

# GLOBAL SMALL CAP STRATEGY

## STRATEGY OVERVIEW

The Global Small Cap Strategy seeks long-term capital appreciation by investing primarily in a portfolio of equity securities issued by small market capitalization companies based around the world, including in the United States. We aim to discover well-managed businesses that are unrecognized or undervalued by the market and that can grow earnings and recognize value over the long term.

- **Style:** Small Cap
- **Approach:** Active; Bottom Up
- **Benchmark:** MSCI World Small Cap Index
- **Inception:** 10/1/2016
- **Strategy Assets:** \$927 MM

## STRATEGY HIGHLIGHTS

- **Global Universe:** Seek stocks meeting our growth, quality and valuation criteria, including selective investments in emerging markets
- **Proprietary Fundamental Research:** Our bottom-up process seeks to discover well-managed growing businesses that are unrecognized or undervalued by the market
- **Unique Opportunities:** Focus on quality companies at attractive prices that can grow earnings or recognize value over the long term

## PORTFOLIO MANAGEMENT TEAM

**Reid T. Galas, CFA**  
**Karl M. Kyriss, CFA**  
**Daniel L. Miller, CFA**

**9** | Global Small Cap Investment Professionals  
**24** | Average Years Experience

PORTFOLIO CHARACTERISTICS		
	Strategy	Index
Return on Assets	8.5%	4.6%
Return on Equity	18.3%	10.5%
LT Debt/Capital	23.6%	32.1%
Dividend Yield	1.4%	2.0%
Historical 3 Yr. Sales Growth	11.4%	9.8%
Historical 3 Yr. EPS Growth	20.8%	15.2%
Estimated PE (FY1)	16.5x	18.7x
Price/Book	2.3x	1.7x
Wtd. Avg. Market Cap (\$MM)	\$2,843	\$4,233
Number of Holdings	73	4,176
Trailing 12-Month Turnover	31.8%	–

GEOGRAPHIC ALLOCATION		
	Strategy	Index
North America	59.5%	64.3%
Western Europe	20.7%	17.8%
Asia	18.1%	16.8%
Middle East	0.0%	1.0%
Cash	1.7%	–

TOP TEN COUNTRIES		
	Strategy	Index
United States	52.3%	60.7%
Japan	16.9%	12.0%
Canada	5.9%	3.6%
United Kingdom	4.2%	5.4%
Switzerland	3.3%	1.7%
Italy	3.2%	1.1%
Spain	2.6%	0.7%
Norway	2.0%	0.9%
Sweden	1.8%	2.1%
Finland	1.5%	0.4%

PERFORMANCE ANALYSIS		
Since Inception Market Capture Ratios		
	Upside	Downside
Strategy	109.1%	95.5%
Index	100.0%	100.0%

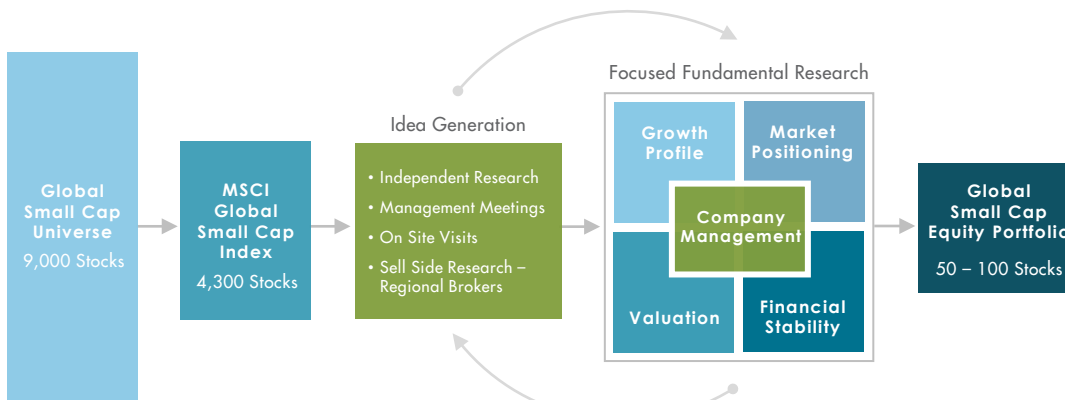
Since Inception Risk / Return		
	Risk	Return
Strategy – Gross	17.6%	10.3%
Index	19.3%	7.8%
Strategy – Net	17.6%	9.3%

TOP TEN HOLDINGS			
	% of Portfolio	Sector	Country
Hovnanian Enterprises, Inc.	2.7%	Consumer Discretionary	USA
UFP Technologies, Inc.	2.6%	Health Care	USA
Hawkins, Inc.	2.4%	Materials	USA
Green Brick Partners, Inc.	2.4%	Consumer Discretionary	USA
CBIZ, Inc.	2.2%	Industrials	USA
NAPCO Security Technologies, Inc.	2.2%	Information Technology	USA
Insight Enterprises, Inc.	2.0%	Information Technology	USA
Kitron ASA	2.0%	Information Technology	NOR
VSE Corporation	1.8%	Industrials	USA
Vidrala, S.A.	1.8%	Materials	ESP

SECTOR DISTRIBUTION		
	Strategy	Index
Industrials	32.6%	19.8%
Information Technology	18.0%	11.3%
Consumer Discretionary	14.0%	13.4%
Health Care	8.8%	9.9%
Materials	8.1%	7.4%
Financials	7.8%	14.9%
Consumer Staples	5.6%	4.6%
Communication Services	2.7%	3.0%
Real Estate	0.7%	8.4%
Energy	0.0%	4.8%
Utilities	0.0%	2.5%
Cash	1.7%	0.0%

Past performance is no guarantee of future results. There is a risk that invested capital may be lost. Source: Factset. Risk/return is based on historical monthly composite returns. Market capture is based on historical quarterly returns. Holdings are based on a representative account. There is no guarantee the holdings from the representative account will form part of any future implementation of the Strategy, and should not be considered a recommendation to purchase or sell any security. Please refer to page 2 for GW&K's Disclosure Statement, which is an integral part of our presentation, for an explanation of our composite criteria, calculations and index descriptions. All data as of 12/31/2023

## INVESTMENT PROCESS



## FUNDAMENTAL RESEARCH

### Company Management

- Visionary leadership, high-quality management
- Committed to long-term enhancement of shareholder value

### Growth Profile

- Business models that deliver consistent long-term growth
- Resilient through economic cycles
- Building Blocks of Growth

### Market Positioning

- Leading companies in attractive and defensible niche markets

### Financial Stability

- Strong financial characteristics
- Strong cash flow
- Prudent use of debt

### Valuation

- Attractive relative and absolute valuation

# GLOBAL SMALL CAP STRATEGY

## ANNUALIZED RETURNS

*Period Ending 12/31/2023*

	QTD	YTD	1 Year	3 Years	5 Years	Since Inception
GW&K Global Small Cap Composite – Gross	13.32%	18.14%	18.14%	2.92%	12.02%	10.35%
MSCI World Small Cap Index	12.47%	15.76%	15.76%	2.87%	9.76%	7.85%
GW&K Global Small Cap Composite – Net	13.05%	16.99%	16.99%	1.91%	10.91%	9.26%

Returns less than one year are not annualized.

## CALENDAR YEAR RETURNS

*Inception Date 10/1/2016*

	2023	2022	2021	2020	2019	2018	2017	2016*
GW&K Global Small Cap Composite – Gross	18.14%	-20.71%	16.39%	22.18%	32.38%	-10.09%	26.36%	1.91%
MSCI World Small Cap Index	15.76%	-18.75%	15.75%	15.96%	26.19%	-13.86%	22.66%	2.74%
GW&K Global Small Cap Composite – Net	16.99%	-21.51%	15.25%	20.99%	31.10%	-10.99%	25.14%	1.66%

\*Represents a partial year return beginning 10/01/2016 that has not been annualized. Source: FactSet

**Past performance is no guarantee of future results. There is a risk that invested capital may be lost.** Net of fee performance based on highest fee. All data as of date noted and is subject to change.

## PERFORMANCE DISCLOSURE

**Past performance is no guarantee of future results. There is a risk that invested capital may be lost.**

The composite performance results displayed herein represent the investment performance record of GW&K Investment Management, LLC. GW&K is an SEC-registered investment management firm that offers active equity and fixed income investment solutions. Founded in 1974, GW&K is an independent and autonomous investment management firm that is an affiliate of Affiliated Managers Group, Inc. (NYSE: AMG), a publicly traded global asset management company. On February 1, 2019 the investment team of Trilogy Global Advisors, LP (TGA), an AMG Affiliate located in Winter Park, FL and New York City joined GW&K Investment Management. Effective March 30, 2015, the legal name of the firm was changed from Gannett Welsh & Kotler, LLC to GW&K Investment Management, LLC.

GW&K claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS Standards. GW&K has been independently verified for the periods January 1, 1995 through December 31, 2022. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

The Global Small Cap Strategy seeks long-term capital appreciation by investing primarily in a portfolio of equity securities issued by small market capitalization companies based around the world, including in the United States. We aim to discover well-managed businesses that are unrecognized or undervalued by the market and that can grow earnings and recognize value over the long term. The Global Small Cap Composite (composite) includes all portfolios invested in the Global Small Cap Strategy with a minimum market value of \$1,000,000 from inception to December 31, 2019, and a minimum market value of \$500,000 from January 1, 2019 forward. The composite was created on October 1, 2016. The global small cap segments of multi-asset portfolios are included in the composite. Each segment of multi-asset portfolios is managed with its own cash account. Accounts are included after one full month under management. Prior to 12/1/2022, accounts were included the month after they open. Closed accounts are included through the last full month under management. Inception date is October 1, 2016.

All results reflect the reinvestment of dividends and income, and factor in commission costs. Performance is expressed in US dollars. Composite portfolio income may be net or gross of withholding tax depending on the accounting methodology of the custodian bank. The performance results presented may not equal the rate of return experienced by any particular GW&K portfolio due to various reasons, including differences in brokerage commissions, fees, client contributions or withdrawals, position size in relation to account size, diversification among securities and market conditions. Additional information regarding the policies for

valuing investments, calculating performance, and preparing GIPS reports, as well as a complete list and description of the firm's composites and pooled funds is available upon request by contacting [info@gwkinvest.com](mailto:info@gwkinvest.com).

The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. Gross returns are used for the composite calculation. The standard deviation measure is presented annually, for periods where 36 monthly returns are available.

The firm uses an asset-weighted standard deviation calculation to measure dispersion, which is reported on a yearly basis. Dispersion is used to measure the volatility of gross portfolio returns within the composite. Only portfolios that have been included in the composite for the full year are included in the dispersion calculation. Where dispersion is listed as N/A, the information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year. To account for advisory fees, net performance results reflect the deduction of the maximum fee (1.00% annually, applied monthly) GW&K Investment Management would charge for managing portfolios in this Strategy. Client fees may vary.

The performance shown is compared to the MSCI World Small Cap Index. Returns presented are net of withholding tax on dividends. The MSCI World Small Cap Index captures small cap representation across 23 Developed Markets (DM) countries. DM countries in this Index include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United States and the UK. The Index covers approximately 14% of the free float-adjusted market capitalization in each country. Indexes are not subject to fees and expenses typically associated with managed accounts or investment funds. Investments cannot be made directly in an index. Index data has been obtained from third-party data providers that GW&K believes to be reliable, but GW&K does not guarantee its accuracy, completeness or timeliness. Third-party data providers make no warranties or representations relating to the accuracy, completeness or timeliness of the data they provide and are not liable for any damages relating to this data. The third-party data may not be further redistributed or used without the relevant third-party's consent. Sources for index data include Bloomberg, FactSet, ICE, FTSE Russell, MSCI, and Standard & Poor's.

Investing in securities or investment strategies, including GW&K's Investment Strategies presented in this document, involves risk of loss that clients should be prepared to bear. No investment process is free of risk; no strategy or risk management technique can guarantee returns or eliminate risk in any market environment. There is no guarantee that GW&K's investment processes will be profitable, and you therefore may lose money. The value of investments, as well as any investment income, is not guaranteed and can fluctuate based on market conditions. Diversification does not assure a profit or protect against loss. GW&K's active management styles include equity and fixed income strategies that are subject to various risks, including those described in GW&K's Form ADV Part 2A, Item 8. GW&K's Form ADV Part 2A may be found at the SEC's website under Firm 121942, or is available from GW&K upon request.

## 3-YEAR STANDARD DEVIATION

Year	GW&K Global Small Cap Composite (%)	MSCI World Small Cap Index (%)
2023	18.41	18.88
2022	21.62	24.11
2021	18.74	21.39
2020	19.78	22.80
2019	12.47	12.94
2018	-	-
2017	-	-
2016	-	-

## COMPOSITE STATISTICS

Year	Number of Portfolios	Internal Dispersion (%)	Total Composite Assets (\$000s)	Total Firm Assets (\$000s)
2023	7	N/A	\$926,829	\$50,695,321
2022	4	N/A	\$408,209	\$46,803,858
2021	3	N/A	\$352,506	\$54,720,660
2020	3	N/A	\$334,193	\$51,431,909
2019	2	N/A	\$355,289	\$42,154,892
2018	1	N/A	\$2,645	\$34,395,747
2017	1	N/A	\$2,765	\$36,503,378
2016	1	N/A	\$2,359	\$32,193,721