REDWOOD INTERNATIONAL SMALL CAP

Q4 2020 REVIEW

Despite the number of COVID cases skyrocketing in Europe and a major acceleration in Japan, developed equity markets advanced on the prospects of health care normalization as three different companies announced Covid vaccines. While Pfizer/BioNTech revealed that their COVID vaccine is ~95% effective, the AstraZeneca/University of Oxford option is also important given the drug is easier to transport and costs significantly less per dose. With the prospects of life returning to normal, the MSCI World Ex-US Small Cap index jumped 17.6% during the quarter, moving the index into positive territory for the year. Redwood's International Small Cap (ISC) strategy outperformed the benchmark by 230 basis points with a 19.9% net of fees total return. For 2020, the Redwood ISC strategy advanced 39.3% net of fees and surpassed the MSCI World Ex-US Small Cap index of 13.2% by 2,610 bps.

With an international small cap universe of more than 2,000 companies from which to select, we strive to find only investments we deem as hidden jewels. We define these as high-quality companies that possess proprietary and secular competitive advantages combined with stock valuations that intrinsically capture upside and provide downside protection where we have a strong positive differentiated view on future earnings growth. We believe that these characteristics proved to be key components of the portfolio outperformance during the multiple market environments of 2020. The almost +17.6% return of the MSCI World Ex-US Small Cap Index was driven by a significant rotation to more economically sensitive sectors, which was primarily impacted by the prospects of a widely available, highly effective COVID vaccine being approved. The strongest performing sectors during the quarter, Energy (+33.7%), Materials (+21.4%), Industrials (+21.3%) and Financials (+20.2%) are the sectors that should have the most leverage to accelerating economic growth as the world returns to the new normal. These sectors were among the weakest performing areas for the full year with Energy (-29.1%) and Financials (+2.7%) notably poor. Given the sector rotation, there was a corresponding factor rotation with high beta/volatility, lower valuation and lower quality stocks leading the Q4 2020 strength. In addition, there was a correlation between country equity market performance and COVID cases during the year. For the first three quarters, the United Kingdom, Israel, France, Italy and Spain meaningfully trailed the index, which were countries with noticeable infection rates and government mandated shutdowns. All five of these countries bounced back in Q4 with all generating 20%+ returns except Italy (+16.1%). Japan seems to be the one country index with no correlation to COVID cases. Japan, which had fewer cases but also significantly less testing, trailed the index through the first three quarters but also was the worst performing country in Q4 2020 at +8.2%.

In our view, our focus on high quality companies with solid fundamentals detracted from our relative performance during Q4 2020 but strong stock selection more than offset the headwinds. The challenges were most evident with quality factors; an area in which the Redwood ISC strategy has positive exposure. While quality factors have historically correlated with positive relative returns, the opposite was true in Q4 2020. The quintile of stocks with the highest net margin in the MSCI World Ex-US Small Cap appreciated +14.0% but the least profitable quintile bounced +25.2%.

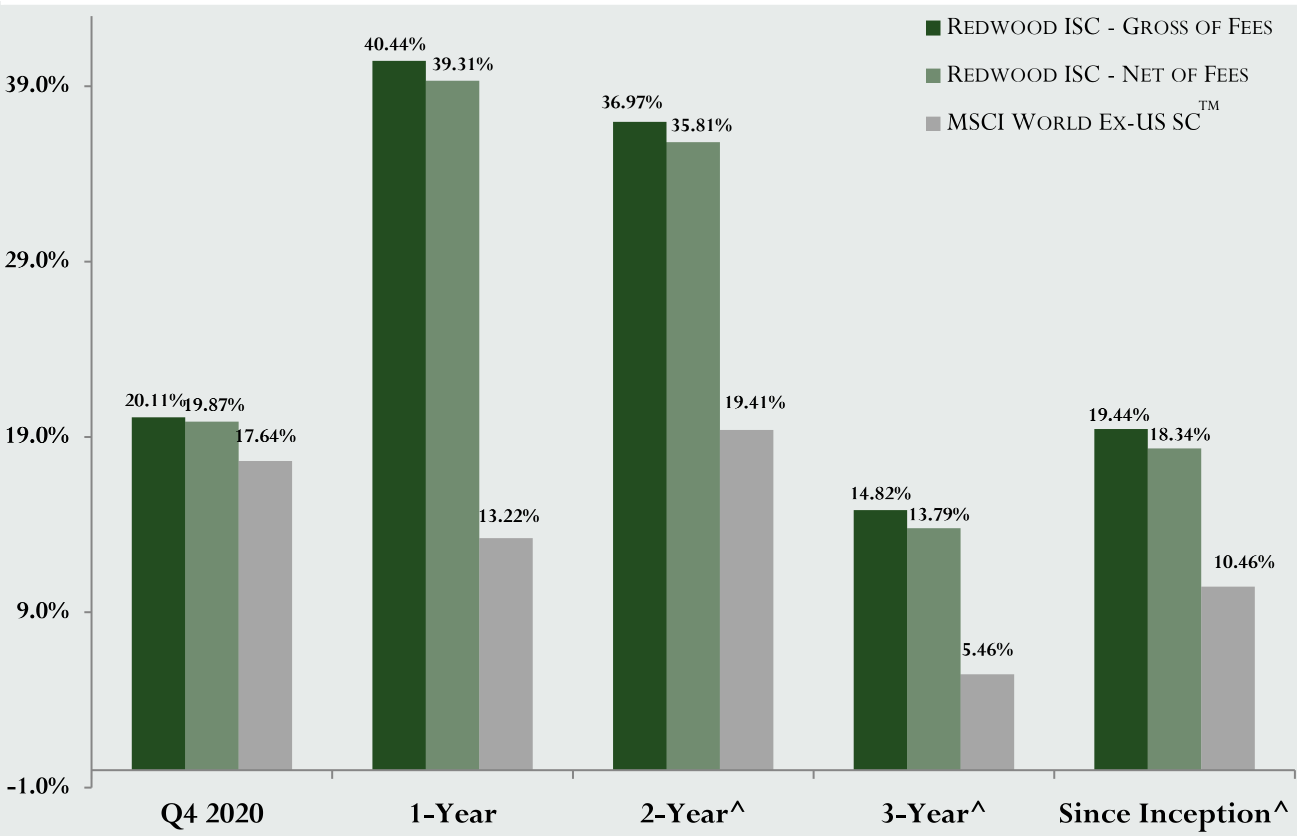
For companies in the highest quintile in Return on Invested Capital, they returned +13.1% compared to +30.0% for the lowest quintile. In addition, non-alpha considerations for us, such as beta, meaningfully impacted international small cap returns as the highest quintile of beta stocks jumped +36.3% while the lowest quintile only advanced +5.2%. Our portfolio has historically had a bias towards stocks with more earnings stability that generally have lower betas and despite the lower beta, the strategy meaningfully outperformed the positive returns of the benchmark. Within sectors, Consumer Discretionary was the most significant contributor, generating 260bps of positive relative return as we were overweight a strong performing sector and had stock selection that surpassed the benchmark. Watches of Switzerland, Dalata Hotel Group (DHG-DUB), Sushiro Global Holdings (3563-TKS) and MIPS AG (MIPS-OME) all generated returns more than +40% during the quarter. Each of these companies improved their competitive positioning during COVID and have the potential to experience accelerating growth post-vaccine. Our 630bps average underweight in Japan was timely given the prior comments on the Japanese market but stock selection was also a positive contributor. Our Japanese holdings generated a +22.2% return for the portfolio with Sushiro +52.5%, Tokyo Century (8439-TKS) +46.4%), and TechnoPro (6028-TKS) +34.8% being the primary contributors in the quarter.

We believe that a COVID vaccine is a precursor for accelerating economic growth that can lead to a corresponding fundamental business acceleration. However, given the sharp market move during 2020, finding new ideas where the stock price does not already incorporate a significant economic recovery requires diligence and selectivity. Given the vast number of companies in the international small cap universe, we can remain highly selective when searching for new ideas. During the quarter, we made seven new buys, which were a mix of 1) economic beneficiaries and 2) under-appreciated growth companies. The largest sector change was in Consumer Discretionary, where we increased the active exposure by 690bps given the new buy of Basic Fit, which operates a chain of low-cost fitness centers in Europe and significant additions to existing holdings Watches of Switzerland (WOSG-GB), Dalata Hotels and Zooplus AG (ZO1-DE). We moved the portfolio from 190bps underweight Consumer Discretionary to 500bps overweight as we expect this sector to benefit from the tailwinds of an economic normalization. We continue to exit stocks with market caps that exceed our investment universe due to appreciation. There were two of these sales this quarter – Amplifon (AMP-IT), which is the largest hearing aid retailer in Europe, and Globant (GLOB), which provides digital transformation services. The sale of Amplifon accounted for most of the decrease in our health care exposure. The portfolio's Technology exposure remained relatively steady as we offset the Globant sale with new positions in Nova Measuring (NVMI) and Kape Technologies (KAPE-GB)."

Redwood International Small Cap

Performance & Themes (As of 12/31/2020)

Redwood International Small Cap Equity Composite Performance



Composite inception date: 4/1/2016; All data as of: 12/31/2020; ^ 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

WATCHES OF SWITZERLAND GROUP PLC (BJDQQ8)

Watches of Switzerland Group primarily retails watches with high end luxury retail brands through its Watches of Switzerland, Mappin & Webb, Goldsmiths, and Mayor's Jewelers concepts. The company generates 75% of sales in the UK (#1 share) and 25% in the US (#3 share) with luxury watches such as Rolex, Omega, Tag, Patek and Piguet representing 81% of sales. Barriers to entry in the luxury watch market are high. The key watch brands control which retailers can sell their watches through Selective Distribution Agreements (SDAs) that are necessary to retail a specific luxury brand. Moreover, the luxury watch brands have been consolidating distribution partners over the past five years and we anticipate more going forward. This should benefit WOSG enabling further market share gains. During the retail limitations of COVID, management reacted quickly, implementing in-person one-on-one and Zoom reservations while also upgrading its digital marketing and social media efforts. The combination resulted in higher close rates and positive year-over-year same store sales in both the UK and US starting in July. In Q4 2020, the company acquired Analog Shift to give them a foothold in the secondary market, which we believe can drive new business and incrementally higher profits not contemplated by consensus forecasts. The company will grow square footage approximately 10% annually with most new square footage in the US. The company is opening multiple flagship Watches of Switzerland stores in the US after entering the market by acquiring Mayor's. We believe WOSG should be able to achieve 10%-15% annual revenue growth with 20-40bps of EBIT margin improvement annually to create 15%-20% annual EPS growth over the next three years, which would enable the company to generate 15%-20% ROE.

FLATEXDEGIRO AG (BYVQYG)

Flatexdegiro AG operates one of the leading and fastest growing online brokerage businesses in Europe, providing low cost commission and flat rate trading options for its more than one million B2C customers. Over the past 5 years, the company has organically increased customers by 22% CAGR. The development of the European online trading business has trailed the evolution in the US and remains weighted down by fragmented competition, different country regulations and high commission costs. US companies have entered, failed and exited the European market. Flatex appears well positioned to capitalize on this opportunity. The company initiated a flat-rate commission strategy, which is accelerating customer trading volumes and aiding low-cost new customer acquisition. Also, Flatex has partnered with leading investment banks to offer differentiated and low cost exchange-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 will increase the company's presence to 18 countries in Europe with a market leading position in seven and 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.

SUSHIRO GLOBAL HOLDINGS LTD. (3563)

This has enabled Sushiro to generate industry leading sales per store in Japan. Now the company is expanding aggressively into 6 new markets including Korea, China, Singapore, Taiwan, Hong Kong and Thailand, which could account for close to 70% of new square footage. Sushiro is the leading conveyor-belt sushi restaurant operator in Japan with 566 restaurants (541 in Japan). Sushiro adheres to three core principles (1) procurement of higher quality ingredients than rivals (2) in-store food preparation rather than using a central kitchen and (3) responsible store level investment to enable high returns. The company continues to grow its market share via a combination of consistent sales improvement at existing stores and accelerating new store growth.

SUSHIRO GLOBAL HOLDINGS LTD. (3563) CONTINUED

The company started investing in digital earlier than competitors and is benefitting in sales (loyalty app increases average ticket, higher repeat visits and improved throughput via growth of takeout orders) and operations (mechanization, process improvement, lower labor hours required). This has enabled Sushiro to generate industry leading sales per store in Japan. Now the company is expanding aggressively into 6 new markets including Korea, China, Singapore, Taiwan, Hong Kong and Thailand, which could account for close to 70% of new square footage. Sushiro is also developing a second concept called Sugidama, which is soba noodles, yakitori and small plates. The company is planning to expand the concept from approximately 30 stores to more than 100 over the next three years. Success in the new markets and/or new concept could significantly increase the company's market opportunity and accelerate revenue growth. Even without upside from the new markets, we believe the company can grow square footage at 10%-12%, generate low-single digit same store sales and increase the operating margin by 20-40bps annually to drive 15%-20% CAGR EPS growth over the next three years. The stock trades at 25x our forecasted calendar 2022 earnings but could experience multiple expansion given the scarcity of organic growth companies in Japan.

KATITAS CO., LTD. (8919)

Katitas is a Japanese based company focused on remodeling and reselling used homes. The company refurbishes vacant homes in regions 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 is a massive stock of vacant homes (8.2 million) in Japan and is increasing approximately 60k homes per year. The supply glut creates depressed selling prices for used homes fostering a profitable arbitrage for Katitas to purchase the best units, renovate them and then resell at attractive prices to consumers. The company can sell renovated homes at a significantly lower price than competitors' new home builds, 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, in our view this gives the company a significant runway to grow. Double digit revenue growth appears possible for several years driven by a combination of 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.

RITCHIE BROS. AUCTIONEERS INCORPORATED (RBA)

Ritchie Brothers sells a broad range of used and unused industrial equipment via unreserved auctions, online marketplaces, and private brokerage services. Its customers include end users (construction companies), equipment dealers, OEMs and rental companies spread across various sectors (heavy construction, transportation, agriculture, energy and mining). The company is the largest industrial auctioneer and has 20% market share in the $25B auction market. In a normalized environment, the company generates 80% of its revenue from ecommerce and 20% from on-site bidders but transitioned to 100% online during COVID. A new management team including CEO, CFO, CSO, CIO and COO is reinvigorating the strategy by capturing a larger part of the market while further advancing the omnichannel strategy. The new management is focused on driving further integration of its distribution channels with a more sophisticated digital presence to broaden the company's market opportunity by adding midstream and upstream solutions. These markets are 5x-10x bigger than the traditional auction market and have the potential to drive faster and more sustainable revenue and earnings growth than the consensus projects. In our opinion, a significant underestimated growth potential is the company's effort to become the Bloomberg/FactSet for Industrial equipment, which is currently a wide-open space where RBA has made several acquisitions providing data analytics services. This would build incremental value for clients through data-related services that drive higher margin revenue for RBA. The company has a solid business model with 55% gross margins, 20%+ operating margins and 20% ROE, which all have further upside opportunity over the next few years.

Redwood International Small Cap

Portfolio Positioning As of 12/31/2020

TOP 10 PORTFOLIO WEIGHTS:	Portfolio Weight	Active Weight
FlatexDEGIRO AG	3.77%	3.71%
Watches of Switzerland Group PLC	3.75%	3.75%
Sushiro Global Holdings Ltd.	3.48%	3.35%
KATITAS Co., Ltd.	3.02%	2.97%
Intermediate Capital Group plc	2.85%	2.63%
Ritchie Bros. Auctioneers Incorporated	2.80%	2.80%
Soitec SA	2.77%	2.63%
Wienerberger AG	2.76%	2.64%
TechnoPro Holdings, Inc.	2.76%	2.66%
Kornit Digital Ltd.	2.62%	2.50%
Total	**30.58%**	**29.63%**

SECTOR WEIGHTS:	Portfolio	Benchmark	Active Weight
Communication Services	8.8%	4.3%	4.6%
Consumer Discretionary	17.2%	12.3%	5.0%
Consumer Staples	5.8%	5.6%	0.2%
Energy	1.0%	2.3%	-1.3%
Financials	16.8%	10.1%	6.8%
Health Care	5.7%	6.9%	-1.2%
Industrials	21.5%	22.4%	-0.9%
Information Technology	12.1%	10.3%	1.9%
Materials	2.8%	10.8%	-8.0%
Real Estate	4.7%	11.8%	-7.1%
Utilities	2.4%	3.3%	-0.9%

REGION WEIGHTS:	Portfolio	Benchmark	Active Weight
Australia - New Zealand	2.1%	9.3%	-7.1%
Emerging Market	6.6%	0.0%	6.6%
English	22.6%	24.8%	-2.2%
Far East	23.1%	29.7%	-6.5%
Northern Europe	20.9%	20.3%	0.6%
Southern Europe	0.0%	4.7%	-4.7%
Western Europe	23.5%	11.3%	12.2%

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Redwood International Small Cap

Portfolio Changes, Q4 2020

NEW POSITIONS

Date	Sedol	Company	Post Trade %
10/28/2020	2577740	Nova Measuring Instruments Ltd	**1.50%**
10/29/2020	BQ8NYV1	Kape Technologies Plc	**1.00%**
11/13/2020	BD9Y9B7	Basic-Fit NV	**2.00%**
12/1/2020	B4KN6D1	Lifenet Insurance Company	**1.50%**
12/1/2020	2639361	Grupo Aeroportuario del Sureste SA de CV	**1.75%**
12/18/2020	BK5Z9R9	InMode Ltd.	**1.00%**

EXITED POSITIONS

Date	Sedol	Company	Pre Trade %
10/28/2020	BYZDVK8	Softcat Plc	**1.48%**
10/29/2020	7390801	S IMMO AG	**1.28%**
11/9/2020	BP40HF4	Globant SA	**0.98%**
11/13/2020	B06CMQ9	GMO Payment Gateway, Inc.	**1.92%**
12/1/2020	B1DN466	Nihon M&A Center Inc.	**1.63%**
12/14/2020	5802449	Varta AG	**0.97%**
12/18/2020	B14NJ71	Amplifon S.p.A.	**1.48%**

SECTOR:	Change In Portfolio Weight	Change In Active Weight
Communication Services	**0.3%**	**0.3%**
Consumer Discretionary	**6.9%**	**6.9%**
Consumer Staples	**-0.2%**	**0.8%**
Energy	**0.1%**	**-0.1%**
Financials	**3.5%**	**3.1%**
Health Care	**-3.8%**	**-3.4%**
Industrials	**-3.0%**	**-3.6%**
Information Technology	**-0.5%**	**-0.1%**
Materials	**0.7%**	**-0.3%**
Real Estate	**-1.5%**	**-1.1%**
Utilities	**0.0%**	**0.2%**

REGION:	Change In Portfolio Weight	Change In Active Weight
Australia - New Zealand	**-0.1%**	**-0.8%**
Emerging Market	**1.0%**	**1.0%**
English	**4.0%**	**2.7%**
Far East	**-1.7%**	**0.8%**
Northern Europe	**-1.6%**	**-1.0%**
Southern Europe	**-2.9%**	**-3.1%**
Western Europe	**3.6%**	**2.5%**

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Redwood International Small Cap

Contribution & Attribution, Q4 2020

TOP 10 CONTRIBUTORS:	Average Weight	Total Return	Relative Contribution
Watches of Switzerland Group PLC	3.11%	82.21%	1.78%
FlatexDEGIRO AG	3.25%	55.35%	1.63%
Sushiro Global Holdings Ltd.	3.05%	52.47%	1.37%
Alfen NV	2.20%	58.72%	1.14%
Intermediate Capital Group plc	2.57%	54.58%	1.10%
Dalata Hotel Group Plc	1.92%	59.57%	0.92%
TechnoPro Holdings, Inc.	2.69%	34.69%	0.85%
Kornit Digital Ltd.	2.47%	37.40%	0.83%
Soitec SA	2.60%	35.02%	0.82%
S4 Capital Plc	2.25%	34.52%	0.74%
Total	**26.11%**		**11.18%**

BOTTOM 10	Average Weight	Total Return	Relative Contribution
Euronext NV	2.31%	-12.01%	-0.36%
Biotage AB	1.30%	-14.56%	-0.30%
Arco Platform Ltd.	1.69%	-13.10%	-0.26%
Fagron NV	1.89%	-7.88%	-0.19%
S IMMO AG	0.48%	-10.22%	-0.18%
VARTA AG	1.85%	-2.68%	-0.13%
Softcat Plc	0.47%	-3.80%	-0.09%
Lifenet Insurance Company	0.43%	-3.66%	-0.06%
Hypoport SE	1.81%	0.63%	-0.05%
Anritsu Corporation	1.85%	-1.59%	-0.05%
Total	**14.07%**		**-1.67%**

SECTOR ATTRIBUTION	Average Weight	Total Return	Selection Effect	Allocation Effect	Total Effect
Communication Services	8.71%	23.18%	**0.69%**	-0.10%	**0.58%**
Consumer Discretionary	14.15%	40.77%	**2.60%**	-0.01%	**2.58%**
Consumer Staples	5.93%	16.47%	**0.70%**	0.04%	**0.74%**
Energy	0.94%	30.93%	**-0.01%**	-0.18%	**-0.20%**
Financials	14.88%	23.13%	**0.46%**	0.07%	**0.53%**
Health Care	6.76%	-0.70%	**-0.57%**	-0.02%	**-0.60%**
Industrials	22.07%	20.77%	**-0.11%**	0.02%	**-0.09%**
Information Technology	13.10%	16.32%	**-0.11%**	-0.05%	**-0.17%**
Materials	2.71%	23.17%	**0.04%**	-0.26%	**-0.21%**
Real Estate	5.45%	6.41%	**-0.38%**	0.26%	**-0.12%**
Utilities	2.46%	6.27%	**-0.33%**	-0.01%	**-0.35%**
Total	**97.18%**		**2.96%**	**-0.25%**	**2.71%**

REGION ATTRIBUTION	Average Weight	Total Return	Selection Effect	Allocation Effect	Total Effect
Australia - New Zealand	2.28%	13.30%	**-0.18%**	-0.34%	**-0.52%**
Emerging Market	5.93%	5.24%	**-1.51%**	0.78%	**-0.73%**
English	21.71%	28.05%	**0.58%**	-0.21%	**0.38%**
Far East	23.29%	20.18%	**2.70%**	0.72%	**3.42%**
Northern Europe	21.74%	21.18%	**0.41%**	0.01%	**0.43%**
Southern Europe	1.44%	13.14%	**-0.04%**	-0.02%	**-0.06%**
Western Europe	20.78%	18.89%	**-0.60%**	0.42%	**-0.18%**
Total	**97.18%**		**1.37%**	**1.38%**	**2.75%**

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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 2019. 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. GIPS® is a registered trademark owned by CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. To obtain GIPS® compliant performance information for the firm's strategies and products, please contact Redwood Investments, LLC at (617) 467-3000.

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.

IMPORTANT EXPLANATORY INFORMATION

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