Kopernik Global Investors, LLC

Kopernik International Strategy

September 2018

WHY KOPERNIK?

Philosophically, we view ourselves as owners of businesses. Our job is to appraise these businesses and take advantage at times when an inefficient, emotional marketplace offers securities at a price that is significantly different from our appraisal. Like our namesake, Kopernik (better known by his Latin name – Copernicus), we trust the results of our own analysis even when (especially when) it generates vastly different conclusions from those of the crowd and/or those taught by many academics. Similarly, we commonly question the data issued by governments, central bankers, and companies themselves. We understand that bargains appear often because people focus on fear or panic, and other forms of risk that are not relevant to the investment portfolio. High tracking error, bad headlines or unpopular stocks/countries/ regions/industries can present a degree of risk to a manager's career, while often lowering the potential of permanent loss of capital (due to lower initiation prices and higher potential upside) to the portfolio. Similarly, Kopernik believes volatility and other measures of past price movements are not relevant to long-term investors' assessment of risk. It can be indicative of potential risk to short-term speculators or to highly levered players, but can often present opportunity for true long-term investors.

QUARTERLY REVIEW

Our precious metals mining companies detracted 4.1% from the strategy's quarterly performance. New Gold Inc., down 61.9%, was the top detractor for the group. During the quarter, there was negative news on the grade of the company's gold reserves and the estimated cost to mine them. Although we are disappointed by the news, we remain attracted to New Gold's large quantity of reserves, which we estimate are worth many multiples of New Gold's share price. Other notable decliners in the group include: Barrick Gold Corp, Wheaton Precious Metals Corp., Newcrest Mining Ltd., and Goldcorp Inc., down 25.5%, 20.3%, 12.2%, and 25.5% respectively. The spot price of gold was down 5.0% for the quarter and 8.6% year-to-date, to under $1,200 per troy ounce. Gold continues to trade at a steep discount to our calculated incentive price of $2,000 per troy ounce. This incentive price is the level we estimate would encourage adequate supply. Moreover, we reiterate our view that the value of gold as a store of wealth justifies a much higher gold price than $2,000 per troy ounce. Also in the quarter, the spot price of silver fell 10% to $14.67 per ounce. Silver corrected even more than gold in the quarter, as evidenced by the gold-silver ratio (the amount of silver ounces required to purchase one ounce of gold) increasing from 77 to 82. This ratio is near all-time highs. We believe our holdings with exposure to gold and silver trade significantly below their risk-adjusted intrinsic value and we opportunistically added to the group during the quarter. Elsewhere, in energy, MEG Energy Corp., a Canadian oil exploration and production company, fell 25.5%. Despite this decline, MEG is up 51.4% year-to-date, and we trimmed on strength earlier this year.

Several of our emerging markets holdings detracted. Lenta Ltd., a Russian food retailer, decreased -35.8%. We continue to believe Lenta offers compelling risk-adjusted potential upside and we added on weakness. In the fragmented Russian food retailer industry, we think Lenta, as a large player, stands to continue taking share as the industry consolidates. Amid the U.S. sanctions on Russia and other sources of short-term volatility, we remain focused on investing in companies that trade significantly below our calculated intrinsic value, which we discount for geopolitical (amongst other) risks. Meanwhile, Turkiye Halk Bankasi AS ("Halkbank"), a Turkey-domiciled bank, declined 29.3%. During the quarter, Moody's cut credit ratings on 18 banks, including Halkbank and two finance companies in Turkey, citing increased downside risk. Also during the quarter, tensions grew between the U.S. and Turkey as the U.S. imposed sanctions on Turkey over its continued imprisonment of an American pastor. We added to Halkbank, because from a bottom-up perspective, we are attracted to the fact that its shares trade at less than a third of book value. We see value in the fact that Halkbank benefits from loan subsidies sponsored by the government, and Turkey is a relatively under-leveraged country by global comparison. Elsewhere in emerging markets, Golden Agri-Resources Ltd. ("Golden Agri"), decreased 18.2%. Golden Agri is the largest palm oil plantation company in Indonesia. Golden Agri is down 33.7% year-to-date and trades well below our estimate of risk-adjusted intrinsic value. We have added on weakness this year, as palm oil supply and demand dynamics continue to seem favorable.

Nevertheless, some of our emerging markets exposure contributed positively. Gazprom PJSC, our largest Russian holding, rose 16.8%. Gazprom is the largest natural gas producer in the world, and natural gas prices rebounded in the quarter. Although Gazprom remains a top holding, we have trimmed on strength. Another large Russian holding, Lukoil PJSC, increased 13.8%. Lukoil is an integrated oil and gas company operating in Russia, Europe, and the Middle East. KT Corp. ("KT"), also a large position, increased 11.8%. KT is an integrated phone company in Korea. It is the dominant fixed line player and has large share in the mobile phone and broadband internet markets.

We initiated two positions during the quarter. We purchased Inpex Corp., a Japanese upstream oil and gas exploration and production company with global operations. The strategy had previously exited its position in Inpex after shares rallied with oil prices near the end of last year. We then purchased Inpex in July, after shares corrected more than 20.0% this year and offered a seemingly more compelling discount to our calculated risk-adjusted intrinsic value. We also initiated a position in Magnit PJSC, a large Russian food retailer. Like Lenta (mentioned above), Magnit is a large player that we also think could grow share as the industry consolidates. The stock is down -80% from its high 5 years ago and trades at 13 times earnings and 0.6 times enterprise value to revenue. We view Magnit as having attractive risk-adjusted upside.

We eliminated our position in Guoco Group Ltd., as the stock approached our estimated risk-adjusted intrinsic value after receiving a bid to be taken private.

Kopernik International

As of September 30, 2018

Performance Information

	3Q 2018	Jul 2018	Aug 2018	Sep 2018	YTD	1 Year	2 Year	3 Year	Since Inception[1,2]
International Composite (Gross)	-6.20%	-2.50%	-5.09%	1.37%	-4.38%	1.50%	1.90%	12.18%	6.37%
International Composite (Net)	-6.41%	-2.57%	-5.17%	1.30%	-5.00%	-2.36%	1.06%	11.23%	5.47%
MSCI All Country World Index ex USA (Net)	0.71%	2.39%	-2.09%	0.46%	-3.09%	1.76%	10.33%	9.96%	4.89%

Returns as of September 30, 2018 are preliminary.
[1]Annualized
[2]Inception date: 7/1/2015, MSCI ACWI ex USA period in table above begins on inception date 7/1/2015.

Valuations and returns are computed and stated in U.S. Dollars. Results reflect the reinvestment of dividends and other earnings. Composite returns are net of non-reclaimable withholding taxes. Gross of fee returns for the composite are presented after all trading expenses. Net of fee returns are presented net of estimated actual investment management fees, including performance fees, if any. Investor performance may be higher or lower.

Contribution to Return*

By Region — 3Q 2018	Portfolio Avg Weight	Portfolio Contribution	Portfolio Total Return
Canada	19.95%	-4.10%	-19.72%
Emerging Markets	30.72%	-0.86%	-3.53%
Europe	0.58%	0.14%	27.72%
Japan	2.27%	0.26%	11.45%
Pacific ex Japan	7.59%	-1.08%	-14.16%
US	1.66%	-0.28%	-16.78%

By Region — YTD 2018	Portfolio Avg Weight	Portfolio Contribution	Portfolio Total Return
Canada	21.23%	-1.97%	-12.23%
Emerging Markets	27.89%	-2.26%	-8.88%
Europe	0.49%	0.19%	44.15%
Japan	2.20%	0.40%	13.43%
Pacific ex Japan	7.66%	-1.31%	-16.65%
US	2.25%	0.02%	-5.36%

By Sector — 3Q 2018	Portfolio Avg Weight	Portfolio Contribution	Portfolio Total Return
Communication Services	5.61%	0.63%	11.40%
Consumer Discretionary	1.99%	-0.14%	-6.96%
Consumer Staples	6.25%	-1.40%	-21.14%
Energy	14.70%	0.60%	3.18%
Financials	4.60%	-0.54%	-16.33%
Health Care	0.00%	0.00%	0.00%
Industrials	3.13%	-0.07%	-1.73%
Information Technology	0.73%	0.03%	4.16%
Materials	22.24%	-5.09%	-21.44%
Real Estate	1.08%	-0.20%	-16.56%
Utilities	2.44%	0.27%	10.69%

By Sector — YTD 2018	Portfolio Avg Weight	Portfolio Contribution	Portfolio Total Return
Communication Services	4.59%	0.15%	-4.05%
Consumer Discretionary	2.29%	-0.03%	-4.82%
Consumer Staples	5.75%	-1.46%	-21.27%
Energy	14.45%	3.72%	27.30%
Financials	4.41%	-1.03%	-27.11%
Health Care	0.00%	0.00%	0.00%
Industrials	3.44%	0.01%	-1.66%
Information Technology	0.72%	0.11%	16.04%
Materials	22.83%	-6.10%	-24.63%
Real Estate	1.01%	-0.18%	-15.34%
Utilities	2.23%	-0.11%	-10.39%

*Representative Account

Options comprised a Portfolio Average Weight in the fund of 0.45% for Q3 2018 with an estimated contribution of -0.19%. Portfolio Average Weight in the fund was 0.43% for YTD 2018 with an estimated contribution of 0.60%.

Portfolio contribution to return and portfolio total return are calculated by Bloomberg using market values and are gross of fees and expenses, whereas performance disclosed in other portions of this document is derived from Kopernik's portfolio accounting system via SEI, Kopernik's back/middle office administrator. Due to differences in calculation methodology between Bloomberg and SEI- such as differences in daily pricing and incorporation of trading expenses and/or fees associated with the administration of the portfolio- returns may vary between sections of this document.

Contribution reflects the amount each individual security has added to or reduced the overall change of the portfolio.

Total return includes any income received and capital appreciation for each security.

Important Information: Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. The information presented is based on the data of a fully seasoned representative account that is reflective of the strategy. Performance of individual accounts will differ based upon, among other things, account restrictions, timing of transactions, and corresponding management fees.

Please consider all risks carefully before investing. An investment in the strategy is subject to many risks including sudden changes in general market valuations and market liquidity. Investments in small and mid-capitalization companies also tend to involve greater risk and portfolio price volatility than investments in larger capitalization stocks. Further, Investing in non-U.S. markets, including emerging and frontier markets, involves certain additional risks, including potential currency fluctuations and capital controls, restrictions on foreign investments, less governmental supervision and regulation, less liquidity, less disclosure, and the potential for higher market volatility, share expropriation, confiscatory taxation, and social, economic and political instability. Further, investments in energy and other natural resources companies tend to be greatly impacted by developments in global commodities markets, which can be more volatile than equity markets.

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This report may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve inherent risks and uncertainties, and we might not be able to achieve the predictions, forecasts, projections and other outcomes we may describe or imply. A number of important factors could cause results to differ materially from the plans, objectives, expectations, estimates and intentions we express in these forward-looking statements. We do not intend to update these forward-looking statements except as may be required by applicable laws.

Forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control and are difficult to predict. As a result, actual results could differ materially from those expressed, implied or forecasted in the forward-looking statements.

Past performance herein should not be construed as an accurate indication of future returns.

The MSCI All Country World ex U.S. Index is a broad-based securities market index that captures over two thousand primarily large- and mid-cap companies across 22 developed and 24 emerging market countries. The MSCI All Country World Index ex U.S. is different from the strategy in a number of material respects, including being much more diversified among companies and countries, having less exposure to emerging market and small-cap companies, having no exposure to frontier markets and having no ability to invest in fixed income or derivative securities.

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