

# COPELAND™

CAPITAL MANAGEMENT, LLC

Dividend Growth Investing

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## *Copeland Funds Sector Update - February 2018*

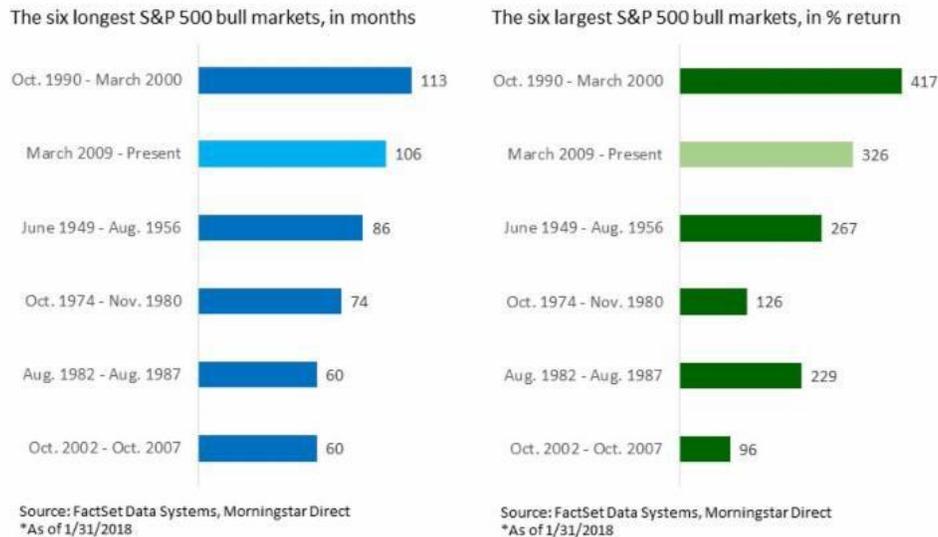
U.S. markets continued to move higher in January, extending the returns of a strong 2017. As February began, volatility increased significantly as the markets finally reacted to the potential for rising inflation as interest rates spiked higher. The chart of the VIX below illustrates the recent dramatic change in volatility. It's important in times like these to emphasize the difference between our strategies and others in the marketplace that may use derivatives or complex instruments to attempt to control risk. The Copeland strategies will look to achieve its goals by only investing in a portfolio of dividend growth stocks and cash.



Source: FactSet

As the chart below illustrates, the second longest bull market in history is now 106 months old as of January 31, 2018. With Dividend Growth stocks remaining at relatively low valuations, we believe this is a good opportunity to build a position in the Copeland family of Risk Managed

Dividend Growth Funds. The Fund seeks long-term capital appreciation and income while preserving capital in declining markets.



### January Changes:

**CDGRX: The Energy sector turned positive at the end of January resulting in the purchase of companies in this sector in early February. The fund is now invested in 9 sectors, targeting 100% equities and 0% cash.**

**IDVGX: There were no sector changes this month. The fund remains invested in all 9 sectors, targeting 100% equities and 0% cash.**

### Copeland Risk Managed Dividend Growth (CDGRX) ~

On a total return basis, the Fund returned +4.7% in January, while the S&P 500 index was up +5.7% for the month. Relative performance improved in early February as volatility rose and as of the close on February 9th, CDGRX was down -1.87% vs. the S&P 500 down -1.84%.

Benchmark sector returns were mostly positive in January with Utilities the only negative performer. Consumer Discretionary led the way up +9.3% and Utilities were the weakest performer down -3.0%. Copeland's Risk Managed Dividend Growth fund has been fully invested in equities since early September 2016, but excluding Energy stocks since July 2017. The improving trend in the Energy sector led to a positive buy signal at the end of January, so the strategy is now diversified across all nine sectors entering February 2018.

From 7/31/17 to 1/31/18 while the Energy sector was negative, the Energy S&P ETF (XLE) was up +14.6% (total return) while the S&P 500 was up +15.4% (total return). This represented a slight positive benefit to the strategy, despite Energy's positive return. During that period, Energy did dip significantly and then recovered, so that avoiding the sector did also benefit the strategy through reduced volatility. The Energy sector's weight in the strategy at approximately 5% is not large, also diminishing the impact and materiality of selling and then repurchasing the stocks in that sector.

Low volatility: due to the previous defensive sector positioning, cash levels and ownership of dividend growth stocks, the strategy has produced less volatility over the last five years than the benchmark. During the trailing five year period as of 1/31/18, beta was only 0.7 and the strategy's standard deviation (volatility) was 8.6% vs. the S&P 500 at 9.5%.

The Energy sector turned positive this month. The cash target remains at 0%. Heading into February, there are nine positive "buy" rated sectors and no sectors rated negative, or "sell". The sector targets are approximately as follows: Consumer Staples (8%), Health Care (12%), Consumer Discretionary (13%), Financials (18%), Utilities (5%), Technology (22%), Industrials (12%), Energy (5%) and Materials (5%).

Copeland International Risk Managed Dividend Growth (IDVGX) ~

The Fund's +4.1% return lagged the MSCI World ex USA index which was up +4.7% in January. The Fund continues to have lower risk metrics vs. the benchmark for the trailing three year period with a beta of 0.5 and standard deviation of 8.1% vs. 12.0% for the index. Relative performance improved in early February as volatility rose and as of the close on February 9th, IDVGX was down -3.16% vs. MSCI World ex USA down -3.23%.

There were no sector changes this month. The fund remains fully invested in all 9 sectors and 100% invested in equities, with targeted sector weights approximately as follows: Consumer Staples (11%), Consumer Discretionary (14%), Technology (9%), Financials (25%), Health Care (11%), Materials (6%), Industrials (11%), Utilities (6%) and Energy (7%).

	YTD as of 1/31/18	1 Year as of 12/31/17	3 Years as of 12/31/17	5 Years as of 12/31/17	Since Inception 12/28/2010 as of 12/31/17
Copeland Risk Managed Dividend Gr A	4.68	19.57	4.52	10.47	9.13

S&P 500 TR USD	5.73	21.83	11.41	15.79	13.73
Russell 3000 TR USD	5.27	21.13	11.12	15.58	13.47
US OE Tactical Allocation	3.01	12.32	3.95	4.66	4.29
	<b>Load-Adj Ret YTD 1/31/18</b>	<b>Load-Adj Ret 1 Yr as of 12/31/17</b>	<b>Load-Adj Ret 3 Yr as of 12/31/17</b>	<b>Load-Adj Ret 5 Yr as of 12/31/17</b>	<b>Load-Adj Ret Inception as of 12/31/17</b>
Copeland Risk Managed Dividend Gr A with Load	-1.34	12.69	2.48	9.17	8.21

*The maximum sales charge (load) for Class A is 5.75%. The performance data quoted here represents past performance. Current performance may be lower or higher than the performance data quoted above. Investment return and principal value will fluctuate, so that shares, when redeemed, may be worth more or less than their original cost. Past performance is no guarantee of future results. Total annual operating expense ratio for Class A shares is 1.46%. The Fund's investment adviser has contractually agreed to reduce its fees and/or absorb expenses of the fund, at least until March 31, 2018, to ensure that the net annual fund operating expenses will not exceed 1.45% for Copeland Risk Managed Dividend Growth Fund subject to possible recoupment from the Fund in future years. Please review the Fund's prospectus for more detail on the expense waiver. Results shown reflect the waiver, without which the results could have been lower. A Fund's performance, especially for very short periods of time, should not be the sole factor in making your investment decisions. You cannot invest directly in an index. For performance information current to the most recent month-end, please call toll-free 1-888-9-COPELAND.*

	<b>YTD as of 1/31/18</b>	<b>1 Year as of 12/31/17</b>	<b>2 Years as of 12/31/17</b>	<b>3 Years as of 12/31/17</b>	<b>Since Inception 12/27/2012 as of 12/31/17</b>
Copeland International Risk Managed Dividend Gr A	4.06	24.10	7.43	3.98	4.69
MSCI World ex USA NR USD	4.66	24.21	12.96	7.36	7.41
	<b>Load-Adj Ret YTD 1/31/18</b>	<b>Load-Adj Ret 1 Yr as of 12/31/17</b>	<b>Load-Adj Ret 2 Yr as of 12/31/17</b>	<b>Load-Adj Ret 3 Yr as of 12/31/17</b>	<b>Load-Adj Ret Inception as of 12/31/17</b>
Copeland Intl Risk Mgd Dividend Gr A with Load	-1.93	16.96	4.30	1.95	3.39

*The maximum sales charge (load) for Class A is 5.75%. The performance data quoted here represents past performance. Current performance may be lower or higher than the performance data quoted above. Investment return and principal value will fluctuate, so that shares, when redeemed, may be worth more or less than their original cost. Past performance is no guarantee of future results. Total annual operating expense ratio for Class A shares is 1.62%. The Fund's investment adviser has contractually agreed to reduce its fees and/or absorb expenses of the fund, at least until March 31, 2018, to*

*ensure that the net annual fund operating expenses will not exceed 1.60% for Copeland International Risk Managed Dividend Growth Fund subject to possible recoupment from the Fund in future years. Please review the Fund's prospectus for more detail on the expense waiver. Results shown reflect the waiver, without which the results could have been lower. A Fund's performance, especially for very short periods of time, should not be the sole factor in making your investment decisions. You cannot invest directly in an index. For performance information current to the most recent month-end, please call toll-free 1-888-9-COPELAND.*

*The value of an investment in the Funds and the return on investment both will fluctuate and redemption proceeds may be higher or lower than an investor's original cost. Total return is calculated assuming reinvestment of all dividends. Total returns would have been lower had the Adviser, the Distributor, the Administrator, and Custodian not waived or reimbursed a portion of their fees. For performance numbers current to the most recent month-end please call 1-888-9-COPELAND.*

***Investors should carefully consider the investment objectives, risks, charges and expenses of the Copeland Risk Managed Dividend Growth Fund and the Copeland International Risk Managed Dividend Growth Fund. This and other important information about the Fund is contained in the prospectus, which can be obtained by calling 1-888-9-COPELAND (1-888-926-7352). The prospectus should be read carefully before investing. The Copeland Risk Managed Dividend Growth Fund the Copeland International Risk Managed Dividend Growth Fund are distributed by Northern Lights Distributors, LLC member FINRA. Copeland Capital Management, LLC and Northern Lights Distributors, LLC are not affiliated.***

*Mutual Funds involve risk including possible loss of principal. There is no assurance that the funds will achieve their investment objectives. There is no guarantee that companies will declare dividends or, if declared, that they will remain at current levels or increase over time. The funds may invest in MLP's. Holders of MLP units have limited control and voting rights on matters affecting the partnership. In addition, there are certain tax risks associated with an investment in MLP units and conflicts of interest exist between common unit holders and the general partner, including those arising from incentive distribution payments. The funds may invest in REIT's. A REIT's performance depends on the types and locations of the rental properties it owns and on how well it manages those properties. Real estate values rise and fall in response to a variety of factors, including local, regional and national economic conditions, interest rates and tax considerations.*

*The funds may invest in small and medium capitalization companies and the value of these company securities may be subject to more abrupt or erratic market movements than those of larger, more established companies or the market averages in general. A higher portfolio turnover will result in higher transactional and brokerage costs.*

*Foreign Investing Risk: Investments in foreign countries are subject to country-specific risks such as political, diplomatic, regional conflicts, terrorism, war, social and economic instability and policies that have the effect of decreasing the value of foreign securities. Foreign investments may experience greater volatility than U.S. investments.*

***Index Disclosures - You cannot invest directly in an Index.** Indexes are unmanaged and do not account for any fees, commissions or other expenses that would be incurred. The portfolio characteristics of the indexes may differ from other providers due to the source of the data and differences in calculation methodology. Historical analytics are not indicative of future results.*

*The **S&P 500® Index** consists of 500 stocks chosen for market size, liquidity and industry group representation. It is a market value weighted index with each stock's weight in the Index proportionate to its market value.*

*The **Russell 3000® Index** measures the performance of the 3000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.*

*The **MSCI World ex USA® Index** captures large and mid cap representation across 22 of 23 Developed Markets (DM) countries--excluding the United States. With 1,020 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.*

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### ***Why Dividend Growth?***

Please visit the Copeland Funds website for our latest research and marketing presentations.

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