ALTRINSIC

July 2018

Altrinsic Global Equity Commentary – Second Quarter 2018

Dear Investor,

Investment performance was mixed across asset classes during the second quarter against a backdrop of stronger economic growth in the U.S. and China, election uncertainties (particularly in Italy and Mexico), intensifying trade tensions, and central banks' transition away from policy stimulus and quantitative easing (QE) to quantitative tightening (QT). Energy prices (Brent Crude +14%) and the U.S. dollar (+4.8% on a trade-weighted basis) were standout performers. Emerging markets, most notably those with external imbalances and/or saddled with meaningful dollar-denominated debt (Brazil and Turkey), were laggards. The Altrinsic Global Equity portfolio gave up some relative ground during the quarter, declining 0.2%, compared with the 1.7% gain by the MSCI World Index as measured in U.S. dollars.[1]

Relative performance by our technology holdings was the primary source of negative attribution, as the narrow leadership by widely popular and expensive FAANG stocks reemerged, led by Netflix (+32%), Facebook (+22%), and Amazon (+17%). Together, these five stocks accounted for almost half of the quarterly gain by the 1600+ stock MSCI World Index. We appreciate these companies' strong business models and cash flow capabilities, but we believe valuations are stretched, disruptive forces are building, and better risk-adjusted opportunities exist elsewhere.

Among our tech holdings, Nintendo, Yahoo Japan, and Cielo each experienced disappointing performance. Cielo shares were down amidst increasing competition for card-processing services in Brazil. After meeting with management and industry sources in Brazil, we believe the market is overly pessimistic about Cielo's prospects, and the company is well positioned to compete in a profitable and growing payment industry. Nintendo declined as Switch console sales slowed from their stellar pace earlier this year. Having reduced our position prior to the downturn, we are taking a fresh look at Nintendo and may increase our position. There remains significant optionality stemming from the improved monetization of Nintendo's IP (intellectual property) via mobile devices, licensing, theme parks, digital downloads, and its pending subscription service. Yahoo Japan's stock came under pressure after management announced plans to increase investment in its e-commerce and fintech businesses.

Industrials and healthcare were the largest sources of positive attribution. Industrial outperformance was derived primarily from our underweight to the sector coupled with strong absolute performance from Babcock. Babcock rallied after reporting solid fiscal 2018 results, showing much improved cash flow dynamics. Shire, Intercept Pharmaceuticals, and Medtronic were drivers of the positive attribution in healthcare. Shire rallied on news about its pending merger with Takeda of Japan. This quarter, Takeda shareholders voted to endorse management and its acquisition of Shire. Intercept's earlier-stage competitors highlighted the opportunity in non-alcoholic steatohepatitis (NASH). Intercept is in late-stage clinical trials and could potentially be the first market entrant with a treatment for NASH. Medtronic reported strong results across all business units, powered by new products and emerging markets.

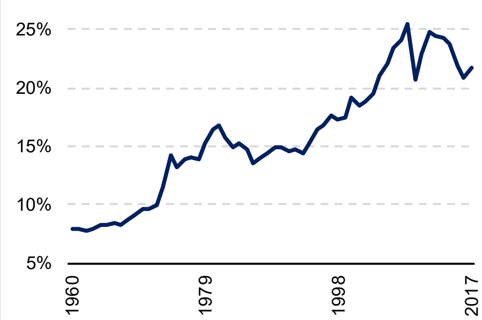
Investment activity was elevated, as we eliminated Cisco (U.S.), Deutsche Boerse (Germany), Encompass Health (U.S.), Hoya (Japan), and TDC (Denmark), each after strong performance brought their share prices closer to intrinsic value. We initiated new positions in Kroger (U.S.), Liberty Global (UK), Swiss Re (Switzerland), and Garanti Bank (Turkey). Kroger, the largest dedicated grocer in the U.S., is experiencing increasing competition from all angles, depressing its stock price. Competition is nothing new to grocery stores, but it is coming from new sources now. Kroger is responding to the competitive threat through a sharpened price focus, consistent and continuous operational improvement and cost reduction, greater prepared food offerings, and home delivery services. Liberty, the largest European cable operator, has opportunities to cut costs and improve growth rates with focused execution in the UK. The current valuation is not reflective of the large cash influx it will receive from the recent sale of its German assets, which management can use to repurchase shares, reduce leverage, and/or further strengthen its competitive position in core markets. Swiss Re, one of the world's largest reinsurers, is priced for worsening competition despite signs of improvements in the pricing environment and stabilizing inflation expectations. We expect the company to return much of its sizeable excess capital to shareholders, which should lead to strong total returns. Finally Garanti, Turkey's second-largest private sector bank, has a strong capital structure, best-in-class payments business, and a risk management culture. Shares are at trough valuation levels, as Turkey is in the midst of significant political uncertainty. Garanti's balance sheet can weather most economic pressures, and the valuation implies permanent impairment to capital and earnings that we believe is unlikely to occur.

Market Commentary

Some important developments are having a significant impact on share prices, and their influence could intensify.

1. The transition from QE to QT is a delicate matter with potentially significant consequences. There is no historical precedent for the unwinding of the Fed's $4 trillion balance sheet. The largest buyer of Treasuries (the Fed) is scaling back its purchases just as the U.S. Treasury is likely to be increasing its issuance due to the expanding budget deficit. Who will be the buyers and at what rates? A similar phenomenon will soon be underway in Europe, as the European Central Bank (ECB) scales back its purchases. The consequence could be greater volatility in interest rates, credit spreads, asset prices, and stresses in dollar-based funding markets. The recent volatility and weakness in emerging markets could be reflecting the strains of these pressures on markets with heavy exposure to U.S. dollar-based funding sources, following the massive expansion of U.S. dollar-denominated debt issuance by companies domiciled in the emerging markets.

Chart 1: Global Trade as % of GDP



As of 12/31/17; Source: IMF, World Bank. Global Exports / GDP.

2. The rising tide of globalization and trade, measured as a percentage of GDP as shown in Chart 1, is likely to subside given prevailing trade initiatives and protectionist policies in a growing number of nations. The erosion of the current rules-based system and deterioration of trust among participants could weigh on growth, margins, and efficiencies given the

interdependency of global supply chains and networks. Nationalistic rhetoric and geopolitical tensions are likely to rise.

3. The call for regulation to protect privacy and rein in the anti-competitive behavior of increasingly monopolistic technology companies is underway, just as these tech giants' business models are encroaching on each other. With industry lobbying less impactful and none of the tech giants calling it home, European regulators are leading this movement.

4. More fundamentally, the quest for growth is causing the business models of the largest players to converge: Google and Facebook share a duopoly of digital advertising (accounting for 90%+ of industry growth last year) while Amazon dominates e-commerce and cloud computing (AWS). Amazon is aggressively building out its own digital advertising products to better monetize its platform, while Facebook and Google are moving aggressively into e-commerce and cloud computing. These are large pools of revenue, but there is increasing conflict among business models.

Among the implications of these developments is a growing likelihood that the narrow leadership of highly priced FAANGS will subside and the value elsewhere in markets will be recognized. We believe that such a transition could be significant in magnitude, compounded by the overwhelming role and participation of ETFs and other passive participants in markets.

Emerging markets have been lagging for some time and value is increasingly appearing. As shown in Chart 2 and Table 1, emerging market equities have been significantly underperforming developed-market equities. Within emerging markets, the leadership from its own narrow group of large-capitalization stocks (the BATS – Baidu, Alibaba, Tencent, and Samsung Electronics) has further amplified the valuations spread among other less popular emerging market companies that we believe are increasingly overlooked by global investors.

Chart 2: Emerging Markets have Significantly Underperfomed Developed Markets Since 2010
MSCI EM Index Relative to MSCI World Index

As of 06/30/18; Source: FactSet. Measured in local currency.

Table 1: MSCI Valuations

	P/BV	PE	Div. Yield	ROE
USA	3.3x	22.6x	1.9%	14.6%
EAFE	1.7x	15.7x	3.2%	10.5%
EM	1.7x	13.8x	2.6%	12.2%

As of 06/30/18; Source: FactSet.

Our current exposure to EM is only 4.6%, but we will look to be opportunistic as new ideas emerge. We have been adding to companies such as Grupo Televisa in Mexico and Cielo in Brazil. Televisa is the largest producer and distributor of Spanish language content globally. Operating in Mexico, a market with strong underlying advertising growth and a voracious appetite for content, Televisa should meaningfully grow profitability through better revenue and cost management. Cielo is the leading payment processor in Brazil, a country with low credit card penetration by global standards. New competition has entered the field, but our research shows that customers are stickier than the market fears, providing a unique opportunity to buy a profitable franchise at a meaningful discount to fair value.

Concerns about trade wars, excessive dollar-denominated debt in a period of rising rates, and a stronger U.S. dollar are important inputs into our company analysis, especially those domiciled in emerging markets, but the surrounding emotion often coincides with opportunity.

Among developed nations, we continue to see the greatest value in non-U.S. markets where our holdings and risk exposures are noticeably different from those of broad markets as seen in Table 2. International equities trade at lower valuations than those in the U.S., possess greater scope to increase profitability from current levels, and have a growing number of management teams that are increasingly focused on improving shareholder returns. Effectively, there is a lower bar set for outperformance. Our three largest exposures are in financials, healthcare, and technology.

Table 2: Altrinsic Global Equity Portfolio

			N. AM		EUROPE		JAPAN		OTHER	
	AGA	Index	AGA	Index	AGA	Index	AGA	Index	AGA	Index
	95.9	100.0	37.5	63.0	39.0	24.1	14.8	8.6	4.6	4.3
Cons Disc	6.9	13.3	4.8	8.9	1.1	2.4	--	1.8	1.0	0.3
Cons Stpls	12.6	7.5	6.1	3.2	6.0	3.4	--	0.7	0.6	0.3
Energy	5.4	6.8	3.6	4.4	1.3	2.1	0.6	0.1	--	0.2
Financials	22.7	19.9	4.4	11.3	9.7	5.1	7.9	1.3	0.6	2.2
Healthcare	18.0	12.2	2.6	8.1	13.0	3.1	2.5	0.7	--	0.2
Industrials	4.5	11.5	2.8	6.1	0.4	2.9	1.3	2.1	--	0.4
Info Tech	13.9	18.2	8.8	15.9	1.0	1.4	2.5	0.9	1.6	--
Materials	4.6	4.9	1.3	2.0	3.4	1.9	--	0.5	--	0.5
Telecom	4.6	2.7	0.6	1.3	3.2	0.8	--	0.4	0.8	0.1
Utilities	2.6	3.0	2.6	1.8	--	0.8	--	0.2	--	0.2

As of 06/30/18; Source: MSCI World (Net) Index. Sector and regional portfolio weights are based upon a representative fully discretionary account with the global mandate. Please note that fractional differences in the portfolio's totals may occur due to Excel's rule-based rounding.

- Financial exposure is largely outside of the banking sector, with a concentration in insurance, insurance brokerage, and exchanges. Our limited exposure to banks has been primarily in Japan, but we are beginning to see value emerge in other developed-market banks. Intensifying competition, weak lending demand, low interest rates heavily impacted by the ECB, and aggressive regulatory requirements caused bank shares to underperform the MSCI World by almost 50% over the last five years. Valuations are still above crisis levels, but they are increasingly attractive. We find retail banks with quality management teams, strong funding, significant capital levels, and structurally sound local banking markets the most attractive.
- We have added to our existing healthcare holdings. The combination of reasonable valuations, especially when compared to the broader market, entrenched cultures of innovation, vastly improved R&D productivity, and the short-term nature of both buy- and sell-side sector investors provides opportunities.
- Within technology, investors continue to pile into the same narrow list of leading stocks. Our investments are more idiosyncratic in nature and characterized by businesses undergoing change. This takes the form of business model transitions that depress near-term profitability, companies that are improving returns and "shrinking to grow," or companies that are investing in new ventures and under-earning their long-term potential. In all cases, we are focused on margin of safety through strong balance sheets, sticky revenue, and recurring cash flows.

Despite the many hazards ahead, we continue to find significant value in the companies we hold. Our portfolio positioning remains highly differentiated versus the broad market given the characteristics of our investments, their distinctive underlying investment theses, and the resulting aggregate risk exposures.

Thank you for your interest in Altrinsic. We are always available to discuss these or other matters of interest.

Sincerely,

John Hock

John DeVita

[1]*Performance is presented gross of management fees and includes the reinvestment of all income. Gross returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. Past performance is not indicative of future results. Please see Important Considerations and Assumptions at the end of this letter for additional disclosures.*

ALTRINSIC GLOBAL EQUITY COMPOSITE
FULL DISCLOSURE PRESENTATION

	Total Firm	Composite Assets			Annual Performance Results				Ex-Post Standard Deviation (3 Yr Annualized)	
Year to Date	Assets (millions)	USD (millions)	% of Firm Assets	Number of Accounts	Composite Gross	Composite Net	MSCI World (Net)	Composite Dispersion	Composite	MSCI World (Net)
Q2 2018	6,851	1,081	16%	7	-0.02%	-0.44%	0.43%	N.A.	9.74%	10.29%
2017	7,259	1,153	16%	7	16.71%	15.74%	22.40%	0.25%	9.92%	10.23%
2016	7,107	1,116	16%	8	11.91%	10.98%	7.51%	0.24%	10.82%	10.92%
2015	8,927	1,523	17%	13	-0.97%	-1.81%	-0.87%	0.16%	10.78%	10.80%
2014	11,656	2,295	20%	18	2.37%	1.51%	4.94%	0.19%	11.00%	10.23%
2013	14,261	3,069	22%	20	24.40%	23.37%	26.68%	0.29%	13.53%	13.54%
2012	12,586	3,128	25%	21	12.95%	12.00%	15.83%	0.32%	16.37%	16.74%
2011	10,683	2,361	22%	18	-5.49%	-6.29%	-5.54%	0.30%	18.85%	20.15%
2010	10,621	2,087	20%	12	13.55%	12.60%	11.76%	0.35%	22.52%	23.72%
2009	9,278	1,524	16%	10	29.80%	28.72%	29.99%	0.42%	20.24%	21.40%
2008	5,537	1,553	28%	13	-32.19%	-32.78%	-40.71%	0.27%	16.34%	17.02%
2007	7,582	2,437	32%	17	1.17%	0.31%	9.04%	0.30%	8.26%	8.10%
2006	5,574	1,918	34%	16	17.02%	16.04%	20.06%	0.08%	8.05%	7.64%
2005	2,563	321	13%	8	8.61%	7.70%	9.49%	N.A.[1]	10.82%	9.66%
2004	1,603	242	15%	Five or fewer	19.48%	18.60%	14.72%	N.A.[1]	14.29%	14.74%
2003	871	162	19%	Five or fewer	46.75%	45.69%	33.10%	N.A.[1]	15.80%	17.46%
2002	561	77	14%	Five or fewer	-12.51%	-13.17%	-19.88%	N.A.[1]	N.A.	N.A.
2001	491	135	28%	Five or fewer	-10.15%	-10.83%	-16.82%	N.A.[1]	N.A.	N.A.
2000*	520	175	34%	Five or fewer	-0.87%	-1.24%	-10.91%	N.A.[1]	N.A.	N.A.

N.A. - Information is not statistically meaningful due to an insufficient period of time.

N.A.[1] - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

*Results shown for the year 2000 represent partial period performance from July 1, 2000 through December 31, 2000.

Altrinsic Global Equity Composite is a diversified (60 - 100 holdings), bottom-up, fundamental, value oriented, Global, all cap portfolio, benchmarked to the MSCI World (Net) Index (accounts have the ability to invest in 144A stocks). The MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. Portfolios in the composite may invest in countries that are not in the MSCI World (Net) Index. Additional information is available upon request. The minimum account size for this composite is $5 million. Prior to January 1, 2004, the minimum account size for this composite was $10 million. Returns include the effect of foreign currency exchange rates. Prior to April 1, 2006 the exchange rate source of the composite was Bloomberg 4pm New York close and the exchange rate source of the benchmark was WM Reuters 4pm London close.

Altrinsic Global Advisors, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS Standards. Altrinsic Global Advisors, LLC has been independently verified for the periods from December 8, 2000 through December 31, 2017.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of 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. The Altrinsic Global Equity Composite has been examined for the periods beginning December 8, 2000 through December 31, 2017. The verification and performance examination reports are available upon request.

Altrinsic Global Advisors, LLC is a registered investment adviser. 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. Beginning July 1, 2005, composite policy requires the temporary removal of any portfolio incurring a client initiated significant cash inflow or outflow of at least 40% of portfolio assets. The temporary removal of such an account occurs at the beginning of the month in which the significant cash flow occurs and the account re-enters the composite after the first full month under management if fully invested. Additional information regarding the treatment of significant cash flows is available upon request. 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. Composite returns represent investors domiciled primarily in Australia, United States, and Canada. The MSCI World (Net) Index deducts withholding tax by applying the maximum rate of the company's country of incorporation applicable to non-resident institutional investors. The normal characteristics of the transactions in the Altrinsic Global Equity Composite include the purchase and sale of forward currency contracts using a foreign exchange credit line(s) secured by the underlying assets. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Gross returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. Net of fee performance was calculated using the highest applicable annual management fee of 0.85% applied monthly. Prior to January 1, 2005 the highest management fee applied was 0.75%. The annual composite dispersion is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The investment management fee schedule is 0.85% on the first $25 million, 0.60% on the next $50 million, and 0.50% on the remainder. Some accounts may pay incentive fees. Actual investment advisory fees incurred by clients may vary.

The Altrinsic Global Equity Composite was created January 1, 2004. Performance presented prior to December 8, 2000 occurred while the Portfolio Manager was affiliated with a prior firm and the Portfolio Manager was the only individual responsible for selecting the securities to buy and sell.

Important Considerations and Assumptions

This presentation has been prepared solely for informational purposes and nothing in this material may be relied on in any manner as investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to your individual circumstances, or otherwise constitutes a personal recommendation to you.

All information is to be treated as confidential and may not be reproduced or redistributed in whole or in part in any manner without the prior written consent of Altrinsic Global Advisors, LLC ("Altrinsic"). The information contained herein shall not be relied upon as a primary basis for any investment decision, including, without limitation, the purchase of any Altrinsic products or engagement of Altrinsic investment management services; there is no and will be no agreement, arrangement, or understanding to the contrary.

This material has been prepared by Altrinsic on the basis of publicly available information, internally developed data and other third party sources believed to be reliable. No assurances or representations are provided regarding the reliability, accuracy or completeness of such information and Altrinsic has not sought to independently verify information taken from public and third party sources. Altrinsic does not accept liability for any loss arising from the use hereof. Any projections, market outlooks or estimates in this document are forward-looking statements and are based upon certain assumptions. Due to various risks and uncertainties, actual events or results, or the actual performance of any investment or strategy may differ materially from those reflected or contemplated in such forward-looking statements. Except where otherwise indicated, the information provided, including any investment views and market opinions/analyses expressed, constitute judgments as of the date of this document and not as of any future date. This information will not be updated or otherwise revised to reflect information that subsequently becomes available, or changes in circumstances or events occurring after the date hereof.

The data and information presented is based on representative accounts and is for informational and illustrative purposes only. Individual client data and information may vary based on different objectives for different clients. This material does not constitute investment advice and should not be viewed as current or past recommendations or a solicitation of an offer to buy or sell any securities or to adopt any investment strategy. Any documents describing Altrinsic's products or services shall not constitute an offer to sell or a solicitation to buy the securities from any person in any jurisdiction where it is unlawful to do so. Any specific investments referenced may or may not be held by accounts managed by Altrinsic and do not represent all of the investments purchased, sold or recommended for client accounts. Readers should not assume that any investments in securities described were or will be profitable. There are no guarantees that investment objectives will be met. Investing entails risks, including possible loss of principal. Altrinsic may modify its investment approach and portfolio parameters, in the future, in a manner which it believes is consistent with its overall investment objective of long-term capital appreciation and reduced risk.

Past performance is not a guide to or otherwise indicative of future results. Any investment results and portfolio compositions are provided for illustrative purposes only and may not be indicative of the future investment results or portfolio composition of any account, investment or strategy managed by Altrinsic.

Disclosure of Risk Factors

An investment in any account, investment or strategy is speculative and involves a significant degree of risk, which each prospective investor must carefully consider. Returns generated from an investment in any account, investment or strategy may not adequately compensate investors for the business and financial risks assumed. An investor in any account, investment or strategy could lose all or a substantial amount of his or her investment. Before making an investment, prospective investors are advised to thoroughly and carefully review any disclosure documents with their financial, legal and tax advisors to determine whether and investment is suitable for them.

Additional Performance Disclosure – Use of Benchmarks

Benchmarks are provided for illustrative purposes only. Comparisons to benchmarks have limitations because benchmarks have volatility and other material characteristics that may differ from the accounts, investments or strategies managed by Altrinsic. Because of these differences, benchmarks should not be relied upon as an accurate measure of comparison.

This document is not intended for public use or distribution.