon	US	19.4%
International Game Tech	US	10.1%
AMC Entertainment Holdings	US	9.3%
Aimia	Canada	7.9%
Clear Media	Hong Kong	5.8%
Sberbank	Russia	4.8%
KB Financial	Korea	4.5%
Jardine Strategic	Singapore	4.5%
Hc2 Holdings	US	4.3%
Village Roadshow	Australia	4.3%

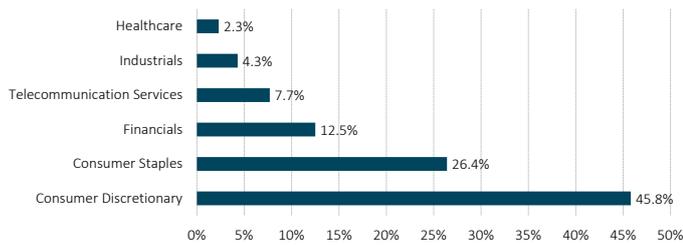
1. Performance figures are presented in AUD on a net, pre-tax basis and assume the reinvestment of distributions. Past performance is not an indicator of future performance.

2. Fund inception date is 13 June 2017.

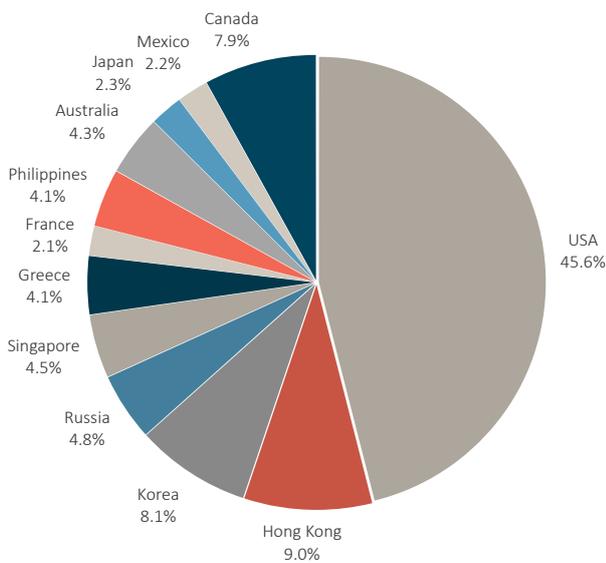
3. Portfolio holdings, country allocation and sector allocation of MGVEF are as of 30 September 2017 and are subject to change and should not be considered as investment recommendations to trade individual securities. Country allocation does not include cash. The securities herein identified and described 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.



Sector Allocation⁴



Country Allocation⁴



Portfolio Statistics⁵

As at 30 September 2017		
	MGVEF	Index
Weighted Avg Market Cap	US\$7,367m	US\$17,411m
Median Market Cap	US\$1,128m	US\$7,018m
EV/EBITDA	7.2x	11.6x
Price/FCF	10.9x	19.7x
Free Cash Flow Yield	9.2%	5.1%
Number of Securities	18	2,491
Developed Markets – US	45.6%	51.8%
Developed Markets – Non-US	30.1%	36.1%
Emerging Markets	23.3%	12.0%
Cash and Cash Equivalents	0.9%	0.0%

4. Portfolio holdings, country allocation and sector allocation of MGVEF are as of 30 September 2017 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.

5. Portfolios statistics are reported in USD and are as at 30 September 2017. The statistics are updated in the report as at the end of each quarter.

Investment Strategy

Mittleman Investment Management, LLC (MIM) is an SEC-registered investment advisor based in New York that pursues superior returns through long-term investments in what it deems to be severely undervalued securities, while maintaining its focus on limiting risk. It invests in businesses that are proven franchises with durable economic advantages, evidenced by a well-established track record of substantial free cash flow generation over complete business cycles, and only when the very low valuation at which the investment is made provides a significant margin of safety. MIM's value-oriented strategy is to invest in a concentrated portfolio (usually between 15 to 20 securities) of primarily common stocks, unrestricted as to market capitalisation, and in both developed and emerging markets.

BROOKVINE

MITTLEMAN BROTHERS
INVESTMENT MANAGEMENT

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