

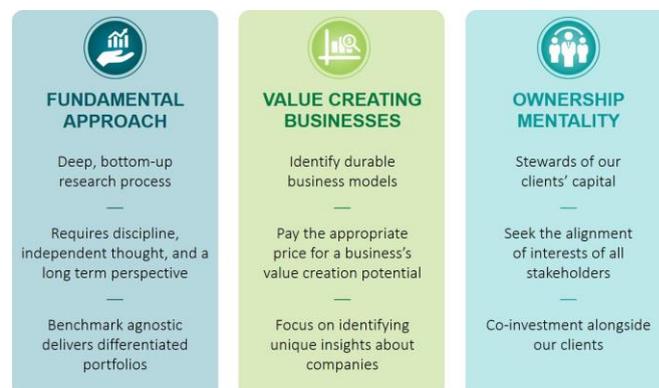
September 2020

Fund overview

The Cambridge Global Smaller Companies Fund focuses on identifying companies with a sound, sustainable business and not overpaying for this value creation.

- Access to a portfolio of high quality global smaller companies
- Focus on companies with attractive capital appreciation potential
- A high conviction portfolio of 30-50 companies
- Aims to deliver strong risk-adjusted returns
- High active share makes it a complementary investment to passive investment strategies
- The investment team co-invests in the Fund, creating a strong alignment of interests between the team and the Fund's investors.

Investment philosophy



Strategy overview

The objective of the strategy is to provide long-term capital appreciation by investing in companies located anywhere in the world (except Australia) with a market cap of US\$250M to US\$10B. We focus on value creating businesses with durable competitive advantages and use cash flow generation to assess the quality of a business model.

Performance

As at 30 September 2020

	1 month %	3 months %	1 year %	2 years % pa	3 years % pa	5 years % pa	Since inception ¹ % pa
Fund ²	(0.91)	6.09	13.30	1.21	-	-	0.38
Benchmark ³	1.09	3.14	(3.44)	(1.08)	-	-	(1.76)
Value added	(2.00)	2.95	16.74	2.29	-	-	2.14

Performance components

	1 month %	3 months %	1 year %	2 years % pa	3 years % pa	5 years % pa	Since inception ¹ % pa
Distribution ⁴	0.00	0.00	0.00	0.00	-	-	0.00
Growth	(0.91)	6.09	13.30	1.21	-	-	0.38
Total ²	(0.91)	6.09	13.30	1.21	-	-	0.38

¹ Inception date: 31 August 2018

² Fund returns are calculated net of management fees and assume distributions are reinvested

³ MSCI World ex- Australia Small Cap Index in \$A, Net dividends reinvested

⁴ Distribution may include income, realised capital gains, and any return of capital

Past performance is not a reliable guide to future performance.

Fund facts

Top 5 holdings	Sector	Weight%
AJ Bell Plc	Financials	3.7
B&M European Value Retail	Consumer Discretionary	3.7
Dalata Hotel Group Plc	Consumer Discretionary	3.3
Seria Co. Ltd.	Consumer Discretionary	3.2
Electrocomponents plc	Industrials	3.2

Regional allocation	Fund%	Index% ¹
United States	34.7	58.4
United Kingdom	21.7	6.7
Canada	8.8	3.7
Japan	7.6	12.8
Denmark	5.0	0.7
Switzerland	4.9	2.3
Sweden	3.6	3.2
Ireland	3.3	0.2
France	2.8	1.2
Netherlands	1.7	0.9
Other	--	9.8
Cash	5.9	--
Total²	100.0	100.0

Sector allocation	Fund%	Index% ¹
Industrials	23.6	18.2
Consumer Discretionary	20.6	13.7
Financials	16.9	11.4
Information Technology	14.4	14.2
Health Care	6.9	4.9
Consumer Staples	5.1	13.1
Energy	3.4	3.3
Communication Services	2.0	2.2
Materials	1.2	6.3
Real Estate	--	10.1
Utilities	--	2.7
Cash	5.9	--
TOTAL²	100.0	100.0

1. MSCI World ex- Australia Small Cap Index in \$A, Net dividends reinvested
2. May not total 100 due to rounding

The data presented in these tables is unaudited and may change at any time. The data is shown for informational purposes only and is not indicative of any future portfolio characteristics.

Source: FactSet at 30 September 2020.

Manager commentary

Towards the end of Q2 and throughout Q3, economic activity picked up due to pent up demand, renewed spending on leisure activities, and work from home initiatives. Bold monetary and fiscal measures sustained some economic activity while fueling demand for equities, particularly in the technology and work from home beneficiaries. The V-shaped recovery experienced in the second and third quarters has now begun to moderate with the expiration of some of the fiscal stimulus measures, rising unemployment, and uncertainty regarding the containment of the COVID-19 outbreak. Risk appetite across Europe and Asia were not as robust as in the United States. Renewed concerns over a second outbreak of COVID-19 erased a brief rally from economically sensitive equities, and a return to safe-haven quality and growth companies prevailed through quarter end. Despite the continued volatility, we are pleased with the resilience demonstrated by the underlying holdings in the portfolio (and thus the portfolio as a whole). We believe we are through the worst of the uncertainty and our decision to avoid bad balance sheets and companies at the eye of the COVID storm has served clients well. One thing is sure - as we exit this uncertainty, it will not be a smooth ride. Therefore, our focus remains on cash generative, well-capitalized companies in growing end markets who are capturing market share.

For the quarter ending June 30, 2020, the fund returned 6.09%. Relative to the benchmark, stock selection within the Consumer Discretionary, Financials, and Industrials sectors contributed to the fund's outperformance over the quarter. The fund's holdings in Communication Services and Health Care underperformed.

Top contributors over the quarter were B&M European Value Retail and RH (Restoration Hardware). B&M European Value Retail operates as a general merchandise discount retailer selling a variety of products ranging electronics to home goods. The retailer entered Britain's benchmark stock index this month—following the departure of Marks & Spencer Group Plc last year—and has been a big market share gainer during the Pandemic and related retail disruption. Despite Amazon driving an online boom, B&M saw big increases to both sales and traffic in the second quarter and YTD. The company has also accelerated its store opening program, with 40-45 new stores set to open this year in the UK.

The global recession triggered by the pandemic has accelerated the shift to discount chains, despite little e-commerce, or none at all. Continuing the trend of appearing as a top quarterly contributor was RH (formerly known as Restoration Hardware) a company that distributes high-end home furnishing products and is known for their beautiful showrooms. The company is led by a long-time visionary CEO who has a large shareholding in the company and is known to be eccentric and an original thinker. RH continues to demonstrate an increase in compounded revenue. The management team is focused on their long-term goal of building a \$20 billion brand. In September, the company reported their Q2-2020 numbers and saw strong demand for their products, leading to much-improved profitability.

Detractors to the fund included Dalata Hotel Group Plc and CarGurus. Dalata Hotel Group Public is a leading four-star hotel chain in Dublin with proven management team and is a relatively new portfolio. The travel industry has been hard-hit following the COVID-19 pandemic, with the industry expected to remain depressed for some time. Despite being a detractor over the quarter, we believe the company continues to be a compelling

risk/reward with a 3-year target 25% IRR and marginal downside. Furthermore, we see additional upside potential given the large cash position on the firm's balance sheet, and management's historical success of strong capital allocation. CarGurus, Inc. offers new and used vehicles and is the fastest growing automotive shopping site in the UK. CarGurus has experienced a rough three months with its share price down 15%, and we continue to monitor the risk/reward of this holding.

Over the quarter, the portfolio eliminated a position in Comfort Systems USA, a provider of heating, ventilation, and air conditioning system installation and maintenance services after we found other companies with more compelling risk/reward potential. One of those companies that we initiated on was SVMK, Inc. (known as Survey Monkey), a survey software developer that serves clients worldwide. The company has proven strong profitability, a large ecosystem of 16 million users, and a very strong brand. We believe that the valuation is attractive for the growth and margin they are generating and has

strong upside potential if the CEO is successful achieving his vision.

The team is busy speaking with roughly 100 companies a quarter to conduct diligence on companies that meet our investment criteria. Those have predominantly been in the industrial, financial and software end markets recently and spread across a dozen countries. We are early cycle in this recovery with employment data supportive of continued improvements in the economy. Small caps tend to outperform during periods of economic expansion, and we are already seeing proof of this. As fundamental investors, our focus remains on identifying durable, high-quality businesses that can compound shareholder value through our disciplined bottom-up investment process.

See gsfm.com.au for more information about the Cambridge Global Smaller Companies Fund.

Important Information

GSFM Responsible Entity Services Limited ABN 48 129 256 104 AFSL 321517 (GRES) is the responsible entity of the Cambridge Smaller Companies Fund ARSN 629 676 544 (Fund) and is the issuer of this information. The Fund is registered as a managed investment scheme under the Corporations Act 2001 (Cth). GRES has appointed Cambridge Global Asset Management as the investment manager of the Fund. Class A Units in the Fund are available for issue by GRES, as responsible entity of the Fund. This information has been prepared as general information only without taking account the objectives, financial situation or needs of individuals. Before making an investment decision in relation to a Fund, investors should consider the appropriateness of this information, having regard to their own objectives, financial situation and needs. Prospective investors should read and consider the product disclosure statements (PDS) for the Fund dated 25 March 2019 and the Additional Information to the PDS. Copies of these documents can be obtained by calling 1300 133 451 or from this website. Applications to invest in the Fund must be made on the application form which can be downloaded from this website or obtained by calling 1300 133 451. Past performance information given in this document is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. None of GRES, its related bodies or associates nor any other person guarantees the repayment of capital or the performance of the Funds or any particular returns from the Funds. No representation or warranty is made concerning the accuracy of any data contained in this document. This document is issued on 15 October 2020.