



VIMCO ATLANTIC VALUE FUNDS

Investor Presentation

Q4-2019

Vimco Atlantic Value Funds: A Joint Venture Between Vimco Lux and Atlantic Investment



- **VIMCO: Value Investment Management Company;**
- Architects of wealth management: selecting the best capital allocators;
- Inception in The Netherlands in 2002, transition to Luxembourg in 2016;
- Broad customer base of institutional, corporate and private investors;
- Primary target is managing risks and preserving wealth and purchasing power;
- Active value investing with a bottom-up approach;
- Portfolio composition of value funds, family investment holding companies and specialty lines;
- The strategy is to benefit from a long term horizon and the power of compounding.



- 30+ years in business; New York based 19 member team; average tenure 13 years for investment team.
- Fundamental, value-oriented equity investment firm
- Investment methodology differentiated by:
 - Well-defined universe of quality mid-cap industrial / consumer companies
 - Concentration of capital and research on highest conviction investments
 - Private equity-like due diligence; global research footprint
 - Constructive shareholder activist: pushing an agenda while maintaining liquidity
 - Strict adherence to buy/sell cash flow focused valuation discipline

Note: Figures as of December 31, 2019.

Fund Overview

VIMCO Atlantic Value Fund (VAVF) is Based on Atlantic's Global Fund

Key Metrics

	Strategy	VAVF
AUM (min)	\$1,305	\$27
Exposure	80% to 100%	94%
# Longs	15 - 20	19
Inception	January 1, 2012	April 5, 2019
Region	U.S. 35% - 50% Europe 25% - 40% Asia 15% - 30%	U.S. 50% Europe 28% Asia 20%

VAVF Performance

	Q-1	Q-2	Q-3	Q-4	Year
2019		-3.1%	-11.7%	15.5%	-1.1%

Atlantic's Global Fund Performance

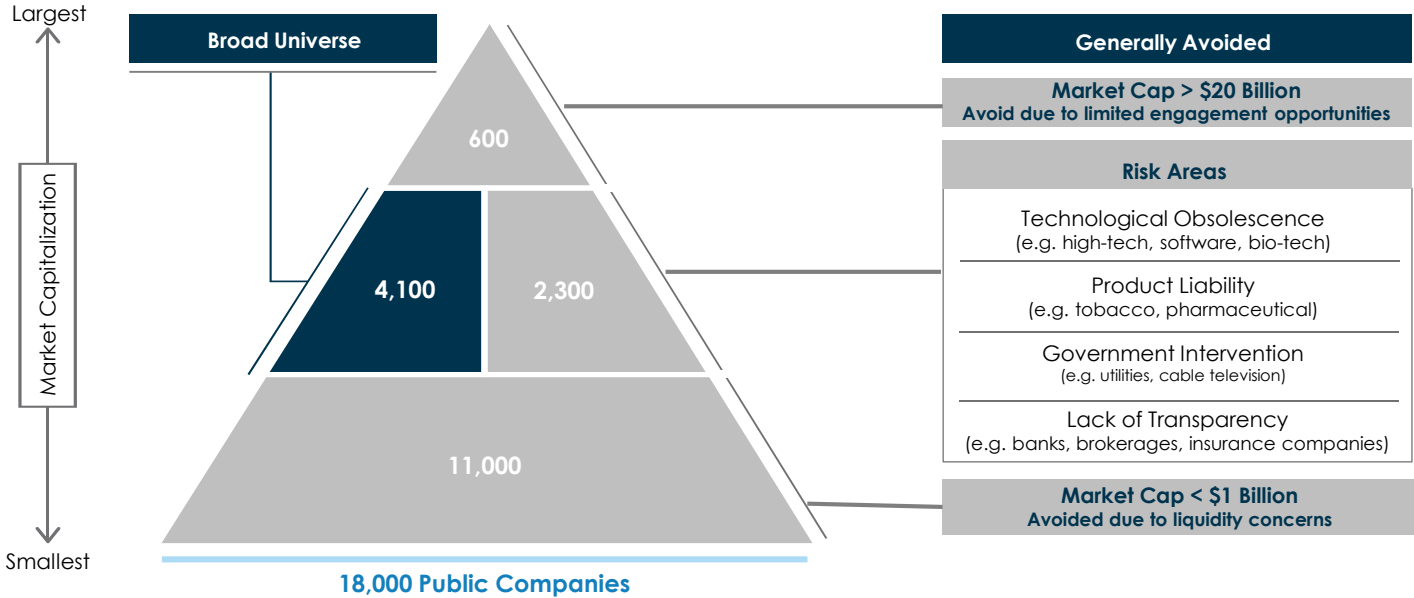
	Q-1	Q-2	Q-3	Q-4	Year
2019	10.4%	1.3%	-12.4%	16.1%	13.6%
2018	0.1%	-7.5%	-2.9%	-21.7%	-29.7%
2017	10.1%	1.4%	3.5%	0.8%	16.4%
2016	-2.7%	-5.8%	13.6%	7.4%	11.8%
2015	4.5%	2.8%	-13.4%	4.4%	-3.0%
2014	2.3%	4.4%	-6.1%	-2.1%	-1.9%
2013	5.8%	3.6%	7.7%	9.0%	28.8%
2012	12.8%	-8.3%	3.5%	8.3%	15.9%

Note: Figures as of December 31, 2019.

Atlantic's Global Fund performance is for Class B Series 1 shares while the VAVF performance is for Class D shares, net of all fees and expenses, which represent the returns of a new investor coming in at the inception date of January 1, 2012 and April 5, 2019, respectively. Returns reflect the reinvestment of dividends and other income. Atlantic's Global Fund returns are based on audited results through 2018 and unaudited thereafter. VAVF returns are currently unaudited. Strategy AUM includes both discretionary and non-discretionary assets. **Past performance may not be indicative of future results.**

Investment Process I: Global Investment Universe

Focus on Mid-sized Industrial/Consumer Products/Services Firms



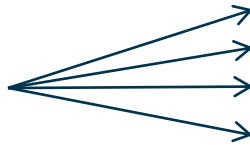
Note: The above figures are approximate and may vary over time. Minimum market cap range starts at \$100 million. Approximate figures include only public companies located in North America, Europe and Asia. Universe is a high-level overview and reflects a filtered investment universe. Actual opportunities considered may be within or outside of the target markets and may be selected on a subjective-basis. Source: Bloomberg.

Investment Process II: Key Attributes Of Target Universe

Narrowing The 4,100 Stock Broad Universe To Our 1,400 Stock Target Universe

- **Solid Balance Sheet:** Interest expense less than 25% of gross EBITDA
- **Always Profitable:** EBIT positive through economic cycles
- **Predictable Cash Flows:** Consumable and maintenance/repair/overhaul revenues, diverse customer base, wide range of products/services and geographic diversification
- **Sustainable Competitive Advantage:** High barriers to entry, hard-to-replace assets, leading market positions and strong brands

Target Universe: 1,400 firms

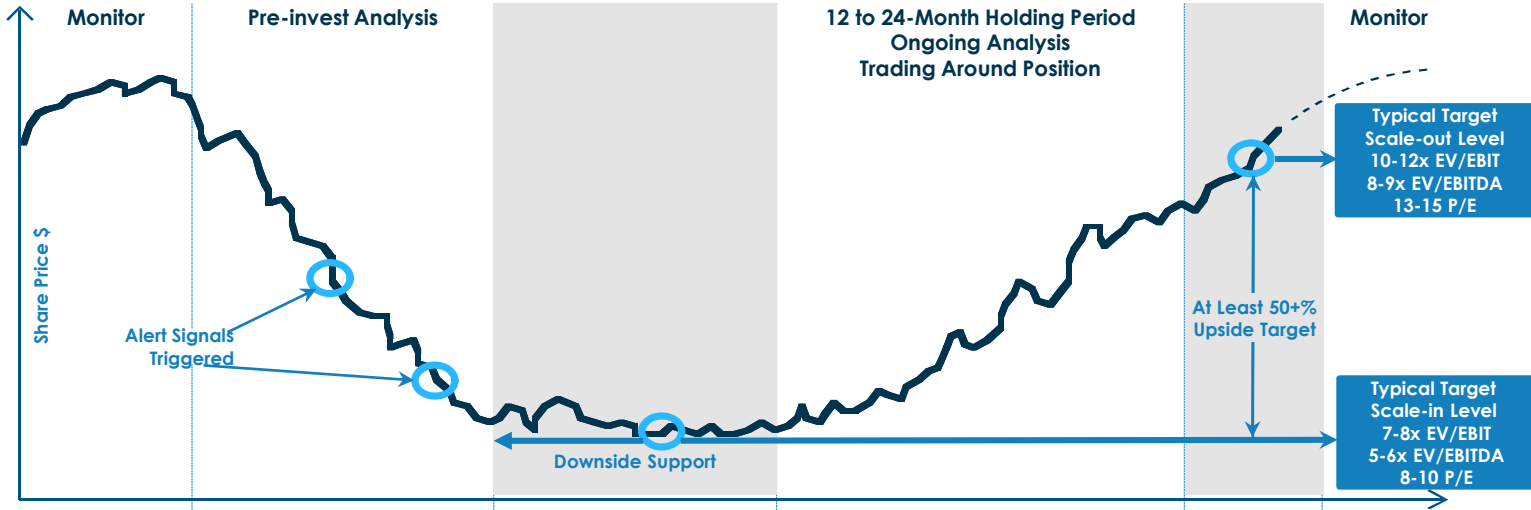


500	North America
300	Europe
250	Japan
350	Asia ex-Japan

Note: Reflects a high-level overview of the process for defining Atlantic's target investment universes and attributes. Reflects attributes we seek to isolate in constructing a portfolio; no assurance is given that our process will be successful or that we will be able to effectively identify and isolate desirable targets. Analysis may be subjective and not all investments considered or made will reflect all of the characteristics or attributes described above. Targets are not an indicator of future performance. Source: Bloomberg.

Investment Process III: Strict Value Oriented Buy/Sell Discipline

Focus on Cash Flow and EPS Metrics



Note: Valuations at any given point are based on forward estimates. This hypothetical example is provided for illustration purposes only and is not a proxy for any actual past or present positions and should not be interpreted as an indication of future probability. Actual experience may be different.

Investment Process IV: Constructive Shareholder Activism

Pushing an Agenda – Maintaining Liquidity

Objectives

- **Enhance and accelerate** the process of shareholder value creation
- **Maintain liquidity** to enable trading and to scale out
- **Maintain constructive, respectful** dialogue with management

Process

- **Build strong rapport** with CEO/CFO through multiple on-site and face-to-face meetings
- **Craft and discuss win-win proposals** for management and shareholders:
 - **Corporate development:** Unlock sum-of-the-parts values, portfolio composition
 - **Operational restructurings:** Drive for higher profit, better working capital and management changes
 - **Use of free cash flow:** M&A, share buybacks, dividends, debt reduction
 - **Investor relations:** Messaging, access, craft three-year earnings road map
 - **Corporate governance:** Board composition, executive compensation
- **Submit written proposals** to CEO and, as needed, to the Board of Directors
- **Broaden discussion** of the investment thesis and our proposals to include current and prospective shareholders and the financial media, where appropriate

Note: High-level overview of a complex process. Not all steps or elements are mandatory.



Atlantic: A Catalyst for Enhancing Shareholder Value in the US, Europe, and Japan

US	2012-2019 YTD	
	2003-2011	
	1992-2002	

Europe	2011-2019 YTD	
	2004-2010	

Japan	2011-2019 YTD	
	2004-2010	

Note: The information provided above about specific past investments made by Atlantic is included for illustrative purposes only, in order to assist prospective investors in understanding the investment strategies and processes used by Atlantic, and is not intended to be indicative of actual future investments.

Key Terms

	Class A	Class B	Class C	Class D*
Open to	All investors	Vimco Clients	Atlantic Clients	Founder Clients
Minimum Investment	\$10,000	\$250,000	\$250,000	\$250,000
Additional Investment	\$1,000	\$100,000	\$100,000	\$100,000
Management Fee	1.50%	1.50%	1.50%	1.00%
Performance Fee	20%	20%	20%	15%
Valuation	← Weekly each Friday →			

Note: *Class D is open to new investors between April 5, 2019 and September 6, 2019. The above does not constitute an offer to sell or solicitation. Any such offer may only be made pursuant to the Prospectus for the Fund, which will only be provided to existing and qualified prospective investors, and should be carefully reviewed prior to investing for more detailed information about the risks, fees, expenses, liquidity restrictions, and other terms of investing in the Fund.

Sample Top Positions

Company	Company	Country	Exposure	Market Cap	EBITDA/Interest	Valuation			12-18 Month Target	
						P/E	EV/EBIT	FCF Yield		
A - Containers & Packaging	O-I Glass	U.S.	14%	\$1.9	3.9x	6.0x	10.2x	21.0%	126%	
B - Commercial Servs & Supp.	G4S	U.K.	9%	\$4.5	5.5x	11.4x	10.0x	6.9%	47%	
C - IT Services	DXC Technology	U.S.	9%	\$9.6	10.3x	9.5x	10.3x	7.9%	49%	
D - Apparel & Luxury Goods	Capri Holdings	U.S.	8%	\$5.8	44.4x	7.5x	7.5x	11.9%	70%	
E - Auto Components	Koito Manufacturing	Japan	6%	\$7.6	Cash>Debt	11.6x	5.9x	8.0%	59%	
F - Containers & Packaging	Westrock	U.S.	5%	\$11.1	7.6x	14.2x	14.8x	12.2%	35%	
G - Auto Components	Lear	U.S.	4%	\$8.3	18.7x	8.3x	5.1x	10.7%	38%	
H - Professional Services	Persol Holdings	Japan	4%	\$4.5	Cash>Debt	16.6x	7.9x	7.6%	46%	
I - Machinery	Timken	U.S.	4%	\$4.2	10.2x	11.0x	8.9x	9.9%	55%	
J - Auto Components	Continental	Germany	4%	\$25.8	34.4x	8.3x	7.1x	7.6%	52%	
Weighted Average						\$7.0	9.7x	9.1x	11.5%	
Other Longs (# positions)										
Total Long Exposure									27% (9)	
									94%	

Note: Figures as of December 31, 2019. Positions selected reflect the top by capital size in Atlantic's Global Fund. Market cap in billions (\$USD), and sourced from Reuters. Valuations for US and European portfolio companies are based on Atlantic's 2020 estimates. Japanese portfolio company valuations are based on Atlantic's FY2021 (ends March) estimates. Target upside is based on Atlantic's estimates of earnings and valuation multiples. Enterprise Value (EV) is market cap plus net debt, in billions (\$USD). Weighted averages are based on the top positions' capital size in Atlantic's Global Fund.

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