

November 30, 2018

James P. Cullen
Chairman & CEO

2018 Year-End Review

The Turn to Value

The market is experiencing a major change. A month ago, before we were to meet with one of our largest accounts, we prepared by looking at the Morningstar performance data for our High Dividend Strategy during the prior three months. **As we examined the results, we were shocked and so was our client.** The table below shows how our fund outperformed the S&P 500, the value category, and the FANG stocks over that three month period.

Morningstar Analysis Three Months Performance *Ending 9/21/2018*

Cullen High Dividend Equity Fund	+8.49%	<i>*Top 7% Rank in Category</i>
S&P 500	+7.05%	
Morningstar Value Category	+6.20%	
FANG Equal-Weighted Average	-1.90%	

Note that the three month period dates from the end of June, at which time there was absolutely no interest in value. Analysts appearing on CNBC and Bloomberg could talk only about how great prospects were for Facebook, Apple, Amazon, Netflix, Google and other social media giants, not to mention Bitcoin and cannabis stocks.

Now, even after the recent sell-off, an analyst on Bloomberg asserted that value was not doing well, which makes you wonder what numerical measure he was using. **This is reminiscent of 1999 when the *market turn to value* was ignored for many, many months after it had happened.**

Update

In the current market selloff, the relative performance for value is even more striking. **So while the September 21st report showed our value fund outperforming the S&P by 144 basis points, you can see below that it is now outperforming the benchmark by a surprising 463 basis points.**

Morningstar Analysis Last Three Months Performance *As of 11/30/2018*

Cullen High Dividend Equity Fund	-0.94%	<i>*Top 7% Rank in Category</i>
S&P 500	-5.57%	
Morningstar Value Category	-4.54%	
FANG Equal-Weighted Average	-18.10%	

Dividend Growth

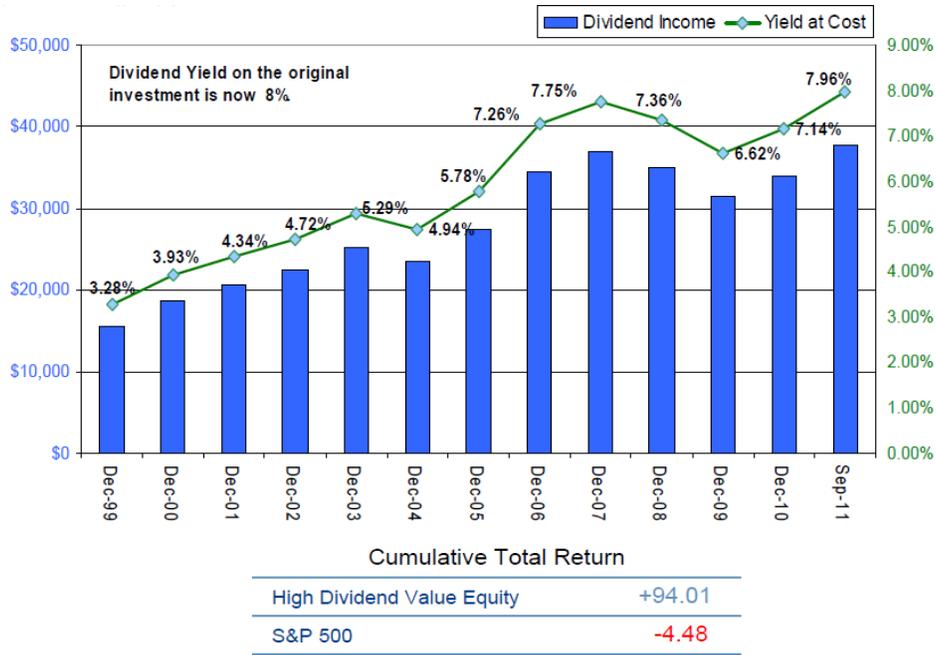
The Cullen High Dividend Value approach to stock selection focuses on three operating metrics: low P/E discipline, high absolute dividend yield, and dividend growth. A combination of the three has produced attractive, low-risk performance over the long term for our fund.

The key to our performance is the growth of the dividends. Historically this growth for the portfolio has been about 10% per year, and this year to date it's around 11.5%.

Dividends in a Difficult Market

With the possibility of a challenging market environment ahead, we thought it would be useful to look back at how the dividend strategy performed during one of the worst decades in market history. This was the period between 2000 and 2010, a decade that began with the collapse of the Tech Bubble, followed by the 9/11 tragedy, and concluded with the financial collapse of 2008-2009.

As you can see in the chart on the next page, during the decade dividends in our portfolio on a cost basis went from 3.3% in 2000 to 7.2% in 2010. The result: while the market was down, our fund was up almost 100%.

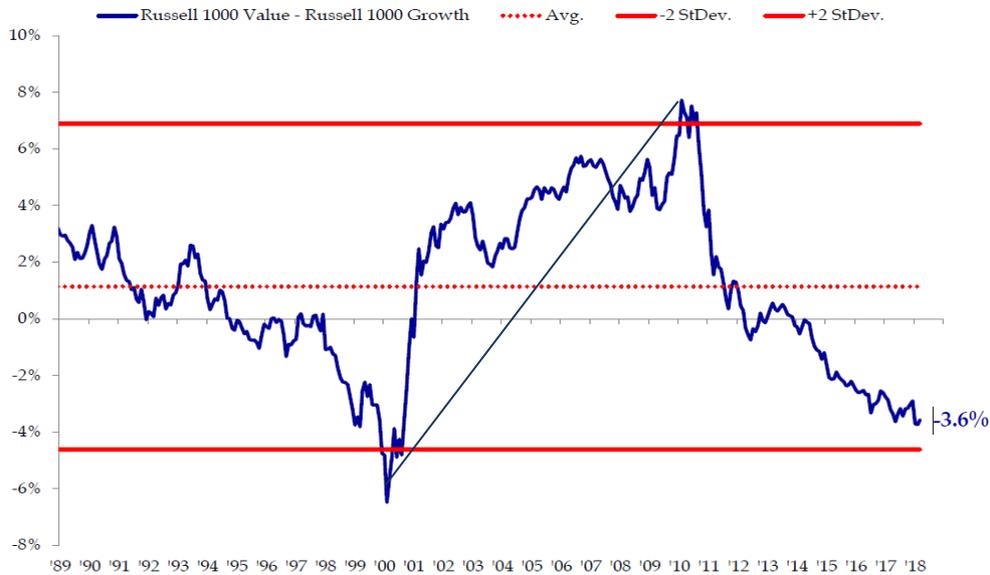


Source: SCCM Representative Account, September, 2011

Timing/1999 Replay

In our last market letter we talked about the parallels to the 1999 market. While we have always emphasized the dangers of trying to time the market, we can look at the relative performance in the chart below, **which shows that when value came back into favor it outperformed for the next ten years.**

Value v. Growth Relative Performance



Source: Bloomberg & Strategas Research, March 31, 2018

Conclusion

While market history never repeats itself in exact fashion, we think it's a good idea to pay some attention to what has happened to the market in the past.

A traditional December Santa Claus rally could be a distraction, but we look to be moving into a period where value investing comes back into vogue.

Jim Cullen

Past performance does not guarantee future results. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance data quoted. You can obtain performance data current to the most recent month end by calling 1.877.485.8586 or visiting our website: www.cullenfunds.com. As of September 30, 2018, the Fund's 30 Day SEC Yield was 2.19% and the 12 Month Trailing Distributed Yield was 10.15%. The Fund imposes a 2% redemption fee on shares held less than seven days. Performance data does not reflect the redemption fee. If reflected, total returns would be reduced. The Cullen High Dividend Fund is distributed by ALPS Distributors, Inc.