

Cambridge Global Smaller Companies Fund

MARCH 2021

Fund Overview

INVESTMENT PHILOSOPHY

The Cambridge Global Smaller Companies Fund aims to provide long term capital growth by investing in companies located anywhere in the world, except Australia, with a market capitalisation less than US\$10 billion.

The Fund is managed according to the Cambridge philosophy of active management, capital preservation and an ownership mentality.

| | | |
|--|--|---|
|  <p>FUNDAMENTAL APPROACH</p> <p>Deep, bottom-up research process</p> <p>Requires discipline, independent thought, and a long term perspective</p> <p>Benchmark agnostic delivers differentiated portfolios</p> |  <p>VALUE CREATING BUSINESSES</p> <p>Identify durable business models</p> <p>Pay the appropriate price for a business's value creation potential</p> <p>Focus on identifying unique insights about companies</p> |  <p>OWNERSHIP MENTALITY</p> <p>Stewards of our clients' capital</p> <p>Seek the alignment of interests of all stakeholders</p> <p>Co-investment alongside our clients</p> |
|--|--|---|

Source: Cambridge

INVESTMENT APPROACH

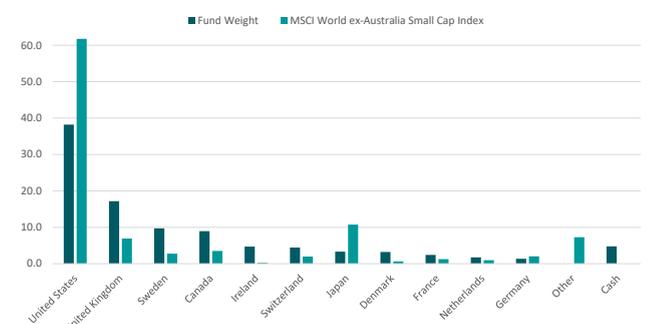
- Access to a portfolio of high quality global smaller companies
- Focus on companies with attractive capital appreciation potential
- A high conviction portfolio of 30-50 companies
- Aims to deliver strong risk-adjusted returns
- High active share makes it a complementary investment to passive investment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

Fund Characteristics

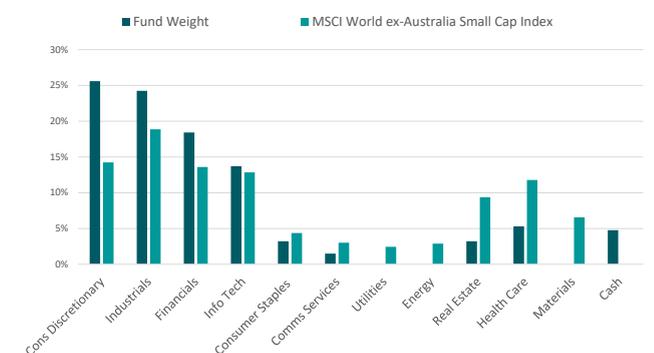
TOP 5 HOLDINGS

| Holding | Sector | Weight % |
|------------------------|------------------------|----------|
| CSW Industrials, Inc. | Industrials | 7.0 |
| Dalata Hotel Group Plc | Consumer Discretionary | 4.7 |
| Electrocomponents plc | Industrials | 4.1 |
| Revolve Group, Inc | Consumer Discretionary | 3.8 |
| Great Canadian Gaming | Consumer Discretionary | 3.4 |

REGIONAL ALLOCATION



SECTOR ALLOCATION



Source: FactSet as at 31 March 2021

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.

Performance as at 31 March 2021

| | 1 month % | 3 months % | 1 year % | 2 years % pa | 3 years % pa | 5 years % pa | Since inception ¹ % pa |
|------------------------|-----------|------------|----------|--------------|--------------|--------------|-----------------------------------|
| Fund ² | (0.77) | 5.04 | 52.73 | 12.53 | - | - | 7.99 |
| Benchmark ³ | 3.85 | 11.17 | 45.39 | 14.67 | - | - | 8.45 |
| Value Added | (4.62) | (6.13) | 7.34 | (2.14) | - | - | (0.46) |

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

Past performance is not a guide to future performance

Manager Commentary

The economic recovery we are seeing is expected to remain robust for the balance of this year and beyond. We continue to position the Fund in favour of companies that are gaining market share, and are led by strong management teams that have a proven ability to create value for shareholders. We have increased the Fund's exposure to companies negatively impacted by the COVID-19 pandemic as they should disproportionately benefit from the return to a more normal living environment.

For the quarter ending March 31, 2021, the Fund returned 5.04%. Relative to the benchmark, stock selection within the Financials, Information Technology and Consumer Discretionary sectors detracted from relative returns. While the Fund's holdings in the Industrials and Health Care sectors provided a positive contribution.

Top contributors to Fund performance included CSW Industrials Inc. and Revolve Group Inc. CSW Industrials reported better-than-expected third-quarter, results raising expectations for growth in the future. Its TRUaire acquisition is also going according to plan, which should drive significant earnings over the next year. Revolve reported better-than-expected fourth-quarter results and commented that year-to-date trends are tracking better than the market was anticipating. The company should benefit from people socializing again, and therefore, positive vaccination trends in the United States should be positive for the business.

Detractors from Fund performance included positions in Asana Inc. and LivePerson Inc. Asana's stock sold off, along with much of the software industry, during the period. LivePerson's shares also faced similar headwinds over the quarter.

We added new positions in GrubHub Inc. and Asana during the quarter. GrubHub is in the midst of being acquired by Just Eat Takeaway.com NV in a stock merger. The combined entity should be a high-growth, profitable business, and is trading at over a 50% discount to Uber Technologies Inc. and DoorDash Inc. In addition, the company is run by a talented CEO who owns over US\$1 billion in its stock. We believe that its value is significantly above where the company is trading at today. Asana is a leader in the collaborative work management software space, a fast-growing market in which Asana is gaining share. The company is exhibiting strong unit economics, with 15-month paybacks on user acquisition. We believe Asana has a bright future.

We sold our holding in B&M European Value Retail SA as we shifted the Fund's consumer exposure to businesses that are expected to benefit from the re-opening of economies versus companies that benefited from the lockdown. CREATE SD CO. LTD. was also sold in favour of other investment opportunities. Morningstar Inc., Etsy Inc. and Ambu AS were all sold as they exceeded our core market-capitalization range.

The team is busy speaking with roughly 100 companies a quarter to conduct due 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. 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 22 April 2021.

Highlighted Holding

SoftwareOne Holdings Ltd.
(SWON:SW) - 2.9% of the fund



SoftwareONE Holdings Ltd. is a leading global reseller of software and cloud licenses and supports customers with additional services like integration, software asset management, security, cloud migration and others. The company is Microsoft's largest channel partner and benefits from Microsoft's strong underlying growth rates as well as general tailwinds in software and services. After a positive start to the year, the stock pulled back in March following its earnings report. Given the current valuation, we believe this company represents an attractive risk/reward opportunity and is currently a top 10 holding in the portfolio.

Fund Facts

APIR CODE
GSF4799AU

MANAGEMENT FEE
1.25% P.A.

INCEPTION DATE
31 August 2018

PERFORMANCE FEE
15% of amount by which the net asset value per unit exceeds the return of performance hurdle

DISTRIBUTIONS
Annually

BUY/SELL SPREAD
Buy +0.20% / Sell -0.20%

INVESTMENT MANAGER
Cambridge Global Asset Management

RESPONSIBLE ENTITY
GSFM Responsible Entity Services Limited