Moerus Worldwide Value Fund

Institutional: MOWIX | Investor: MOWNX

Semi-Annual Shareholder Letter: Six Months Ended June 30, 2025

Dear Fellow Investors:

We hope this Semi-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 six months ended June 30, 2025 (as referenced herein, "the First Half" "or "H1"). In this Letter, we will discuss the Fund's H1 performance, its key themes and drivers, notable investment activity in the Fund in H1, 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 June 30, 2025)*

			Average Annual Returns		
Fund/Index	**6-Months**	**1-Year**	**3-Year**	**5-Year**	**Since Inception****
Moerus Worldwide Value Fund - Institutional Class	20.21%	29.20%	25.11%	23.56%	10.16%
MSCI AC World Index ex USA Net (USD)***	17.90%	17.72%	13.99%	10.13%	7.86%
MSCI AC World Index Net (USD)****	10.05%	16.17%	17.35%	13.65%	11.45%

** 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 1,981 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 2,528 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 +20.21% in the First Half of 2025. By comparison, the MSCI All-Country World Index ex USA Net ("MSCI ACWI ex USA") returned +17.90% and the MSCI All-Country World Index Net ("MSCI ACWI") returned +10.05% during the same period[1]. In short, in the First Half of 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 the First Half. 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 First Half of 2025 in equity markets.

Market Review – First Half 2025

The First Half of 2025 was a topsy-turvy, rollercoaster of a period, one which your average market participant might have characterized as anything from painful, to confounding, to rewarding, to downright euphoric – depending on the day. When all was said and done, the First Half proved to be a strong period overall for global equity markets (particularly outside the U.S.). However, the end result over the six months ended June 30, 2025 – substantial gains in equity benchmark indices, both internationally and in the U.S. (albeit to a lesser extent) – belies the extent of the twists, turns, trials and tribulations endured along the way.

The year began with winds of change seemingly sweeping across financial markets, which were suddenly forced to acknowledge potential paradigm shifts in various areas, be they economic, geopolitical, or financial. As a notable (initial) result, international equities surged in the First Quarter, while U.S. stocks suffered. It felt like a 180-degree reversal from how 2024 ended, bringing a sudden halt to what had been a

[1] Source for Index returns: Bloomberg

recurring theme for much of the past 15 years: the dramatic outperformance of the U.S. over international and Growth over Value (in general). In a turnabout from the previous quarter (Q4 2024), international equity market benchmarks *advanced* solidly in Q1 (MSCI ACWI ex USA Index: +5.23%; MSCI Emerging Markets Index: +2.93%) and trounced U.S. indices, which *declined significantly* (S&P 500: -4.28%; NASDAQ Composite: -10.26%) over the first three months of 2025.

Two January developments seemed to play an integral role in turning the tables early in 2025. First, the launch and rapid ascent of the DeepSeek AI chatbot app in the U.S. not only highlighted China's recent successes in many high-tech areas (EVs, automation, now AI?) but also raised questions of the enormous sums invested by perceived AI beneficiaries (U.S. Big Tech) to build leading positions. Second was the arrival of the Trump administration, whose early days in 2025 brought heightened attention to some of its less market-friendly positions (re: tariffs, international relations) – as it seemingly operated closer to the approach proposed on the campaign trail than to a more business-friendly, pragmatic approach that many in financial markets had hoped would ultimately prevail. 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 boosted by the DeepSeek news), while European markets surged amid policymakers' newfound urgency regarding the need for a more aggressive fiscal approach in areas such as defense and infrastructure spending. Meanwhile, back in the U.S., economic datapoints generally indicated signs of slowing economic activity, putting the Federal Reserve in a difficult position with inflation still stubbornly high (even before tariffs) and given a precarious U.S. fiscal position that foreign capital outflows threatened to exacerbate.

Then came the Second Quarter, which began painfully for global equity markets – with a sharp sell-off in reaction to the Trump administration's April 2nd "Liberation Day" announcements of tariffs that exceeded even the most draconian of previous expectations. The early-April slide wiped out the earlier gains in international equity benchmarks, which suddenly, by April 7th (just one week into Q2) found themselves down meaningfully year-to-date (MSCI ACWI ex USA Index: -5.20%; MSCI Emerging Markets Index: -6.34% YTD through April 7th), while steepening the slide of U.S. indices (S&P 500: -13.63%; NASDAQ Composite: -19.05% YTD through April 7th).

From there, however, equity markets staged a remarkable turnaround, 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 the Second Quarter went on, equity markets surged ahead as investors increasingly assumed that the Trump administration would not ultimately go through with some of the most severe measures proposed. Somewhat counterintuitively, this strong performance came despite the ultimate outcome of trade talks remaining uncertain and despite heightened geopolitical risk, as Q2 saw significant escalation in both the Russia/Ukraine war and in the Middle East, where first Israel and then the U.S. itself struck Iran.

By the time the First Half was over, U.S. equity market benchmark indices had posted meaningful gains through the first six months (S&P 500: +6.20%; NASDAQ Composite: +5.86% in H1), while international benchmark indices outperformed significantly (MSCI ACWI ex USA Index: +17.90%; MSCI Emerging Markets Index: +15.27%). As illustrated by index performance, Growth stocks bounced back from a difficult Q1 and finished the First Half strongly (MSCI ACWI *Growth* Index: +9.26% in H1), though Value stocks modestly outperformed over the first six months (MSCI ACWI *Value* Index: +10.89% in H1). After the end of the First Half, the Trump administration once again renewed its threat of higher tariffs in letters sent to various countries, albeit while extending the deadline to agree to a "deal" to August 1st. At the time of this writing, a number of agreements have been announced, including with Japan, the European Union, the United Kingdom, Vietnam, and Indonesia, though the finer details remain ambiguous in some cases. After a series of back-and-forth retaliatory announcements by the U.S. and China earlier in the year, a temporary truce was eventually reached, with recent efforts being made to extend their détente beyond a mid-August deadline while talks continue – leaving the matter unresolved at present.

Thoughts on The Fund's First Half 2025 Performance and Performance Drivers

Against this backdrop, the Moerus Worldwide Value Fund (Institutional Class; "the Fund") generated strong performance on both *absolute* and *relative* bases, returning +20.21% in the First Half[2], while meaningfully outperforming both the MSCI ACWI ex USA (+17.90%) and the MSCI ACWI (+10.05%) in H1. The five most significant positive contributors to the Fund's performance in the First Half (in order of magnitude) were **Dundee Corp.**, **Wheaton Precious Metals**, **UniCredit**, **Hong Kong Exchanges & Clearing**, and **Banco Bradesco**. The five most significant detractors in H1 were **Samsonite Group**, **Jefferies Financial**, **Enerflex**, **Türkiye Sigorta**, and **Tidewater**.

The Fund's First Half performance was driven by significant appreciation from a majority of holdings, most notably from those that have long been either largely unknown, under the radar of most, misunderstood, or out-of-favor due to an uncertain immediate-term outlook or the noise of the day – resulting in excessively depressed pricing at the time of the Fund's purchase, which we believed spelled longer-term opportunity. At a time in which the S&P 500 recently reached record highs, driven by arguably rich valuations that are being justified, in our view, by high hopes and great expectations – despite a clearly imperfect world with a host of economic and geopolitical uncertainties – the Fund's H1 performance was driven by holdings, by contrast, which had not been held in high esteem by the market, whose expectations (if any) ranged from not-so-great to downright dire at the time of the Fund's purchase. With that in mind, in the following pages we will highlight what we thought were some of the more notable factors driving the Fund's performance in the First Half.

Opportunities Amid Low Expectations: Materials

You've likely heard some variation of a well-known saying that goes something along the lines of the following (we are paraphrasing): "Keep your expectations low and you will never be disappointed." The gist of these words of advice is that having low expectations can be a helpful mindset for managing potential future disappointments if/when things don't go as planned, while on the other hand, positive outcomes are more likely to be viewed as pleasant surprises, leading to greater satisfaction in life.

How does this relate to investing? As we've noted often in these pages in the past, we believe that *valuation matters*, and when low expectations are priced into a stock, even baby steps in terms of improving conditions and/or investor sentiment could provide meaningful upside potential. On the other side of the coin, although investment disappointments absolutely can and do happen, we believe that when low

[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.**

expectations *are already priced into* a given stock at the time of purchase, that beaten-down, rock-bottom valuation tends to help mitigate potential further downside risk if unfavorable developments occur going forward, as long as the company has the financial strength and wherewithal to make it through a difficult stretch (an important caveat). While this may seem intuitive if not obvious, the reality of the investment world is that many of its participants are short-term in focus, due to reasons such as their investment guidelines, requirements, or simply their temperament, among others. This presents interesting opportunities for long-term investors who are willing and able to invest when skies seem the darkest, and when it is unknown precisely *when* the break of dawn will eventually arrive.

During the First Half, the most significant driver of performance by *sector* was the Fund's *Materials* holdings, with the majority of the contribution driven by precious metals-related holdings (with gold, silver, and platinum-related assets). The group includes **Dundee Corp.**, and **Wheaton Precious Metals** ("WPM"), the top two overall contributors in H1, whose share prices surged in the First Half amid rising gold prices as investors sought safe havens given tariff-sparked volatility, economic/geopolitical turmoil, a weakening U.S. dollar, and (relatedly) growing concerns about the U.S. fiscal situation. Each position was built in the Fund during a years-long slumber for precious metals-related equities, which have only begun to stir more recently. Each of these companies is in the business of providing financing to mining companies, many of which have 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. The market's expectations for such miners had ranged from none (read: utter indifference) to dreadful; consider the fact that even after the VanEck Junior Gold Miners ETF (ticker: GDXJ) gained nearly 83% cumulatively since the start of 2024, it is *still* down over 14% cumulatively over the *15-year* period ended June 30, 2025[3]. Needless to say, with past returns like that, investors haven't exactly been lining up to provide financing (equity and debt) to this group – thereby offering attractive opportunities, in our view, for experienced investors in the mining industry, as we'd argue both Dundee and WPM are.

Although both holdings clearly benefit from rising gold prices, they also boast what we believe are attractive company-specific attributes, business models and/or corporate developments that are only recently coming to light, given newfound investor interest in the broader space. Dundee, a small-cap Canadian Holding Company far off the beaten path, is in the process of transforming its asset base from a diverse collection of interests to a portfolio that is focused on investments in early-stage mining companies (both precious metals and base metals). Dundee has long traded at a deep discount to our estimate of its Net Asset Value ("NAV"). This is despite the impressive track record of its management team (led by Jonathan Goodman) creating value in the mining space, in our view. Dundee has recently monetized some assets (most notably, Reunion Gold/G Mining Ventures) at prices that we believe highlighted the exceptional undervaluation of Dundee shares, of which we suspect few were aware, as the company flew under the radar for years. So little the market had thought (or even cared to think) about Dundee Corp. that even after gaining roughly 98% in USD terms in the First Half, the shares were still trading at an over 40% discount to estimated NAV as of June 30, 2025 – despite management actively taking steps, in our view, to both grow NAV and potentially narrow the stock's discount to NAV. Unlike Dundee, WPM, the large-cap Canadian precious metals streaming company, is well-followed. That said, WPM has benefitted not just from rising gold and silver prices, but also, in our view, from its asset-light, cash-generative precious metals streaming model, which offers shareholders potential upside from both increased prices and production growth, while at the same time mitigating mining-related risks by diversifying its portfolio across

[3] Source: Bloomberg

numerous miners, geographies and specific projects. We suspect this model may appeal to investors increasingly looking at the precious metals space given recent developments in the financial markets.

Opportunities Amid Low Expectations: Financials

The second-most significant driver of performance by *sector* was the Fund's collection of *Financials* holdings outside of the U.S., with substantial contributions coming from Europe, Hong Kong, Latin America, South Africa, and India. The most notable contributions from this group were made by **UniCredit**, **Hong Kong Exchanges & Clearing** ("HKEX"), and **Banco Bradesco** – which were the third, fourth, and fifth-largest overall contributors, respectively, to the Fund's First Half performance. Unlike Dundee Corp., all three of these companies are well known large-caps that are not under the radar, but nonetheless, expectations surrounding each were quite low, in our view, at the time of our purchase in the Fund, and the stocks were priced accordingly (hence the opportunity). Given the multi-year period of perceived "U.S. exceptionalism" in financial markets that continued into early-2025, these Fund holdings have long been out-of-favor with investors, trading at what we saw as unusually modest valuations that belie the leading positions that these companies generally boast in their respective markets.

In 2025, however, amid periodic surges in volatility and heightened economic and geopolitical uncertainty, investors (both foreign and domestic) perhaps began to look outside of the U.S. as a potential home for some of their capital. As they do, we suspect they may find what we believe to be exceptional bargains that have been hiding in plain sight for quite some time. Of these three, UniCredit is the longest-tenured holding in the Fund. Shares of UniCredit, a leading Italian bank with formidable positions in Italy, Germany, and Central and Eastern Europe, have been 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 that piqued our interest. Since its purchase in the Fund, we believe UniCredit has created significant value for shareholders through corporate activity, successfully disposing of non-core assets, building a strong capital position, and creating a competitive cost position in its various markets via its cost reduction programs. A recent run of strong performance for UniCredit shares continued in H1 amid significantly improved investor sentiment towards European equity markets, perhaps as international investors begin to bring some of their capital closer to home (and/or out of the U.S.). UniCredit's strong performance thus far in 2025 and indeed since mid-2022 has been driven both by business results that have impressed us, as well as by its significant returns of capital to shareholders (share buybacks and dividends). Still, the shares had previously been so depressed that despite its recent successes, UniCredit shares still trade at only around 9.5x earnings.

Unlike UniCredit, Hong Kong Exchanges & Clearing ("HKEX") and Banco Bradesco were more recent additions to the Fund. HKEX was purchased in the Fund in 2024, and we outlined its investment case in greater detail a year ago in our June 2024 Semi-Annual Shareholder Letter. As the name implies, HKEX is a Hong Kong-listed financial services company that owns and operates the Stock Exchange of Hong Kong, the Hong Kong Futures Exchange, as well as the London Metal Exchange. HKEX holds a formidable position in its respective markets, operating a monopoly in Hong Kong within equities and derivatives trading as well as clearing and settlement, and it operates from a position of competitive strength on its cross-border Stock Connect programs (allowing foreigners to invest directly into Mainland China and Mainland Chinese to invest in Hong Kong) and the London Metal Exchange (one of the leading industrial metals exchanges globally). Those strengths notwithstanding, Hong Kong suffered from a protracted and significant decline in investor interest over the past several years. Amid a range of adverse developments, including the street protests in 2019, the implementation of the National Security Law in 2020, some of the strictest COVID-19 lockdowns globally, higher interest rates (relative to recent history) that weighed on the rate-sensitive

Hong Kong economy, and Mainland Chinese economic challenges, investor expectations for the Hong Kong market plunged. The outlook was so poor that some global investment banks took to calling China (and by extension Hong Kong) "un-investible." In that environment, trading volumes and stock prices declined considerably, with Average Daily Trading Volume dropping by around 37% from 2021 levels in Hong Kong by 2024 – weighing directly on HKEX's business.

This resulted in an opportunity for us to acquire shares in what we think may be one of the world's best exchange businesses – given its monopoly position in Hong Kong, some of the strongest profit margins amongst listed exchanges globally, and Hong Kong's position as the key conduit for capital flows between China and the rest of the world – at what we believed to be an attractive valuation for the Fund. Since then, HKEX has performed well, including in H1, when shares returned roughly 42%. The performance in 2025 has come amid a strong environment for listings of Chinese companies in Hong Kong, in addition to generally improving investor sentiment towards the Hong Kong capital market following recent developments in the Chinese technology space and a raft of stimulus measures announced by the Chinese government beginning in September 2024.

Of these three Financial Services contributors, Banco Bradesco ("BBD"), one of the leading banks in Brazil, is the most recent addition to the Fund, with shares being purchased in early-2025. We will return to BBD's investment case in greater detail shortly in our discussion of the Fund's activity in H1, but for now, suffice to say that investor sentiment surrounding BBD was quite poor, as Brazil's equity market was one of 2024's worst performers globally and its currency the Brazilian Real (BRL) depreciated meaningfully versus the USD. BBD 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. Since we purchased shares in the Fund, BBD shares have performed well – driven, in part, by the May release of the company's Q1 2025 results, which exceeded (low) sell-side analyst expectations and were well received by the market.

Opportunities Amid Low Expectations: Real Estate

Another noteworthy area that contributed to the Fund's First Half performance was its Real Estate-related holdings, which were the third largest contributor to performance by sector in H1. The majority of the contribution from this group came from two residential real estate brokers – **Midland Holdings Limited** and **Douglas Elliman** – that have long been suffering from an acute industry downturn, which offered the Fund opportunities to invest at beaten-down prices that attributed very little value to the underlying businesses, in our view – despite each company holding strong positions in their respective markets. Midland Holdings was recently added to the Fund (in March 2025) and has generated strong performance since then; we will discuss Midland's investment case shortly in the discussion of the Fund's recent activity. As for Douglas Elliman, the fifth largest residential broker in the U.S. was added to the Fund back in 2024; as in the case of HKEX, we outlined its investment case in greater detail a year ago in our June 2024 Semi-Annual Shareholder Letter. The recent period of higher interest rates in the U.S. had resulted in a sharp slowdown in residential transaction volumes that weighed heavily on Douglas Elliman's business. Its stock price sold off to the extent that, adjusting for the company's net cash balance at the time of the Fund's purchase in 2024, we estimated that the implied valuation of the real estate business – which had generated $1 billion in revenue in 2023 – was less than $20 million (with an "m"). This was despite Douglas Elliman boasting a market-leading position in a number of attractive high-end residential markets, including New York City, Miami, the Hamptons, Boston, California, and Dallas-Fort Worth.

Since then, Douglas Elliman has been a meaningful positive contributor to the Fund's performance, including in H1, when the stock surged roughly 39% amid published reports (unconfirmed) in May suggesting that the company had received a takeover offer at a price of over $4 per share, well above the prior day close of $2.14. Although there has been no further news on the subject, and it is unknown whether any transaction will take place, it is nonetheless one of the latest examples of how corporate activity (or the potential for it) has been a meaningful contributor to the Fund's returns over the years – a topic that we have written extensively about in recent Shareholder Letters. We believe that buying a quality business, if and when it is available at an unusually depressed price, offers multiple paths to value creation – either through an eventual appreciation for the business in the stock market due to an improvement in business conditions or investor sentiment, or failing that, through corporate events, with the sale of the business to a knowledgeable industry or financial buyer being one such example.

Notable Detractors: United States

Moving on to detractors from performance in the First Half, there wasn't much in the way of common themes. Perhaps the only notable laggard as a group was the Fund's collection of United States-based holdings, including the two largest detractors from the Fund's performance in H1: **Samsonite Group** and **Jefferies Financial Group**. The share price of each holding was likely adversely impacted by investor fears of a trade war and its potential impacts, both direct and indirect. Samsonite, the largest luggage company in the world, saw its share price decline roughly 29% in the First Half as the Trump tariff turmoil weighed on shares – despite what we see as an attractive asset-light, outsourced manufacturing model, which already predominantly sources from outside China. As for Jefferies Financial, the U.S.-based investment bank and capital markets service provider saw its shares decline by roughly 29% amid the uncertainty surrounding tariffs and their potential indirect impacts on Jefferies' business (e.g., on investment banking/capital market services related to Initial Public Offerings, M&A, etc.). Given the uncertainty in the business environment sparked by ongoing trade/tariff negotiations, many businesses contemplating issuances of debt or equity or considering M&A have hit the "pause" button, weighing on Jefferies' shares. That said, over the years Jefferies has used earlier slumps in other parts of the world (while activities in the U.S. were buoyant) to expand its footprint in Asia, Australasia, Europe, and Latin America, taking advantage of the retrenchment of other investment banks by hiring bankers that were leaving stressed competitors. In doing so, Jefferies has built up its teams across various functional specialties and geographies, positioning it well, in our view, to take advantage of an eventual upswing in business activity. Separately, Jefferies has added capabilities in areas such as the intermediation of transactions in private investments; for example, they are assisting university endowments in the secondary market sale of private investments (e.g., private equity). In addition to reinvesting in its business to grow in *absolute* terms, Jefferies has also, in our view, added to *per-share* value by returning considerable capital to shareholders through sizeable share repurchases in recent years (at an average price significantly below the current stock price) and distributions (both ordinary and special dividends).

In short, we believe the long-term investment cases of both Samsonite and Jefferies remain unchanged, other than being more attractively valued following recent share price declines. We added to both positions in the First Half. 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.

Notable Investment Activity in the Fund

Thus far, 2025 has been a busy year for the Fund. Eight new positions were initiated in the Fund in the First Half, including **Banco Bradesco**, **Midland Holdings**, **Travis Perkins**, and **Valaris** – each of whose investment cases we will discuss in detail below. Amid the noise and distraction of a never-ending stream of headlines emanating from Washington and elsewhere, which seemingly swung markets back and forth intra-day, we strove to zoom out and stick to our knitting, focusing on investing in businesses that we believe are exceptionally undervalued from a long-term perspective. In recent years, we have found such unusually attractive opportunities abundant in a world that is growing longer on instant gratification and shorter on attention spans and investment time horizons. The First Half of 2025 was more of the same for us, as the periodic bouts of market volatility experienced provided us with numerous opportunities.

Banco Bradesco S.A.

Banco Bradesco ("BBD") is one of Brazil's largest banks, possessing a large banking footprint across the country and operations that include retail and commercial lending, in addition to various other financial services, including leading insurance businesses and capital markets activities. In observing the Brazilian banking industry over the years, we have admired a number of its attractive attributes, including a fairly concentrated industry structure that generally lends itself to relatively higher profit margins. In addition, Brazil's long history of macroeconomic volatility has, in our view, effectively "battle-tested" some of the country's major banks, which are generally well capitalized and reasonably managed as a consequence of having been compelled to navigate sometimes quite challenging circumstances. Yet, despite those attractions, valuations that were not cheap enough for us kept us from investing in the space.

That began to change in 2024 as investor sentiment towards Brazil soured significantly. This stemmed, in part, from concerns regarding political intervention and increased government spending under President Luiz Inácio Lula da Silva's administration, and the potential implications for the Brazilian economy and fiscal situation. Brazil's Bovespa Index was one of the worst performers in 2024, declining by nearly 30% in USD terms for the year, while the local currency, the Brazilian Real (BRL), depreciated by over 20% against the USD in 2024. Faced with a significant decline in its currency and resultant and/or coinciding inflationary pressures in the economy, the Central Bank began raising interest rates in late 2024, with its target rate increasing from 10.5% to 15% at present – weighing on both consumers and businesses (i.e., BBD's customers) alike – while market expectations at the time of future rate hikes to come in 2025 resulted in generally gloomy investor sentiment towards many Brazilian businesses, including Banco Bradesco. Against this backdrop, Banco Bradesco shares sold off sharply, to the point where they traded at what we believe is an unusually depressed valuation, both relative to their own history as well as in relation to the company's underlying earnings power. Even after their strong performance since the Fund's purchase, making it one of the leading contributors to performance in H1, shares are currently trading at a discount to book value and less than 9x earnings – a modest valuation that, in our view, belies both the formidable position BBD holds as well as the company's significant potential for improved profitability, through both a cyclical recovery and the meaningful cost reductions currently underway at the company.

Midland Holdings Limited

As noted earlier in the performance discussion, **Midland Holdings** is a leading residential property broker and provider of related services 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. Higher interest rates and the same host of economic and political issues noted earlier that hampered HKEX shares in recent years, also weighed heavily on the Hong Kong residential market and cast a pall on investor interest in the region in general – all conspiring to punish Midland's share price. Midland's business is highly driven by residential transaction volumes, and with the consensus view seemingly being 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, considering 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 earlier this year at levels at which we estimate Midland's cash (net of debt and lease liabilities) made up roughly 70% of its market cap. Since the Fund's purchase through the end of H1, Midland shares rose roughly 45% from these deeply depressed levels that priced in next-to-no expectations, amid nascent signs of improvement in the residential market in Hong Kong – making Midland a meaningful contributor to the Fund's performance since its purchase.

Travis Perkins PLC

London-listed **Travis Perkins PLC** ("Travis Perkins") is the largest distributor of building products in the United Kingdom. Through its network of 725 branches across the U.K., Travis Perkins distributes building materials (lumber, bricks, cement, roofing supplies, etc.) to a wide array of wholesale and retail customers, including nation-wide homebuilders and local renovation and construction contractors. Additionally, the company operates one of the largest retail businesses in the U.K., which sells tools, hardware and supplies through its 740-plus store Toolstation franchise. Both businesses have had a very challenging past several years as the U.K. renovation and construction market has seen a significant slowdown principally resulting from rising interest rates. This was further exacerbated by strong price inflation in many building products following the COVID-19 pandemic, additionally slowing demand and weighing on fundamentals. Aside from the macroeconomic challenges, the business has been negatively impacted by a range of company-specific issues, including the historic misallocation of resources, a subpar approach to staffing that negatively impacted revenues, and the failed buildout of the Toolstation France business (a business they completely exited last year).

In conjunction with this, Travis Perkins has undergone a years-long restructuring process, including selling two divisions and adding a new Chairman, CFO, and a new CEO (joining this year). This combination of sustained weak macro fundamentals and the many self-inflicted issues predictably resulted in the stock declining considerably (by almost 66%). However, we believe that most of these weak fundamentals are transitory and have largely obscured the significant underlying core value of the business. As the leading distributor with a market share of ~2x the nearest competitor, we believe Travis Perkins is well-positioned for an eventual easing of interest rates, or alternatively, a thawing of the renovation and construction markets as higher interest rates become normalized. Additionally, the business has been working to fix many of its self-inflicted issues. The corporate-level improvements, combined with a stabilized or improving macro picture, should drive meaningful profitability improvement that is not currently recognized in the valuation, in our view. We believe this is especially true when we consider the fact that the U.K. has a substantial housing shortage and very aged housing stock, implying an elevated need for renovation and retrofitting for current technologies, environmental improvements, and building standards. We believe Travis Perkins also has many levers to drive value creation independent of the market, including a large property portfolio that analysts estimate could be worth £1 billion, significant profitability improvements from closing Toolstation France, and increased working capital efficiency.

In summary, we believe that, given the macroeconomic weakness and the significant self-inflicted company-specific issues, we were able to acquire shares in the leading business in its industry at a discounted price relative to the current "what is" profitability, which provides upside potential.

Valaris Limited

Valaris Limited ("Valaris") was another new position that we added to the Fund in the First Half. Valaris, a leading provider of offshore contract drilling services to the oil and gas industry, owns one of the largest fleets in the industry, comprising 18 floaters, 33 jackups, and a 50% equity stake in ARO Drilling – a Joint Venture with Saudi Aramco that owns an additional 9 jackups. The offshore drilling industry has undergone a dramatic transformation since 2019. A wave of bankruptcies, mergers, and acquisitions has consolidated the floater market into just four companies that arguably dominate the space. This consolidation has, in our view, brought long-absent supply and pricing discipline to the sector. Despite relatively healthy profits across the industry, incentives to order newbuild floaters (which would increase supply) remain minimal at current pricing levels, as the industry is only a few years removed from the depression in activity that was experienced over the better part of the past decade. Shipyards, still scarred by the last boom-and-bust cycle, have little appetite or capacity for floater orders, preferring to focus on vessels with more stable end-user demand. Meanwhile, the supply of rigs continues to decline as older units are scrapped, even as demand for offshore production – meaningfully lower-cost than U.S. shale, on average – continues to rise. This tightening supply-demand dynamic has led to a recovery in utilization and day rates from previously depressed levels, though this has recently been disrupted by a temporary shortage of support vessels that has weighed on industry conditions and led to a sell-off in the shares of offshore drillers earlier in 2025.

Valaris emerged from bankruptcy in 2021 after having accumulated excessive leverage and the 2020 industry downturn forced a restructuring. Now operating with what we believe to be a healthy balance sheet and an arguably more disciplined approach to capital allocation, the company has steadily improved utilization across its fleet. Valaris effectively operates as three distinct businesses: its floater fleet, jackup fleet, and the ARO JV. While the market appears to apply a conglomerate discount to this structure, we value the diversification – floaters and jackups could potentially perform differently across market cycles – and we believe the company trades at a significant discount to both the construction cost of its fleet and the secondary market value of its rigs.

As the supply of offshore rigs continues to shrink, we believe utilization and day rates could potentially strengthen further (all else equal), driving potential upside in earnings and free cash flow. Valaris has already used this cash flow to execute substantial share buybacks, to the benefit of long-term shareholders, in our view, given its discounted valuation. Further, should management choose to monetize or separate one of its three business segments, we believe meaningful incremental value could potentially be unlocked for shareholders.

Other New Positions

As for the other four holdings that were added to the Fund in the First Half, two of them are familiar names to the Fund that were acquired once again in H1, after having been sold back in 2024. One of them, Offshore Energy Services provider **Tidewater**, was a long-tenured, lucrative investment for the Fund that we had sold in the First Half of 2024, as detailed in our June 2024 Semi-Annual Letter. As we explained last year, we continued to like Tidewater's prospects and admire what management had achieved over the preceding several years, but with Tidewater's share price rising from a low of less than $5 in 2020 during the early days of the pandemic to the mid-$90s and over $100 in June 2024, we decided to eliminate the position from the Fund, redeploying the proceeds into other opportunities that we thought were more compelling from a valuation perspective at the time. Since then, due to similar factors that weighed on Valaris (and other offshore energy services providers), as well as general concerns about tariff implications and their potential impact on oil prices, Tidewater's stock price fell to the low-$30s at the height of the tariff turmoil in April, and it is currently trading in the low-$50s. With our sale from the Fund in 2024 having been valuation-driven, and with nothing else changing about our investment thesis other than the valuation, we once again acquired shares of Tidewater in the First Half of 2025 at what we believe to be a significantly discounted valuation. Similarly, shares of India-based **Edelweiss Financial Services Ltd.** ("Edelweiss") were eliminated from the Fund in the Second Half of 2024 after its shares had performed well following its spin-off of Nuvama Wealth Management Ltd. – as discussed in our December 2024 Annual Shareholder Letter. We subsequently re-initiated a position in Edelweiss in the Fund in the First Half after shares declined amid the volatile start to 2025 to levels we believe are attractive. Finally, two other new positions – **Capstone Copper Corp.** and **Fairfax India Holdings Corp.** – were added to the Fund in April 2025, after the sharp (but ultimately short-lived) market sell-off triggered by the "Liberation Day" tariff announcements resulted in opportunities to acquire shares at what we believe were attractive prices.

Notable Selling Activity

On the sell side, we eliminated seven positions from the Fund in 2025, in most cases due primarily to valuation considerations following share price appreciation. **Cameco**, the leading Canadian uranium producer, was another long-tenured holding in the Fund, whose ownership dates back to before the pandemic. For the better part of a decade that preceded the pandemic, uranium had been a much-despised commodity, and the share prices of most/all associated companies – including what we saw as the largest, highest quality producers, such as Cameco – suffered accordingly.

Yet we believed that the fundamentals had long been quite attractive, driven in part by a favorable and improving uranium market balance from a long-term supply/demand perspective. This took place in the context of a market that had already been seeing falling above-ground inventories and reduced mine supply (due to mine closures resulting from nearly a decade of low uranium prices). Uranium prices had eventually begun to strengthen meaningfully from long-depressed levels, driven by improving fundamentals, in general, and also, in particular, by a Canadian Closed End Fund (Sprott Physical Uranium Trust) that had been accumulating physical uranium. Even before the Ukraine conflict, amid startling spikes in energy costs (particularly in Europe) and concerns about surging utility bills, in addition to the significant challenges that the ongoing global campaign to reduce emissions has faced, the general market sentiment towards the uranium space began to improve, perhaps due to the sector's potentially significant role in the transition towards low-carbon power generation. The Russian invasion of Ukraine and the emergence of energy security (and dependence on Russian energy) as an urgent strategic issue further drove added interest in nuclear energy and, in turn, uranium. Most recently, in late 2024/early 2025, Cameco shares benefited from a series of announcements made by large U.S. tech companies committing to invest in nuclear energy in order to meet increased electricity demand coming from data centers and Artificial Intelligence (AI).

All told, Cameco shares rose from a March 2020 low of less than C$8 per share (during the depths of the pandemic) to over C$80 per share late in 2024. We eliminated the Fund's position in Cameco in the First Half of 2025. While we continue to like the Cameco story, following this increase in its stock price, other investment opportunities became available that are more compelling from a valuation perspective, in our view (such as the new positions discussed above).

Also in H1, we eliminated the Fund's position in **Despegar.com**, the largest online travel agency ("OTA") in Latin America. After the December 2024 announcement that Prosus NV had agreed to acquire Despegar for $19.50 per share – reflecting a premium of over 33% to its previous day's closing price – Despegar shares appreciated accordingly, trading up towards the takeover price. With further potential upside largely capped, in our view, we decided to eliminate the Fund's position, redeploying the proceeds into other holdings, both new and existing. This closes the book on a profitable investment in Despegar, a position that was largely built during the pandemic when the shares were incredibly depressed as global travel ground to nearly a complete halt.

But since the beginning of 2023, Despegar shares surged from as low as around $5.00 in January 2023 amid an ongoing recovery in demand for travel-based services from pandemic-era depths. Despegar's profitability recovered significantly, driven not only by briskly growing demand for its services, but also by the cost reductions implemented by the company during and since the pandemic. In addition, during the pandemic-era, management utilized what we believed to be a major competitive advantage in the company's strong, cash-rich financial position to consolidate its leadership in and further strengthen its position across Latin America, both through acquisition (particularly in Mexico and Brazil) and through attrition as smaller, financially weaker competitors were compromised (some permanently) from the freefall in travel-related spending experienced during the pandemic. We believe these developments are likely to serve Despegar well in the years to come, and Prosus' takeover (now completed) suggests that these developments did not go unnoticed. While (ideally) we would have preferred to hold Despegar for years to come, Prosus' acquisition of Despegar crystallized the significant value that we believe had been created in recent years, realizing what was a lucrative investment for the Fund.

In H1 we also eliminated the Fund's position in **Enerflex**, the Canada-based provider of natural gas infrastructure, equipment, and services. Enerflex stock had a very strong year in 2024 (+117% for the year) amid a continued strengthening of business fundamentals. The Fourth Quarter of 2024 was a particularly strong period for Enerflex shares (+67% in Q4) – likely driven, in part, by strong quarterly results (released in November for Q3 2024), which included a continued improvement in profit margins, solid free cash flow generation that exceeded consensus expectations, a 50% increase to the dividend, and improved Q3 debt reduction. In addition, Enerflex redeemed some of its Senior Notes post-Q3, while also noting that it remained on track to reach its leverage target, with a visible path to potentially increasing shareholder returns in the coming months. Driven by these developments, Enerflex shares recovered meaningfully from what had been, in our view, excessively depressed levels seen in recent years. Following Enerflex's strong performance in 2024, we eliminated the Fund's position in early-2025. As in the cases of Cameco and Despegar, the strong performance of Enerflex stock in 2024, in our estimation, reduced the incremental upside potential looking forward relative to that of other opportunities that we currently view as more compelling. Hence, we eliminated the Fund's position in Enerflex in H1, redeploying the proceeds into other Fund holdings, both new and existing.

We also eliminated the Fund's position in **ESR Group Limited** ("ESR") during the First Half. ESR, a leading real estate asset manager in the Asia Pacific region, was in the process of being taken private by a consortium that included investment firms Starwood Capital Group, Sixth Street Partners, SSW Partners, Warburg Pincus and Qatar Investment Authority. In the preceding months, other sizeable shareholders declared their support of the transaction at the consortium's proposed price – HK$13 per share – at that time, meaningfully increasing the probability of the transaction being approved and completed, in our view (it ultimately was indeed completed). As a result, we decided to eliminate the Fund's position in ESR in H1. As in the case of Despegar, we would have liked to continue to own ESR going forward in order to benefit from the compounding of value over the long run. However, with the proposed price, in our view, effectively capping the potential further upside in ESR shares, we decided to sell the Fund's position in ESR, redeploying the proceeds into other opportunities that we believe offer more attractive upside potential looking forward.

Three other positions were eliminated from the Fund during the First Half: **Grupo Financiero Galicia** ("GGAL"), **Copa Holdings S.A.**, and **Companhia Brasileira de Distribuição** ("CBD"). GGAL is an Argentine bank that was acquired in the Fund in 2023 at what we thought was an exceptionally depressed price, amid macroeconomic turmoil in Argentina that included a massive currency devaluation and soaring inflation. In 2024, GGAL was the single largest contributor to the Fund's performance for the year, as shares surged given encouraging (albeit still early) signs of lower inflation and improved economic stability in Argentina. As in the cases above, we eliminated the Fund's position in GGAL following its significant appreciation, to redeploy the capital into other opportunities we believe are more attractive at this point in time. Finally, the Fund's positions in Latin American airline Copa Holdings and Brazilian grocery retailer CBD were also eliminated during the First Half.

Fund Outlook

We have long believed that forecasting near-term economic variables 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. The last few years have done nothing but reinforce our long-standing view, as the forecasts of many economic and financial market pundits have once again been off the mark on various topics such as recession or no recession, the short-term path of 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 on-again, off-again, ever-changing landscape surrounding tariffs is no different. Forecasting the evolution and ultimate outcome of the currently unfolding tariff drama might be fun for some, but in our view, efforts to profitably invest capital based solely upon the accuracy of those forecasts may well prove ill-advised. Prior to April, the preceding talk on the subject centered around "reciprocal" tariffs. Then came the April 2nd announcement of sweeping export tariffs on many countries that were far larger than most expected; the percentages presented seemed to be related more to the magnitude of the United States' trade deficit with each respective country than to the idea of "reciprocity." This draconian scenario sent global markets into a tailspin. However, shortly thereafter, the tariffs announced on April 2nd were delayed for 90 days for all countries except China. As the Second Quarter went on, equity markets bounced back from the initial early-April decline, as investors seemingly grew more comfortable with the assumption that the Trump administration would ultimately not follow through on some of the most draconian measures proposed. However, in July 2025, the Trump administration once again renewed its threat of higher tariffs in letters sent to various countries, albeit while extending the deadline to agree to a "deal" to August 1st. A number of agreements have been announced (e.g., with Japan, the E.U., the U.K., Vietnam, and Indonesia) but the finer details of their actual execution and implementation are somewhat illusory. After a series of back-and-forth retaliatory announcements by the U.S. and China earlier in the First Half, a temporary truce was eventually reached, with recent efforts being made to extend it beyond a mid-August deadline. Overall, the situation remains unresolved and uncertain as we write this.

It is 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 of our ability (or anybody else's) to accurately predict what the ultimate outcome will be. We certainly would not base any investment decisions on any such predictions.

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 had already seen a healthy, increasing number of attractive long-term investment opportunities become available amid the short-term volatility in financial markets' expectations and notoriously fickle macroeconomic forecasts (re interest rates, inflation, etc.). That was *before* the recent tariff-induced surge in volatility.

Although periods of heightened market volatility are never pleasant, we believe such volatility is more *friend* than *foe* to the long-term, price-conscious investor. We believe that our long-term focus is one of the notable advantages that we have during highly unpredictable, 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 – the Asian Financial Crisis, Global Financial Crisis, European Sovereign Debt Crisis, and the COVID-19 pandemic, among others, come to mind – 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 impairments (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 tariff-related headlines, and focus instead on long-term, fundamental business values.

On that note, it may be helpful to look back at what, in our view, has been a healthy availability of compelling long-term opportunities over the past several years. This was true during the long period of unusually *low* interest rates and relatively benign inflation that preceded the pandemic (e.g., banks and insurance companies that were adversely affected by the low interest rate environment and became unusually undervalued). These holdings (e.g., UniCredit, Standard Chartered) have contributed positively to the Fund's performance in recent years as interest rates increased from those unusually low levels. Since then, other opportunities have become available, in part, due to the *higher* interest rate environment that has prevailed more recently, weighing upon different types of businesses to varying degrees (e.g., the Fund's real estate-related holdings such as the aforementioned Douglas Elliman and Midland Holdings). Our focus was not on trying to forecast how interest rates or inflation might fluctuate, but rather on finding attractive long-term investment opportunities that become available when they are temporarily banished to the bargain bin as a result of the prevailing macroeconomic or market narrative of the moment. Today, we believe the tariff-induced volatility is another of those moments in which babies might periodically be thrown out with the bathwater as a result of the headlines of the day, and our goal is to take advantage of such opportunities that come along with the volatility. As previously discussed, the First Half of 2025 was a busy period with eight new positions acquired for the Fund, as the general market turmoil leading up to, and in the immediate 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 eyes 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 had experienced during much of the post-Global Financial Crisis (GFC) era. The recent tariff-related developments 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.

We continue to believe certain stock-specific attributes that we seek, many of which were overlooked in recent years amid a flood of liquidity and relative lack of volatility, are likely to matter much more in determining risk-adjusted returns going forward. These attributes include discounted valuations that price in adversity and capitulation rather than perfection. Consider the previously discussed Douglas Elliman and Midland Holdings – where the values of the underlying businesses (as implied by their stock prices) were negligible, in our view, relative to the considerable footprints and positions those businesses have in their respective markets. That is quite the contrast, in our opinion, to the valuations of the more popular pockets of the market (e.g., mega-cap U.S. tech) – areas in which U.S. and global equity market indices have become increasingly concentrated in recent years – whose stock prices, in our view, generally price in the continuation of blue sky scenarios despite a variety of potential threats (e.g., trade wars, hot wars, increased high-tech competition from China) that are hiding in plain sight. As highlighted earlier, given the numerous uncertainties facing us, we would much rather be invested in businesses that price in pessimistic scenarios rather than assume that the good times will continue to roll, because we believe that discounted prices provide better longer-term resilience amid adverse future developments, as well as more attractive upside potential in the event of positive surprises in the months and years ahead.

Another attribute we seek is a business model that is not dependent on easy capital markets, with the financial position strength to survive and even take advantage of challenging times. Armed with the level of comfort that this attribute provides, we have the ability to turn away from the distraction of the latest tariff news, economic data releases and ever-changing macro forecasts, and instead turn towards potential longer-term opportunities that such volatility can provide.

Still another important attribute we seek is ample potential for event-driven value creation via corporate activity that (if done well) isn't necessarily highly correlated with, nor heavily reliant upon, the whims of stock market sentiment or top-down economic factors. Indeed, while the Fund's holdings were generally out of the market's favor in recent years, to our eye, many of their management teams were nonetheless making significant progress via such corporate activity – in our opinion, sowing the seeds of long-term value creation that we believe will eventually be recognized (as some of it has been in recent years).

Furthermore, over our years of experience, such event-driven value creation and realization have often played a meaningful role in positively contributing to performance. On that point, we would argue that corporate activity favorably contributed to the Fund's absolute and relative performance in 2023 and 2024, despite it generally being a challenging period in terms of relative performance for many Value-oriented strategies as compared to Growth strategies and market cap-weighted benchmark indices. We continue to believe this is an exciting time for the Fund's collection of idiosyncratic investments that, in our view, are rich with possibilities for event-driven value creation, which could potentially positively impact performance in a way that might not be highly correlated with or heavily reliant upon day-to-day market psychology or top-down economic or market factors. As noted earlier, examples of such corporate events within the Fund in 2025 include takeovers of Despegar.com and ESR Group, as well as unconfirmed reports of a takeover offer having been made for Douglas Elliman.

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 following the close of the year.

Sincerely,

Amit Wadhwaney, Portfolio Manager

Investing in mutual funds involves risks, including the possible loss of principal, and there can be no assurance that any investment will achieve its objectives. International investing involves increased risk and volatility due to currency fluctuations, economic and political conditions, and differences in financial reporting standards.

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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: August 2025

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Moerus Worldwide Value Fund

MOWIX - MOWNX

Performance (%) (As of June 30, 2025)*	QTR	YTD	1 Yr	3 Yr	5 Yr	Since June 1, 2016**
Moerus Worldwide Value Fund (Inst.)	15.87%	20.21%	29.20%	25.11%	23.56%	10.16%
MSCI All Country World Index ex USA (Net)***	12.03%	17.90%	17.72%	13.99%	10.13%	7.86%
MSCI All Country World Index (Net)****	11.53%	10.05%	16.17%	17.35%	13.65%	11.45%

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. Acquired fund fees are estimated to be 0.01% and are included in the net expense ratio. Please see the current prospectus for additional information.

** 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 (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 2,321 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 2,946 constituents, the index covers approximately 85% of the global investable equity opportunity set. You cannot invest directly in an index.*

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 06/30/25 as a % of the Fund's net assets: Dundee Corp (4.30%), Hong Kong Exchanges and Clearing Ltd (3.56%), Valterra Platinum Ltd (3.36%), Midland Holdings Ltd (3.23%), Westaim Corp (3.10%), Valaris Ltd (3.06%), Banco Bradesco SA (2.98%), Douglas Elliman Inc (2.78%), Wheaton Precious Metals Corp (2.75%), and Hammerson PLC (2.74%).

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