4Q 2020 U.S. Equity Fund Investment Commentary

For decades we have attempted, in various forms, to communicate how we approach investment research and why we believe our approach, when coupled with a mix of individuals with lively minds and experience, is valuable. That said, our chief effort has not been to persuade others or ourselves that this or that is true, rather to uncover long term investment opportunities based on genuine knowledge, identify risk, assign value, and make reasonable decisions amid an ever-evolving landscape.

In last quarter's note we covered some of the overarching events of 2020 and described how many of our portfolio businesses coped. We, and probably you, thought at the time that there had been sufficient drama in the world for one year - if only life would unfold with a modicum of respect for the calendar. Alas, as is the case, events proceed outside of our control with little regard to the clock or our preparedness. What we thought we knew before such events occur can be confirmed, dispelled, or remain to us unknown.

As I am writing, some of the things we know are that the UK is back in lockdown, international travel bans are being re-implemented in the US and across the globe and new variants of the virus are unnerving and infecting more individuals. Critically however, an increasing number of vaccines are rolling out - contrary to what many in the scientific community, only months ago, believed impossible or at best, unlikely inside of three to five years.

We have heard it said that crises seem to highlight flaws in individuals and institutions whilst simultaneously providing fresh soil for execution-oriented creative innovation. We would tend to agree, as it generally harmonizes with our own experience. And, if this is the case, then it should stand to reason that when we experience a series of overlapping crises (see last quarters letter), and they unfold within a very short period, then they are likely to exaggerate that polar range of emotions/actions - further complicating the picture in the near to intermediate term.

Therefore, we believe that constantly striving to maintain a proper perspective and sense of proportion are fundamental to consistent investment performance -particularly when confusion is rampant and shrill voices seize center stage in the marketplace.

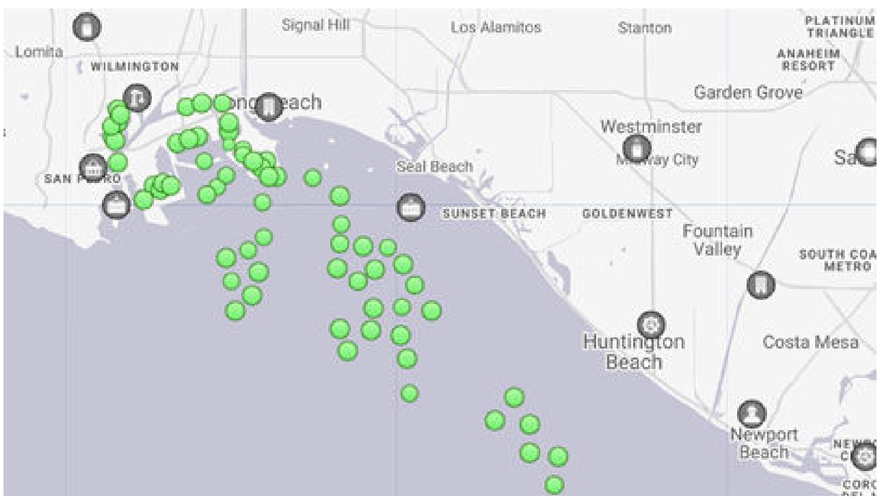
But just how to go about it? Not just how to think about it, but how to actively work it out? And do it in such a way that the process reliably yields beneficial action that leads to favorable outcomes?

To begin, we are unashamedly generalist, and our process has been honed over many decades, selectively incorporating critical lessons learnt from a wide sampling of conditions. We have encountered not only macro driven challenges but industry and company specific ones along the way, providing us a storehouse of context.

Although our investment philosophy is foundational and our process time-tested, vitally, we also remain adaptable. Our research and subsequent conversations are unambiguous regarding what we do not know with particular emphasis on what we cannot know. It is no coincidence that one of the characteristics we look for in our business leaders is the ability to adapt - to concurrently see things as they are and what they might become. Then to utilize their talent and experience to lead the company forward and achieve superior long term shareholder value.

Tolstoy, in a translation of the uncensored original work, Book XVIII, entitled What Is To Be Done? Life, Chapter XII, The Cause of False Knowledge is the False Perspective in which Objects Present Themselves, wrote, "But false knowledge consists in thinking that we know that which we do not know…It is assumed by the false knowledge of our day that we know that which we cannot know, and that we do not know that which we alone can know. It seems to one possessed of false knowledge that they know everything which presents itself to them in space and time, and that they do not know that which is known to them through their rational consciousness… We always unconsciously direct our sight chiefly on the objects which are more distant, and which therefore seem to us the most simple in color and outline; on the sky, the horizon, the far-off meadows, the forest. These objects present themselves to us as better defined and more simple in proportion as they are more distant, and vice versa, the nearer the object, the more complicated is it in outline and color."

It feels like bad form to say that 2021 will be different than 2020, but it will be. We do not know exactly how, but there are things we can know such as large numbers of people will be vaccinated. We know that supply chains across the globe are in a world of hurt, and it will take time and more reliable intermediate term flows to put it right. One need only look as far as L.A. Port where last Wednesday 37 container ships were anchored outside the harbor. We think that the significance of this is what it might say about a logistics logjam on shore. When added to labor shortages and continued COVID protocols (distancing, decontamination, etc.) we know there is currently inflation present in the transportation segment of supply chains in America.



Container ship locations, Jan. 13 (Map: Marine Traffic)

The supply chain impact is being felt across a wide range of businesses both positively and negatively including agriculture where, for example, we currently have corn quoted above the $5 per bushel mark for the first time since May of 2014. We know that part of that price push has been due to heavy Chinese buying and severe drought in parts of Argentina and Brazil.

One of the reasons we have, from the beginning, sought out sources of insight that are less traditional is to expose us to countervailing thought – for example, primary and secondary resources that might be on the desk or workstation of one of our portfolio company's plant, purchasing or logistics managers or a trusted source that a farmer or equipment dealer uses to inform the decisions that will give them an edge in their marketplace.

These types of resources are not only educational and informative but have allowed us to ask better questions over time. Now, possibly more than ever, we believe it is imperative to shut off the noise and maintain focus. And though there will likely be significant challenges in the days and months ahead, we are encouraged by the number of high-quality businesses we are finding at attractive prices – particularly given our view that much of the US public market looks pricey. That said, we would not at all be surprised to see some of our portfolio businesses make use of their strong, flexible balance sheets to seek bolt-on acquisitions in the coming days, particularly as many over-levered businesses face mounting pressure.

The SouthernSun U.S. Equity Fund (Class N) returned +25.94% versus the Russell 2500™, which returned +27.41% and the Russell 2500™ Value, which returned +28.51%, during the fourth quarter of 2020. On a year-to-date basis, the Fund returned +13.109% versus the Russell 2500™, which returned +19.99% and the Russell 2500™ Value, which returned +4.88% over the same period. Please note that this Fund has multiple share classes.

Hanesbrand, Inc. (HBI) was the leading detractor on an absolute basis during the period. **HBI** continued to be impacted by decreased consumer traffic and temporary retail store closures worldwide due to the pandemic, although sales of personal protective equipment have continued to help offset somewhat. Innerwear sales were strong in the third quarter as retail customers re-stocked inventory, but activewear sales were weak due to decreased demand for sports apparel. The Champion brand was also heavily impacted by decreased demand for sports apparel; however, the growth drivers appear to still be in place for this brand post-pandemic. Financial flexibility remains adequate, with Net Debt/EBITDA at 3.3x and $2 billion of liquidity available. The company recently hired Stephen Bratspies as Chief Executive Officer and we look forward to hearing his assessment and plans to grow the business following his in-depth business review.

Watsco Inc. (WSO), the largest distributor of air conditioning, heating and refrigeration products in the Americas, was another leading detractor on an absolute basis during the period. **WSO** reported record sales, operating profit and earnings per share in the third quarter and year-to-date. The core U.S. residential business saw strong demand with sales of HVAC equipment up 10%, while the commercial business recovered to flat. The company continues to develop and implement proprietary technology solutions for their customers, positioning **WSO** to continue gaining share with contractors. Financial flexibility remains strong with an essentially debt free balance sheet, enabling **WSO** to pursue almost any-sized acquisition in a fragmented North American HVAC distribution industry. We continue to be impressed by the entrepreneurial culture at the company and believe the company has a bright future.

The Brink's Co. (BCO), the global leader in total cash management, was the leading contributor on an absolute basis during the period. Demand for **BCO's** services continued to recover from the impact of the pandemic with pro-forma revenues reaching 90% of 2019 levels by the end of September. Management expects demand to continue to improve and reinstated 2020 guidance that was above their previous scenario analyses. The restructuring and fixed cost reductions implemented in 2020 are expected to benefit margins in 2021 and the company's earnings sensitivity model ranges from $615M-$805M of Adjusted EBITDA for the year, with the enterprise currently trading at roughly 8X the midpoint of this range. A $50 million accelerated share repurchase was completed in August at an average price of $45.59, which we believe to be a price that creates value for continuing shareholders.

Darling Ingredients, Inc. (DAR), a global leader in creating sustainable food, feed and fuel ingredients from edible and inedible bio-nutrients, was another leading contributor on an absolute basis during the period. Improved results in the food segment, combined with strong performance in the international fuel segment drove 13% EBITDA growth in the core operations. **DAR's** renewable diesel joint venture with Valero, Diamond Green Diesel (DGD), had record sales volumes for the third quarter and is on track to produce 285 million gallons for the year. The 400-million-gallon capacity expansion project is progressing according to plan and management expects DGD to produce 675 million gallons of renewable diesel in 2022 at roughly $2.25 EBITDA per gallon margins, which would roughly double **DAR's** share of DGD earnings and eclipse the EBITDA from core **DAR**. Furthermore, an additional 400-million-gallon plant is under consideration in Port Arthur, Texas which would increase DGD production to roughly 1,075 million gallons by 2024. We continue to believe Diamond Green Diesel is a competitively advantaged low-cost producer of renewable diesel with strong long-term growth prospects and favorable environmental tailwinds.

During 2020, we initiated four names in the SouthernSun U.S. Equity Fund, including one in the fourth quarter of

2020: one within the consumer discretionary sector, **Terminix Global Holdings Inc (TMX)***, one within the health care sector, **Molina Healthcare, Inc. (MOH)**, and two within the industrials sector, **Armstrong World Industries, Inc. (AWI)** and **Univar Solutions Inc. (UNVR)**. Additionally, we fully exited two names during 2020 which occured in the fourth quarter - **Ovintiv Inc. (OVV)**** and **Trinity Industries, Inc. (TRN)**.

We initiated a new position in **Armstrong World Industries, Inc. (AWI)** during the fourth quarter of 2020. **AWI** engages in the design, manufacture, and trade of commercial and residential ceiling, wall, and suspension system solutions. It operates through the Mineral Fiber and Architectural Specialties segments. The Mineral Fiber segment produces suspended mineral fiber and soft fiber ceiling systems for use in commercial and residential settings. The Architectural Specialties segment produces and sources ceilings and walls for use in commercial settings. **AWI** has a strong competitive position and business model, an experienced management team with a sensible growth strategy, and recent market action provided us an attractive price to buy shares. The company was founded by Thomas M. Armstrong in 1860 and is headquartered in Lancaster, PA.

Trinity Industries, Inc. (TRN) is the leading railcar manufacturer in North America and has built a leading railcar leasing business over the past decade. With the spin-off of several business units into the newly-formed Arcosa (ticker ACA) in the fourth quarter of 2018, we were able to monetize a portion of the intrinsic value in **TRN**. Since that time, we have seen long-time CEO Tim Wallace and long-time CFO James Perry retire from **TRN** and usher in a new management team. While we believe the new **TRN** has very strong positions in their niche markets and will likely earn a decent return for shareholders, the return profile of the company combined with new ideas competing for capital in the portfolio in 2020 led us to sell out of **TRN** in the fourth quarter of 2020 after more than 20 years of ownership.

Ovintiv, Inc. (OVV) is a leading North American oil and gas company. In our opinion, **OVV** continued to be heavily impacted by the drop in oil prices created by the pandemic-driven demand shock. Although we believe the management team is taking appropriate action to adapt to the environment, we decided to exit the position early in the fourth quarter of 2020 in order to allocate funds to higher conviction opportunities.

As SouthernSun enters our 33rd year of business we are pleased that for the first time in the firm's history we are 100% employee owned. The enthusiasm is palpable, from our employees to our clients. The dedication and commitment of every SouthernSun employee reminds us all over again why we do what we do. In a year of immense challenge and wild swings in the marketplace and a year of personal loss for so many of us, we are grateful for our team and for you, our clients – we are grateful for the privilege of doing what we love and hope we continue to earn your trust as we move into 2021.

Michael W. Cook
CEO and Chief Investment Officer
SouthernSun Asset Management

Before investing in any SouthernSun funds, you should carefully consider the Fund's investment objectives, risks, charges, and expenses. The Prospectus and Summary Prospectus contain this and other important information. Please read the Prospectus and Summary Prospectus carefully before investing.

FUND PERFORMANCE %[1,2]							
	SINCE INCEPTION[3]	5 YEAR	3 YEAR	1 YEAR	YTD	QTD	MTD
SSEFX (Class N) (%)	7.9	7.9	4.4	13.1	13.1	25.9	5.9
SSEIX (Class I) (%)	8.2	8.1	4.7	13.4	13.4	26.1	5.9
Russell 2500 (%)	13.2	13.6	11.3	20.0	20.0	27.4	7.6
Russell 2500 Value (%)	10.4	9.4	4.3	4.9	4.9	28.5	6.9

*SSSFX (Class N) Expense Ratio (Gross/Net): 1.48%/1.34%**
*SSSIX (Class I) Expense Ratio (Gross/Net) 1.23%/1.09%**

**Contractual waivers are in effect through February 16, 2022.*
The performance data shown represents past performance. Past performance is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. The investment return and the principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. For performance information through the most recent month end, please call 901.341.2700 or visit our website at www.southernsunam.com. From time to time the advisor has waived fees or reimbursed expenses, which may have resulted in higher returns.

[1] One-year, three-year, five-year, ten-year, and since inception returns are annualized averages and do not mean the manager achieved the stated return in each year. Returns for periods less than one year are not annualized.

[2] The performance information shown for periods prior to February 16, 2021 is that of the predecessor to the Fund, AMG SouthernSun U.S. Equity Fund, a series of AMG Funds LLC, which was reorganized into the Fund on February 16, 2021, and was managed by AMG Funds LLC and sub-advised by SouthernSun Asset Management, LLC with the same investment objective and substantially similar investment policies as those of the Fund. The performance information shown for periods prior to March 31, 2014 is that of the predecessor to the Fund, SouthernSun U.S. Equity Fund, a series of Northern Lights Fund Trust, which was reorganized into the Fund on March 31, 2014, and was managed by SouthernSun Asset Management, LLC with the same investment objective and substantially similar investment policies as those of the Fund.

TOP 10 HOLDINGS[4]		
	TICKER	% OF FUND
The Brink's Co.	BCO	7.1
Darling Ingredients, Inc.	DAR	6.7
Crane Co..	CR	5.8
Extended Stay America, Inc.	STAY	5.7
Dycom Industries, Inc.	DY	5.6
AGCO Corp	AGCO	5.2
Timken Co	TKR	5.2
Polaris, Inc.	PII	4.5
Thor Industries, Inc.	THO	4.3
Clean Harbors Inc.	CLH	4.2
Total		54.4

[3] Since the inception of the Fund's share classes on April 10, 2012.

[4] The Holdings identified above do not represent all of the securities purchased, sold or recommended for advisory clients. Holdings are subject to change and should not be construed as investment advice.

The SouthernSun funds are distributed by SEI Investments Distribution Co. (SIDCO). The Funds are managed by SouthernSun Asset Management, LLC. SIDCO is not affiliated with SouthernSun Asset Management, LLC or any of its affiliates. SIDCO is a member of FINRA/SIPC.

Important Disclosures:
The views expressed represent the opinions of SouthernSun Asset Management, LLC as of December 31, 2020, are not intended as a forecast or guarantee of future results, and are subject to change without notice. *As of October 2020 ServiceMaster Global Holdings, Inc. (SERV) changed its name to Terminix Global Holdings (TMX). **As of January 2020 Encana Corp. (ECA) changed its name to Ovintiv, Inc. (OVV). Source: SouthernSun Asset Management, Advent Portfolio Exchange. Statements received directly from the account custodian should be regarded as the official record for a client's account. This information is being furnished to you for informational purposes only and should not be solely relied upon when making an investment decision. All information has been obtained from sources believed to be reliable, but its accuracy and completeness are not guaranteed.

Small- and Mid-Capitalization Companies Risk — The small- and mid-capitalization companies in which the Fund may invest may be more vulnerable to adverse business or economic events than larger, more established companies. In particular, investments in these small- and mid-sized companies may pose additional risks, including liquidity risk, because these companies tend to have limited product lines, markets and financial resources, and may depend upon a relatively small management group. Therefore, small- and mid-cap stocks may be more volatile than those of larger companies. These securities may be traded over-the-counter or listed on an exchange.

Non-Diversified Fund Risk— The Fund is classified as "non-diversified," which means it may invest a larger percentage of its assets in a smaller number of issuers than a diversified fund. To the extent that the Fund invests its assets in a smaller number of issuers, the Fund will be more susceptible to negative events affecting those issuers than a diversified fund.

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