

7 AUGUST 2017

NEWS RELEASE

US micro-cap valuations are the most attractive they've been over the past 20 years

While more and more investors are singing the praises of passive investing, little known companies have the eye of top US micro-cap active fund manager THB. Focusing on stock picking of dynamic and well-run small companies, THB looks for opportunities in this smallest segment of the US share market. Here, companies tend to grow faster than their larger counterparts and have more rapid earnings growth.

In Australia to celebrate the 3 year anniversary of the THB US Micro Cap Fund, Chris Cuesta Principal of THB said "THB identifies companies where the market has undervalued its potential based on its operating structure and profitability, failed to recognise inherent value on a cost replacement basis, and/or overlooked synergies available to potential acquirers."

"Micro cap stocks continue to provide an opportunity for outsized returns as lack of analyst attention creates an information void and resulting inefficiency. There are abundant alpha opportunities. As well, more than 50% of all US merger and acquisition activity is typically in micro cap companies and balance sheets appear healthier than at any time in the past 20 years" Chris said.

THB's 30 years' of experience in this smallest segment of the US share market has made them one of the longest established managers of micro cap stocks. And their strategy is proving successful in unlocking new opportunities for investors.

The Fund was opened up to Australian investors in 2014 by investment specialists Brookvine. Since then, the THB US Micro Cap Fund has returned 15.6% p.a. The past 12 months performance showing an even stronger 31.2% p.a..

"With the world's deepest and broadest source of micro cap stocks being in the US, we are pleased to be able to offer access to this opportunity to Australian investors for the first time" Brookvine CEO, Steven Hall said.

"While more and more Australian micro cap funds are cropping up, to date most Australian investors have overlooked the potential opportunity that US micro caps provide because they do not have an effective means of investing in them. Yet the future of professional active money management is likely in niches such as the US micro cap space where opportunities remain plentiful for talented managers to produce outsized returns" Steve said.

The THB US Micro Cap Fund is open to institutional and wholesale investors. The portfolio is well diversified, holding over 100 stocks, many providing direct and meaningful exposure to mega trends in infrastructure, e-commerce, green energy, health & activity, connectivity, cyber security, and data analytics.

It typically considers stocks with a market capitalisation up to US\$500-600million, however there is a focus on the smallest part of the micro cap universe where inefficiencies are often the greatest. The THB US Micro Cap Fund targets a long term average return of at least 4% p.a. (net) above the Russell Microcap® Index.

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For more information, please contact:

Steven Hall, Chief Executive Officer, Brookvine Pty Ltd AFSL 246450.

+61 2 9328 6445

+61 401 232 422

stenhall@brookvine.com.au

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ABOUT THOMSON HORSTMANN & BRYANT INC

Thomson Horstmann & Bryant, Inc. (THB) is a dedicated US micro and small cap specialist investment management firm based in Norwalk, Connecticut. Founded in 1982 and 100% employee owned, it has more than 30 years' experience investing in US micro cap stocks and approximately US\$800 million in funds under management. THB is a Registered Investment Advisor with the US Securities and Exchange Commission.

www.thbinc.com

ABOUT BROOKVINE

Brookvine partners with fund managers to bring exceptional opportunities to investors. Since its establishment in 2001 investors have committed over \$12 billion to investment opportunities backed by Brookvine. Brookvine's investors include some of the largest superannuation and sovereign wealth funds in the world and many of the leading private wealth investment groups in Australasia.

www.brookvine.com.au

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