WINTERGREEN
ADVISERS

Wintergreen True Value Investing:

A Long-Term Approach to Build Wealth in Today's and Tomorrow's Changing Stock Market

September 18, 2017

IMPORTANT DISCLOSURES

Wintergreen Advisers, LLC ("Wintergreen" or "we") provides investment advisory services to multiple clients, including pooled investment vehicles and a registered investment company, Wintergreen Fund, Inc. (the "Fund"). The views contained in these materials are those of Wintergreen as of September 18, 2017, and may not reflect its views on the date these materials are first published or anytime thereafter. Any examples of specific investments are included to illustrate Wintergreen's investment process and strategy for investing the assets of its clients, including the Fund. There can be no assurance that such investments will remain represented in a portfolio. Holdings and allocations are subject to risks and to change. The views described herein do not constitute investment advice, are not a guarantee of future performance, and are not intended as an offer or solicitation with respect to the purchase or sale of any security.

Mutual fund investing involves risks, including loss of principal. Investors should consider the investment objective, risks, charges and expenses of the Fund carefully before investing. The Fund is subject to several risks, any of which could cause an investor to lose money. Please review the prospectus of the Fund for a complete discussion of the Fund's risks which include, but are not limited to: possible loss of principal amount invested; stock market risk; value risk; interest rate risk; income risk; credit risk; foreign securities risks, including currency risk and emerging market risk; derivatives risk; short sale risk and investor activism risk. Wintergreen follows a global value approach to investing the Fund's assets. The Fund's investments in foreign securities exposes the Fund to risks associated with currency fluctuations, economic or financial instability, lack of timely or reliable financial information or unfavorable political or legal developments, which risks are magnified in emerging markets. In light of these risks, the Fund may not be suitable for all investors. The prospectus, which contains this and other information about the Fund, may be obtained by contacting the Fund, free of charge, by telephone at (888) GOTOGREEN (888-468-6473), or by visiting the Fund's website at www.wintergreenfund.com. The prospectus should be read carefully before investing.

WINTERGREEN: A TRUE VALUE STRATEGY FOR BUILDING WEALTH IN CHANGING TIMES

The winds of the stock market are changing. Challenging times for both institutional and individual investors may lie ahead as we see the market as overpriced and overheated. Gains over the past few years have been driven by market momentum, and this momentum has been further fed by huge inflows to index funds, which leads to more buying of the biggest momentum stocks, without regard for valuation.

Unfortunately, we believe this momentum cycle has created a dangerous bubble where the risk-return ratio has become untenable for investors. As a result, the market has transitioned away from fundamental security analysis. Wintergreen's true value investing approach provides what we believe to be a safer way to build wealth among the changes and volatility ahead in the equities market. In addition, inflation will likely become a bigger factor in investing decisions and bond yields will move higher, bringing a new character to the market. Value investing has historically performed well compared to the rest of the market during times of increasing inflation and interest rates.

As rates rose from 2.25% in June 2004 to 6.25% through June 2007, value stocks outperformed growth stocks by over 26%![1]

Equity Market Risk Weighs Heavily on the Minds of 90% of Investors[2]

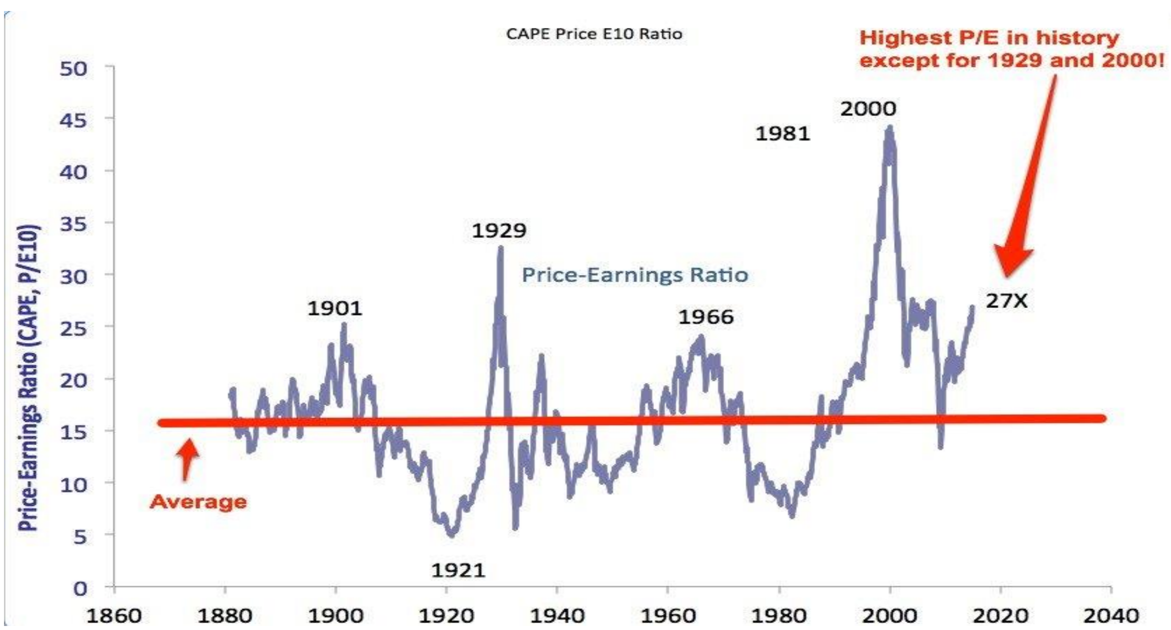


Chart Source: http://www.multpl.com/shiller-pe

[1] *Source: Bloomberg (June 30, 2004 to June 30, 2007)*

[2] *AllianzGI RiskMonitor May 2017*

WINTERGREEN'S FIVE PRINCIPLES TO TRUE VALUE INVESTING

Since our founding over a decade ago, Wintergreen's successful investment approach has been guided by five principles:

1. **Fundamental Research**

   Wintergreen has an unconstrained method to find companies around the globe featuring solid management, strong balance sheets, good cash flow and shareholder-centric governance - at a significant discount. We conduct a deep level of analysis that we believe is rare among investment firms today. We scour company financial reports, meet with management, visit operating facilities, talk to employees and understand how a company operates and generates revenue.

2. **Price Discipline**

   Because of our bottom-up approach and the deep understanding of the companies in which we invest, we are patient and wait for the right price to buy. This is built into our DNA and our clients have benefited from this discipline through the years. As a true global value investor, we often find excellent companies in overlooked or out-of-favor sectors. We are a buy-and-hold investor, with the goal to reap the full potential of our chosen securities. Our discipline favors lower portfolio turnover which results in increased tax efficiency and lower transactional costs for our shareholders. Having price discipline also means we are willing to sell a stock if the facts change, such as a shift to lower quality management. This is compared to the popular index funds that keep holding a stock until its price falls and the index must rebalance - an automatic buy-high, sell-low practice that over the long-term dooms investor returns.

3. **Active Advocacy**

   Wintergreen stands up for our clients' rights. If we perceive a governance issue we will take a stand, while other investment managers typically stay on the sidelines. We read all portfolio company proxy statements closely for proper governance and vote proxies accordingly. We will oppose company management and other corporate proposals when necessary, and have been successful in defending our clients' interests and the long-term value of the companies we invest in. See some of the case studies of our active advocacy in action in the special section of this document, starting on page 12.

4. **Commitment To Active Management**

   Wintergreen is one of the only investment advisers of an actively managed global value mutual fund that has stayed true to its time-tested investment strategy and has avoided style drift. That's why we call our investment approach True Value. We have seen many market cycles, investment styles, and popular "must have" stocks over the years. But following the herd has never been a route to creating long-term wealth. We believe this dedication to active management has and will continue to benefit investors in the long term, especially in a changing stock market marked by over-weighted and overpriced index funds.

Even so-called "active" mutual funds have fallen into the index trap, with many of their holdings mirroring the composition of the major indices. We believe that in their rush to improve short-term performance they have abandoned their investment discipline and put their capital at risk.

Wintergreen carefully manages its portfolios independent of any benchmark or index. In fact, we take pride in our ability to offer investors a diversified investment option compared to index funds. For example, R-squared is the measure of correlation between a fund and its benchmark - the lower the R-squared value, the less a fund mirrors its benchmark. During this current momentum-driven market other so-called actively managed value funds have R-squared values in the mid to high 90's, reflecting greater correlation to the applicable index (i.e. the S&P 500). True Value analysis, when done on a security-specific basis, does not mimic the index, so a greater difference between the index and a fund that it is measured against indicates true active management.

Morningstar, Bloomberg, Google Finance, and other popular websites provide R-squared information for mutual funds, and given the shifting stock market we believe it is a metric that should be reviewed while making a mutual fund selection.

Wintergreen Fund remains a truly actively managed fund with an R-squared value of 27 (as of 9/18/2017).[3]

5. Independence

Wintergreen is 100% independent and privately owned, not answering to any parent corporation. This allows us to take a long-term view, preserve the practice of our True Value strategy and find the best investments throughout the world. This independence is at the heart of our core belief to protect and enhance our fund investors' capital over time.

Wintergreen's owners and employees invest alongside clients and are extremely motivated to succeed.

[3] *Source: Bloomberg*

WHO WE ARE

Wintergreen executives and staff:

David J. Winters, CEO, Portfolio Manager

David J. Winters is the Chief Executive Officer of Wintergreen Advisers. Mr. Winters has over 30 years of experience analyzing securities and is responsible for determining general investment advice to be given to clients. He is Portfolio Manager of Wintergreen Fund, Inc., a no-load, Global Value Fund which launched in October 2005. Prior to co-founding Wintergreen Advisers in May 2005, he held various positions with Franklin Mutual Advisers where he led Mutual Series Fund Inc., a group of global and domestic equity value funds, including serving as the Portfolio Manager of Mutual Discovery from 2001 through 2005. Mr. Winters holds the Chartered Financial Analyst (CFA) designation.

Liz Cohernour, Chief Operating Officer

Liz Cohernour has over 30 years of legal experience. Prior to co-founding Wintergreen Advisers in 2005, she served as General Counsel and Senior Vice President at Franklin Mutual Advisers and Mutual Series Fund Inc., a group of global and equity value funds. Mrs. Cohernour has responsibility for non-investment operations of Wintergreen. Mrs. Cohernour graduated with a Bachelor of Arts degree in English from the College of St. Elizabeth and she holds a Juris Doctor degree from the University of Tulsa.

Fred Perlstadt
Chief Financial Officer and Chief Compliance Officer
Mr. Perlstadt joined Wintergreen in 2005 and has over 25 years' experience in the financial services industry with an emphasis on investment management operations, compliance and risk management. Mr. Perlstadt holds Series 6, 63, and 26 securities licenses. Mr. Perlstadt is a graduate of the University of Massachusetts, Lowell with a Bachelor of Science in Mathematics an MBA from the Wharton School of the University of Pennsylvania.

Steven Graff

Vice President

Steven Graff is a Vice President at Wintergreen Advisers with responsibility for Business Operations and Trading. Prior to joining Wintergreen in 2005, Mr. Graff had been employed by Franklin Mutual Advisers since 1996, where he had overall responsibility for Information Technology. Mr. Graff earned a Bachelor of Arts degree from Rutgers University.

Evan Ho

Research Analyst/Consultant

Mr. Ho joined Wintergreen in 2006 and has over 20 years' experience in the securities and banking industry. Prior to joining Wintergreen, Mr. Ho worked at Bankers Trust and BNP Paribas. Mr. Ho has a Bachelor of Arts in Economics from Georgetown University and earned an MBA in Finance from the Wharton School of The University of Pennsylvania.

Kevin Graff

IT and Portfolio Operations

Mr. Graff's responsibilities at Wintergreen Advisers include Information Technology and Portfolio Operations. Prior to joining Wintergreen in 2006, Mr. Graff had been employed by Franklin Mutual Advisers since 2000, where he was an Information Technology Supervisor. Mr. Graff earned a Bachelor of Science degree in Information Technology from Marist College.

Todd Friedman

Office Operations

Mr. Friedman joined Wintergreen in 2005 and holds both Series 6 and 63 securities licenses. He received his Bachelor of Science degree from Winthrop University in 2003.

VALUE INVESTING:
A HISTORICAL PERSPECTIVE

Why a true value approach provides a hedge to today's market risk and a great opportunity to build wealth over time!

When we compare returns of U.S. growth, U.S. value, and global value strategies during market cycles over the last 36 years, the trends imply that global value stocks are presently poised to outperform. Large Cap Growth was the primary driver of returns during the recent market cycle. We invest client assets in a portfolio of what we view as quality securities - quality that we believe is not reflected in the current stock prices. Global value has been out of favor, creating what we believe are inexpensive valuations, and we believe global value's time to outperform will come again soon. Wintergreen has remained focused during this recent period, and we believe our clients are well positioned to benefit during the next cycle.

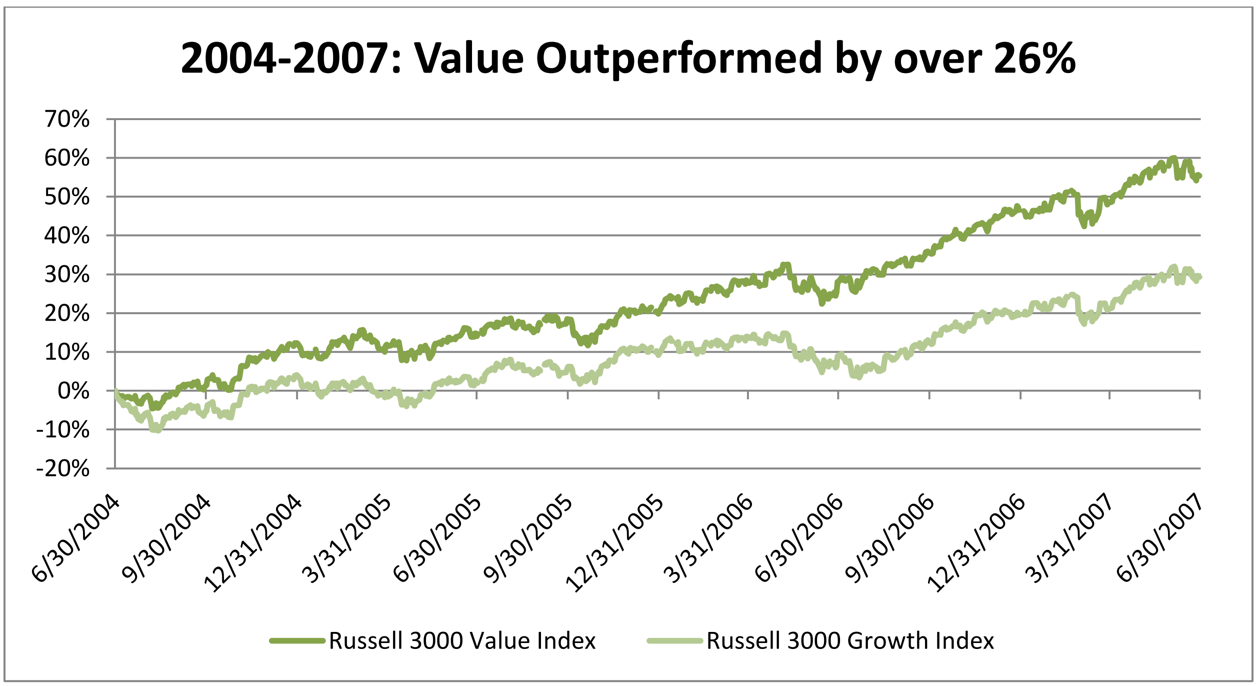


Chart 1 - Source: Bloomberg (June 30, 2004 to June 30, 2007)

Disclaimer: This graph illustrates certain trends during the period from 2004 to 2007. It is included for illustrative and comparative purposes only as a reflection of the general trends in the equity markets during the periods indicated. There is no guarantee that the current or future performance of these indices shown, or any indices, will be comparable due to differences in, among other things, geo-political, social and economic factors that may be present currently or in the future. Its inclusion is not intended to imply that any product managed by Wintergreen has or will have comparable performance results.

Following the burst of the last technology boom, the market went flat for over seven years. It was during this period that value investing outperformed. As we have seen market cycles lengthening, this could result in an extended period where the overall index is flat, but that is when we anticipate Wintergreen, as a true value manager, will outperform.

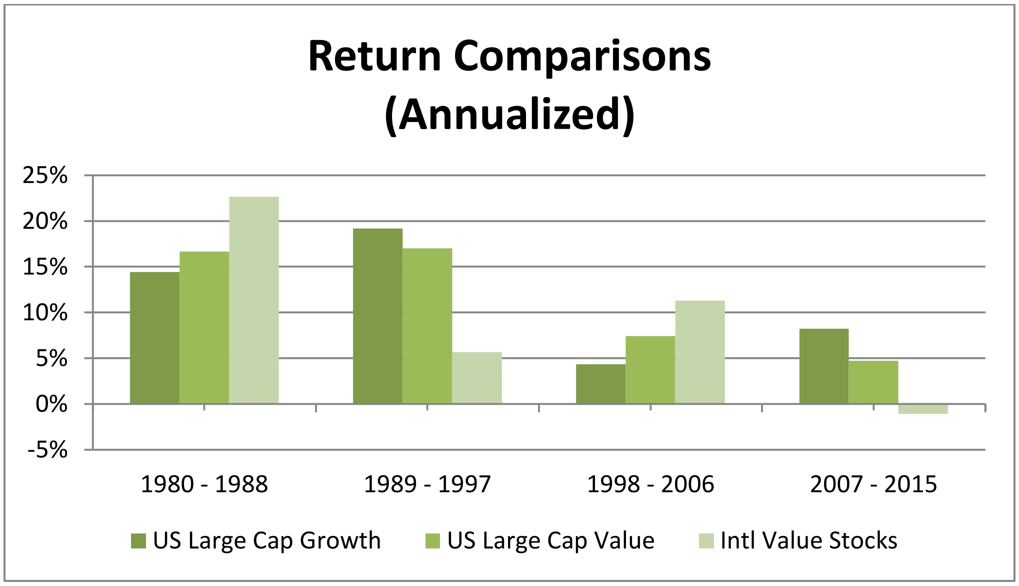


Chart 2 - Source: portfoliovisualizer.com

We believe that recent market narrowness, where only a small handful of securities led to the majority of the S&P 500's return, is similar to bubbles in the past and will lead to a true value investment opportunity.

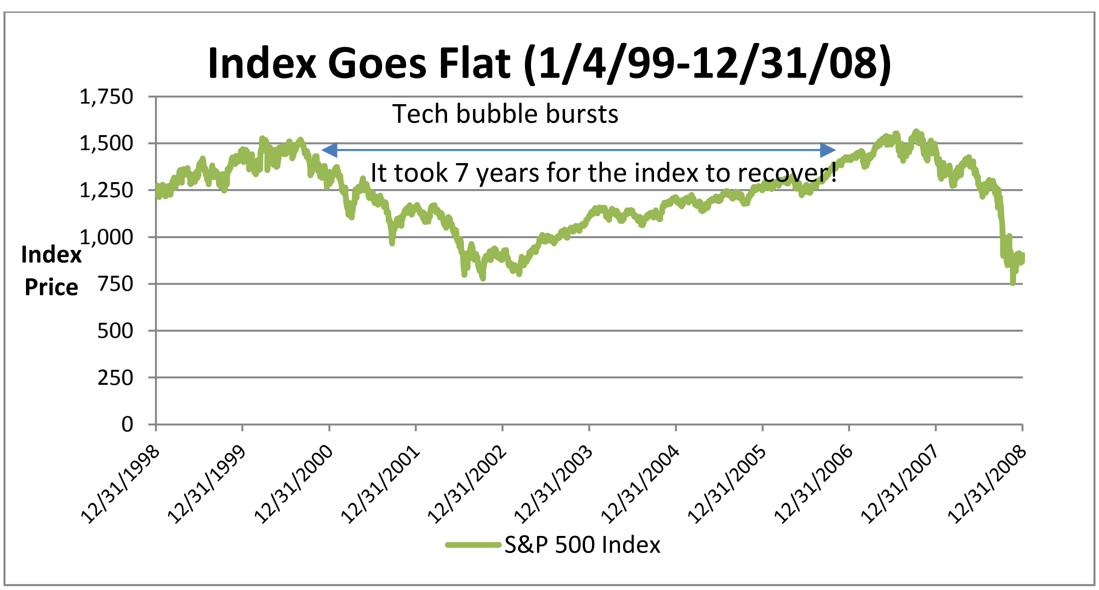
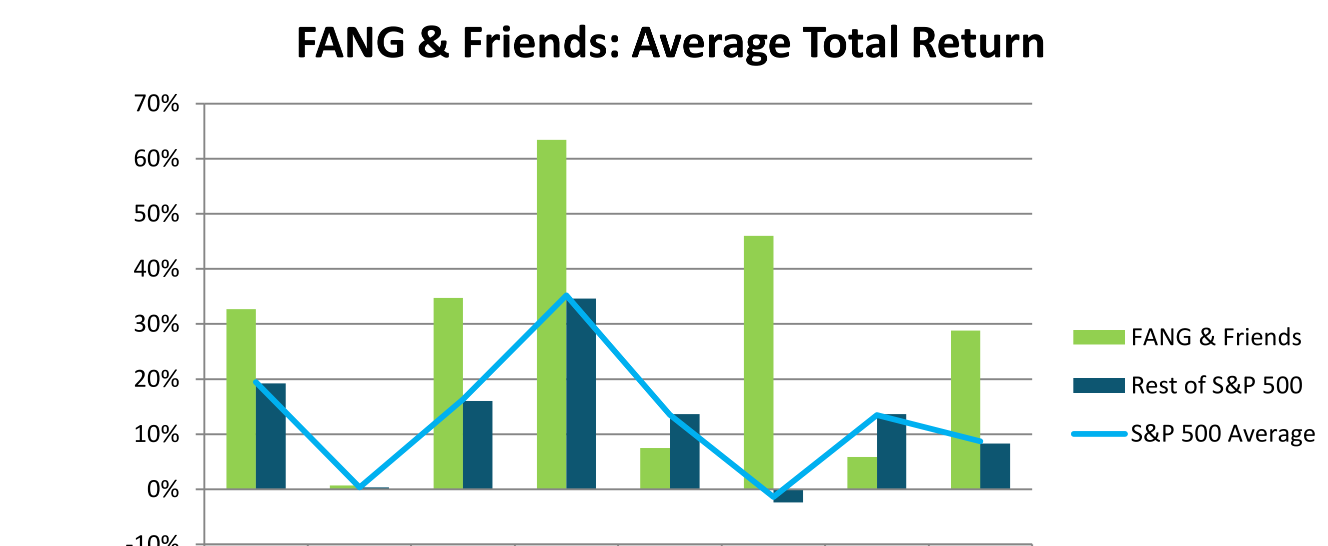


Chart 3 - Source: Bloomberg

Most investors are involved in high risk investments and don't even know it. Relentless marketing by big financial firms about the virtues of index funds and ETFs has dulled investors' judgment and masked the risks of these products. A closer look at the performance of the equity market makes these risks more visible - and reveals the opportunities for patient, value-oriented investors.

Recent stock market performance has been highly concentrated. If you look closely at the performance of the stock market, you will see that ten momentum stocks have been responsible for most of the recent gains. FANG & Friends (Alphabet, Amazon, Apple, EBay, Facebook, Microsoft, Netflix, Priceline, Salesforce, and Starbucks) have gained an average of 29% in 2017 and have contributed almost a third of the total index return since the end of 2014!



	2010	2011	2012	2013	2014	2015	2016	2017*
FANG & Friends	32.71%	0.70%	34.72%	63.42%	7.50%	45.97%	5.86%	28.82%
Rest of S&P 500	19.22%	0.37%	16.02%	34.62%	13.67%	-2.37%	13.66%	8.29%
S&P 500 Average	19.46%	0.37%	16.34%	35.17%	13.54%	-1.38%	13.50%	8.71%

Chart 4 - Source: Bloomberg

<u>75% of the time</u>, these 10 stocks have driven stock market performance!

WHEN IS AN ACTIVE MANAGER NOT AN ACTIVE MANAGER?

Here's How You Can Tell

Wintergreen has not and will not try to mimic an index. We are a True Value investor.

Don't be fooled into selecting an active manager that essentially runs an index fund. This "index light" approach, where the fund essentially mirrors the overall index and is overweight the high flying momentum security of the day, isn't representative of a true active fund.

We believe "index light" increases shareholder risk - they are not only exposed to the index, but as the market cycle shifts and a bubble bursts or deflates, these funds will feel more of the pain.

As we discussed earlier, R2 is a measure of how closely your investment mirrors a specific index. We believe mimicking an index is far riskier than assumed due to the market weight concentration of FANG & Friends.

Fund Name	Ticker	R-Squared
S&P 500 Index	**SPY**	**0.992**
Oakmark Fund	OAKMX	0.869
Franklin Mutual Shares Fund	MUTHX	0.865
Hartford International Fund	HILAX	0.849
Artisan Global Value	ARTGX	0.823
Dodge & Cox Global Stock Fund	DODWX	0.818
Wintergreen Fund	**WGRIX**	**0.272**

Source: Bloomberg as of 9/18/2017

We believe that Index Funds and ETFs will likely lead to increased volatility and exacerbate the next market downturn. Over the past six years, trillions of dollars have flowed into index funds and these funds are now often the largest shareholders of the constituents of the S&P 500. Index Fund and ETF investors have been promised liquidity - a promise that we believe can't be kept. On the day of the Flash Crash in August 2015, prices of many of the largest ETFs plunged far more sharply than the stocks that they owned due to a lack of liquidity when the market opened. We believe that the reverse of the last six years will occur - market declines will lead to Index Fund and ETF selling, which will force stock sales, creating liquidity and wealth loss issues for investors. Investors need to protect themselves and reallocate assets wisely for the next cycle and long-term wealth building.

EXAMPLES OF WINTERGREEN'S ACTIVE ADVOCACY IN ACTION

Coca-Cola:

It wasn't an index fund that stood up to The Coca-Cola Company and helped to pressure it to make changes to the option terms and standards of its outrageously excessive 2014 equity pay plan - it was Wintergreen. We brought to light and helped to stop what we viewed as Coca-Cola's Big Grab[4], and all Coca-Cola shareholders benefited from our actions. This is what we call Active Advocacy, which very few mutual fund managers are practicing, but is one of Wintergreen's five principles to true value investing.

Although all S&P 500 Index funds included Coca-Cola in their portfolios, most index funds voted their proxies in favor of excessive equity bonuses for senior managers. Wintergreen fought and, in our opinion, won that battle because we believe in defending the interests of our clients, not passively standing by while management picks the pockets of shareholders by overloading senior management wallets, rather than using the money to reinvest in the company, reward other employees, or to increase the dividend.

Consolidated-Tomoka Land Co.:

We have also actively engaged in communications with Consolidated-Tomoka Land Co. ("CTO"). CTO is a land company in Volusia County, Florida, that was formed with the remains of a liquidating trust from Baker, Fentress & Co. In 2006, when Wintergreen first invested in CTO, it was a company with approximately 10,500 acres of largely undeveloped land near the famous Daytona International Speedway and Interstate 95. Although CTO has sold off acreage over the years, in our opinion, CTO has largely not taken advantage of or participated in rising land values during the ongoing real estate recovery in the Volusia County area. We believe CTO's stock price is significantly undervalued. Since initiating its position, Wintergreen has encouraged meaningful changes at CTO including the replacement of what we viewed as a flawed management team, the separation of the roles of Chairman and CEO, and the implementation of annual elections for directors through the removal of the staggered board structure which had worked to entrench the previous slate of directors.

To invigorate and motivate management to re-focus efforts in the best interests of all shareholders, Wintergreen (which currently owns more than 27.5% of the outstanding shares of CTO) initiated a shareholder proposal (the "Wintergreen Proposal") for the 2016 annual meeting. The Wintergreen Proposal was for CTO to hire an independent advisor to evaluate ways to maximize shareholder value through the sale of CTO or the liquidation of CTO's assets,

[4] *A copy of Wintergreen's analysis of Coca-Cola's "Big Grab" is available at: http://www.wintergreenadvisers.com/pdf/Wintergreen_KO_FINAL_040214.pdf*

thereby capitalizing on the revitalized real estate market in Daytona Beach and Volusia County. The Wintergreen Proposal was passed by shareholders with the highest percentage of any topic on the CTO ballot, a whopping 70%.

We continue to pressure the company to improve. At Wintergreen's direction, CTO has sold land and taken some steps to enhance performance. However, the process has been unnecessarily slow and has not yet adequately rewarded shareholders.

SOME OF WINTERGREEN'S HOLDINGS

The following are some of the notable holdings in our portfolio and why we currently believe they are great true value investments.

Altria (MO)

The Marlboro Man stands tall in America. With 44% market share, Altria's Marlboro is the leading brand in the U.S. by a wide margin, which over the decades has built a business that has enriched shareholders. Rising profits, rock-solid balance sheet, floods of cash returned to shareholders - this has been a classic Wintergreen investment. Altria's 10.2% ownership of AB InBev, commonly overlooked by the market, makes this holding extra attractive. The cash flows that are generated will primarily be handed back to shareholders and reinvested in new products for the growing number of tobacco consumers who prefer smokeless products. There are many ways to win with our investment in Altria.

Alphabet (GOOG, GOOGL)

Long the dominant internet search company, Alphabet Inc. (commonly known as Google) continues to generate robust revenue growth, even in the face of increasing competition. Wintergreen began investing client assets in Google in 2007, as we witnessed the impact that Google was having on the printed newspaper business. Google is the clear leader in internet search and one of the reasons for our bullishness is that it has been replicating its desktop search business success in mobile search, the rapidly growing segment of advertising. YouTube revenue streams are also becoming a larger part of total company revenues. Generous free cash flows give Google an unmatched ability to strengthen its core search business to invest in the mobile world, creating a virtuous circle, as well as other fast growing businesses, most notably cloud services, Google Play and consumer hardware devices. In addition, there is no doubt in our minds that the company will be one of the leaders pushing into the next frontier of Artificial Intelligence. The CFO appointment two years ago of Ruth Porat, former CFO of Morgan Stanley, marked the beginning of seriousness for financial discipline with the money Google earns for shareholders. What the company calls "other bets" such as self-driving cars may or may not be the next big thing for Alphabet, but we as shareholders can have assurance that capital allocated to "other bets" will be subjected to thoughtful evaluation. Alphabet shares have risen strongly, but we believe the shares still currently trade at an earnings multiple that is attractive for this high growth business model. Alphabet is an excellent example of a company that meets Wintergreen's investment criteria.

British American Tobacco (BATS.LN)

Since the Fund's inception in 2005, Wintergreen has had significant investments in both British American Tobacco plc ("BAT") and Reynolds American Inc. ("Reynolds"). BAT's very capable management team has increased their operating margin from the high 20s up to mid-30s, doubled free cash flow to well over GBP 3 billion per year, and raised the dividend by a 12% compounded annual growth rate. At the same time, the Reynolds management team used a value formula that consisted of wielding pricing power, generating substantial free cash flow, and returning much of that cash to shareholders by raising dividends and share repurchases. Earlier this year, BAT, which has primarily a global footprint and had 42% ownership of Reynolds, announced a bid for the remainder of Reynolds, which has a primary focus on consumers in the United States. In addition to corporate due diligence, this deal required both government and shareholder approval before the transaction could occur. We saw significant value in both companies individually, and believed there was additional value to be gained whether or not the merger occurred. However, Wintergreen supported the merger and believes it will benefit shareholders of both companies.

It is worth noting that the BAT purchase of Reynolds closed on July 25, 2017. Reynolds as a separately-traded stock is no more, but now under full ownership of BAT continues to churn out cash flows from its leading U.S. brands, while it assists BAT in its product diversification efforts. The merger is well-timed for BAT shareholders as Reynolds is just beginning to accelerate growth in "next generation" products, or those that are smoke-free. BAT and Reynolds have rewarded shareholders handsomely over the years with historically predictable earnings, accretive acquisitions (including former portfolio holding Lorillard in 2015) and increasing dividends. We appreciate management's efforts and follow through with solid performance and we anticipate relatively low risk from the combined entity.

Consolidated-Tomoka Land (CTO)

Please see our discussion of Wintergreen's active advocacy at CTO beginning on page 12.

Elbit (ESLT.IS)

Elbit Systems ("Elbit") of Israel is exactly the kind of business we look for: a global company addressing worldwide needs with sustained, expanding demand. Elbit provides a wide range of defense, homeland security, and commercial programs that – regrettably – have become a foundation of modern life. Elbit's operations cover the range of defense systems from aircraft to drones and unmanned surface vessels, to computer and intelligence systems, to electronic warfare and signal intelligence systems. The nature of military conflict has changed, with isolated, dispersed, and in-the-shadows incidents more common than a conventional war fought in the open. Today, countries need to be prepared for a series of both low intensity conflicts and ongoing terrorist activities. This requires a portfolio of responses that Elbit delivers and hones, born of an existential threat of being constantly surrounded by hostile activity due to its location. Governments with either pressured defense budgets or relatively smaller budgets to begin with are increasingly turning to this nimble defense contractor. Global threats, particularly emanating from North Korea, are reaccelerating growth for prime contractors in the U.S. and Europe. Elbit, which had already been compounding annual growth in sales at a faster pace than the U.S. and European defense companies over the last several years due to its activity in Asia-Pacific and Latin America, only stands to benefit more. This year the Israeli company celebrated its 25th anniversary in the U.S., and is winning new important contracts with the U.S. Department of Defense and other agencies on a regular basis. Although operating margins are currently lower than those of U.S. prime contractors, we believe it is only a matter of time before the gap is narrowed, adding increased profits to Elbit's bottom line. Elbit may be the most potent defense company you have never heard of, but we are pleased to share this investment opportunity with you.

Heineken (HEIO.NA)

Heineken is a global brewer with an excellent shareholder-oriented track record. The smiling "e's" on its green bottles are indeed indicative of the pleasure that its beer brings to consumers. We think there are certain constants in human nature and behavior; thus, Heineken's claim that its business has been fostering "social networking since 1864" resonates. From a single brewery in Amsterdam to third largest beer company in the world, Heineken brews more than 250 brands, with widespread name recognition of Amstel, Dos Equis, Sol and Tiger, in addition to its premium flagship brand. The company is focused on continued growth in emerging markets - five years ago about 20% of profits came from developing markets; that percentage is now over 60%. Sales growth combined with stable and improving margins is one of the pillars of our investment thesis in the company. An advantage of being a global company with a premium product is that it can balance out geographic areas of market softness with market strength on a volume basis, and command pricing power with its well-known Heineken brand in all markets. Not to be overlooked, though, is the company's diversification into ciders, low/no alcohol, craft beer, and draft beer – these products will help drive incremental growth. We have followed Heineken's management for many years, observing that it has maintained a dedication to growth in both products and geographic markets.

Nestlé (NESN.VX)

As the world's largest food company, Nestlé makes some of the most desired staple products under some of the most recognized brand names: Nescafe coffee, Nestlé Crunch and KitKat chocolate bars, Gerber baby food, Haagen-Dazs and Dreyer's ice cream, Purina dog and cat food, Poland Spring and Perrier bottled water. The list goes on. Henri Nestlé first invented infant milk formula in 1867, a real breakthrough at the time for global infant nutrition, and for almost 150 years since then, the company has carved out leadership in many other product categories alluded to above. Nothing is more important to parents than the health and well-being of their children, which makes Nestlé's baby food business very special. In other households, one can argue that some people love their pets more than their relatives, which makes the company's pet food business also very special. Nestlé operates on the principle of "Good Food, Good Life," focusing on nutrition, health and wellness, and devotes substantial resources to research and development to fulfill its mission. We think Nestlé is one of the finest companies in the world – and it is truly global, with presence in 197 countries. Although organic growth rates have slowed from mid-single digits to low-single digits for the time being, the new CEO and his team are actively engaged in streamlining operating costs to preserve margins. Investing in higher growth businesses, shedding lower growth units, and impelling operating efficiency form the foundations for a return to mid-single digit organic growth by 2020, according to management plans. Two swift actions already taken by the new CEO – first, putting up for sale the U.S. confectionery business that includes brands such as Butterfinger and Baby Ruth; and second, the purchase of a majority interest in Blue Bottle Coffee, the quick-growing super premium coffee roaster based in California.

Sika (SIK.VX)

Every now and then, controlling shareholders of an excellent business foolishly attempt to enrich themselves at the expense of minority shareholders. At the close of 2014, the Burkard family announced its intention to sell its 53% controlling stake of Sika AG of Switzerland to a French competitor, Cie de Saint-Gobain, which has long coveted this prize. The problem in this proposed deal is that the Burkard family, which conducted negotiations away from Sika's board of directors, would receive a premium in the sale and all other shareholders would not. Now held up in the judicial process due to strong and swift legal action taken by Sika's board of directors, and backed by key minority shareholders, we think this brazen attempt to deprive shareholders of Sika's full and fair value will fail. Shares of this little-known gem of a company—a maker of high value-added construction materials to satisfy growing demand for stronger, lighter, and more energy-efficient building and automobile structures – were knocked down to a discount when the sale proposal was announced. We seized this opportunity and the shares have marched higher ever since. This ongoing takeover threat has not distracted the company from delivering organic sales growth in both developed and emerging markets, executing earnings-accretive bolt-on acquisitions, and increasing free cash flows. Earlier this year management revealed that the company had hit its 2018 profitability targets two years early, and Sika now has a goal of achieving operating profits of CHF 1 billion by 2020, up from approximately CHF 800 million in 2016. The Chairman of Sika expects that the hostile takeover attempt will be resolved by 2018 and the Board will carry out its fiduciary duty to Sika shareholders by considering any fair proposal, if revised, from the controlling family. If the Burkard family chooses to come back to the table in good faith, one thing is for sure – Sika will be negotiating from a position of strength.

Union Pacific (UNP)

Union Pacific Corporation provides its investors a link to President Abraham Lincoln, who in 1862 signed the Pacific Railway Act directing the Union Pacific to build a transcontinental railroad with the Central Pacific Railroad. Today Union Pacific operates 32,000 miles of track in 23 states carrying a wide range of goods and materials. More history, this time going back to antiquity: The distance between the rails is 4 feet 8.5 inches, the width of Roman roads. This interesting fact is important for this 150-year old company because it shows that some things endure throughout time; despite rapid advances in technology, there is little prospect of a new method to more efficiently handle freight than railroads. Technology has disrupted many traditional businesses, but you cannot move grain or automobiles over the internet. The durable franchise of the Union Pacific's steel and iron rails has actually benefited from connected technology for increased safety and efficiency. The company's operating ratio (OR), a measure of this efficiency, was approximately 64 in 2016; management has a target of 60 by 2019 and below 60 beyond. That would mean more profits. We believe that past is prologue for Union Pacific, as its venerable history sets the path for a bright future. Financial performance of the company will always be subject to economic cycles of our country, so it's no surprise that short-term results do not trace a linear path upward. But as long as the great U.S. economy continues to grow over the next five years, 10 years and beyond, the most cost-efficient and climate-friendly mode of freight transportation over land (with key links to West Coast ports) will always have a vital role in moving products, raw materials and commodities from point A to point B.

THIS REPORT INCLUDES INFORMATION BASED ON DATA FOUND IN FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION, INDEPENDENT INDUSTRY PUBLICATIONS AND OTHER SOURCES. ALTHOUGH WE BELIEVE THAT THE DATA IS RELIABLE, WE HAVE NOT SOUGHT, NOR HAVE WE RECEIVED, PERMISSION FROM ANY THIRD-PARTY TO INCLUDE THEIR INFORMATION IN THIS PAPER. MANY OF THE STATEMENTS IN THIS PAPER REFLECT OUR SUBJECTIVE BELIEF.

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