

# Mittleman Investment Management, LLC

## Mittleman Global Value Equity Fund

### INVESTING IN

Global value equities

### BASED IN

New York, USA

### COMPOSITE INCEPTION

2002

### AUD FUND INCEPTION

June 2017

Top 1%

OF MANAGERS RANKED BY PSN OVER  
PAST 10 YEARS<sup>1</sup>

16+ year

TRACK RECORD<sup>2</sup>

US\$321m

FIRM AUM AT 30 JUNE 2019

13.2% p.a.

FIRM US COMPOSITE PERFORMANCE  
SINCE INCEPTION<sup>2</sup>

>95%

CLIENT RETENTION RATE SINCE 2003<sup>3</sup>

15-20

STOCKS IN PORTFOLIO

Past performance is not an indicator of future performance.  
See footnotes on page 2 and Important Notes on last page of this document.

“We appraise the value of every company in a way that reflects its  
private market value in a sale today.”

Chris Mittleman, CIO and Managing Partner, Mittleman Investment Management

The Mittleman Global Value Equity Fund invests in a concentrated portfolio of long-term investments across the globe. Unconstrained by capitalisation, sector or geography the fund invests wherever the best risk/reward trade-offs are available.

### A concentrated global value equity strategy

Baron's refers to Mittleman's investment strategy as "like private equity only better"<sup>4</sup>.

Chris Mittleman, Mittleman Investment Management's (MIM) Chief Investment Officer, has used the same strategy since the early 1990s to invest in global sharemarkets.

Mittleman's positioning is often at odds with consensus viewpoints, especially during periods of irrational and emotional extremes. MIM's client base spans university endowments, foundations, pension plans, family offices and high net worth individuals.

### Mittleman's investment edge

Mittleman pursues superior returns through a concentrated portfolio of what it believes are extremely undervalued assets.

The firm mitigates risk, defined as the probability of long-term loss of capital, by investing in businesses that they view as proven franchises, with durable economic advantages and by buying at very low valuations. It has minimal interest in benchmarks or tracking error versus an index.

The selection process is research-intensive, relying on proprietary fundamental analysis for all investment decisions and intrinsic value determinations. The firm capitalises on opportunities created by the short-term focus of many market participants and by the limitations of 'street research'.

Mittleman invests in companies that share key characteristics:

- Undervalued businesses with high barriers to entry and strong free cash flow enduring through complete business cycles;
- Potential to achieve a fair or premium valuation due to market recognition of a unique franchise, scarcity value, misunderstood assets or reorganisation;
- Easy-to-understand businesses, led by strong management teams with a proven track record and a significant personal financial stake in the company; and
- Some impermanent reason for undervaluation and lack of institutional support.

### Mittleman Global Value Equity Fund – Class P Net performance (AUD) as at 30 June 2019

	Fund <sup>5</sup>	MSCI ACWI*	Difference
1 Month	(2.2%)	5.2%	(7.4%)
3 Months	(4.6%)	4.9%	(9.5%)
1 Year	2.3%	11.3%	(9.1%)
Since Inception p.a. <sup>5</sup>	(0.9%)	13.3%	(14.1%)

Source: Link Fund Solutions

1. Mittleman Investment Management's ("MIM") ranking level for shorter periods of time may vary. Rankings provided through Informa Investment Solutions' PSN Global Equity Universe database. Comparisons are represented as gross of investment management fees. Rankings are not a guarantee of future results. Rankings are for periods ending 30 June 2019.

2. Since inception of the track record of the strategy in January 2003 to 30 June 2019. GIPS verified performance in USD. The firm was established in 2005. See Important Notes on last page of this document.

3. Client retention rate is the historical annual average for the annual (or shorter) periods beginning on 31 December 2002 through 30 June 2019 and is calculated based on each year's (or period's) beginning assets under management ("AUM") less outflows attributable to closed accounts for such year (or period) over total Firm beginning AUM for each such year (or period).

4. Barron's Magazine, 12 November 2012.

5. 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. Since inception returns are annualised and calculated from 13 October 2017.

## Mittleman Global Value Equity Fund

APIR CODE- CLASS P (PLATFORM) ONLY  
ETL0370AU

INVESTMENT MANAGER  
Mittleman Investment Management, LLC

RESPONSIBLE ENTITY  
Equity Trustees Limited

FUND INCEPTION DATE  
13 June 2017. Class P inception date is 13 October 2017

BENCHMARK  
MSCI All Country World Index (ACWI) Net Total Return in AUD

FUND SIZE  
A\$26 million

MANAGEMENT COSTS  
1.5% p.a. (inclusive of GST and RITC), including all investment management fees, responsible entity fees, administration fees, custody fees and other expenses incurred in operating the Fund

PERFORMANCE FEE  
20% of the excess return over the benchmark, subject to high watermark; see PDS for details

BUY/SELL SPREAD  
0.50% on applications and withdrawals

INVESTMENT UNIVERSE  
All listed securities and other permitted securities; see PDS for details

CURRENCY HEDGING  
None. The Fund does not hedge its currency exposure. The underlying investments will be in various global currencies

OFFERING DOCUMENT  
Product Disclosure Statement

INVESTOR CLASS  
'Wholesale clients' as defined in the Corporations Act 2001 and Retail Clients investing indirectly via a platform (master trust or wrap account)

MINIMUM APPLICATION  
\$250,000 or via platform

APPLICATIONS & WITHDRAWALS  
Daily

## Strategy

A private equity mentality in public equity investing

Undervalued businesses with strong free cash flow enduring through complete business cycles

## Challenging Convention

Stocks not typically represented in mainstream equity portfolios

One of the least correlated managers in the global value universe

## Reputation

Ranked in the top 1% of global equity strategies over the past 10 years<sup>1</sup>

Client retention rate 96% since inception<sup>3</sup>

## Investment process

Once a potential opportunity has been identified, Mittleman establishes a conservative estimate of fair value through analysis of discounted cash flows, comparable public and/or private transactions, performance metrics over extended periods of time and other assets and liabilities. Each company's extended history of financial performance is analysed to enable reasonably robust projections of likely performance over the next 5 to 10 years.

The firm employs an acquisition strategy rooted in patience, investing only when the target company is available for purchase at a significant discount to Mittleman's assessment of its fair value. Position size is based on estimated total return potential, the perceived risk-reward ratio and liquidity.

Mittleman typically exits positions when an investment reaches or exceeds estimated fair value, if there is a deterioration in the firm's fundamental outlook, or if a superior investment opportunity is found.

“Sometimes the difference between success and failure was not just about our understanding and steadfast belief in the value of a holding, but how long we were willing to wait to achieve that result.” Chris Mittleman

## Top 10 holdings as at 30 June 2019<sup>6</sup>

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

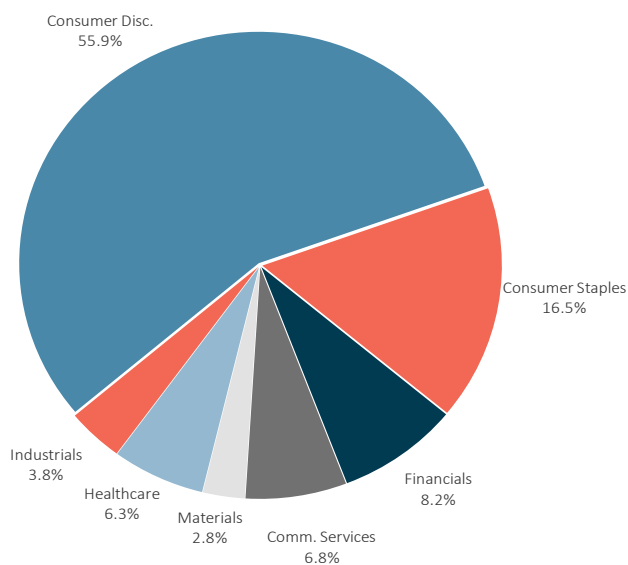
Source: MIM

## Portfolio statistics in USD as at 30 June 2019

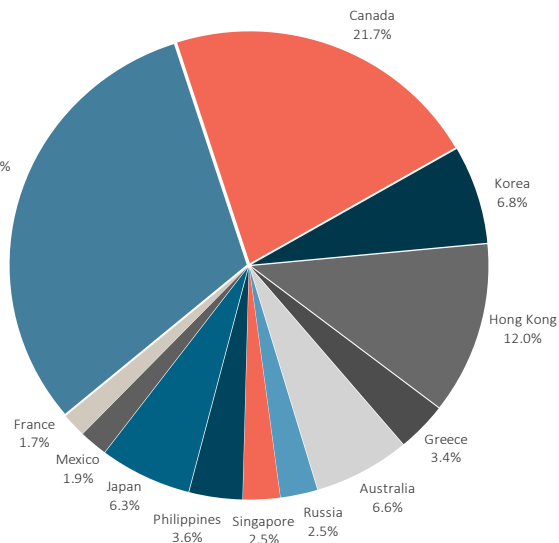
	Fund	MSCI ACWI <sup>®</sup>
Weighted avg market cap	US\$3,776m	US\$16,431m
Median market cap	US\$762m	US\$5,581m
EV/EBITDA	6.0x	11.4x
Price/FCF	9.9x	20.4x
Free cash flow yield	10.1%	4.9%
Number of securities	19	2,849

Source: MIM

See Important Notes on last page of this document.



Source: MIM



Source: MIM

6. 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 and sector 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.

## 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.

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