

# GW&K GLOBAL SMALL CAP FUND

Platinum Partner Series

## STRATEGY OVERVIEW

The GW&K Global Small Cap (GSC) Fund seeks long-term capital appreciation by investing primarily in a portfolio of equity securities issued by small market capitalisation companies based around the world. We aim to discover well-managed businesses that are unrecognised or undervalued by the market and that can grow earnings and recognise value over the long term.

- **Approach:** Active; Bottom Up
- **Benchmark:** MSCI World Small Cap Index (A\$)
- **GW&K GSC Strategy Inception:** 1 October 2016
- **GW&K GSC Strategy Assets:** A\$1,838 MM

## STRATEGY HIGHLIGHTS

- **Global Universe:** Seek stocks meeting our growth, quality and valuation criteria, including selective investments in emerging markets
- **Proprietary Fundamental Research:** Our bottom-up process seeks to discover well-managed growing businesses that are unrecognised or undervalued by the market
- **Unique Opportunities:** Focus on quality companies at attractive prices that can grow earnings or recognise value over the long term

- **Fund Commenced:** 1 April 2025
- **Minimum Investment:** A\$10,000 / NZ\$10,000
- **Management Fees and Costs:** 1.20% p.a.
- **Buy/Sell Spread:** 0.05% to 0.15%
- **Income Distribution Date:** Annual, 30 June
- **Fund Assets:** A\$26 MM

### TOP TEN COUNTRIES

	% of Fund	Benchmark
United States	44.6%	58.9%
Japan	19.9%	13.4%
United Kingdom	7.8%	5.2%
Canada	3.9%	3.9%
Switzerland	2.8%	1.8%
Norway	2.6%	0.8%
France	2.2%	1.3%
Italy	2.1%	1.2%
Sweden	2.0%	2.0%
Israel	1.8%	1.2%

### GEOGRAPHIC ALLOCATION

	% of Fund	Benchmark
North America	49.8%	62.8%
Western Europe	23.8%	17.5%
Asia	21.6%	18.6%
Middle East	1.8%	1.2%
Cash	3.0%	-

### SECTOR DISTRIBUTION

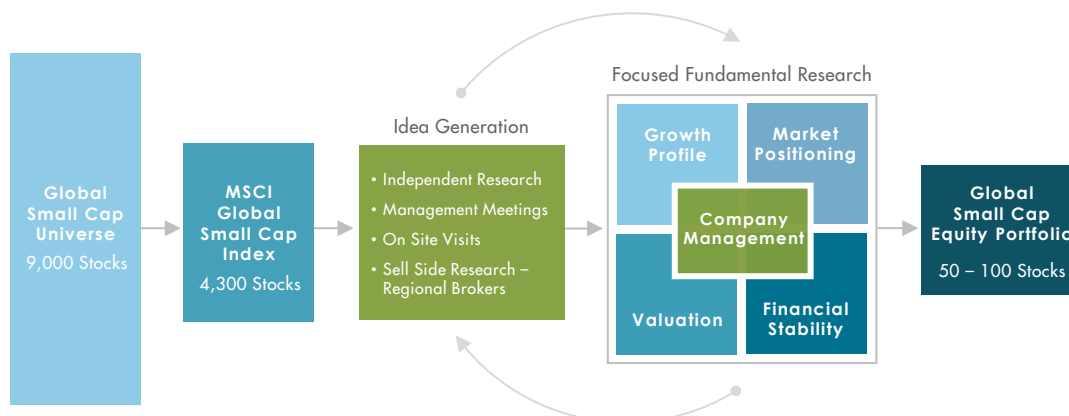
	% of Fund	Benchmark
Industrials	28.3%	20.9%
Consumer Discretionary	18.6%	13.0%
Financials	14.0%	16.1%
Information Technology	13.1%	10.5%
Materials	9.0%	7.5%
Health Care	4.7%	8.7%
Consumer Staples	3.9%	4.8%
Communication Services	3.4%	3.5%
Real Estate	2.1%	8.1%
Energy	-	4.1%
Utilities	-	2.9%
Cash	3.0%	-

### TOP TEN HOLDINGS

	% of Fund	Sector	Country
Kitron ASA	2.6%	Information Technology	NOR
Hawkins, Inc.	2.2%	Materials	USA
Coastal Financial Corporation	2.1%	Financials	USA
Gift Holdings, Inc.	1.9%	Consumer Discretionary	JPN
SharkNinja, Inc.	1.9%	Consumer Discretionary	USA
VSE Corporation	1.8%	Industrials	USA
Phoenix Financial, Ltd.	1.8%	Financials	IL
DMG Mori Co., Ltd.	1.8%	Industrials	JPN
Barrett Business Services, Inc.	1.7%	Industrials	USA
Esquire Financial Holdings, Inc.	1.7%	Financials	USA

Sources: FactSet, MSCI, Platinum Partner Fund, GW&K Investment Management

## INVESTMENT PROCESS



## FUNDAMENTAL RESEARCH

### Company Management

- Visionary leadership, high-quality management
- Committed to long-term enhancement of shareholder value

### Growth Profile

- Business models that deliver consistent long-term growth
- Resilient through economic cycles
- Building Blocks of Growth

### Market Positioning

- Leading companies in attractive and defensible niche markets

### Financial Stability

- Strong financial characteristics
- Strong cash flow
- Prudent use of debt

### Valuation

- Attractive relative and absolute valuation



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## PORTFOLIO MANAGEMENT TEAM

Reid T. Galas, CFA  
Karl M. Kyriss, CFA  
Daniel L. Miller, CFA

**9** GW&K Global Small Cap  
Investment Professionals  
**25** Average Years  
Experience

## CONTACT PLATINUM ASSET MANAGEMENT

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## MANAGER COMMENTARY (All figures are in USD unless otherwise noted)

Global small cap markets rallied in May as trade related tension between the US and China eased momentarily. The MSCI World Small Cap Index rose 5.2% AUD. The US Dollar Index was little changed, down -0.1%.

US small cap equities rebounded as Washington and Beijing began high level trade talks with both countries cutting embargo-level tariffs for 90 days while they attempt to negotiate a palatable deal. A strong Q1 earnings season provided further market support, but the unpredictability of government policy made for a volatile month for US small cap stocks. Despite a sizable US tariff threat on the Eurozone that was quickly retracted, Europe was the top performing region with attractive valuations, improving earnings, and stimulus hopes the key takeaways. Japanese small caps trailed the Index as cautious guidance, typical of Japanese management and more so now given trade uncertainty, offset an otherwise good quarter for profit growth, dividend payments and share buybacks. Sector performance reflected improving risk sentiment with Information Technology, led by AI related hardware companies, Industrials, with aerospace/defense and electrical equipment key contributors and Consumer Discretionary among the top performers. Energy also rebounded as oil prices stabilized. Health Care was the only sector to finish the month lower, while Consumer Staples, Utilities, and Real Estate trailed the Index.

The GW&K Global Small Cap Strategy returned 4.7% AUD net of fees, underperforming the Index by 47 basis points. Lack of exposure to industries that considerably outperformed the Index, such as aerospace/defense, energy producers, and semiconductor companies detracted from relative performance. In terms of stock-specific performance, there was weakness in the portfolio's US homebuilders due to a backup in US yields and company specific factors. Manufactured home producer Legacy Housing Corporation reported disappointing sales for Q1, which the company is addressing by simplifying the product line and diversifying financing options. Hovnanian Enterprises, Inc. declined on lower sales and gross margins as the company works to reduce housing inventory built on higher cost lots and reinvest proceeds in more attractively priced land. Japanese semiconductor distributor and network service provider Macnica Holdings, Inc. missed fiscal Q4 guidance due to continued weakness in non-AI related semiconductor demand. Mueller Water Products, Inc. raised 2025 revenue guidance, but the market seemed underwhelmed with the magnitude of the increase. Several companies outperformed the Index, including EMS provider Kitron ASA, which remained well bid thanks to strong order book growth. Canada-based NFI Group, Inc. reported good Q1 results with revenue up 16.8% as the company reached a record in zero emission bus deliveries. Phoenix Financial Ltd., a leading

insurance provider and asset manager in Israel, lifted full year guidance due to better-than-expected Q1 growth in the asset management division, a key area of focus for the company. DMG Mori Co., Ltd., a Japanese machine tool producer, reported a rebound in orders during Q1 and continued momentum in April.

While tariffs remain headline news, the market reaction has become more measured. Pauses on the most onerous levies have sparked optimism that the US administration is using these tariffs as a negotiating tool, and that final policy will potentially be more manageable for US companies and foreign exporters. This is reflected in recent performance with several markets having recovered a substantial portion of the losses incurred by the US administration's Liberation Day announcement. However, any day can bring a new twist in the trade saga, and we expect markets to remain choppy. Regardless, we are confident that our holdings are well positioned to navigate any impact tariffs might have on demand, pricing, or margins.

Recent trading activity includes the purchase of Rightmove PLC, the UK's largest online real estate platform, and HomeStreet, Inc., a US regional bank.

## ANNUALISED RETURNS — GW&K GLOBAL SMALL CAP STRATEGY (A\$)

Period Ending 31/5/2025

	QTD	YTD	1 Year	3 Years	5 Years	Since Inception
GW&K Global Small Cap Strategy	3.72%	-1.07%	7.02%	11.68%	10.16%	10.79%
MSCI World Small Cap Index	3.17%	-1.32%	10.76%	10.57%	11.20%	9.98%

## CALENDAR YEAR RETURNS — GW&K GLOBAL SMALL CAP STRATEGY (A\$)

Inception Date 1/10/2016

	2024	2023	2022	2021	2020	2019	2018	2017	2016*
GW&K Global Small Cap Strategy	16.86%	16.04%	-16.02%	22.08%	10.00%	31.04%	-1.31%	15.62%	7.39%
MSCI World Small Cap Index	19.19%	15.05%	-12.90%	22.85%	5.64%	26.38%	-4.29%	13.56%	8.58%

\*Represents a partial year return beginning 1/10/2016 that has not been annualised. Sources: FactSet, MSCI, GW&K Investment Management. Refer to Performance Disclaimer on page 3 for additional disclosure. The returns displayed above are not the returns of the Fund.



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### DISCLOSURE

#### Performance Disclaimer

Source: GW&K Investment Management, LLC ("GW&K") for Strategy returns and FactSet for index returns. **Past performance is no guarantee of future results.** There is a risk that invested capital may be lost. The composite performance results displayed herein represent the investment performance of GW&K's Global Small Cap Strategy ("Strategy"). **The Strategy returns are not the returns of the Fund.** **The inception date of the Fund is 1 April 2025. An investor could not have experienced these returns as the Fund did not exist.** The composite performance results for the Strategy include all portfolios invested in the Strategy with a minimum market value of \$1,000,000 USD from inception to 31 December 2019, and a minimum market value of \$500,000 USD from 1 January 2019 forward. The composite was created on 1 October 2016. The global small cap segments of multi-asset portfolios are included in the composite. Each segment of multi-asset portfolios is managed with its own cash account. Accounts are included after one full month under management. Prior to 1 December 2022, accounts were included the month after they open. Closed accounts are included through the last full month under management. Inception date is 1 October 2016. All results reflect the reinvestment of dividends and income, and factor in commission costs. US dollar Strategy returns have been converted to Australian dollar returns using MSCI exchange rates for all periods, which are based on the closing-mid London spot rate for each month end. Net Strategy returns reflect the deduction of management fees and costs of 1.20% p.a., applied retrospectively to the gross month end Strategy returns.

#### General Disclaimer

Platinum Investment Management Limited ABN 25 063 565 006 AFSL 221935, trading as Platinum Asset Management ("Platinum") is the responsible entity of the GW&K Global Small Cap Fund (the "Fund"). The Fund's latest Product Disclosure Statement (the "PDS") provides details about the Fund. You can obtain a copy of the PDS from Platinum's website [www.platinum.com.au](http://www.platinum.com.au), or by contacting Investor Services on 1300 726 700 (Australian investors only), or 0800 700 726 (New Zealand investors only), or 02 9255 7500, or via [invest@platinum.com.au](mailto:invest@platinum.com.au). The Fund's target market determination is available at [www.platinum.com.au/Investing-with-Us/New-Investors](http://www.platinum.com.au/Investing-with-Us/New-Investors). This information is general in nature and does not take into account your specific needs or circumstances. You should consider your own financial position, objectives and requirements and seek professional financial advice before making any financial decisions. Numerical figures have been subject to rounding. Platinum does not guarantee the performance of the Fund, the repayment of capital or the payment of income. Country and sector classifications for securities are sourced from MSCI and FactSet. The market commentary reflects GW&K's views and beliefs at the time of preparation, which are subject to change without notice. No representations or warranties are made by Platinum or GW&K as to their accuracy or reliability. To the extent permitted by law, no liability is accepted by Platinum or GW&K for any loss or damage as a result of any reliance on this information. All data where MSCI is referenced is the property of MSCI Limited ("MSCI"). No use or distribution of this data is permitted without the written consent of MSCI. This data is provided "as is" without any warranties by MSCI. MSCI assumes no liability for or in connection with this data. Please see full MSCI disclaimer in <https://www.platinum.com.au/Special-Pages/Terms-Conditions>.