

# INTERNATIONAL SMALL CAP FUND

## Institutional Class

As of June 30, 2021



### FUND STATISTICS

<b>Fund Inception:</b>	Oct. 20, 2014
<b>CUSIP:</b>	14949P703
<b>Ticker:</b>	CIISX
<b>Minimum Initial Investment:</b>	
\$1 Million *	
<b>Maximum Sales Charge:</b>	None
<b>Net Expenses:**</b>	1.10%
<b>Gross Expenses:</b>	1.46%
<b>Net Assets:</b>	\$63,669,841

\* The Fund may waive account minimums for customers of a financial intermediary or investment adviser if the aggregate investments of its customers are believed likely to meet the account minimum for the Fund or across the Trust.

\*\* Contractual fee waivers are in effect until 1/31/2022.

### TOTAL RETURNS

AS OF 06/30/2021

	Institutional Class	MSCI ACWI ex-USA SC (Gross)
<b>Curr. Qtr.</b>	9.15%	6.49%
<b>YTD</b>	22.48%	12.47%
<b>1 year</b>	53.62%	47.58%
<b>3 year</b>	7.59%	10.20%
<b>5 year</b>	10.73%	12.39%
<b>Since Inc.</b>	8.77%	9.75%

## Investment objective

Causeway International Small Cap Fund seeks long-term growth of capital.

The Fund invests primarily in common stocks of companies with smaller market capitalizations located in developed and emerging markets outside the U.S. The Fund normally invests at least 80% of its total assets in equity securities of companies with smaller market capitalizations. Smaller market capitalization companies are companies with market capitalizations that do not exceed the highest market capitalization of a company within the Fund's benchmark, the MSCI ACWI ex USA Small Cap Index, at the time of purchase.

## Fund features

- Actively managed, tracking-error oriented, quantitative strategy
- Combines bottom-up and top-down factors in security selection
- Supports strict risk controls in stock selection process
- Provides diversification benefits to a developed markets portfolio

## About the adviser

Causeway Capital Management LLC is an investment management firm which began operations in June 2001. Causeway has approximately \$46.0 billion in global, international and emerging market equities assets under management, and has 103 employees, 37 of whom are investment professionals.

**JOE GUBLER, CFA Portfolio Manager** Mr. Gubler is a quantitative portfolio manager for Causeway. He joined Causeway as a quantitative research associate in April 2005 and was promoted to portfolio manager in January 2014.

**ARJUN JAYARAMAN, PhD, CFA Portfolio Manager** Dr. Jayaraman joined the firm in January 2006 and is head of the quantitative research group at Causeway. He has been co-portfolio manager of Causeway Emerging Markets Fund since March 2007.

**MACDUFF KUHNERT, CFA Portfolio Manager** Mr. Kuhnert performs quantitative research for Causeway. His responsibilities include product development, asset allocation, risk management, and the design and implementation of proprietary valuation models and other quantitative tools. He joined the firm in July 2001 and has been co-portfolio manager of Causeway Emerging Markets Fund since March 2007.

**RYAN MYERS Portfolio Manager** Mr. Myers joined the firm in June 2013 and became a portfolio manager in January 2021. His responsibilities includes alpha research, stock selection, and portfolio construction.

*The performance data quoted herein represents past performance. Past performance is not a guarantee of future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth less than their original cost, and current performance may be lower than the performance quoted. For performance data current to the most recent month end, please call 1.866.947.7000.*

*Returns greater than one year are annualized. Total returns assume reinvestment of dividends and capital gains distributions at net asset value when paid. Investment performance reflects contractual fee waivers. In the absence of such fee waivers, total return would be reduced. High relative or absolute performance may not be repeatable.*

*The MSCI ACWI ex USA Small Cap Index is a free float-adjusted market capitalization weighted index, designed to measure the equity market performance of smaller capital stocks in developed and emerging markets, excluding the US market. The index is gross of withholding taxes, assumes reinvestment of dividends and capital gains, and assumes no management, custody, transaction, or other expenses. Indices are unmanaged and one cannot invest directly in an index.*

TOP TEN COUNTRIES	
Japan	13.6%
Taiwan	9.6%
South Korea	8.9%
Canada	7.4%
United Kingdom	7.4%
Australia	6.3%
Netherlands	5.8%
China	5.0%
Hong Kong	4.5%
Sweden	4.5%

TOP TEN SECTORS	
Industrials	19.9%
Consumer Discretionary	15.5%
Financials	14.3%
Materials	14.1%
Information Technology	12.4%
Real Estate	5.4%
Consumer Staples	4.2%
Health Care	3.5%
Communication Services	2.9%
Energy	1.9%

TOP TEN ACTIVE HOLDINGS			
Yang Ming Marine Transport Corp. (Taiwan)	2.1%	Mineral Resources Ltd. (Australia)	2.0%
Hyosung TNC Corp. (South Korea)	2.1%	FinVolution Group (China)	1.9%
SITC International Holdings (Hong Kong)	2.0%	Royal Mail Plc (United Kingdom)	1.9%
Interfor (Canada)	2.0%	Kindred Group Plc (Sweden)	1.8%
Canfor (Canada)	2.0%	BE Semiconductor Ind. NV (Netherlands)	1.6%

*Active defined as Fund weight minus MSCI ACWI ex USA Small Cap Index weight. The holdings identified above can and will differ from the Fund's Top 10 holdings measured by Fund weight. Holdings are subject to change.*

## Market commentary

Equity markets continued to deliver strong returns during most of the second quarter as vaccination campaigns accelerated in most regions, facilitating easing of Covid-19-related economic restrictions. Despite the progress, the Delta variant of the virus and differing vaccination rates across geographies have resulted in an uneven recovery. International smaller capitalization ("cap") equities, as measured by the MSCI ACWI ex USA Small Cap Index ("Index") modestly outperformed international large caps in the second quarter, while within smaller cap equities, emerging market ("EM") stocks outperformed their developed market ("DM") peers. From a sector perspective, the strongest performers in the Index were healthcare, industrials, and energy sectors. Consumer staples, utilities, and financials were among the worst performing sectors in the Index.

Causeway International Small Cap Fund ("Fund") outperformed the Index during the quarter. To evaluate stocks in our investable universe, our multi-factor quantitative model employs four bottom-up factor categories – valuation, earnings growth, technical indicators, and competitive strength – and two top-down factor categories assessing macroeconomic and country aggregate characteristics.

With the U.S. Federal Reserve now contemplating rate hikes sooner than previously expected, worries over potential peak stimulus coupled with concerns over inflation led to a significant flattening of the yield curve in June. The resulting rotation out of value led to the underperformance of our value alpha factors, marking their first month of negative returns since August 2020. Nevertheless, returns to our value factor group were still positive for second quarter overall. The strategy's earnings growth alpha factors delivered positive returns last month and quarter, and they are the best-performing bottom-up factor group over the last twelve months. Our technical factors also delivered positive returns in June and the full quarter despite the recent market rotation. Our competitive strength factor category delivered the best returns for the month among our bottom-up factor groups but returns for the full quarter were roughly flat. Our macroeconomic factors delivered positive returns in June and second quarter as countries with superior macroeconomic characteristics outperformed those exhibiting relatively weaker metrics. Returns to our country aggregate factors were flat for the month and negative for the full quarter. All factor group returns remain positive from inception of the Fund (10/20/14) to the end of June.

From a sector perspective, Fund holdings in industrials, financials, and consumer staples contributed the most to performance relative to the Index. Fund holdings in health care, consumer discretionary, and communication services offset a portion of the performance. Relative performance for the month can be mostly attributed to stock selection. The top contributor to performance was marine transportation services provider, Yang Ming Marine Transport Corp. (Taiwan). Additional top contributors included fiber products manufacturer, Hyosung TNC Corp. (South Korea), mining industry crushing service provider, Mineral Resources Ltd. (Australia), online consumer finance platform, FinVolution Group (China), and marine transportation and logistics solutions provider, SITC International Holdings Co., Ltd. (Hong Kong). The largest detractor from performance was plastics & polymers manufacturer, Korea Petrochemical Ind Co., Ltd. (South Korea). Additional top detractors included healthcare service provider, H.U. Group Holdings, Inc. (Japan), online gambling company Kindred Group Plc (Sweden), insurance group, ASR Nederland NV (Netherlands), and apparel company, Nishimatsuya Chain Co., Ltd. (Japan).

**To determine if the Causeway International Small Cap Fund is an appropriate investment for you, carefully consider the Fund's investment objectives, risk factors, charges and expenses before investing. Please read the summary or full prospectus carefully before you invest or send money. To obtain additional information including charges, expenses, investment objectives, or risk factors, or to open an account, call 1.866.947.7000, or visit us online at [www.causewayfunds.com](http://www.causewayfunds.com).**

**Risk Disclosures:** Mutual fund investing involves risk, including possible loss of principal. In addition to the normal risks associated with equity investing, international investing may involve risk of capital loss from unfavorable fluctuations in currency values, from differences in generally accepted accounting principles, or from economic or political instability in other nations. Emerging markets involve heightened risks related to the same factors, as well as increased volatility and lower trading volume. Investments in smaller companies involve additional risks and typically exhibit higher volatility. Current and future holdings are subject to risk. Diversification does not protect against market loss. There is no guarantee that securities mentioned will remain in or out of the Fund.

A yield curve is a line that plots yields (interest rates) of bonds having equal credit quality but differing maturity dates. The slope of the yield curve gives an idea of future interest rate changes and economic activity. Alpha is performance in excess of a benchmark.

The market commentary expresses the portfolio managers' views as of the date of this report and should not be relied on as research or investment advice regarding any stock. These views and any portfolio holdings and characteristics are subject to change. There is no guarantee that any forecasts made will come to pass. Any securities identified and described do not represent all of the securities purchased, sold, or recommended for the Fund. The reader should not assume that an investment in any securities identified was or will be profitable.

Causeway Capital Management LLC serves as investment adviser for Causeway International Small Cap Fund. The Fund is distributed by SEI Investments Distribution Co. (SIDCO), which is not affiliated with Causeway Capital Management LLC.