

REDWOOD INTERNATIONAL SMALL CAP

Q3 2020 REVIEW



Global markets continued their recovery during Q3 2020, with the MSCI World ex-USA Small Cap index advancing by double digits during the second consecutive quarter. The index jumped 10.3% in the third quarter to finish the quarter -3.7% year-to-date. We believe the dramatic rebound in markets has been explained by a combination of factors: massive Central Bank support, rapid global fiscal expansion, early success in controlling the spread of COVID-19, optimism with regards to a COVID-19 vaccine and improving economic indicators. International small cap stocks outperformed the corresponding larger cap indexes as small cap stocks are more leverage to an economic recovery.

The Redwood International Small Cap strategy exhibited strong relative performance during the quarter, returning 16.3% net of fees and outperforming the MSCI World ex-USA Small Cap index by 6.1%. Portfolio outperformance was driven by stock selection during the quarter. We believe Redwood's focus on quality, resilient companies where the team maintains a strong positive differentiated view has been a key component of steady portfolio outperformance during the turbulence of 2020. Moreover, given the concentrated nature of the strategy, approximately 50 holdings in the Redwood International Small Cap strategy, in a universe of more than 2,000 companies, we strive to find undiscovered gems that have a multi-year opportunity not yet recognized by the consensus.

The Redwood International Small Cap portfolio's positive relative performance in Q3 2020 was broad based with stock selection contributing more than 95% of the excess return in the quarter. From a sector perspective, Industrials, Financials, Health Care, Consumer Staples and Real Estate were the top contributing sectors. The only sectors detracting more than 20bps from relative performance due to stock selection were Consumer Discretionary and Information Technology. Stock selection was positive in every region with Emerging Markets being the top performing region. The top five contributing countries were the United Kingdom, Netherlands, Japan, Sweden and Germany, which each contributed more than 70bps while Brazil based holdings were the only country to detract more than 20bps of relative performance.

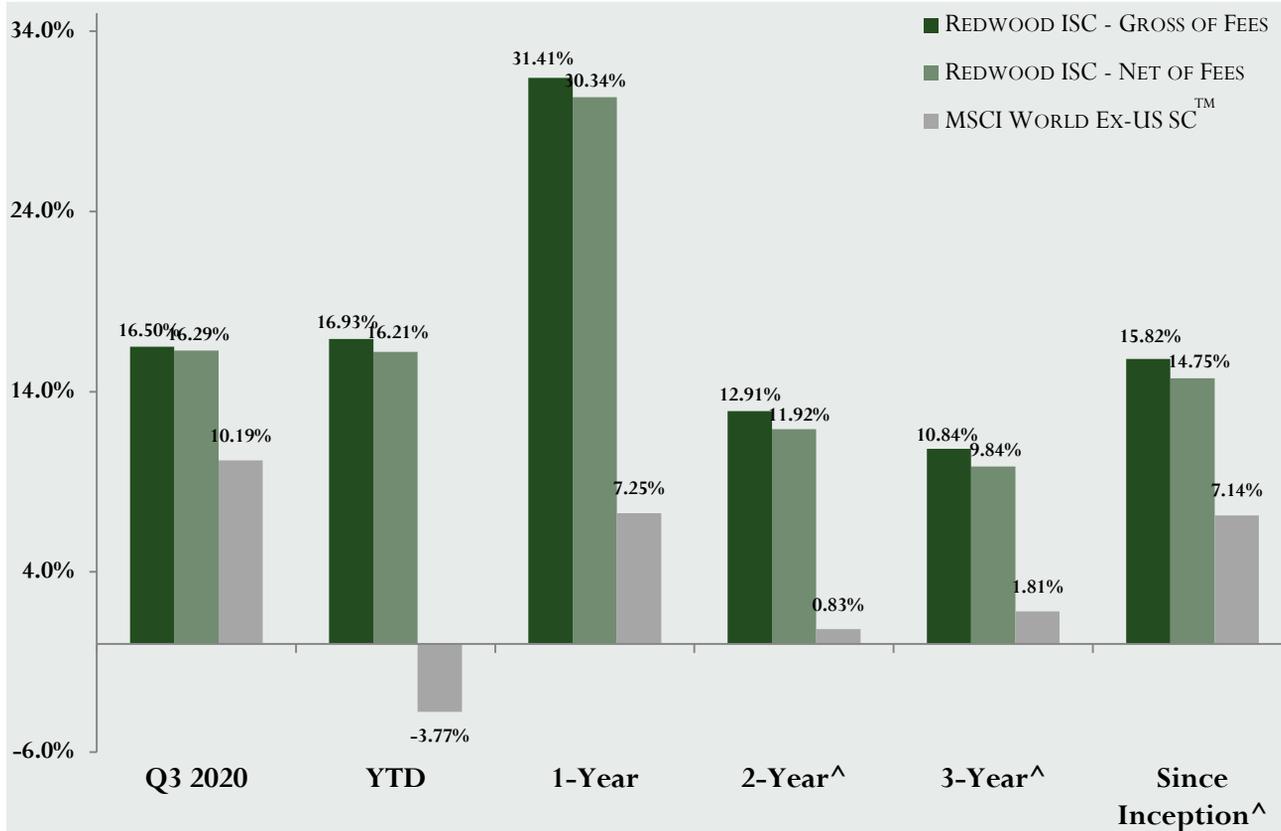
The path forward for equity markets appears balanced between supportive forces and sources of real uncertainty. As economies and sectors re-emerge from COVID-19, activity continues to increase, and economic indicators remain resilient. Global governments and central banks have injected record amounts of liquidity and stimulus into the global economy, supporting consumer spending and forestalling negative credit cycles. At the same time, COVID-19 cases are rising again in much of the world, and critical news regarding vaccine trial data will be forthcoming over the next few months. The market will also have to contend with Brexit progress, an impending US presidential election, concerns with continued fiscal support mechanisms, and rising geopolitical tensions between China and the US. Regardless of the macroeconomic and market environment, the team at Redwood remains focused on investing in quality companies supported by strong secular and stock-specific tailwinds, with an emphasis on identifying businesses that will emerge from the COVID-19 crisis stronger with an improved competitive position.

REDWOOD INTERNATIONAL SMALL CAP

PERFORMANCE & THEMES (AS OF 9/30/2020)



REDWOOD INTERNATIONAL SMALL CAP EQUITY COMPOSITE PERFORMANCE



Composite inception date: 4/1/2016; All data as of: 9/30/2020; ^ denotes annualized performance. Past performance is no guarantee of future results.

PORTFOLIO THEMES:

- Beneficiaries of evolving consumer behavior with a focus on e-commerce, health-consciousness, and entertainment choices
- Non-bank financials with innovative business models that target underserved markets
- SaaS software companies enabling economic transformation at an increasing rate
- Participants in the build-out and optimization of next generation wireless communications infrastructure

REDWOOD INTERNATIONAL SMALL CAP

TOP FIVE PORTFOLIO ACTIVE WEIGHTS AS OF 9/30/2020



NIHON M&A CENTER INC. (2127)

Nihon M&A Center is the leader merger and acquisition broker for small and medium enterprises (SME) in Japan with approximately 20% share. The limiting factor for M&A in Japan has been access to sellers, which is the network that Nihon M&A has focused on for decades. The company has 20+ year relationships with 90% of Japan's financial institutions and accounting firms. From these relationships, the company generates about 50% of its transactions. The other 50% is directly sourced by the company as Nihon M&A holds conferences educating owners on the M&A process and benefits. In addition, the company has built a digital effort that using its internet portal to provide advice and match smaller companies to potential buyers. Historically, there have been cultural and regulatory barriers / friction to M&A in Japan as selling a company has carried a strong negative stigma and there have punitive taxes on M&A transactions. The market need, however, is significant, as the average age of Japanese SME CEOs close to 70 years old and 2/3 of SMEs lacking a succession plan. Aiding Nihon M&A, the Japanese government has worked hard to change the regulatory environment to encourage more deals. After ramping up its hiring efforts and investing in several strategic initiatives, the company's competitive moat is widening, and we anticipate a positive growth rate inflection with a multi-year runway ahead. Nihon M&A is generally paid a fee of 4% of gross asset value (deal size) for brokering a transaction that is paid by the seller. Nihon M&A earns most of its profit from transactions involving companies with 10 to 100 employees but is increasingly targeting bigger deal sizes. Over the last five years, Nihon M&A has grown sales, EBIT, EPS and DPS at 22%, 18%, 21% and 25%, CAGRs, respectively.

KATITAS CO. LTD. (8919)

Katitas is a Japanese based company focused on remodeling and reselling used homes. The company refurbishes vacant homes in regional areas with few direct competitors. There is a historical stigma in Japan of living in a home that has been previously occupied. Only 15% of individuals in Japan live in used homes, compared to 80% in the UK and 88% in the US. As a result, there are 8.2M vacant homes in Japan which is increasing by approximately 60k homes per year and causing social and community issues. The supply glut creates depressed selling prices for used homes fostering a profitable arbitrage opportunity for Katitas. Katitas purchases the best units, renovates them and then resells at attractive prices to consumers. The renovations make the home feel like new and remove the stigma of it being previously occupied. The company is able to sell renovated homes at a significantly lower price than competitors' build new home, in most cases less than 50% of the price. Katitas has an implied market share of 0.3% but is the market leader in a highly fragmented space, giving the company a significant runway to grow. Double digit revenue growth appears possible for several years driven by sales force growth and increased sales productivity. EBIT margins have been increasing more than 50bps annually since the company listed in 2017 and have the potential to keep improving. Among the drivers is the company's shift from buying homes at auction to more one-on-one purchases, which leads a ~500bps pick-up in gross margins according to management. Business economics appear attractive as Katitas does not tie up capital by first acquiring land, enabling a return on equity approaching 30% and strong free cash flow.

FLATEX AG (BYVQYG)

Flatex operates one of the leading and fastest growing online brokerage businesses in Europe providing zero commission and flat rate trading options for its more than 350,00 B2C customers. The development of the Europe online trading business has trailed the evolution in the US and remains weighted down by a fragmented market, multiple regulatory frameworks that change by country, and the resulting high commissions costs that result from the operational complexity and lack of scale.

REDWOOD INTERNATIONAL SMALL CAP

TOP FIVE PORTFOLIO ACTIVE WEIGHTS AS OF 9/30/2020



FLATEX AG (BYVQYG) CONTINUED

US companies have entered, failed and exited the European market. Flatex is attacking the opportunity with an offering of zero commissions and flat rate trading pricing strategy, which is accelerating customer trading volumes and aiding low-cost new customer acquisition. Flatex has partnered with leading investment banks to offer differentiated and low cost exchanged traded products. The company internally built its state-of-the-art technology platform to permit a superior customer experience, allow low cost transaction processing and generate operating leverage with volume growth. Management, which has demonstrated creative approaches to growing the business, leveraged its technology investment by licensing a white-label version of its platform. These B2B customers now generate 25% of total revenues. During Q3 2020, the company completed its acquisition of Dutch competitor DeGiro, which increases Flatex's presence to 18 countries in Europe and a market leading position in seven with more than one million total customers. Management estimates that the transaction could boost earnings per share by 20%-25%. The company appears to operate a high-quality business with EBIT margins forecast to exceed 30% in 2020, free cash flow generation and net cash on the balance sheet. The stock trades at approximately 15x our projected 2021 earnings.

RITCHIE BROS. AUCTIONEERS INCORPORATED (RBA)

Ritchie Bros. Auctioneers sells a broad range of used and unused equipment via unreserved auctions, online marketplaces, and private brokerage services. Construction and heavy machinery comprise the majority of the equipment sold by RBA. The company utilizes three segments in addressing the equipment remarketing opportunity: Auction – live on-location auctions and online with approximately 20% market share of a \$25 billion market; Midstream – serves brokers and independent dealers through RBA's proprietary offerings (\$140 billion market); Upstream – serves OEM's dealers and rental companies through partnerships. We saw an opportunity in RBA due to a period of heavy investment and the game-changing acquisition of IronPlanet. As a result, the company had endured lower ROIC than its potential and we believe the longer-term opportunity was being overlooked. We also believe that the new management team, the build-out of the multi-channel platform, the introduction of data analytics and a new ERP system to improve sales productivity weren't being appropriately valued by the market. Covid has further established RBA as the leader. The company was able to seamlessly shift to online auctions and simultaneously lower costs. Looking forward, we believe that this accelerated shift to online is being under-estimated and we see RBA growing well beyond current estimates. Coupled with a lower cost structure, there is a long runway of earnings upside potential for the company.

VARTA AG (580244)

VARTA is a world-leading manufacturer of micro batteries, with a production volume of more than 1bn units per annum. The company mainly focuses on primary zinc-air batteries for hearing aids and lithium-ion batteries for wearables. The company also assembles power packs and energy storage solutions. Varta's focused R&D efforts and proprietary in-house machine technology have enabled it to achieve superior battery quality and economies of scale across their most important end markets, healthcare and entertainment. Varta has a dominant share of over 50% in the attractive hearing aid market, which has grown by a consistent 4-5% per year. The company has levered its strength in battery innovation and manufacturing techniques to become the leader in coin shaped micro batteries for entertainment use (primarily wireless headsets). We expect the company to continue to gain share in the rapidly growing entertain micro battery market, resulting in strong earnings momentum and margin improvement as Varta ramps up new design wins.

REDWOOD INTERNATIONAL SMALL CAP

PORTFOLIO POSITIONING AS OF 9/30/2020



TOP 10 PORTFOLIO WEIGHTS:	Portfolio Weight	Active Weight
Nihon M&A Center Inc.	3.18%	3.18%
KATITAS CO. LTD.	3.16%	3.11%
Flatex AG	2.90%	2.87%
Varta AG	2.89%	2.79%
Amplifon S.p.A.	2.88%	2.70%
Ritchie Bros. Auctioneers Incorporated	2.86%	2.86%
Euronext NV	2.84%	2.56%
Sushiro Global Holdings Ltd.	2.73%	2.62%
NIPPON GAS Co.,Ltd.	2.65%	2.58%
Alfen NV	2.61%	2.58%
Total	28.71%	27.87%

SECTOR WEIGHTS:	Portfolio	Benchmark	Active Weight
Communication Services	6.5%	4.5%	1.9%
Consumer Discretionary	10.3%	12.4%	-2.1%
Consumer Staples	6.0%	6.6%	-0.6%
Energy	0.9%	2.1%	-1.2%
Financials	15.4%	9.6%	5.8%
Health Care	9.6%	7.3%	2.3%
Industrials	24.5%	21.6%	2.9%
Information Technology	12.6%	10.6%	2.0%
Materials	2.1%	9.9%	-7.8%
Real Estate	6.2%	12.2%	-6.0%
Utilities	2.7%	3.1%	-0.5%

REGION WEIGHTS:	Portfolio	Benchmark	Active Weight
Australia - New Zealand	2.3%	8.7%	-6.4%
Emerging Market	5.6%	0.0%	5.6%
English	18.6%	23.5%	-4.9%
Far East	24.9%	32.2%	-7.3%
Northern Europe	22.5%	20.9%	1.6%
Southern Europe	2.9%	4.5%	-1.6%
Western Europe	20.0%	10.3%	9.7%

REDWOOD INTERNATIONAL SMALL CAP

PORTFOLIO CHANGES, Q3 2020



NEW POSITIONS

Date	Sedol	Company	Post Trade %
7/29/2020	2528834	Descartes Systems Group Inc.	2.00%
7/29/2020	BK5MWJ3	Embracer Group AB Class B	2.00%
7/29/2020	BWFRFD7	Kornit Digital Ltd.	2.00%
9/15/2020	B92M6T7	Zur Rose Group AG	1.50%
9/15/2020	BJDQQ87	Watches of Switzerland Group PLC	1.50%
9/22/2020	BYY7VY5	Signify NV	2.50%
9/25/2020	BN0Y6R1	VIA optronics AG Sponsored ADR	2.00%

EXITED POSITIONS

Date	Sedol	Company	Pre Trade %
7/6/2020	BG6L729	boohoo group Plc	1.43%
7/29/2020	B15SLC4	TGS-NOPEC Geophysical Company ASA	0.32%
7/29/2020	B234WN9	DiaSorin S.p.A.	2.38%
7/29/2020	B2RJYH8	Xtep International Holdings Limited	0.90%
7/29/2020	BD9GZX7	Yihai International Holding Ltd.	1.66%
7/29/2020	BJXSCH4	Evolution Gaming Group AB	1.21%
9/22/2020	BMB3BN1	Barco NV	1.02%
9/22/2020	5772627	CANCOM SE	1.92%

SECTOR:

Change In Portfolio Weight

Change In Active Weight

Communication Services	2.1%	1.8%
Consumer Discretionary	-1.8%	-2.3%
Consumer Staples	0.1%	0.1%
Energy	-0.6%	-0.4%
Financials	-2.2%	-1.6%
Health Care	-1.7%	-1.3%
Industrials	6.3%	6.1%
Information Technology	-3.0%	-3.2%
Materials	0.1%	0.2%
Real Estate	-0.2%	-0.1%
Utilities	0.0%	0.0%

REGION:

Change In Portfolio Weight

Change In Active Weight

Australia - New Zealand	1.0%	0.8%
Emerging Market	-3.5%	-3.5%
English	1.7%	2.1%
Far East	-1.0%	-0.7%
Northern Europe	-0.6%	-1.5%
Southern Europe	-2.1%	-1.7%
Western Europe	3.7%	3.7%

The data presented on this slide is based on a representative account. The characteristics, asset size, composition, and risk characteristics of the proposed account may differ from the composite depicted in the presentation. Therefore, it cannot be assumed that another account would have the same performance or holdings even if following the same strategy. This representative account was chosen as it's inception date coincides with the inception date of the strategy and therefore in our view, it is the account within the strategy which most comprehensively reflects the portfolio management style of the strategy for the entire time period. Recommendations made in the last 12 months are available upon request. Past performance does not guarantee future results. Please refer to the Disclosure Statements at the end of this presentation for additional information.

REDWOOD INTERNATIONAL SMALL CAP

CONTRIBUTION & ATTRIBUTION, Q3 2020



TOP 10 CONTRIBUTORS:	Average Weight	Total Return	Relative Contribution
S4 Capital plc	2.56%	52.29%	1.45%
Alfen NV	2.67%	57.92%	1.16%
Hypoport SE	3.08%	41.51%	1.05%
Ritchie Bros. Auctioneers Incorporated	2.67%	45.57%	1.04%
Amplifon S.p.A.	2.75%	34.53%	0.84%
Nihon M&A Center Inc.	2.93%	25.80%	0.72%
Pentamaster Corp. Bhd.	1.67%	44.50%	0.72%
Biotage AB	2.28%	32.49%	0.68%
Varta AG	2.77%	25.21%	0.67%
ALS Ltd.	2.02%	46.16%	0.61%
Total	25.41%		8.94%

BOTTOM 10 CONTRIBUTORS	Average Weight	Total Return	Relative Contribution
boohoo group Plc	0.08%	-35.43%	-0.57%
Barco NV	0.99%	-14.64%	-0.22%
Flatex AG	2.93%	-2.13%	-0.13%
Tikehau Capital SCA	1.75%	-6.03%	-0.12%
Xtep International Holdings Limited	0.30%	-10.46%	-0.11%
Parex Resources Inc.	1.13%	-12.56%	-0.10%
Anritsu Corporation	2.11%	-3.67%	-0.10%
Adevinta ASA	0.00%	0.00%	-0.09%
Dalata Hotel Group Plc	0.75%	-9.33%	-0.09%
Arco Platform Ltd. Class A	1.52%	-6.07%	-0.08%
Total	11.57%		-1.62%

SECTOR ATTRIBUTION	Average Weight	Total Return	Selection Effect	Allocation Effect	Total Effect
Communication Services	5.84%	19.25%	-0.07%	0.21%	0.14%
Consumer Discretionary	9.80%	9.04%	-0.47%	-0.14%	-0.61%
Consumer Staples	5.21%	19.67%	0.49%	0.08%	0.56%
Energy	1.24%	-12.41%	-0.13%	0.11%	-0.02%
Financials	16.99%	17.26%	1.84%	-0.26%	1.58%
Health Care	10.25%	22.67%	1.39%	0.04%	1.44%
Industrials	20.59%	31.43%	3.97%	0.01%	3.98%
Information Technology	15.50%	6.86%	-0.69%	0.03%	-0.66%
Materials	2.12%	21.37%	0.24%	0.05%	0.29%
Real Estate	6.25%	13.90%	0.35%	0.17%	0.52%
Utilities	2.43%	18.49%	0.20%	0.03%	0.24%
Total	96.22%		7.13%	0.34%	7.47%

REGION ATTRIBUTION	Average Weight	Total Return	Selection Effect	Allocation Effect	Total Effect
Australia - New Zealand	2.02%	46.16%	0.50%	-0.01%	0.50%
Emerging Market	7.03%	13.63%	2.87%	-2.29%	0.57%
English	17.51%	17.89%	1.80%	0.15%	1.95%
Far East	24.65%	12.98%	0.94%	0.06%	1.00%
Northern Europe	23.80%	19.68%	0.96%	0.17%	1.12%
Southern Europe	3.55%	23.89%	0.66%	0.08%	0.75%
Western Europe	17.65%	19.43%	1.53%	0.05%	1.57%
Total	96.22%		9.26%	-1.79%	7.47%

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REDWOOD INTERNATIONAL SMALL CAP

COMPOSITE PERFORMANCE AND GIPS DISCLOSURES



REDWOOD INVESTMENTS INTERNATIONAL SMALL CAP EQUITY COMPOSITE

Year	Gross of Fees	Net of Fees	MSCI World Ex-US SC	Number of Portfolios	Composite Dispersion	Total Composite Assets (Thousands)	Total Firm Assets (Thousands)	3 Year Standard Deviation	Benchmark 3 Yr. Standard Deviation
2019	33.58	32.40	25.94	5 or fewer	NA	\$987	\$1,982,217	14.26	11.73
2018	-19.31	-20.13	-17.74	5 or fewer	NA	\$747	\$1,802,650	NA	NA
2017	48.78	47.42	31.06	5 or fewer	NA	\$937	\$2,208,766	NA	NA
2016 [^]	3.25	2.49	4.00	5 or fewer	NA	\$241	\$1,254,124	NA	NA

NA – Information is not statistically meaningful due to insignificant number of portfolios in the composite. Standard deviation is not required for composites that contain 5 or fewer portfolios.

[^] Period from April 1, 2016 to December 31, 2016

Redwood Investments, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Redwood Investments, LLC has been independently verified for the periods 1 January 2005 through 31 December 2018. The verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Notes:

1. Redwood Investments, LLC is an investment manager that invests in U.S. and International securities. Redwood Investments, LLC is defined as an independent investment management firm that is not affiliated with any parent organization. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.
2. Composites:
 - Redwood International Small Cap:** The International Small Cap Composite includes all fee paying discretionary portfolios invested in non-U.S. small cap securities across the growth, blend, and value styles. The strategy allows for equity exposure ranging between 90-100%. The account minimum for the composite is \$150,000. The benchmark for the International Small Cap Composite is the MSCI World Ex-USA Small Cap Index, Gross. The MSCI World ex USA Small Cap Index captures small cap representation across 22 of 23 Developed Markets (DM) countries (excluding the United States). With 2,510 constituents, the index covers approximately 14% of the free float-adjusted market capitalization in each country. Client account holdings may differ significantly from the securities in the indices and the volatility of the index may be materially different from client account performance. You cannot invest directly in an index. The International Small Cap Composite was created on April 1, 2016.
3. Valuations are computed and performance is reported in U.S. dollars.
4. Gross-of-fees returns are presented before management and custodial fees but after all trading expenses. Composite and benchmark returns are presented net of non-reclaimable withholding taxes. Net-of-fees returns are calculated by deducting actual management fees from the gross composite return. The standard management fee schedule is as follows: 1.00% on the first \$5 million, 0.85% on the next \$5 million, and 0.75% on the remainder above \$10 million. Fees are negotiable.
5. A complete list of composite descriptions is available upon request.
6. Dispersion is measured by the equal-weighted standard deviation of annual gross returns of those portfolios that were included in the composite for the entire year. For periods prior to January 1, 2018, dispersion presented is measured by the asset-weighted standard deviation of annual gross returns of those portfolios that were included in the composite for the entire year.
7. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The standard deviation is not presented for periods marked "NA" because the composite does not have 36 monthly returns available.