

LIGHTROCK GLOBAL SMALL-CAP FUND CLASS J (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 Investment 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.

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 | Waystone Management Company (IE) Limited |
| Global Distributor | Lightrock LLP |
| Investment Manager | Lightrock Gestora de Recursos Ltda. |
| Investment Advisor | 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 |

Investment Team Information

| Name | Role | Career Start Date |
|-----------------------|--------------------|-------------------|
| Luuk Jagtenberg | Portfolio Manager | September 2012 |
| Marcos Wilson Pereira | Portfolio Manager | January 1999 |
| Maarten Vankan | Investment Advisor | April 1999 |
| Chris Kaashoek | Investment Advisor | April 2006 |
| Michiel van Dijk | Investment Advisor | April 2008 |

Tradability

| | |
|-----------------------------------|--|
| Minimum Subscription | Initial subscription USD 50,000, Additional subscription USD 10,000 |
| Listed | No |
| Subscription/Redemption Frequency | Daily |
| ISIN | IE000KRD2DI4 |
| Cut-off time | 11:59 am GMT on Dealing day -1 |

Ongoing Charges

| | |
|---------------------------------------|-------|
| Platform, Distribution and Other Fees | 0.45% |
| Investment Management Fee | 0.46% |
| Expected ongoing charges (total) | 0.91% |

Key Figures

| | |
|------------------|-----------------|
| Total Fund Size | EUR 446,231,929 |
| Share Class Size | USD 11,390 |
| Number of Shares | 100 |
| Net Asset Value | USD 114.04 |

Fund Characteristics

| | Fund | Benchmark |
|--|------------|------------|
| Number of holdings | 61 | 4,052 |
| Dividend yield | 2.0% | 1.9% |
| Weighted average market capitalization | EUR 5,421M | EUR 4,723M |
| P/E ratio (next fiscal year Est.) | 11.5x | 12.3x |
| Active Share | 98% | - |

Data Source: Lightrock, data as at: 09/30/2024

Developments Per 2024-09-30

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 61 stocks, focusing on companies that possess strong fundamentals with solid balance sheets. In September 2024, the fund (Class J, USD) was up 2.1%, outperforming the benchmark which was up 1.9%. September again was a volatile month which started with an almost 5% drop, however during the month the fund was able to recoup the losses and end the month with a positive return. The fund is up 14.0% since inception which is slightly better than its benchmark which is up 13.9% over the same period.

The top three contributing stocks in September were HelloFresh Group, West Fraser, and Lumentum.

The share price of **HelloFresh Group** (HFG) increased 24% in September, after 28% in August and 29% in the month of July. The company reported in line Q2 revenues in the month of July, but margins came in better than expected. In particular, meal kits margins held up well. 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 in Q3 where the stock rose 104%, we still see further potential upside in the stock price of HFG.

The share price of **West Fraser** increased by 11% in (in CAD) during September. The trend that we described in the July report has continued: due to depressed lumber prices, lumber producers have started to markedly reduce supply. Since the start of 2024, the industry has reduced North American capacity by ~5%, in addition to temporary production cuts to which West Fraser has been imposed. This will help the overall supply-demand balance and potentially bodes well for pricing going into the up-season in H1 2025. West Fraser is the largest and most vertically integrated wood-based products supplier in North America. As a result, the company is well positioned on the cost curve. West Fraser has a very healthy balance sheet with net cash and after-tax duty deposits accounting for ~15% of the current market capitalization. Based on normalized earnings, we estimate the shares are trading at less than 6x EV/EBITDA.

Lumentum's stock price rose 10% in September (in USD), which marked the fourth consecutive month where the stock went up. In the past four months, Lumentum made it three times to the three best performing stocks of the month. In the June monthly factsheet, we wrote: *"while our basic stance to M&A is cautious, from experience we know that most deals fail to deliver good returns, we are very excited about Lumentum's 2023 acquisition of Cloud Light. On the latest earnings call, Lumentum's management already called the Cloud Light acquisition a resounding success. Management believes cloud revenue could grow to multi-billions of dollars in the years ahead. We need to stress that Lumentum still needs to execute on the Cloud Light deal. However, if they do, we believe there is significant further upside in the stock price of Lumentum"*. We are pleased to be able to report that when Lumentum announced its June quarter results on August 14, 2024, it was able to report it secured a major transceiver award from a new customer. Our sources believe the company most likely signed up is Amazon. This transceiver award relates to the acquired Cloud Light business and our investment case so far is playing out as planned. In September we visited Europe's largest exhibition in the fibre optic communication technology industry in Frankfurt to increase our knowledge about the industry.

The largest detractors to the performance of the fund were Soitec, Darling Ingredients, and Gentex.

Soitec traded 20% lower for the month. Soitec is the undisputed market leader for 300mm-wafer Rf-Sol, a material enabling efficient and reliable 5G connectivity, used in all high-end smartphones. The coming years Soitec is trying to make its inroads in the SiC market, with better specs and a more sustainable production process. The last couple of years Soitec had to issue several profit warnings, partly due to destocking. In September investors started to worry again about a new disappointment, as pre-ordering of the new iPhone-16 was weak. Also, slower growth for EVs and Chinese overcapacity in the SiC market may result in a further push-out of SiC for Soitec. This combination negatively impacted the share price. While we understand these near-term worries, we remain confident that over the cycle Rf-Sol content will continue to grow, while Soitec is working on promising new materials, funded from a solid balance sheet.

Darling Ingredients' stock traded down 11% in September (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 main reason for the softness has been cyclically lower conventional diesel prices, which forms the basis on which Darling's renewable fuels are priced. Longer term, renewable fuels are essential to decarbonize transportation sectors such as aviation and heavy-duty trucking. We retain our conviction in Darling's competitive position and expect a positive policy environment for renewable fuels. For example, in August, California's Air Resource Board proposed a steeper carbon intensity reduction roadmap, which should positively impact renewable credit pricing.

Gentex shares declined 5% in September (in USD). Light vehicle production forecasts trended down over the past months, as affordability pressured consumer demand for new vehicles. Dealer inventories at certain OEMs remain elevated and it may take a while for production to normalize. Gentex, with its solid balance sheet and resilient margin structure, should easily weather the short term and we retain our conviction in the long term.

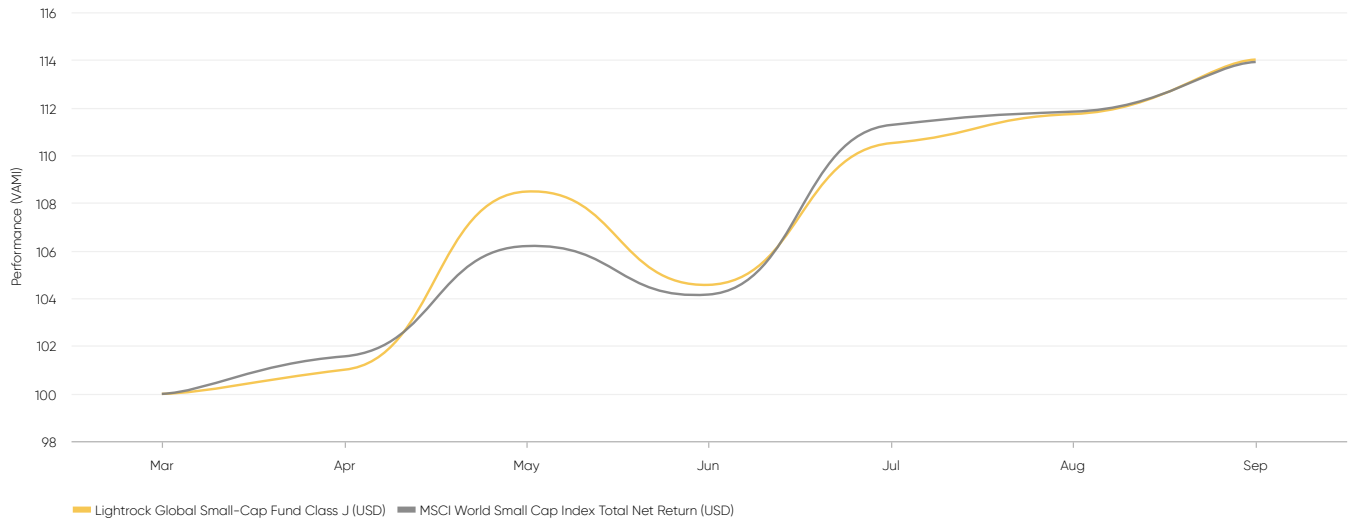
Visiting companies in September

We spent a large part of September on the road, visiting portfolio companies. Our investment strategy is based on a bottom-up fundamental research process with a long-term investment horizon. As such, we find it important to be close to the companies that we invest in, to physically meet with management teams and to visit headquarters and production facilities. During September, we travelled across the US for a full week. In some cases, we spent a full day at investee companies, meeting with various management team members and touring the manufacturing facilities. Furthermore, during September we attended the Capital Markets Day and site visit of Azelis, Kemira and Mowi. Lastly, we met with Aixtron at their headquarters in Germany. In total, only in the month of September we had in-person meetings with close to 25% of our portfolio in September. All of these visits confirmed and even strengthened our view that we are backing solid companies and management teams, as long-term supportive shareholders.

Performance

| | 1 Month | 3 Months | 6 Months | 1 Year | 2 Years | 3 Years | 5 Years | YTD |
|---|---------|----------|----------|--------|---------|---------|---------|-------|
| Lightrock Global Small-Cap Fund Class J (USD) | 2.1% | 9.1% | 14.0% | - | - | - | - | 14.0% |
| MSCI World Small Cap Index Total Net Return (USD) | 1.9% | 9.4% | 13.9% | - | - | - | - | 13.9% |

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 | -3.62% |
| Sharpe Ratio | 1.99 |
| Standard Deviation 36M Annualized | - |
| Downside Deviation | 1.37% |

Top 5 Long - Company/Sector

| Name | Sector | Weight |
|--------------------|------------------------|--------|
| West Fraser Timber | Materials | 3.7% |
| Brunswick | Consumer Discretionary | 3.5% |
| ASR Nederland | Financials | 3.0% |
| Wintrust Financial | Financials | 2.9% |
| BAWAG Group | Financials | 2.9% |

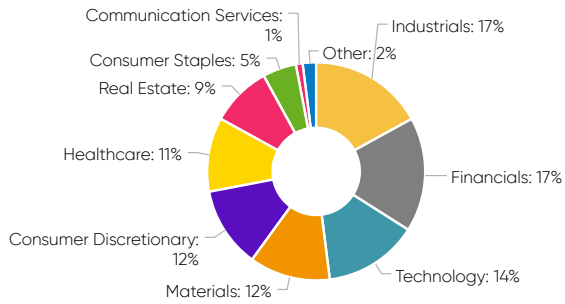
Top 5 Contributors

| Name | Sector | Performance | Contribution |
|--------------------|------------------|-------------|--------------|
| HelloFresh | Consumer Staples | 24% | 0.4% |
| West Fraser Timber | Materials | 10% | 0.3% |
| Lumentum | IT | 9% | 0.3% |
| QuidelOrtho | Health Care | 7% | 0.2% |
| First Solar | IT | 9% | 0.2% |

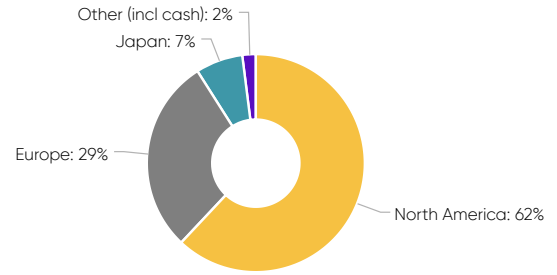
Top 5 Detractors

| Name | Sector | Performance | Contribution |
|----------------|------------------|-------------|--------------|
| S.O.I.T.E.C | IT | -20% | -0.3% |
| Darling Ingred | Consumer Staples | -12% | -0.3% |
| Gentex | Consumer Discret | -6% | -0.1% |
| Aixtron | IT | -7% | -0.1% |
| Cohu | IT | -5% | -0.1% |

Sector Breakdown



Geography Breakdown



Data Source: Lightrock, data as at: 09/30/2024

ESG Criteria

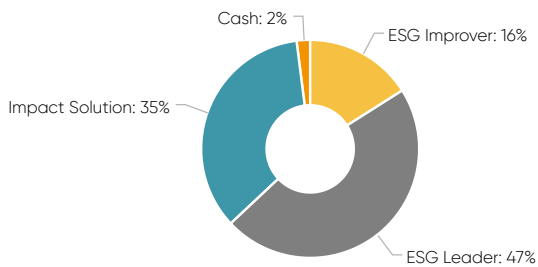
Sustainability Factors are fully integrated in the investment process through the pillars of Exclusion, Integration, Engagement, and Voting. Companies that engage in harmful business conduct, certain harmful business activities, or that are involved in severe controversies, are excluded. ESG risk assessment 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.

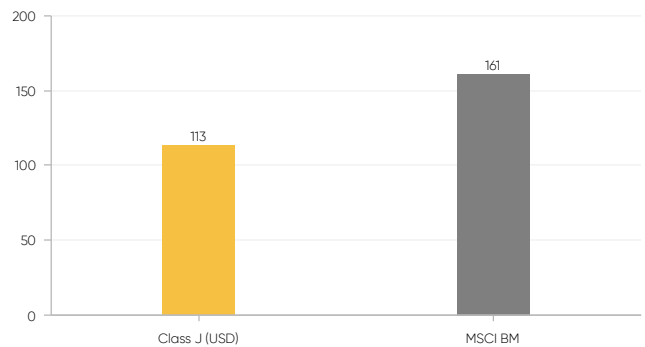
The Sub-Fund has been categorised as an Article 8 fund under SFDR. This is a fund that promotes among other characteristics environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices.

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 09/30/2024.

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.