MITTLEMAN BROTHERS
INVESTMENT MANAGEMENT

Mittleman Global Value Equity Fund – Class P

Quarterly report – June 2020

Portfolio commentary[1]

The Mittleman Global Value Equity Fund – Class P advanced 13.0% net of fees (AUD) in the second quarter of 2020, versus a gain of 6.0% in the MSCI ACW Index.

The top three contributors to Q2 2020 performance were **Aimia Inc. (AIM CN)**: $1.49 to $2.18 (+46%), **Avis Budget Group (CAR)**: $11.71 (new buy, avg. cost) to $22.89 (+95%, sold half at $35 +200%), and **Village Roadshow (VRL AU)**: $0.83 to $1.48 (+78%).

The top three detractors from Q2 2020 performance were **Revlon Inc. (REV)**: $10.93 to $9.90 (-9%), **Cineplex Inc. (CGX CN)**: $7.04 (new buy, avg. cost) to $5.91 (-16%), and **TV Azteca (AZTECACP MF)**: $0.015 to $0.0137 (-9%).

Quarterly investment review[1]

The market crash in March 2020 was the fastest decline of such magnitude in US stock market history as an unusually swift and deep recession engulfed the country, and the world. Yet the Fund was able to recover roughly half of what was lost in the Corona-crash of 2020 during the second quarter of 2020. It was assisted by a couple of new positions bought during Q2; **Avis Budget Group (CAR)** at average cost of $11.71, and **Carnival Corp. (CCL)** at average cost of $8.33, which promptly tripled after purchase. Approximately half of those positions were sold for significant gains.

Valuations across the portfolio remain extremely low against MIM's concept of a normalised earnings profile, and the US Dollar is weakening precipitously (-9.1% from recent peak on March 20th). These conditions usually bode well for value investing.

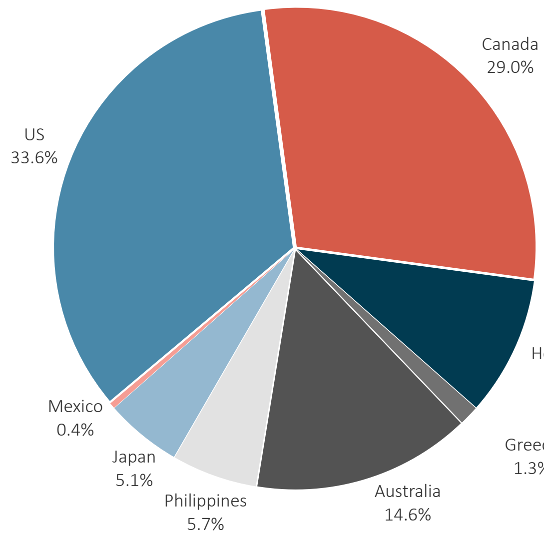
MIM was positioned well for any normal recession coming into 2020, with heavy weightings in movie theatres, mass-market cosmetics and lottery operators; businesses which normally don't see much, if any, negative effects and sometimes even rise during recessions and depressions. What would normally be considered "defensive" stocks quickly became "epicentre" stocks, and turned the portfolio strategy seemingly into one big "re-opening trade." A return to market-beating results (beyond just this past quarter) may largely depend on whether the affected businesses re-open quickly enough and if their sales and earnings reclaim pre-COVID-19 levels.

MIM sought "epicentre" stocks during Q2 that had been oversold (**Avis Budget (CAR)**, **Carnival Corp. (CCL)**, and **Cineplex (CGX CN)**).

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

Performance[2] – 30 June 2020	MGVEF (Class P)	Index (AUD)	Excess return
1 month	0.3%	(0.5%)	0.8%
3 months	13.0%	6.0%	7.0%
1 year	(23.0%)	4.1%	(27.1%)
Since inception[3]	(9.8%)	9.7%	(19.6%)

Country allocation[4]



1. The securities herein identified and described do not represent all of the securities purchased, sold or recommended for Mittleman Global Value Equity Fund (MGVEF). 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 2020 and are subject to change and should not be considered as investment recommendations to trade individual securities. Country allocation does not include cash.

Conviction that these businesses could return to normal sooner than expected was high and appears to be confirmed by the recent recovery in prices. But why? Pandemics end. They are never perpetual and prices will recover provided individual companies have the financial wherewithal to endure the disruption.

The New York Times has a great feature which allows digital subscribers to see all its daily newspapers as they looked when printed since the first issue. Peruse a sampling of issues from the Q4 1918 peak in deaths from the Spanish Flu until mid-1919 and watch how quickly it moves from the headlines to the rear of the paper to being essentially gone, all within a year or so. This for an event that killed 675,000 people in the U.S., 195,000 in the month of October 1918 alone, back when the population was just 103M, versus 152,000 deaths thus far, on a population of 331M. By the middle of 1919 people were going back to live theatres, movie theatres, etc. As life resumed, people seemed to forget just how horrific it had been.

MIM's bear market experience from 31 May 2007 to 9 March 2009 proved to be a stress-test that was ultimately passed with flying colours. Following the performance of the MIM Composite, a $4.4M account on 31 May 2007 was crushed into a $1M account by 28 February 2009, but reclaimed its former high-water mark by mid-2010, and grew to a $13.9M account by 31 August 2014.

The portfolio passed that stress-test because the market's perception of the durability of underlying cash flows and the capacity for portfolio companies to support their debts during a severe credit crunch and recession proved incorrect. Today the market again doubts the resilience of the underlying cash flows, a worry of a different nature than in 2009, but one that feels overly discounted in the share prices of MIM's portfolio holdings.

MIM is acutely aware that August 31, 2020 will be 6 years spent below the last high water mark. Calls for further patience is understandably waning. MIM, nonetheless, has maintained a 90%+ client retention rate[5] since inception. With the market downturn MIM experienced significant client redemptions during the quarter, with the associated liquidations exacerbating the price declines of the most illiquid holdings. In that regard, this time has been worse than any previous as losing a client's faith feels worse to MIM personally than losing money. Money can be made back…

For the true global contrarian, value-oriented investor, the stars seem almost perfectly aligned for a resurgence. The US dollar is weakening boosting gold and gold stocks as well as boosting the value of both the foreign stocks (about 64% of our portfolio) and their home currencies. The crowd continues throwing money at the biggest market cap stocks, most of which appear over-valued, MIM's average and median holdings are trending significantly smaller in market cap. MIM continues to favour small, extremely undervalued, unpopular situations largely domiciled outside the US. Reversion to the mean should bode well for MIM's portfolio.

Bigger is not always better when prospective return on investment is the focus, as IBM, AOL/TimeWarner, and General Electric (GE) can attest. IBM became the largest company by market cap in 1967 with an inflation adjusted market cap of about $260B (about $35B then, at 6.4x rapidly growing sales). Today IBM's market cap. is $112B, and with dividends its total return CAGR over the past 52 years is 6.4%, woefully below the 10.1% CAGR of the S&P 500 over the same timeframe.

The AOL/TimeWarner merger in early 2000, the largest in corporate history at that time at $164B, was an abject disaster as AOL almost immediately stopped growing as dial up internet gave way to broadband access. The stock dropped 90% in Q3 2002 and never fully recovered.

General Electric got a little too popular in Q3 2000 at a year high of $58 per share. Today GE is $6.26 per share, a 78% drop with dividends included over 20 years. The reason most of these examples got so expensive for so long is that investors tend to over-extrapolate recent results and under-analyse the circumstances required to perpetuate the same.

This time in 2020 seems somewhat reminiscent of early 2000, when the obscure and out of favour stocks Chris Mittleman held then were utterly steamrolled by the FAANG stocks of that era. AOL was coroneted as king of internet access, JDS-Uniphase (now Viavi Solutions) was going to see limitless demand for their fibre optic connectors, and Cisco Systems would dominate the network equipment business for a world wide web still in its infancy. **All of those seemingly unassailable leaders proceeded to drop more than 90% in share price from their early 2000 peaks by the end of 2002. None have ever regained their former high price levels of 2000, even after 20 years of growth in internet usage.** Cisco was the most successful of those three, growing its free cash flow from $5B in 2000 to $14.9B in 2019. Alas, that was not enough for the stock to recover to peak levels in 2000 of $82 sitting at just $46.44 today.

Even Amazon.com (AMZN), though it has become one of the best performers ever, endured a 95% decline from September 1999 to January 2001. In large part, this was due to its valuation getting way ahead of itself and not because the business had imploded. It took 10 years for AMZN to recover and exceed its 1999 high water mark. How many current AMZN investors would have held it through a 95% decline and then had the patience to wait for the time required?

While the over-valuation of today's most popular names is not nearly as excessive as it was in early 2000, many of today's most popular companies could easily see their share prices at or below today's level in 10 years.

Today AMZN trades at 35x EBITDA, and 40x FCF, and **Netflix (NFLX)** trades at 35x EBITDA, with negative FCF. Both stocks are up strongly this year, benefitting from the COVID-19 shut-down forcing millions of people to stay at home. Both services are being utilised more than they would have otherwise. When COVID-19 is past, the re-opening effect will benefit most of the businesses in MIM's portfolio while likely removing the boost to AMZN and NFLX.

Far better risk/reward trade-offs can be found away from the most popular and most expensive names. To MIM's knowledge, Steve Schwarzman of **Blackstone (BX)** and Bruce Flatt of **Brookfield Asset Management (BAM)** have never owned any of the FAANG stocks and both entities have outstanding long-term CAGRs. So it can be done, out-performing the market without owning FAANG or the broader group of high profile, high valuation, growth stocks.

Aimia Inc. (AIM CN)

There was a good deal of progress made with MIM's largest holding, **Aimia Inc. (AIM CN)**. Now the parent company of Mittleman Brothers LLC, Aimia, had the following take effect as of June 19th:

5. Client retention rate is the historical annual average for the annual (or shorter) periods beginning on 31 December 2002 through 30 June 2020 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).

- *Phil Mittleman named CEO of Aimia.* Phil was appointed to be a Mittleman Brothers' director to Aimia's board in April 2018 and has shown great efficacy, energy and leadership encouraging better practices in terms of capital allocation, capital structure, cost control, managing relationships with key commercial partners, corporate governance, personnel and IR. MIM believes Phil's presence on the board has saved Aimia's shareholder hundreds of millions of dollars, even before his recent elevation to executive status.
- *Aimia acquired 100% of Mittleman Brothers LLC*. From Aimia's perspective the acquisition represents a new business platform for other potential investments in the highly FCF-generative investment management business. From Mittleman Brothers' perspective, it affords the opportunity to more substantially affect the outcome as Chris Mittleman has joined Aimia's board as a director and the management team as Chief Investment Officer. Given the potential for conflict of interest in such a transaction, care was taken by both sides to make sure the transaction was discernibly and eminently fair to both the stakeholders of Aimia and the clients of Mittleman Investment Management. An unusually high 40% of the overall transaction value is held back pending certain earn-out hurdles such as a near doubling of MIM's current AUM or Aimia's stock price attaining C$6.00 for 20 consecutive trading days.
- *Aimia's Loyalty Solution division merged with Kognitiv Corp*. 430 employees leave Aimia for Kognitiv, of which Aimia retains a 49% stake. Kognitiv has an innovative B2B platform which appears to be gaining traction in the travel and leisure space, with significant cost and revenue synergies apparent for the merged entities. The transaction reduces Aimia's full time head count from 450 to 20, with HQ expenses dropping from C$27M to a C$15M annual run-rate.
- *Extended contract with PLM*. Aimia's 49% owned PLM has contract to run Aeroméxico's Club Premier loyalty program which was extended from 2030 to 2050. In exchange, Aeroméxico has the right to buy back Aimia's 49% stake for no less than US$400M, which is a vast improvement upon the original offer of US$180M made in 2018. With Aeroméxico now in chapter 11 bankruptcy (filed in NY in late June 2020) but PLM not part of the bankruptcy, the prospect of getting as much cash out of PLM as possible should hold increasing appeal.
- *Aimia bought 10.85% of **Clear Media (100 HK)** for about C$75M.* By acquiring more than 10% of the shares, Aimia held a blocking position to prevent minority shareholders from being forced to sell at a disadvantageous price. MIM believes the Clear Media investment is worth double what Aimia paid.
- *Aimia announces Normal Course Issuer Bid to Repurchase up to 6.98M shares on June 8, 2020*. As of June 30th, Aimia had bought back 1.56M shares for C$4.5M (C$2.88 per share).
- *Jefferies initiated coverage of Aimia on July 2nd with "Buy" rating and C$9.50 target price*. Jefferies is the first U.S. brokerage firm to pick up coverage on Aimia.

Clear Media (100 HK)

Clear Media is one of the largest outdoor advertising firms in China and the largest bus shelter advertising panel operator, with 57,000 panels in 25 cities. Since MIM's initial purchase in November 2012 (pre-dating the fund's inception), the investment in Clear Media has produced a ~16% CAGR, largely due to cash dividends and return of capital payouts over 7.33 years of ownership. The stock jumped 18% on news that Clear Media's largest shareholder, **Clear Channel Outdoor (CCO)**, has agreed to sell its 50.9% stake to a consortium seeking 100% of the company. The consortium is led by Clear Media's CEO, Han Zi Jing (40%), Antfin Holding (Jack Ma) (30%), JCDecaux (23%), and Chinese state-owned JIC Capital Mmgt. (7%). The price offered, HKD 7.12 (USD 0.92), while just over double the October 2019 low of HKD 3.50 (USD 0.45), is a low multiple of recently depressed EBITDA, and barely 5x normalised EBITDA and half of MIM's 10x EBITDA estimate of fair value. The overleveraged status of Clear Channel Outdoor, into the maelstrom of the COVID-19 crisis, apparently led them to accept a very low valuation. Exposure through Aimia affords clients the opportunity to maintain some exposure to this investment indirectly.

Avis Budget Group (CAR)

MIM's second best performer in Q2 was **Avis Budget Group (CAR)**. The position was initiated at a 2.5% portfolio weighting at an average cost of $11.71 in early April. The stock traded for just over $35 in early June. The business is volatile, but investors do not seem to appreciate how quickly Avis Budget can de-fleet in a slow-down, drawing capital (fleet equity) out as needed until demand picks up again. Airlines cannot do that, nor can hotels or cruise lines. **MIM estimates Avis Budget is worth $40, which would be 8x EBITDA of $800M (normalised) and 10x FCF of $300M.**

Carnival Corp. (CCL)

The third best performer in Q2 was **Carnival Corp. (CCL)**. The position was established at around $8.33 per share with roughly half sold at prices between $14 and $25. The current downturn in the cruise business is unprecedented, but CCL is well equipped to survive it, with access to capital through asset sales or mortgages. Add to this a very loyal and growing hoard of customers that really, really loves the cruise experience, despite the increasingly obvious drawbacks. **Actual FCF is much greater than it appears as regular spend on new ships are not just replacements but are generally growth initiatives. Running with limited capital spend the FCF would be immense, around $2B per year on $5B in EBITDA (normalised). MIM puts fair value for CCL close to $40 at 9.4x EBITDA and 14x FCF.**

Revlon (REV)

The most impactful detractor from Q2 performance was **Revlon (REV)**. It has been a year since Revlon's largest shareholder, Ron Perelman, bought more shares in the open market in the low $20s. In August 2019 Goldman Sachs was hired to explore strategic options. If any interest was there, COVID-19 might have chilled it. Still, Revlon's hair colour products remain #1 in the mass market channel and it still has the #1 lipstick brand in the mass market. Right now however, it is bleeding cash, cutting costs and trying to extend 2021 maturing bonds. Billionaire Ron Perelman (87% shareholder) bailed Revlon out in the early 2000s with loans and equity capital and may be forced to do so again. Yet smaller and more prestige brands could get shaken out in the downturn which should bode well for Revlon moving forward.

MIM believes Revlon will likely sell their hair colour business, their fragrance business or Elizabeth Arden for valuations high enough to facilitate substantial deleveraging of the balance sheet. In the absence of a sale, expect another Perelman back-stopped bailout. **MIM has lowered its estimate of fair value again, to $30 which is EV/EBITDA($368M)=13.9x, P/FCF($68M)=23.5x, 2.2x sales ($2.3B).**

Finally, Alberta Investment Management Company (AIMCO), the third largest shareholder in Revlon had a change in management.

MIM suspects this may have precipitated in AIMCO selling its holdings explaining the increased selling pressure in recent months.

Cineplex Inc. (CGX CN)

The second most impactful detractor in Q2 was **Cineplex Inc. (CGX CN)**. The position was initiated in Q2 and is in a strong financial position given its dominance in Canada (69% market share). With Canadian theatres set to open again, MIM believes Cineplex may offer a fast path to fair value, with low risk.

Cineplex is Canada's top movie theatre company. Cineplex has been very well-run by 66-year-old President & CEO Ellis Jacob for more than 20 years, accompanied by CFO Gord Nelson for 16 years. **Shareholders enjoyed a total return CAGR of 14.5% vs 7.9% for the TSX from IPO on 25 November 2003 through 31 December 2019. Most of this is represented by cash dividends which averaged C$91M (C$1.44 per share) over the past 11 years.** Ellis Jacob gives an impressive interview via this link.

The current stock price of C$7.98 (USD 5.88) has been crushed by the COVID-19 shut-down, a broken take-over deal (buyout by **Cineworld PLC (CINE LN)** at C$34 per share in cash) and overdone fears of secular decline. At these prices Cineplex presents an outstanding risk/reward ratio. A C$300M convertible bond offer (5.75%, converts at C$10.94) closed on July 15th and should ease concerns, presuming COVID-19 subsides in a reasonable timeframe.

In the event that the pandemic lingers longer than expected, Cineplex has significant additional capital potentially accessible from various ancillary assets. Its SCENE loyalty program is one such asset, with 10.3M members (27% of Canada's 37.6M population), which has co-branded Visa credit and debit cards with Scotiabank (owns 50% of the JV).

Cineplex also owns arcade game type of businesses in The Rec Room and Playdium which they call location-based entertainment ("LBE"). These ventures grew sales in 2019 at 19% to C$79M with 9 locations. Cineplex also boasts the dominant pre-show advertising business in Canada, which combined with a digital sign/out-of-home advertising business (with AMC as a major customer), did C$197M in sales in 2019, +21% that year. Lastly, Cineplex owns an amusements rental business (with Regal as a major customer). It is likely that more than C$500M in value resides in these ancillary assets (using 2x sales multiple, in line with peers), just over the stock's current market cap. of C$505M. Given an estimated C$15M to C$20M monthly cash burn during recent months at nearly zero revenues, as estimated by management on their June 30 conference call, such potential assets sales could materially extend its liquidity runway if needed.

MIM's fair value estimate = C$22 (+176% from C$7.98 close on 13 July 2020). Estimated fair value based on 10x EBITDA multiple applied to an estimate of C$250M EBITDAaL ("aL" is "after Lease" expenses) for 2021, a 16.7% margin on C$1.5B in estimated sales. This assumes C$120M cash burn in second half 2020 (C$20M per month) taking debt from C$664M on 30 June 2020 to C$364M on 15 July 2020 after C$300M convertible raise closed, to C$484M on 31 December 2020, and fully diluted share count increasing from 63.3M now to 92.185M after assuming convertible bonds convert at C$10.94. On a price to FCF basis, C$22 would be 16x MIM's estimate of C$125M in FCF for 2021.

Investing in Cineplex, or any movie theatre business at this point requires a belief that:

– The COVID-19 virus is vanquished with a vaccine in the not too distant future.

– That the bear thesis of secular decline due to online streaming is not accurate.

History has shown all prior pandemics to be transitory, not perpetual. In that regard, MIM is willing to take the risk that COVID-19 might be exceptional in that regard.

As for the bear thesis of secular decline, MIM believes going to the movies will remain a culturally ingrained high-value for money form of out-of-home entertainment. One that is highly differentiated from, and not mutually exclusive with, the experience of watching movies or series on streaming services at home.

The prospect of content producers reuniting with distributors could prompt M&A activity as the Paramount Decree of 1948 is repealed. Given Cineplex's dominance in Canada, it should be an unusually appealing target in that regard.

At 66 years old, and at the helm for more than 20 years, CEO Ellis Jacob showed he was willing to retire by agreeing to the Cineworld buyout at C$34 in December 2019. MIM thinks he is likely still looking for an exit when the price/timing is right.

TV Azteca (AZTECACP MM)

The third worst detractor in Q2 was **TV Azteca (AZTECACP MM)**. The owner of the #2 television station network in Mexico, with about 35% market share. Through years of ownership MIM's assumptions have proven to be incorrect. MIM has sold at much higher prices in years past, but not recently as MIM does not view there to be bankruptcy risk. **Despite the stock price action, MIM does suspect a rebound at some point. The company generated US$50M in FCF in 2019, after $63M in 2018, but will burn cash in 2020. TV Azteca has significant ancillary assets it could sell if needed including soccer teams and fibre optic networks in Peru and Colombia.**

Final remarks

In closing, MIM believes that the portfolio overall remains solid with excellent upside potential. MIM acknowledges the recent set-back can be discouraging but keeps faith that fair value comes out over time. MIM's portfolio should be a good place to be in almost any environment going forward. The Aimia investment vehicle also adds exciting new investment opportunities that are only just beginning to be explored. With a few more quarters like Q2 2020, which MIM believes do not seem out of reach given the portfolio's apparent upside potential, MIM should be back to a performance record to be proud of not only if measured from the dawn of time (MIM Composite inception date of 31 December 2002), but over the short and intermediate terms as well.

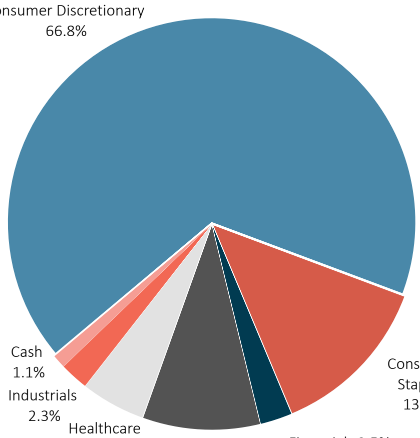
Top 10 holdings[6]

As at 30 June 2020		
Stock	Country	Weight
Aimia	Canada	22.2%
Village Roadshow	Australia	14.6%
Revlon	US	13.0%
Greatview Aseptic Packaging Co	Hong Kong	9.3%
International Game Tech	US	8.1%
Cineplex	Canada	6.8%
ABS-CBN Holdings Corp	Philippines	5.7%
AMC Entertainment Holdings	US	5.6%
CMIC Holdings Co Ltd	Japan	5.1%
American Equity Inv Life	US	2.5%

Portfolio statistics[7]

As at 30 June 2020		
	MGVEF	Index
Weighted avg market cap	$US1,163m	US$15,933m
Median market cap	US$596m	US$4,768m
EV/EBITDA	5.3x	12.4x
Price/FCF	6.8x	17.9x
Free cash flow yield	14.8%	5.6%
Number of securities	14	2,988

Sector allocation[6]



6. Portfolio holdings, country allocation and sector allocation of MGVEF are as of 30 June 2020 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 MGVEF. 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.
7. Portfolio statistics are reported in USD and are as at 30 June 2020. The statistics are updated in the report as at the end of each quarter.

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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.

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.

The S&P 500 TR ("Total Return") Index is presented herein for comparison purposes only. This index has been shown against the Composite's performance to allow for comparison of such performance to that of a certain well-known and widely recognised broad-market index. The S&P 500 Total Return Index is an unmanaged index compiled by Standard and Poor's. 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 S&P index is taken from published sources and deemed reliable. You cannot invest directly in such an index. Investments made by Mittleman Investment Management, LLC for its clients 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. For more information or for a copy of the firm's fully compliant presentation and the firm's list of composite descriptions, please contact Mittleman at +1 (212) 217-2340.

Client retention rate is the historical annual average for the annual (or shorter) periods beginning on 31 December 2002 through 30 June 2020 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).

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. Portfolio Statistics on page 5 are reported in USD and are as at 30 June 2020. 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.

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