RONDURE GLOBAL ADVISORS

3Q 2020 Fund Commentary

Overview

"We cast a shadow on something wherever we stand, and it is no good moving from place to place to save things; because the shadow always follows. Choose a place where you won't do harm – yes, choose a place where you won't do very much harm, and stand in it for all you are worth, facing the sunshine." –E.M. Forster, A Room with a View

A Room with a View

I've been living all of my life, to my delight, in rooms with views. It started with saguaro vistas and desert red sunsets in the American southwest. The views changed to the dark blue waters of the Mississippi River, where Mark Twain penned his masterpieces. Airplane windows have cast back green speckled islands, tiny dotted, multi-hued people, and brown parched, rolling roads. Sandstorms against red skies. White-washed buildings against azure seas. A rainstorm in a golden hotel. Solemn shrines of simple weathered-wood and orange temples sprinkled with cackling monkeys.

One of my favorite views is the vista from the family farm in eastern Kansas. It sits on one of the highest bluffs in a flat state. Aptly named Long View Farm, the amber waving wheat, carves a canyon down to the winding deep blue Kansas River. The farm was small and blessed with tattered yellowing books. A picnic table in green grass with a radiant-blue eyed grandmother, who told vivid stories of the black Dust Bowl and the Great Depression.

My favorite book was a gift from my grandmother—*Little Women.* I never saw Jo March, the powerful female protagonist in Louisa May Alcott's book, in myself, but I believe my grandmother and father saw Jo in me.

After I graduated from college, I sought out views. I moved to Japan with its white-painted geishas and their girly pink hair pieces against jet black hair. Red lips peaked out of parted hands. Head-tilted downward, hiding chocolate eyes.

When I started work in the finance industry, I added so many people, places, colors, cultures to my views. The one thing that was clear to me was that I was a sponge, sucking up everything I saw. I had no desire to alter what I mainly saw as wonderful in the world, and I loved investing.

On the other hand, as time passed, I started to also see many things I didn't like in the world, especially as I added frontier countries to a catalog of over 75 countries and thousands of companies visited through the years. The frontier opened my eyes to abject poverty, war, dirty water, sickness, poor education, and corruption. Yet, when I brought this global perspective back to my home countries—the US and Japan—I saw different problems with excess consumption, a lack of good jobs, corruption in politics and business. I also saw many of the same problems in gender and racial bias, an incredible wealth divide, environmental degradation, and lobbies and bribes that seemed to be one in the same to me (one legalized corruption and one just simply corruption but it was all favoritism through money power). Globalization seemed to be amplifying all of these issues in a modern and sad form of manifest destiny—we were repeating many mistakes from the past in a desire to get rich quickly (or to keep all the debt from tumbling down upon us) in a world that seemed to view a US-consumption led model as the only model for development. That model has cast a large shadow over the world—both good and bad.

Frontier was an eye-opener for me. In fact, it brought me back to many of the idealistic views I held as a young person when I marched on campus with my South African history class in protest of Apartheid, built houses for Habitat for Humanity, and worked in harmony with people from all over the world as the President of the East Asian Society. Somewhere along the path of making money, I got too busy to do as much good as I aspired to do.

Rondure is an attempt to do both and impact our industry from the corporate level through building a diverse team of thinkers and from an investment perspective by attempting to Make Money and Do Good (or at least minimize our shadow).

Our firm principles are simple:

1. *Make money for our clients. Own companies with sustainable competitive advantages, or in Rondure vernacular Club, Glue, Platform businesses (CGPs). We believe that investing in high-quality companies with strong balance sheets, stable cash flows, high returns on capital, and economic moats at reasonable prices with a long-term view is the best way to generate alpha through market cycles. We also look at risks and opportunities in each country to help ascertain headwinds or tailwinds to compounding. Governance at the individual corporate level is critical in assessing the long-term compounding potential of every company as well. We believe a diverse team will help us achieve these goals. The world is a complex place, and incorporating all perspectives will help us achieve better risk/reward dynamics in the portfolios.*

2. *Do Good (or at least try to Do No Harm). Own responsible compounders. We look at the individual problems and opportunities of each country instead of applying developed market standards to the entire world or developing market opportunities to the developed world. We do not believe corporate Environmental, Social, and Governance issues (ESG) can be measured with perfect scientific precision. However complicated financial analysis may be, we think ESG analysis is even more complex. The data is limited and the considerations are multifaceted, so we approach it with a strong dose of humility. We do use data in our research to think about country-level conditions to identify the ES issues most relevant for every company. It is an attempt to be clinical. It is an attempt to avoid modern day colonialization by pressing Western values on different cultures. It is an attempt to see each individual country's view of the world, as well as the view from our own domicile. Our Responsible Investing philosophy is proprietary and authentic to us at Rondure. We are not checking boxes.*

3. *Be great partners (for our clients, our partner firm, Grandeur Peak, our teammates, and our global community). Give our partners all the information they need to maximize the potential of their investments and reach all of their goals. Give them good, thoughtful content to help them with their own investment thinking. Listen to them. Be honest. All of our partners = family.*

Turning from our principles and process, to the quarter and the year, we had a decent quarter across both strategies. The quarter started off with more of the same—a concentrated, large capitalization rally spurred on by coronavirus stimulus and low interest rates, and it ended with a retrenchment that started in September, driven by increased volatility from politics, a correction in a market that had gotten too hot, and a fear that stimulus would end, driving a weaker real economy. Essentially, we have seen a movement in the market from last year's great risk-on, risk-off trade to this year's COVID-ON (crowd into the stocks where the fundamentals are good during social distancing or into the countries that have handled the coronavirus well) or COVID-OFF (crowd into the stocks or countries that benefit when we all stop social distancing and go back to traveling, the movies, and events) trade.

Of course, given our focus on quality and paying a reasonable price—not simply chasing thematic momentum, we did a lot better (at least on a relative basis) as volatility increased. This was one of our better quarters, as a firm, for sitting still and letting our compounders earn their stripes.

RONDURE GLOBAL ADVISORS

Rondure New World Fund

In the Rondure New World strategy, on a stock-specific basis, the greatest contributors in 3Q19 came from **Taiwan Semiconductor Manufacturing Co., Ltd (2330 TT)** and **Li Ning Company Limited (2331 HK).** Taiwan Semiconductor continues to benefit from the broad based upcycle in 5G and High Performance Computing (HPC) while **Apple Inc.'s** (APPL) seasonal iPhone ramp has also served as a positive contributing factor. Li Ning, on the other hand, got a boost from better than expected results, with margins expanding despite a tough macro backdrop. We remain highly constructive on the long term margin upside story for Li Ning, driven by efficiency gains on several fronts, including merchandising, channel reform, store operations and supply chain optimization. Meanwhile, the Chinese government continues to actively promote the growth of the local sportswear industry.

The two largest individual detractors in the portfolio were located in Malaysia and the Philippines: **Philippine Seven Corporation (SEVN PM)** and **Carlsberg Brewery Malaysia Bhd (CAB MK**). Both companies were weighed down by the relatively strict lockdown measures implemented in their countries coupled with dampening consumer sentiment. While these two names have taken a hit on social movement restrictions, the long-term thesis on both remain intact. Both companies are equipped with solid balance sheets and sound management teams needed to navigate these difficult times and come out stronger on the other end.

On a sector basis, the Fund's top contributor came from Financials. The portfolio's significant underweight to the sector continued to benefit us, given the sector's relative underperformance during the quarter. Some of the companies we do own, however, performed much better than the broader sector. The standout names were again the exchanges: **Hong Kong Exchanges and Clearing Ltd. (388 HK)** and **Moscow Exchange MICEX-RTS PJSC (MOEX RM).** Both have been big benefactors of increased trading and volatility in their respective markets. While Hong Kong Exchanges continues to benefit from an increasing number of US listed Chinese ADRs reshoring back to Chinese markets, it got an added boost from news that Ant Financial, one of China's largest companies, plans to do a dual listing in both Hong Kong and Shanghai. We continue to monitor that situation closely. Another sector we managed to add relative value to the benchmark was in Healthcare, where our outperformance was largely driven by the same two glove companies we have detailed in previous write-ups: **Top Glove Corporation Bhd (TOPG MK)** and **Hartalega Holdings Bhd (HART MK**). The share prices of both were driven by increasing demand and rising average sales prices. Both have been the biggest COVID-ON names in our portfolio this year.

As usual, the portfolio remained defensively positioned coming into the quarter. However, our outsized position in Consumer Staples cost us some relative performance. This was our main detractor on a sector basis. The main culprits were Philippine Seven Corporation and Carlsberg Brewery Malaysia**.** We touched on both earlier.

In terms of country-based attribution, China was again our greatest contributor of outperformance relative to the benchmark. While we still lag the benchmark in terms of relative weighting of Chinese equities, our underlying stocks continue to perform well. The sportswear sector continued to be the most noteworthy performer. Li Ning, discussed earlier, was the main contributor. The Fund also got an added boost from **ANTA Sports Products Ltd (2020 HK),** whose results were not as strong as the former but still benefitted from the rise in consumer sentiment in China. Outside of China, Russia was our second best contributor. Our sole holding there, Moscow Exchange (MOEX), was discussed earlier. In addition to increased trading levels and volatility, Moscow Exchange has also benefitted from a strong dividend yield (north of 5%), which is in turn backed by a solid net cash balance sheet.

Thailand and the Philippines were the portfolio's greatest detractor from performance. The subdued levels of tourism and consumer sentiment led to broad based weakness across our exposures in both countries. While we cannot predict when these difficult conditions will improve, we are encouraged by the high quality of the businesses we own in both countries and their ability to weather the storm until conditions normalize. In the case of most of these names, we continue to exercise patience.

Rondure Overseas Fund

On a stock-specific basis in the Rondure Overseas strategy, the largest positive contributor was **Unilever NV (UNA NA)**, whose shares returned to favor given its highly defensive yield of 3% in a world starved for income. The shares were also aided by solid operating performance in Q2, with both growth in the US and overall group margins surprising to the upside on the back of robust cost savings.

Two of the Fund's other top performers were in a similar position last quarter, both from Japan: **MonotaRo Co Ltd (3064 JP)** and **Nihon M&A Center Inc. (2127 JP).** As highlighted in the past, both play to trends in the Japanese economy that have long, durable tailwinds. MonotaRO is helping digitize a formally offline sector: industrial supplies. Meanwhile, Nihon M&A continues to promote well-needed consolidation in corporate Japan by facilitating acquisitions in the SME space. Shares of both companies got a boost from strong operational results in Q2 against a weak macro backdrop.

The largest detractor in our portfolio was **Greggs plc (GLG LN)**, the UK-based bakery firm. Social distancing measures have led to a sharp reduction in footfall. Due to our relatively small weight in the name, however, its negative impact to the fund was contained. We continue to monitor the company closely.

Two of our worst performers this quarter were again COVID-19-related victims: **ABC-MART, INC. (2670 JP)** and **Danone SA (BN FP)**. ABC-MART's shoe business has suffered from steep declines in same store sales as Japanese consumers stay at home and tourists to Japan stay away. Danone, for its part, saw a reversal of pantry loading trends from Q1. While the company got a temporary boost from panic buying in Q1, those patterns shifted in Q2. Its single-serve water business fared particularly poorly on the back of lower social mobility across its key markets. We have taken the opportunity over the last few months to rationalize our weight in Danone as better risk-reward opportunities present themselves.

From a sector standpoint, contributions to performance tended to correlate to the fund's relative sector weights. Just like in quarters past, the portfolio retained a defensive posture. Relative to the MSCI EAFE Index, we remain heavily overweight Consumer Staples and our holdings there outperformed the broader sector, led by **Unilever** and **Royal Unibrew A/S (RBREW DC)**, the Danish beverage and brewery. Our two largest underweights, in terms of sector, continue to be Financials and Healthcare. In each one, our holdings outperformed the broader sector, and yet the aggregate total return across them was less than the market index offered.

Looking at the portfolio from a country standpoint, the UK and Japan were our greatest contributors during the quarter. In the UK, we benefitted from strong broad based stock selection against a local index that declined in value during the quarter. Our two best performers in that market were both digital platforms: **boohoo group Plc (BOO LN)**, an e-commerce business focused on fashion apparel, and **Rightmove (RMV LN),** a real estate listing portal. Boohoo continues to benefit from the general shift of commerce online, while Rightmove got a bid on signs that consumer confidence is returning to the real estate market in the UK. In Japan, our best performers were the two structural compounders highlighted above.

Sweden was the largest relative detractor from performance. While none of the Fund's names declined in value during the quarter, we did not manage to outperform the local benchmark. We closed the quarter, essentially equal-weighted with Sweden.

RONDURE GLOBAL ADVISORS

Parting Thoughts and Market Outlook

When we look at the year-to-date in the rearview mirror, the coronavirus has cast a shadow across many individuals, businesses, and the global economy, creating one of the most concentrated rallies we have seen since the technology and large capitalization bubble of the late 1990s. Essentially, as of 10/6/2020, in the MSCI EM index (the benchmark for our New World strategy), only a few countries have participated in the positive return year-to-date in the index, and they are namely the big countries, China, Taiwan, and South Korea. These are also the countries that have handled the coronavirus well in the developing world and have seen a more rapid normalization of their economies. In addition, they are countries that export stuff, especially technology, to a world that is now demanding more hardware as individuals set up new office spaces and systems to work from home or learn from home. These countries tend to be exporters to the United States, where stimulus checks also likely led to a pop in demand for the goods these countries make.

In essence, it doesn't really feel like we have had an emerging markets rally at all so far this year. China, Taiwan, and South Korea, for anyone who has been on the ground in Seoul, Taipei, and Shanghai, feel like developed markets. They also make a lot of the products that sell to other developed markets. Many of the developing economies, countries that are truly poor, are still shut down with many of them cautiously managing the country in favor of health over economy or still wrestling with big outbreaks of the virus. We are approaching them slowly, cautiously, but are also ready to pounce if and when the time comes—when the world stops social distancing.

Comparisons will be tough for the coronavirus beneficiaries next year. It will be hard for them to grow.

Apple was the bellweather stock that started the dip in global markets, including emerging markets, in September. We think the pullback was caused by two factors. First, the valuation had likely gotten a bit ahead of itself, so there was a mean reverting move in the stock, but second, we think investors are starting to look ahead to next year and realize just how hard it is going to be for Apple (or any coronavirus beneficiary) to grow against a 2020 that has worked to its advantage (i.e. a 2020 that has actually boosted demand for Apple's mature hardware categories like iBook and iPad as it gets a one-time pop from office and school from home set ups).

RONDURE GLOBAL ADVISORS

In essence, the narrow COVID-ON markets of 2020 at least have a hard comparison case for why we might see broader markets in the upcoming months (assuming the market is looking ahead to next year). This demand pop for things like hardware for work and school from anywhere is similar to what happened when demand was pulled forward by Y2K technology replacement cycles in the late 1990s. When 1999 closed, the market broadened, as there was just no way for hardware companies and many ecommerce companies to grow against a banner year in 1999. The tough comps didn't mean an end to demand (or an end to these companies being good companies), but it simply meant it was impossible to have growth the following year and it was even harder for these beneficiaries to compound in the short run as valuations were extended. We are watching this situation very closely in 2020 as well.

1999 and 2020 will go down in the books as some of the most polarized markets in our lifetimes (2020 will also go down as a polarized global economy and world), and we see a case next year, with tough comparisons for coronavirus beneficiaries (or improvement in treatment for the virus and more stable politics emanating from the US), that the markets broaden, driving a "true" emerging markets rally—and hopefully more inclusive global macroeconomics as COVID-OFF jobs gradually return. The negative case is what happened this quarter with the Apple and US-led global pullback, which ushered in a high correlation market retrenchment: we simply did better as that correction accelerated through holding a high-quality portfolio. International and Emerging Markets, themselves, did better against the US in this pullback as well.

Regardless of whether we have a future of COVID-ON or COVID-OFF, we were pleased with the way the portfolios performed, especially when September ushered in volatility. Even if the markets pull back or we have more wild swings, in the current low global interest rate environment, we believe our portfolio stocks still look like the better investment for the long haul against bond or cash markets that have record low returns globally. Given all the externalities at the moment (interest-rate induced elongated cycle, political risk, virus risk, high global debt levels, income inequality, environmental issues, etc.), we feel good about sticking to quality compounders for the long run.

On a final note, we are also pleased to introduce our proprietary Responsible Investing philosophy on our website.

Sincerely,
Laura Geritz, CFA
Chairwoman, CEO, Co-CIO, Portfolio Manager

RONDURE GLOBAL ADVISORS

Total Returns as of September 30, 2020:

	1-month	3-month	1-Year	3-Year	Since Inception
Rondure New World Fund (RNWOX)	-0.26%	10.07%	7.84%	4.23%	5.17%
Rondure New World Fund (RNWIX)	-0.25%	10.03%	8.08%	4.48%	5.42%
MSCI Emerging Markets Index	*-1.58%*	*9.70%*	*10.91%*	*2.79%*	*5.97%*
Rondure Overseas Fund (ROSOX)	0.08%	9.95%	9.35%	4.79%	7.29%
Rondure Overseas Fund (ROSIX)	0.08%	9.94%	9.60%	5.03%	7.53%
MSCI EAFE Index	*-2.55%*	*4.88%*	*0.93%*	*1.11%*	*3.56%*

Data shows past performance, which is not indicative of future performance. Current performance may be lower or higher than the data quoted. To obtain the most recent performance data available, please visit www.rondureglobal.com. The Advisor may absorb certain Fund expenses, without which total return would have been lower. Investment returns and principal value will fluctuate and shares, when redeemed, may be worth more or less than their original cost. Rondure New World Fund (RNWOX/RNWIX) - Inception date of 05/01/201. Expense ratios as of prospectus dated 08/31/2020 are: RNWOX: 1.72% Gross / 1.35% Net, RNWIX: 1.43% Gross / 1.10% Net. Rondure Overseas Fund (ROSOX/ROSIX) - Inception date of 05/01/201. Expense ratios as of prospectus dated 08/31/2020 are: ROSOX: 2.06% Gross / 1.10% Net, ROSIX: 1.73% Gross / 0.85% Net

The Advisor has contractually agreed to waive and/or reimburse fees or expenses through at least August 31, 2021.

An investor should consider investment objectives, risks, charges and expenses carefully before investing. Visit www.rondureglobal.com to obtain a Rondure Funds Prospectus, which contain this and other information, or call 1.855.775.3337. Read the prospectus carefully before investing.

See the prospectus for additional information regarding Fund expenses. Rondure Funds will deduct a 2.00% redemption proceeds fee on Fund shares held 60 days or less. Performance data does not reflect the deduction of this redemption fee or taxes, which if reflected, would reduce the performance quoted. For more complete information including charges, risks and expenses, read the prospectus carefully.

The objective of all Rondure Funds is long-term growth of capital.

RISKS: Investing in foreign securities entails special risks, such as currency fluctuations and political uncertainties, which are described in more detail in the prospectus. Investments in emerging and frontier markets are subject to the same risks as other foreign securities and may be subject to greater risks than investments in foreign countries with more established economies and securities markets. Diversification does not eliminate the risk of experiencing investment loses.

The MSCI EAFE Index is designed to represent the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East, excluding the U.S. and Canada.

The MSCI Emerging Markets Index is designed to represent the performance of large and mid-cap securities across 26 Emerging Markets (EM) countries.

You cannot invest directly in these or any index.

Yield is the percent return a company can give back to its shareholders for investing in the security.

Moat or economic moat is a term coined by Warren Buffett. It is used to describe the competitive advantage a company may have over another company in the same industry.

Dividend yield is a company's annual dividend payments to shareholders, as a percentage of the company's current stock price.

Club, Glue Platform (CGP) is a proprietary research framework developed by Rondure Global Advisors and based on the research process of portfolio manager Laura Geritz, CFA. It is designed to evaluate and guide us to high-quality companies that have sustainable competitive advantages and that may have a greater ability to continue compounding in the future.

Alpha is the excess return a portfolio is able to achieve above and beyond its benchmark. It is often considered the active return on an investment.

Rondure New World Fund Top Ten Holdings

as of 8/31/20

	Company Name	**Weight (%)**
1	Taiwan Semiconductor Manufacturing Co., Ltd.	5.6%
2	Li Ning Co. Ltd.	4.0%
3	Yum China Holdings Inc.	3.5%
4	Philippine Seven Corp.	2.6%
5	TOA Paint Thailand PCL	2.5%
6	Tata Consultancy Services Ltd.	2.4%
7	Vietnam Dairy Products JSC	2.2%
8	Jubilant Foodworks Ltd.	2.1%
9	Tsingtao Brewery Co. Ltd.	2.1%
10	Safaricom PLC	2.1%
	Total	29.1%

Rondure Overseas Fund Top Ten Holdings

as of 8/31/20

	Company Name	Weight (%)
1	Nestle SA	4.6%
2	Unilever NV	3.8%
3	Mastercard Inc.	2.7%
4	Chocoladefabriken Lindt & Spruengli AG	2.6%
5	L'Oreal SA	2.5%
6	Accenture PLC	2.4%
7	REA Group Ltd.	2.4%
8	Ferrari NV	2.3%
9	Olvi Oyj	2.1%
10	Nihon M&A Center Inc.	2.1%
	Total	27.5%

Holdings shown are as of 8/31/20 and are subject to change.

The CFA designation is owned by the CFA institute.

The Rondure Funds are distributed by ALPS Distributors Inc. (ADI). ADI is not affiliated with Rondure Global Advisors. RON000331 Exp. 1/31/2021.