

# Defining Perspective

October 2, 2018

*Today we offer the second in our four-part series of letters to clients and friends of SouthernSun.*

How we define things matters in life – this must then include how we define things in investing. The Long Game, the long-term, generational investing – all ways in which many investors, institutional and individual alike, would describe their approach. Yet the definition of such descriptions in many cases, arguably, is not considered at worst and fuzzy at best. Even when there is an agreed definition to begin, lines can easily and quickly, almost without realization, become blurred between long-term intent and short termism. Dare we say this is and should be a constant battle for us all, as definitions must be clear for us to fairly take account/measure. Our investment team certainly faces this challenge as we attempt to judge the appropriate value for each of our portfolio businesses.

As Merryn Somerset Webb writes in her September 21, 2018 article in the Financial Times, “The answer is in part down to human frailties of fear, greed and so on, but it is also about the way the industry operates. We all like to think we are in the markets for the long term. But that doesn’t mean fund managers get five years or more to show that what they do works. They tend to get a couple years maximum. Strategies that work over the long-term, (value and small/medium cap in almost every market being at the top of the list) but not always over the short term aren’t much good to them, particularly in an industry where compliance rules everything. **(Value investing comes off worst here as the strategy requires levels of patience the market just doesn’t have.)**”<sup>1</sup> [emphasis added]

So, when truly short-term thinking is passed off as something other than what it is – short-term thinking – should we blame a naturally self-promoting, self-serving, and new product driven industry or the customer’s wants and needs whom they serve? Maybe, as with most questions, the answer is not one or the other but rather both. For example, think of a business that is attempting to reconfigure its sales organization to better serve customers. This could be the result of short-term pressure to meet sales growth expectations, or it could be that customers are requiring higher service levels. In many cases, the answer is both/and. Or take the example of a student working towards a degree in engineering – it is likely both that student’s desire to enhance her own market value and the market’s immediate shortage of qualified engineers that motivate her to pursue the degree. In both examples, the immediate decisions/actions may or may not prove valuable – whether due to unexpected external factors or some other reason – but in both cases, the immediate decisions/actions often come at the expense of the long-term value proposition. These examples, at a minimum, highlight why the definitions of short- and long-term matter.

Drew Willson, a member of our investment team, in a note to the team regarding one of his sessions at the Oxford Analytica Global Horizons conference last week, described how one of the geopolitical risk panellists asserted, after having spent countless hours reading annual reports, that he found little to nothing that described how most companies think about managing geopolitical risk, despite many incurring large, direct losses. It seems that most companies only mention losses in a matter-of-fact manner once the losses have already materialized. I think our companies would, on the whole, agree that one of many significant risks to their business includes geopolitical risk (i.e. trade war), but it is indeed more difficult to articulate the wide range of potential geopolitical risks in a measurable way. Many analysts and market commentators are quick to point out the near term impacts of upcoming geopolitical or



**Michael W. Cook, Sr., Founder, Chief Executive Officer, Chief Investment Officer**  
Memphis, TN

regulatory changes, but management teams must be thoughtful about the long-term implications of reacting to short-term geopolitical events. Through many discussions with our portfolio company leaders, we have found that most are implementing specific actions to successfully mitigate the risk of, among others, trade wars/tariffs and inflationary pressures while thoughtfully positioning their businesses for the long-term market opportunities.

Part of the SouthernSun discipline demands a continual effort to achieve a delicate balance across hard and soft data (carefully defining market niche, assessing management fit and capability, and calculating and interpreting financial figures) and between the long-term objectives and the near-term challenges for each portfolio business as well as the entire portfolio. This discipline, this balance, continues to provide our portfolios, and thus our clients, with what we believe to be a distinct advantage over time – particularly when confusion is replete and clarity illusive. ***We would all prefer that things looked more like line graphs with linear smoothness, but experience/history would suggest things/markets are not.*** In the short-term, specific company performance and marketplace opinion may seem closely linked – but, the inevitable distortions connected to the inherent lumpiness of real life and real time execution may create unrecognized investment opportunities.

The third quarter of 2018 reminded us of the importance of on-the-ground research, maintaining our discipline and the benefit of our long-term perspective as we spent time with management teams from 26 of our portfolio companies. Each of these companies are very distinct from one another, but most, in our view, are executing well and represent unrecognized value. We are having regular conversations with our portfolio businesses regarding current and prospective geopolitical and regulatory changes including trade/tariff decisions in the U.S., upcoming elections (i.e. U.S. mid-term elections, Brazilian and Argentinian elections, etc.) and the implications and challenges of Brexit. Each of these events will likely have both short- and long-term impacts. For example, the trade/tariff debate may well offer challenges and opportunities: from prospective delays in the implementation of automation or other investments due to uncertainty over optimal manufacturing domiciles (i.e. China) to unplanned debt incurred for high priced acquisitions for fear of a window closing quickly.

We are also mindful of the increasing potential for farm loan stress. Not unlike much of corporate and consumer America, farm operational borrowing is at record high levels by several relevant measures. Potential increases in interest rates, lower ag commodity prices, supply chain tightness and/or disruption, and weather, combined, heighten our sensitivity when coupled with higher debt levels.

In closing, we are generally pleased with the way that our portfolio companies are navigating the current environment. We see several green shoots with respect to marketplace recognition. We continue to uncover new idea opportunities that are extremely interesting – yet, valuations can be challenging given the current market environment. We do believe a broad-based repricing, though painful, would be useful. That said, we are internally optimistic about the capabilities of many of our portfolio companies to thrive whether the broader economy continues to be positive or we experience a slow down and/or reversal. Discrete opportunities that rely heavily on exceptional execution have driven our firm's long-term performance since inception over three decades – today's portfolio when coupled with new opportunities in the pipeline seems very much the same.

<sup>1</sup>Source: Article: *Long-term Investing is simple – no matter what the experts say*, The Financial Times, 09/21/2018

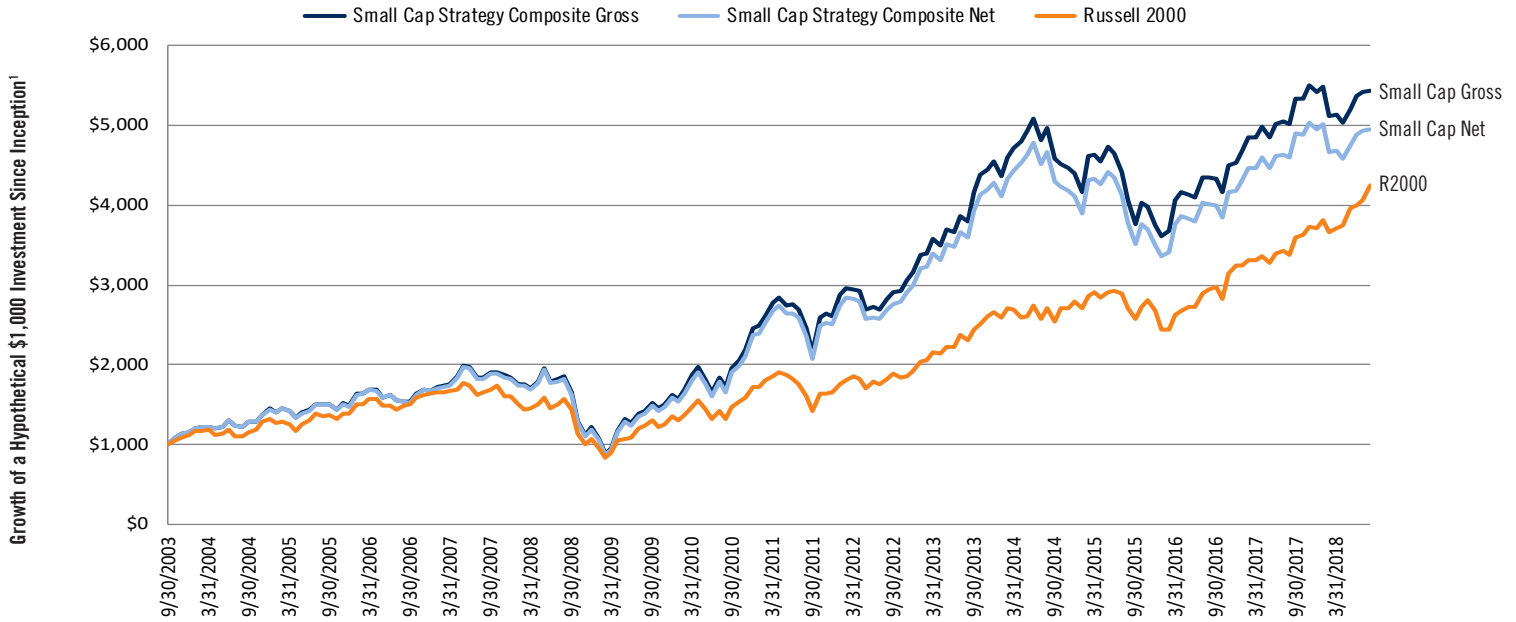
Warmest Regards,



Michael W. Cook, Sr.

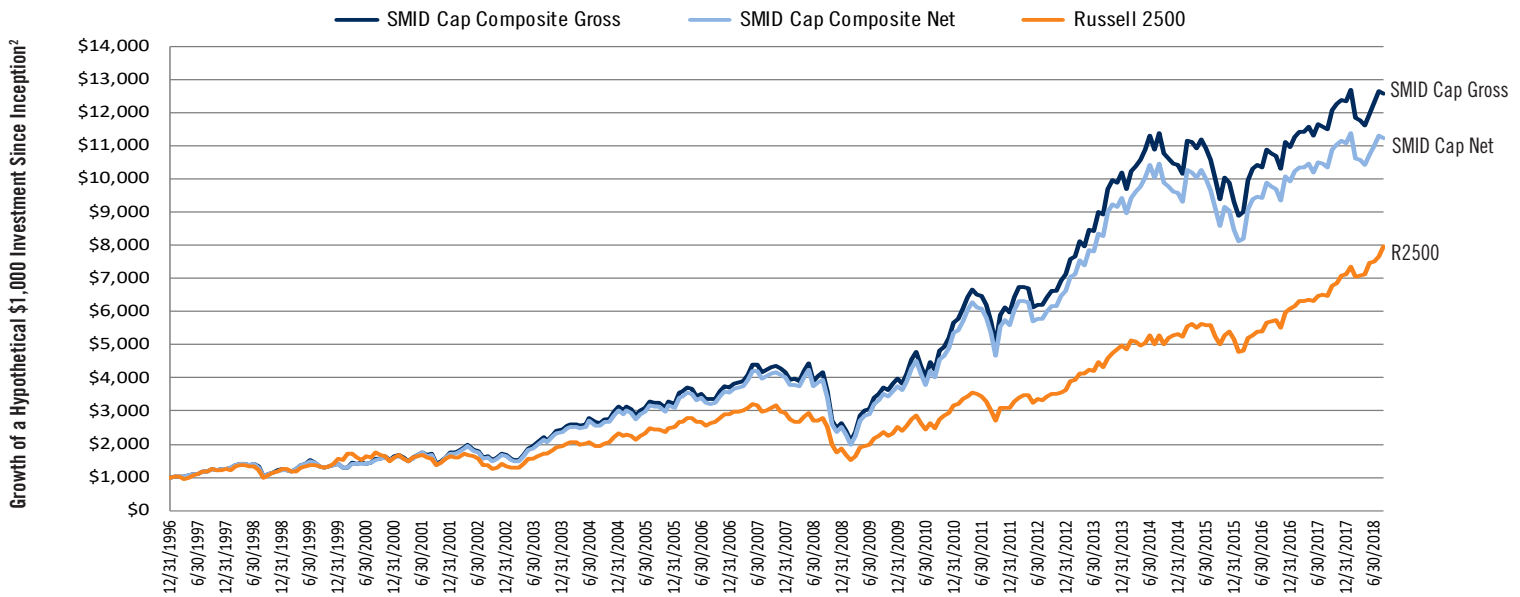
Chief Executive Officer and Chief Investment Officer

**EXHIBIT #1 SMALL CAP STRATEGY COMPOSITE HISTORICAL TRACK RECORD AS OF AUGUST 31, 2018**



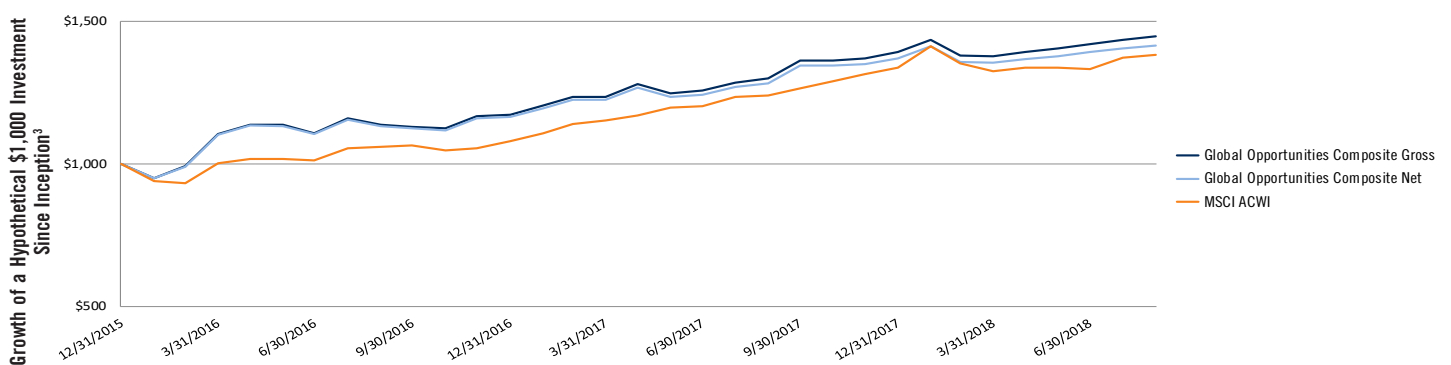
Source: SouthernSun Asset Management, Advent Portfolio Exchange. Performance is preliminary and subject to change. Past performance is not indicative of future results, which may vary. As with any investment strategy, there is potential for profit as well as the possibility of loss. The information presented is provided for informational purposes, reflects the performance of the strategy over the period indicated and should not be considered in isolation when making an investment decision.  
 1Inception date of Small Cap Strategy composite: October 1, 2003. 2Inception date of SMID Cap composite: January 1, 1997. Returns are stated gross and net of management fees and include the reinvestment of all income. \*Net returns are calculated by deducting the highest incurred management fee within this composite on a monthly basis from the gross composite monthly return. Please see required composite performance and disclosures at the end of the appendix for further information.

**EXHIBIT #2 SMID CAP COMPOSITE HISTORICAL TRACK RECORD AS OF AUGUST 31, 2018**



See disclosure for Exhibit #1.

**EXHIBIT #3 GLOBAL OPPORTUNITIES COMPOSITE HISTORICAL TRACK RECORD AS OF AUGUST 31, 2018**



Source: SouthernSun Asset Management, Advent Portfolio Exchange. Performance is preliminary and subject to change. Past performance is not indicative of future results, which may vary. As with any investment strategy, there is potential for profit as well as the possibility of loss. The information presented is provided for informational purposes, reflects the performance of the strategy over the period indicated and should not be considered in isolation when making an investment decision.  
 3Inception date of Global Opportunities composite: January 1, 2016. Returns are stated gross and net of management fees and include the reinvestment of all income. \*Net returns are calculated by deducting the highest incurred management fee within this composite on a monthly basis from the gross composite monthly return. Please see required composite performance and disclosures at the end of the appendix for further information.

## 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										
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%	0.68%	13.43%	13.16%	12.59%	≤5	\$80	6%	\$1,341
2006	13.16%	12.72%	18.37%	23.48%	0.18%	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 June 30, 2018. 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 or the MSCI USA Small Cap 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. Past performance is not indicative of future results. 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 \$200,000 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 and Sector Classifications contained or reflected in this material and all trademarks and copyrights related thereto. The Russell Index Information and Sector Classifications may contain confidential information and unauthorized use, disclosure, copying, dissemination or redistribution is strictly prohibited. For more information on either index, please consult FRC.

The small cap investment strategy reopened on a limited basis as of April 15, 2016. Availability of the strategy is dependent on, among other things, the method of investment (i.e. – mutual fund), investment amount, strategy capacity, and is subject to change at any time. 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.

### Additional Disclosures:

Supplemental information. Source: SSAM, Factset, Advent Portfolio Exchange®, 5-yr Turnover and 5-yr Standard Deviation are annualized. Percent of Composite is calculated as the portfolio weighting on the last business day of the month. Fundamental Statistics as of month-end are preliminary and may change as companies release quarterly earnings. The holdings discussed in this document do not represent all securities bought, sold, or recommended for advisory clients of the SouthernSun Small Cap Strategy. Holdings are subject to change and should not be construed as investment advice. References to exited positions indicates that the position has been fully liquidated from the portfolio by SouthernSun except in instances, if applicable, where a client has instructed us otherwise.

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## SMID CAP COMPOSITE

SMID CAP COMPOSITE - ASSET WEIGHTED RETURNS												
Year	SouthernSun		Russell 2500	Russell MidCap	Composite Dispersion	Composite 3-Yr Standard Deviation (%)	Russell 2500 3-Yr Standard Deviation (%)	Russell Mid Cap 3-Yr Standard Deviation (%)	Accounts in Composite (#)	Total Composite Assets (\$Mil)	% of Firmwide Assets	Total Firmwide Assets (\$Mil)
	Gross	Net										
2017	12.33%	11.46%	16.81%	18.52%	0.17%	13.91%	12.13%	10.36%	70	\$2,309	55%	\$4,213
2016	18.05%	17.19%	17.59%	13.80%	0.33%	15.13%	13.67%	11.55%	62	\$1,242	30%	\$4,187
2015	-10.91%	-11.55%	-2.90%	-2.44%	0.27%	15.08%	12.42%	10.85%	77	\$1,120	25%	\$4,542
2014	2.33%	1.60%	7.07%	13.22%	0.24%	13.56%	11.67%	10.14%	95	\$1,186	21%	\$5,696
2013	43.17%	42.27%	36.80%	34.76%	0.19%	18.71%	15.63%	14.03%	51	\$882	17%	\$5,317
2012	19.56%	18.86%	17.88%	17.28%	0.25%	22.89%	18.97%	17.20%	24	\$378	14%	\$2,615
2011	4.86%	4.30%	-2.51%	-1.55%	0.18%	27.75%	23.40%	21.55%	24	\$309	15%	\$2,106
2010	43.20%	42.47%	26.71%	25.48%	0.31%	31.58%	26.80%	26.46%	16	\$222	11%	\$1,974
2009	49.73%	49.08%	34.39%	40.48%	0.00%	28.16%	24.25%	24.22%	7	\$142	11%	\$1,339
2008	-36.75%	-37.03%	-36.79%	-41.46%	1.28%	22.71%	19.37%	19.36%	6	\$105	10%	\$1,025
2007	12.89%	12.40%	1.38%	5.60%	0.07%	13.65%	11.52%	9.48%	6	\$175	13%	\$1,341
2006	15.78%	15.28%	16.17%	15.26%	N/A <sup>1</sup>	14.33%	11.93%	9.62%	≤5	\$153	14%	\$1,100
2005	2.42%	1.96%	8.11%	12.65%	N/A <sup>1</sup>	16.75%	13.48%	11.22%	≤5	\$135	18%	\$733
2004	27.64%	27.09%	18.29%	20.22%	N/A <sup>1</sup>	18.51%	16.92%	15.28%	≤5	\$133	32%	\$410
2003	45.59%	44.97%	45.51%	40.06%	N/A <sup>1</sup>	22.33%	19.93%	18.51%	≤5	\$97	60%	\$162
2002	-3.39%	-3.77%	-17.80%	-16.18%	N/A <sup>1</sup>	20.97%	21.92%	19.65%	≤5	\$39	36%	\$107
2001	7.19%	6.76%	1.21%	-5.63%	N/A <sup>1</sup>	20.20%	21.16%	18.35%	≤5	\$40	34%	\$120
2000	14.15%	13.68%	4.26%	8.26%	N/A <sup>1</sup>	20.55%	22.35%	18.96%	≤5	\$38	28%	\$137
1999	14.39%	13.92%	24.14%	18.24%	N/A <sup>1</sup>	18.79%	19.46%	17.22%	≤5	\$33	23%	\$145
1998	-2.23%	-2.62%	0.38%	10.10%	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%	29.02%	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 June 30, 2018. 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 MidCap indices. Prior to June 2009, the composite was known as the SouthernSun Mid Cap Composite. However, despite the name change, the investment strategy has remained the same. Prior to December 2006, the composite was known as the CMT Mid Cap Composite. 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. Past performance is not indicative of future results. 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 \$180,000 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.

The Russell 2500 Index measures the performance of the small to mid-cap segment of the U.S. equity universe, commonly referred to as "mid" 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 Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap Index is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap Index represents approximately 31% of the total market capitalization of the Russell 1000 companies. Frank Russell Company ("FRC") is the source and owner of the Russell Index Information and Sector Classifications contained or reflected in this material and all trademarks and copyrights related thereto. The Russell Index Information and Sector Classifications 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.

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## 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								
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	2.08%	\$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	1.70%	\$4,187

<sup>1</sup>Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the 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 June 30, 2018. 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. Past performance is not indicative of future results. 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 \$125,000 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 is not applicable for the composite or benchmark as the composite has less than 36 months of consecutive performance. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. The SouthernSun Global Opportunities Composite was created January 1, 2016 and represents performance calculated on a daily basis. As of April 5, 2018, SouthernSun identified a membership error that moved the inception date of the composite from January 14, 2016 to January 1, 2016. This error resulted in material changes to composite figures for 2016 and 2017, including the total composite assets, percentage of firmwide assets, and performance returns on a gross, net, and benchmark 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 2017 the MSCI ACWI captured large and mid cap representation across 23 Developed Markets (DM) and 24 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: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

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