

# Kopernik Global All-Cap Fund

SOFT CLOSE Q&A

JANUARY 2017



**Kopernik**  
Global Investors, LLC

## Why is Kopernik soft-closing Kopernik Global All-Cap ("GAC") mutual fund?

To optimize our ability to generate superior returns, Kopernik is committed to putting client needs first and to continue to invest in the best bargains we can find. We manage capacity carefully to enable sufficient investment liquidity, and to preserve our ability to generate alpha and potentially limit the risk of a permanent loss of invested capital for our clients. This means that we need to maintain the ability to take advantage of investment opportunities across different markets, countries, industry/sectors, and across the market capitalization spectrum. When mid and smaller capitalization stocks are bargains, we must be able to take advantage of those opportunities. Therefore, we have stated from the launch of Kopernik Global Investors that we intend to maintain a manageable level of the firm AUM (sub-\$20B).

Additionally, it seems prudent to keep exposure per client relationship and vehicle to less than \$2 billion for the Global All-Cap strategy. The mutual fund is being soft-closed at around \$1 billion because we know how inconvenient a hard close can be for clients. We would much rather err on the side of soft closing too early than having to force a hard close on clients post a period of large inflows. (While this doesn't eliminate the chance of a future hard-close, it drastically reduces the possibility.)

## Is there precedence for this?

Yes, we have a history of closing strategies at a much lower level than our competitors. At our predecessor firm (Tradewinds Global Investors), we often soft closed portfolios, usually at levels that many found to be unexpectedly low levels of AUM. Some were surprised, most were appreciative that we were protecting the alpha generating potential of the portfolios at the expense of personal profit. This continues to be a very important tenet for us at Kopernik.

## What does this mean for clients?

It is our hope and belief that this action demonstrates that we place well-being of clients paramount. We are, of course, cognizant that this causes some inconvenience for clients, but are hopeful that clients agree that it is well worth the cost due to the enhanced alpha generating potential of the investment portfolios, and to the preservation of client's ability to manage future fund flow needs by minimizing hard close possibility. It also maintains the ability to invest in GAC through other vehicles. Importantly, in anticipation of the desirability of diversified capacity, we launched a similar mutual fund, Kopernik International fund (KGIIX) on June 30, 2015. The International fund was launched in response to clients requesting Global Ex-US and/or a limited small cap exposure (generally, issuers with market cap above \$2 billion). This portfolio has been highly correlated to GAC (returns correlation is 96%), and historically has had lower volatility. All four Kopernik Investment Strategies are driven off the same investment platform: philosophy, process, and people. We have no plans to offer any additional strategies in the foreseeable future. (See adjacent information on the International Strategy.)

## Will the Kopernik GAC mutual fund ever re-open?

Yes, it could re-open if we experienced significant redemptions or if we determined that our capacity was considerably higher than previously assessed.

For more information on the Kopernik Global All-Cap Fund call our toll free number at 1-855-887-4KGI or email [funds@kopernikglobal.com](mailto:funds@kopernikglobal.com).

*Alpha - Measures the performance of an investment against a market index used as a benchmark. The excess returns of a fund relative to the return of a benchmark index is the fund's alpha.*

## Kopernik Global All-Cap Fund

Portfolio Manager: David Iben, CFA

Class:	Class A	Class I
Inception:	Nov. 1, 2013	Nov. 1, 2013
Ticker:	KGGAX	KGGIX
CUSIP:	00766Y315	00766Y299

	<u>ACWI<sup>1</sup></u>	<u>KGIIX<sup>2</sup></u>
Correlation	65.7%	96.0%

### Global All-Cap Strategy

Guideline Maximums (at purchase):

Issuer weight:	5%
Industry weights:	25%
Sector weights:	30%
Country weights:	35%
Emerging Markets:	40%

(including Frontier<sup>3</sup>)

## Kopernik International Fund

Portfolio Managers: Dave Iben, CFA  
Mark McKinney, CFA

Class:	Class I
Inception:	June 30, 2015
Ticker:	KGIIX
CUSIP:	00766Y240

	<u>ACWI<sup>2</sup></u>	<u>KGGIX<sup>2</sup></u>
Correlation	59.0%	96.0%

### International Strategy

Guideline Maximums (at purchase):

Issuer weight:	5%
Industry weights:	25%
Sector weights:	30%
Country weights:	35% (except U.S. <sup>4</sup> )*
Emerging Markets:	50%

(including Frontier<sup>3</sup>)\*

Generally, no investment in issuers with market capitalization below \$2 billion, as measured at time of purchase\*

\*Guidelines that are different from GAC strategy

<sup>1</sup>Correlation from 11/1/2013 - 12/31/2016

<sup>2</sup>Correlation from 7/1/2015 - 12/31/2016

<sup>3</sup>Kopernik defines Emerging Markets to include all markets that may not be classified as Developed by MSCI.

<sup>4</sup>The strategy may invest up to 15% in U.S. domiciled businesses that have significant business activities outside the United States, as determined by Kopernik.

The two strategies utilize the same investment platform: philosophy, process, and analyst team. Holdings overlap exposure of approximately 43% as of 12/31/2016 with similar country, region and sector exposures, although differences will exist given the larger investment universe of the GAC strategy.

# Kopernik Global All-Cap Fund

## Portfolio Manager

**David B. Iben, CFA**

Portfolio Manager since inception. David (Dave) Iben is the Managing Member and Founder of Kopernik Global Investors, LLC, with over 34 years of industry experience. He also serves as the Chief Investment Officer, Lead Portfolio Manager of the Kopernik Global Unconstrained strategy and Co-Portfolio Manager of the Kopernik Global Real Asset and Kopernik International strategies.

## Fund Facts

Class:	Class A Investor	Class I Institutional
Inception Date:	Nov. 1, 2013	Nov. 1, 2013
Ticker:	KGGAX	KGGIX
CUSIP:	00766Y315	00766Y299
Fiscal Year End:	10/31	10/31
Min. Investment:	\$3,000	\$1,000,000
Min. Subsequent:	\$250	None
Benchmark:	MSCI ACWI	MSCI ACWI
Gross Expenses	1.37%	1.13%
Net Expenses <sup>1</sup>	1.36%	1.11%

Expense ratios shown are reflective of the Fund's current prospectus.

<sup>1</sup> Kopernik has contractually agreed to reduce its fees and/or reimburse expenses in order to keep Net Expenses (excluding interest, taxes, brokerage commissions, acquired fund fees and expenses and extraordinary expenses (collectively, "Excluded Expenses")) from exceeding 1.35% of the Fund's Class A Shares' average daily net assets and 1.10% of the Fund's Class I Shares' average daily net assets until February 28, 2017. In the absence of current fee waivers, performance would be reduced.

## Lipper Category

Global Multi-Cap Value

For more information on the Kopernik Global All-Cap Fund call our toll free number at 1-855-887-4KGI or email [funds@kopernikglobal.com](mailto:funds@kopernikglobal.com).

## Kopernik Global Investors, LLC

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302 Knights Run Ave, Suite 1225  
Tampa, Florida 33602  
Phone: 813-314-6100  
[www.kopernikglobal.com](http://www.kopernikglobal.com)

The Kopernik Global All-Cap Fund is distributed by SEI Investments Distribution Co., One Freedom Valley Drive, Oaks, PA, 19456, which is not affiliated with Kopernik Global Investors, LLC.

## Fund Objective

The Kopernik Global All-Cap Fund (the "Fund") seeks to provide long-term capital appreciation.

## Fund Highlights

- The Fund will invest primarily in equity securities of U.S. and non-U.S. companies.
- The Fund may invest in any country, market, and sector/industry across the market capitalization range within the Fund's predefined investment guidelines.
- Philosophy and process designed to capitalize on market dislocations based on fear and greed (i.e., identifying mispriced securities due to prevailing market sentiment).
- Intensive, original research leads to deep understanding of portfolio holdings.
- Risk is viewed on an absolute term and defined as permanent loss of capital/purchasing power.
- Opportunistic portfolio which we believe will have low correlation to other managers.

## Fund Performance

Class	As of 9/30/2016				As of 12/31/2016			
	Q3	YTD	1 Year	Since Inception <sup>1,2</sup>	Dec	YTD	1 Year	Since Inception <sup>1,2</sup>
I	10.22%	50.87%	49.70%	1.85%	4.80%	52.00%	52.00%	1.95%
A (NAV)	10.20%	50.51%	49.38%	1.60%	4.75%	51.57%	51.57%	1.70%
A (max sales charge)	3.91%	41.86%	40.70%	-0.44%	-1.29%	42.87%	42.87%	-0.19%
MSCI ACWI (Net)	5.30%	6.60%	11.96%	4.04%	2.16%	7.86%	7.86%	4.10%

Class A and Class I inception date: 11/1/13.

<sup>1</sup>Annualized

<sup>2</sup>MSCI ACWI period in table above begins on inception date 11/1/13.

*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 investors 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 performance current to the most recent calendar month end, please call 1-855-887-4KGI.*

Maximum sales charge for the Class A shares is 5.75%.

## Top 10 Holdings as of 12/31/2016

Newcrest Mining Ltd	4.6%
Electricite de France SA	3.9%
Cameco Corp	3.5%
Gazprom PJSC	3.4%
RusHydro PJSC	3.0%
Federal Grid Co Unified Energy	3.0%
Mitsui & Co Ltd	3.0%
Centrais Eletricas Brasileiras	2.8%
Sberbank of Russia PJSC	2.7%
Mitsubishi Corp	2.6%
Total Percent in Top 10 Holdings	32.3%

As a percentage of total net assets. 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.



# Kopernik Global All-Cap Fund

## Glossary

**Active Share** is a measure of the percentage of holdings in a portfolio that differ from the benchmark index. **Weighted Average Market Capitalization** is the portfolio-weighted mean average capitalizations of all equity securities. **Median Market Capitalization** is midpoint of market capitalization based on the equity market capitalization of all securities. **Weighted Harmonic Average Trailing P/E** is the weighted average ratio of closing price to trailing 12 month market convention earnings per share as of the date of analysis. **Weighted Harmonic Average Trailing P/CF** is the weighted average ratio of closing price to trailing 12 month cash flow per share as of the date of analysis. **Weighted Harmonic Average Trailing P/B** is the weighted average ratio of closing price to book value per share as of the date of analysis. **Weighted Harmonic Average Trailing EV/S** is the weighted average ratio of the enterprise value to trailing 12 month sales as of the date of analysis. **Weighted harmonic average** is a method of calculating an average value that lessens the impact of large outliers.

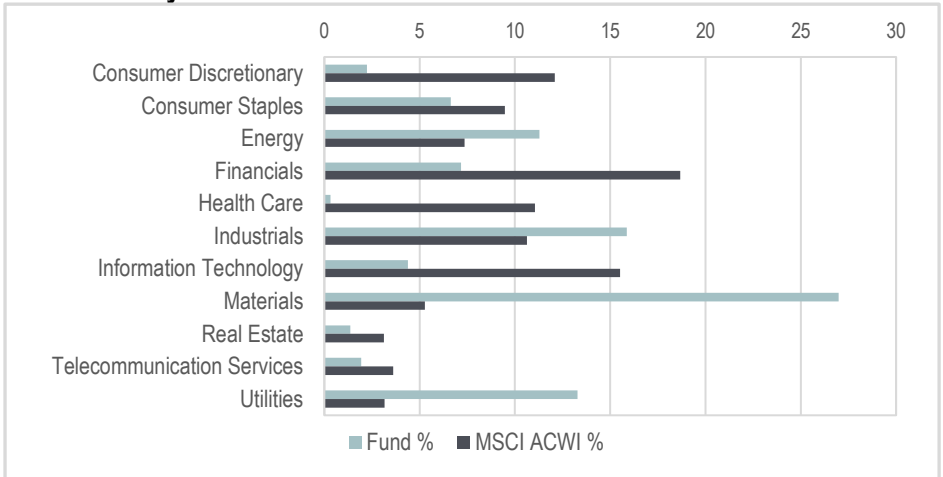
To determine if this Fund is an appropriate investment for you, carefully consider the investment objectives, risks, charges and expenses of the fund before investing. This and other information can be found in the summary and full prospectuses, which may be obtained by contacting your investment professional or calling Kopernik Funds at 1-855-887-4KGI (4544). Read them carefully before investing. Check with your investment professional to determine if the Fund is available for sale within their firm. Not all funds are available for sale at all firms.

Mutual fund investing involves risk, including possible loss of principal. There can be no assurance that the Portfolio 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.

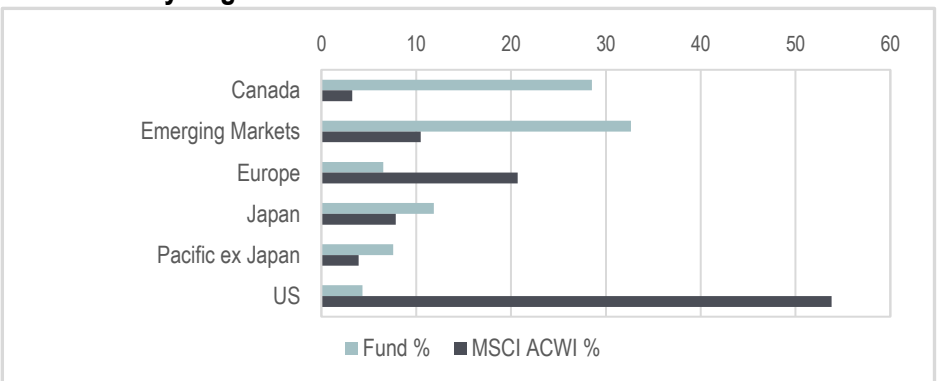
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## Allocation By Sector\*



## Allocation By Region\*



\*Excludes put option (approximately 1% of net assets)

Allocations are as a percentage of total net assets as of December 31, 2016. 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.

## Portfolio Characteristics

Total Net Assets	\$947.3 million	Number of Issuers 78	
Active Share	99.70		
Capitalization (billions)	<b>Global All-Cap Fund</b>		<b>MSCI ACWI</b>
	Weighted Average	\$10.99	\$101.49
Median	\$1.74		\$8.94
	<b>Fund</b>	<b>Fund</b>	<b>MSCI ACWI</b>
	Weighted	Harmonic	Harmonic
Trailing P/E	15.41	11.43	18.73
Trailing P/CF	4.10	4.63	9.28
Trailing P/B	0.74	0.79	2.09
Trailing EV/S	1.14	1.36	1.79

Characteristics ratios are based on equity positions only, calculated at market value. The MSCI All Country World (ACWI) Index (Net) is an unmanaged index compiled by Morgan Stanley Capital International. The MSCI indices returns do not reflect any management fees, transaction costs or expenses. Individuals cannot invest directly in the MSCI ACWI Index. MSCI ACWI data is sourced from Bloomberg Finance L.P. ©

# Kopernik International Fund

## Portfolio Manager

**Mark McKinney, CFA**

Co-Portfolio Manager since inception. Mark is a principal at Kopernik, with over 24 years of industry experience. He also serves as an analyst covering the telecommunications, technology and media sectors and as Co-Portfolio Manager of the Kopernik Global Unconstrained strategy.

**David B. Iben, CFA**

Co-Portfolio Manager since inception. David (Dave) Iben is the Managing Member and Founder of Kopernik Global Investors, LLC, with over 34 years of industry experience. He also serves as the Chief Investment Officer, Sole Portfolio Manager of the Kopernik Global All-Cap strategy, Lead Portfolio Manager of the Kopernik Global Unconstrained strategy and Co-Portfolio Manager of the Kopernik Global Real Asset strategy.

## Fund Facts

Class: Class I Institutional  
 Inception Date: June 30, 2015  
 Ticker: KGII  
 CUSIP: 00766Y240  
 Fiscal Year End: 10/31  
 Min. Investment: \$1,000,000  
 Min. Subsequent: None  
 Benchmark: MSCI ACWI ex U.S.A.  
 Gross Expenses 4.34%  
 Net Expenses<sup>1</sup> 1.10%

Expense ratios shown are reflective of the Fund's current prospectus.

<sup>1</sup> Kopernik has contractually agreed to reduce its fees and/or reimburse expenses in order to keep Net Expenses (excluding interest, taxes, brokerage commissions, acquired fund fees and expenses and extraordinary expenses (collectively, "Excluded Expenses")) from exceeding 1.10% of the Fund's Class I Shares' average daily net assets until February 28, 2017. In the absence of current fee waivers, performance would be reduced.

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## Fund Objective

The Kopernik International Fund (the "Fund") seeks to provide long-term capital appreciation.

## Fund Highlights

- The Fund will invest primarily in equity securities of companies in any country, market, and sector/industry, generally across the mid to large market capitalization range.
- The Fund may invest up to 15% of its net assets in U.S. domiciled businesses that have significant business activities outside the United States, as determined by the Adviser.
- Philosophy and process designed to capitalize on market dislocations based on fear and greed (i.e., identifying mispriced securities due to prevailing market sentiment).
- Intensive, original research leads to deep understanding of portfolio holdings.
- Risk is viewed on an absolute term and defined as permanent loss of capital/purchasing power.
- Opportunistic portfolio which we believe will have low correlation to other managers.

## Fund Performance

Class	As of 9/30/2016				As of 12/31/2016			
	Q3	YTD	1 Year	Since Inception <sup>1,2</sup>	Dec	YTD	1 Year	Since Inception <sup>1,2</sup>
I	1.85%	29.97%	34.07%	12.59%	2.51%	25.98%	25.98%	8.12%
MSCI ACWI ex US (Net)	6.91%	5.82%	9.26%	-3.23%	2.56%	4.50%	4.50%	-3.51%

<sup>1</sup>Annualized

<sup>2</sup>Class I inception date: 6/30/2015. MSCI ACWI ex U.S.A. period in table above begins on inception date 6/30/2015.

*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 investors 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.*

## Top 10 Holdings as of 12/31/2016

Newcrest Mining Ltd	4.8%
Gazprom PJSC	4.4%
Barrick Gold Corp	3.7%
Cameco Corp	3.7%
Silver Wheaton Corp	3.3%
Royal Gold Inc	2.8%
Yandex NV	2.4%
KT Corp	2.3%
Golden Agri-Resources Ltd	2.2%
LUKOIL PJSC	2.0%
Total Percent in Top 10 Holdings	31.5%

As a percentage of total net assets. 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.





# Kopernik International Fund

## Glossary

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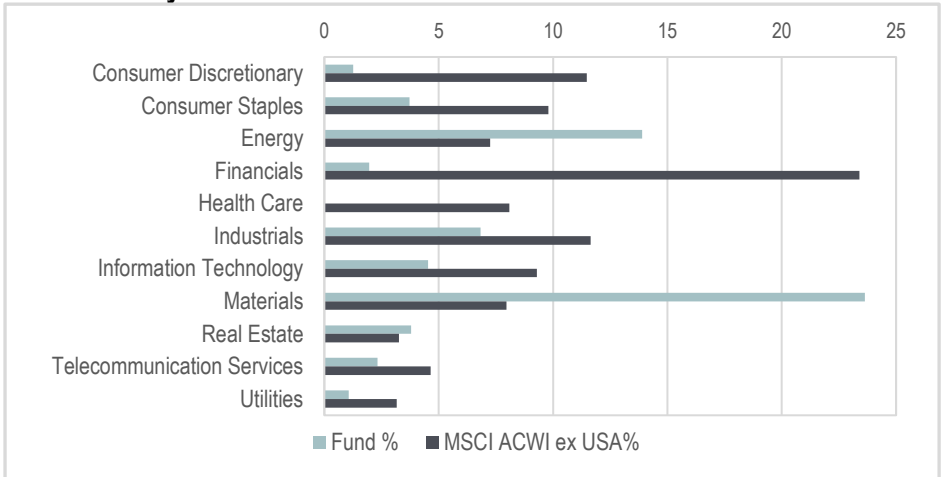
To determine if this Fund is an appropriate investment for you, carefully consider the investment objectives, risks, charges and expenses of the fund before investing. This and other information can be found in the summary and full prospectuses, which may be obtained by contacting your investment professional or calling Kopernik Funds at 1-855-887-4KGI (4544). Read them carefully before investing. Check with your investment professional to determine if the Fund is available for sale within their firm. Not all funds are available for sale at all firms.

*Mutual fund investing involves risk, including possible loss of principal. There can be no assurance that the Portfolio 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.*

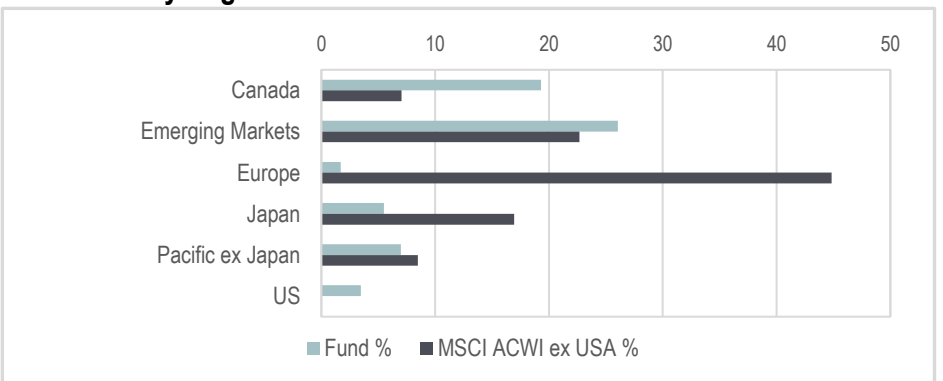
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## Allocation By Sector



## Allocation By Region



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## Portfolio Characteristics

Total Net Assets	\$2.0 million	Number of Issuers	40
Active Share	99.28		
Capitalization (billions)	<b>International Fund</b>		<b>MSCI ACWI ex USA</b>
Weighted Average	\$15.08		\$54.41
Median	\$4.58		\$7.24
	<b>Fund</b>	<b>Fund</b>	<b>MSCI ACWI ex USA</b>
	Weighted	Harmonic	Harmonic
Trailing P/E	17.16	15.50	17.02
Trailing P/CF	4.20	5.41	7.20
Trailing P/B	0.77	0.89	1.63
Trailing EV/S	1.31	1.74	1.44

Characteristics ratios are based on equity positions only, calculated at market value. The MSCI All Country World Index ex U.S.A. (Net) is an unmanaged index compiled by Morgan Stanley Capital International. The MSCI indices returns do not reflect any management fees, transaction costs or expenses. Individuals cannot invest directly in the MSCI ACWI ex U.S.A. Index. MSCI ACWI ex U.S.A. data is sourced from Bloomberg Finance L.P. ©