

Strategy Facts

Portfolio Manager: Ajoy Reddi

Inception: December 31, 2015

Benchmark: MSCI All Country World ex USA Small Cap

Available Vehicles: Separate Account, Collective Trust

Strategy AUM: \$154MM

Firm AUM: \$4.0B

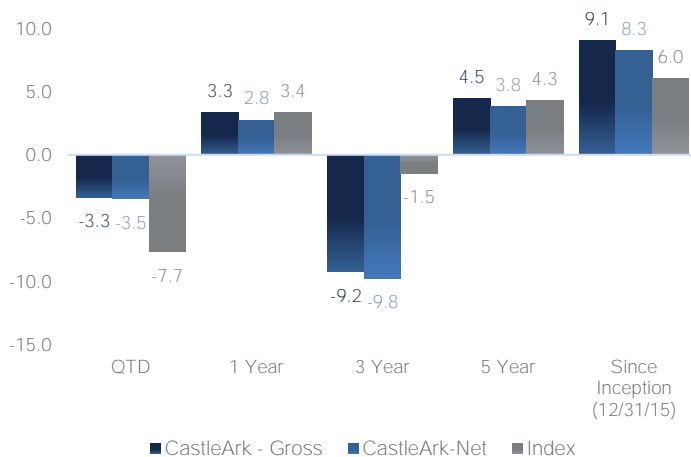
Website: <https://castleark.com/intlequity/>

Portfolio Characteristics

	CastleArk	Index
# of Securities	76	4,263
Weighted Avg Market Cap (\$MM)	\$4,410	\$2,733
Median Market Cap (\$MM)	\$3,435	\$1,172
Historical Sales Growth	20.3%	17.9%
Historical EPS Growth	29.3%	21.5%
EPS Growth - Long Term Forward	15.2%	12.8%
Return on Equity	17.5%	11.3%
Price to Earnings (Trailing 12M)	18.9	12.6
Price to Earnings (Forward 12M)	20.0	14.0
Price to Book	3.1	1.4
Net Debt to EBITDA	0.6	-0.8
Dividend Yield	1.3%	2.7%
Active Share	96.0%	--

Composite Performance*

(Periods greater than 1-year are annualized)



Investment Philosophy

We believe that accelerating growth in revenue and earnings are the primary drivers of stock price appreciation over the long term, and that opportunities in inefficient markets can be realized by identifying and exploiting key inflection points in a company's fundamentals.

Investment Strategy



An investment process that emphasizes a company's long-term growth potential over the market's demand for short term results.



A holistic approach to growth investing that seeks to identify attractive opportunities, using both traditional and non-traditional sources of information

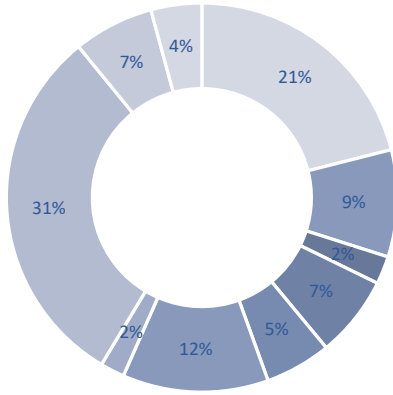


A proven institutional money manager with a long-term record of growth investing in capacity constrained asset classes.

Top 10 Positions

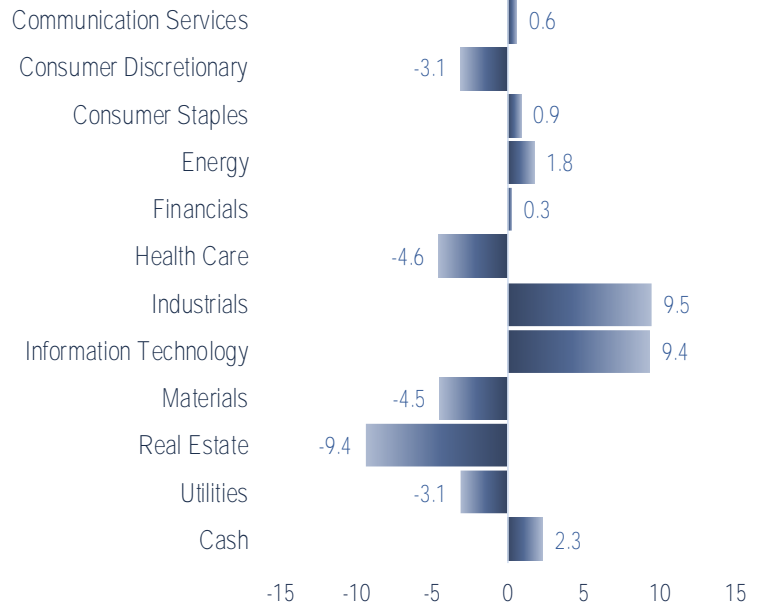
Security	Weight
Sanrio Company, Ltd.	2.1%
IHI Corporation	2.0%
BPER Banca S.p.A.	2.0%
Rakuten Bank, Ltd.	2.0%
DO & CO Aktiengesellschaft	2.0%
Descartes Systems Group Inc.	1.9%
Games Workshop Group PLC	1.9%
NSD Co., Ltd.	1.8%
SOL S.p.A.	1.7%
Diploma PLC	1.7%

Portfolio Exposure by Sector

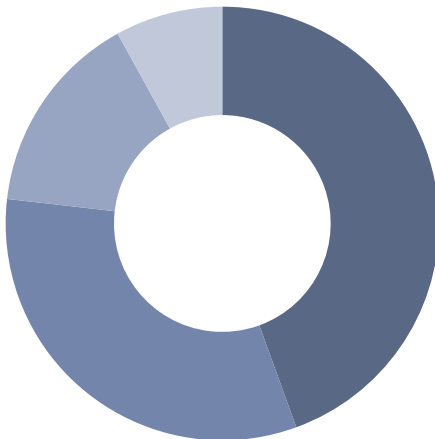


- 21.0% - Information Technology
- 2.3% - Cash
- 5.5% - Energy
- 2.0% - Health Care
- 6.7% - Materials
- 8.9% - Consumer Discretionary
- 6.8% - Consumer Staples
- 5.5% - Energy
- 2.0% - Health Care
- 6.7% - Materials
- 12.1% - Financials
- 30.5% - Industrials
- 4.2% - Communication Services

Sector Allocation vs. Index

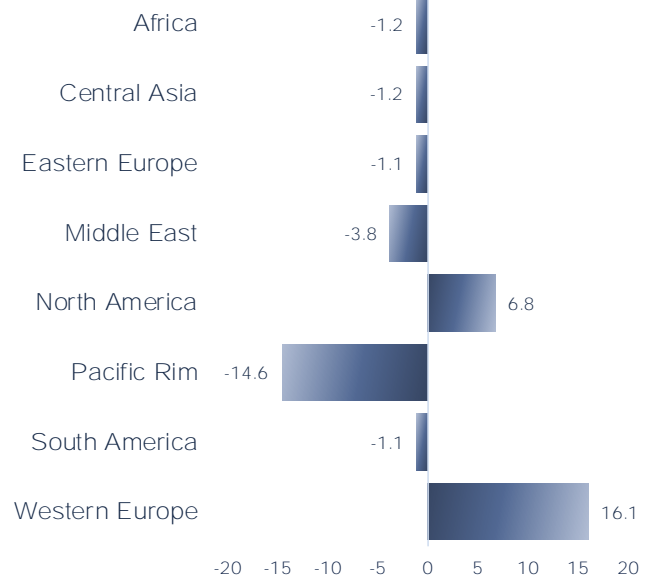


Portfolio Exposure by Region



- 44.5% - Western Europe
- 32.4% - Pacific Rim
- 15.2% - North America
- 8.0% - Central Asia

Regional Allocation vs. Index



Portfolio Exposure by Country

	CastleArk	Index		CastleArk	Index		CastleArk	Index
Japan	23.80%	22.87%	Australia	3.06%	6.01%	France	1.40%	2.08%
United Kingdom	16.92%	8.95%	United States	2.45%	0.92%	Other	0	25.53%
Canada	12.72%	7.06%	Netherlands	2.39%	0.93%			
India	8.03%	9.22%	Finland	2.25%	0.72%			
Sweden	6.24%	3.27%	Austria	2.03%	0.63%			
Italy	5.94%	1.92%	Germany	1.48%	2.24%			
Taiwan	4.54%	6.51%	Denmark	1.48%	1.15%			

Commentary

Performance Update and Portfolio Review

The CastleArk International Small Cap Equity strategy* outperformed the MSCI AC World ex US Small Cap Index** in the fourth quarter of 2024 by +432 bps, returning -3.34% (gross of fees) and -3.48% (net of fees) vs. -7.66% for the Index.

Consumer Discretionary and Industrials were the biggest positive contributors during the quarter, generating half of the **strategy's** outperformance, while Healthcare and Consumer Staples were the **strategy's** only negative sector detractors, and minimally at -23 bps. Geographically, our overweight to North America and stock selection within Western Europe and Asia Pacific added to performance. However, having no exposure to the Middle East and holdings within India and China hurt performance.

Market Review

While Q4 featured no shortage of market-moving events, the key focus during the quarter for global investors was the US Presidential election taking place on November 5th. Both the MSCI ACWI ex-US and the MSCI ACWI ex-US Small indices declined by 8% during the quarter, while the growth and value sub-indices showed little divergence from one another, reflective of growing sentiment that favored a win for Republican candidate Donald Trump, whose **"America First"** agenda is widely viewed as unfriendly to non-US economies and many of the publicly-traded companies that inhabit them. Both the ACWI ex-US and ACWI ex-US Small indices declined consistently during the quarter as pre-election sentiment gave way to further downward momentum following **Trump's** election win. This performance stood in stark contrast to the US S&P 500 index (+3% in Q4) and the tech-oriented NASDAQ (+6%) index, both of which investors bet would benefit from a second Trump presidency (in the form of likely tax cuts and growth-oriented deregulation), which

would be made all the more impactful by **Trump's** Republican party gaining control of the US Senate while maintaining control of the House of Representatives.

Global market performance was also pressured during the quarter by declining investor expectations around global rate cuts in 2025. In the US, economic growth and labor market trends remained resilient while the rate of inflation, though by no means out of control, remained stubbornly above Fed targets. Following the enactment of 25-bp rate cuts in both November and December, the Fed signaled during its December meeting that it expected just two rate cuts in 2025, down from a prior expectation of four, due to persistent inflation combined with a strong labor market, leading decision-makers to conclude it was safe to leave rates higher for longer in hopes of quelling price growth. Rate-related dynamics in the Eurozone and the UK were thematically similar in Q4. At the beginning of the quarter, investors expected six cuts in 2025 in both the Eurozone and the UK; these numbers fell to five and two, respectively, at quarter-end, reflective of persistent inflationary trends and, in the UK, weakening economic conditions. Similarly, rate hike expectations in Japan, which in 2024 finally emerged from an extended period of little to no inflation, also moved in a more hawkish direction, with investors expecting a single hike in 2025 at the start of Q4, increasing to two hikes as of quarter-end.

Like prior quarters, Q4 featured further geopolitical disruption in major economies in the form of a continuation of the global anti-incumbent political dynamic seen throughout 2024. In Japan, the center-right Liberal Democratic Party (LDP) lost its governing majority in October, and in Germany, Chancellor Olaf **Scholz's** center-left Social Democratic Party (SDP) lost a confidence vote in December, triggering new elections to be held in February 2025. The Japanese **LDP's** loss broadly reflected voter disapproval of its

Commentary

Market Review (continued)

recent penchant for political scandal, particularly as it related to fundraising-related corruption. Despite its loss, we maintain a positive view of the Japanese economy, which is benefiting from a litany of market reforms benefiting investors as well as positive macro dynamics, most notably the establishment of favorable inflation and wage trends driving improving growth in consumption, all of which was reflected in the broad Nikkei **index's** Q4 gain of 3%. The German **SDP's** loss reflects a growing sense of crisis-like economic conditions in Germany, whose economy is reeling on multiple fronts that include the flagship automotive industry, which is suffering from slowing growth as cheaper, often architecturally-superior Chinese electric vehicles take share from German OEMs like BMW and Volkswagen. We maintain a cautious view on the German economy and favor German companies whose revenue is generated internationally. Despite **Germany's** challenging economic conditions, the broad German DAX Index gained 4% in Q4.

As always, we remain focused on bottom-up stock selection and finding companies that are going through sustainable positive inflection points.

*The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees. Net returns have been reduced by performance-based fees, effective January 1, 2011. There is no guarantee that the investment objectives will be achieved. Moreover, the past performance is not a guarantee or indicator of future results.

**The MSCI ACWI ex US Small Cap Index captures small cap representation across 22 of 23 Developed Markets (DM) countries (excluding the US) and 24 Emerging Markets (EM) countries. With 4,331 constituents, the index covers approximately 14% of the global equity opportunity set outside the US. 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.



Supplemental Disclosures

Composite Performance reflects reinvestment of all income and capital gains and is shown in US dollars and after the deduction of transaction costs. Composite Performance is shown gross and net of actual management fees charged. Actual investment advisory fees incurred by clients may vary. Additional information on the calculation methodologies used herein is available upon request. Indexes are unmanaged, do not incur management fees and cannot be invested in directly. The Composite and index returns are net of any foreign withholding taxes on dividends, interest, and capital gains. The MSCI ACWI ex US Small Cap Index captures small cap representation across 22 of 23 Developed Markets (DM) countries (excluding the US) and 23 Emerging Markets (EM) countries*. With 4,273 constituents, the index covers approximately 14% of the global equity opportunity set outside the US.

Past performance is not indicative of future results. Performance during certain periods reflect strong stock market performance that is not typical and may not be repeated.

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Portfolio holdings and sector weightings of individual client accounts may differ from those shown above. This information does not constitute, and should not be construed as investment advice or recommendations with respect to securities or sectors listed. It should not be assumed that investments in these securities or sectors were or will be profitable.

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