

## 1Q 2020 Investment Commentary

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First, we would like to send our well wishes to everyone, hoping you and your loved ones have stayed safe through these challenging times. When in the throes of such traumatic events it is easy to lose sight of the fact that, as with any crisis, there is an end in sight and life will in time inevitably return to a more familiar sense of normalcy. While this crisis is certainly unique in many respects, as we get passed this initial shock, like with any crisis, we are able to reflect and see degrees of commonality with events of the past, even if at more macro levels. We are always able to learn from these unique challenges and recognize that opportunities do indeed exist in the midst of the chaos. It has been that sentiment that has provided an element of calm to the SouthernSun family both personally and professionally. We recognize and are grateful for the unique situation we find ourselves in as a firm; the consistency of the same leadership for over 30 years, guiding a cohesive team that continues to employ the same time-tested philosophy on behalf of our valued clients. Knowing we have been through challenging times in the past and always come out stronger has enabled us to stay focused on the task at hand.

### PORTFOLIO UPDATE

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In March, we capitalized on the market disruption to make some changes in the portfolio. We took advantage of the opportunity to increase weightings in certain existing names at attractive prices. We also initiated multiple new positions in previously researched names on which we were waiting for appropriate pricing to enter. During the quarter, we did not fully exit any positions and added three new positions to the Small Cap and Global strategies and two new names to the SMID Cap strategy.

In the Small Cap Strategy Composite, we added two within the Consumer Discretionary sector, ServiceMaster Global Holdings, Inc. (SERV) and Dorman Products, Inc. (DORM) and one within the information technology sector, NIC, Inc. (EGOV). In the SMID Cap Composite, we added one within the consumer discretionary sector, ServiceMaster Global Holdings, Inc. (SERV) and one within the health care sector, Molina Healthcare, Inc. (MOH). In the Global Opportunities Composite, we added one in the health care sector, Gerresheimer AG, one in the communication services sector, JC Decaux SA, and one in the materials sector, Stella-Jones, Inc.

- ServiceMaster Global Holdings, Inc. is a leading provider of residential and commercial termite and pest control, commercial cleaning, residential cleaning, restoration, cabinet and furniture repair, and home inspections. The pest control industry in the U.S. is dominated by two players – Terminix (SERV) and Orkin (ROL).
- Dorman Products, Inc. develops and distributes aftermarket parts for the passenger car, light truck and heavy-duty truck markets in the U.S. The company's core mission is to identify parts that are failure prone and available only from OEM dealerships and make a high quality alternative available to customers and end users.
- NIC, Inc. is a leading digital government solutions and secure payment processing provider for state and municipal customers. It operates through Outsourced Portals and Other Software and Services segments. The Outsourced Portals segment (93% of revenues) operates digital government services on an enterprise-wide basis for state and local governments under long-term contracts.
- Molina Healthcare, Inc. is a leading provider of Health Services in the U.S. and a competitor of long-time SouthernSun holding, Centene. Molina is a leading provider in their 3 verticals (Medicaid, Medicare ABD, and Marketplace). Their markets are competitive, but only a handful of players are capable of competing and delivering the quality of care required, particularly at scale. They are well capitalized and have approximately \$1.8 billion of deployable capital through their existing cash, expected dividends from their subs, and current debt capacity.
- Gerresheimer AG (Germany) is the leading international manufacturer of high-quality specialty glass and plastic

products for the global pharma and healthcare industry including inhalers and insulin pens as well as syringes and vials to name a few. Operating through two segments: 1) Plastic and Devices, and 2) Primary Packaging Glass, Gerresheimer has a diversified product and geographic base. We believe they are excellent at low cost, high quality manufacturing and have used their high fixed cost installed capacity and regulatory expertise to build nice barriers to entry.

- JCDecaux SA (France) is a global leader in out of home advertising services. The Company operates through three segments: Street Furniture, Transport, and Billboard. They have also developed their own software platform to enable the shift to programmatic selling. The long-term opportunity to digitize and customize out of home advertising should drive mid-single digit growth at mid-teen returns for quite some time, in our opinion. Jean-Francois Decaux is the CEO and the Decaux family is the majority shareholder.
- Stella-Jones, Inc. (Canada) is North America's leading producer and marketer of pressure treated wood products. It operates through the following business segments: Pressure-Treated Wood and Logs & Lumber. The Pressure-Treated Wood segment includes railway ties, utility poles, residential lumber, and industrial products. The Logs & Lumber segment comprises of the sales of logs harvested in the course of the company's procurement process that are determined to be unsuitable for use as utility poles.

### 1Q 2020 RECAP... A TALE OF TWO QUARTERS

After a strong 2019 in which the Small, SMID and Global strategies were up more than 30% in absolute terms, and respectively, outperformed the Russell 2000 by +11.2%, the Russell 2000 Value by +14.4%, the Russell 2500 by +3.9%, the Russell 2500 Value by +8.1%, the MSCI ACWI by +0.5%, and the MCSI ACWI Small Cap Value by +6.0% , the first quarter of 2020 was an extraordinary period on many fronts. No one could have anticipated the sheer magnitude or the immediacy of the impact to the markets. January through late February we saw a reversion to momentum and growth bias names being rewarded. In January and February, the best performing sectors were: 1) Health Care, 2) Utilities, 3) Information Technology, 4) Communication Services, and 5) Real Estate. Those five sectors made up 46% of the Russell 2000, 48% of the Russell 2500 and 45% of the iShares MSCI ACWI ETF but only approximately 11% of our Small Cap Strategy composite, 16% of our SMID Cap composite and 13% of our Global Opportunities composite. Late February into early March, when initial stages of awareness of the pandemic hit, the markets experienced a dramatic inflection point. Typical during periods of such dramatic volatility and uncertainty, amongst the broad market sell-off, the market pivoted favoring characteristics of quality/value; earnings, free cashflow, low debt. Provided below is a chart illustrating the bifurcation of the quarter's return sets.

<b>Small Cap Strategy Composite</b>	<b>Gross</b>	<b>Net</b>	<b>Russell 2000</b>	<b>Russell 2000 Value</b>
January & February	-18.80	-18.91	-11.36	-14.59
March	-20.16	-20.22	-21.73	-24.67
1Q 2020	-35.17	-35.31	-30.61	-35.66

<b>SMID Cap Composite</b>	<b>Gross</b>	<b>Net</b>	<b>Russell 2500</b>	<b>Russell 2500 Value</b>
January & February	-17.21	-17.30	-10.25	-12.94
March	-22.68	-22.73	-21.70	-24.93
1Q 2020	-35.99	-36.10	-29.72	-34.64

<b>Global Opportunities Composite</b>	<b>Gross</b>	<b>Net</b>	<b>MSCI ACWI</b>	<b>MSCI ACWI Small Cap Value</b>
January & February	-17.78	-17.87	-9.09	-13.60
March	-20.76	-20.81	-13.50	-24.45
1Q 2020	-34.85	-34.96	-21.37	-34.72

The impact of recent events has moved both the world and the market into a completely new landscape from where it was just weeks ago. There are components of information and data that in such short order were rendered irrelevant to where we find ourselves today. As they say.... "it's a whole new ballgame." Therefore, what people are most focused on now is the outlook, perspective, and strategy to move forward from here. We do not purport to be able to forecast the future; however, we do place credence in historical input, even more so when there is an identifiable, repeated, and explainable pattern.

“Most of all, perhaps, we need intimate knowledge of the past. Not that the past has any magic about it, but because we cannot study the future, and yet need something to set against the present, to remind us that the basic assumptions have been quite different in different periods and that much which seems certain to the uneducated is merely temporary fashion. A man who has lived in many places is not likely to be deceived by the local errors of his native village. The scholar has lived in many times and is therefore in some degree immune from the cataract of nonsense that pours from the press and the microphone of his own age.”

C.S. Lewis, “Learning in War-Time,” Oxford University, 1939

Historically, once in recovery, the lower capitalization assets tend to rebound more quickly and with a greater magnitude. There are a multitude of rationale for this dynamic including; lower correlation to and reliance on the capital markets, an ability for their business to be more nimble and reactionary in both structure as well as strategy, to name a few. The sentiment towards perceived growth and momentum in the periods leading into a correction, typically during recovery revert to fundamentals that offer better guidance and sense of security... “quality”. We believe characteristics such as strong discretionary cashflow, niche dominance, and financial flexibility are, once again, valued. These are the characteristics that have always been core tenants of our investment philosophy.

Comparable to smaller capitalization companies’ tendency to outperform during periods of higher volatility, recent studies support a similar dynamic exists among institutional boutique managers. “The Boutique Premium” (initially published in 2015 and updated in 2018), which concluded that boutique firms outperformed indices and non-boutiques, “The Independent Boutique Advantage in Volatile Environments<sup>1</sup>” empirically demonstrates that alpha-oriented boutique investment firms delivered the highest excess returns over passive indexing and non-boutiques in periods of elevated volatility. During periods of elevated volatility independent boutique active managers outperformed both non-boutique active managers and passive indexing over the past 20 years, delivering the highest excess returns. Greatest outperformance by boutiques was experienced in: Small Cap Equities, Global Equities and Emerging Market Equities. With their unique entrepreneurial cultures, highly focused, specialized investment processes, and direct ownership of their businesses, independent boutique firms are most closely aligned with clients’ interests and able to protect capital and nimbly pivot to the investment areas of greatest opportunity in general – and especially in times like these.

The characteristics that are seen as the drivers behind the market historically favoring Small Cap stocks with value tilts during phases of recovery, coupled with the empirical data supporting institutional boutique performance provides some context and insight which likely account for the SouthernSun strategies historical outperformance from market troughs in the following five annualized periods in the table below.

<b>2008 Global Financial Crisis</b>	<b>1-Year</b>	<b>2-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>	<b>Max Drawdown<sup>2</sup></b>
	2.28.2009 - 2.28.2010	2.28.2009 - 2.28.2011	2.28.2009 - 2.29.2012	2.28.2009 - 2.28.2014	2.28.2009 - 2.28.2019	2.28.2009
Small Cap Strategy Composite (Net)	89.2%	70.1%	48.3%	37.9%	17.7%	-56.9%
Russell 2000	64.0%	47.4%	29.5%	26.6%	16.6%	-53.3%
Russell 2000 Value	65.9%	46.2%	27.7%	25.1%	15.4%	-56.0%
SMID Cap Composite (Net)	95.8%	69.4%	47.0%	36.5%	17.5%	-53.4%
Russell 2500	68.0%	49.3%	31.3%	27.6%	17.3%	-53.4%
Russell 2500 Value	69.3%	48.1%	29.6%	26.6%	16.2%	-56.1%

<b>2001 Recession</b>	<b>1-Year</b>	<b>2-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>	<b>Max Drawdown<sup>2</sup></b>
	9.30.2001 - 9.30.2002	9.30.2001 - 9.30.2003	9.30.2001 - 9.30.2004	9.30.2001 - 9.30.2006	9.30.2001 - 9.30.2011	9.30.2001
Small Cap Managed Composite <sup>3</sup> (Net)	9.7%	25.6%	27.9%	20.0%	12.4%	-18.7%
Russell 2000	-9.3%	11.3%	13.7%	13.8%	6.1%	-30.0%
Russell 2000 Value	-1.5%	13.9%	17.7%	17.0%	6.5%	-13.8%
SMID Cap Composite (Net)	7.2%	21.6%	24.4%	18.5%	12.9%	-20.2%
Russell 2500	-7.5%	12.0%	14.1%	14.4%	7.1%	-23.2%
Russell 2500 Value	-0.6%	14.2%	17.6%	17.0%	7.2%	-12.9%

Like you, we are monitoring the markets and staying close to our contacts around the globe - daily evaluating our risks while looking to take advantage of new opportunities. If you have any questions or you would like to have a further discussion, please reach out to us at [clientservice@southern.sunam.com](mailto:clientservice@southern.sunam.com).

Investment Team  
SouthernSun Asset Management

## SMALL CAP STRATEGY COMPOSITE

SMALL CAP STRATEGY COMPOSITE - ASSET WEIGHTED RETURNS												
Year <sup>1</sup>	SouthernSun		Russell 2000	Russell 2000 Value	Composite Dispersion	Composite 3-Yr Standard Deviation (%)	Russell 2000 3-Yr Standard Deviation (%)	Russell 2000 Value 3-Yr Standard Deviation	Accounts in Composite (#)	Total Composite Assets (\$Mil)	% of Firmwide Assets	Total Firmwide Assets (\$Mil)
	Gross	Net										
2019	36.76%	35.69%	25.52%	22.39%	0.28%	18.46%	15.71%	15.68%	13	\$562	45%	\$1,252
2018	-23.04%	-23.66%	-11.01%	-12.86%	N/A <sup>2</sup>	15.93%	15.79%	15.76%	≤5	\$342	23%	\$1,519
2017	19.58%	18.60%	14.65%	7.84%	0.20%	15.70%	13.91%	13.97%	6	\$605	14%	\$4,213
2016	20.77%	19.87%	21.31%	31.74%	0.63%	16.61%	15.76%	15.50%	6	\$547	13%	\$4,187
2015	-14.61%	-15.27%	-4.41%	-7.47%	0.59%	16.80%	13.96%	13.46%	6	\$540	12%	\$4,542
2014	-3.26%	-3.95%	4.89%	4.22%	0.05%	14.25%	13.12%	12.79%	6	\$921	16%	\$5,696
2013	43.95%	42.81%	38.82%	34.52%	0.56%	19.17%	16.45%	15.82%	6	\$1,103	21%	\$5,317
2012	20.70%	19.79%	16.35%	18.05%	0.26%	23.98%	20.20%	19.89%	6	\$584	22%	\$2,615
2011	6.47%	5.63%	-4.18%	-5.50%	0.99%	30.96%	24.99%	26.05%	6	\$365	17%	\$2,106
2010	51.09%	49.86%	26.85%	24.50%	0.50%	33.66%	27.69%	28.37%	6	\$250	13%	\$1,974
2009	33.41%	32.35%	27.17%	20.58%	1.26%	29.89%	24.83%	25.62%	6	\$149	11%	\$1,339
2008	-33.71%	-34.17%	-33.79%	-28.92%	1.31%	21.92%	19.85%	19.14%	6	\$107	10%	\$1,025
2007	9.50%	9.03%	-1.57%	-9.78%	N/A <sup>2</sup>	13.43%	13.16%	12.59%	≤5	\$80	6%	\$1,341
2006	13.16%	12.72%	18.37%	23.48%	N/A <sup>2</sup>	13.71%	13.75%	12.33%	≤5	\$59	5%	\$1,100
2005	2.44%	2.16%	4.55%	4.71%	N/A <sup>2</sup>	N/A <sup>3</sup>	N/A <sup>3</sup>	N/A <sup>3</sup>	≤5	\$48	7%	\$733
2004	25.84%	25.78%	18.33%	22.25%	N/A <sup>2</sup>	N/A <sup>3</sup>	N/A <sup>3</sup>	N/A <sup>3</sup>	≤5	\$20	5%	\$410
2003	14.94%	14.94%	11.62%	13.06%	N/A <sup>2</sup>	N/A <sup>3</sup>	N/A <sup>3</sup>	N/A <sup>3</sup>	≤5	<\$1	1%	\$162

<sup>1</sup>2003 returns are from inception date of the composite: October 1, 2003. The return numbers are not annualized.

<sup>2</sup>Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

<sup>3</sup>Information is not statistically meaningful due to an insufficient number of periods.

SouthernSun Asset Management, LLC, an SEC registered investment adviser, is a research-driven investment management firm implementing long-only domestic and global equity strategies for institutions and individuals. SouthernSun provides investment advisory services for its clients using a proprietary investment research process based on fundamental analysis and seeks to invest in niche-dominant, attractively-valued companies with financial flexibility and uniquely-fitted management teams. SouthernSun Asset Management, LLC claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. SouthernSun Asset Management, LLC has been independently verified for the periods January 1, 1990 through December 31, 2019. A copy of the verification report(s) is/are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements for the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. Subsequent periods are currently undergoing verification by ACA Performance Services, LLC and, as such, performance may be subject to change.

Performance results shown above are included as part of a complete disclosure presentation. The SouthernSun Small Cap Strategy Composite generally contains fully discretionary accounts invested in small cap securities (defined as equity securities with market capitalizations that are within the range of the Russell 2000 Index at the time of initial purchase during the most recent 12-month period, based on month-end data) and for comparison purposes is measured against the Russell 2000 and Russell 2000 Value indices. The minimum asset level to be included in this composite is \$1,000,000. Additionally, this composite does not include accounts that are overly restrictive with regard to 1) a new range for small cap securities (that are, at purchase, normally within a similar range to that of the maximum and minimum of the Russell 2000 Index on a trailing 12-month basis; and 2) maximum cash level restrictions. Any other guidelines that the chief investment officer feels are overly constraining for the management of a discretionary account will also be taken into consideration when eliminating accounts for inclusion in the Small Cap Strategy Composite. Prior to January 1, 2017, the composite did not adhere to a significant cash flow policy. From January 1, 2017 to February 6, 2017, accounts were removed when experiencing a significant cash flow. As of February 7, 2017, the composite did not adhere to a significant cash flow policy. Additional information regarding the treatment of Significant Cash Flows is available upon request. The firm maintains a complete list and description of composites, which is available upon request. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. The U.S. dollar is the currency used to express performance. Returns are stated gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees, provided that the performance returns for the initial account in the composite were only calculated on a gross basis from October 2003 to October 2004. The management fee schedule is as follows: \$0 - \$50,000,000 is 1.00%, \$50,000,001 - \$100,000,000 is 0.95%, \$100,000,001 and above is 0.90%. This schedule is subject to a \$50,000 minimum annual fee. A management fee was not applied, however, to the sole SouthernSun Small Cap Strategy account in 2003. Actual investment advisory fees incurred by clients may vary. The annual composite dispersion presented is an asset-weighted standard deviation of gross returns for accounts in the composite the entire year. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. The SouthernSun Small Cap Strategy Composite was created January 1, 2017. The inception date of the SouthernSun Small Cap Strategy Composite is October 1, 2003.

The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000 Value Index measures the performance of small-cap value segment of the U.S. equity universe. It includes those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. Frank Russell Company ("FRC") is the source and owner of the Russell Index Information contained or reflected in this material and all trademarks and copyrights related thereto. The Russell Index Information may contain confidential information and unauthorized use, disclosure, copying, dissemination or redistribution is strictly prohibited. For more information on either index, please consult FRC.

**Past performance is no guarantee of future results.** As with any investment strategy, there is a potential for profit as well as the possibility of loss. Individual investor results will vary. Performance results may be materially affected by market and economic conditions.



## SMID CAP COMPOSITE

SMID CAP COMPOSITE - ASSET WEIGHTED RETURNS												
Year	SouthernSun		Russell 2500	Russell 2500 Value	Composite Dispersion	Composite 3-Yr Standard Deviation (%)	Russell 2500 3-Yr Standard Deviation (%)	Russell 2500 Value 3-Yr Standard Deviation (%)	Accounts in Composite (#)	Total Composite Assets (\$Mil)	% of Firmwide Assets	Total Firmwide Assets (\$Mil)
	Gross	Net										
2019	31.64%	30.63%	27.77%	23.56%	0.89%	17.10%	14.58%	14.23%	10	\$340	27%	\$1,252
2018	-21.14%	-21.75%	-10.00%	-12.36%	0.12%	15.24%	14.10%	13.58%	38	\$693	46%	\$1,519
2017	12.33%	11.46%	16.81%	10.36%	0.17%	13.91%	12.13%	11.81%	70	\$2,309	55%	\$4,213
2016	18.05%	17.19%	17.59%	25.20%	0.33%	15.13%	13.67%	13.17%	62	\$1,242	30%	\$4,187
2015	-10.91%	-11.55%	-2.90%	-5.49%	0.27%	15.08%	12.42%	12.02%	77	\$1,120	25%	\$4,542
2014	2.33%	1.60%	7.07%	7.11%	0.24%	13.56%	11.67%	11.25%	95	\$1,186	21%	\$5,696
2013	43.17%	42.27%	36.80%	33.32%	0.19%	18.71%	15.63%	15.07%	51	\$882	17%	\$5,317
2012	19.56%	18.86%	17.88%	19.21%	0.25%	22.89%	18.97%	18.41%	24	\$378	14%	\$2,615
2011	4.86%	4.30%	-2.51%	-3.36%	0.18%	27.75%	23.40%	24.23%	24	\$309	15%	\$2,106
2010	43.20%	42.47%	26.71%	24.82%	0.31%	31.58%	26.80%	26.97%	16	\$222	11%	\$1,974
2009	49.73%	49.08%	34.39%	27.68%	0.00%	28.16%	24.25%	24.61%	7	\$142	11%	\$1,339
2008	-36.75%	-37.03%	-36.79%	-31.99%	1.28%	22.71%	19.37%	18.38%	6	\$105	10%	\$1,025
2007	12.89%	12.40%	1.38%	-7.27%	0.07%	13.65%	11.52%	11.03%	6	\$175	13%	\$1,341
2006	15.78%	15.28%	16.17%	20.18%	N/A <sup>1</sup>	14.33%	11.93%	10.85%	<5	\$153	14%	\$1,100
2005	2.42%	1.96%	8.11%	7.74%	N/A <sup>1</sup>	16.75%	13.48%	12.81%	<5	\$135	18%	\$733
2004	27.64%	27.09%	18.29%	21.58%	N/A <sup>1</sup>	18.51%	16.92%	15.68%	<5	\$133	32%	\$410
2003	45.59%	44.97%	45.51%	44.93%	N/A <sup>1</sup>	22.33%	19.93%	16.97%	<5	\$97	60%	\$162
2002	-3.39%	-3.77%	-17.80%	-9.87%	N/A <sup>1</sup>	20.97%	21.92%	16.27%	<5	\$39	36%	\$107
2001	7.19%	6.76%	1.21%	9.74%	N/A <sup>1</sup>	20.20%	21.16%	14.62%	<5	\$40	34%	\$120
2000	14.15%	13.68%	4.26%	20.79%	N/A <sup>1</sup>	20.55%	22.35%	16.55%	<5	\$38	28%	\$137
1999	14.39%	13.92%	24.14%	1.49%	N/A <sup>1</sup>	18.79%	19.46%	16.14%	<5	\$33	23%	\$145
1998	-2.23%	-2.62%	0.38%	-1.92%	N/A <sup>1</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>	<5	\$29	21%	\$135
1997	27.32%	26.80%	24.36%	33.09%	N/A <sup>1</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>	<5	\$14	11%	\$123

<sup>1</sup>Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

<sup>2</sup>Information is not statistically meaningful due to an insufficient number of periods.

SouthernSun Asset Management, LLC, an SEC registered investment adviser, is a research-driven investment management firm implementing long-only domestic and global equity strategies for institutions and individuals. SouthernSun provides investment advisory services for its clients using a proprietary investment research process based on fundamental analysis and seeks to invest in niche-dominant, attractively-valued companies with financial flexibility and uniquely-fitted management teams. SouthernSun Asset Management, LLC claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. SouthernSun Asset Management, LLC has been independently verified for the periods January 1, 1990 through December 31, 2019. A copy of the verification report(s) is/are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements for the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. Subsequent periods are currently undergoing verification by ACA Performance Services, LLC and, as such, performance may be subject to change.

Performance results shown above are included as part of a complete disclosure presentation. SouthernSun SMID Cap Composite contains fully discretionary equity accounts invested in small cap to mid-cap (SMID cap) securities (defined as equity securities with market capitalizations that are within the range of the Russell 2500 at the time of initial purchase during the most recent 12-month period) and for comparison purposes is measured against the Russell 2500 and Russell 2500 Value indices. The minimum account size for inclusion into this composite is \$1,000,000. Prior to July 1, 2015, the minimum account size for inclusion in this composite was \$500,000. Prior to July 1, 2009, the minimum account size for inclusion in this composite was \$1,000,000. Composite policy requires the temporary removal of any portfolio incurring a client-initiated significant cash inflow or outflow of 20% or more of the portfolio assets. Prior to April 1, 2004, composite policy required the temporary removal of any portfolio incurring a client-initiated significant cash inflow or outflow of 50% or more of portfolio assets. Additional information regarding the treatment of Significant Cash Flows is available upon request. The firm maintains a complete list and description of composites, which is available upon request. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Trade date valuation has been used since inception. The U.S. dollar is the currency used to express performance. Returns are stated gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees. The management fee schedule is as follows: \$0 - \$50,000,000 is .90%, \$50,000,001 - \$100,000,000 is .85%, and above is .75%. This schedule is subject to a \$45,000 minimum annual fee. Actual investment advisory fees incurred by clients may vary. The annual composite dispersion presented is an asset-weighted standard deviation of gross returns for accounts in the composite the entire year. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. The SouthernSun SMID Cap Composite was created January 1, 1997. As of February 1, 2020, the firm substituted retroactively the Russell 2500 Value index in place of the Russell Midcap index as a secondary benchmark for the SouthernSun SMID Cap Composite. The cause for such a change is that SouthernSun believes that the Russell 2500 Value index is more representative of the firm's SMID Cap strategy, historically and on a go-forward basis.

The Russell 2500 Index measures the performance of the small to mid-cap segment of the U.S. equity universe, commonly referred to as "smid" cap. The Russell 2500 Index is a subset of the Russell 3000 Index. It includes approximately 2500 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2500 Value Index measures the performance of the small to mid-cap value segment of the U.S. equity universe. It includes those Russell 2500 companies that are considered more value oriented relative to the overall market as defined by Russell's leading style methodology. Frank Russell Company ("FRC") is the source and owner of the Russell Index Information contained or reflected in this material and all trademarks and copyrights related thereto. The Russell Index Information may contain confidential information and unauthorized use, disclosure, copying, dissemination or redistribution is strictly prohibited. For more information on either index, please consult Frank Russell Company.

**Past performance is no guarantee of future results.** As with any investment strategy, there is a potential for profit as well as the possibility of loss. Individual investor results will vary. Performance results may be materially affected by market and economic conditions.

## GLOBAL OPPORTUNITIES COMPOSITE

GLOBAL OPPORTUNITIES COMPOSITE - ASSET WEIGHTED RETURNS										
Year	SouthernSun		MSCI AC World Total Return Net	Composite Dispersion	Composite 3-Yr Standard Deviation (%)	MSCI AC World TR 3-Yr Standard Deviation (%)	Accounts in Composite (#)	Total Composite Assets (\$Mil)	% of Firmwide Assets	Total Firmwide Assets (\$Mil)
	Gross	Net								
2019	27.08%	26.26%	26.60%	N/A <sup>1</sup>	13.80%	11.22%	≤5	\$122	10%	\$1,252
2018	-12.49%	-13.09%	-9.42%	N/A <sup>1</sup>	12.15%	10.48%	≤5	83.7	6%	\$1,519
2017	18.67%	17.81%	23.97%	N/A <sup>1</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>	≤5	87.5	2%	\$4,213
2016	17.27%	16.40%	7.86%	N/A <sup>1</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>	≤5	71.1	2%	\$4,187

<sup>1</sup>Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

<sup>2</sup>Information is not statistically meaningful due to an insufficient number of periods.

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SouthernSun Asset Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. SouthernSun Asset Management, LLC has been independently verified for the periods January 1, 1990 through December 31, 2019. A copy of the verification report(s) is/are available upon request.

Verification assesses whether (1) the firm has complied with all the composite construction requirements for the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. Subsequent periods are currently undergoing verification by ACA Performance Services, LLC and, as such, performance may be subject to change.

Performance results shown above are included as part of a complete disclosure presentation. The SouthernSun Global Opportunities Composite contains fully discretionary equity accounts invested in an active global equity portfolio that aims to deliver long-term capital appreciation by investing in a portfolio of US and non-US companies (with a market capitalization of at least \$100 million at initial purchase). The minimum account size for inclusion in this composite is \$100,000. The composite policy requires the temporary removal of any portfolio falling below the minimum account size in value. The firm maintains a complete list and description of composites, which is available upon request. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Trade date valuation has been used. The U.S. dollar is the currency used to express performance. Composite performance is presented net of foreign withholding taxes on dividends, interest income, and capital gains. Withholding taxes may vary according to the investor's domicile. The exchange rate source may differ among the accounts and benchmark in the composite. The MSCI AC World Index (net) uses withholding tax rates applicable to Luxembourg holding companies. Returns are stated gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using model management fees for illustrative purposes as the current accounts in the composite are subject to management fees that are lesser than the firm's stated fee schedule. The model management fee, which reflects the firm's stated fee schedule, is as follows: 1.25% on all amounts. This is subject to \$62,500 minimum annual fee. Actual investment advisory fees incurred by clients may vary. The annual composite dispersion presented is an asset-weighted standard deviation of gross returns for accounts in the composite the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The SouthernSun Global Opportunities Composite was created January 1, 2016 and represents performance calculated on a daily basis.

The MSCI ACWI Index (All Country World Index) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. As of December 2019 the MSCI ACWI captured large and mid cap representation across 23 Developed Markets (DM) and 26 Emerging Markets (EM) countries. The developed market country indexes included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. The emerging market country indexes included are: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Qatar, Russia, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

**Past performance is no guarantee of future results.** As with any investment strategy, there is a potential for profit as well as the possibility of loss. Individual investor results will vary. Performance results may be materially affected by market and economic conditions.

<sup>1</sup>Source: Affiliated Managers Group

<sup>2</sup>Max Drawdown is the strategy's largest loss from a peak to a trough in a certain time period. In other words, the maximum loss from any point during the period. Drawdown does not reset whenever there's a positive return. It only resets once the cumulative return is 0%. The trough date of the max drawdown is where we are showing the performance going forward.

<sup>3</sup>For many years, we managed two Small Cap model portfolios internally; the most significant difference between the two models was their target market cap range. After much discussion internally, we decided at the beginning of 2017 to simplify things and move towards managing one model and one composite for the strategy. We chose to use the model with the less constrained target market cap range, as that is our Investment Team's preferred way to manage our Small Cap strategy. We have moved all clients from the retired model to the less constrained which has an inception date of October 1, 2003.

The holdings discussed in the commentary have been added to the portfolio within the trailing-three-months. The contents herein are specific to the performance of SouthernSun's Small Cap, SMID Cap and Global Opportunities strategies and should not be relied upon when making an investment decision related to the AMG SouthernSun Small Cap Fund or the AMG SouthernSun U.S. Equity Fund. These securities are not representative of all of the securities purchased, sold, or recommended for advisory clients. It should not be assumed that an investment in the securities identified has or will be profitable. Actual holdings will vary for each client, and there is no guarantee that a particular client's account will hold any or all of the securities listed.

Source: SouthernSun Asset Management, Factset, Advent Portfolio Exchange. Performance is preliminary and subject to change. Past performance is not indicative of future results, which may vary. Returns greater than once year are annualized averages and do not mean the manager achieved the stated return in each time period. Returns reflect the reinvestment of dividends and other earnings. Net returns are actual and reflect the deduction of management fees.

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