



GLOBAL VALUE ADVISORS
a division of Moody Aldrich Partners

International Small Cap

Second Quarter 2018

FACT SHEET

Strategy Highlights

Style: "Quantamental" Int'l Small Cap, Value

Holdings range: 80 – 130

Strategy Assets: \$3 million

Inception Date: June 1, 2018

Objective

Outperform the MSCI ACWI ex-US Small Cap Index over a complete market cycle with lower overall risk

Philosophy

- Value investors – we buy businesses that are undervalued due to temporary, non-structural reasons.
- Combine the discipline of quantitative investing with qualitative judgement informed by fundamental research.
- Key Idea: Companies that generate positive free cash flows and return capital to shareholders outperform the market.**

Approach:

We select from an advantaged subset of the universe that has outperformed the market

- Positive Free Cash Flow
- Positive Shareholder Yield
- Cheapest 20%

Firm Overview:

- An investment boutique specializing in long-only international and global equities
- Privately owned, 70% by active partners.
- A division of Moody Aldrich Partners, an SEC registered investment advisor formed in 1988.

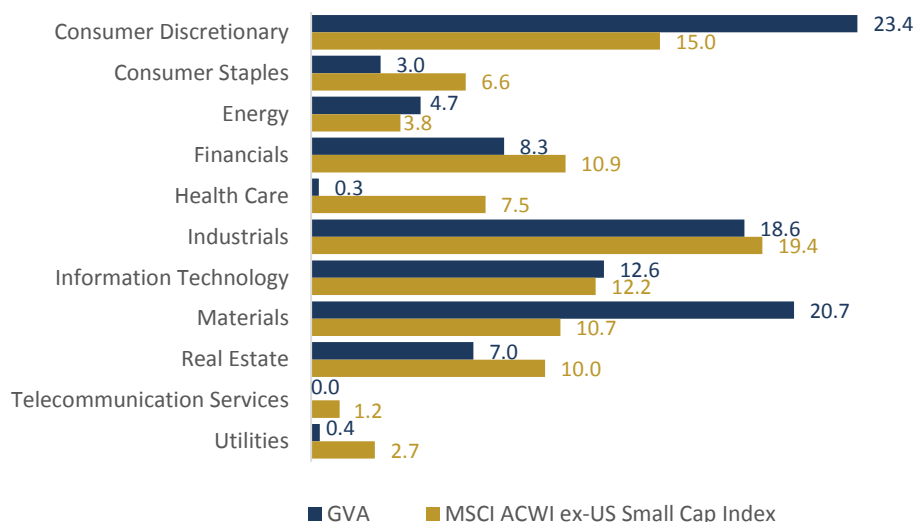
Characteristics**

	GVA International Small Cap	MSCI ACWI Ex-US Small Cap Index
Wtd. Average Market Cap	\$1,498 M	\$1,777M
Dividend Yield (LTM)	4.30%	2.40%
Price/Earnings (FY1)	10.4x	15.4x
Price/Book	1.5x	1.6x
Free Cash Flow Yield	8.60%	3.70%
Shareholder Yield**	7.50%	1.50%
# of Holdings	90	4,200

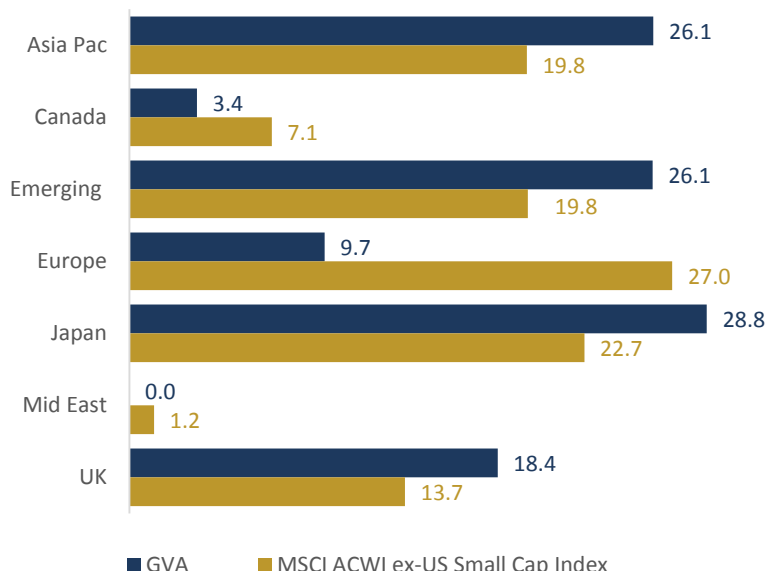
Performance* through 6/30/18

	GVA International Small Cap [†]		MSCI ACWI Ex-US Small Cap Index
	Gross (%)	Net (%)	(%)
June 2018	- 3.87	- 3.87	- 2.73
Since Inception [†]	- 3.87	- 3.87	- 2.73

Sector Weights (%) as of 6/30/18



Region Weights (%) as of 6/30/18



*Past performance is no guarantee of future results. Returns are presented gross and net of management fees and include the reinvestment of all income. More information about such fees and expenses applicable to a client's investment are generally available in the Form ADV Part 2A of Moody Aldrich Partners, LLC, which is publicly available and upon request and provided to every client (along with Form ADV Part 2B) prior to investment. Actual returns may vary from the performance information presented. All performance numbers are expressed in US Dollars. This product does not use leverage, derivatives or short positions in its portfolio. Please see the reverse side of this document for additional disclosures.

** Shareholder Yield = dividends + Net Buybacks + Change in Debt. Shareholder Yield and FCF Yield are weighted averages.

Data presented above is as of June 30, 2018. Characteristics for the MSCI ACWI ex-US Small Cap Index and the GVA International Small Cap Portfolio were derived from FactSet.

[†] Inception date is 06/01/18.



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PORTFOLIO MANAGERS



Philippe Rolland

- Founder, CIO and Portfolio Manager
- Over 20 years of investment experience
- Previously, Partner and Portfolio Manager at Grantham Mayo Van Otterloo (GMO), 22 years
- Paris Business School
- Masters University of Normandy, France
- Veteran, French Navy



Todd Bassion, CFA

- Founder and Portfolio Manager
- Over 18 years of investment experience
- Previously, Co-Portfolio Manager at Delaware Investments, Int'l & Global Value Funds
- Colorado College



Mathew Marotta

- Founder, Investment Research & Portfolio Implementation
- Over 15 years of investment experience
- Previously, Grantham Mayo Van Otterloo, (GMO)
- Babson College

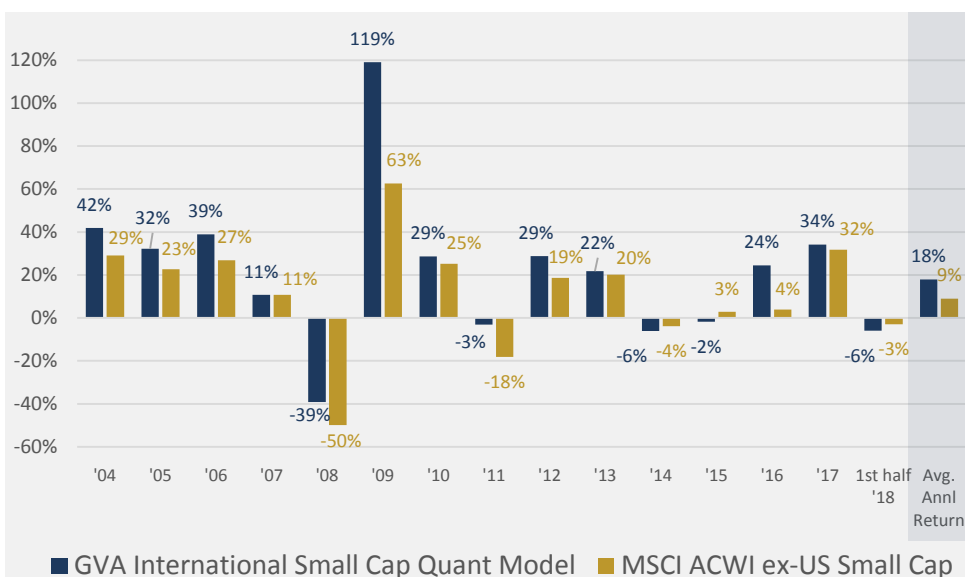
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GVA International Small Cap Quant Model Back Test**



	GVA International Small Cap Quant Model Back Test [†]	MSCI ACWI ex US Small Cap Index
Alpha Annualized	7.9%	
Active Share	95%	
Alpha from Stock Selection	88%	
Beta	1.04	1.00
Standard Deviation	20.0%	18.1%
Tracking Error	7.0%	
Information Ratio	1.30	
Excess Return Annualized	8.9%	

[†]GVA International Small Cap Quant Model Back Test Inception date is 12/31/2003.

Performance statistics are calculated using the MSCI ACWI ex US Small Cap Index and gross of fee performance. For more details on the quant model please contact info@globalvalueadv.com.

The information presented in the presentation represents back-tested performance based on our quantitative model and does not include fundamental analysis. The performance results shown represent a larger group of stocks than would be included if the fundamental analysis was applied. GVA's quant model narrows down our universe to approximately 125-175 stocks and then we conduct fundamental analysis in order to determine inclusion in the portfolio. The strategy being offered includes both the quantitative and qualitative analysis together however performance shown in the back-test only reflects the quantitative portion of analysis as the fundamental analysis cannot be applied. Back-tested presentations may not be relied upon for investment purposes and are not meant to represent actual current or future performance.

Back-tested performance is hypothetical (it does not reflect trading in actual accounts) and is provided for informational purposes only to indicate historical performance had the portfolios been available over the relevant time period. Securities were selected with the full benefit of hindsight, after their performance over the period shown was known. There are inherent limitations of data derived from retroactive application of a quant model portfolio. The results may not reflect the impact that any material market or economic factors might have had on GVA's use of the back-test quant model if the quant model had been used during the period to actually manage client assets. GVA was not managing money during the period tested. For comparison purposes, the GVA International Small Cap Quant Model performance is measured against the MSCI ACWI ex-US Small Cap. Results do not reflect fees or expenses. Results in back-test do not guarantee future results.

The quant model identifies companies with positive free cash flows, that have positive total return to shareholders, excludes companies whose leverage is in the highest 20% of the starting universe, are the cheapest 20% of the starting universe and illiquid companies are eliminated. FX is implicit in the total return. The quant model back tests assumes it is fully invested with no cash and includes the reinvestment of all income. The U.S. dollar is the currency used to express performance. All returns are presented gross of investment management fees, trading costs, and all other costs, expenses and commissions associated with client account trading. As there are no fees or expenses deducted, actual client returns could be materially different. The client may experience a loss.

Quant Model Universe: The GVA quant model uses the monthly MSCI All Country World ex US Small Cap Index constituents as the available set of securities for each period, which are sourced from MSCI.

Financial Data: The quant model uses trailing twelve month financial statement data that is sourced from the FactSet Fundamentals database. The quant model applies a date lag for each data item to avoid look-ahead bias.

Managing Quant Modeling Mistakes

Overfitting: The quant model uses a limited number of simple factors applied to a significant population size. Overfitting generally occurs with too many (and/or overly complex) factors, and with an insufficient sample size. Also, when running the quant model against various equity universes (global all cap, international all cap and international small cap), the back-tests perform consistently.

Survivorship Bias: GVA's quant-model universe consists of historical index constituents, thus eliminating any survivorship bias.

Look-ahead Bias: GVA's back-test applies a date lag to all factors used in the quant model to ensure that each observation period only uses financials that had been reported as of the observation date. The lagged back-test juxtaposed to a non-lagged back-test clearly indicates a significant bias is removed by lagging the dates.