Moerus Worldwide Fund

Institutional: MOWIX | Investor: MOWNX

Semi-Annual Shareholder Letter: Six Months Ended June 30, 2026

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 Fund ("the Fund") over the six months ended June 30, 2026 (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 thoughts on the Fund's Tenth Anniversary, 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, 2026)*

			Average Annual Returns			
Fund/Index	**6-Months**	**1-Year**	**3-Year**	**5-Year**	**10-Year**	**Since Inception****
Moerus Worldwide Fund - Institutional Class	5.37%	23.04%	24.20%	18.68%	11.29%	11.38%
MSCI AC World Index ex USA Net (USD)***	13.69%	27.66%	18.82%	8.79%	9.93%	9.67%
MSCI AC World Index Net (USD)****	11.25%	23.67%	19.70%	10.98%	12.78%	12.60%

** 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 1,934 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 2,461 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, 2027, 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 +5.37% in the First Half of 2026. By comparison, the MSCI All-Country World Index ex USA Net ("MSCI ACWI ex USA") returned +13.69% and the MSCI All-Country World Index Net ("MSCI ACWI") returned +11.25% during the same period[1]. In the First Half of 2026, the Fund generated positive returns in *absolute* terms but meaningfully lagged both the MSCI ACWI ex USA and the MSCI ACWI in *relative* terms amid a frenzied environment for all things seemingly AI-related. Longer-term, the Fund has significantly outperformed the MSCI ACWI ex USA over three, five, and ten-year periods and since inception, while also outperforming the U.S.-centric MSCI ACWI over three and five-year periods despite the U.S. outperforming international equity markets over those 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 the First Half of 2026 in equity markets.

Market Review – First Half 2026

The First Half of 2026 was yet another story of *haves* and *have-nots* in global equity markets, which bubbled over with enthusiasm, ebullient even in the face of the outbreak of war with Iran. The year began with international equity indices up significantly over the first two months of 2026, picking up where they left off in 2025; on the other hand, U.S. equities were mixed, weighed down by a sell-off in various software stocks on AI disruption fears, in addition to continued U.S. policy uncertainty and concerns in other areas such as private credit. But then, at the end of February, long simmering geopolitical tensions erupted with the outbreak of the Iran conflict, which changed the environment surrounding global capital markets considerably. International stocks gave back much (if not all) of their prior gains in March, while the U.S. market also declined meaningfully, but to a lesser extent – as the U.S. was generally perceived to be less exposed to *immediate-term* impacts from the closure of the Strait of Hormuz than Europe and Asia.

[1] Source for Index returns: Bloomberg

Benchmark indices declined in the First Quarter (Q1), particularly in the U.S., which underperformed international benchmarks – though that gap narrowed meaningfully after the outbreak of the Iran war.

In the Second Quarter (Q2), however, global equity markets (both U.S. and international) staged a remarkable turnaround, repeatedly shrugging off events in the Middle East and their potential implications on the worldwide economy. Instead, markets remained squarely focused on the Tech sector and on how "to play" the massive sums of capital committed to building up AI infrastructure and capabilities. With the hyperscalers aggressively investing hundreds of billions in capital, in Q2 the market turned its attention to various perceived beneficiaries and bottlenecks to emerge in the buildout. The tech-heavy NASDAQ Composite Index rose 22% in Q2, amid investor euphoria towards chip stocks (most notably memory and storage), with the Philadelphia Stock Exchange Semiconductor Index having its best quarter in history (+88%). Many leading names within that group were up *3x or more* in Q2 (e.g., Intel, Micron, SK Hynix, Sandisk). Also in Q2, SpaceX went public in the largest IPO ever, and the market eagerly awaited the planned U.S. listings of SK Hynix (completed in July), Anthropic, OpenAI, and others.

Amid this frenzy to feed what has become an increasingly capital-hungry sector, investor capital was sucked out of numerous, less glamorous areas. Brazilian stocks, for example, saw foreign investors pull money out at the fastest pace in over six years in May 2026. Precious metals-related stocks (gold, silver, platinum) declined as interest rate expectations rose and the U.S. dollar strengthened, driven in part by war-related fears of an inflationary resurgence and the perceived hawkishness of new Federal Reserve Chair Kevin Warsh. After a very strong Q1, Energy stocks gave back some of those gains in Q2, declining (along with oil prices) as the U.S. and Iran agreed to a tenuous ceasefire and Memorandum of Understanding (MoU), which temporarily led to increased traffic through the Strait of Hormuz. However, that MoU fell apart after the end of the First Half, and large-scale hostilities resumed yet again.

Thoughts on The Fund's First Half 2026 Performance and Performance Drivers

Against this backdrop, the Moerus Worldwide Fund (Institutional Class; "the Fund") generated positive performance on an *absolute* basis, returning +5.37% in the First Half[2], albeit while lagging both the MSCI ACWI ex USA (+13.69%) and the MSCI ACWI (+11.25%) amid an AI-related frenzy in the latter three months of the period. The five most significant positive contributors to the Fund's performance in H1 (in order of magnitude) were **Valaris**, **Aker ASA**, **Natura Cosméticos**, **Tidewater**, and **Grupo Cibest**. The five largest detractors from performance in H1 were **Magna Mining**, **Samsonite Group**, **Douglas Elliman**, **Valterra Platinum**, and **Travis Perkins**.

The first six months of 2026 were a tale of two quarters for the Fund. After significantly outperforming both the MSCI ACWI ex USA and the MSCI ACWI in the First Quarter, the Fund generated only slightly positive performance in the Second Quarter while both benchmarks surged ahead, driven by soaring share prices of large semiconductor stocks and other AI-associated names. In the following pages, we will

[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.**

highlight what we thought were some of the more notable factors and general themes behind the Fund's performance in the First Half.

Thoughts on Artificial Intelligence and Relative Performance

Although we are long-term investors who are not focused on relative performance from one quarter to the next, we understand that this is nevertheless something that many in the investment community pay attention to and may judge the Fund by – whether we believe that is appropriate or not. With that in mind, in our view, H1 (particularly its latter portion) was both a frustrating and exciting period for the Fund. It was frustrating in the sense that, well, it is never fun not being invited to a party like the raucous affair that global equity markets threw for Tech stocks over the last three months of H1. By far, the largest reason why the Fund lagged its benchmark indices in H1 was what it does *not* own: namely, stocks belonging to the Information Technology sector, whose current weightings in each benchmark are historically high as of June 30, 2026 (MSCI ACWI: 32%; MSCI ACWI ex USA: 23%). Note: if we were to include Magnificent Seven behemoths Amazon, Alphabet, Meta, and Tesla within the Tech bucket, that group's weighting would exceed 40% of the MSCI ACWI.

As we have discussed before in these pages, we have avoided Tech stocks in the Fund due to our belief that the sector, in general, seems to be priced for perfection despite an increasingly imperfect world – thereby incorporating meaningful potential downside price risk *over the long run*, in the event that currently lofty expectations are not ultimately met. What developments could possibly prevent such expectations from being met? Perhaps Chinese competition in the AI space could prove much more formidable than many assume – a scenario that came to the fore in 2025 with DeepSeek and most recently in July 2026 with Moonshot. If Chinese AI models prove highly capable and lower-cost, this could have negative implications for the massive sums of capex that are being invested by hyperscalers – increasingly financed with debt and via circular relationships. Or, perhaps political/regulatory pressure against data centers builds as a result of rising residential utility bills and potential job losses due to AI-related applications. We do not know if either of these scenarios will play out, nor do we have a view on their likelihood or on any others that may come out of left field. But we believe they (and others) are at least *possibilities* that seem not to be adequately considered, as implied by the currently rich valuations that predominate the space.

Moreover, we believe there is a widespread tendency in the market to conflate the future prospects of an *industry* with the future performance of the *stocks* within it. Obviously, these two things seem likely to be correlated over most timeframes. But we believe that the price you pay for a stock also matters, and that if you pay an expensive price for a *stock*, you may be vulnerable to considerable downside risk and subpar returns over the longer-term, even if the underlying *business* performs reasonably well (but not up to the high expectations baked into the price). In other words, AI may very well ultimately prove to be just as revolutionary as its most ardent supporters expect or even more so, but that does not necessarily mean that AI-related stocks (at these levels) will produce attractive long-term performance looking forward. Maybe they will. But the ultimate success and proliferation of AI alone does not ensure that.

This harkens back to the dot-com bubble of the late 1990s. The internet ultimately proved to be as revolutionary as advertised by the bulls (perhaps even more so) in terms of how it changed our daily lives and how we live them. However, this is likely little solace to those who invested in dot-com stocks at high prices in 1999. Yes, there were many high-profile dot-com blowups (e.g., Pets.com) due to unsustainable spending and lack of viable business models. But more importantly, in our view – and perhaps underappreciated in the current context – is that even the companies from the dot-com era that stood the test of time, survived, thrived, and became highly profitable, successful businesses, nonetheless proved to be dismal investments *over many years*, for those who bought at excessive prices. For example, for those who invested at the top, the losses from the dot-com collapse in the early 2000s took many years to recover from, even for the share prices of the likes of Microsoft (over 14 years), Cisco (over 21 years), and Amazon (over 9 years). Importantly, all three businesses survived the dot-com bust and ultimately thrived as *businesses*, but their stocks performed poorly *over the long-term* despite that, because of the much higher expectations that had been baked into their share prices. This example illustrates the concept of "price risk" that we have written often about in these pages, which we strive to avoid by insisting on discounted prices.

To be clear, we are not predicting that history will repeat itself, nor that it is even likely. Semiconductor stocks and other beneficiaries of the AI buildout may very well continue to outperform dramatically from here. But we do believe that this area of the markets, in general, is pricing in very optimistic expectations. As a result, we have avoided the space due to what we believe is potentially excessive downside price risk, in the event that any unpleasant surprises down the road were to dampen those expectations.

Our views notwithstanding, in the First Half (specifically Q2) the Tech sector trounced most else across equity markets – which was by far the most significant factor weighing on the Fund's relative performance. In that sense, the First Half was a frustrating period, despite the Fund's positive absolute performance. But while frustrating, we also found H1 to be quite exciting. Why? Because we believe such extremely bifurcated market environments – ones in which there is a dramatic disparity between *what's hot* and *what's not* – have historically proven to be fertile hunting grounds for opportunities among the market's unloved and discarded, sowing the seeds of long-term performance (both absolute and relative). In that sense, the First Half was no different, with investor capital flooding AI-centric and adjacent areas (e.g., U.S. Tech, Taiwan, South Korea, Japan), while pouring out of older, stodgier, unfashionable areas of global markets. As it has throughout the Fund's history, it was this latter group that again yielded numerous new opportunities for the Fund in the First Half – this time in old fashioned industries such as homebuilding, farm equipment, life insurance, and chemicals, across geographies that included the U.S., U.K., and India. We'll return to those opportunities later in our discussion of Portfolio Activity in H1.

Energy

Returning to performance and moving on to what the Fund *does* own, by far the most significant positive contributor to H1 performance by sector was the Fund's collection of Energy-related holdings, a group that included four of the six largest individual contributors (Valaris, Aker ASA, Tidewater, and International Petroleum) during the period. The Fund's Energy holdings include two offshore energy services providers (Valaris, Tidewater), two primarily Canadian oil producers (International Petroleum, Greenfire Resources), and a Norwegian Holding Company (Aker ASA) that owns stakes in one of Norway's largest oil & gas producers (Aker BP) as well as a number of energy services businesses (among assets in numerous other areas). Shares of each of these holdings performed well early in 2026, as the runup to war in and around the Persian Gulf resulted in a surge in oil prices, which jumped from less than $60 per barrel in early January to over $110 in late March/early April. This surge benefited the share prices of oil producers and related service providers whose operations are less exposed to events in the Middle East.

However, while the Energy sector was the largest contributor to the Fund's performance over the *six months through June 30*, this was despite the fact that it was also one of the largest detractors from performance in the *Second Quarter*. In Q2, the Fund's Energy holdings saw their shares give back some of their earlier gains, declining as oil prices fell to around $70 late in June amid the ceasefire and MoU between the U.S. and Iran (however short-lived), which partially and temporarily restored some traffic through the Strait of Hormuz. After the close of the First Half, however, these holdings rose yet again as a result of the collapse of the MoU and the resumption of hostilities, which led to another bounce in oil prices.

It can admittedly be maddening, at times, observing the topsy-turvy, back-and-forth swings in oil prices and fluctuations in related stock prices from one day to the next (or sometimes intraday) – seemingly based on little more than headlines, rumors, and social media posts about either pending peace or escalation. In our view, however, that is largely noise and distraction for a long-term, value-conscious, fundamentals-based investor such as the Fund. Yes, it is true that each of these holdings are well-positioned to benefit from some of the effects of the conflict in the Middle East. The Fund's oil producers operate far from the Strait of Hormuz (primarily in Canada and Norway) and stand to benefit from the disruption in competing Middle Eastern supply, while offshore services providers would benefit from any newfound urgency among previously complacent countries to bolster their energy security by investing in energy infrastructure and capacity to reduce their reliance on supply from any one location.

However, all of these investments were made long before the war with Iran broke out. As we detailed in our 2025 Annual Shareholder Letter, these investments are merely a reflection of where we have found what we viewed to be the most compelling investment opportunities in recent years. In general, until recently, Energy (and Natural Resources in general) have been an afterthought among investors attracted to shiny objects elsewhere, and this area, in our view, was starved of capital and chronically underinvested in for years as a result. Such environments often sow the seeds for potentially attractive valuations and long-term returns. For us, these holdings were not a bet on *commodity prices*; rather, they were what we believed to be well financed, well managed *businesses* that have a history of taking advantage of unusually depressed industry conditions to acquire assets cheaply – growing long-term shareholder value *(across a range of oil prices)* – as they position themselves to benefit from consolidation, strengthened footprints, and an eventually normalizing environment. And while the headlines will certainly swing *stock prices* from one day to the next, we are much more focused on the creation of *enduring business value* for shareholders. On that point, we believe each of these holdings has performed brilliantly as businesses.

For example, consider **Valaris**, the largest individual contributor to performance in H1. Shares of this U.S.-based provider of offshore drilling services surged in response to the February 9th announcement that the company had agreed to be acquired by Transocean in an all-stock transaction, which was priced at a roughly 32% premium to Valaris' stock price (based on the previous day's closing price of each stock). Valaris was added to the Fund in early 2025 following a slide in its share price, amid then-subdued oil prices and what we believed to be a temporary lull in offshore drilling activity caused by support infrastructure constraints (among other factors). These shorter-term headwinds temporarily overshadowed the longer-term benefits of what we viewed to be a dramatic transformation undergone by the offshore drilling industry since 2019. A wave of bankruptcies, mergers, and acquisitions has consolidated the higher-spec deepwater rig market into just four companies (including Transocean and Valaris) that arguably dominate the space; meanwhile Valaris had emerged from its 2021 restructuring with a cleaned-up balance sheet. At the time of purchase, we believed this consolidation was likely to bring long-absent supply and pricing discipline to the industry, with favorable implications for profitability looking forward. Yet the near-term headwinds at that time offered the opportunity to invest in Valaris at a significant discount (in our estimation) to both the construction cost of its fleet and the secondary market value of its rigs. It appears Transocean agrees with that view given its pending takeover offer for Valaris – an announcement that was enthusiastically received by investors, who have generally viewed the combination as a win-win for both companies. Later on in the First Half, we eliminated the Fund's position in Valaris following a surge in its share price that resulted from both the pending Transocean transaction as well as the jump in oil prices due to the war.

A brief look at the Fund's other Energy holdings tells a similar tale. For example, **International Petroleum** (IPC) has grown its production by 5x and its reserves by 18x since 2017, while *shrinking its shares outstanding* over that period – with massively positive implications for NAV *per share* growth. The company achieved this by acquiring deeply depressed Canadian assets in 2017-2018 at distressed prices, executing operationally, developing their asset base over time, and repurchasing shares at attractive prices. As a result, IPC has been one of the Fund's better performers even prior to 2026, despite oil prices being lower at the end of 2025 than they were at the end of 2021 (when the Fund first invested).

Similarly, we'd argue that offshore supply vessel (OSV) operator **Tidewater** has grown the per share value of its business dramatically since 2018 through a combination of a relentless focus on costs, share repurchases, and most notably, the utilization of its OSV industry-leading balance sheet to make three acquisitions of assets (with a fourth pending) from distressed and/or motivated sellers at deep discounts to replacement costs during a years-long industry depression. In making these opportunistic acquisitions, Tidewater upgraded their fleet and footprint, while generating cost synergies in the process. Like IPC, Tidewater has also been a leading performer during its multi-year holding period, despite oil having some years that were good (2022, 2026), some bad (2019-2020), and some in between.

Holding company **Aker ASA's** exemplary track record of value creation via well-executed mergers, purchases, and sales of assets (energy-related and otherwise) is evidenced by the fact that its shares have returned roughly 24.2% per annum on average over the 10 years through June 2026 (in NOK terms), compared to a 13.0% return p.a. provided by the OBX Index in Oslo. While each of these holdings absolutely benefited from higher oil prices in H1, we'd argue their ongoing value creation has been years in the making and likely to continue over the years ahead, come what may in terms of day-to-day oil price moves.

Other Notable Contributors

Outside of Energy, the other leading contributors to the Fund's performance in the First Half were **Natura Cosméticos** (third-largest H1 contributor) and **Grupo Cibest** (fifth-largest). Natura Cosméticos, the Brazil-based beauty products retailer, was the most significant detractor from performance back in 2025, as cyclically weak consumer spending in Brazil – driven by inflation and high interest rates (currently 14.25%) that have pressured disposable incomes – as well as costs associated with the company's ongoing business restructuring weighed on shares last year. As we noted at the time, 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 we believe remains attractive. Accordingly, we added to the Fund's position in Natura in 2025 and early in 2026. Natura shares rebounded in early 2026, before advancing further after the March 30th announcement that private equity investor Advent International intended to buy an 8% to 10% stake in Natura in the market over the following six months, aiming at an average purchase price of BRL 9.75 per share. Upon purchasing said stake, Advent would be entitled to appoint two members to Natura's board of directors. Also under the proposal, Alessandro Carlucci, former CEO who led Natura during some of its most successful years, would become Chair of a reconstituted board. Natura also announced that its three founders and former CEO Fabio Barbosa would move from the board to a newly formed advisory board, leaving day-to-day decision-making powers to the board of directors. The announcement of an interested financial investor with experience investing in the Brazilian beauty space was well received by the market, as was the proposed board refresh, which at the same time addressed the succession plan of the company's founders. Not surprisingly, the news was well received by investors. With that said, Natura shares subsequently gave back some of their previous YTD gains in the Second Quarter, driven by a Brazilian equity market that saw significant foreign investor outflows, as well as by the persistence of the challenging consumer spending environment, which has weighed on the company's results as management continues to streamline the business and refocus on the company's core brands and markets. While this process will likely take some more time, we believe Natura is making progress that shareholders will ultimately benefit from over the long run. Subsequent to the close of H1, it was announced in July 2026 that Advent International had indeed acquired an 8% economic interest in Natura.

Grupo Cibest, a Colombian Holding Company that owns the leading bank in the country (Bancolombia), was the fifth-largest contributor to the Fund's performance in H1. For years, we had known and followed Grupo Cibest, which was added to the Fund in 2022, but we never had the opportunity to invest at an attractive enough price for us, given the more generous valuations the stock had 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. We believed this situation offered long-term investors like the Fund an attractive opportunity to invest in a leading business in its domestic market, at a discounted cost basis, providing significant potential to benefit from the long-term compounding of shareholder value. Since then, Grupo Cibest shares have performed well, most notably from the start of 2025 through the end of the First Half, surging from what we'd argue had been abnormally depressed levels. This has been driven (in part) by a series of business results that have been well received by the market, share repurchases, a number of sell-side analyst upgrades of the stock during the period, and most recently, meaningful appreciation in the Colombian peso, particularly after the latest Presidential election, whose results were widely considered to be more business-friendly.

Detractors: Materials

On the negative side, by far the largest detractor from the Fund's absolute performance by sector in the First Half was the Fund's basket of Materials holdings. Interestingly, this was despite the group being one of the more positive drivers of the Fund's outperformance performance over the first three months of the year. However, the start of the Iran war flipped the script, and over the latter half of H1, the Fund's Materials holdings gave up those earlier gains and then some, weighing on the Fund's performance. In general, investor sentiment towards junior and early-stage mining equities – including nickel/copper miner **Magna Mining** – cooled as the outbreak of hostilities sparked broad risk aversion as well as concerns about the war's potential impacts on the demand for economy-sensitive metals. But it was the Fund's precious metals-related investments (most notably **Valterra Platinum** and **Dundee Corp.**) that particularly lagged in the latter portion of the First Half, driving the Fund's Q2 underperformance (along with Energy). Heightened concerns about a potential resurgence in inflation resulting from the war and rising oil prices, which contributed to higher interest rate expectations and a stronger U.S. dollar, conspired to weigh on the prices of certain commodities (including gold, silver, and platinum).

It's perhaps a bit ironic that, as capital plowed into all things AI-related in Q2, two of the areas that capital fled from are actually essential to the future growth of AI and various new technologies: energy and materials. In any event, with regard to the above holdings, a few points are worth highlighting. First, notwithstanding the negative Q2, most of our precious metals-related holdings are among the Fund's best performers in recent years. Specifically, Dundee is among the more meaningful positive contributors to Fund performance over the past five years, while Valterra (a newer position) is the Fund's top contributor since the start of 2025. Second, at the risk of being repetitive, as long-term investors, we are much less focused on whether precious metals prices might rise or fall from one quarter to the next, than on the company-specific attractions of each investment and whether they are able to create significant value for shareholders over the long run. In those areas, as in the cases of the Energy holdings discussed above, we believe Canada's Dundee Corp. scores highly, having compiled a remarkable track record over the years in transforming its asset base from a diverse collection of interests to an investment portfolio focused on early-stage mining companies (precious and base metals) – monetizing a number of exceptionally lucrative investments in recent years (e.g. Reunion Gold/G Mining Ventures).

South Africa-based Valterra Platinum – the world's largest producer of Platinum Group Metals (PGMs) – was a more recent investment for the Fund (added in late 2024). At the time, platinum prices had slumped for the better part of the previous 15 years and fell to levels at which some estimates suggested that nearly 40% of global PGM production had become uneconomic at those prices. PGM consumption in recent years was being met increasingly by above-ground inventories, which began to decline precipitously. Meanwhile, while platinum prices are higher than they were when we first purchased Valterra, we believe they remain below levels that would incentivize investments in significant new supply – which, in any case, would likely take years from the original investment decision (due to permitting, construction, etc,). When we first bought Valterra shares, we had no strong conviction that platinum prices would rise anytime soon – nor do we now. However, we believed that Valterra was (and is) uniquely positioned to benefit from longer-term improvements in PGM market dynamics, given its large, low-cost, and long-lived assets, its strong balance sheet and conservative financial position, and a discounted valuation reflecting years of depressed conditions for PGM producers.

These holdings' *stock prices* might have declined in the latter portion of the First Half – because of fears that the U.S.-Iran conflict might see further escalation, or maybe the Fed will hike rates 0.25% at the next meeting, or whatever reason – but nothing about our longer-term, *underlying investment thesis* for each has changed. The global platinum market is expected to face a fourth consecutive annual supply shortfall in 2026. The factors that may very well support the price of precious metals *as denominated in fiat currency* over the long run are only getting more severe – namely, the increasingly precarious fiscal situation of the U.S. and many other large countries and continued, out-of-control deficit spending (something neither party in Washington seems interested in reining in). On the contrary, we would argue that their investment cases have become even more attractive, in our view, given recently reduced share prices. From our perspective, the stock market is one of the few places where its shoppers tend to flee from items when they go on sale, for the perceived "safety" of items that have gotten more expensive. We like sales. Furthermore, companies such as Dundee and **Wheaton Precious Metals** (another precious metals-related Fund holding) have made their living seizing investment opportunities during temporarily depressed periods, and we would argue they stand well-positioned to take advantage of such times moving forward as well.

Other Detractors

Outside of Materials, other meaningful detractors in H1 came from different industries but were similarly impacted by various concerns related to the war and its effects in various areas, including consumer/travel expenditures (**Samsonite Group**), in addition to residential real estate activity (**Douglas Elliman**) and building products demand (**Travis Perkins**) given heightened inflation concerns and increased interest rate expectations. We would argue that the current valuations of each of these holdings are unusually modest, belying the formidable, leading presence that each boasts in its respective markets. Samsonite is the largest luggage manufacturer in the world, owning popular brands that include Tumi, Samsonite, and American Tourister. Residential real estate broker Douglas Elliman possesses leading positions in a number of attractive high-end residential markets, including New York City, Miami, the Hamptons, Boston, California, and Dallas-Fort Worth. London-listed Travis Perkins is the largest distributor of building products in the United Kingdom and one of the largest retail sellers of tools, hardware and supplies in the U.K. through its 740-plus store Toolstation franchise. In our view, these businesses possess the positioning and wherewithal to navigate through challenging times. In each case, we believe the long-term investment thesis remains attractive, and we have taken advantage of recently reduced prices to add to each position in the Fund.

Notable Investment Activity in the Fund

The First Half of 2026 was a busy period for the Fund. Four new positions were initiated in the Fund during H1, in addition to the return of a lucrative recent investment – Argentine bank **Grupo Financiero Galicia** – whose share price declined in early 2026 to levels that we once again found attractive. As for the four truly new positions, each of them came from areas far from the AI-based excitement that overwhelmed global equity markets in H1. While waves of capital inundated areas of the market where the prevailing narrative is that the sky's the limit, they flowed out of other, gloomier corners of the market, where talk is more of the roof caving in. These new holdings come from geographies and/or industries devoid of the excitement that electrified markets in recent months. To us, however, these areas were the source of opportunities to invest in unusually attractive company-specific situations that offer plenty of our own brand of excitement – however unconventional that may be.

U.K. Housebuilding

During the First Half, we initiated a position in shares of **Barratt Redrow PLC** ("Barratt"). Barratt is the United Kingdom's largest housebuilder, having completed almost 17,000 homes last year, with a nationwide footprint and offerings geared towards everyone including first-time buyers, families moving into bigger homes, and empty-nesters looking for higher-end homes. The company was formed through the recent merger of Barratt Developments PLC (a nationwide, mid-range builder) and Redrow PLC (a specialist, high-end builder).

Perhaps unsurprisingly, the U.K. housebuilders – including Barratt – have had a tough go over the past several years. Between mortgage rates that never seemed to come down despite the market's persistent expectations of easing, building materials inflation, ballooning environmental regulations, the perpetually slow land entitlement process in the U.K., and weak consumer sentiment, the industry has certainly been up against it in recent years, seeing slow sales rates, lower levels of completions, depressed profitability, and significant stock price declines. With the higher energy prices resulting from the turmoil in the Middle East, this market situation is widely expected to become even more challenging. As a result, Barratt's stock price has more than halved over the last two years as the market has priced in lower top-line estimates and diminished profitability expectations.

However, despite the near-to-mid-term challenges, we believe that the U.K. housebuilding industry is actually very well-positioned for the longer term. The U.K. has a growing shortage of residential housing. Estimates vary, but the shortage is believed to be between 4 and 6.5 million homes. To rectify this, the current government has set a target of building 1.5 million homes during its current five-year term, which would equate to roughly 300,000 homes per annum (more than 2x the current level of completions of roughly 141,000 homes). Additionally, they have introduced changes to the planning approval system intended to get more plots entitled and to help housebuilders build and sell more homes. This will likely result in a more profitable business and the potential return of capital to shareholders, as developers need to tie up less capital in land undergoing planning entitlement. Additionally, now that the merger is complete, management expects to save £100 million per annum from identified synergies. We believe Barratt is well-placed to weather the currently challenging market environment, with its long land bank, net cash of £174 million on its balance sheet, and an industry-leading reputation.

Despite what we think are attractive long-term fundamentals for the business, the near-term uncertainty has obscured the long-term value and has created the opportunity to buy shares in Barratt at roughly 60% of tangible book value, a level that we believe to be very attractive.

Agricultural Equipment

We also initiated a position in shares of **CNH Industrial NV** ("CNH") in H1. CNH Industrial manufactures and sells specialized machines and services for the farming and construction industries under the Case IH and New Holland brands. The production of high horsepower agricultural equipment (i.e. tractors, combines, etc.) for professional farmers is an oligopoly, of which CNH is the second largest original equipment manufacturer behind John Deere.

While CNH's industry structure is attractive from a long-term perspective, its near-term outlook is not – owing to a beleaguered customer base that has been hit particularly hard of late. North American farmers have been under considerable financial strain due to higher interest rates, uncertainty from the on-again, off-again trade war, and compressed margins due to relatively weak crop prices and inflated input costs. Farmer bankruptcies were up substantially year-over-year in 2025, while farmer loan repayment rates in the Midwest United States had fallen for eight consecutive quarters. Farmer financial conditions have continued to deteriorate since the conflict in the Middle East began, with diesel and fertilizer prices increasing just as the spring planting season got underway.

The dismal near-term financial outlook for farmers has weighed on expectations for farm equipment sales, depressing CNH's stock price and creating an attractive entry point, in our view. Despite recent hardships, the Federal Reserve Bank of Kansas City estimates that U.S. farmer debt-to-asset ratios generally remain reasonably healthy, while the average fleet age for tractors and combines is believed to be near a 25-year peak – suggesting the potential for an eventual replacement cycle. Meanwhile, we believe CNH is well-positioned in a consolidated industry and has a strong balance sheet with which to weather the near-term headwinds. Furthermore, it is controlled by another Fund holding, **Exor NV**, whom we view as strong owners. Recent business decisions seem to bear this out, as CNH spun out its commercial vehicle segment (Iveco) in 2022, increasing its focus on its primary business, and initiated its first ever stock buyback program, repurchasing nearly 13% of the equity market capitalization since it was announced in 2023. Further value may eventually be generated from the construction segment, for which CNH is currently evaluating strategic options. We view these recent developments favorably, and we see CNH as well-positioned to benefit in the event an eventual recovery and normalization in the North American agricultural equipment market takes place in the years ahead.

India

As we have discussed before in these pages, India has historically been a challenging place for a price-conscious value investor to find opportunities. This is simply because of India's attractive demographics and long-term growth potential, which generally results in relatively rich valuations across its equity market, reflecting the country's prospects. However, it is also a notoriously volatile market, as international capital can move in and out quite quickly. This provides occasional opportunities for patient, price-sensitive, long-term investors who aren't required to be invested in India *all the time*, but have the ability to swoop in whenever attractive merchandise is on sale due to sentiment-driven sell-offs – opportunities that are relatively rare and often fleeting in this market.

Looking back at our experience, we took advantage of one of these periods of opportunity in late 2013 (pre-dating Moerus), following the "Taper Tantrum" when the U.S. Federal Reserve tapered its Quantitative Easing program, sending shockwaves throughout developing markets and affording long-term oriented investors a phenomenal opportunity. More recently, we took advantage of another such opportunity in and around the early days of the COVID-19 pandemic, which hit India hard, offering what we saw as exceptional values in Fund holdings such as **Bajaj Holdings & Investment**, **IDFC First Bank**, and **Edelweiss Financial Services**, all of which remain holdings today.

We believe a similar opportunity exists today. The Indian economy is arguably uniquely ill-positioned for the two most notable developments that grabbed the market's attention during the First Half: the U.S.-Iran war and AI-related disruption fears. India is particularly vulnerable to the war because it is a large importer of the crude oil its economy needs, while large sectors of its economy (most notably, IT and Consulting Services) are also widely perceived to be especially vulnerable to potential AI disintermediation. The Indian stock market and local currency suffered as a result of this double-whammy early in 2026, with the S&P BSE Sensex Index declining by nearly 20% in USD terms in the First Quarter of 2026.

The gloomy environment offered the Fund what we see as another one of those relatively rare, possibly fleeting opportunities to invest at unusually modest prices in two new Fund holdings (added in the Second Quarter) that have attractive longer-term prospects. One of them, **Life Insurance Corporation of India** ("LIC"), is the largest life insurer in the country. Life insurance premium growth tends to outpace the already considerable growth in Indian GDP over time, owing (in part) to the industry's relatively low penetration rate, the country's young, growing population, and the tendency for overall economic growth in developing economies to translate into a higher growth rate in insurance adoption.

Because of this growth profile, life insurance stocks in India tend to trade at a premium to *embedded value* – or the current value of the company's net assets, plus the estimated present value of expected future profits from its currently outstanding life insurance policies. In other words, embedded value represents an estimate of the economic value of the business today, if it were to stop writing *new* policies entirely and allow the business to go into run-off. Indian life insurers typically trade at meaningful premia to embedded value due to their significant future growth opportunities, which are not factored into that calculation. But due, in part, to the aforementioned developments that damaged investor sentiment towards India, in addition to company-specific hiccups that spooked investors (e.g., a mark-to-market loss on one of its investments), LIC shares declined to the point that the Fund was able to acquire shares at a sizeable discount (exceeding 30%) to embedded value – an extraordinary bargain, in our opinion, given LIC's leading position and attractive long-term growth prospects.

While that is compelling enough for us, there are two other notable features of this opportunity that we find intriguing. First, as a wholly state-owned mutual prior to its 2022 IPO, historically over 90% of the life insurance policies written by LIC were so-called *participating policies*, which (in general) typically promises a guaranteed amount on death or maturity, plus a share of any extra profit the insurer generates above that guarantee by investing the premium income. *Non-participating policies*, on the other hand, generally provide a guaranteed payment, but the policyholder does not participate in any excess returns generated by the life insurance company. In the roughly four years since its IPO, LIC has increased the proportion of non-participating policies it has written from less than 10% to over 35% at present – with obviously favorable implications for profit margins. Second, National Stock Exchange of India (NSE), the operator of the world's busiest derivatives market, recently filed draft documents for what could be the largest IPO in India's history. LIC owns a 10.72% stake in NSE. It is not known exactly when NSE might go public, but we suspect that if/when the listing occurs, it might shine light on meaningful "hidden value" within LIC, and if NSE goes public at a premium to its carrying value on LIC's balance sheet (quite possible), that could potentially further increase LIC's embedded value. All told, we believe LIC is a compelling opportunity.

The other newly added position, **Tata Chemicals Ltd.** ("TTCH"), part of the Tata Group, is an Indian-domiciled chemicals company with a strong presence in the soda ash industry. Soda ash is a raw material used in various applications, including glass manufacturing (making up over 50% of demand at present), soaps, detergents, chemicals, water treatment, and industrial processes. Global soda ash demand is projected to grow at a healthy rate into the future, partly due to its use as an input for solar cell and lithium production. We believe that low-cost producers such as TTCH are reasonably well-positioned to benefit from growth in soda ash demand over time. Despite promising long-term prospects, however, soda ash production is at its core a humdrum, unexciting (though attractive) and cyclical business.

Where the situation gets much more interesting, however, is that in addition to its attractive operating business, TTCH also has an extensive investment portfolio that is dominated by its 2.53% stake in Tata Sons, the large, sprawling Indian Holding Company. Tata Sons, in turn, owns what we believe is an exceedingly attractive portfolio of Indian securities that possess meaningful presences across wide swathes of the Indian economy. Nonetheless, because Tata Sons is a private entity that is held by TTCH as an investment, away from TTCH's day-to-day business of producing soda ash, it has tended to be overlooked by analysts who focus on the going concern operations. As a result, despite its significant investment portfolio, TTCH stock appears to largely trade in line with the near-term prospects of the global soda ash industry, which is currently experiencing a meaningful cyclical downturn.

This provided the Fund with the opportunity to acquire TTCH stock at what we believe to be a cyclically modest valuation for the soda ash business, while also gaining an ownership stake in TTCH's exceptional investment portfolio at very little-to-no cost. Said another way, we were able to acquire shares of TTCH at what we believe to be a significant discount to its sum-of-the-parts value – which is intriguing to us because the Reserve Bank of India (RBI) is currently pressuring Tata Sons to publicly list its shares in an IPO, given its status as a large Non-Banking Financial Company. Whether this ultimately takes place is unclear, as the issue has pitted the RBI and some key Tata Sons insiders against other Tata Sons insiders. We do not know if the RBI's effort to force Tata Sons to list will succeed, but in any event, we believe this situation could potentially shine some light on the value of Tata Sons and, more interestingly for the Fund, on the value of TTCH's stake in Tata Sons – which seems to be grossly overlooked, in our view, based on TTCH's current valuation. In addition, we believe an eventual cyclical recovery in India is likely to inure to the benefit of TTCH shareholders via multiple layers: the profitability of TTCH's operating business; the value of TTCH's directly owned securities portfolio; and the value of the stocks TTCH indirectly owns through Tata Sons, many of which (notably, Tata Consultancy Services) have also been depressed.

Notable Selling Activity

On the sell side, we eliminated five positions from the Fund during the First Half – **Capstone Copper**, **New Found Gold**, **Nutrien**, **Türkiye Sigorta**, and **Valaris** – due either to valuation considerations following share price appreciation, and/or as the result of a takeover. As discussed earlier, we eliminated the Fund's position in **Valaris** following a significant rise in its stock price that was driven by Transocean's pending takeover offer as well as a surge in oil prices as a result in the Iran war. During the Fund's relatively brief holding period (acquired in early 2025), Valaris was one of the more meaningful positive contributors to performance. While we continue to like the Valaris story, the bid by Transocean surfaced a significant amount of latent value that had previously not been recognized by the market, in our view. Accordingly, we decided to eliminate the Fund's position in H1, redeploying the proceeds into other areas that we believe offer more compelling upside potential at present. We also eliminated the Fund's position in **Nutrien**, the Canada-based, leading global crop input producer and distributor, after the shares had performed quite well in 2025 and over the first few months of 2026, deciding to redeploy the proceeds into other areas that we believe offer more compelling upside potential looking forward (such as the new positions discussed above). Similarly, we eliminated the Fund's positions in **Capstone Copper**, **New Found Gold**, and **Türkiye Sigorta** earlier in 2026, following strong performance during the Fund's respective holding periods for each position. As these decisions to sell were primarily based on valuation relative to alternative investment opportunities available – rather than a change in other aspects of the investment thesis – we would not rule out one or more of these holdings possibly reentering the Fund at some point in the future (as **Grupo Financiero Galicia** did in H1), if valuations return to levels that we find compelling versus other available opportunities.

The Fund's 10-Year Anniversary: Reflections on a Decade Spent Swimming Against the Tide

On May 31, 2026, the Moerus Worldwide Fund celebrated the tenth anniversary of its inception. Having reached that milestone during the First Half, we thought that now is as good a time as any to stop, take a step back, and reflect on the journey that we embarked on together over a decade ago. It has been quite the journey.

When we founded Moerus Capital Management, we began with a rather straightforward vision: to build an investment firm that is investment-centric. A novel concept, no? But in all seriousness, our overarching goal was to construct an organization in which the *business of investing* does not take precedence over, or get in the way of, *investing* to the best of our abilities. Our guiding principle was to do only one thing but do it very well: to doggedly pursue our unique style of deep value investing, prioritizing investment results for ourselves and our fellow investors over everything else that we do within the organization. Since day one, we've sought to avoid the distractions that often come with product proliferation, multiple investment strategies, and the variety of administrative morasses that can muddy the water for multi-product investment firms, leading to potentially subpar investment results.

To do right by our investors – including ourselves as meaningful investors in the Fund – we felt that the business of investing should take a back seat to the integrity of our investment approach. For example, it was important to us that we practice an unconstrained approach that provided us with the ability to go *wherever* we felt the most compelling opportunities are, *whenever* they become available. That meant avoiding a multi-strategy approach that might have made growing the business easier, but risked pigeon-holing each of those strategies in confined areas – be they certain geographic regions, industries, market cap ranges, etc. – essentially requiring such strategies to *always* be invested within their respective confines, *whether there are ample attractive investment opportunities there at a given time or not*. Simply put, that was not for us.

It also meant eschewing asset gathering and promotional activities that focused on offering whatever is hot at the moment, prioritizing short-term asset and revenue growth, at the risk of potentially adverse impacts on the investment portfolio; hot money often leaves as quickly as it arrives. Such a constant state of flux would have been particularly incompatible with our investment approach, which we would argue requires extraordinary levels of patience and long-termism – a key advantage in an increasingly impatient investment world that constantly seeks instant gratification.

Instead, we strove to stick to our knitting, maintaining our long-term focus and our pursuit of deeply discounted prices, which often meant investing in businesses and geographies when they were in the doghouse of the broader investment community, when the general consensus expected the worst. Such situations often require a lot of time – several years, in some cases – to bear fruit. They also require the ability to tolerate short-term volatility. For many, volatility equates to risk; for us, it offers opportunity. In our view, most participants in today's investment landscape have neither the patience nor the tolerance for near-term volatility in share prices that is required to give our investment approach a chance to play out over the long run. Although sticking unapologetically to this investment approach likely hindered Moerus' early asset-raising efforts as a business, that was okay with us. We were determined to be ourselves; we couldn't be all things to all people, and we recognized that we weren't for everybody (or for many, even).

So, off we went. As luck would have it, we would have been hard-pressed to pick much worse of a time to launch a long-term, price-conscious, fundamentals-based investment strategy. For the better part of the decade since the Fund was launched, Growth stocks meaningfully outperformed Value, as mega-cap U.S. Tech stocks trounced most other areas of global equity markets. At various points in time over the past ten years, numerous investment manias sprung up, fueled by low interest rates, social media hype, and hyperactive retail trading. Even arguable nonsense such as Meme stocks (e.g., GameStop) and Non-Fungible Tokens (NFTs) had their moments in the sun when they skyrocketed in value, defying economic logic as well as business fundamentals.

Meanwhile, we were busy investing in depressed, downtrodden areas such as European Financials amid negative interest rates that decimated that industry's profitability, or in Natural Resources (energy and metals) when many seemed to doubt how essential some of those commodities would remain in the coming years. We still recall when a visitor to our office – from a prominent, multi-strategy asset management and alternative investment firm – good-naturedly referred to us as "dinosaurs" for continuing to apply our old-fashioned approach to what is undoubtedly a new world.

Fortunately, we are not extinct yet, although it admittedly might be fair to characterize practitioners of our brand of deep value investing as an endangered species. Faced with the considerable headwinds of the past decade, some long-tenured, well-regarded value investors closed up shop. Others, to our eye, allowed their investment style to drift towards what had been working well in recent years. Definitions of "Value," which has always meant different things to different investors, evolved even further, with many of the more successful Value investors effectively morphing into "Growth at a Reasonable Price" strategies. It became increasingly common to see Value and Growth funds holding a lot of the same top names in their portfolios. The MSCI ACWI *Value* Index sported a Price/Book Value Ratio of 2.53x as of June 30, 2026 – not exactly your grandparents' idea of value. Hardly the optimal time for a deep value investing approach!

Nonetheless, we persisted in our efforts, aided by our conviction that our investment approach would generate attractive long-term returns for our investors and ourselves, as it had in the past. Given the market backdrop, the Fund went through a challenging first few years of relative performance, lagging its benchmarks in 2017-2019. While frustrated, we were heartened by positive developments at the level of the various underlying *businesses* owned by the Fund, even if they had not yet translated into commensurate *stock price* performance – this is not unusual in the early years of deeply depressed, out-of-favor investments. More importantly to us, the investment theses across the Fund were generally progressing as expected.

But if we thought at the time that such progress reflected light at the end of the tunnel, that light turned out to be an oncoming train, in the form of the COVID-19 pandemic in 2020. The Fund, with its old economy, tangible asset-centric businesses – the sort that was offering the most compelling bargains, in our view – was especially hard hit, as the global economy nearly ground to a complete halt amid lockdowns. Meanwhile, new economy stocks that were much better-suited for social distancing and remote work, recovered relatively quickly and began to thrive in the overwhelmingly virtual world that was thrust upon us as a result of the pandemic. The unprecedented monetary and fiscal stimulus unleashed by various governments in response to the pandemic further fueled speculation in many of the more popular stocks that had already been outperforming.

But while 2020 was a very painful year for the Fund in terms of performance – as it declined by over 10% for the year while benchmark indices rose meaningfully, fueled by new economy stocks – we came out of that period having successfully made it through a real-world stress test of our tangible asset-centric portfolio, the magnitude of which was arguably unprecedented in its severity. We believe this is a testament to the emphasis that we place upon the mitigation of risk, which, for us, is the risk of permanent impairment of capital, not day-to-day share price volatility. Equally, if not more important, this emphasis on risk mitigation and financial wherewithal – and our conviction in our process and in the Fund's holdings – enabled us to go on *offense* during the most difficult days of the pandemic while many were playing *defense*. We were able to add to existing positions at rock-bottom prices, and we also made several fantastic new investments throughout the pandemic, both of which planted the seeds for significant outperformance in subsequent years.

After being temporarily derailed by the onset of the pandemic, the storm eventually passed (as they always do), and the investment theses of the Fund's holdings generally resumed developing favorably, with the Fund significantly outperforming both of its benchmarks since mid-2020, when the initial market shock at the onset of the pandemic subsided. All told, despite some severe turbulence along the way, the Fund has significantly outperformed the MSCI ACWI ex USA over three, five, and ten-year periods and since inception, while also managing to outperform the U.S.-centric MSCI ACWI over three and five-year periods despite the U.S. outperforming international equity markets over those periods.

In looking back at the wild ride that the Fund's ten years in existence have been, a few thoughts come to mind. First, our prioritization of the integrity of our investment approach over asset gathering likely would not have been considered by those focused on short-term profit maximization to be the most commercially lucrative way to build a business. But for us, it represented a long-term approach to the business that was truer to ourselves and to our fellow investors, and most compatible with the long-term approach that we take in managing the Fund.

Further, we believe this prioritization served us and the Fund well in navigating some seriously stormy times over the past ten years. For example, we believe that sticking to our knitting despite challenging times – rather than changing our approach to chase performance and pretend to be something we are not in order to pursue asset growth, served us well in 2022 – a difficult year for many that saw some other value investors, whose style drifted somewhere along the way, caught out by the changing investment climate. In recent years, we believe we are seeing fewer competing investors searching for the same kinds of deep value, out-of-favor opportunities that we seek – as a result of both attrition among the ranks of value investors as well as style drift towards Growth among those who modified their approach. As it does in any other business, we believe this reduction in competition bodes well for the Fund and for our investment approach looking forward over the long run. Said another way, although we'd argue that there never have been many competitors wandering down the same dark alleys and turning over the same rocks that we do in search of value, there surely are even fewer around today than there were ten years ago.

Last but certainly not least, the journey we've been on over the last ten years would not have been possible, if not for the support of our fellow investors who took the time to learn about our approach, had conviction in it, and stuck with us over the past decade. For that, we are extremely and eternally grateful. Here's hoping the next ten years will be even more fascinating, exciting, and profitable!

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

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.

Moerus offers additional investing opportunities and vehicles for U.S. institutional investors and non-U.S. individual/institutional investors. If you would like further information, please contact us at:

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Moerus Worldwide Fund

MOWIX-MOWNX

Performance (%) **(As of June 30, 2026)**	QTR	YTD	1 Yr	3 Yr*	5 Yr*	10 Yr*	Since Inception June 1, 2016**
Moerus Worldwide Fund (Inst.)	0.14%	5.37%	23.04%	24.20%	18.68%	11.29%	11.38%
MSCI All-Country World ex USA Index (Net)***	14.49%	13.68%	27.66%	18.82%	8.79%	9.93%	9.67%
MSCI All-Country World Index (Net)****	14.93%	11.25%	23.67%	19.70%	10.98%	12.78%	12.60%

Gross Expense Ratios: Class Inst.: 1.31%; Class N: 1.56%   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, 2027, 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 06/30/2026 as a % of the Fund's net assets: Natura Cosméticos SA (4.29%), Greenfire Resources Ltd (3.29%), Grupo Financiero Galicia SA (3.24%), Exor NV (3.17%), Cromwell Property Group (3.09%), LATAM Airlines Group (2.92%), CNH Industrial NV (2.91%), Dundee Corp. (2.90%), Jefferies Financial Group (2.89%), and Barratt Redrow PLC (2.84%).

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