MITTLEMAN BROTHERS
INVESTMENT MANAGEMENT

Mittleman Global Value Equity Fund – Class P

Monthly Report – May 2021

Commentary[1]

The Mittleman Global Value Equity Fund (MGVEF) advanced 9.0% in May, vs. an increase of 1.3% in the MSCI ACW Net Total Return Index.

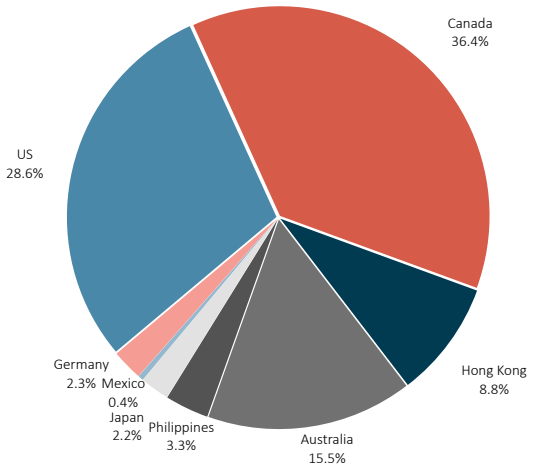
In May, the top three performing stocks, from a contribution standpoint, were International Game Technology (+40.9%), Cineplex Inc. (+25.9%) and Revlon (+7.9%). IGT reported strong first quarter results that far surpassed consensus expectations, driven by a rapid recovery in lottery sales and a more streamlined operation after the divestment of IGT's Italian gaming business. Cineplex continued to benefit from optimism around vaccine rollouts and a larger reopening of theatres around the Summer blockbuster season. The stock did not appreciate nearly as much as its US-based peer and former MGVEF holding, AMC Entertainment, which rocketed "to moon" as a result of meme-driven trading, but Cineplex is a far superior business in terms of quality and risk/reward.

The bottom three performing stocks, from a contribution standpoint, were Aimia (-1.1%), Greatview Aseptic Packaging (-2.3%) and CMIC Holdings (-6.3%). The larger decline in Greatview and CMIC were less impactful due to their smaller weighting in the portfolio.

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] – 31 May 2021	MGVEF (Class P)	Index (AUD)	Excess return
1 month	9.0%	1.3%	7.7%
3 months	9.5%	8.8%	0.6%
1 year	62.1%	21.6%	40.5%
2 years p.a.	10.3%	15.7%	(5.4%)
3 years p.a.	9.3%	13.0%	(3.7%)
Since inception[3]	5.9%	13.3%	(7.5%)

Country allocation[4]



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 31 May 2021 and are subject to change and should not be considered as investment recommendations to trade individual securities. Country allocation does not include cash.

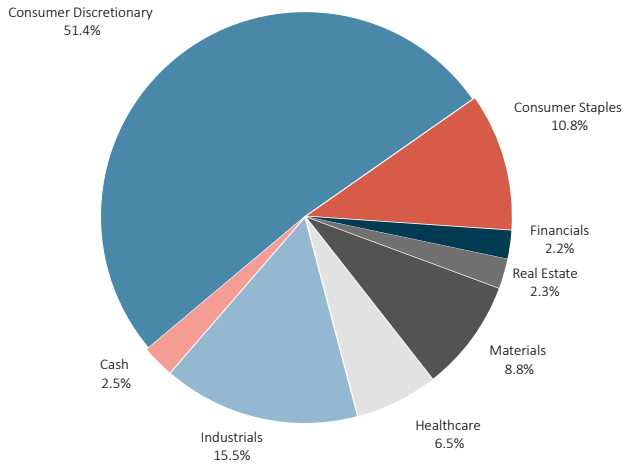
Top 10 holdings[5]

As at 31 May 2021		
Stock	Country	Weight
Aimia	Canada	22.2%
AMA Group	Australia	15.5%
Cineplex	Canada	14.2%
International Game Technology	US	11.3%
Revlon	US	10.8%
Greatview Aseptic Packaging	Hong Kong	8.8%
ABS-CBN Holdings Corp	Philippines	3.3%
Newmark Group	US	2.3%
Bayer	Germany	2.3%
American Equity Inv Life	US	2.2%

Portfolio statistics[6]

As at 31 March 2021		
	MGVEF	Index
Weighted avg market cap	US$2,784m	US$20,772m
Median market cap	US$656m	US$6,387m
EV/EBITDA	6.2x	16.6x
Price/FCF	10.6x	17.4x
Free cash flow yield	9.5%	5.7%
Number of securities	13	2,978

Sector allocation[5]



5. Portfolio holdings, country allocation and sector allocation of MGVEF are as of 31 May 2021 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.
6. Portfolio statistics are reported in USD and are as at 31 March 2021. 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 it believes 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.

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