Grandeur Peak Global Advisors
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1Q 2020 Quarterly Letter

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April 15, 2020

Market Commentary

Last quarter we wrote about what is essentially our definition of a Long-Term investor. If you didn't read it, you might find it interesting. In light of the current market dynamics under Covid-19, we think it has some merit. In the last paragraph we asked the following question: "How long-term focused are our clients?" Three months ago we believed the answer was, "pretty long-term." Today, we're more convinced that our clients are definitely long-term, based on the almost complete lack of net redemptions we saw during a quarter when global equity markets completely fell out of bed.

We thought we'd expand on the theme of long term investing by putting some data in front of you. This is simply a historical exercise and by no means a forecast on our part, but we found the following set of charts to be really interesting.

First we will address the data. In our opinion, any talk of "The Stock Market" should be done in the context of the most inclusive Market Index there is. For our purposes we use the MSCI All-Country World Investible Market Index (ACWI IMI). According to MSCI, as of 3/31/2020 the ACWI IMI had 8,976 constituents, capturing large, mid and small cap representation across 23 Developed Markets and 26 Emerging Markets countries. This comprehensive index covers approximately 99% of the global equity market capitalization.[1]

The problem with the ACWI IMI is that the return data only goes back to June 1994. However, the MSCI All-Country World Standard Index (ACWI) goes back to January, 1988. According to MSCI, the ACWI is designed to represent performance of the full opportunity set of large- and mid-cap stocks across 23 developed and 26 emerging markets. As of December 2019, it covers more than 3,000 constituents across approximately 85% of the free float-adjusted market capitalization in each market.[2]

However, for this exercise we want to go back even further. So we turned to the S&P Dow Jones Indices to get data on what arguably may be the most important sub-set of the global equity markets: the US Market as represented by the S&P 500®. According to S&P Dow Jones, the S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities. The index includes 500 leading companies and covers approximately 80% of available market capitalization.[3] The S&P 500 return data is available back to January 1928.

To go back even further we turn to Professor Robert Shiller and the data he compiled for his 2000 book, Irrational Exuberance. According to Shiller's website, this data set consists of monthly

[1] https://www.msci.com/documents/10199/4211cc4b-453d-4b0a-a6a7-51d36472a703
[2] https://www.msci.com/acwi
[3] https://us.spindices.com/indices/equity/sp-500

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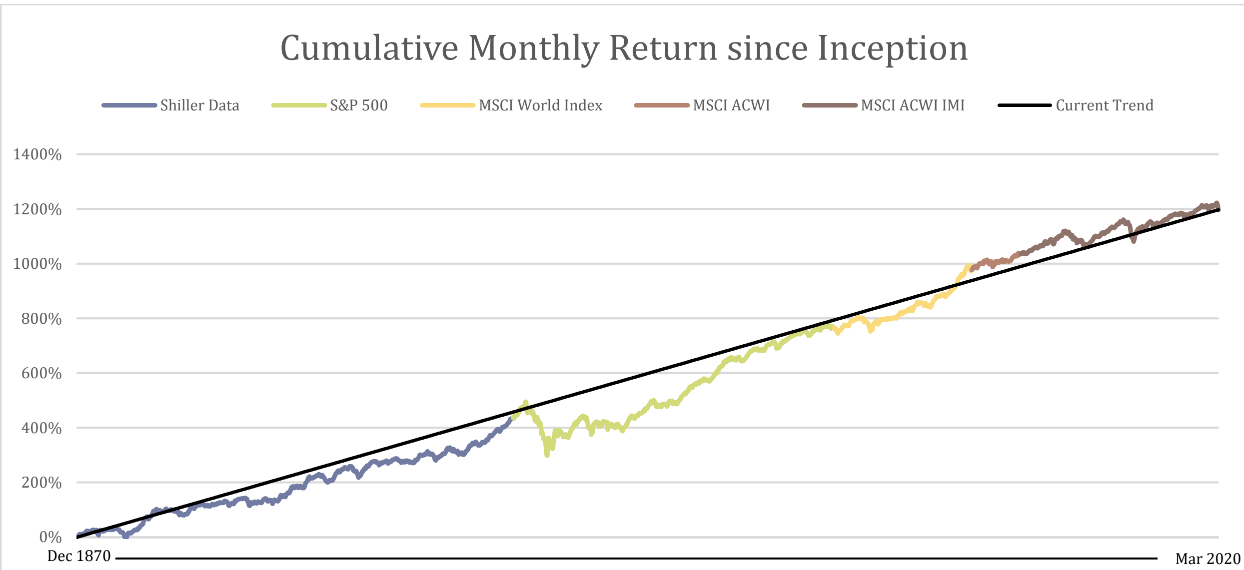
stock price, dividends, and earnings data beginning in January 1871. The price, dividend, and earnings series are from the same sources as described in Chapter 26 of his earlier book, Market Volatility [Cambridge, MA: MIT Press, 1989].[4]

After compiling the data from January 1871 to present, we were able to create a cumulative return chart for what we think is a good representation of Equity Markets. We present this chart in Exhibit 1.

Exhibit 1: Cumulative Monthly Returns of Aggregated Data Sets



Source: Data from Jan 1871 – Dec 1927: Robert Shiller; Data from Jan 1928 – Dec 1969: S&P Dow Jones; Data from Jan 1970 – Mar 2020: MSCI
Past performance does not predict future results

Using this data we can attempt to answer one of life's great mysteries: "What long term return should one expect on a global equity portfolio?" A good guess would be the long term trend you see on this chart; which is 8.35%. But of course the right answer is: "It depends." And on what may it depend, you ask? Why, the holding period of course. Exactly how Long Term of an investor are you?

We took rolling periodic returns of the combined data set. From the 1,791 monthly returns in the data set, we calculated 1,732 rolling 5-year returns, 1,672 rolling 10-year returns, and 1,192 rolling 50-yr returns. We present 3 graphs depicting these rolling returns in Exhibit 2.

[4] http://www.econ.yale.edu/~shiller/data.htm

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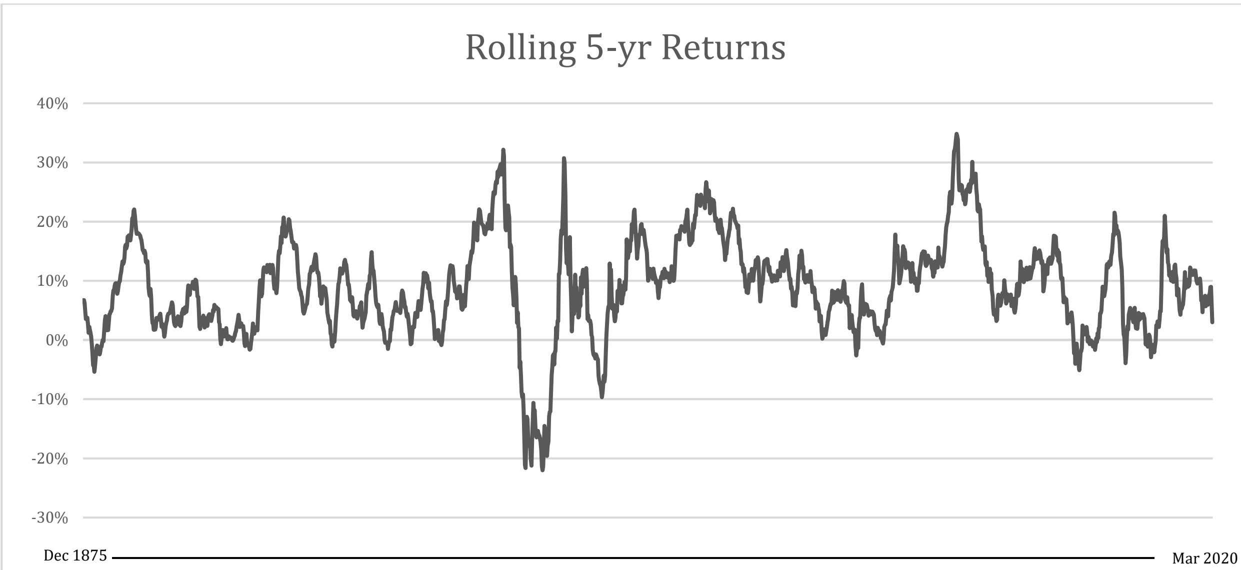
Exhibit 2: Rolling Periodic Returns of Aggregated Data



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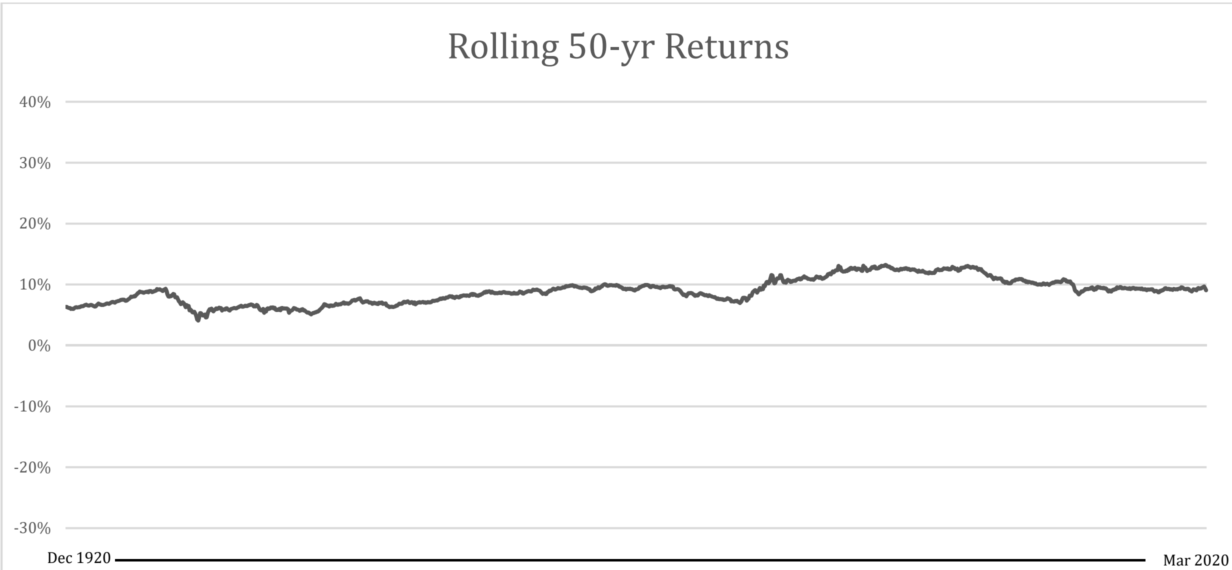

Source: Data from Jan 1871 – Dec 1927: Robert Shiller; Data from Jan 1928 – Dec 1969: S&P Dow Jones; Data from Jan 1970 – Mar 2020: MSCI
Past performance does not predict future results

The first thing to point out in the three charts in Exhibit 2 is that the longer the holding period, the more narrow the range of the rolling returns. Interestingly, the average of the periodic returns for each holding period are quite similar. However, the standard deviation[5] of those returns are obviously quite different, as shown in Exhibit 3.

Exhibit 3: Summary Statistics of Rolling Periodic Returns of Aggregated Data

	Rolling 5-yr Returns	*Rolling 10-yr Returns*	*Rolling 50-yr Returns*
Average	8.83%	8.73%	8.93%
St Dev	8.29%	5.29%	2.07%
Max	34.84%	22.05%	13.22%
Median	8.75%	8.18%	9.00%
Min	-22.01%	-8.31%	4.07%
N (Sample Size)	1,732	1,672	1,192

Source: Data from Jan 1871 – Dec 1927: Robert Shiller; Data from Jan 1928 – Dec 1969: S&P Dow Jones; Data from Jan 1970 – Mar 2020: MSCI
Past performance does not predict future results

Using the 50-year holding period as a base case, we can model out an expected return scenario using a Normalized Gaussian Distribution, also commonly called the "normal distribution" or "bell curve". Yes, yes, we realize that financial markets do not exhibit Normalized Functions and

[5] Standard deviation is a statistical measurement in finance. In context of an annual rate of return of an investment, it can be a clue to the historic volatility of the investment where the greater the standard deviation, the greater the variance between the price and the mean, creating a larger price range.

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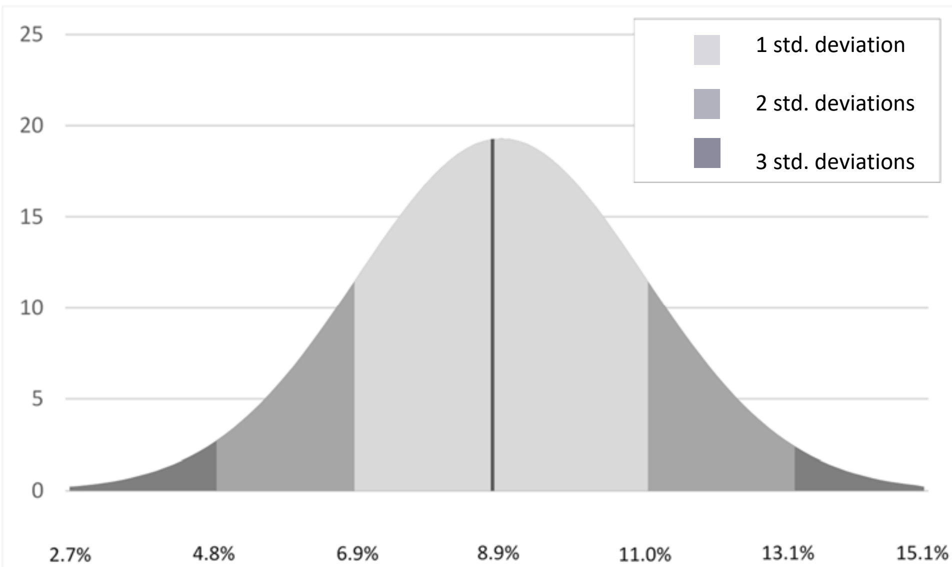
suffer from Skewness[6] and Kurtosis[7] and suffer from "Tail events" or "Black Swans,"[8] however, as can be seen visually in the third graph of Exhibit 2 above, over 50-year holding periods, most Tail Events even out and the data approximates a normally distributed series. The resulting normal distribution of the 1,192 50-year return observations from the data yields Exhibit 4.

Exhibit 4: Return Distribution of 50-year Rolling Periods of Aggregated Data



Source: Data from Jan 1871 – Dec 1927: Robert Shiller; Data from Jan 1928 – Dec 1969: S&P Dow Jones; Data from Jan 1970 – Mar 2020: MSCI
Past performance does not predict future results

From the distribution displayed in Exhibit 4, one might conclude that over a 50-year holding period, one might expect roughly 68 percent of the 50-year average returns to fall between 7% and 11% (the light gray area of the curve). So looking back to the MSCI ACWI IMI since its inception on May 31, 1994, what has been the annualized average return through March 31, 2020? The answer is 6.42%, as shown as Exhibit 5 below.

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6 Skewness is a measure of the asymmetry of the probability distribution of a real-valued random variable about its mean.
7 Kurtosis is a measure of the "tailed-ness" of the probability distribution of a real-valued random variable. Like skewness, kurtosis describes the shape of a probability distribution.
8 A "Black Swan" or "Tail Event" is an unpredictable event that is beyond what is normally expected of a situation and has potentially severe consequences. Black swan events are characterized by their extreme rarity, their severe impact, and the widespread insistence they were obvious in hindsight.

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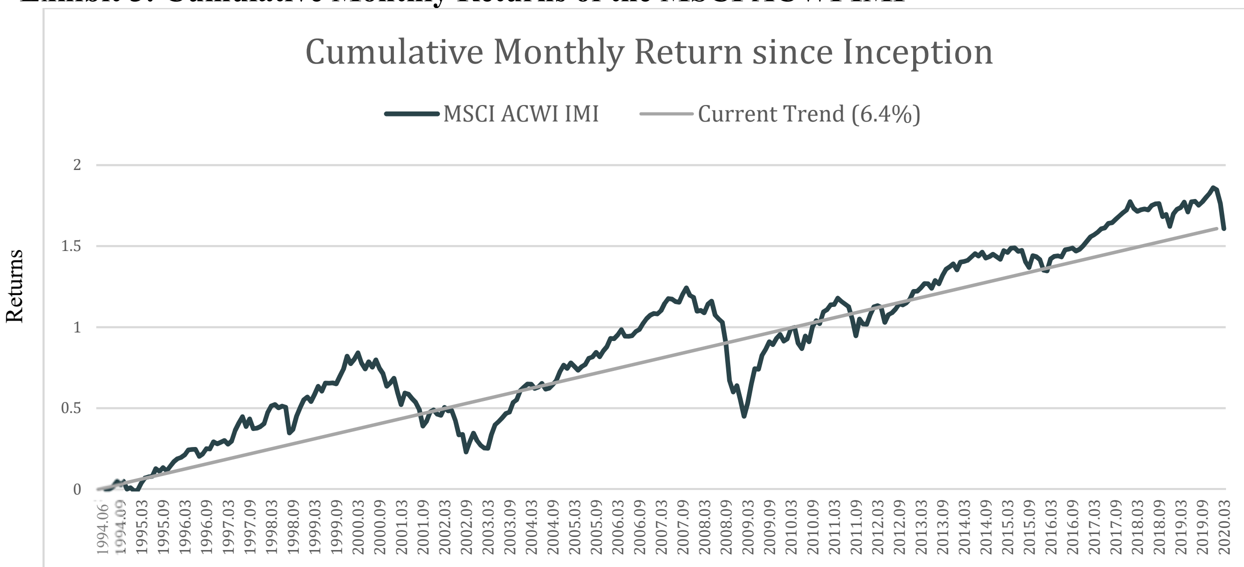
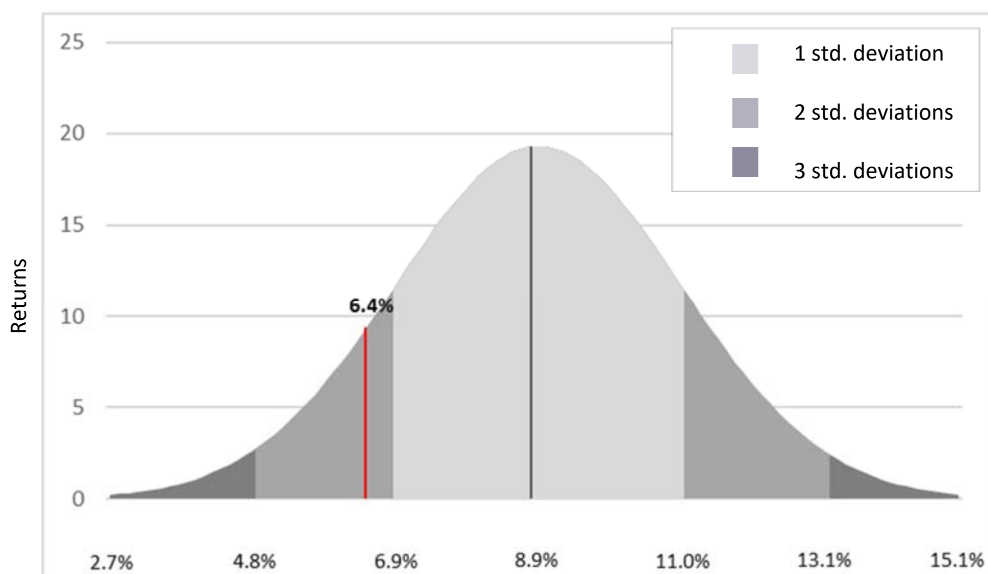
Exhibit 5: Cumulative Monthly Returns of the MSCI ACWI IMI



Source: MSCI; data from June 1994 – March 2020
Past performance does not predict future results

The MSCI ACWI IMI has been compounding at a 6.42% annualized rate since its May 31, 1994 inception. As shown in Exhibit 6, this rate of return has been well below the average of our aggregated return data set.

Exhibit 6: Return Distribution of 50-year Rolling Periods of Aggregated Data



Source: Data from Jan 1871 – Dec 1927: Robert Shiller; Data from Jan 1928 – Dec 1969: S&P Dow Jones; Data from Jan 1970 – Mar 2020: MSCI
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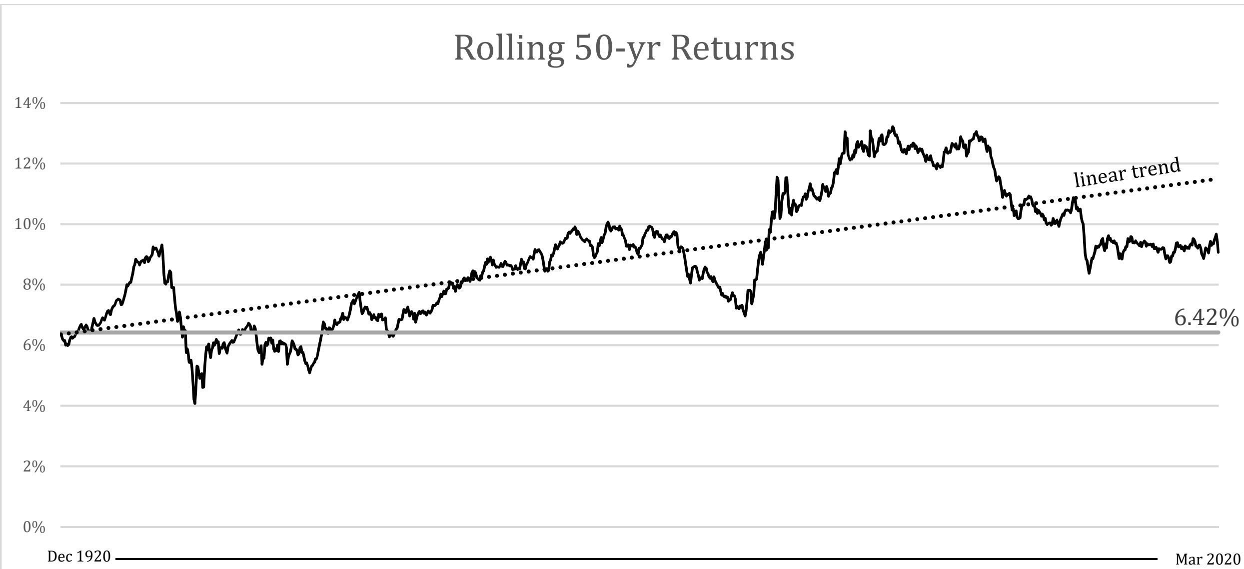
In Exhibit 7 we recreate the third graph from Exhibit 2 above which shows the rolling 50-year returns of the aggregated data with the scale shrunk down to magnify the volatility in the data.

Exhibit 7: Rolling 50-year Returns of Aggregated Data



Source: Data from Jan 1871 – Dec 1927: Robert Shiller; Data from Jan 1928 – Dec 1969: S&P Dow Jones; Data from Jan 1970 – Mar 2020: MSCI
Past performance does not predict future results

What's interesting to us here is that plotting a linear trend across the data reveals that rolling 50-year returns have been trending higher over time, and in the most recent period (from 3/31/1970 through 3/31/2020) the annualized average return was 9.07% (vs. the average of 8.93%). With a current trend of only 6.42% on the MSCI ACWI IMI, have we entered a period of permanently low returns? It would seem that the extreme tail events that we experienced between March 2000 – March 2003 and then again between Sept 2007 – Feb 2009 have kept the global markets from reaching that long-term trend rate of 8.35%, as shown below in Exhibit 8. Are we on the cusp of what may turn out to be yet another big tail event that started in January 2020? Or with the current dip in equity valuations, are the markets setting us up for a period of higher than average returns that will get us back onto the long-term trend? Unfortunately, only time will tell.

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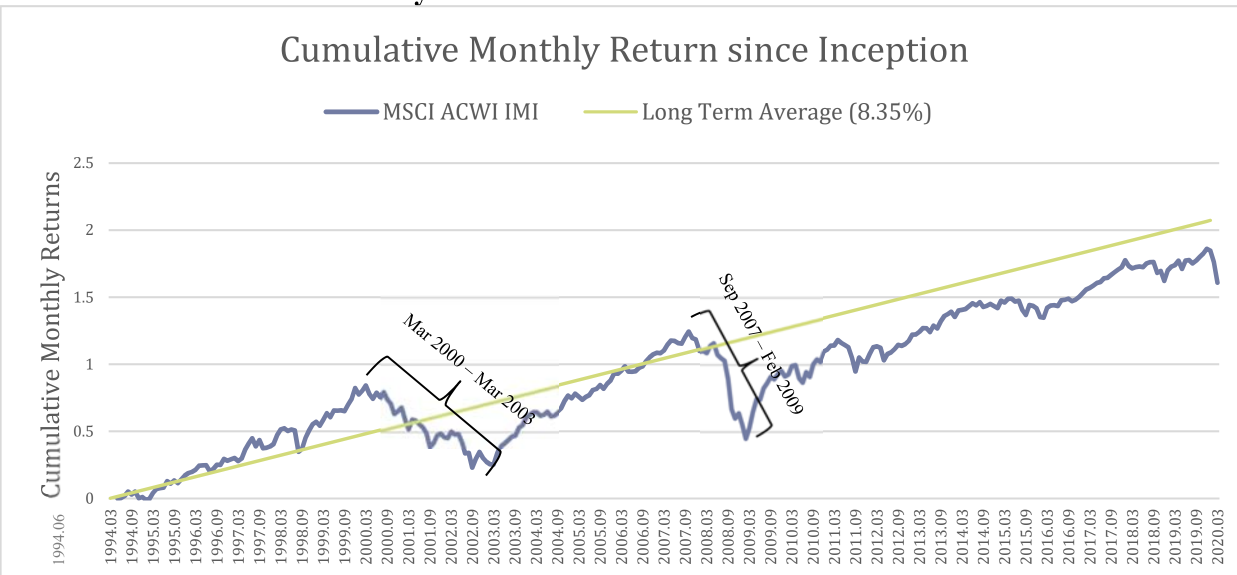
Exhibit 8: Cumulative Monthly Returns of the MSCI ACWI IMI



Source: MSCI; data from June 1994 – March 2020
Past performance does not predict future results

Portfolio Commentary

As we wrote in our last quarterly portfolio commentary, the end of 2019 left many in our research team wondering, *where do we go from here?* We experienced a very strong year across global equity markets during the 11th year of a bull market. We continued to find quality companies to invest in at reasonable prices, but it was no easy task. Valuations were becoming increasingly uncomfortable. You will recall in the Q4 commentary that in response to this, we were positioning our portfolios more defensively. In Financials, we had been balancing out our interest rate exposure by adding to real estate, which benefits from lower rates, and adding to administrators, which are less rate sensitive. In Industrials we focused on less cyclical names and were underweight (and highly selective) in Energy & Materials. In Consumer, we had an offense/defense strategy that we felt could hold up if the bull market turned. In summary, we felt prepared… we just didn’t know what for.

Absolute performance is what really matters to us, and to our shareholders at the end of the day, so of course we’re disappointed with how Q1 2020 played out. We are much more inclined to be kicking ourselves for the negative quarter as opposed to congratulating ourselves for the relative outperformance. We made mistakes. We struggled in our India investments, namely Financials and Technology. We did not have enough defensive India exposure to counter our bullish outlook. Our Financials exposure was tough due to our bank overweight, which was damaging as rates plunged to their lowest levels. We were working to create more balance in our Financials exposure, but we were too slow. And of course there were names that we now realize we bought too early as markets began to fall.

However, as we examine our portfolios by geography, market cap, and sector, in nearly every case we see that our stock selection was additive vs. respective benchmarks. Our messaging has always been clear that our goal is to keep up in rising markets and outperform in falling markets. Our detailed process was crafted for times like these. As Robert Gardiner said in our 2019 Chairman Message, "I have to tell you that my team and I are winking at each other. We have a plan. We are as active a manager as there is. We're spending time reading annual reports, building earnings models, and touching companies across the globe with a tremendous amount of enthusiasm and energy. You are getting serious active management here!"

The first quarter gave us some big takeaways that we think are worth sharing. Our focus has always been on investing in what we believe to be Best-in-Class Growth companies. So far, this market correction has re-emphasized our belief in the importance of sticking to companies of this caliber. We believe these Quality Growth companies have strong business models and balance sheets, giving us the confidence to own them in any market environment. In thinking about our Quality, Value, business Momentum (QVM) Framework, Value and Momentum will come and go, but we believe Quality has some permanence to it.

Elevated volatility in the quarter gave us some valuable opportunities to sell good companies in order to buy what we feel are great companies. We know our companies extremely well, including our Watch Lists. The effort and focus on our process during good times results in accumulated knowledge, allowing us to be nimble and take advantage of opportunities using our QVM framework. Currently across our portfolios, Momentum scores are down, Value is looking very attractive, and Quality is positioned to potentially reward shareholders for the long term.

We launched the US Stalwarts portfolio this quarter. As many have heard us say, a US strategy has been on the drawing board since we founded Grandeur Peak in 2011. In hindsight we should have gone live with it years ago, we just always felt like US markets were too expensive. As we began to see the pullback in Q1, we decided to pull the trigger. As it turns out, US Stalwarts is already showing its value to our process. We have been able to add many new US names across portfolios as the correction has put some great companies in our QVM sweet spot. We hope for more opportunities to continue adding. We believe that having a fund focused exclusively on US markets gives us additional domestic focus, and makes us better global dot connectors.

Diving into a sector review, outside of Energy, the Consumer sector was the hardest hit, particularly Consumer Discretionary. Many consumer-facing companies (even those employing asset-light business models) are struggling just to survive, looking to the government and other financing sources for funding to meet payroll and rent. Certain subsectors have been impacted particularly hard. Most hospitality/leisure companies have seen their business slow to a near standstill due to limited travel, quarantine and social distancing measures being imposed across the globe. Food and beverage companies have also been impacted in a major way, having been shut down by government order in many areas. Those companies are facing liquidity challenges given they do not keep significant cash reserves on hand. Certain Consumer Staples companies

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have remained at stable revenues, with some companies, like grocery stores, seeing an uptick in revenue to due panic purchases.

Our Consumer portfolio has not been hit as hard as the consumer benchmark or the market overall for three primary reasons. First, our investment approach is focused on owning companies with good balance sheets. We believe companies with strong balance sheets are in a much better position to weather this storm and could have more operational flexibility going forward. Second, our portfolio tends to tilt more toward defensive names including drug stores/discount stores/general merchandise. Many of these companies have avoided the worst of it and some have even seen an uptick in sales. Third, our portfolios are overweight e-commerce companies, which have not been impacted as negatively as brick and mortar companies, and in some cases have also benefitted from changing consumer behavior.

Our Consumer team did a comprehensive study on past market cycle performance of consumer companies and historically, as you might expect, consumer discretionary tended to be the hardest hit sector just prior and in the early stages of a recession However, it has historically been one of the stronger performing sectors coming out of a recession. Earlier this year and prior to Covid-19 we had reduced the Consumer weight in our funds to a degree, but not as much as we would have liked in hindsight. Now given the significant price drop for consumer companies, we have opportunistically bought a number of our Watch List A companies at very attractive valuations. Right now it is difficult to say when exactly consumer habits will be able to return to normal, but we do have confidence that the consumer companies we own are in position to navigate the pandemic without significant long-term damage, even if restrictive measures were to continue into to 2021.

Within our Industrials, Energy & Materials tranche, relative performance indicates alpha[9] generation, but we frankly expected stronger outperformance given the magnitude of market declines. When reviewing the detractors, a common theme is the combination of cycle sensitive business models plus levered balance sheets. The inverse is true for our strongest performers, healthy cash balances, less cyclicality, and the ability to deploy balance sheets into accretive merger and acquisition (M&A) opportunities. We believe the exceptional companies will emerge from this challenging environment stronger while the weak will fall by the wayside.

There were two silver linings within this tranche that are worth mentioning. As our team saw softness in the market related to trade wars over the course of 2019, our Industrials, Energy & Materials team steadily transferred a portion of its weight to Technology and Healthcare, which were the two strongest sectors in Q1 2020. The other Q1 benefit in our portfolios comes from the work of our Sustainability Team. Their efforts have resulted in lower exposure to energy companies across our portfolios.

[9] Alpha is a measure of performance indicated by the excess return or the difference between the performance of an investment against its benchmark representing a market as a whole.

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Healthcare was clearly the leading sector in Q1. We increased our weight over the course of the quarter to take advantage of some high conviction ideas; it was a missed opportunity not increasing our position earlier. In a break from the recent norm, US Healthcare underperformed International and Emerging Markets (EM), which helped our performance as we've been underweight US. We took the US underperformance as an opportunity to increase our domestic exposure. We hope to continue to add more to US Healthcare in the coming months. As before, we continue to prefer investing in clinical research organizations (CROs) and diagnostic companies.

In Technology, our semiconductor bets really shined this quarter. The tailwinds for some of our semiconductor holdings have not changed, namely data centers, gaming, and communications (5G). IT Services had a tougher quarter. Interestingly, the names that we thought would be more defensive turned out not to be so (looking at short-term stock performance at least). These are human capital businesses, which have been especially impacted given the move to work-from-home. IT Services demand will obviously be softer, but the delivery side of the equation has unexpectedly proven to be the greater worry, particularly given the concentration in India, which looks particularly volatile right now. Software fared a little better, but there was a wide range of return outcomes. Our mix of holdings remains fairly eclectic, which feels right in this environment.

Turning to Financials, entering 2020, our goal was to pragmatically work toward greater balance among the four core model categories: Management, Administration, Banking and Real Estate. Looking back, we feel we should have lowered our overweight to interest rate-sensitive commercial banks more quickly. In late 2019, we began a deep dive into the independent investment banks. After narrowing down the list, some of the commercial bank exposure has now been reallocated to a core group of first-tier independent advisors capable of taking advantage of opportunities in financial restructuring and financial sponsor-based M&A. The banks that we have held onto are niche banks with nominal credit risk and high fee or growth potential.

Grandeur Peak's worst performing portfolio in Q1 was Global Contrarian, warranting some additional commentary. Although our value-focused portfolio beat its benchmark by 5.41%, posting a quarterly loss of -29.19% is tough to swallow. We would have hoped to outperform in a bigger way in such a down market. Global Contrarian has a pretty wide charter in terms of the size of companies we can invest in, but at this point in the market cycle we continue to gravitate towards micro-cap companies. Nearly 40% of the portfolio is invested in companies with market caps below $350 mm. Our observation is that in Q1, the market favored larger companies because of a flight towards "safety" and the belief that larger companies are more likely to survive the current storm. Evidence of this phenomenon can be seen in the US, where the S&P was down -

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19.60% and the Russell 2000[10] was down -30.61% (and to bifurcate that further the Russell 2000 Value[11] was down -35.66% and while the Russell 2000 Growth[12] was down -25.76%).

As we look through performance details of Global Contrarian, the only way to connect the underperformance across holdings is in comparing balance sheet quality. We should have been more cautious dipping down in Quality to get the right Value. Our focus will be tighter on making sure not only that debt levels are reasonable, but that the capital structure matches the business model.

Looking forward, we do not agree with the market's definition of "safety" being correlated to market cap. The quarter offered some great opportunities to learn from our mistakes and upgrade our portfolio. We feel good about the bottom-up construction. We look different from the index and have good reasons for doing so. We like our current value positioning and we are seeing a market rich for picking stocks.

Notes from ~~the Road~~ Home, During A Quarantine

You may be wondering? What do research analysts in a global investment firm do when they can't travel? This quarter, our team dealt first-hand with the repercussions of the Covid-19 virus. By early January, we decided that trips to Asia needed to be canceled. As the quarter progressed, our travel policy changed from "Unlimited Travel" to "Needs Approval" to "No Travel Allowed." While meeting companies face to face is an important part of our research process, having the technology to adapt when circumstances change has meant that our team could proceed with "business as usual" as we transitioned to complete work-from-home protocols.

During the quarter, our team connected with companies in Florida, Illinois, Utah, Arizona, California, New York, Oregon, Texas, Canada, China, Sweden, Argentina, Switzerland, South Korea, Australia, India, UK, Norway, Malaysia, Italy, France, Brazil, Israel, Vietnam, Bangladesh, Mexico, and Belgium.

Research Analyst Spencer Randall was scheduled to travel with Miranda Jacobs (Research Analyst), Amy Sunderland (Portfolio Manager) and Blake Clayton (Rondure Portfolio Manager), to the Philippines in January. He shares his experience in planning and then adjusting their trip:

At the end of 2019, our geography teams sat down together and drew up our anticipated travel schedules for the 2020 year. For the South East Asia team, a visit to the Philippines was at

[10] The Russell 2000 Index is a market-cap weighted index which measures the performance of the approximately 2,000 smallest-cap companies in the Russell 3000, which represents the 3,000 largest US stocks.
[11] The Russell 2000 Value Index measures the performance of the small-cap value segment of the US equity universe.
[12] The Russell 2000 Growth Index measures the performance of the small-cap growth segment of the US equity universe.

the top of our list. Our team believes that the Philippines is an exciting area to be invested in right now and we wanted to get boots on the ground for further due diligence. Traveling in Asia can be difficult, and we typically utilize our in-country broker relationships when planning trips to ease the logistical burden.

The team included Miranda, Amy S and Blake C. Thanks to our frequent screening exercises, we were able to collaborate and quickly compile a long list of companies to visit. We then sent the list to our brokers who checked on company management availability and helped work out the logistics. After a few weeks of back and forth emails, we had an exciting schedule of management meetings, factory tours, and various store visits. Flights and hotels were booked, and we shifted our focus for the next few weeks to preparing for the abundance of meetings we had ahead of us.

It was around this time that news of the COVID-19 outbreak in Wuhan, China broke. Not yet knowing the full extent of the virus, we continued to anticipate our upcoming research trip. I was in frequent contact with our brokers on the ground (who were already informing on the Taal volcano eruption in Southern Luzon[13]), when travel restrictions began to emerge. It became clear that the virus was more serious than originally anticipated. Given the uncertainty surrounding the situation, the decision was wisely made to postpone all travel within the firm until future notice. While we were disappointed with the situation, we proceeded to inform the broker of our decision and transfer the higher priority meetings into calls with management where possible. Most management teams were extremely understanding, and we have since been able to touch base with most companies. A few weeks later, the first cases of COVID-19 reached the U.S. and the era of "work from home" began.

Working from home during quarantine has been an adjustment. It is now acceptable to come to work in sweats or grow a scraggly mustache. And it is much easier to forget about needing to take breaks to eat, sleep, and exercise. It is a challenge not being able to walk through the office and engage in friendly market banter or bounce ideas off team members. However, the transition from a technology standpoint was seamless and we seem to have settled into our new routines. The number of times the phone rings everyday has tripled and while there are new interruptions hourly at home, we are keeping up with our regular team meetings. I now spend much more time talking to team members on the phone, through email, or on a video conference call rather than in person as continued collaboration remains strong. During this time, I have gained an even greater appreciation for our process and how hard everyone works. I look forward to being able to return to our office with the team and again travel the globe in search for great companies. Until then, our team is very focused on the task at hand.

Business Update

We join with many in expressing our sympathies and concerns for those who have been personally affected by Covid-19. We recognize there are many ways this pandemic has altered lives around the globe. We salute the medical personnel at the front lines of the fight, the small business owners who are working to stay afloat, the workers who help provide essential services

[13] https://www.cnn.com/2020/01/17/asia/taal-volcano-philippines-fatal-attraction-intl-hnk/index.html

to our communities, and the scientists who are working on treatments. As a firm, we have tried to do our part to support relief efforts. We've reached out to our local and global charities to offer financial support as they identify critical needs in their organizations. We have invited employees to support our local restaurants by ordering take-out in lieu of our normal Friday lunches together. We are encouraging healthy lifestyles, including maintaining good mental health as we connected socially for a group yoga class taught by one of our employee's spouse. We hope you are finding creative ways to cope and deal with all the upheaval in your own lives. We recognize that it is through the small efforts of many people around the globe that solutions become possible.

After seeing the sell-off in the US markets, our team decided to launch our long-awaited US Stalwarts Fund on March 19, 2020. It may seem outlandish to launch a new fund during this period of uncertainty and volatility, but our team was well prepared and felt the current opportunity was compelling. We feel the work on our US names has been beneficial to all of our global strategies as we had names teed up when the markets saw some of its biggest drops in history. Randy Pearce and Brad Barth are the Portfolio Manager of the US Stalwarts Fund, with Stuart Rigby as guardian portfolio manager, and is run as a sister fund to the existing Stalwarts strategies. We believe seeing the global picture will potentially make us better US investors, and having a dedicated focus on a US fund may in turn make us better global investors.

We also announced the re-opening of all of our funds late this quarter. We believe it is the interest of our current shareholders, our portfolio managers, and in potential new shareholders to have the funds open at this time. We continue to regard our nimbleness and limited-asset capacity as a competitive advantage as a firm and are prepared to limit the asset size of our funds in the event the market has an unexpected rebound or the flows into our funds exceed our target asset levels. However, in these current depressed market conditions, we believe shareholders with a long-term view should have the opportunity to invest without restrictions,

We know there is yet uncertainty ahead. As Robert Gardiner mentioned in his 2019 Chairman's Letter on March 23, 2020, Grandeur has prepared itself as a firm in hopes of withstanding market downturns. We have saved for a rainy day and been prudent in structuring our business model. Our team is prepared and saw little to no disruption in terms of business continuity as we all moved to working remotely. The research team is prepared. Given the volume and quantity of work we've performed since the firm's inception, we feel we have been able to identify what we believe are the very best companies. We continue to stick to our goal of finding great companies, those we believe can get stronger in tough times. We remain optimistic and energized to meet the challenges that will certainly come.

We are pleased to announce the addition of three seasoned industry veterans to the Grandeur Peak team across research, compliance and the client relation roles.

Jared Whatcott, CFA, MBA, will be joining the senior investment team at Grandeur Peak. He brings 16 years of global investment experience. In his most recent role, Mr. Whatcott was a portfolio manager of the Wasatch International Opportunities Fund and the Wasatch Frontier

Emerging Markets Fund. He graduated from the US Air Force Academy and served five years as an officer in the Air Force, achieving the rank of Captain. He later earned an MBA from the University of Virginia, Darden School of Business. He has also served as the President and Chairman of the CFA Society of Salt Lake City.

Jeff Vincent, JD has been hired as Grandeur Peak's Chief Compliance Officer and General Counsel. Eric Huefner, co-Founder, President and COO, has served as the CCO since the firm's inception in 2011 and will be transitioning the CCO role to Mr. Vincent over the coming months. Mr. Vincent will also serve as CCO for Rondure Global Advisors, a sister firm of Grandeur Peak Global Advisors. Mr. Vincent joins Grandeur Peak from Grey Mountain Partners where he has been a Managing Director for the last 14 years, and similarly served as CCO and General Counsel. Prior to Grey Mountain Partners, Mr. Vincent spent five years as Counsel at McLeodUSA and iBAHN and five years in private corporate practice. Mr. Vincent obtained his JD degree from Columbia University.

Tim Bryan spent 26 years in client-facing roles at Wasatch Advisors and Fidelity before becoming an entrepreneur in 2018 by pursuing his passion for the outdoors and starting up a scenic tour company on the Navajo Nation with a long-time friend. With that business now successfully off the ground, Mr. Bryan will be working part-time with us as an external member of the client team for both Grandeur Peak and Rondure Global Advisors. Mr. Bryan's primary focus will be on the Financial Advisor channel.

Again, we wish to extend our appreciation to you, our partners in this journey. We are motivated by the confidence you have shown in our team and we are hopeful that we can have the wisdom and discipline to bring us through these uncertain times. We promise our best efforts and know that we continue to have a lot of work in front of us. We hope the hard work of many can bring benefits, not only to our research effort, but to the improvement and healing of the world at large.

As always, please feel free to reach out any time with any questions, requests or comments. We appreciate the opportunity to work on your behalf.

Sincerely,

Mark Siddoway, CFA, CAIA
Todd Matheny, CAIA
Amy Johnson, MBA, CFP®
Grandeur Peak Global Advisors

GRANDEUR PEAK FUNDS
ELEVATED GLOBAL INVESTING™

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Returns as of March 31, 2020 for our Funds and their respective Benchmarks were as follows:

Total Returns (returns are annualized for periods over 1 year)

	Quarter	YTD	1 yr	3 yrs	5 yrs	Since Inception∗
Global Reach, Investor Class (GPROX)	-23.72%	-23.72%	-12.62%	-0.08%	2.54%	6.12%
Global Reach, Institutional Class (GPRIX)	-23.63%	-23.63%	-12.38%	0.17%	2.79%	6.37%
MSCI All-Country World Small Cap Index[i]	*-30.11%*	*-30.11%*	*-22.70%*	*-4.12%*	*-0.05%*	*3.14%*
MSCI All-Country World Investible Market Index[ii]	*-22.33%*	*-22.33%*	*-12.25%*	*1.29%*	*2.99%*	*5.20%*
Global Opportunities, Investor Class (GPGOX)	-24.18%	-24.18%	-12.52%	-0.05%	2.50%	9.24%
Global Opportunities, Institutional Class (GPGIX)	-24.12%	-24.12%	-12.62%	0.17%	2.74%	9.52%
MSCI All-Country World Small Cap Index[i]	*-30.11%*	*-30.11%*	*-22.70%*	*-4.12%*	*-0.05%*	*6.10%*
MSCI All-Country World Investible Market Index[ii]	*-22.33%*	*-22.33%*	*-12.25%*	*1.29%*	*2.99%*	*7.36%*
Global Stalwarts, Investor Class (GGSOX)	-22.99%	-22.99%	-12.62%	1.35%	n/a	5.73%
Global Stalwarts, Institutional Class (GGSYX)	-22.91%	-22.91%	-12.34%	1.62%	n/a	6.00%
MSCI All-Country World Mid Cap Index[iii]	*-26.65%*	*-26.65%*	*-17.95%*	*-1.93%*	*n/a*	*2.50%*
MSCI All-Country World Small Cap Index[i]	*-30.11%*	*-30.11%*	*-22.70%*	*-4.12%*	*n/a*	*1.62%*
Global Micro Cap (GPMCX)	-25.08%	-25.08%	-14.36%	-2.36%	n/a	2.32%
MSCI All-Country World Small Cap Index[i]	*-30.11%*	*-30.11%*	*-22.70%*	*-4.12%*	*n/a*	*0.76%*
MSCI World Micro Cap Index[iv]	*-29.71%*	*-29.71%*	*-22.56%*	*-6.09%*	*n/a*	*0.07%*
Global Contrarian, (GPGCX)	-29.19%	-29.19%	n/a	n/a	n/a	-22.39%
MSCI All-Country World Small Cap Value Index[v]	*-34.60%*	*-34.60%*	*n/a*	*n/a*	*n/a*	*-29.31%*
MSCI All-Country World Small Cap Index[i]	*-30.11%*	*-30.11%*	*n/a*	*n/a*	*n/a*	*-24.44%*
Intl Opportunities, Investor Class (GPIOX)	-25.50%	-25.50%	-15.20%	-2.42%	1.45%	7.92%
Intl Opportunities, Institutional Class (GPIIX)	-25.35%	-25.35%	-14.96%	-2.23%	1.63%	8.16%
MSCI All-Country World ex-US Small Cap Index[vi]	*-28.94%*	*-28.94%*	*-20.84%*	*-4.52%*	*-0.44%*	*3.47%*
MSCI All-Country World ex-US Investible Market Index[vii]	*-24.02%*	*-24.02%*	*-15.89%*	*-1.88%*	*-0.20%*	*3.32%*
Intl Stalwarts, Investor Class (GISOX)	-22.77%	-22.77%	-11.51%	1.12%	n/a	5.78%
Intl Stalwarts, Institutional Class (GISYX)	-22.75%	-22.75%	-11.29%	1.39%	n/a	6.02%
MSCI All-Country World ex-US Mid Cap Index[viii]	*-27.06%*	*-27.06%*	*-18.77%*	*-3.31%*	*n/a*	*0.89%*
MSCI All-Country World ex-US Small Cap Index [vi]	*-28.94%*	*-28.94%*	*-20.84%*	*-4.52%*	*n/a*	*0.66%*
EM Opportunities, Investor Class (GPEOX)	-23.13%	-23.13%	-15.94%	-4.47%	-0.76%	0.83%
EM Opportunities, Institutional Class (GPEIX)	-23.00%	-23.00%	-15.65%	-4.23%	-0.51%	1.07%
MSCI Emerging Markets Smid Cap Index[ix]	*-31.12%*	*-31.12%*	*-27.68%*	*-7.75%*	*-4.29%*	*-2.76%*
MSCI Emerging Markets Investible Market Index[x]	*-24.37%*	*-24.37%*	*-18.59%*	*-2.17%*	*-0.54%*	*-0.06%*
US Stalwarts, (GUSYX)	n/a	10.90%	n/a	n/a	n/a	10.90%
MSCI US Mid Cap Index[xi]	*n/a*	*8.98%*	*n/a*	*n/a*	*n/a*	*8.98%*
MSCI US Small Cap Index[xii]	*n/a*	*9.59%*	*n/a*	*n/a*	*n/a*	*9.59%*

∗ Inception of the Grandeur Peak Global Opportunities Fund and the Grandeur Peak International Opportunities Fund is 10/17/2011; Inception of the Grandeur Peak Global Reach Fund is 6/19/2013; Inception of the Grandeur Peak Global Stalwarts Fund and the Grandeur Peak International Stalwarts Fund is 9/1/2015; Inception of the Grandeur Peak Global Micro Cap Fund is 10/20/2015; Inception of the Grandeur Peak Global Contrarian Fund is 09/17/2019. This fund is new and has limited operating history. Inception of the Grandeur Peak US Stalwarts Fund is 3/19/2020. This fund is new and has limited operating history.

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Data shows past performance, which is not indicative of future performance. Current performance may be lower or higher than the data quoted. To obtain the most recent month-end performance data available, please visit www.grandeurpeakglobal.com. The Advisor may absorb certain Fund expenses, without which total return would have been lower. These expense agreements are in effect through August 31, 2020. The Expense Agreement for Grandeur Peak Global Contrarian is in effect through August 31, 2021. Investment returns and principal value will fluctuate and shares, when redeemed, may be worth more or less than their original cost.

Total Expense Ratios: Gross 1.27% / Net 1.27% for GPRIX; Gross 1.52% / Net 1.52% for GPROX; Gross 1.37% / Net 1.33% for GPGIX; Gross 1.62% / Net 1.58% for GPGOX; Gross 1.02% / Net 1.02% for GGSYX, Gross 1.27% / Net 1.27% for GGSOX; Gross 2.05% / Net 2.00% for GPMCX; Gross 1.37% / Net 1.32% for GPIIX; Gross 1.62% / Net 1.57% for GPIOX; Gross 0.94% / Net 0.94% for GISYX, Gross 1.19% / Net 1.19% for GISOX; Gross 1.53% / Net 1.52% for GPEIX, Gross 1.78% / Net 1.77% for GPEOX; Gross 1.90% / Net 1.35% for GPGCX.

An investor should consider investment objectives, risks, charges, and expenses carefully before investing. To obtain a Grandeur Peak Funds prospectus, containing this and other information, visit www.grandeurpeakglobal.com or call 1-855-377-PEAK (7325). Please read it carefully before investing.

See the prospectus for additional information regarding Fund expenses.
Grandeur Peak Global Advisors will deduct a 2.00% redemption proceeds fee on Fund shares held 60 days or less. Performance data does not reflect the deduction of this redemption fee or taxes, which if reflected, would reduce the performance quoted. For more complete information including charges, risks and expenses, read the prospectus carefully.

RISKS: Investing in small and micro-cap funds will be more volatile and loss of principal could be greater than investing in large cap or more diversified funds. Investing in foreign securities entails special risks, such as currency fluctuations and political uncertainties, which are described in more detail in the prospectus. Investments in emerging markets are subject to the same risks as other foreign securities and may be subject to greater risks than investments in foreign countries with more established economies and securities markets.

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[i] The MSCI All-Country World (ACWI) Small Cap Index captures small cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries.
[ii] MSCI All-Country World Investible Market Index (ACWI IMI) captures large, mid and small cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. The index is comprehensive, covering approximately 99% of the global equity investment opportunity set.
[iii] The MSCI All-Country World (ACWI) Mid Cap Index captures mid cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries.
[iv] The MSCI World Micro Cap Index captures micro-cap representation across 23 Developed Markets (DM) countries.

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[v] The MSCI ACWI Small Cap Value Index is designed to measure the equity market performance of small-cap companies exhibiting overall value-style characteristics across developed and emerging markets globally. You cannot invest directly in these or any indices.
[vi] The MSCI All-Country World ex-US (ACWIxUS) Small Cap Index captures small cap representation across 22 of 23 Developed Markets (DM) countries (excluding the US) and 24 Emerging Markets (EM) countries.
[vii] MSCI All-Country World ex-US Investible Market Index (ACWIxUS IMI) captures large, mid and small cap representation across 22 of 23 Developed Markets (DM) countries (excluding the US) and 24 Emerging Markets (EM) countries. The index is comprehensive, covering approximately 99% of the global equity investment opportunity set.
[viii] The MSCI All-Country World ex-US (ACWIxUS) Mid Cap Index captures mid cap representation across 22 of 23 Developed Markets (DM) countries (excluding the US) and 24 Emerging Markets (EM) countries.
[ix] The MSCI Emerging Markets (EM) SMID Cap Index captures mid and small cap representation across 24 Emerging Markets countries.
[x] The MSCI Emerging Markets Investable Market Index (IMI) captures large, mid and small cap representation across 24 Emerging Markets (EM) countries.
[xi] The MSCI US Mid Cap Index is designed to measure the performance of the mid-cap segments of the US market. With 340 constituents, the index covers approximately 15 percent of the free-float adjusted market capitalization in the US.
[xii] The MSCI US Small Cap Index is designed to measure the performance of the small-cap segment of the US equity market. With 1,781 constituents, the index represents approximately 14 percent of the free float-adjusted market capitalization in the US.
You cannot invest directly in these or any other indices.

Wasatch Global Investors (fka Wasatch Advisors) is not affiliated with Rondure Global Advisors or Grandeur Peak Global Advisors.

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