

Portfolio Team



Christopher Cuesta, CFA
Principal, CEO
Portfolio Manager
24 years of experience



Manish Maheshwari, CFA
Principal
Portfolio Manager
22 years of experience

Portfolio Objective

THB International Opportunities seeks long term capital appreciation over full market cycles by investing primarily in companies within the MSCI World ex-US Smallcap Index that THB believes are undervalued, exhibit lower risk characteristics, and have superior operating metrics. The strategy will hold 150 securities and have high active share.

Our Firm

Founded in 1982, we are an employee-owned boutique firm that specializes in Micro, Small, Mid Cap, and International niche equity strategies. Our accomplished team of eight investment professionals constantly strives to find the best investment ideas to produce outstanding results. With a robust research team and a deep bench, we pride ourselves on our entrepreneurial culture and our commitment to innovation and improvement.

Fund Details

Benchmark MSCI World ex-USA Small Cap

Inception April 2015

Strategy Size \$61.1 million

	THB	Index
Alpha	9.0%	—
Beta	1.09	—
Tracking Error	5.46	—
Sharpe Ratio	0.83	0.36
Info Ratio	1.64	—
Std Deviation	18.4%	16.2%

Market Commentary

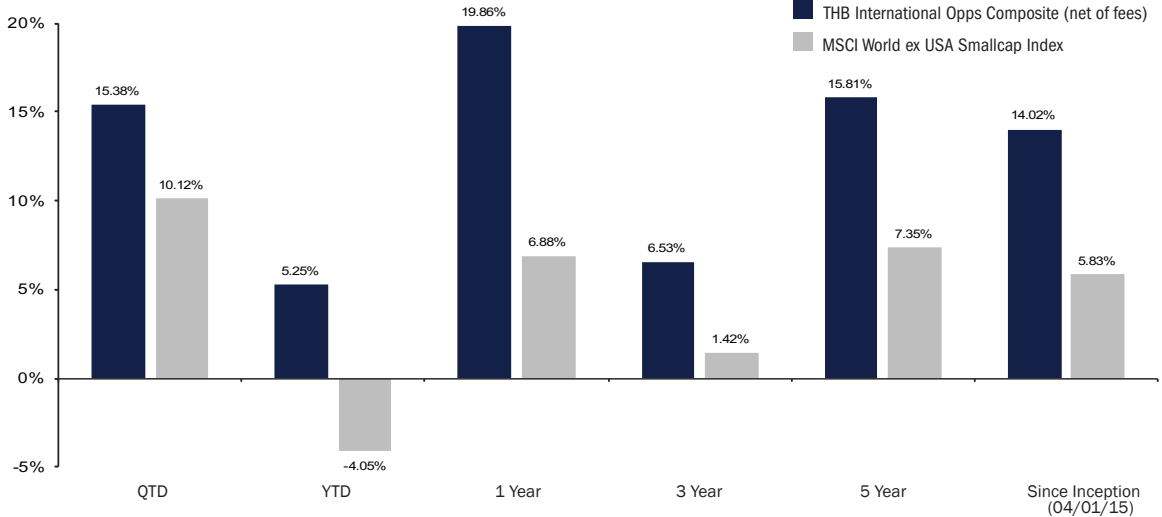
The MSCI World ex USA Smallcap® Index (Index) returned +10.1% (USD) in Q3 2020.

Communication Services (+20.5%) was the best performing sector, followed by Consumer Discretionary (+14.7%) and Information Technology (+11.3%). Energy (+0.8%) was the worst performing sector, followed by Financials (+5.8%) and Materials (+9.5%).

Sweden (+23.6%) was the best performing country, followed by Finland (+23.1%) and Denmark (+15.4%). Spain (+5.0%), Singapore (+5.3%) and United Kingdom (+6.6%) were the worst performing countries in the Index.

Developed market equities were broadly higher this quarter with notable strength in the European countries. The V shaped recovery is taking place across most regions and most countries will reach pre CV19 economic output levels much earlier than originally anticipated. Retail sales and household spending are already above pre CV19 levels in most DM economies. Localized flare ups of CV19 in Europe have caused some travel restrictions, but overall economic growth remains solid with European Retail sales recently surprising to the upside. Strong growth in Germany and UK manufacturing highlight the continued economic momentum.

Performance Snapshot (Net of Fees)



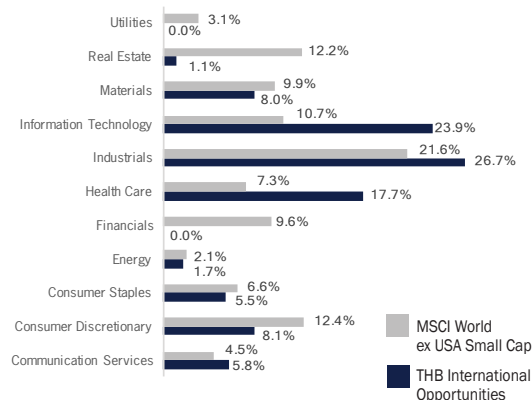
1. Periods end 9/30/2020 and are net of fees and presented in USD. Past performance is not indicative of future results. Periods greater than 1 year are annualized. Returns represented include reinvestment of dividends and other income.

Active Management, High Active Share

Active Share vs MSCI World ex-USA Small Cap Index. Active share is the percentage of the fund's portfolio that differs from the benchmark index. High active share indicates a high degree of active management.

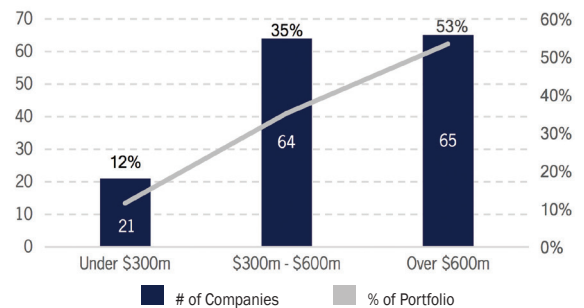
98.2%

Sector Weightings



Sector weightings subject to change.

Market Cap Distribution



Country Exposure

Country	THB International Opportunities	MSCI World ex USA Small Cap	+/-
Japan	32.5%	28.7%	3.8%
UK	15.4%	15.1%	0.3%
Germany	8.3%	5.2%	3.1%
Sweden	14.5%	6.9%	7.6%
Rest of Europe	16.3%	22.2%	-5.8%
Australia	11.0%	8.7%	2.3%
Canada	1.5%	8.2%	-6.7%
Asia ex Japan	0.4%	5.1%	-4.7%

Our Commitment

THB is committed to building long term partnerships with our clients by providing investment products that seek to help achieve their long term goals.

Our entrepreneurial culture and boutique structure allow us to embrace the unique needs and preferences of our clients.

Our sole focus is to provide excellent stewardship of our clients' capital over full market cycles.

We are passionate about, and committed to, our thoughtful and disciplined process of investing in micro, small, and mid cap companies.

We will constantly measure and seek to mitigate risk while not straying from our stated investment mandates.

All of our clients will have full transparency and will be handled with the highest levels of integrity.

THB Asset Management claims compliance with the Global Investment Performance Standards (GIPS®). More information on calculation methodology and a list showing every holding's contribution to overall performance during that period, and a list of composite descriptions and/or presentation that complies with the GIPS standards available upon request.

For more information on calculation methodology and a list showing every holding's contribution to overall performance during that period, or to receive a list of composite descriptions and/or presentation that complies with the GIPS standards, contact marketing@thbinc.com or (203) 653-7060.



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Portfolio Commentary

The THB International Micro Cap Composite returned +15.4% (net of fees) in Q3, outperforming the Index by 530 bps.

Contributors to the portfolio's performance were positive stock selection in Germany, United Kingdom, and overallocation to Sweden. Underallocation to Denmark, Norway and overallocation to Japan were the primary detractors to performance.

From a sector perspective, positive contribution mainly came from stock selection in Health Care, Information Technology, and Financials. Underallocation to Consumer Discretionary, stock selection in Communication Services and Industrials were the primary detractors in performance.

THB's top five performing stocks (from a contribution standpoint) were Verbio Vereinigte BioEnergie AG (Germany, Energy, +1.0%), SeSa S.p.A. (Italy, Information Technology, +0.8%), Soiken Holdings Inc. (Japan, Consumer Staples, +0.7%), Swedencare AB (Sweden, Health Care, +0.7%), and Gurit Holding AG (Switzerland, Materials, +0.6%).

The bottom five performing stocks (from a contribution standpoint) were Metawater Co Ltd. (Japan, Industrials, -0.3%), u-blox Holding AG (Switzerland, Information Technology, -0.1%), CTT Systems AB (Sweden, Industrials, -0.1%), 4imprint Group plc (United Kingdom, Communication Services, -0.1%) and Basler AG (Germany, Information Technology, -0.1%).

COVID has elements of prior business recessions/recoveries, combined with unique elements all creating changes which are happening much faster than any prior cycles. The velocity of change is creating enormous opportunities within the share markets. Prior cycle playbooks have largely been rendered useless by the unique nature of CV19 and how it is reshaping the global economy.

COVID-19, politics and protests have grabbed the headlines, but if you dig a little deeper you will see what is happening beneath the surface. Companies are adapting, new businesses and forming and technology is being developed and applied in ways we could not think of just a few years ago. We have mentioned this before, and it remains even more applicable today. Macro events of differing forms will continue to blow through the global economy, different political parties will run governments and various natural disasters will cause concern, but the backdrop of ingenuity and creativity of the women and men managing small businesses will remain constant. This steady backdrop provides amazing investment opportunities which we will continue to discover and add to your portfolio.

During the quarter, eighteen acquisitions were made by our portfolio holdings. Seven companies initiated new share repurchase programs. Our well capitalized portfolio companies continue to increase shareholder value by deploying capital to repurchase their own shares and expanding through acquisitions. Holding HIQ International was acquired by private equity firm Triton Advisers for a 34% premium on the day and 132% higher than the March 2020 low. We believe that our high quality, well capitalized companies will continue to garner interest from strategic and financial buyers.

Portfolio and Benchmark Characteristics

Characteristics	THB Intl Opps	MSCI World ex US Small
Holdings	150	2,511
Market Cap (\$, mil)	791	2,615
Dividend Yield	1.4%	2.6%
LT Debt/Capital	9.1%	27.6%
P/E Forward	25.4x	—
EV/Sales	1.3x	1.2x

Our portfolio companies have returned a healthy amount of capital back to shareholders via repurchases and dividends, illustrating their current financial strength and the variety of options available to them in seeking to enhance shareholder wealth.

Corporate Activity

(As of September 30, 2020)

THB International Opportunities	
Trailing 12 months (\$ in millions, except # of companies)	
Number of Companies	150
Companies with Share Repurchases	46
Companies that Paid Dividends	134
Value of Share Repurchases	200
Value of Dividends Paid	1,300
Total Capital Returned to Shareholders	1,500
Number of Acquisitions	59
Value of Acquisitions	756
Portfolio Holdings Acquired	5

1. Periods end 9/30/2020 and are net of fees and presented in USD. Past performance is not indicative of future results. Periods greater than 1 year are annualized. Returns represented include reinvestment of dividends and other income. 2. "Portfolio & Benchmark Characteristics" and "Portfolio Sector Weightings" information is supplemental. THB Asset Management is a registered investment advisor specializing in smaller company strategies. Registration with the US Securities and Exchange Commission does not imply a certain level of skill or training. The focus of the International Opportunities Composite is to seek long term capital appreciation over full market cycles by investing primarily in companies that THB feels are undervalued, exhibit lower risk characteristics, and have superior operating metrics. The benchmark is the MSCI Global ex USA Smallcap Index. The MSCI ex USA Small Cap Index captures small cap representation across 22 of 23 Developed Markets (DM) countries (excluding the United States). With 2,559 constituents, the Index covers approximately 14% of the free float-adjusted market capitalization in each country. Prior to January 1, 2016 the benchmark was the MSCI World Ex-USA DM Microcap Index. The index comparisons herein are provided for informational purposes only and should not be used as the basis for making an investment decision. There are significant differences between client accounts and the indices referenced including, but not limited to, risk profile, liquidity, volatility, and asset composition. You cannot invest directly in an index. 3. Portfolio holdings and allocations are subject to change and should not be considered as investment recommendations to trade individual securities. The securities identified and described do not represent all of the securities purchased, sold or recommended for client accounts. The reader should not assume that an investment in the securities identified were or will be profitable. There is no assurance that any securities discussed herein will remain in the portfolio at the time you receive this report, or that securities sold have not been repurchased. There can be no assurance that investment objectives will be achieved. A full list showing every holding's contribution to the overall account's performance during the measurement period and calculation methodology is available upon request.