

LIGHTROCK GLOBAL SMALL-CAP FUND CLASS I (USD)

Profile

The investment objective of the Lightrock Global Small-Cap Fund is to generate positive returns, by outperforming the MSCI World Small Cap Index Total Net Return.

The Manager will aim to achieve the investment objective by:

- Investing in equities issued by smaller companies globally. The Investment Manager will invest principally in companies that are, at the time of initial purchase, no larger by market capitalisation than the largest constituent of the Benchmark.

Shareholders should be aware that the Sub-Fund will not be managed in reference to the Benchmark, and may invest in securities not included in the Benchmark. Investment returns may deviate materially from the performance of the Benchmark. The Benchmark captures small cap representation across developed markets;

- Employing an investment strategy that combines the principles of long-term investing with responsible active ownership;
- Aiming to avoid permanent loss of capital through the selection of companies with resilient business models and strong balance sheets;
- Integrating ESG and positive impact considerations as part of the investment process;
- Aiming to acquire a portfolio for the Sub-Fund of quality companies at attractive share prices with a view to retaining them for a long term period (i.e. on average 5 years or more).
- In normal market conditions, investing in equities of between 50 and 75 companies. Using the above criteria, investments will be made on a 'long-only' basis and will be predominantly in equity securities.

Investment Team Information

Name	Role	Career Start Date
Maarten Vankan	Portfolio Manager	April 1999
Chris Kaashoek	Portfolio Manager	April 2006
Michiel van Dijk	Portfolio Manager	April 2008
Luuk Jagtenberg	Portfolio Manager	September 2012

Tradability

Minimum Subscription	Initial subscription USD 50,000, Additional subscription USD 10,000
Listed	No
Subscription/Redemption Frequency	Daily
ISIN	IE000X7DSEI6
Cut-off time	11:59 am GMT on Dealing day -1

Ongoing Charges

Management Fee	0.91%
Expected ongoing charges (total)	0.91%

Main Fund Data

Fund Name	Lightrock Global Small-Cap Fund
Investment Strategy	Global Small-Caps
Inception Date	18 April 2024
Benchmark	MSCI World Small Cap Index Total Net Return
Domicile	Ireland
Management Company	Lightrock Netherlands B.V.
Legal Counsel	Simmons & Simmons
Administrator	Northern Trust International Fund Administration Services (Ireland) Limited
Depository	Northern Trust Fiduciary Services (Ireland) Limited
Base Currency	EUR
Status	Open-end
SFDR Classification	8

Key Figures

Total Fund Size	EUR 450,494,294
Share Class Size	USD 206,896
Number of Shares	1,899
Net Asset Value	USD 108.93

Fund Characteristics

	Fund	Benchmark
Number of holdings	64	4,034
Dividend yield	2.1%	2.0%
Weighted average market capitalization	EUR 5,260M	EUR 4,956M
P/E ratio (next fiscal year Est.)	11.1x	13.4x
Active Share	98%	-

Data Source: Lightrock, data as at: 10/31/2024

Developments Per 2024-10-31

The Lightrock global small-cap strategy invests in public equities in developed markets, capitalising on the team's expertise in active management, engaged ownership, and thorough fundamental research, complemented by Lightrock's deep knowledge in ESG and Impact. The portfolio currently includes 64 stocks, focusing on companies that possess strong fundamentals with solid balance sheets. In October 2024, the fund (Class I, USD) was down 4.7%, underperforming the benchmark which was down (2.7%). The fund is up 8.9% since inception which is behind its benchmark which is up 10.8% over the same period. Though the relative performance of the fund was weak in October, we are pleased with the quarterly results that our investee companies have reported so far. At the time of writing, on November 6th 2024, slightly over 2/3rd of our portfolio companies have reported their Q3 results.

Update: Lightrock Netherlands obtained its management company license

We are very pleased that at the end of September, Lightrock Netherlands has obtained its management company license from the Dutch regulator, which allows us to manage UCITS funds and to manage segregated accounts on behalf of institutional clients. As a result, since mid-October, Lightrock Netherlands is acting as the management company of the Lightrock Global Small-Cap fund, replacing the third-party management company that was previously appointed. The fund structure (UCITS ICAV) and ISIN codes have remained unchanged following the management company transition.

The top three contributing stocks in October were Wintrust Financial, HelloFresh Group, and Darling Ingredients.

The share price of **Wintrust Financial** increased 9% in October. Many macro factors played a role for US regional banks performance, like anticipated rate cuts in the US driving down funding costs, likely less regulatory pressure with the Republican win as well as so far a soft landing for the US economy. In this macro driven environment, the results of Wintrust stemmed investors well, as the company continues to show strong loan growth, annualized +10%, in combination with pristine credit quality. The equity financed acquisition of Macatawa helped Wintrust to boost the CET1 ratio with 0.3% to 98%, which we welcome very much as capital ratios, due to strong loan growth, were at the lower end. We believe that Wintrust has a nice runway of growth ahead of itself, and the company continues to be a core holding for the fund.

The share price of **HelloFresh Group** (HFG) increased another 10% in October, after a more than 100% run during the third quarter. The company reported in line Q3 revenues, but margins came in better than expected, similar to Q2. We started an extensive due diligence process earlier this year, after the stock price declined from almost EUR 100 per share in 2021 to below EUR 5 per share. At a high level, we see a company with a management team under the leadership of founder and CEO Dominic Richter, that impresses us. In the countries where the company is active, HFG has very dominant market share positions in both the meal kits business and the rapidly growing ready-to-eat business. While the valuation of HFG's stock would suggest the balance sheet is under a lot of stress, the fact is that the company has a very strong balance sheet with a comforting net cash position. Despite the strong performance the past four months, we still see further potential upside in the stock price of HFG.

Darling Ingredients' stock price rose 5% in October (in USD). Darling is a leading waste-based feedstock provider to the renewable fuels industry and owns a 50% stake in one of the largest renewable diesel producers in North America. The company has a vital role in decarbonizing road transport and will be a leading supplier of Sustainable Aviation Fuel. The market started to price in a slightly better outlook for renewable fuel and feedstock pricing in 2025. Pending regulatory changes in the United States related to renewable fuels credits will strengthen Darling's competitive advantage. In addition, the regulatory framework in the US next year will advantage low carbon intensity waste-based feedstocks, of which Darling is one of the largest suppliers globally. We consider Darling's valuation very attractive and retain a meaningful position in the company.

The largest detractors to the performance of the fund were First Solar, Befesa, and Tronox.

First Solar traded 22% lower for the month (in USD). The leading producer of thin film solar panels used in utility-scale solar projects was negatively affected by the sentiment related to the US presidential election. First Solar receives meaningful subsidies from the Inflation Reduction Act (IRA) by selling US-made solar panels, and it is unclear what will happen with these credits under the upcoming Trump administration. In addition, supply chain issues affecting utility-scale solar developers risks pushing out projects and concurrently module shipments for First Solar. Finally, First Solar faces a difficult competitive environment for its India plant, where Chinese competitors are dumping panels into the market at unsustainably low prices. Longer term, we remain positive on First Solar. The company is sold out for the next few years at attractive prices. We expect a Trump administration to adopt a protectionist stance vis-à-vis China – the country where over 90% of solar panels ultimately originate from. This should benefit First Solar competitively. Though a full repeal of the IRA is, in our view, unlikely, we expect the stock to remain pressured in the near term because of the outcome of the US presidential election and therefore unknown fate of the IRA.

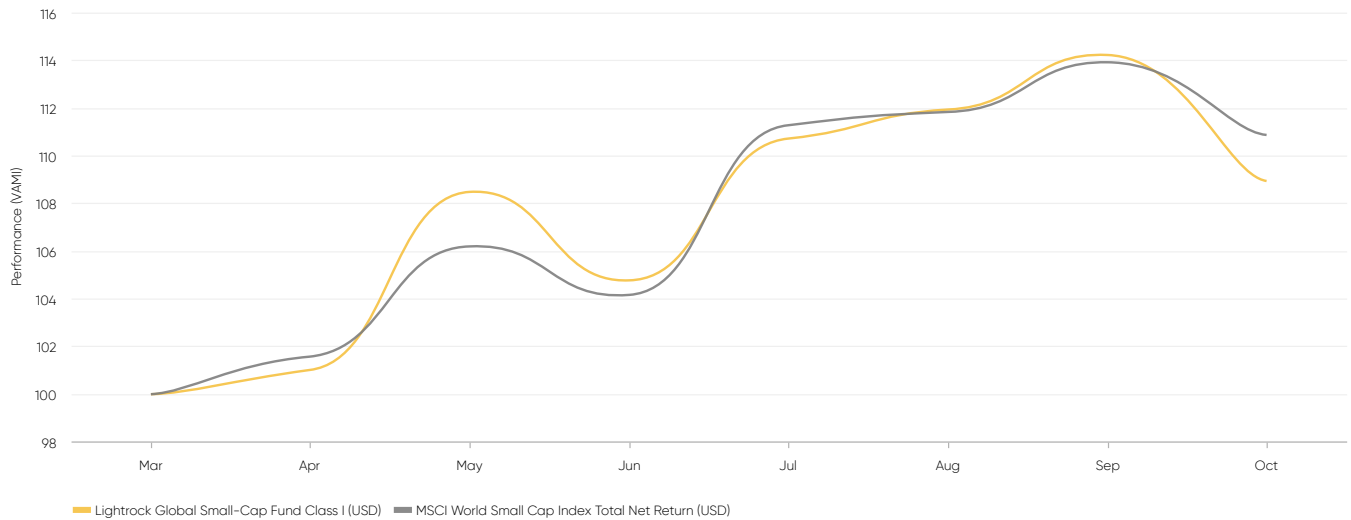
The share price of **Befesa** declined almost 18% in October. Year-to-date the shares are even down 40%. Befesa is a global leader in industrial waste recycling, with market leading positions in zinc recycling in Europe and the US, and is the first mover in China. We can see why the share price momentum is soft: global steel production is challenged on the back of weak end markets like automotive and construction, and the Chinese economy is struggling to recover. At the same time, we do believe there is a disconnect between the share price performance of Befesa and its fundamentals and long-term potential. Befesa's utilization rates remain robust and the zinc price is solid. Just based on the higher zinc prices locked in through hedges and a new contract win in the US, Befesa expects strong double digit EBITDA growth in 2025. Improving volumes if end markets recover would add to that growth potential. Longer term, we see upside from China, where Befesa invested in 2 new plants that currently operate at break-even levels and that should ramp up utilization and profitability when the Chinese economy recovers. Befesa's shares are trading at less than 6x EV/EBITDA, at a historical low and a 45% discount versus the IPO valuation level in 2017. Based on maintenance capex, the shares are trading at a current free cash flow yield of more than 12%.

The share price of **Tronox**, a leading producer of white pigment called titanium dioxide (TiO₂), declined 15% in October in local currency. Tronox reported quarterly results and guided for next quarter's earnings below expectations. The company indicated to have seen a slow-down in demand in Europe and APAC towards the end of the quarter. Looking into 2025 and beyond, the company is more optimistic about a continued recovery of the industry, driven by recent interest rate cuts (positive for housing and construction activity), China stimulus and anti-dumping tariffs on Chinese exports. At the current share price levels and based on normalized earnings, we consider Tronox' valuation very attractive.

Performance

	1 Month	3 Months	6 Months	1 Year	2 Years	3 Years	5 Years	YTD
Lightrock Global Small-Cap Fund Class I (USD)	-4.7%	-1.6%	79%	-	-	-	-	8.9%
MSCI World Small Cap Index Total Net Return (USD)	-2.7%	-0.4%	9.1%	-	-	-	-	10.8%

Performance



A Value-Added Monthly Index (VAMI) tracks, assuming reinvestment, the monthly output of a hypothetical USD 100 investment over a period of time

The value of your investments can fluctuate. Results achieved in the past do not constitute a guarantee for the future

The performance shown is based on net asset values and inclusive of fees, commissions, and other charges.

Statistics

Average Winning Month	3.45%
Average Losing Month	-4.05%
Sharpe Ratio	1.04
Standard Deviation 36M Annualized	-
Downside Deviation	2.05%

Top 5 Long - Company/Sector

Name	Sector	Weight
Brunswick	Consumer Discretionary	3.5%
West Fraser Timber	Materials	3.3%
Wintrust Financial	Financials	3.1%
ASR Nederland	Financials	3.0%
BAWAG Group	Financials	3.0%

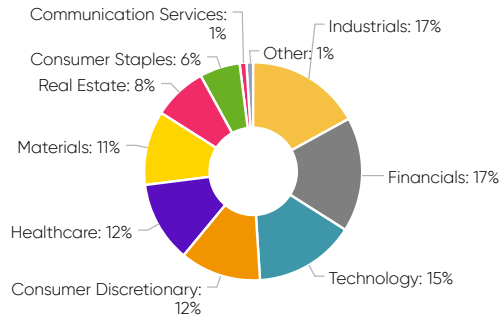
Top 5 Contributors

Name	Sector	Perf	Contribution
Wintrust Financial	Financials	10%	0.3%
HelloFresh	Consumer Staples	10%	0.2%
Darling Ingredients	Consumer Staples	8%	0.2%
TripAdvisor	Communication Services	14%	0.1%
Jabil	IT	6%	0.1%

Top 5 Detractors

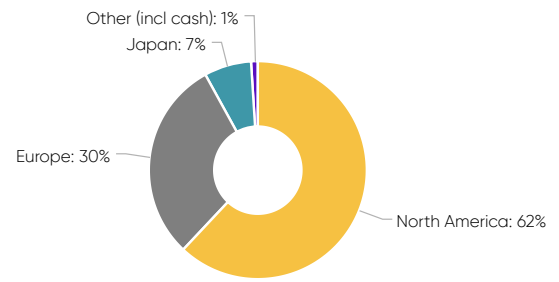
Name	Sector	Performance	Contribution
First Solar	IT	-20%	-0.5%
Befesa	Industrials	-18%	-0.5%
Tronox	Materials	-15%	-0.4%
QuidelOrtho	Healthcare	-14%	-0.3%
S.O.I.T.E.C.	IT	-19%	-0.3%

Sector Breakdown



Data Source: Lightrock, data as at: 10/31/2024

Geography Breakdown



ESG Criteria

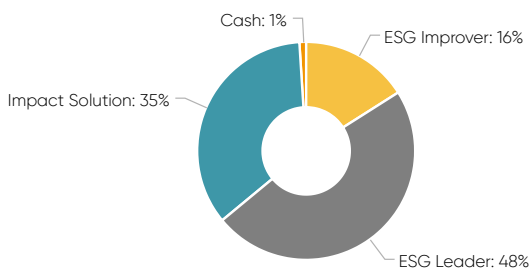
Sustainability Factors are fully integrated in the investment process through the pillars of Exclusion, Integration, Engagement, and Voting. Companies that engage in harmful business conduct, certain harmful business activities, or that are involved in severe controversies, are excluded. ESG risk assessment is a key component of pre-investment due diligence. A proprietary ESG scoring framework is used, with the final score impacting valuation models through the required rate of return. Engagement with portfolio companies is a key part of the investment process. Based on the philosophy of active and responsible ownership, voting rights are exercised to act in the best interest of the Sub-Fund and its shareholders.

The Sub-Fund strives to invest in ESG Leaders, ESG Improvers, or Impact Solution companies. ESG Leaders are companies with best-in-class ESG ratings based on Lightrock's proprietary ESG assessment and scoring framework. ESG Improvers are companies that are earlier in their ESG journeys and have an average ESG rating. These companies should be able to progress to ESG Leaders in a reasonable timeframe. Lightrock applies a proprietary impact framework to assess each Portfolio Company's ability to achieve positive real-world impact. Impact Solutions are companies that derive de minimis 20% of revenues from activities related to impact themes. The Sub-Fund commits to invest a meaningful percentage (at least 25%) of net assets in Impact Solutions.

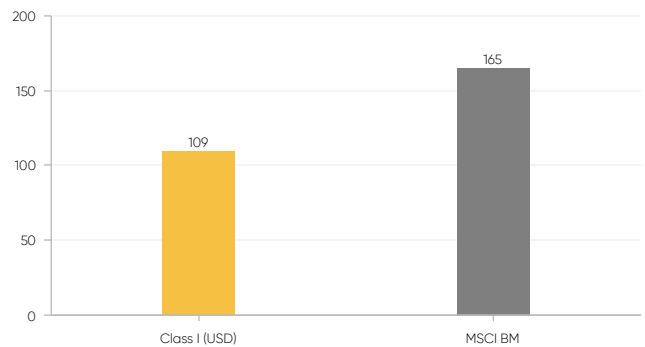
The Sub-Fund has been categorised as an Article 8 fund under SFDR. This is a fund that promotes among other characteristics environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices.

In the context of SFDR, the Sub-Fund is expected to invest 90-100% of its Net Asset Value in companies aligned with environmental and social characteristics. Furthermore, the Sub-Fund is expected to make Sustainable Investments. The Sub-Fund commits to investing a minimum of 15% of its Net Asset Value in Sustainable Investments.

Strategy Breakdown



Weighed Average Carbon Intensity



Source: Sustainalytics. Scope 1 + 2 carbon emissions over sales. Calendar year 2022 CO2 data and sales. Holdings as of 10/31/2024.

Disclaimer

This document is a marketing communication for professional investors only. The information in this document provides insufficient information for an investment decision. The information should not be regarded as tax, legal or investment advice or as a recommendation that any of the investments, funds or products described are right for an investor. Please refer to the prospectus (available in English), supplement and Key Investor Information Documents (KIID, available in multiple languages) for further information about the costs and risks that apply to this fund. These documents should be read and understood prior to considering an investment in the fund. The aforementioned documents as well as the (semi-)annual report and the Instrument of Incorporation of the Fund are available free of charge via: <https://www.waystone.com/our-funds/waystone-managed-funds/> or at the offices of the Swiss Representative in Lausanne.

Lightrock Global Small-cap Fund is a sub-fund of the fund Lightrock UCITS ICAV, which is an open-ended Irish Collective Asset-management Vehicle registered under number C511266 and domiciled in Ireland. The fund is registered in Ireland and regulated by the Central Bank of Ireland. Waystone Management Company (IE) Limited is the management company of the fund registered under number C123529 in Ireland. Waystone Management Company (IE) Limited is authorized as management company and regulated by the Central Bank of Ireland.

Waystone Investment Management (IE) Limited acts as a distributor in the European Union and is authorized in Ireland and regulated by the Central Bank of Ireland under reference number C1011. Waystone Investment Management (IE) Limited does not provide investment advice on an independent basis.

The Fund has appointed as Swiss Representative Waystone Fund Services (Switzerland) SA, Av. Villamont 17, 1005 Lausanne, Switzerland, Tel: +41 21 311 17 77, Mail: switzerland@waystone.com. The Fund's Swiss paying agent is Helvetische Bank. In respect of the Shares offered in or from Switzerland, the place of performance is at the registered office of the Swiss Representative; the place of jurisdiction is at the registered office of the Swiss Representative, or at the registered office or domicile of the investor. The issue and redemption prices are published at each issue and redemption on www.fundinfo.com.

The Sub-Fund is registered for offering in a limited number of countries. The countries where the Sub-Fund is registered can be found on the website. The information provided here is for general information only and historical performance is not a guide to current or future performance.

The Management Company - Waystone Management Company (IE) Limited - has the right to terminate the arrangements made for the marketing of the Lightrock Global Small-Cap Fund (the 'Sub-Fund') in certain jurisdictions to certain investors in accordance with applicable laws and regulations. To view the Summary of Investor Rights, please visit the following link: <https://www.waystone.com/wp-content/uploads/2021/08/Waystone-Management-Company-IE-Limited-Summary-of-Investor-Rights-August-2021-08-09.pdf>

The Lightrock Global Small-cap Fund promotes environmental and/or social characteristics, provided that the companies in which the investments are made have good governance practices, aligned with SFDR article 8. Sustainability risks could cause an actual or a potential material negative impact on the value of the investment. Please refer <https://www.waystone.com/sfdr> where the relevant information is filed in accordance with Regulation 2019/2088.

The value of your investments can fluctuate. Results achieved in the past do not constitute a guarantee for the future. The fund may invest in derivatives for efficient portfolio management purposes only.