

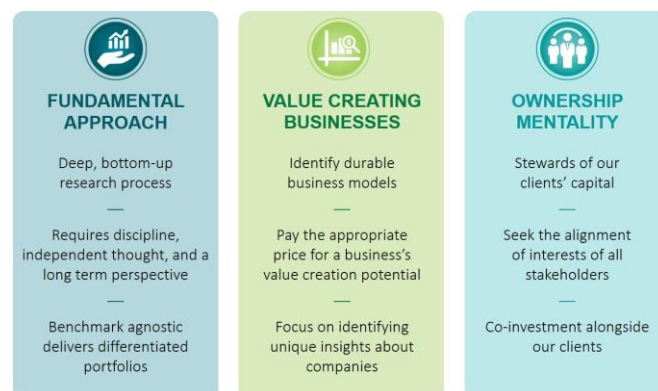
November 2020

## 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



## Highlighted holding



### Electrocomponents plc

#### Electrocomponents Plc (ECM:LN) – 3.65% of the fund

Electrocomponents plc is a leading distributor of industrial and electronics products. Their new management team has accelerated growth through market share gains and target growth of 2x the underlying market which supports our mid-single digit revenue growth forecast. They have significantly improved operating margins over the last few years, while investing in new distribution centres and IT infrastructure. We expect free cash flow to grow significantly over our investment horizon, giving the company additional flexibility in allocating capital to create value for shareholders. This is a high-quality business that

generates +20% ROICs and operates with an underleveraged balance sheet at 0.5x net debt to EBITA. We added the company to the fund in May 2020 and have continued to add to the original position.

## Performance

As at 30 November 2020

	1 month %	3 months %	1 year %	2 years % pa	3 years % pa	5 years % pa	Since inception <sup>1</sup> % pa
Fund <sup>2</sup>	9.92	9.64	16.26	12.08	-	-	4.97
Benchmark <sup>3</sup>	10.00	13.49	2.33	10.59	-	-	3.56
Value added	(0.08)	(3.85)	13.93	1.49	-	-	1.41

## Performance components

	1 month %	3 months %	1 year %	2 years % pa	3 years % pa	5 years % pa	Since inception <sup>1</sup> % pa
Distribution <sup>4</sup>	0.00	0.00	0.00	0.00	-	-	0.00
Growth	9.92	9.64	16.26	12.08	-	-	4.97
Total <sup>2</sup>	9.92	9.64	16.26	12.08	-	-	4.97

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%
CSW Industrials, Inc.	Industrials	5.4
Dalata Hotel Group Plc	Consumer Discretionary	4.1
Great Canadian Gaming	Consumer Discretionary	3.8
Electrocomponents plc	Industrials	3.7
SoftwareONE Holding Ltd.	Information Technology	3.5

Regional allocation	Fund%	Index% <sup>1</sup>
United States	35.4	60.2
United Kingdom	19.4	6.8
Canada	10.4	3.7
Sweden	7.0	2.9
Japan	5.9	11.6
Denmark	5.4	0.7
Switzerland	5.0	2.1
Ireland	4.1	0.2
France	2.2	1.2
Netherlands	1.4	1.0
Germany	1.2	2.2
Other	--	7.4
Cash	2.6	--
<b>Total<sup>2</sup></b>	<b>100.0</b>	<b>100.0</b>

Sector allocation	Fund%	Index% <sup>1</sup>
Industrials	26.0	18.5
Consumer Discretionary	21.1	13.8
Financials	18.6	12.1
Information Technology	14.2	14.8
Health Care	6.8	12.2
Consumer Staples	6.5	4.5
Energy	1.7	2.4
Real Estate	1.5	9.8
Communication Services	1.0	3.1
Materials	--	6.2
Utilities	--	2.6
Cash	2.6	--
<b>TOTAL<sup>2</sup></b>	<b>100.0</b>	<b>100.0</b>

<sup>1.</sup> MSCI World ex- Australia Small Cap Index in \$A, Net dividends reinvested

<sup>2.</sup> 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 November 2020

## Manager commentary

The Cambridge Global Smaller Companies Fund returned 9.92% for the month ended November 30, 2020.

Performance over the month was driven by security selection with holdings in the Consumer Discretionary and Industrials sectors contributing positive relative performance, while Information Technology and Communication Services holdings underperformed compared to the benchmark. Not holding Materials and Utilities was a detractor. From a regional perspective, the Fund has an underweight to the US and Japan and an overweight to holdings in the U.K. and Canada.

Following the trend from last month, two of the largest holdings in the Fund were the top two contributors over the month - Great Canadian Gaming Co (third largest) and Dalata Hotel Group Plc (second largest). Long-time holding Great Canadian Gaming Corporation operates 25 gaming, entertainment and hospitality facilities in Ontario, British Columbia, New Brunswick, and Nova Scotia. The stock price increased over the month after agreeing to be acquired by Apollo Global Management Inc. The deal, valued at more than \$2.5 billion USD, was unanimously approved by Great Canadian's board. In recent weeks, the proposed takeover is facing opposition from shareholders who complain that the price is too low given the company's control over casinos in the Greater Toronto Area. We continue to monitor the situation and as the largest shareholder of the company, will act accordingly. Dalata Hotel Group Plc surged along with hospitality stocks, airlines and hotel operators, on positive vaccine news which provided greater clarity to a recovery in the business.

The largest detractor for the month of November was Seria Co., a Japan-based discount retailer of general merchandise that sells products at a single price point of 100 yen. Seria has benefited from increased traffic due to the COVID-19 pandemic, though the stock has declined on fears that this tailwind may be unwinding. Though strong sales have persisted, cases have surged to a record in Japan, threatening to shutdown shopping malls where many of Seria's stores are located. While the direction of the pandemic is not detrimental to our thesis, we believe the business has the balance sheet to withstand a shutdown even in a severe scenario. We feel the company is better capitalised than their peers and well positioned to take advantage of the opportunities that emerge on the other side.

Regardless of the environment, the Cambridge global small cap team remains deeply committed to our bottom-up investment process with an emphasis on finding best-in-class companies with strong fundamentals and preserving client capital. The market volatility this year has created opportunities to selectively acquire market leading companies that were previously not within our investable universe and we own a collection of businesses that have so far proved to be resilient and have come out stronger. We are pleased with the performance of the fund over the year and look forward to the continued momentum into 2021.

See [gsfm.com.au](http://gsfm.com.au) for more information about the Cambridge Global Smaller Companies Fund.

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### 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 14 December 2020.