

THB International Micro Cap Fund – Class W

Monthly Report – November 2021

Market commentary

The MSCI World ex USA Small Cap® Index returned 0.0% (AUD) in November.

Information Technology (-2.7%) was the best performing sector, followed by Real Estate (-3.4%) and Materials (-3.8%). Energy (-9.0%) was the worst performing sector, followed by Consumer Staples (-8.6%) and Health Care (-7.4%).

Israel (+4.3%) was the best performing country, followed by Singapore (-2.9%) and Sweden (-3.0%). New Zealand (-10.6%), Spain (-8.1%), and Norway (-7.7%) were the worst performing countries in the Index.

International equities were lower in November as fears of the impact of the Omicron variant on the recovery dominated the headlines, despite the absence of conclusive data on its transmissibility and severity.

Public and private sector spending plans appear supportive of multi-year economic recovery. The Glasgow Climate Pact signed in November will require trillions of dollars for climate investments. Japan approved an economic stimulus package with record fiscal spending and allocated \$5B to support advanced semiconductor manufacturing. The labour market continues to strengthen, with hiring and wages rising. For example, the economic reopening has driven restaurants to offer new part-time hires the most generous wages on record. The UK job market remains strong, with the total number of active job postings reaching a record-high 2.68 million during the month. Germany's labour market shrugged off increasing Covid-19 cases and new restrictions, with unemployment declining for a fifth month in November.

Portfolio commentary

The THB International (ex-USA) Micro Cap Fund returned -0.1% (net of fees) in November.

Contributors to the portfolio's performance were stock selection in Japan and Canada as well as overallocation to Sweden. Detractors from performance included stock selection in the United Kingdom, underallocation to Canada, and overallocation to Germany.

From a sector perspective, primary contributors to performance mainly came from stock selection in Consumer Discretionary and Industrials as well as overallocation to Information Technology. Overallocation to Health Care, underallocation to Real Estate, and stock selection in Communication Services were primary detractors of performance this month.

THB's top five performing stocks (from a contribution standpoint) were Hexatronic Group AB (Sweden, Industrials, +0.3%), Focusrite PLC (United Kingdom, Consumer Discretionary +0.2%), Future Corporation (Japan, Information Technology, +0.2%), Esker SA (France, Information Technology +0.1%) and Weathernews, Inc. (Japan, Industrials, +0.1%).

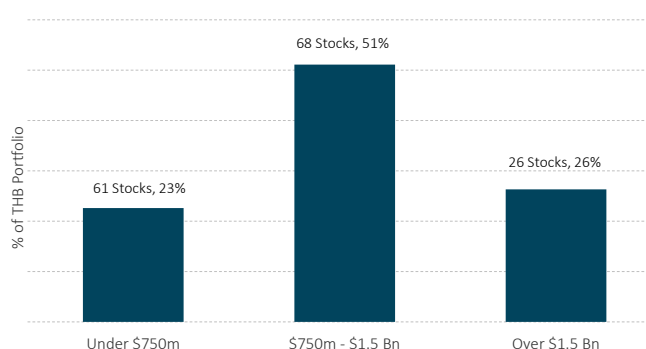
The bottom five performing stocks (from a contribution standpoint) were Eckert & Ziegler Strahlen-und Medizintechnik AG (Germany, Health Care, -0.4%), Avon Protection Plc (United Kingdom, Industrials, -0.2%), El.En. S.p.A (Italy, Health Care, -0.2%), Pushpay

| Fund details | |
|----------------|---|
| Benchmark | MSCI World ex USA Small Cap Total Return Index (AUD) ² |
| Inception date | 23 August 2018 |
| Fund size | A\$113.3 million |

| Net performance – 30 November 2021 | | | |
|------------------------------------|-------------------|--|--|
| | Fund ¹ | MSCI World ex USA Small Cap ² | MSCI World ex USA Micro Cap ³ |
| 1 month | (0.1%) | 0.0% | 0.1% |
| 3 months | (2.2%) | (4.1%) | (1.9%) |
| 1 year | 23.7% | 18.3% | 22.9% |
| 2 years p.a. | 16.3% | 9.5% | 15.4% |
| 3 years p.a. | 18.5% | 13.3% | 14.9% |
| Since inception | 11.4% | 8.6% | 10.3% |

1. Performance figures are presented in AUD on a net, pre-tax basis and assume the reinvestment of distributions. Past performance is not an indicator of future performance. Fund inception date was 23 August 2018 however inception performance for this class is calculated from 7 September 2018.

Companies by market capitalisation



Source: THB Asset Management

2. The MSCI World ex USA Small Cap Total Return Index (AUD) captures small cap representation across 22 of 23 Developed Markets (DM) countries (excluding the United States). With ~2,496 constituents, the Index covers approximately 14% of the free float-adjusted market capitalisation in each country. Source: MSCI

3. The MSCI World ex USA Micro Cap Index captures micro cap representation across 22 of 23 Developed Markets (DM) countries (excluding the United States). With ~4,735 constituents, the index covers approximately 1% of the free float-adjusted market capitalisation in each country.

Holdings, Ltd. (New Zealand, Information Technology, -0.2%), and SThree plc, (United Kingdom, Industrials, -0.2%).

THB's portfolio companies continue to deploy capital with the goal of increasing shareholder value. They announced seven share repurchase authorisations and four acquisitions.

Portfolio statistics⁴

| As at 30 November 2021 | | |
|-------------------------|------------|------------|
| | Fund | Benchmark |
| Weighted avg market cap | US\$1,255m | US\$3,289m |
| Price/sales | 2.0x | 1.2x |
| Price/Book | 3.5x | 1.6x |
| Dividend yield | 1.3% | 2.1% |
| Number of securities | 142 | 2,563 |
| Standard deviation | 18.1% | 16.2% |
| Sharpe ratio | 0.9 | 0.5 |
| Beta | 1.1 | |
| Tracking error | 5.9 | |
| Information ratio | 1.5 | |

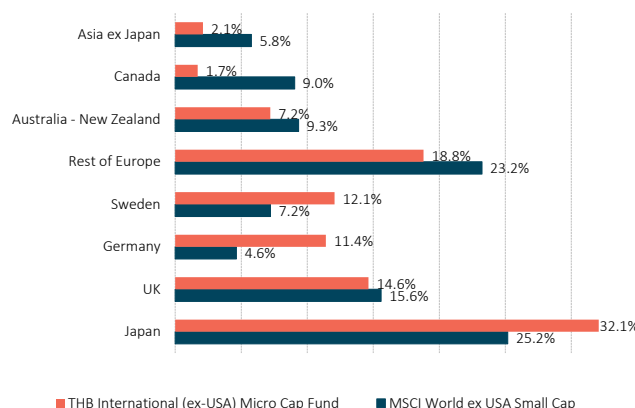
Source: THB Asset Management

Top 10 holdings⁵

| Stock | Sector/Country | Portfolio weight |
|-----------------------|--------------------|------------------|
| SeSa S.p.A. | Technology/Italy | 1.9% |
| Focusrite PLC | Consumer Disc/UK | 1.8% |
| Sectra AB | Health Care/Sweden | 1.6% |
| SHIFT Inc | Technology/Japan | 1.5% |
| Kainos Group PLC | Technology/UK | 1.4% |
| Basler AG | Technology/Germany | 1.4% |
| VERBIO Vereinigte | Energy/Germany | 1.4% |
| Judges Scientific plc | Industrials/UK | 1.4% |
| GARO AB | Industrials/Sweden | 1.4% |
| El.En. S.p.A. | Health Care/Italy | 1.4% |

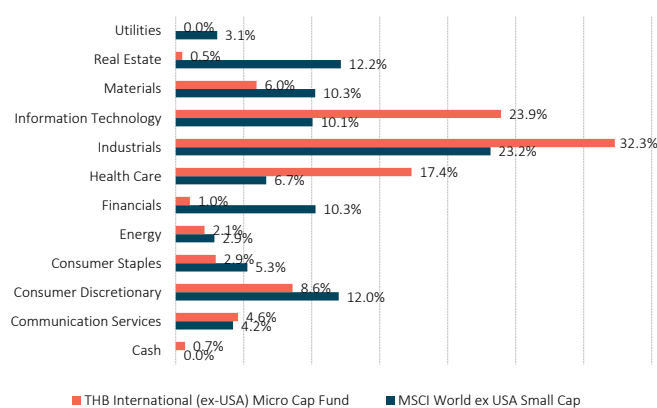
Source: THB Asset Management

Country allocation⁵



Source: THB Asset Management

Sector allocation⁵



Source: THB Asset Management

4. Portfolio statistics are reported in USD.

5. Portfolio holdings and allocations are subject to change and should not be considered as investment recommendations to trade individual securities. The securities identified and described do not represent all of the securities purchased, sold or recommended for client accounts. The reader should not assume that an investment in the securities identified were or will be profitable. There is no assurance that any securities discussed herein will remain in the portfolio at the time you receive this report, or that securities sold have not been repurchased. There can be no assurance that investment objectives will be achieved. A full list showing every holding's contribution to the overall account's performance during the measurement period and calculation methodology is available upon request.

Investment strategy

THB Asset Management (THB), an investment franchise of Victory Capital Management Inc., is a dedicated micro and small cap specialist investment franchise based in Connecticut, USA. Founded in 1982, THB Asset Management has 39 years' experience investing in micro and small cap companies. THB's International Opportunities strategy is based on the belief that there are inefficiencies in the micro cap segment of the market due to lack of analyst coverage, limited investable options, resource constraints and difficulty in identifying value. THB utilises a disciplined, fundamental approach that blends both qualitative and quantitative methods to construct a well-diversified, low-risk portfolio of companies that possess attractive operating metrics, yet with comparable valuation to the MSCI World ex USA Small Cap® Index.

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Asset Management
A VICTORY CAPITAL INVESTMENT FRANCHISE

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