

## Performance - International Small Cap Composite (%)

Annualized Performance	1Q 2025	1 Year	3 Years	5 Years	10 Years	Since Inception
Gross of Fees	6.84	6.98	7.90	14.15	7.46	6.64
Net of Fees	6.69	6.36	7.27	13.48	6.82	5.87
Benchmark	3.69	3.10	0.88	9.89	5.34	4.36

Benchmark: MSCI EAFE Small Cap Index. Inception Date: 12/31/2007

Periods greater than one year are annualized. Performance represents the International Small Cap composite. Performance is shown gross and net of management fees and includes reinvestment of dividends and other income. Gross returns will be reduced by investment advisory fees and other expenses that are incurred in the management of the account. Net of fee performance was calculated using the actual management fees charged. These figures have been rounded to the nearest hundredth. Past performance is no guarantee of future results. TSW's advisory fees are described in its Form ADV Part 2A. It is not possible to invest directly in an index. Please see "Important Disclosure Information" and "Index Definitions" at the end of this document.

## EXECUTIVE SUMMARY

- » The International Small Cap composite outperformed the MSCI EAFE Small Cap Index benchmark for the quarter (Total Return-Net).
- » From a regional perspective, Europe was the top contributor to portfolio relative return. Stock selection in the United Kingdom (UK) was the primary detractor.
- » From a sector perspective, stock selection in Financials contributed the most to relative return. Stock selection in Consumer Discretionary detracted most from relative return.
- » International equities reversed 2024's "U.S. Exceptionalism" trade in the first quarter of 2025, aided by attractive valuation, European fiscal spending proposals, and a weaker U.S. dollar.
- » U.S. trade policy disrupts markets by introducing uncertainty and possibly depressing consumer spending and exports. While the impact is broadly negative, the specific effects will play out differently across countries and industries. Policy responses to proposed U.S. tariffs and the willingness of the U.S. to negotiate concessions will likely determine the length and severity of the emerging trade war.
- » TSW portfolios have broad exposure with an emphasis on attractive valuation and improving business fundamentals. Although short-term volatility may be inevitable, we believe these characteristics will be favorable over time.

## STRUCTURAL CHANGES AND CURRENT POSITIONING

The portfolio's sector and regional weightings are primarily the result of our bottom-up stock selection process. Portfolio additions included Japanese healthcare company Kaken Pharmaceutical and Japanese real estate developer Starts Corporation.

We sold our positions in UK vehicle leasing company Zigup.

## COMPOSITE AUM

\$1,653.7 Million as of 3/31/2025

## INVESTMENT VEHICLES

- » Separate Account
- » Mutual Fund
- » Collective Investment Trust (CIT)
- » Delaware Statutory Trust (DST)

## INVESTMENT TEAM

Brandon H. Harrell, CFA Co-Portfolio Manager	Stedman D. Oakey, CFA Co-Portfolio Manager
Brendan C. Donohoe, CFA Research Analyst	Daniel E. Hinchman, CFA Research Analyst
Mark S. Tyler, CFA Research Analyst	Elliott W. Jones, CFA Research Analyst
Aashish Chenna, CFA Research Analyst	Matthew Fernandez Research Analyst

## PROCESS HIGHLIGHTS

- Bottom-up fundamental process
- Searching for inexpensive companies, exhibiting signs of positive change
- Repeatability: Track-record has been driven by stock selection rather than macro bets
- Long-term investment horizon (typical holding period 18-36 months)
- Emerging markets weight limited to 10%

## MARKET OVERVIEW

The MSCI EAFE Small Cap Index returned 3.7% in U.S. dollar terms in the first quarter of 2025. All regions contributed positively to the index's performance. Europe was the best, returning 9.5% while the UK was the worst, returning 1.8%. All sectors provided positive performance too. Materials and Financials were the best by returning 12.8% and 12.6%, respectively. Information Technology and Energy performed the worst returning 0.1% and 1.4%, respectively.

## QUARTERLY PERFORMANCE

The International Small Cap composite outperformed the MSCI EAFE Small Cap Index for the quarter (Total Return-Net). Europe was the region contributing most to portfolio relative return. Stock selection led the way as Bank of Ireland and Buzzi contributed positively to performance. Bank of Ireland saw shares appreciate as profitability improved through higher interest rates. We believe the business continues to trade at an attractive valuation given the strength of the Irish economy and reliable returns on equity. Italian cement manufacturer Buzzi generates a large majority of sales in the U.S. yet continues to trade at a discount relative to American peers. With strong cement prices, higher margin cement products, and a net cash balance sheet—we believe shares are very attractively valued.

The UK had a negative effect on portfolio relative return. Clarkson and Morgan Sindall detracted from performance. Clarkson, the marine shipping company, saw shares decline in the quarter due to macro uncertainty surrounding freight rates. The core business of broking, where Clarkson acts as the intermediary between shipping principals to facilitate vessel chartering, sales, and purchases—generated exceptional returns on capital last year. We believe this business to be more resilient than what valuation implies today. Morgan Sindall, the contracting business that is primarily exposed to UK construction, infrastructure, fit-out and urban regeneration markets, saw shares decline in the first quarter. Skepticism surrounding softer guidance from management led investors to sell the stock. Late in the quarter, however, the company posted financial results above consensus in the Fit-Out division, and shares regained positive momentum. We believe the undersupply of housing in the UK, over 3 decades of experience in the UK market, and a healthy balance sheet support a longer term holding period.

From a sector perspective, Financials and Consumer Discretionary were among the top contributors to relative performance. Within Financials, Bank of Ireland (noted above) and Euronext were positive contributors. Dutch exchange business Euronext saw shares rise in the quarter due to strong volumes across equities and derivatives. With improved sentiment towards European equities to start the year, the company saw multiples expand—signifying expectations of heightened volumes among European securities.

Within Information Technology, Topcon and GMO internet positively contributed to performance. Topcon is a Japanese manufacturer of positioning equipment for construction, agriculture markets, and optical diagnosis equipment. It's core technology relates to optical sensors, later combined with machine control capabilities through acquisitions. Shares rose during the quarter as private equity firm KKR and Japanese state-backed firm JIC joined forces to take the company private for \$2.31 billion USD. Japanese service company GMO Internet reported strong profits in the internet infrastructure business that led to shares rising during the quarter. Increasing buybacks and the transition to a holding company structure reveal a discount to the sum of the parts. The securities business posted a loss this quarter that was previously disclosed in 2024. We continue to hold our position at what we believe to be an attractive valuation.

Real Estate and Utilities marginally detracted from relative portfolio performance. Within Real Estate, Savills and Katitas underperformed. UK real estate developer Savills reported satisfactory results in line with consensus expectations. We believe their diversified revenue streams of investment management, consultancy, and property management as well as their core commercial and residential transactions dampen the cyclicity of the real estate market. We believe the earnings power of the business remains underappreciated and we continue to hold. Japanese home builder Katitas purchases lower-cost, preowned, vacant houses and adds value by renovating and reselling these units – typically at around half of the price of comparable newly built houses-to lower and mid income households. Shares declined in the quarter as investors are concerned whether the company can improve the returns on equity in response to pressure from the accumulation of capital. We believe the business can deliver superior returns over a longer period of time. We continue to hold.

## 1-YEAR PERFORMANCE

The International Small Cap composite outperformed the MSCI EAFE Small Cap Index during the twelve months ending March 31, 2025 (Total Return-Net). Europe was the top regional contributor to portfolio relative return. Stock selection led the way as Swissquote and Van Lanschot Kempen positively contributed to performance. Swiss online financial service company Swissquote saw shares appreciate on the resilience of higher net interest margin income, a growing client base, and substantial operating leverage throughout 2024 and the first quarter of 2025. We believe the company's established reputation and healthy balance sheet provide a strong foundation for the business to gain market share and grow their online trading business over a longer-term time horizon. We continue to hold our position at what we believe to be an attractive valuation. Dutch wealth manager Van Lanschot Kempen posted strong results through the last twelve months. The company saw AUM growth, improved core profitability due to its expanding fee-generating business in the private client segment, and an improving capital ratio. We continue to monitor costs relative to income generation and believe the shares are attractively valued.

The UK detracted from portfolio relative return. Barratt Redrow and Burberry were two of the primary underperformers. Barratt Redrow is the recent combination of homebuilders Barratt and Redrow. The share price decline reflects investor caution in relation to the broader U.K. homebuilding space. We believe the underlying fundamentals of U.K. homebuilding to be favorable and the cost benefits of the Barratt Redrow combination to be underappreciated. UK luxury company Burberry saw shares decline as demand conditions in North America, China and Japan appear weaker than expected. The lack of clarity on operating leverage the business can achieve and skepticism on whether the brand can be refocused on traditional strengths led to share price declines.

Industrials and Financials contributed positively to portfolio relative return. Within Industrials, Sanwa Holdings and Kongsberg Gruppen were strong performers. Japanese door and shutter manufacturer Sanwa Holdings specializes in designing, producing, and distributing a wide range of products for residential, commercial, and industrial applications. The business reported better than expected earnings through increased demand from their American and domestic segments. Activist investors are also pushing numerous Japanese firms to improve governance and shareholder returns. We continue to hold our position. Norwegian defense company Kongsberg Gruppen saw expectations for growth improve as high-profile global conflicts continue to place a priority on defense spending. We sold the position into strength in 2024 as the company's market capitalization exceeded what we are allowed to hold in a small cap portfolio.

Within Financials, Swissquote (noted above) and Van Lanschot Kempen (noted above) outperformed.

Health Care and Information Technology detracted from portfolio relative return. Within Health Care, Gerresheimer and Value Added Technology were two of the primary underperformers. Gerresheimer, the German plastic and glass manufacturer, issued a profit warning at the end of the third quarter of 2024 that led to a decline in share price. The lack of vial demand and flooding at the Morganton, N.C. plant caused by Hurricane Helene weighed on the shares as production supply and demand will be weaker in the near term. Furthermore, Novo Nordisk reported disappointing fourth quarter results in CagriSema trials, an investigational medication being developed as a treatment for obesity and type 2 diabetes. Gerresheimer, being one of the primary providers of vials to Novo Nordisk, sold off in line with the news. Despite these headwinds, we believe inventory issues will be resolved over a long-term time horizon. Value Added Technology, a dental imaging equipment company in South Korea, faces margin pressure from research costs and incentive payments. Despite the surge in SG&A expenses, we expect the business to find a normalized cost structure. We continue to hold our position based upon an attractive valuation and expanding distribution network in the U.S. as the leading dental X-ray brand in the world.

Within Information Technology, Horiba and ASMPT underperformed. Japanese instrumentation company Horiba maintains a market leading position in mass flow controllers (MFC) for semiconductor equipment. The market's expectations of this business remain muted due to declining end market volumes in internal combustion engines and automotive test systems. We believe the stock trades at a discount to its intrinsic value and continue to hold our position. ASMPT specializes in designing and manufacturing equipment and solutions used in the assembly and packaging of semiconductors and electronics. Shares declined in the quarter as the company reported lower gross profit margin and higher operating expense. We continue to hold the shares through near term weakness in mainstream markets as their advanced packaging business and diversified end markets give way to what we view as a better long-term growth profile.

## OUTLOOK

International equities reversed 2024's "U.S. Exceptionalism" trade in the first quarter of 2025, aided by attractive valuation, European fiscal spending proposals, and a weaker U.S. dollar. U.S. trade policy disrupts markets by introducing uncertainty and possibly depressing consumer spending and exports. While the impact is broadly negative, the specific effects will play out differently across countries and industries. Policy responses to proposed U.S. tariffs and the willingness of the U.S. to negotiate concessions will likely determine the length and severity of the emerging trade war. TSW portfolios have broad exposure with an emphasis on attractive valuation and improving business fundamentals. Although short-term volatility may be inevitable, we believe these characteristics will be favorable over time.

## International Small Cap GIPS® Composite Report | 12/31/2013 – 12/31/2023

Composite Returns			Benchmark Returns		3 Yr. Ex Post Standard Deviation			Assets			
Period	Total Gross Return AWR	Total Net Return AWR	Primary Benchmark	Secondary Benchmark	Composite Gross	Primary Benchmark	Secondary Benchmark	Internal Equal Weighted	Number of Portfolios	Composite (\$MM)	Total Firm (\$MM)
2014	-4.58%	-5.08%	-4.95%	-5.27%	12.76%	13.51%	14.52%	n.m.	4	971.51	11,651.76
2015	8.81%	8.23%	9.59%	5.24%	11.38%	11.42%	11.99%	n.m.	5	1,339.90	14,082.41
2016	-0.16%	-0.83%	2.18%	5.88%	11.52%	12.29%	12.44%	n.m.	5	1,166.44	18,842.10
2017	31.64%	30.82%	33.01%	30.28%	10.99%	11.76%	11.81%	n.m.	5	1,548.36	23,547.95
2018	-15.51%	-16.02%	-17.89%	-18.17%	11.88%	13.04%	12.67%	n.m.	4	1,116.05	18,760.02
2019	27.62%	26.83%	24.96%	22.33%	11.58%	12.06%	11.70%	n.m.	4	1,127.58	19,849.59
2020	9.94%	9.28%	12.35%	2.14%	20.23%	20.56%	21.39%	n.m.	4	1,132.28	21,468.38
2021	13.53%	12.87%	10.10%	11.60%	19.86%	19.47%	20.90%	n.m.	6	1,460.10	23,630.26
2022	-16.69%	-17.20%	-21.39%	-14.99%	23.50%	22.86%	23.25%	0.24%	6	1,109.37	18,624.78
2023	18.87%	18.17%	13.16%	15.38%	19.39%	18.30%	17.40%	0.41%	6	1,231.25	18,853.62

n.m. = Not Meaningful; (Reported in: USD)

Primary Benchmark: MSCI EAFE Small Cap; Secondary Benchmark: MSCI EAFE Small Cap Value

- Thompson, Siegel & Walmsley LLC ("TSW") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. TSW has been independently verified for the periods January 1, 2011 through December 31, 2023. The verification report is 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.
- TSW is a Delaware limited liability company and an SEC registered investment adviser founded in 1969 in Richmond, Virginia, investing in domestic and international equities and fixed income securities for a broad array of clients. Since 1985 TSW has operated under a parent company structure. Currently, TSW operates as an indirect wholly owned subsidiary of Perpetual Limited.
- TSW's list of composite descriptions and definitions, pooled fund descriptions for limited distribution pooled funds, and broad distribution pooled funds list are available upon request.
- TSW's policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.
- The composite includes fully discretionary segregated portfolios greater than \$1 million managed with the International Small Cap strategy. The strategy mostly invests in undervalued small cap companies located, primarily, in developed markets outside the U.S., with the flexibility to include emerging market opportunities.
- The Gross and Net performance stated above reflects the deduction of trading expenses and the reinvestment of dividends and other income. Portfolio returns are net of all foreign non-reclaimable withholding taxes. Reclaimable withholding taxes are recognized if and when received. Gross performance does not include the deduction of investment management fees. Net performance reflects actual investment management fees charged to fee paying portfolios in the composite. TSW's portfolio level performance process uses a daily time-weighted, Modified Dietz, rate of return calculation, on a trade date basis using accruals for dividends and fixed income, while treating cash flows as beginning of day transactions. Daily performance periods are geometrically linked to create the monthly performance return.
- TSW requests that any third party investment management consultant provide our performance data only on a one-on-one basis. Please disclose the following: Gross performance results are presented after trading expenses but before investment management fees. The investment management fees for a segregated portfolio, in this strategy, are generally billed quarterly based on the annual fee schedule shown below:
 

First \$100,000,000	1.00%
Over \$100,000,000	0.90%

 This composite includes three pooled funds:
 

	Advisory Fee	Expense Ratio
TSW International Small Cap Equity Fund	1.00%	1.00%
TSW International Small Cap Equity Trust	1.00%	1.00%
Transamerica International Small Cap Value Fund	0.94%	1.10%

 A portfolio's return will be reduced by this and other related expenses. The actual fee charged to an individual portfolio may vary from the stated schedule, depending on a number of factors, including type and size.
- The International Small Cap composite creation date: December 31, 2007, Inception date: December 31, 2007. All portfolios represented in this composite are valued at calendar month-end. Annual rates of return are calculated by linking the monthly returns using trade date valuations. All performance is expressed in U.S. dollars.
- The primary benchmark utilized is the MSCI EAFE Small Cap Index and is based on total return. The MSCI EAFE (Europe, Australasia, Far East) Small Cap Index is an equity index which captures small cap representation across Developed Countries around the world, excluding the U.S. and Canada. The index covers approximately 14% of the free floating-adjusted market capitalization in each country. The secondary benchmark, MSCI EAFE Small Cap Value Index, measures small cap securities exhibiting overall value style characteristics across Developed Markets countries around the world, excluding the US and Canada. The value investment style characteristics for index construction are defined using three variables: Book value to price, 12- month forward earnings to price and dividend yield. The benchmarks' returns include interest, dividends and other earned income, but do not include any transaction costs, management fees or any other expenses. Sources of foreign exchange rates may be different between the composite and the benchmark. The benchmark return is net of withholding taxes from a U.S. tax perspective. It is not possible to invest directly in an index.
- Internal dispersion is calculated using the equal-weighted standard deviation of monthly gross-of-fee returns of all portfolios that were included in the composite for the full year. The statistical measurement of internal dispersion for composites with five (5) or less portfolios for the year is not considered meaningful and, accordingly, has not been presented. "n.m." = "Not Meaningful." The three-year annualized ex-post standard deviation, using monthly gross-of-fee returns, measures the variability of the composite and the benchmark returns over the preceding 36-month period. It is not required to be presented when a full 36-months of composite performance is not yet available.
- The significant cash flow policy for this composite states: Portfolios with a net cash flow that exceed 25% of the beginning market value of the portfolio for the month are removed from the composite. Portfolios are returned to the composite the following month, provided there no additional significant flows and the portfolio continues to meet criteria for composite inclusion.
- Historical performance results are not indicative of the future investment performance of TSW.
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Reviewed March 2024



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**INDUSTRY WEIGHTINGS & PORTFOLIO CHARACTERISTICS DISCLOSURE:** The industry weightings and portfolio characteristics are presented as of the date shown on this presentation and may change without notice. The representative account has/may change over time. A complete list of industry weightings and individual security positions are available on request by contacting us at [TSWinfo@tswinvest.com](mailto:TSWinfo@tswinvest.com).

**EQUITY SECURITIES RISK:** Equity securities generally have greater risk of loss than debt securities. Stock markets are volatile, and the value of equity securities may go up or down, sometimes rapidly and unpredictably. The value of equity securities fluctuates based on real or perceived changes in a company's financial condition, factors affecting a particular industry or industries, and overall market, economic and political conditions. If the market prices of the equity securities owned by the strategy fall, the value of your investment in the strategy will decline. Your portfolio may lose its entire investment in the equity securities of an issuer. A change in financial condition or other event affecting a single issuer may adversely impact securities markets as a whole.

**INTERNATIONAL INVESTING RISK:** Investments in global/international markets involve special risks not associated with U.S. markets, including greater economic, political and currency fluctuation risks, which are likely to be even higher in emerging markets. In addition, foreign countries are likely to have different accounting standards than those of the U.S.

**PRINCIPAL RISK:** Risk is inherent in all investing. Many factors and risks affect performance. The value of your investment, as well as the amount of return you receive on your investment, may fluctuate significantly day to day and over time. You may lose part or all of your investment in your portfolio or your investment may not perform as well as other similar investments. An investment in the strategy is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. **You may lose money if you invest in this strategy.**

**VALUE INVESTING RISK:** The prices of securities TSW believes are undervalued may not appreciate as anticipated or may go down. The value approach to investing involves the risk that stocks may remain undervalued, undervaluation may become more severe, or perceived undervaluation may actually represent intrinsic value. Value stocks as a group may be out of favor and underperform the overall equity market for a long period of time, for example, while the market favors "growth" stocks.

For additional information regarding potential risks to your investment please see risk disclosures in our Form ADV Part 2A found here <https://www.tswinvest.com>.

## DEFINITION OF INDICES

MSCI EAFE Small Cap Index	The MSCI EAFE Small Cap Index is an equity index which captures small cap representation across Developed Markets countries around the world, excluding the U.S. and Canada. The Index covers approximately 14% of the free float adjusted market capitalization in each country.
MSCI EAFE Small Cap Value Index	The MSCI EAFE Small Cap Value Index captures the small cap securities of the MSCI EAFE Small Cap Index exhibiting overall value style characteristics across Developed Markets countries around the world, excluding the U.S. and Canada. Value characteristics for Index construction include: book value to price, 12-month forward earnings to price and dividend yield.

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