

4Q 2024

GLOBAL SMALL CAP

Performance

	QTD	1 Year	2 Year	3 Year	Since Inception
MAM Global Small Cap	-0.84	12.03	26.52	13.68	31.25
ACWI Small Cap	-3.26	7.66	12.16	0.76	15.46
Alpha	2.42	4.37	14.36	12.92	15.80

*Inception Date: 4/1/2020
 The GSC is a paper portfolio, currently managed internally with no live assets. The reported performance reflects a 1% annual charge applied to the portfolio to cover all management fees and trading costs. This expense ratio is designed to encompass the typical costs an investor would incur. Please refer to the full disclosure provided at the end of the report.

Investment Strategy

- As intrinsic value investors, we prioritize quality-growth and hold a contrarian perspective, focusing on companies often overlooked or misunderstood.
- Our strategy emphasizes investing in businesses rather than merely trading stocks, targeting industry leaders with solid financial foundations and strategic positioning.
- We diverge from short-term "cigar butt" investing, opting for firms with sustainable competitive advantages, good management, and strong brand identities.
- Opportunities arise from temporary undervaluations due to various market discrepancies.
- Our approach involves a 2-4 year investment horizon, targeting companies with market caps under \$5bn, aiming for a portfolio turnover of 20-30%.

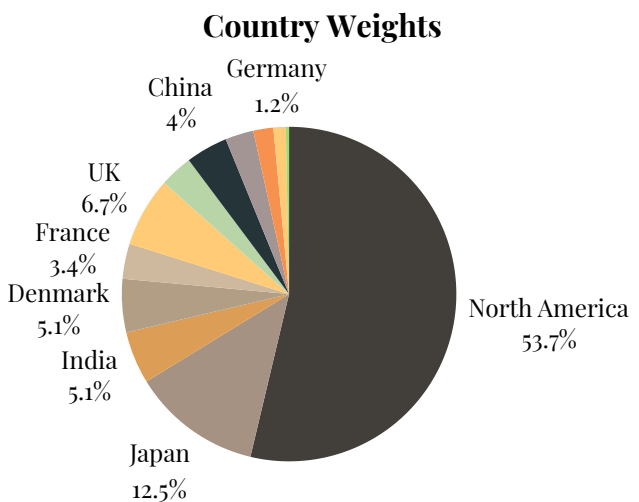
Portfolio Characteristics

Characteristics	MAM	Index
Market Cap (Average \$MM)	\$3,787.20	\$1,550.26
Price/Earnings (BEst)	13.73X	24.42X
Price/Book (Best)	2.06x	1.77x
Dividend Yield	1.94%	2.15%
Est. EPS Long-term Growth	17.40%	14.74%
Return on Equity (BEst)	29.56%	19.78%
Free Cash Flow Yield	4.75%	3.70%

Who We Are

Morningside Asset Management, LLC is an independent, investment advisory firm founded in 2015. In February 2020, the firm was recapitalized, revitalized and restructured dedicated to responsible investing. Our firm offers two core products, a US Small Cap Value strategy and a Global Small Cap strategy. Both are long-only actively-managed equity strategies.

Portfolio Exposures



Top 10 Holdings

Lindblad Expeditions Holdings	5.44%
Hanesbrands Inc.	4.62%
LifeDrink Co Inc.	4.40%
SLM Corp	4.15%
Modine Manufacturing Co.	3.89%
Maruwa Co Ltd.	3.57%
Brinker International	3.49%
Serco Group	3.25%
Richter Gedeon	3.19%
Action Construction Ltd.	3.13%

1 Holdings are subject to change and do not include the entire portfolio of the strategy. Holdings data is presented to illustrate examples of the securities that may be purchased in such a strategy and the diversity of areas in which the strategy invests and may not be representative of the strategy's current or future investments.

GLOBAL SMALL CAP

Quarterly Report

In the fourth quarter of 2024, the Global Small Cap strategy outperformed its benchmark, the MSCI ACWI Small Cap Index, which declined -3.17%, by posting a smaller loss of -0.9%. This resilience underscores the strategy's disciplined investment approach amid a volatile macroeconomic environment. While U.S. small caps benefited from strong consumer spending and supportive monetary policy, weakness in Europe and Asia, exacerbated by political and economic challenges, weighed on broader small-cap performance.

Macro and Sector Insights

The macroeconomic backdrop for small caps was marked by regional divergence. In the United States, resilient economic indicators, such as robust consumer spending and stable employment, supported small caps, particularly in consumer discretionary and financials. Brinker International (+72.86%) and Lindblad Expeditions (+28.22%) were standout contributors, benefiting from strong demand dynamics. Financials also performed well, with SLM Corp (+21.19%) capitalizing on lower borrowing costs following the Federal Reserve's earlier rate cuts.

Europe, by contrast, struggled with persistent inflation, stagnating growth, and political unrest, particularly in Germany and France. These factors negatively impacted holdings like Serco Group (-20.62%) and Ipsos (-24.54%). In Asia, Japan's consumer-focused names, such as LifeDrink Co. (+7.93%), provided a bright spot, but these gains were offset by significant underperformance in South Korea and China. CS Wind (-44.7%) faced headwinds in the renewables sector, while Yadea Group Holdings (-6.37%) reflected ongoing economic concerns in China.

Sector performance also mirrored these trends. Consumer discretionary was the strongest contributor, driven by resilient demand in the U.S. and select European names like Pandora (+10.78%). Financials provided additional support, particularly from U.S. regional banks and asset-light financial services companies. However, industrials and materials detracted meaningfully, reflecting sector-specific challenges in Europe and Asia.

Outlook for 2025

As we look ahead, the prospects for small caps remain promising, particularly in the United States. Earnings growth expectations for the Russell 2000 are robust, with consensus projecting a 44% rebound in 2025, following a two-year earnings recession. Valuations continue to be compelling, with small caps trading near historic lows relative to large caps based on EV/EBIT metrics.

Volatility, which defined much of the market in late 2024, is expected to persist into 2025. Historically, heightened volatility has been a precursor to strong small-cap performance, offering opportunities for active managers to identify mispriced assets. Additionally, small caps' relative earnings strength and valuation appeal position the asset class for potential leadership as markets normalize.

The strategy remains focused on identifying high-quality, under-researched companies across core markets, leveraging our global insight network to capitalize on long-term growth opportunities. While challenges persist, we are optimistic about the ability of small caps to deliver strong returns in 2025 and beyond.

**For Additional Information
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The GSC is a paper portfolio, currently managed internally with no live assets. To manage this portfolio, we balance the portfolio monthly on the last business day of the month. The GSC performance is calculated monthly using close of business day prices published on Bloomberg. The U.S. Dollar is the currency used to express performance. The reported performance reflects a 1% annual charge applied to the portfolio to cover all management fees and trading costs. This expense ratio is designed to encompass the typical costs an investor would incur. The information provided herein should not be construed as a recommendation to purchase or sell any particular security or investment strategy. An investment in the Morningside Asset Management (MAM) Global Small Cap Strategy is speculative and involves a high degree of risk. There is no guarantee that the investment objective of the MAM Global Small Cap will be achieved. Moreover, any referenced past performance should not be construed as an indicator of future performance. The indices referenced in this presentation are well-known market indices which are included merely to show the general trend in the markets in the periods indicated and are not intended to imply that the MAM Global Small Cap Strategy's returns were comparable to the indices either in composition or element of risk. The inclusion of these index comparisons and/or references is for informational purposes only and should not be used as the basis for making an investment decision. There are significant differences between the MAM Global Small Cap Strategy and the indices herein including, but not limited to, risk profile, liquidity, volatility, and asset composition. A potential client must carefully evaluate all potential risk factors and should not make an investment unless it is able to bear the economic risks associated with such investment and is prepared to lose all or a substantial portion of its investment. An investment in the MAM Global Small Cap Strategy may only be made in accordance with the investment management agreement or advisory contract. The fees and expenses charged in connection with this investment may be higher than the fees and expenses of other investment alternatives and may offset profits. Registration of a Registered Investment Adviser with any federal or state regulatory agency does not imply any level of skill or training. Additional information is available upon request.