



MOERUS

CAPITAL MANAGEMENT

Moerus Worldwide Value Fund

Institutional: MOWIX | Investor: MOWNX

Annual Shareholder Letter: Twelve Months Ended December 31, 2025

Dear Fellow Investors:

We hope this Annual Shareholder Letter finds you and your families well. We are writing to update you on recent developments regarding the Moerus Worldwide Value Fund (“the Fund”) over the twelve months ended December 31, 2025 (as referenced herein, “2025” “or “the year”). In this Letter, we will discuss the Fund’s 2025 performance, its key themes and drivers, how we approach investing in the natural resource space, notable investment activity in the Fund in 2025, our outlook looking forward, and more.

We thank you very much for your support, and, as always, we welcome any feedback that you might have.

Fund Performance (as of December 31, 2025)*

Fund/Index	1-Year	Average Annual Returns		
		3-Year	5-Year	Since Inception**
Moerus Worldwide Value Fund - Institutional Class	40.36%	26.65%	20.66%	11.39%
MSCI AC World Index ex USA Net (USD)***	32.38%	17.33%	7.91%	8.73%
MSCI AC World Index Net (USD)****	22.34%	20.66%	11.19%	12.05%

* Performance data quoted is historical and is net of fees and expenses.

**Inception date is May 31, 2016.

*** The MSCI All Country World Index ex USA Net (USD) is an unmanaged index consisting of 46 country indices comprised of 22 of 23 developed markets (excluding the US) and 24 emerging market country indices. With 1,973 constituents, the Index covers approximately 85% of the global equity opportunity set outside the US. The Index is calculated with dividends reinvested after deduction of withholding tax. The Index is shown solely for comparison purposes and the underlying holdings of the Index may differ significantly from the portfolio. The Index is a trademark of MSCI Inc. and is not available for direct investment.

**** The MSCI All Country World Index Net (USD) captures large and mid-cap representation across 23 Developed Market and 24 Emerging Market countries. With 2,517 constituents, the index covers approximately 85% of the global investable equity opportunity set. You cannot invest directly in an index.

Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. Returns are shown net of fees and expenses and assume reinvestment of dividends and other income. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. For performance current to the most recent month-end, please call 1-844-MOERUS1.

Investment performance reflects expense limitations in effect. The Adviser has contractually agreed to reduce its fees and/or absorb expenses of the Fund, until at least March 31, 2026, to ensure that total annual fund operating expenses after fee waiver and/or reimbursement (excluding (i) any front-end or contingent deferred loads; (ii) brokerage fees and commissions; (iii) acquired fund fees and expenses; (iv) fees and expenses associated with investments in other collective investment vehicles or derivative instruments (including for example option and swap fees and expenses); (v) borrowing costs (such as interest and dividend expense on securities sold short); (vi) taxes; and (vii) extraordinary expenses, such as litigation expenses (which may include indemnification of Fund officers and Trustees, contractual indemnification of Fund service providers (other than the Adviser))), will not exceed 1.25% of the Fund's average daily net assets attributable to Institutional Class shares.

The Fund's Institutional Class returned +40.36% in 2025. By comparison, the MSCI All-Country World Index ex USA Net ("MSCI ACWI ex USA") returned +32.38% and the MSCI All-Country World Index Net ("MSCI ACWI") returned +22.34% during the same period¹. In short, in 2025, the Fund generated strong returns in *absolute* terms while significantly outperforming both the MSCI ACWI ex USA and the MSCI ACWI in *relative* terms. Longer-term, the Fund has significantly outperformed both the MSCI ACWI ex USA and MSCI ACWI over one, three, and five-year periods (see table above).

In the pages that follow, we will briefly discuss the general market environment, before delving into the noteworthy factors driving the Fund's performance in 2025. But prior to that, regarding the table and performance referenced above, we (as always) would like to emphasize that the short-term and Index performance data are included simply for informational purposes for our fellow investors. The Fund seeks to invest with a long-term time horizon of five years or more, and it is not managed with any short-term performance objectives or benchmark considerations in mind. The investment objective of the Fund is long-term capital appreciation, and we manage the Fund with the goal of achieving attractive risk-adjusted performance over the long term. Our investment approach is predicated upon taking a long-term view and striving to take advantage of near-term uncertainty by investing in depressed and/or unpopular businesses and assets at attractive prices. Short-term market or index performance, therefore, is never a primary focus for us, except insofar as it may offer us longer-term investment opportunities. With that, we will move on to a look back at 2025 in equity markets.

2025 Market Review

Despite an inauspicious beginning, periodic bouts of heightened volatility, and a seemingly endless stream of headlines (geopolitical, macroeconomic, etc.) that repeatedly generated angst and unease, 2025 ultimately proved to be a strong year for global equity markets. The year got off to an uneven start, however, with international equities advancing while the U.S. market declined meaningfully in Q1. Then came "Liberation Day" on April 2nd – when the Trump administration announced tariffs that arguably exceeded even the most draconian of market expectations. This sparked a sharp early-April slide that wiped out the previous gains in international equity benchmarks, which suddenly, by April 7th (just one week into Q2) found themselves down year-to-date (MSCI ACWI ex USA Index: -5.20%; MSCI Emerging Markets Index: -6.34% YTD through April 7), while steepening the slide of U.S. indices (S&P 500: -13.63%; NASDAQ Composite: -19.05% YTD through April 7).

¹ Source for Index returns: Bloomberg

That moment, however, turned out to be a short-lived low point for equity markets, which subsequently staged a remarkable turnaround throughout the rest of the year, quickly recovering those losses and then some, as the Trump administration subsequently delayed and/or walked those tariffs back to degrees that varied by country and product. As 2025 wore on, equity markets surged ahead as investors increasingly assumed that the Trump administration was merely negotiating and would not ultimately go through with some of the most severe measures proposed. Unbridled enthusiasm for all things AI seemingly grew even stronger, amid announcements of massive capital investments and partnerships between the space's major players. In their enthusiasm, equity markets shrugged off not only the on-again, off-again tariff-related noise, but also persistent geopolitical tensions. A number of trade agreements were announced by the Trump administration (e.g., with Japan, the E.U., the U.K., Vietnam, and Indonesia); however, some felt more like general *agreements in principle*, with the finer details remaining ambiguous and to be determined.

Elsewhere, there were some setbacks with the administration announcing increased tariffs on non-exempt Brazilian imports to 50% – ostensibly in response to the Brazilian government's prosecution of former President Jair Bolsonaro – while also raising the tariffs on many Indian imports to 50% (after taking issue with India's purchase of Russian oil). Following months of a temporary trade truce, China announced restrictions on rare earth exports in October, and President Trump responded by threatening to impose an additional 100% tariff on Chinese imports and calling into question a potential meeting later in the month with Chinese President Xi Jinping. That meeting ultimately did take place, however, and the U.S. and China reached yet another limited trade truce shortly thereafter – with discussions to continue, but no major breakthrough achieved as of yet.

As for geopolitics, the Russia/Ukraine war saw a series of escalations in 2025 despite the Alaska meeting between Trump and Putin in August, as did the Middle East, where first Israel and then the U.S. itself struck Iran in June. Unfortunately, the geopolitical turbulence experienced in 2025 did not end as we flipped our calendars to the new year. In fact, tensions have instead mounted further in January 2026, amid the U.S. seizure of Venezuelan President Nicolás Maduro, the Iranian regime's heavy-handed crackdown on widespread protests – and the U.S. moving military assets towards the area in response – and the increasingly public spat between the U.S. and Europe regarding Greenland.

Yet markets generally took such developments in stride throughout 2025, focusing instead on the ongoing AI frenzy as well as hopes of monetary easing. And indeed, the Fed cut interest rates by 0.25% three times between September and December amid signs of a weakening U.S. labor market and sporadic spasms of vulnerability in various areas (e.g., private credit). The Fed also announced a resumption of balance sheet expansion via the purchase of Treasury bills in December. Precious metals (gold, silver, platinum) surged in 2025, driven by a combination of factors including heightened concerns regarding a precarious U.S. fiscal position, gold purchasing by central banks and stablecoins, geopolitical instability, a weakening U.S. dollar, and expectations of additional Fed rate cuts.

For the year, U.S. equity market benchmark indices posted meaningful gains (S&P 500: +17.86%; NASDAQ Composite: +21.17% in 2025), although they were outperformed significantly by international benchmark indices (MSCI ACWI ex USA Index: +32.39%; MSCI Emerging Markets Index: +33.57%). While each of these indices performed quite well in *absolute* terms, it nonetheless felt like a 180-degree reversal in *relative* terms from how 2024 ended, bringing a sudden halt to what had been a recurring theme for much of the past 15 years: the dramatic outperformance of the U.S. over international equity markets.

Among the numerous factors driving this change of direction in 2025, two stood out to us. One was the early-2025 launch and rapid ascent of the DeepSeek AI chatbot app in the U.S. In our view, this event may

have not only brought increased attention to China's recent successes in many high-tech areas, but it also might have led some observers to begin to raise questions of the enormous sums invested by the AI hyper-scalers to build leading positions that many had assumed to be impervious to lower cost competition. Although the AI theme continued on throughout the year – and numerous announcements of massive AI-related capital commitments and circular relationships across Big Tech were, indeed, generally *cheered* by the market in 2025 – it nonetheless felt to us as if this development might have begun to plant seeds of doubt in the minds of some.

The second factor that comes to mind was the arrival of the Trump administration, whose less market-friendly positions (re: tariffs, international relations) seemed to prevail in 2025 over a more business-friendly, pragmatic approach that many in financial markets had expected – an expectation that had driven outsized post-Election Day gains in the U.S. market in late-2024. The administration's stance towards Europe/NATO and the war in Ukraine, as well as tariff-related brinkmanship toward China, Canada, Mexico, and much of Europe, alarmed foreign investors who have long invested trillions of dollars in U.S. Treasuries, equities, and corporate debt. On the other hand, elsewhere in the world, the Chinese and Hong Kong markets performed well (perhaps sparked by the DeepSeek news early in the year), while European markets surged in USD terms amid policymakers' newfound urgency regarding the need for a more aggressive fiscal approach in areas such as defense and infrastructure spending. It remains to be seen whether the outperformance of international equity markets over the U.S. in 2025 proves to be merely a blip on the radar – with the long-running, roughly 15-year theme of U.S. financial market exceptionalism resuming in 2026 and beyond – or the start of a more lasting change in direction, with investors across the globe beginning to seek more diversification in terms of *where* they park their capital. Time will tell.

Thoughts on The Fund's 2025 Performance and Performance Drivers

Against this backdrop, the Moerus Worldwide Value Fund (Institutional Class; "the Fund") generated strong performance on a both *absolute* and *relative* basis, returning +40.36% in the 2025², while meaningfully outperforming both the MSCI ACWI ex USA (+32.38%) and the MSCI ACWI (+22.34%) for the year. The five most significant positive contributors to the Fund's performance in 2025 (in order of magnitude) were **Valterra Platinum**, **Dundee Corp.**, **Midland Holdings**, **Wheaton Precious Metals**, and **Capstone Copper**. In the following pages, we will highlight what we thought were some of the more notable factors driving the Fund's performance in 2025.

Materials

In 2025, by far the most significant driver of performance by *sector* was the Fund's *Materials* holdings, including four of the Fund's top-five contributors for the year. The majority of the sector's contribution to performance was driven by precious metals-related holdings, including **Valterra Platinum** (Platinum Group Metals), **Dundee Corp.** (gold along with base metals) and **Wheaton Precious Metals** (gold and silver). Still, contributions were broad-based across the Fund's Materials-related holdings, with significant gains also generated in other areas, including copper (e.g., **Capstone Copper** and **Anglo American PLC**)

² Past performance does not guarantee future results. The performance data quoted above represents past performance and current returns may be lower or higher. Returns are shown net of fees and expenses and assume reinvestment of dividends and other income. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Investment performance reflects expense limitations in effect. In the absence of such expense limitations, total return would be reduced. For performance current to the most recent month-end, please call 1-844-MOERUS1.

and agricultural inputs (**Nutrien**). One point we'd like to make clear to start here (and will return to later for a more fulsome discussion): *none* of these investments were made with any short or long-term forecasts of the underlying commodity prices as the basis for our investment decisions. This is a common, understandable misperception that we often notice in conversations with other analysts or investors about the Fund's Materials investments. Of course, it is true that in 2025 the shares of these holdings clearly benefited from rising commodity prices. Precious metals prices soared as investors sought safe havens amid heightened volatility, economic/geopolitical turmoil, central bank and stablecoin purchasing, and a weakening U.S. dollar. Copper and a host of other metals rose as the general investing public's attention began to be drawn increasingly to the question of how extremely resource-intensive certain long-term mega-trends are expected to be – most notably, the proliferation of AI and electrification – and to the magnitude of the power and infrastructure-related *demand* that those developments seem likely to entail. Meanwhile, the *supply* picture surrounding many of these essential materials seems relatively subdued – a result of years of underinvestment and a space that was starved of capital for a variety of reasons, be it low commodity prices, ESG considerations, etc. In 2025, these and other factors came to the fore and the price of many commodities advanced, positively impacting the Fund's Materials holdings in 2025.

With that said, when we are often asked if the Fund's resource-related holdings are essentially “a call on commodity prices,” our answer, in a word, is no. They are not. Our focus is neither on investing in commodities, nor on predicting *commodity prices* – but instead on investing in *businesses* that have attractive company-specific attributes, business models and/or corporate developments that we expect to accrue to the benefit of shareholders. We'd argue that the management teams of many of these Fund holdings have long been busy executing in ways that we believe have been creating shareholder value over the long run – actions that are only recently beginning to get the attention they deserve, given newfound investor interest in the broader space. In our view, if we “*buy right*” – i.e., if we do our jobs well and correctly identify out-of-favor businesses that are available at discounted prices from a longer-term perspective (an important “if”) – then, company-specific developments and the ability to deliver value creation will be the most significant driver of *long-term* returns, even though *short-term* share price moves are likely to be influenced by fluctuating commodity prices and related investor sentiment. This is why we, as *long-term* investors, are much more focused on the former (the businesses and their securities) than on the latter (commodity prices). This is a topic that we will return to in more depth shortly, after discussing some of the other performance drivers in 2025.

Midland Holdings Limited

While four of the Fund's top-five performance drivers in 2025 belong to the Materials sector, **Midland Holdings Limited** (the third-most significant contributor to performance for the year) was the exception. Midland Holdings, a recent addition to the Fund (purchased in March 2025), is a leading residential property broker in Hong Kong, whose shares sunk to what we believed were extremely depressed levels over the past several years amid an ailing local residential market. In recent years, higher interest rates and a host of economic, political and pandemic-related issues in Hong Kong weighed heavily on the local residential market and cast a pall on investor interest in the region in general – all conspiring to punish Midland's share price. Expectations for Midland's business – which is highly driven by residential transaction volumes – were arguably non-existent, with the consensus view seemingly that there would be little-to-no recovery in the Hong Kong residential market anytime soon. Midland's shares sold off to the point where its stock price attributed very little value to the business, in our view, after accounting for the company's large net cash balance – despite it being a well-managed business that was temporarily depressed due to circumstances beyond its control. We built a position in the Fund at levels at which we

estimated Midland's cash (net of debt and lease liabilities) made up roughly 70% of its market cap at the time of purchase. Since then, Midland shares have risen significantly from those deeply depressed levels amid nascent signs of improvement in the Hong Kong residential market that, while modest, nonetheless has greatly exceeded the minimal expectations that had previously been priced into the stock.

Financials

The second-most significant driver of 2025 performance by *sector* (behind Materials) was the Fund's collection of Financials holdings outside of the U.S., with substantial contributions coming from Europe, Latin America, Hong Kong, South Africa, and India. While the majority of the Fund's Financials holdings performed well in 2025, the most notable contributions from this group were made by **UniCredit**, **Grupo Cibest**, **Standard Chartered**, and **Banco Bradesco**. Unlike many Fund holdings that tend to be relatively unfamiliar to many investors, all four of these companies are large-caps that are well-known and not under the radar (at least not in their local markets). UniCredit is a leading Italian bank with formidable positions in Italy, Germany, and Central and Eastern Europe. Grupo Cibest is a Holding Company that owns the leading Colombian bank (Bancolombia). United Kingdom-based Standard Chartered operates primarily in Asia, Africa, and the Middle East, possessing strong positions in many of the regions that, in our view, likely possess some of the best economic growth potential that the world has to offer over the coming decades. Banco Bradesco is one of the leading banks in Brazil. But despite the leading positions that these four companies boast in their respective markets, at the time of purchase in the Fund, expectations surrounding each were quite low for a variety of reasons and the stocks were priced accordingly, at valuations that belied their competitive positions (hence the opportunity).

Shares of UniCredit, for example, were depressed for many years, in our view, owing to factors including a long period of negative interest rates in the Eurozone and mistakes made under a previous management team that landed the bank in trouble, leading to a 2017 recapitalization. As for Grupo Cibest, which was added to the Fund in 2022, we had known and followed the company for years but never had the opportunity to invest at an attractive price, given the more generous valuations the stock historically traded at, reflecting its dominant position in Colombia. That began to change back in 2021, as a number of factors – perhaps most notably, the impact that the pandemic had on the Colombian economy, equity market, and local currency, in addition to investor uncertainty following the 2022 election of Colombia's leftist President (Gustavo Petro) – led to the stock trading at what we saw as an unusually depressed valuation. Standard Chartered, one of the longer-tenured Fund holdings, struggled in the low interest rate environment and stumbled under the arguably lax lending and compliance policies of its former management team, which invited regulatory scrutiny and resulted in sizable loan write-offs that necessitated a large rights issue in 2015. This situation – a combination of a tumbling share price with a newly cleaned-up balance sheet – caught our attention. Banco Bradesco was added to the Fund early in 2025 when investor sentiment surrounding the stock was quite poor; Brazil's equity market was one of the worst performers globally in 2024 and its currency the Brazilian Real (BRL) had depreciated meaningfully versus the USD. Banco Bradesco shares sold off sharply, to the point where we believed the valuation to be excessively depressed relative to the stock's own history, the company's underlying potential earnings power, and its considerable competitive footprint.

The shares of these leading businesses were, in our view, unusually depressed for a variety of reasons – be it macro, political, company-specific, country-specific, sentiment-related, etc. – offering a long-term investor like the Fund an attractive opportunity to invest at discounted cost bases and benefit from the long-term compounding of shareholder value. Since then, UniCredit and Standard Chartered have generated strong performance in recent years (including in 2025) amid much improved business

performance and a series of strong results that have generally exceeded consensus expectations, while each company has also returned billions of dollars to shareholders in the form of buybacks and dividends. Grupo Cíbest shares surged in 2025 from what we'd argue had been abnormally depressed levels, driven (in part) by a series of results that have been well received by the market, share repurchases, and a number of sell-side analyst upgrades of the stock during the period. Similarly, since being added to the Fund in early-2025, Banco Bradesco shares have performed well – driven by quarterly results that exceeded (low) sell-side analyst expectations. Each of these holdings, purchased at points in time in which the skies above them were dark – but temporarily so, we thought – performed well in 2025 as the clouds indeed began to lift, skies began to clear, and the attractions of each of these businesses began to come into focus.

Detractors

On the negative side, there wasn't much in the way of common themes among the detractors from performance in 2025. In a year in which the U.S. equity market lagged, some of the Fund's U.S.-based holdings declined for the year, including **The Westaim Corp.**, **Samsonite Group**, and **Jefferies Financial Group**; however, the Fund's U.S. holdings *in aggregate* contributed positively to the Fund's performance in 2025, as those declines were more than offset by gains in residential real estate broker **Douglas Elliman** and offshore energy services provider **Valaris**. Brazil-based beauty products retailer **Natura Cosméticos** was the single most significant detractor from the Fund's performance in 2025, as cyclically weak consumer spending in Brazil and costs associated with the company's ongoing business restructuring have weighed on shares. We believe that the weak consumer environment will eventually improve, while Natura's recent jettisoning of non-core business units and renewed focus on its core brands are positive developments for the long-term investment thesis, which remains attractive (perhaps more so, given the lower stock price). Given that view, we added to the Fund's position in Natura during the year. Similarly, we believe the long-term investment cases of Westaim, Samsonite, and Jefferies remain unchanged, other than being more attractively valued following recent share price declines. We added to each position in 2025. Our focus is not on the next five weeks or months, but on the next five years or longer, and on the ability of these businesses to potentially create value over the long run.

The Fund's Natural Resource-Related Investments: Don't Judge a Book by Its Cover!

Since its early days in 2016, the Fund has been an investor in the shares of various natural resource-related companies. At present, the Fund's collection of investments in the resource space ranges across numerous areas, including: miners (e.g., Valterra Platinum, Anglo American PLC, Capstone Copper); streaming companies (Wheaton Precious Metals); mining services providers (Major Drilling); oil & gas producers (e.g., International Petroleum); energy services providers (e.g., Valaris, Tidewater); agricultural product providers (Nutrien); and Holding Companies that invest in and/or provide financing to resource businesses (e.g., Dundee Corp., Aker ASA).

While the Fund has been invested in the area since its infancy, commodities and related stocks (particularly in the metals space) have only more recently become the topic du jour among the broader investment community – after over a decade of being relegated by many to the backwoods of the investment universe. Of course, this recent change of heart among investors is likely due, in part, to the significant appreciation of various metals prices (e.g., gold, silver, platinum, copper) in 2025, amid the arrival of numerous financial market narratives during the year, such as “*The Debasement Trade*,” “*The End of American Exceptionalism*” (with negative implications for the U.S. dollar), etc. Because the natural resource space has recently gone from many years of being an afterthought to investors to suddenly becoming more front of mind, we

thought it timely to dwell a bit on how we at Moerus think about investing in the space, and what that *does* and *does not* mean (and hopefully dispel some understandable misperceptions along the way).

A play on commodity prices?

First, what the Fund investing in resource-related names does *not* mean: it does not mean that we are making a “play” on the short-term moves in the price of the relevant commodity, be it gold, oil, copper, etc. Simply put, that type of activity is the domain of short-term traders in stocks or commodities; that is not how the Fund is invested. We suspect there are some who play that game quite well, and others (probably the majority) who don’t – but that is not our approach. When it comes to natural resources, we do not have any dogmatic, preconceived “house view” on the future of commodity prices. As we have often noted in these pages over the years, we do not base our investment decisions on near-term forecasts of macroeconomic variables (e.g., interest rates, inflation), a company’s earnings next quarter, or anything else. We believe that such forecasts are notoriously difficult to make *accurately enough, often enough* to generate attractive investment returns over the long run (at least for us). It is also an area where many investors, traders, and analysts compete, making for a crowded field where we would not have a clear edge.

What then to make of these investments?

On the other hand, one area where we believe we *do* have an edge is our long-term focus, an attribute that is increasingly rare in a world that seems, to us, to have grown longer on instant gratification and shorter on attention spans; in that regard, we may very well belong to an endangered species within the investment world. For those who are much more short-term focused than we are – either due to temperament, because their continued gainful employment demands it, because they invest using financial leverage (e.g., margin debt), or whatever other reason – short-term fluctuations in commodity prices might indeed be a vitally important variable in considering resource investments. For us, however, the near-term path of commodity prices is much less of an important variable, except insofar as their short-term volatility and uncertainty periodically result in opportunities to invest in underlying resource businesses at compelling valuations from a longer-term perspective. For those who are able to zoom out and look further out than the present and the immediate future, it is not uncommon for such opportunities to arise in the natural resource space – which, to be sure, can be a highly cyclical and volatile area. But volatility often shakes out forced or motivated sellers, sometimes resulting in businesses selling at discounted prices that we believe underestimate longer-term, fundamental value.

Thus, at the risk of providing an unexciting answer, the Fund’s resource investments are no different than any of its other investments throughout the portfolio. That is, they are merely a reflection of where investment opportunities are available at a given point in time, which meet our investment criteria and are therefore attractive to us. Nothing more, nothing less. What are the criteria? To start, a strong financial position that, in our view, provides survivability and staying power through difficult times; a depressed valuation that often reflects a challenging present or recent past, resulting in stigma, investor avoidance/indifference, and pessimistic expectations of the future; and ideally, opportunities for event-driven value creation and a management team with a demonstrated track record of adding value through such events. Let’s reflect a bit on each.

Strong Financial Position: A prospective investment in the natural resource space – or any other sector, for that matter – must, in our judgment, possess a sound financial footing (a paucity of debt and other commitments relative to assets and other internal resources of the company) and the financial wherewithal to not only survive challenging times – which there will inevitably be over a multi-year holding period in a cyclical commodities business – but ideally, to thrive longer-term by opportunistically acquiring the assets

of indebted, forced sellers at depressed prices that reflect cyclical lows. Is the resource company you're invested in financially strong enough to adequately self-fund their organic growth plans and even inorganic growth opportunities (e.g., M&A), if and as they become available? That is an attribute that we find attractive. Or, on the other hand, does the company currently find itself in the precarious state of needing recurring access to external financing (equity, debt, etc.) in order to fund their operations and longer-term business plans – access which might not be there when they need it most (e.g. when commodity prices are depressed)? If the latter is the case, then the short-term path of the commodity price is of vital (potentially existential) concern for you as an equity investor. Given that we are not making a call on the commodity price and wouldn't trust that call if we did, this is a situation that we strive to avoid.

Discounted Valuation: A prospective investment in the natural resource space (or any other) must also, in our judgment, be available at a depressed valuation, one which often reflects either poor investor sentiment, draconian or pessimistic expectations of the future, or simple investor indifference. Given that such a stock almost inherently must be out of favor for such bargain pricing to exist, this approach does not lend itself to buying into a resource business when all is well and commodity pricing is robust. To be clear, that is not to say that investing in a resource business during a depressed period means that commodity prices won't decline further and the stock's valuation won't get even more depressed; we can assure you that during a multi-year holding period, prices can and will decline, sometimes sharply.

What we *are* saying, though, is that if you are very price-conscious and insist on a deeply discounted valuation that prices in minimal (if any) expectations at the time of purchase – again, a judgment call – this can be helpful in mitigating downside price risk. Why? Because if bought correctly, the “bear case” is typically already priced in, and somebody with low expectations (in this case, the market) is naturally more difficult to disappoint than an optimist full of hopes and dreams. For an admittedly extreme example that nonetheless illustrates this point, the stocks of most oil producers were deeply depressed in 2020, as oil prices fell into the \$20s and the futures price even briefly went negative in the throes of the pandemic. With all producers bleeding and many seemingly near death's door, if you invested at a discounted valuation that reflected the grim conditions at the time – *provided that* the company in question had a strong financial position and the survivability to make it through to the other side without permanently impairing the equity capital (see criterion number one, above) – it stands to reason that the downside price risk *from that entry price* is likely to be at least somewhat mitigated. In other words, you're less likely to be badly hurt falling from a basement window.

On the other hand, consider an oil company in the 2012-2014 period, when oil prices routinely traded at above \$100 per barrel, energy stock valuations were elevated, and access to external capital was plentiful, even for high-cost operators that needed persistently high prices to be economic. If you invested at those levels, downside price risk was much more considerable because expectations of high (or even higher) oil prices were baked into asset prices at the time – raising the probability of subsequent disappointment. In this latter scenario, the short-term path of the relevant commodity price is of great concern to you as an equity investor; this is therefore another situation that we strive to avoid.

Potentially Value-Accretive Corporate Activity: Another attractive attribute for a prospective investment in the natural resource space is the potential to create shareholder value not just through regular going-concern operations, but also through corporate activity (e.g., M&A, asset purchases and sales, spin-offs, share repurchases, etc.). This is another attribute that we seek across the portfolio, not just the Fund's resource holdings. The potential for event-driven value creation is often a function of the ability and willingness of a management team and/or Board of Directors to undertake such transactions, as well as their aptitude in executing them. *Ability* might stem from a strong balance sheet that positions the company

well to opportunistically acquire assets or whole competitors at depressed prices; or it might come from a company's ownership of separable, saleable assets, one or more of which can be sold (if the price is right) at a valuation that exceeds the level implied by the stock price. *Willingness* involves a management or Board that looks to seize compelling opportunities if/when they are available, rather than resting on their laurels and settling for the status quo. However, it should go without saying that ability and willingness are not enough, if management and the Board do not have the skill to successfully identify such opportunities and execute on them. In fact, the ability and willingness to enter into a major transaction (e.g., a large acquisition) could be a dangerous combination, if the decision-makers aren't skilled, shrewd deal-makers.

This is why it is often important, in our view, to invest with a management team that has a strong track record of creating shareholder value over the long-term through both operating and, ideally, non-operating means (i.e., corporate activity) – possessing both the *know-how* and *know-who* to source, identify, and execute on opportunities. The quality of management and capital allocation are typically quite important in the natural resource space. In our view, high quality, returns-oriented, shareholder-friendly management (ideally with skin in the game) can be a key differentiator in an industry where – at the risk of sounding uncharitable – it is unfortunately not uncommon to observe a variety of issues that range from mismanagement (though well-intentioned) to the misdeeds of outright charlatans. Shareholder dilution can also be a major issue, as resource company management teams are often under pressure to grow production or reserves, and they are often financially incentivized to do so. Growth is clearly not bad in itself, and it obviously should be applauded when done right. However, it is not unusual to see an acquisition or significant growth capital investments that substantially grow a company's production or reserves in *absolute* terms – perhaps triggering incentive awards for management in the process – but which also dilute existing shareholders on a *per share* basis (e.g., by requiring the issuance of new equity to fund the growth). As an owner of shares, it is per share growth of Net Asset Value, production, reserves, cash flows, etc. over the long run that should matter most.

Commodity Prices Versus Business Values

Given the above basic criteria, it is our view that, if you are a long-term investor who envisions a multi-year holding period (as is the case with the Fund): an attractive (depressed) entry price, strong financial position (with survivability), and the ability, willingness, and skill of management in creating value through both operations and corporate activity, are likely to be more significant drivers of returns over the *long run* than the path of the relevant commodity price(s) along the way. That is not to say that in the *short-term*, the stock prices of resource-related companies, and the investor sentiment surrounding them, wouldn't be correlated with day-to-day variability in resource prices. But again, as a long-term shareholder with a time horizon of multiple years, we believe it is often ultimately less important whether commodity prices go up or down in the next month, three months, or five months, than whether the business is able to add value over the next five years and beyond, under a range of commodity price scenarios that will inevitably vary cyclically. Indeed, we would argue that if we have done our job well – identifying resource-related businesses that were acquired cheaply, possess financial staying power, and are rich with potential for event-driven value creation – short-term volatility in commodity prices should be welcomed as a source of longer-term opportunity, as these very holdings are well-positioned, in our view, to take advantage of their competition during a temporarily challenging environment.

Heterogeneity and Accidental Themes

Further, while each of the Fund's resource holdings, in our judgment, satisfactorily meets our basic investment criteria, there are typically additional stock-specific attributes (usually relating to the

underlying businesses) that led to their inclusion in the portfolio. Again, this is no different from the Fund's holdings in any other sector. As noted earlier, the Fund's resource-related holdings span a variety of activities such as commodity producers, service providers, and investors/financiers. In short, despite the fact that these holdings may be broadly characterized within the same bucket, this is not a homogenous group; developments that are good for one holding might be less so for another. For example, booming demand for offshore energy services would likely provide a favorable environment for Valaris and Tidewater, but it wouldn't necessarily be an unmitigated positive for an oil & gas producer with in-place, producing assets – to the extent that such increased service activity eventually leads to increased supply, which could (all else equal) put a lid on rising prices. Each of the Fund's holdings has its own company-specific factors, and they should not all be painted with the same brush.

That is to say that each of the Fund's resource related holdings were the result of individual investment decisions, based on their company-specific attractions. There is no overarching macro "theme" underlying these investments. We are simply looking to invest in meaningfully undervalued businesses with attractive long-term prospects, with no preconceived intention to invest in a specific industry; instead, we strive to go where the opportunities are, when they are available. Many of the Fund's natural resource positions were built during a long period in which the sector was generally out of favor and starved of capital, resulting in numerous interesting opportunities from a long-term perspective, which just happened to be resource-related.

With that said, there have been some attributes that have a tendency to recur among the Fund's resource investments – commonalities which might be considered "accidental themes." One that comes to mind is that long periods of subdued commodity pricing sometimes also result in consolidation among commodity producers or related service providers. We saw this in the copper space, where Anglo American's currently pending merger with Teck Resources came not long after BHP had tried (unsuccessfully) to acquire Anglo American and Glencore had failed in their effort to acquire Teck. International Petroleum used a period of low oil prices and unusually wide discounts for Western Canadian crude to make a number of acquisitions in the region, building up their resource base at attractive prices in 2017-2018. Moving to the service providers, the offshore energy drillers suffered through a multi-year depression in activity levels that led to numerous bankruptcies, scrapping, and M&A, with the result being that the market for deepwater drilling units has since been consolidated into just four major companies (including Valaris) that arguably dominate the space. The offshore supply vessel market went down a similar path, with Tidewater using its industry-leading balance sheet to make three acquisitions of assets from distressed and/or motivated sellers at deep discounts to replacement costs, upgrading their fleet and generating synergies in the process. Consolidation often, in our view, results in improved prospects for supply and pricing discipline, potentially favorably impacting future profitability.

Another accidental theme is that long periods of low commodity pricing and poor or volatile returns often result in a reluctance and/or inability among producers to reinvest in order to grow or even maintain production levels. We often find ourselves investing in situations in which prolonged low pricing has led to the closure of mines and to reduced (uneconomic) production. This combination often results in the diminution of known and economically accessible sources of supply over time, implying a reasonable probability, in our view, that *at some point*, prices will need to rise enough to incentivize the new supply needed to meet demand. In other words, we believe there is truth to the old adage, "*The cure for low prices is low prices.*" Improved pricing would, of course, accrue to the benefit of both producers and eventually to service providers after prices get to levels that incentivize increased activity.

Below are a few examples of natural resource-related investments in the Fund, which illustrate, in practice, some of the conceptual considerations noted above.

Example: Valterra Platinum

Valterra Platinum, the largest positive contributor to Fund performance in 2025, was a relatively recent addition to the Fund. South Africa-based Valterra – formerly known as Anglo American Platinum prior to its June 2025 spin-off from Anglo American – is the world’s largest producer of Platinum Group Metals (PGMs), a group that includes platinum, palladium, and rhodium. At the time of the Fund’s initial purchase in late-2024, expectations surrounding the stocks of PGM producers were arguably rock-bottom. Platinum prices had slumped for the better part of the previous 15 years, as rising electric vehicle (EV) adoption led to bleak forecasts of future demand for platinum, which is used in emission reduction applications in internal combustion engine and hybrid vehicles. By the end of 2024, platinum prices had fallen roughly 30% from 2021 levels, with some estimates suggesting that nearly 40% of global PGM production had become uneconomic at those prices. Valterra shares had declined by over 65% in USD terms from January 2022 through December 2024.

But while the market’s expectations arguably couldn’t get lower, fundamentals were actually showing signs of improvement. Producers were forced to cut higher-cost production and reduce investment in future PGM *supply*, while *demand* was proving more resilient than the consensus had expected amid disappointing growth in EV adoption. The more-resilient-than-expected consumption in recent years was being met increasingly by above-ground inventories, which began to decline precipitously over the past couple of years. When we first bought Valterra shares in late-2024, we were not doing so as a play on rising platinum prices in the coming months; we had no strong conviction that prices would rise anytime soon. However, we believed that Valterra was (and is) uniquely positioned to benefit from improving PGM market dynamics, given its large, low-cost, and long-lived assets; its strong balance sheet and conservative financial position that provides an anchor to windward in difficult times; and a discounted valuation at the time of our purchase that reflected not only years of depressed conditions for PGM producers, but also short-term concerns about potential selling pressure on Valterra shares, post-demerger from Anglo American (subsequently completed in 2025). All told, we believed Valterra represented a compelling opportunity for the Fund (and it still does), but it had nothing to do with any view of how platinum prices might fluctuate in 2025.

As it turned out, in 2025, with the platinum market in a supply deficit for its third consecutive year, and a number of major auto manufacturers walking back their EV ambitions, the market began to take notice of the improving supply/demand dynamics. Platinum prices, fueled even further by increased interest in precious metals, surged from previously depressed levels, driving significant gains for Valterra shares. However, we did not base our investment decision on expectations that the stock (or platinum prices) would perform as they did in 2025. Instead, we simply viewed Valterra as an attractive long-term opportunity, with unique attributes, that was available at an unusually depressed price.

Example: Dundee Corp.

The Fund first invested in shares of Dundee Corp. – the second-most significant contributor to Fund performance for the year – back in 2020. This Canadian Holding Company, once a conglomerate with a sprawling collection of interests spanning various industries, had fallen on hard times, with its share price declining from over C\$20 in 2013 to below \$1.50 in 2020 – or a fraction of our estimate of its Net Asset Value (NAV). This, in our view, was despite the impressive track record of its management team (led by Jonathan Goodman) of creating value in the mining space. Over the past several years, Dundee has sold a

number of non-core assets/businesses (e.g., investment banking/capital markets, real estate), narrowing its focus to the core business of investing in early-stage mining companies – Goodman’s area of expertise. Meanwhile, these non-core asset sales raised cash on the balance sheet, which management used to redeem its preference shares, pay down other liabilities, and focus on investing more in promising early-stage mining companies in need of funding. This, in our view, was an endeavor that held attractive prospects, given that over the past decade-plus, many miners struggled to gain access to capital markets at reasonable terms in order to fund their development projects amid a dearth in financing options, especially for early-stage mining companies. With roughly 15 years of poor returns in the rearview mirror, investors weren’t exactly lining up to provide financing to this group of companies – thereby offering attractive opportunities, in our view, for experienced, talented investors in the mining industry, as we’d argue Dundee’s management team is.

The results since then have been impressive, with Dundee successfully monetizing some assets at prices that generated significant profits. For example, Dundee holding Reunion Gold was acquired by G Mining Ventures in 2024 in an all-share deal (and Dundee’s shares of G Mining Ventures were subsequently sold). Similarly, Dundee holding Maritime Resources was acquired by New Found Gold in an all-share deal in 2025, and Dundee subsequently sold some of its stake in New Found Gold. Both of these investments (and subsequent value realizations) were incredibly lucrative, generating substantial gains and, in our view, highlighting the exceptional undervaluation of Dundee shares. Dundee shares have risen to over C\$4 at present, and we would argue that management has also increased the company’s NAV dramatically in our years of ownership. When we originally invested in 2020, we were not making a call on gold prices. Instead, we saw an opportunity to invest in a well-financed business, with a skilled management team focused on their area of expertise (an area with attractive prospects), at a deep discount to its NAV. Rising gold prices and the resulting increased investor attention has certainly helped Dundee shares since then, but we believe the corporate actions executed by its management in recent years – behind the scenes, while few were paying attention – are what drove the bulk of the long-term value creation that the stock began to benefit from in 2025.

Example: International Petroleum Corp.

The Fund’s position in International Petroleum Corp. (IPC) – an oil & gas producer with assets predominantly located in Western Canada (and to a lesser extent in Malaysia and France) – was initiated back in 2021. In 2017, IPC was spun out of Lundin Energy (then known as Lundin Petroleum) with the intention to focus on growth and value creation opportunities outside of Norway (Lundin Energy’s core area). IPC brought with it a number of senior management and Directors who were either from Lundin Energy and/or had significant experience at other Lundin companies. The Lundin family remained IPC’s largest shareholder – a positive, in our view, given their multi-decade track record of investing in and generating value from various segments of the natural resource space, including oil & gas, base metals, and precious metals, among others. We had long followed the Lundin family’s efforts at creating value by building assets and businesses, countercyclically buying and selling assets on advantageous terms, and returning capital to shareholders via share repurchases and dividends.

Following its spin-off from Lundin Energy, IPC built up its Western Canadian resource base primarily via acquisitions made in 2017-2018. At the time, the Western Canadian oil & gas space was suffering not just from lower benchmark commodity prices, but also because a lack of sufficient pipeline takeaway capacity resulted in Western Canadian crude trading at wide differentials (discounts) to benchmark prices. Needless to say, this combination made it difficult to make money, and IPC was able to swoop in and, mainly through two large acquisitions, build up a resource base in Western Canada that is relatively low cost and long-

lived, and at what we believed to be quite attractive prices – due to the turmoil affecting the energy sector in Western Canada at the time.

When the Fund first invested in IPC in 2021, it was not because we had a view on the direction of oil prices. Rather, we thought IPC was under-analyzed and under-appreciated in North America – perhaps due to a meaningful amount of its shareholder base being in Europe given its history. The shares, in our view, were meaningfully undervalued despite the company being well-positioned looking forward, driven by the impressive job that management had done in opportunistically building up IPC’s asset base in a period of distress that was particularly severe and protracted in Canada. We believed IPC to be cheap even using assumptions for oil prices that were well below their levels at the time, and we posited that the well-financed business could potentially generate significant cash flow that would allow it either to reinvest or return capital to shareholders.

Fortunately for us, our investment thesis was not predicated on oil prices rising; oil was at roughly \$75 per barrel at the end of 2021, as compared to around \$60 at the close of 2025. Yet IPC has been a significant positive contributor to the Fund’s performance in spite of the decline in oil prices, generating a total return of over 220% in USD terms between the end of 2021 and the close of 2025, including a return of nearly 55% in 2025 alone – hardly a good year for oil prices. This was possible, in our view, because the company’s management team created significant value in acquiring assets at incredibly distressed prices during an unusually difficult time for the local industry; operated and developed those assets effectively; redeployed the cash flows generated by those assets to organically grow reserves, while also returning cash to shareholders in the form of share buybacks (thereby reducing the share count); and made small, tuck-in acquisitions at attractive prices along the way. All told, driven by a combination of opportunistic M&A, organic growth, and share repurchases, Remarkably, IPC has increased its annual production since the April 2017 spin-off by an estimated 4.5x, its 2P (Proved & Probable) reserves by an estimated 17x, and its reserve life by over 23 years – *without any dilution of shareholders* (i.e., there are fewer shares outstanding today than there were in April 2017³). IPC is an excellent example of how, for *long-term* investors in natural resource-related businesses, company-specific attributes and long-term value creation are often much more important in determining investment outcomes, in our view, than are daily or even yearly commodity price moves.

Summary Conclusions

In summary, the Fund’s natural resource-related investments were not made as a result of any overarching view or forecast of the future path of *commodity prices*. Rather, they (as well as our holdings in all other areas) are simply the result of what we believe to be compelling opportunities to invest at bargain prices in a collection of *individual businesses* – each with their own unique characteristics and attributes that we believe position them well to create shareholder value over the long run, *across a range of commodity prices*. Provided that the investment in question meets our investment criteria – a discounted valuation at the time of purchase that reflects low expectations and depressed conditions, a strong financial position that provides long-term staying power, and the potential for value-accretive corporate activity – we believe returns over the long run are likely to be more heavily influenced by business-specific factors and the company’s ability to increase NAV per share over time than by short-term variability in resource prices. As a result, although it may seem counterintuitive to some observers, we are generally indifferent with regard to short-term fluctuations of commodity prices, except to the extent that such volatility provides us with opportunities to purchase (and occasionally sell) shares at prices that are advantageous to the Fund.

³ Source: Company reports

Further, such short-term bouts of volatility and/or poor pricing could also provide opportunities for many Fund holdings in the space – which, in our view, are generally well-financed and boast management teams that have a demonstrated track record of executing on opportunistic, value-accretive transactions.

Notable Investment Activity in the Fund

2025 was a busy year for the Fund. Eleven new positions were initiated in the Fund during the year, including **Banco Bradesco**, **Midland Holdings**, **Travis Perkins**, and **Valaris** – each of whose investment cases were discussed in detail in our June 2025 Semi-Annual Shareholder Letter. New positions acquired during the second half of the year included **Greenfire Resources Ltd.**, the latest example of how we think about investment opportunities in the area of natural resources. Oil was perhaps one of the more sluggish commodities in 2025, amid talk of additional OPEC production increases and an expected supply glut in 2026. Subdued expectations, combined (more importantly) with a number of company-specific attractions – including a new ownership group with an excellent track record and meaningful skin in the game, a transformational balance sheet event, and a deeply discounted stock – resulted in what we believe to be another compelling opportunity for long-term value creation in the resource space.

Greenfire Resources Ltd.

Greenfire Resources Ltd. (“GFR”) is a Canadian oil producer with assets in the Athabasca oil sands. The company was formed in 2020 and came public via a de-SPAC in 2023. During its early period as a public company, execution fell short of expectations, and by late 2024 a new investor group acquired a majority ownership position.

Under new ownership led by Adam Waterous, a detailed review of the business revealed a balance sheet that had been over-levered from the company’s infancy – which prevented needed capital investments from being made – and an aggressive development plan that was not aligned with the underlying asset base. To stabilize the company and reset its capital structure, GFR announced a C\$300 million rights offering in November 2025. Trading at a sizeable discount to our estimate of NAV, to peers, and to the independent NPV10 reserve valuation estimate, it was around this time that we became interested in the company.

Adam Waterous has developed a polarizing reputation within the Canadian oil & gas community, a particularly clubby group, over his career as an investment banker and, more recently, as a principal investor. In 2024, he raised his third private fund focused on Canadian oil and gas. As described to us by management, the fund’s strategy is to use GFR as a platform to invest in the Athabasca oil sands, with the potential to consolidate nearby assets over time. Waterous has run this playbook before, using private funds invested in a public vehicle to create exit liquidity and foster consolidation, with considerable success.

We have long favored oil sands assets for their long reserve lives and attractive economics, especially brownfield projects trading at a discount to NAV. Additionally, over time we have observed Waterous’s investment approach and generally liked what we saw. In our view, GFR’s recapitalization created an attractive opportunity to invest in a deeply out-of-favor company with a repaired balance sheet and a significant operational reset underway. We believe the newly strengthened financial position, coinciding with much-needed attention now being given under new management to the previously neglected operations, is apt to result in meaningful organic growth in production. In our view, as GFR builds up its productive asset base and their prospective earnings power, they will be sowing the seeds for long-term

growth in NAV per share, not only via existing operations, but also given potentially attractive acquisition candidates in GFR's neighborhood.

Other New Positions

Other holdings that were added to the Fund in 2025 included **Capstone Copper**, **Edelweiss Financial Services** (a former holding that returned in 2025), **Fairfax India Holdings**, **Magna Mining**, **New Found Gold** (which acquired Fund holding **Maritime Resources**), and **Tidewater** (another former holding that returned at lower prices in 2025).

Notable Selling Activity

On the sell side, we eliminated ten positions from the Fund in 2025 – **Cameco**, **Companhia Brasileira de Distribuição**, **Conduit Holdings**, **Copa Holdings**, **Despegar.com**, **Enerflex**, **ESR Group**, **Grupo Financiero Galicia**, **MEG Energy**, and **Teck Resources** – in most cases due either to valuation considerations following share price appreciation, or as the result of a takeover. The majority of the above sales were discussed in our June 2025 Semi-Annual Shareholder. The most notable activity on the sell side during the latter half of the year was the elimination of the Fund's position in **MEG Energy**, which was ultimately acquired by Cenovus Energy, months after MEG Energy was initially the subject of a hostile takeover bid launched by Strathcona Resources earlier in the year. Although the consideration ultimately paid by Cenovus (after a number of revised bids by both companies) was at a premium to MEG Energy's share price at the time the saga began, we believed the offer undervalued MEG Energy from a longer-term perspective and we would have much rather continued to own the business for years to come. We voted against the acquisition, but after various maneuvers by Cenovus and the MEG Energy Board of Directors to secure enough votes, shareholders ultimately approved the transaction. We were disappointed by this outcome, which to us was another reminder of how short-term many investors have become nowadays; in our view, supporting this offer was akin to accepting \$2 *today* for a stock trading at \$1.90, rather than waiting a few years to potentially get \$6 or more. Perhaps we shouldn't complain too much though. After all, it is this same preponderance of short-termism in global equity markets, which has helped make many of the rewarding opportunities discussed earlier available to the Fund.

Fund Outlook

We have long believed that forecasting near-term economic variables or geopolitical events is not a particularly productive use of our time, given our view that such forecasts rarely prove accurate enough, or consistent enough, to merit basing investment decisions on them. Indeed, the forecasts of many economic and financial market pundits have often been off the mark in recent years on various topics (e.g., recession or no recession, inflation and interest rates, etc.). Our crystal ball is no clearer than anybody else's, and thus forecasting is hardly of any interest to us as a long-term investor, except to the extent that the fallout from volatility in *near-term* market expectations provides attractive investment opportunities from a *longer-term* perspective.

The ever-changing landscape surrounding tariffs is no different, nor are the seemingly daily geopolitical ructions (re Venezuela, Iran, Ukraine, Greenland, or elsewhere). It remains unclear whether the Trump administration's ultimate goal is to gain concessions within the existing system, or to seek a new system altogether. Needless to say, we are not confident in anybody's ability to accurately predict the future.

Fortunately, we do not have to. Instead, we intend to maintain our long-term focus and seek to take advantage of the opportunities made available by heightened volatility that may very well continue. In recent years, we have seen a healthy number of attractive long-term investment opportunities become available amid the short-term volatility in financial markets' expectations and notoriously fickle macro forecasts (re: interest rates, inflation, etc.). That was *before* the recent tariff-induced surge in volatility.

Although sometimes unpleasant, we believe such volatility is more *friend* than *foe* to the long-term, price-conscious investor, and that our long-term focus is one of the notable advantages that we have during highly volatile periods. For the many other investors who are highly short-term focused – either by choice, by mandate, or by financial necessity (e.g., those who invest on margin) – extreme volatility is their enemy, as it could result in forced or motivated selling at discounted prices that may not appropriately reflect longer-term, fundamental values. This often creates opportunities for the patient, long-term, price-conscious investor who is willing and able to tolerate day-to-day volatility in order to obtain compelling bargains over the long run.

Over the years, previous periods of extreme market turmoil (e.g., Asian Financial Crisis, Global Financial Crisis, European Sovereign Debt Crisis, the pandemic, etc.) ultimately proved to have provided exceptional long-term buying opportunities for those who were able to be patient and stay focused on valuation, fundamentals, and the mitigation of the risk of permanent capital impairment (the latter is not to be confused with day-to-day volatility). We believe that it is during such times that the seeds of attractive long-term capital appreciation are planted. We believe that this is another one of those periods, for those who are willing and able to zoom out from the wild swings in sentiment on intra-day macroeconomic, geopolitical and tariff-related headlines, and focus instead on long-term, fundamental business values. We believe that periods of heightened uncertainty and volatility are apt to provide moments in which babies might periodically be thrown out with the bathwater, and our goal is to take advantage of the fleeting opportunities that such volatility provides. As previously discussed, 2025 was a busy year with eleven new positions acquired for the Fund, as the general market turmoil leading up to, and in the aftermath of “Liberation Day,” offered us a number of what we believe to be compelling opportunities from a long-term perspective.

Another favorable development, from our perspective, is that relative to our past years of experience, we believe we are currently seeing fewer competing investors searching for the same kinds of deep value, out-of-favor opportunities that we seek – perhaps as a result of both attrition among the ranks of value investors in recent years, as well as style drift towards Growth among those who have modified their approach amid a long period of outperformance by Growth strategies. We believe this combination of factors – a healthy availability of opportunities provided by short-term volatility, and less competition searching for those kinds of opportunities – bodes well for the Fund and for our investment approach looking forward over the long run.

As we have noted in past updates, we believe there is an increased probability of a more volatile world (both macroeconomically and geopolitically) than the one we have experienced during much of the post-Global Financial Crisis (GFC) era. The tariff-related developments in 2025 are only the latest of many data points to suggest this, in our view. We believe that security selection, valuation and fundamentals are apt to matter more in determining investment outcomes in such a world of heightened geopolitical, macroeconomic, and market volatility. We believe this bodes well for the Fund longer-term because our investment approach has always remained focused on valuation, fundamentals, and ideally, the ability to withstand the more adverse of the potential paths the economy might take in order to thrive over the long run.

In conclusion, we continue to believe the Fund is well positioned for an unpredictable and changing world, one of heightened geopolitical risk and potentially increased macroeconomic volatility (as compared to the relatively benign period that characterized much of the post-GFC era). In a world in which broader benchmark indices continue to trade at what we see as rich valuations and are concentrated in what we view as highly correlated areas (e.g., mega-cap U.S. Tech), we continue to believe that the attractive valuations, sound long-term fundamentals, and staying power of many Fund holdings, as well as their potential to unlock value via corporate activity, offer attractive portfolio-level benefits and bode well for the Fund over the long run.

As always, many thanks for your continued support, interest, and curiosity. We look forward to writing you again later in the year. Best wishes for a healthy, happy, safe, and prosperous 2026.

Sincerely,

Amit Wadhwane, Portfolio Manager

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The MSCI ACWI Growth Index captures large and mid-cap securities exhibiting overall growth style characteristics across 23 Developed Markets countries and 24 Emerging Markets countries. The growth investment style characteristics for index construction are defined using five variables: long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate and long-term historical EPS growth trend, and long-term historical sales per share growth trend.

The MSCI ACWI Value Index captures large and mid-cap securities exhibiting overall value style characteristics across 23 Developed Markets countries and 24 Emerging Markets countries. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price, and dividend yield.

Current and future portfolio holdings are subject to change and risk.

The Moerus Worldwide Value Fund is distributed by Foreside Fund Services, LLC, Member FINRA.

Date of first use of this material: February 2026

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Moerus Worldwide Value Fund

MOWIX - MOWNX



Trailing Returns (as of December 31, 2025):	One Month	Three Months	Year-to-Date	One Year	Three Years	Five Years	Since Inception ¹
Moerus Worldwide Value Fund (Inst.)	2.98%	4.82%	40.36%	40.36%	26.65%	20.66%	11.39%
MSCI All Country World Index ex USA (Net) ²	3.00%	5.05%	32.38%	32.38%	17.33%	7.91%	8.73%
MSCI All Country World Index (Net) ³	1.05%	3.29%	22.34%	22.34%	20.66%	11.19%	12.05%

Gross Expense Ratios: Class Inst.: 1.56%; Class N: 1.81%

Net Expense Ratios: Class Inst.: 1.26%; Class N: 1.51%

Past performance does not guarantee future results. The performance data quoted above represents past performance and current returns may be lower or higher. Returns are shown net of fees and expenses and assume reinvestment of dividends and other income. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Investment performance reflects expense limitations in effect. In the absence of such expense limitations, total return would be reduced. For performance current to the most recent month-end, please call 1-844-MOERUS1.

The Fund's adviser has contractually agreed to reduce its fees and/or absorb expenses of the fund, until at least March 31, 2026, to ensure that total annual fund operating expenses after fee waiver and/or reimbursement (exclusive of any taxes, brokerage fees, commission fees, borrowing costs, acquired fund fees and expenses, fees and expenses associated with investments in other collective investment vehicles or derivative instruments, or extraordinary expenses such as litigation) will not exceed 1.25% and 1.50% for the Institutional Class and Class N shares respectively.

* Performance data quoted is historical and is net of fees and expenses. All performance percentages greater than one year are annualized.

** Inception date of the Moerus Worldwide Value Fund is June 1, 2016.

*** The MSCI All Country World Index ex USA (Net) is an unmanaged index consisting of 46 country indices comprised of 22 of 23 developed markets (excluding the US) and 24 emerging market country indices and is calculated with dividends reinvested after deduction of withholding tax. The Index is shown solely for comparison purposes and the underlying holdings of the Index may differ significantly from the portfolio. The Index is a trademark of MSCI Inc. and is not available for direct investment.

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Risk Disclosures: Investing involves risk, including possible loss of principal. Equity securities are subject to market, economic and business risks that may cause their prices to fluctuate. Investments made in small and mid-capitalization companies may be more volatile and less liquid due to limited resources or product lines and more sensitive to economic factors. Fund investments may be concentrated in a particular country geographic region, sector,

industry, or group of industries, and the value of Fund shares may rise and fall more than more diversified funds. Foreign investing involves social and political instability, market illiquidity, exchange-rate fluctuation, high volatility, and limited regulation risks. Emerging markets involve different and greater risks, as they are smaller, less liquid, and more volatile than more developed countries. Frontier market countries generally have smaller economies and less developed capital markets than even traditional emerging markets, and, as a result, the risks of investing in emerging market countries are magnified in frontier market countries. Currency risk is the risk that the values of foreign investments may be affected by changes in the currency rates or exchange control regulations. Significant investments in cash or cash equivalents may run the risk that the value of the cash account, including interest, will not keep pace with inflation. Please see the prospectus for details of these and other risks.

You should carefully consider the Moerus Worldwide Value Fund's investment objectives, risks, charges, and expenses carefully before you invest. This and other important information about the Fund are contained in the prospectus, which can be obtained by calling 1-844-MOERUS1 or visiting www.moeruscap.com. The prospectus should be read carefully before investing.

Current and future portfolio holdings are subject to change and risk.

Top ten holdings as of 12/31/25 as a % of the Fund's net assets: Valterra Platinum Ltd (4.90%), Dundee Corp (4.74%), Midland Holdings Ltd (3.58%), Cromwell Property Group (3.04%), LATAM Airlines Group SA (2.76%), Valaris Ltd (2.76%), Jefferies Financial Group Inc (2.75%), Travis Perkins PLC (2.69%), Exor NV (2.68%), and JSE Ltd (2.67%).

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