Kopernik International Fund

Fourth Quarter 2018

Dear Kopernik Investor,

Below, please find the mutual fund performance of the Kopernik International Fund (“International” or “Fund”) as of December 31, 2018.

Fund Performance
As of December 31, 2018

Class	December 2018	Q4 2018	YTD	1 Year	Since Inception[1]
I	0.13%	-1.27%	-6.25%	-6.25%	4.45%
Investor Class	-0.67%	-0.67%	-0.67%	N/A	-0.67%
MSCI ACWI ex-USA (Net)	-4.53%	-11.46%	-14.20%	-14.20%	0.96%

[1]Annualized
Class I inception date: 06/30/2015
Investor Class inception date: 12/10/2018
MSCI ACWI Since Inception period in table above begins on Class I inception date 06/30/2015.

Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. The investment return and principal value of an investment will fluctuate so that an investor’s shares, when redeemed, may be worth more or less than the original cost, and current performance may be lower or higher than the performance quoted. For the most recent month-end performance please call Kopernik Funds at 1-855-887-4KGI (4544) or visit www.kopernikglobal.com.

Gross expense ratios for the fund - Class I: 1.60%, Investor Class: 1.85%
Net expense ratios for the fund - Class I: 1.10%, Investor Class: 1.35%
Expense ratios shown are reflective of the Fund's current prospectus.

Kopernik has contractually agreed to reduce its fees and/or reimburse expenses in order to keep Total Annual Fund Operating Expenses (excluding interest, taxes, brokerage commissions, acquired fund fees and expenses, and non-routine expenses) from exceeding 1.10% of the Fund’s average daily net assets until February 28, 2019.

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.

QUARTER REVIEW

For the fourth quarter of 2018, the NAV of Class I Shares of the Kopernik International Fund decreased -1.27% compared to a -11.46% decline for the MSCI All Country World ex USA Index.

Given the recent volatility in global equities, and continued pressure on emerging markets, we are pleased with several contributors in our portfolio over the past quarter and year. On the other hand, we are disappointed with our negative absolute performance over those periods.

Several of our energy holdings detracted during the fourth quarter, a period when fossil fuel prices globally suffered a rout to end their multi-year run. The price of West Texas Intermediate (WTI) Crude fell -40% and natural gas gave back almost all its intra-quarter gains. Additionally, Canadian oil continues to trade at a historically wide discount to global oil prices. In that context, Crescent Point Energy Corp. particularly inflicted pain in the quarter as it fell -51.4%. Crescent Point is a Canadian exploration and production company operating in the U.S. and Canada. Crescent Point has reserves of high-quality, light oil with long lives, in areas with good transportation infrastructure. At half of its book value, Crescent Point trades well below our estimate of its net asset value. We believe we are well compensated for the risk of continued low Canadian oil prices. We added on weakness.

Elsewhere within energy, large holding Gazprom PJSC returned -11.1%. Gazprom is the largest producer of natural gas in the world. Gazprom has reserves over three times those of its next biggest non-government competitor, Exxon. It has a monopoly on gas exports from Russia and is one of the main suppliers of gas to Europe, with about 25% market share. We are attracted to Gazprom's low-cost reserves, which should provide many years of profitable production, and are also bullish on the company's seemingly expanding share in a growing natural gas market. We trimmed Gazprom on strength (it rallied +12.7% in the second quarter) but we have kept a sizeable position as we think the stock continues to discount huge economic losses due to potential Russian government interference. We view such interference as more than priced in to Gazprom shares.

Likewise, Rushydro's -26.3% decline negatively impacted results. Rushydro PJSC is the largest hydro-electric generation company in Russia. Hydroelectric is arguably the cheapest and cleanest form of energy in existence, but Rushydro seems overly penalized for the risk associated with operating in Russia. Amid the U.S. sanctions on Russia and other sources of short-term volatility, we maintain our focus on investing in companies that trade significantly below their intrinsic value, which we discount heavily for geopolitical (amongst other) risks. We opportunistically added to Rushydro, which trades at less than half of book value and meaningfully below our estimate of the replacement cost of its assets. At these levels, we estimate we are well compensated for the associated geopolitical risk.

Another headwind was Turquoise Hill Resources Ltd., which dropped -22.2%. While the stock has disappointed over the past year, it previously rallied +44.0% in the back half of 2017. Turquoise Hill owns a world class deposit of gold, copper, and silver reserves at its Oyu Tolgoi mine in Mongolia. In October, it was announced that sustainable production at Oyu Tolgoi would occur two quarters later than anticipated, by the third quarter of 2021. We continue to view Turquoise Hill as trading at a significant risk-adjusted discount to our estimated value of its high-grade reserves, a value which we do not deduce from quarterly production timing. Our investment process gives us comfort in waiting for the opportunity to harness the upside potential embedded in our portfolio, since we often estimate that potential upside is many multiples of current share prices. We added to the stock this quarter.

While Turquoise Hill detracted, we were pleased that many of our precious metals holdings contributed nicely during the quarter. The spot price of gold declined -10.0% during the year and the GDX Gold Miner Index dropped an even steeper -25.0%. Then in the fourth quarter, the spot price of gold bounced +7.7% and the GDX Gold Miner Index rose +13.6%. We continue to view gold as profoundly underpriced compared to the incentive cost that would encourage adequate future supply. Notable gainers include: Polyus PJSC, Wheaton Precious Metals Corp, and Newcrest Mining Ltd, which increased +28.2%, +12.2%, and +9.3%, respectively. Moreover, the gold miners trade at a historically wide discount to the already cheap precious metal. Polyus is the largest gold producer in Russia and the world's second largest gold company by reserves. It is also one of the lowest cost producers globally due largely to the high grade of its deposits. Since many of its mines are in production already, there is reduced geological and capex inflation risk. Our resource valuation suggests Polyus shares could offer convincing risk-adjusted upside. The stock previously corrected about -30.0% from August to November, giving us the opportunity to add to our position. Another contributor was Wheaton Precious Metals, a Canadian-based streaming company which had sold off -28.8% in 2018 before rebounding. Wheaton's streaming model provides it with tremendous leverage to rising gold and silver prices, since the company is not exposed to operating cost inflation. During December, there was a positive announcement that Wheaton favorably settled its tax dispute with the Canada Revenue Agency. Despite trimming on Wheaton's rally, we remain attracted to Wheaton's potential risk-adjusted upside. Lastly, Newcrest Mining Ltd. also offers considerable risk-adjusted return potential, in our view. Newcrest is a senior gold producer in Australia with a large resource base of long-lived assets, coupled with a historically strong balance sheet and operations team. The stock was down about -26.3% during 2018, giving us a chance to buy before the stock bounced later in the year.

Centrais Eletricas Brasileiras ("Eletrobras") also contributed nicely, bouncing +61.0%. Eletrobras is the largest utility in Brazil and is involved in electricity generation, transmission, and distribution. The stock was previously down -49.9% in the second quarter. We took advantage of the stock's weakness earlier in the year to add to our position. At that time, Eletrobras shares offered particularly pronounced risk-adjusted return potential as its hydro-electric assets were trading at a large discount to our estimated replacement cost. We have since trimmed on strength.

During the quarter, we initiated positions in Ivanhoe Mines Ltd., General Electric (GE), and NAC Kazatomprom JSC ("Kazatomprom"). We sold our position in Barrick Gold. Ivanhoe is an exploration and development company that discovered two world class assets: Platreef, a South African platinum project, and Kamoa-Kakula, the world's largest undeveloped high-grade copper deposit located in the Democratic Republic of Congo (DRC). Based on our valuation of Ivanhoe's world-class reserves, we were enticed by the substantial potential risk-adjusted upside embedded in Ivanhoe's share price. This upside comes after adjusting for risks, including those associated with operating in the DRC and South Africa.

We also added GE, a global industrial conglomerate. After a wave of divestitures, GE's remaining businesses include: aviation, healthcare, power, renewables, and aircraft financing. Additionally, GE recently installed a new CEO with a strong long-term track record. We were pleased the market gave us the opportunity to purchase a company that is the number one player in several concentrated, oligopolistic industries, at about a 30.0% discount to our risk-adjusted intrinsic value and 0.6 times trailing revenues. We derive our theoretical value using a sum-of-the-parts valuation for each of GE's businesses. The company's margins have been overstated historically as evidenced by a slew of impairment charges. Therefore, our valuation incorporates more conservative margins than have been reported. We believe we are compensated for the associated risks, including: continued earnings management, capital allocation missteps, and an aviation cycle that is likely in later innings. While we employed our typical long-term investment horizon in assessing GE's potential upside, we have also taken advantage of near-term volatility by using weakness as an opportunity to round up our position and strength as a chance to trim.

Additionally, we purchased Kazatomprom, the newly public, largest uranium mining company in the world, which accounts for about 20% of global supply. The company's mines are all located in Kazakhstan and are among the lowest cost uranium mines in the world. We are attracted to Kazatomprom's large uranium reserves, low operating costs, and exposure to the spot price of uranium, a price that we think is still depressed, even after its rally in 2018. In fact, the uranium spot price remains at an 80% markdown to its prior peak. We were able to purchase Kazatomprom at less than a third of our estimated net asset value of its reserves. We view this discount as more than adequate to compensate us for the risk associated with operating in Kazakhstan and being a newly public company, amongst other risks.

We exited our position in Barrick Gold. Barrick announced a merger with Randgold, which came at a huge cost given they used their undervalued shares to buy one of the more expensive gold stocks, thus incurring massive share count dilution. Additionally, its Pascua-Lama reserves were reclassified as resources, to which we attribute a lower value compared to reserves due to the increased uncertainty of being realized. Given these fundamental changes, Barrick no longer traded at as compelling a discount compared to other opportunities. We eliminated our holding and rotated into more attractive investments in the precious metals space.

In closing, we look to the year with optimism because we believe: the portfolio is extremely under-valued; money seems to be starting to migrate out of the very expensive, mega-cap, momentum stocks; and the return potential appears outsized. You can count on us continuing to employ our disciplined, long-term approach that has worked so well over the past four decades.

As always, thank you for your continued support.

Kind Regards,

Kopernik Global Investors, LLC

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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.

The holdings mentioned herein represent the following percentage of net assets of the Kopernik International Fund as of December 31, 2018: Barrick Gold 0.00%, Centrais Eletricas Brasileiras (Eletrobras) 1.35%, Crescent Point Energy Corp. 1.16%, Gazprom PJSC 3.58%, General Electric Co. 0.74%, Ivanhoe Mines Ltd. 0.75%, NAC Kazatomprom JSC 1.59%, Newcrest Mining Ltd. 4.67%, Polyus PJSC 2.57%, RusHydro PJSC 1.41%, Turquoise Hill Resources Ltd. 2.69%, Wheaton Precious Metals Corp. 4.64%. These positions may change over time without notice. The holdings listed should not be considered recommendations to purchase or sell a particular security. It should not be assumed that securities bought or sold in the future will be profitable or will equal the performance of the securities in this portfolio. Current and future portfolio holdings are subject to risk.

Please consider all risks carefully before investing. An investment in a Kopernik Fund, or any other vehicle using the same 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.

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

The MSCI All Country World ex-USA Index is an un-investable index that captures over two thousand primarily large and mid-cap companies across 22 developed and 24 emerging market countries as of December 31, 2018. The MSCI indices returns do not reflect any management fees, transaction costs or expenses. Individuals cannot invest directly in an Index. Additionally, The MSCI All Country World ex-USA Index 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 markets, and having no ability to invest in fixed income or derivative securities. MSCI ACWI ex-USA performance includes theoretical dividends distributed. Past performance is no guarantee of future results.

Mutual fund investing involves risk, including possible loss of principal. There can be no assurance that the Fund will achieve its stated objectives. Equity funds are subject generally to market, market sector, market liquidity, issuer, and investment style risks, among other factors, to varying degrees, all of which are more fully described in the fund's prospectus. Investments in foreign securities may underperform and may be more volatile than comparable U.S. securities because of the risks involving foreign economies and markets, foreign political systems, foreign regulatory standards, foreign currencies and taxes. Investments in foreign and emerging markets present additional risks, such as increased volatility and lower trading volume. For more information on the Kopernik International Fund, call our toll free number at 1-855-887-4KGI or email funds@kopernikglobal.com.

This material must be preceded or accompanied by a current prospectus. Investors should read it carefully before investing.

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