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Wintergreen Fund, Inc. Releases Annual Report to Shareholders

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Mountain Lakes, NJ – (BUSINESS WIRE) – Wintergreen Fund, Inc. has released its 2016 Annual Report. The shareholder letter appears below and is also available at http://www.wintergreenfund.com.

Dear Fellow Wintergreen Fund Shareholder,

Looking back on Wintergreen Fund, Inc.'s (NASDAQ: WGRNX, NASDAQ: WGRIX, the "Fund") 2016 results, two related themes stick out in bold relief. First, there's simply no sure thing in this world — no sure winner, no sure loser, no sure outcome. Because of that, investors need to be prepared for the unexpected, owning undervalued companies that can survive, if not thrive, in a broad range of market conditions. Second, every vote matters, whether shareholder or citizen. With that in mind, we at Wintergreen Advisers look for companies that respect and live by good governance. If we are invested and don't see that, there's a good chance we will ask management to change or we will ask shareholders to join us in bringing about that change. Quite literally, we are active managers. The vote matters.

The Fund had strong 2016 returns from long-term portfolio holdings Reynolds American Inc. (NYSE: RAI, "Reynolds"), Birchcliff Energy Ltd. (TMX: BIR), and Altria Group Inc. (NYSE: MO). Securities that underperformed included Canadian Natural Resources Ltd., which the Fund sold during the year, Swatch Group AG, and Provident Financial plc. The Fund also employed forward currency contracts, which had an overall positive impact on performance during the year.

If you would be a real seeker after truth,
it is necessary that at least once in your life you doubt, as far as possible, all things.
- René Descartes

Let's look at some highlights for the Fund. In last year's annual letter, we noted many virtues of Reynolds as a core portfolio investment for many years. A smart management team combined Reynolds with Lorillard, Inc. in an earnings-accretive deal, creating an even more powerful cash generating business. In the process, the company increased its appeal to British American Tobacco plc (LSE: BATS, "BAT"), its largest owner with 42% of outstanding shares, as a must-own asset to fully capture opportunities in the U.S. and benefit from Reynolds's product innovations. Our belief that BAT would eventually bid for the rest of the shares came to fruition last October, resulting in a surge in the value of

Reynolds, the Fund's largest holding. With an improved deal price and structure more favorable to shareholders, Reynolds agreed to the takeover in January of 2017 (closing is expected by the Adviser to occur in the third quarter of 2017). As shareholders of BAT, another top holding of the Fund, we hope to continue to collect the steady amounts of cash returned by this combined powerhouse.

Like the tobacco industry, the oil and gas industry is also undergoing consolidation, and the Fund has benefited from its holding in Baker Hughes, Inc. (NYSE: BHI, "BHI"). The Fund's position in BHI was initiated in late 2015 as an arbitrage opportunity when Halliburton Company ("HAL") bid for BHI, and as a proxy for an anticipated return to growth in the oil services industry. Because the outcome of the merger was uncertain, the deal was written with a breakup fee of $3.5 billion, which we viewed as an attractive safety cushion for BHI in the event that the merger agreement was terminated. The deal did indeed break around mid-2016, and HAL paid the breakup fee to BHI, which then commenced a massive buyback of its stock. Shortly thereafter, General Electric Co. made an approach to merge its own oil and gas business unit with BHI. The Board of BHI approved the transaction and the merger is scheduled to close in the middle of 2017. We highlight this arbitrage win for the Fund as an example of an investment strategy that we sometimes employ as a supplement to our core value investing style.

… We must think and act not only for the moment, but for our time.
- Marshal Hubert Lyautey quoted by John F. Kennedy

French Marshal Lyautey was a World War One European leader who was driven by his own complex moral code as he searched for intelligent solutions to what were the unprecedented problems of the day. He was a thoughtful man who inspired many, including John F. Kennedy, and recognized the vital need to plan for both short and long term international solutions. Elbit Systems Ltd. (TLV: ESLT, "Elbit") of Israel may seem an unusual pick for the Fund's portfolio, but it's exactly the kind of business we look for: a global company addressing global 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, an existential result 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. Whereas some prime contractors in the U.S. and Europe have experienced flat top-line growth in recent years, Elbit has managed a 2.7% compound annual growth rate in sales over the last five years, mainly through increased orders from governments in Asia-Pacific and Latin America. 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.

In a gentle way, you can shake the world.
- Mahatma Ghandi

Most investors are familiar with Heineken Holding NV (AMS: HEIO, "Heineken"), in particular because of its dark green premium beer bottle. Second only to Corona in U.S. imported beer, Heineken is sold virtually everywhere in the world. Growing from a single brewery in Amsterdam in 1864 to the second-largest beer company in the world today, 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 only about 20% of its profits came from developing markets. That percentage now exceeds 60%. The company has been able to combine sales growth with stable and improving margins, forming one of the pillars of our investment thesis in the company. Heineken's management also keeps a sharp eye on efficient capital deployment, adhering to hard RONA (Return on Net Assets) metrics. In combination with well- defined executive compensation plan determinants, this properly ties management pay to performance. Make no mistake, the global beer business is extremely competitive, but we believe Heineken management is out in front seeking major growth opportunities. At the time of this writing, the company is working on a transaction intended to increase its business in India and has just finalized a deal in Brazil.

We live in uncertain times. Because of that, we believe it useful to reiterate the foundation of the Fund's investment principles. Specifically, when investing the Fund's assets we look for:

- A business that has good or improving economics, one that often generates sales and profits in multiple markets and currencies;
- A management team working to benefit all long-term shareholders, not just for its own short-term compensation; and
- A security at a compelling price.

We keep moving forward, opening up new doors and doing new things…
and curiosity keeps leading us down new paths.
- Walt Disney

Despite the uncertainties at home and abroad, we believe the future is bright for the Fund's portfolio companies, and our process stands to uncover new investment opportunities. We believe our investment approach helps to limit downside risk through careful analysis and has the potential for substantial upside over time. In our opinion, investors who are careful with their money, invest for the long-term, and don't borrow or invest on margin greatly increase their chances of success. By being sensible in their investment approach, an investor stacks the deck for their long-term opportunity.

Thank you for your continued investment in Wintergreen Fund.

Sincerely,

David J. Winters, CFA
Portfolio Manager

IMPORTANT INFORMATION

Before investing you should carefully consider the Fund's investment objectives, risks, charges and expenses. This and other information is in the prospectus and summary prospectus, a copy of which may be obtained by visiting the Fund's website at www.wintergreenfund.com. Please read the prospectus and summary prospectus carefully before you invest.

The Fund is subject to several risks, any of which could cause an investor to lose money. Please review the prospectus for a more complete discussion of the Fund's risks which include, but are not limited to, the following: possible loss of principal amount invested, stock market risk, value risk, interest rate risk, income risk, credit risk, currency risk, sector and industry risk and foreign/emerging market risk. These risks include currency fluctuations, economic or financial instability, lack of timely or reliable financial information or unfavorable political or legal developments. These risks are magnified in emerging markets. Short sale risk is the risk that the Fund will incur an unlimited loss if the price of a security sold short increases between the time of the short sale and the time the Fund replaces the borrowed security. In light of these risks, the Fund may not be suitable for all investors.

For the period ending December 31, 2016, the Fund's Top Ten Equity Holdings were: Reynolds American Inc., 19.5%; Consolidated-Tomoka Land Co. (NYSE: CTO), 13.9%; British American Tobacco plc, 9.4%; Altria Group Inc., 7.0%; Birchcliff Energy Ltd., 4.9%; Compagnie Financiere Richemont SA, Reg (SIX: CFR), 4.7%; Nestle SA, Reg (SIX: NESN), 4.4%; Union Pacific Corp. (NYSE: UNP), 3.4%; Heineken Holding NV, 3.2%; Elbit Systems Ltd., 2.8%.

The views contained in this Shareholder Letter are those of the Fund's portfolio manager as of December 31, 2016, and may not reflect his views on the date this report is first published or anytime thereafter. The preceding examples of specific investments are included to illustrate the Fund's investment process and strategy. There can be no assurance that such investments will remain represented in the Fund's portfolios. 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.

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