

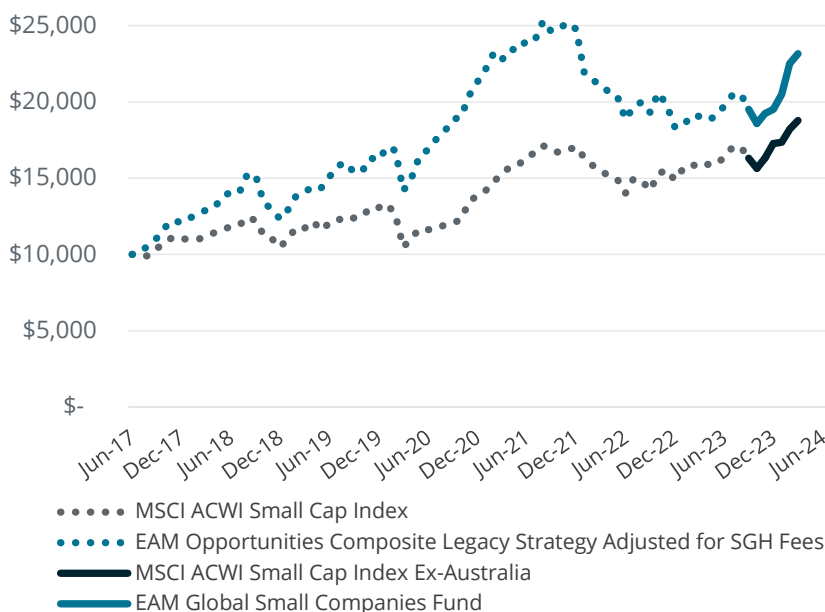
EAM Global Small Companies Fund

31 March 2024

Performance ¹ (Unhedged)	Total Net Return	MSCI ACWI Small Cap Index (ex-Australia)
1 month (%)	2.84	3.11
3 months (%)	18.64	8.75
6 months (%)	18.69	15.17
Inception (%)**	14.38	11.09
1 year (%)**	21.53	19.62
3 years (%)	0.58	7.02
5 years (%)	10.46	9.87
Inception (%)**	13.23	9.78

EAM Composite Global Small Companies Strategy***

Growth of \$10k net of fees



Past performance is not a reliable indicator of future performance.

All returns greater than 1 year are annualised.

* The [EAM Global Small Companies Fund](#) (APIR ETL1755AU) is denominated in Australian dollars and invests in global listed companies excluding Australia. The Inception date for the Fund is 11 September 2023.

** The EAM Global Small Companies Fund is replicating the approach applied by EAM Investors for EAM Global Opportunities Fund (incepted July 1 2017). The EAM Global Opportunities fund, however, includes Australian companies among its investments and is denominated in US dollars.

The data shaded in blue is EAM Global Opportunities composite performance recalculated in AUD and is adjusted to reflect the fees of 0.98% p.a. for EAM Global Small Companies Fund.

*** The returns in the solid blue line are the actual returns of the unit trust.

Key Facts

Investment manager	SG Hiscock & Company Ltd
Fund manager	EAM Global Investors LLC
Inception date	11 September 2023
Management fee ²	0.98%
Performance fee	n/a
Number of stocks	136 stocks
Dividends payable	Annually
Buy/sell spread	+0.20/ -0.20%
Minimum initial investment	\$20,000
Base currency	AUD
APIR	ETL1755AU
Domicile	Australia
	Unit price (unhedged)
Application	\$1.1484
Net Asset Value	\$1.1461
Withdrawal	\$1.1438

¹ Total Net Return is the Fund return after the deduction of ongoing fees and expenses and assumes the reinvestment of all distributions.

² Includes estimated GST payable, after taking into account Reduced Input Tax Credits ("RITC").

Investment Objective

To deliver consistent alpha by investing in global small cap companies that correspond to the market capitalization range of the MSCI ACWI Small Cap Index (ex-Australia).

Summary

- The EAM Global Small Companies Fund returned 18.64% in the quarter, outperforming its benchmark by 9.89%.
- Informed Momentum (momentum exposure & stock selection) drove the strategy's outperformance in the quarter.
- From a factor perspective, exposure to momentum contributed most, as momentum was the best performing style factor in global equity markets in the quarter.

Portfolio Positioning

10 Largest Holdings			
Name	Country	Sector	% Portfolio
Zomato Ltd.	India	Consumer Discretionary	1.12
FTAI Aviation Ltd.	United States	Industrials	1.08
Ebara Corporation	Japan	Industrials	1.04
Nutanix, Inc. Class A	United States	Information Technology	1.01
Leonardo SpA	Italy	Industrials	0.98
Vertiv Holdings Co. Class A	United States	Industrials	0.97
Super Micro Computer, Inc.	United States	Information Technology	0.94
Wingstop, Inc.	United States	Consumer Discretionary	0.94
Sweetgreen, Inc. Class A	United States	Consumer Discretionary	0.90
Zealand Pharma A/S	Denmark	Health Care	0.90
			9.88

Market Environment

Global equity markets climbed higher in the first quarter of 2024. Gains were supported by resilient economic data as well as expectations that global central banks will cut interest rates later this year.

The year started with mixed performance in January as the US Federal Reserve and European Central Bank signaled the pace of interest rate cuts may be slower than previously anticipated.

Large cap held in during the month, while small cap gave back some gains from its year-end rebound. The rally prevailed in February and March boosted in part by ongoing enthusiasm for AI demand growth as well as signs of a rebound in China. Additionally, better-than-expected corporate earnings supported markets in the quarter, particularly from some mega cap companies.

The MSCI ACWI Large Cap Index finished the quarter up 13.62%, while the MSCI ACWI Small Cap Index lagged with a return of 8.68%. Developed markets outperformed emerging in the quarter in both large and small cap thanks to strong performance from the US and Japan.

In the MSCI ACWI Small Cap Index, the US gained 10.4% on strong economic data boosting sentiment and supporting the prospect of a soft landing. Japan was also a top contributor, up 9.8%, driven by foreign investor optimism around the normalization of its interest rate policy and corporate governance reforms.

Europe in small cap lagged in the quarter, where technology stocks were the largest detractors. In emerging markets, Taiwan (+10.5%) outperformed on continued enthusiasm for chipmakers and other AI-related stocks. China saw a rally mid-quarter on positive activity data, however still ended the quarter down 3.3%.

At a sector level, energy (+14.7%), industrials (+13.1%) and consumer discretionary (+10.0%) were the best performers in the global small cap index in the quarter, while real estate (+2.2%), communication services (+2.2%) and utilities (+3.4%) failed to keep pace. From a traditional style perspective, the MSCI ACWI Small Cap Growth Index finished the quarter up 9.49%, 163 basis points ahead of its value counterpart.

From a factor perspective, leadership from the rally of late 2023 reversed course in the first quarter of this year (see nearby chart). Momentum and size were the best performing factors in global equity markets in the quarter, while market sensitivity and volatility sold off. After soft performance to end 2023, momentum made a comeback to log one of its best quarters on record, according to Axioma.

Within global small cap, the highest quintile momentum stocks in the MSCI ACWI Small Cap Index were the top performers in the quarter, up 17.1%, while the lowest quintile was near flat. Notably, strong performance doesn't necessarily mean bad news is in store for momentum. Looking at the twenty best quarters in history for long-only momentum, momentum has outperformed in the subsequent 1-, 3-, and 5-year periods more often than not in both US and Non-US equity markets.

Fund Commentary

EAM Global Small Companies Fund returned 18.64% in the quarter, outperforming the MSCI ACWI Small Cap (ex-Australia) Index by 989 basis points.

Risk attribution shows Informed Momentum (momentum exposure & stock selection) drove the strategy's outperformance in the quarter. From a factor perspective, exposure to momentum contributed most, as momentum was the best performing style factor in global equity markets in the quarter.

The strategy further benefitted from currency exposures (overweight to the Indian Rupee) as well as industry exposures (overweight to industrials).

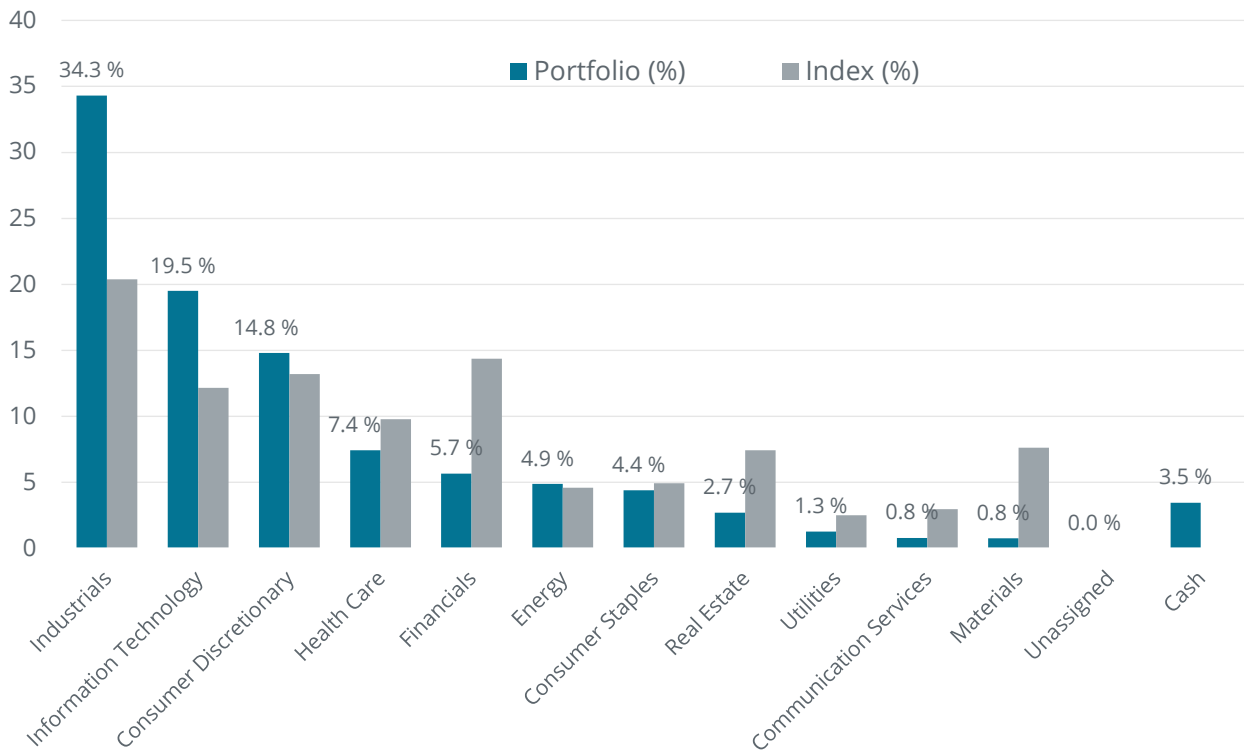
On the other side, relative country weights detracted (underweight to Japan and overweight to India), as did underexposure to value factors.

Performance attribution by country shows stock selection was most additive in the quarter, particularly in the US, Japan, and India. Allocation effects further added value with overweight positioning to Denmark contributing most.

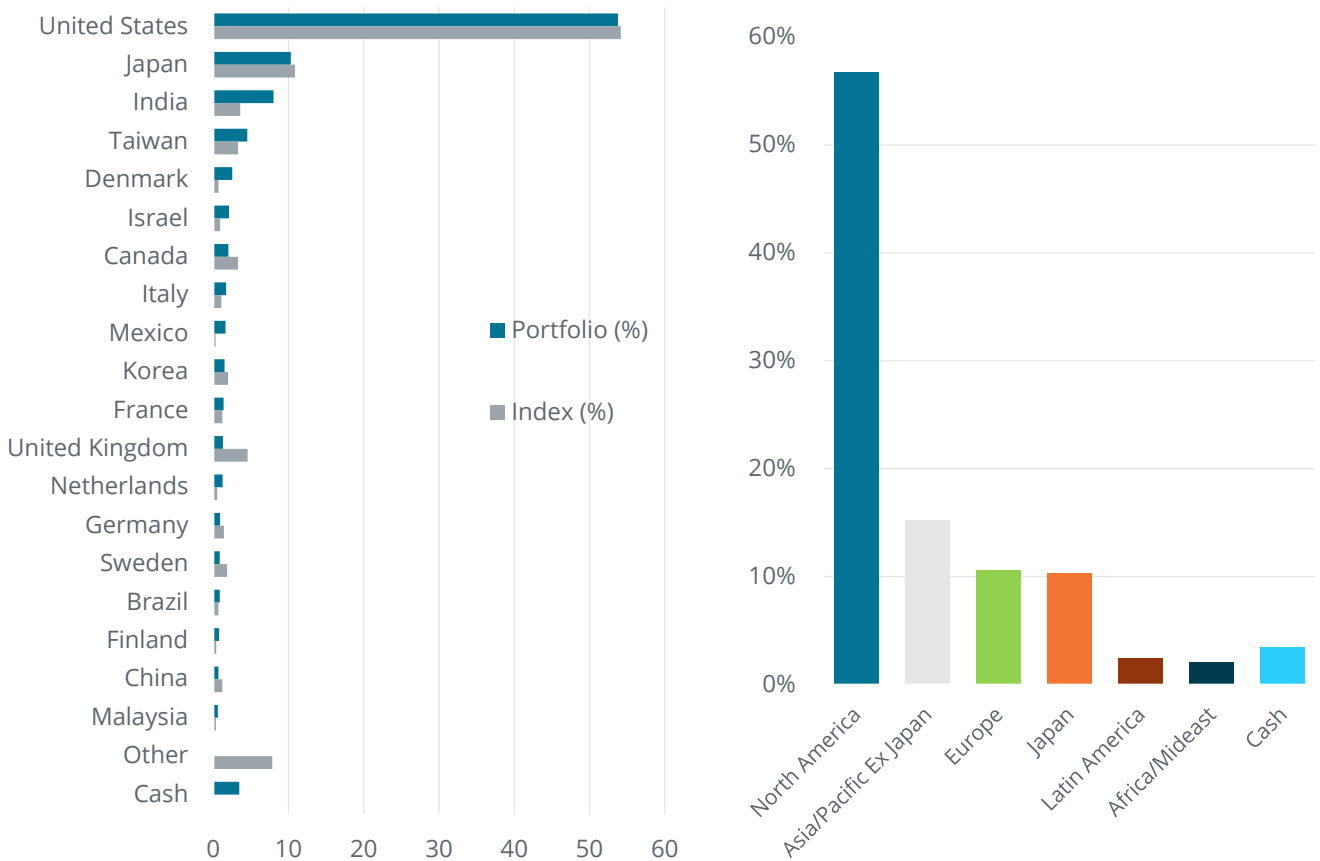
From a positioning standpoint, the fund's bottom-up, momentum-based investment process led to increased exposure to Japan, Korea and France and decreased exposure to India, the US and Canada.

In terms of sectors, exposure to industrials, energy and consumer discretionary increased in the quarter, while exposure to financials, technology and materials decreased.

Sector Positioning (% of Total Net Assets)



Geographical Allocation (% of Total Net Assets)



Source: EAM Global Small Companies Fund. Data as of 31 March 2024.

EAM Global Small Companies Fund

The EAM Global Small Companies Fund navigates a large selection universe of global small cap stocks by employing a systematic, momentum-based investment approach. EAM's Informed Momentum® investment process combines momentum with stock selection, tailored risk management, and efficient implementation to deliver alpha for clients.

It is this systematic approach to discovering ideas, focused analysis, timely decision making, and efficient implementation that are the keys to maximizing available alpha and achieving consistent results.

EAM's Informed Momentum® investment process has been applied consistently across all its strategies since inception of the firm in 2007.

The EAM Global Small Companies Fund is generally fully invested in Global Small Companies securities. The fund will adhere to a bottom-up investment process that is disciplined and objective. Investment guidelines are as follows:

- The fund will typically hold 100-150 holdings.
- Maximum 20% of the fund portfolio weight to be outside the market capitalisation range of the MSCI ACWI Small Cap (ex-Australia) Index.
- Maximum of 2% of the portfolio may be invested in any one company that is not present in the MSCI ACWI Small Cap (ex-Australia) Index (the "Benchmark"), or a maximum of 2% plus the position's weight within the Benchmark.
- 80-100% Global Small Companies securities (ex-Australia)
- 0-20% Cash, or cash equivalents.

Please note that these are indicative asset allocation ranges for the Fund.

Benefits include:

- Exposure to momentum, a highly significant premium in global equity markets over time, particularly in global small cap.
- Adaptable stock selection process designed to capture opportunities across geographies (excluding Australia), industries, and traditional styles.
- Systematic investment approach that consistently maintains intended risk exposures.

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