MOERUS
CAPITAL MANAGEMENT

Moerus Worldwide Value Fund

Institutional: MOWIX | Investor: MOWNX

Annual Shareholder Letter: Twelve Months Ended December 31, 2024

Dear Fellow Investors:

We hope this Annual Shareholder Letter finds you and your families well. We are writing to update you on recent developments regarding the Moerus Worldwide Value Fund ("the Fund") over the twelve months ended December 31, 2024 (as referenced herein, "2024" or "the year"). In this Letter, we will discuss the Fund's 2024 performance, its key themes and drivers, notable investment activity in the Fund in 2024, our outlook looking forward, and more.

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

Fund Performance (as of December 31, 2024)*

			Average Annual Returns		
Fund/Index	**6-Months**	**1-Year**	**3-Year**	**5-Year**	**Since Inception****
Moerus Worldwide Value Fund - Institutional Class	7.48%	15.97%	15.48%	10.39%	8.43%
MSCI AC World Index ex USA Net (USD)***	-0.15%	5.53%	0.82%	4.10%	6.23%
MSCI AC World Index Net (USD)****	5.56%	17.49%	5.44%	10.06%	10.89%

** 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 2,058 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 2,647 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, 2025, 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 +15.97% in 2024. By comparison, the MSCI All-Country World Index ex USA Net ("MSCI ACWI ex USA") returned +5.53% and the MSCI All-Country World Index Net ("MSCI ACWI") returned +17.49% during the same period[1]. In short, in 2024, the Fund generated strong returns in *absolute* terms while significantly outperforming its international benchmark (MSCI ACWI ex USA) on a *relative* basis, albeit while lagging the U.S.-heavy MSCI ACWI (66.6% weighting in U.S. as of 12/31/24) in a year of dramatic outperformance by U.S.-based, mega-cap technology stocks.

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 2024. 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 2024 in equity markets.

2024 Market Review

2024 was a challenging period for international equities that were largely left behind amid investor giddiness towards U.S. mega-cap Growth stocks. It is true that the outperformance of the U.S. equities over international and Growth stocks over Value (in general) has been a recurring theme for much of 2024, 2023, and indeed for much of the past decade. Still, though nothing new, this bifurcation was particularly intense at times in 2024, notably in the Fourth Quarter (more on that shortly). For full-year 2024, U.S. equity market benchmarks (S&P 500: +25.00%; NASDAQ Composite: +29.60%) soared, thoroughly trouncing International benchmarks (MSCI ACWI ex USA Index: +5.53%; MSCI Emerging Markets Index: +7.50%). Similarly, Growth stocks (primarily U.S.-based) rose significantly in 2024, dramatically outperforming Value (MSCI ACWI *Growth* Index: +24.22%; MSCI ACWI *Value* Index: +10.76%).

Significantly skewing those headline index performance numbers – both in the U.S. and for the U.S.-centric MSCI ACWI – were the Magnificent Seven ("MAG-7"[2]), which returned over +60% on average in 2024, led

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[1] Source for Index returns: Bloomberg
[2] The MAG-7 are Alphabet (Google), Amazon, Apple, Meta Platforms (Facebook), Microsoft, Nvidia, and Tesla.

by Nvidia, which surged by over 170% for the year. This was seemingly fueled by a number of factors, most notably the ongoing exuberance surrounding Artificial Intelligence (AI) – which continued unabated in 2024. Another supporting factor earlier in 2024 was likely confidence for much of the period among many market participants in the disinflation narrative and the view that the Federal Reserve stood ready and willing to ease aggressively if necessary. This confidence wavered at times, particularly whenever newly released data on various inflation or employment indicators ("hotter" than expected) temporarily dampened expectations surrounding interest rate cuts (both the imminence of a first cut as well as their aggregate magnitude). However, the episodic fraying of nerves often proved short-lived, as subsequent economic data released restored the collective market's confidence in the Federal Reserve's ability and willingness to begin cutting rates – with the long-awaited first Fed rate cut (0.50%) ultimately arriving in September. In this context, capital seemed to flow overwhelmingly into the largest, most popular equities (mostly U.S.-based) at the expense of much of the rest of the equity universe. As many of the most popular stocks surged in this environment, valuation criteria and price-consciousness seemed to take a back seat; for example, Nvidia's market capitalization (currently over $3.1 trillion) surpassed that of China's stock market as a whole (as defined by its Hong Kong-listed H-shares) during the First Quarter of 2024, and the stock continued its surge throughout the rest of 2024.

The bifurcation in performance between the U.S. mega-cap tech stocks and seemingly most else became more pronounced as 2024 wore on, particularly in the Fourth Quarter (Q4) – a painful period for international equities in which few areas of the global equity market universe performed well in U.S. dollar (USD) terms *other than* U.S. "Big Tech." Specifically in Q4, U.S. equity market benchmarks (S&P 500: +2.39%; NASDAQ Composite: +6.36%) *advanced* solidly for the quarter, while international benchmarks *declined significantly* (MSCI ACWI ex USA Index: -7.60%; MSCI Emerging Markets Index: -8.01%). Similarly, Growth stocks generally rose in Q4 while Value languished (MSCI ACWI *Growth* Index: +2.64%; MSCI ACWI *Value* Index: -4.71%). A significant late-year contributor to this was the U.S. Presidential Election, which seemingly sparked enthusiasm for U.S. equity market leaders over most else, driven by the market's initial reaction to the results and consensus views on potential implications (e.g., deregulation, potential tax cut extension, tariffs). Given this prevailing narrative, the USD strengthened significantly relative to most major currencies in Q4, weighing on international and commodity-related equities.

Also notable in 2024: even *within* the stalwart U.S. equity market, but beneath the surface of headline benchmark performance numbers, capital seemed to flow primarily to leading market cap-weighted constituents (e.g., MAG-7) and less so across the broader U.S. market. In fact, while the S&P 500 Index – propelled by the "MAG-7" and other perceived beneficiaries of the ongoing AI euphoria – rocketed higher in 2024 (+25.00%), the S&P 500 *Equal Weight* Index (+12.97%) lagged the market cap-weighted version of same by over 12 percentage points for the year. Similarly, the U.S.-heavy MSCI ACWI (+17.49%) significantly outperformed the *Equal Weighted* version of the MSCI ACWI (+5.38%) in 2024. Outside the U.S., where the Fund's international benchmark (MSCI ACWI ex USA) produced much more pedestrian returns (+5.53%) than those seen in the U.S. in 2024, the performance of the *Equal Weighted* version of the same index (+2.85%) was even more meager.

In summary, the above illustrates that the strong headline, benchmark (market cap-weighted) index performance numbers in 2024 (particularly in the U.S.) fall far short of telling the whole story for the performance of the "average stock" in the respective indices – most notably outside the U.S., where performance was generally much more subdued.

Thoughts on The Fund's 2024 Performance and Performance Drivers

Against this backdrop, the Moerus Worldwide Value Fund (Institutional Class; "the Fund") performed well on an *absolute* basis, returning +15.97% in 2024[3] – outperforming its international benchmark (MSCI ACWI ex USA) (+5.53)% by over 10.4 percentage points, albeit while lagging the MSCI ACWI (+17.49%) for the year. The five most significant positive contributors to the Fund's performance in 2024 (in order of magnitude) were **Grupo Financiero Galicia**, **Despegar.com**, **Jefferies Financial**, **Banco Macro**, and **Türkiye Sigorta**. The five most significant detractors in 2024 were **Companhia Brasileira de Distribuição**, **John Wood Group**, **Arcos Dorados**, **Natura & Co**., and **IDFC First Bank**. Considering the context described above, in another year in which (in general terms) U.S. equities and mega-cap Growth stocks significantly outperformed while international equities, Value stocks and the broader equity market universe lagged far behind, the Fund performed well nonetheless, producing satisfactory *absolute* performance and meaningfully outperforming the MSCI ACWI ex USA, while only modestly lagging the MSCI ACWI on a *relative* basis despite the considerable overarching headwinds facing international value strategies.

Looking at longer time periods, the Fund has meaningfully outperformed the MSCI ACWI ex USA over three-years, five-years, and since inception (May 31, 2016).

As for the MSCI ACWI, it is worth noting that while the Fund lagged the MSCI ACWI in 2024, this was primarily due to what the Fund does *not* own: namely, U.S. mega-cap tech companies. As noted above, U.S. benchmark indices significantly outperformed international during the period. Although the MSCI ACWI is a *global* index, it is heavily weighted towards the U.S. (66.6% of the index as of December 31, 2024). This is nearly an all-time high historically. By contrast, as discussed in prior Shareholder Letters, the Fund is more appropriately categorized as an international fund, which better reflects the geographic weightings of the Fund since inception; as of December 31, 2024, less than 8.4% of the Fund's assets were invested in U.S. companies.

Still, the outperformance of the MSCI ACWI was not due to geography (i.e., its U.S.-centric concentration) in itself – after all, the Fund outperformed the *Equal Weighted* version of the MSCI ACWI (+5.38%) by over 10 percentage points in 2024. Rather, it was due to the continued, dramatic outperformance of mega-cap U.S. tech (the MAG-7 and the like), which make up an outsized component of the index. The same could be said for much of the time since the Fund's inception (2022 being a notable exception). As we have discussed in the past, due to valuations that we believe are (in general) quite stretched, we have avoided the currently popular mega-cap Growth stocks given what we believe are excessive levels of what we call "price risk" given the optimistic expectations that we think are currently being priced in. In other words, we believe that even the greatest *businesses* could potentially be *risky* stocks, if your purchase price is too high. As such, we have eschewed such stocks on valuation grounds. As you know, we will not invest in names we view as risky merely due to benchmark considerations or simply because they are "what's working" at the moment. Our views notwithstanding, that subset of the market continued their surge in 2024, fueled by the euphoria surrounding the AI arms race that is currently unfolding.

[3] **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.**

Moving on to what the Fund *does* own, the Fund's strong performance on an absolute basis and its meaningful outperformance of the MSCI ACWI ex USA in 2024, despite a general market environment that was arguably a meaningful headwind for price-conscious Value strategies, was driven largely by a combination of factors. Perhaps most notable among these performance drivers in 2024 were substantial gains generated by holdings that are a product of the Fund's unconstrained investment approach, which allows us to opportunistically pursue compelling bargains *wherever* they are. This allows us to look in areas where there is generally less competition in finding opportunities – places where many investors are either unwilling or unable to go for one reason or another. This often results in a portfolio of investments that are generally not household names (especially for U.S.-based investors), but which, in our view, offer investors unusually attractive characteristics. Often, they are in areas that investors are shunning at a given point in time, offering us opportunities to invest at bargain prices in what we believe are great businesses that are being punished for guilt by association with a country, region, or industry that might be having a bad year (or decade). In recent years, Argentina and Turkey have provided such examples, but in 2024, the Fund's holdings in both countries generated significant gains amid early signs of macroeconomic progress, which nonetheless exceeded the arguably rock-bottom expectations that had previously been priced into the respective stocks. In other words, we'd argue that valuation still matters.

The Fund also benefited in 2024 from significant gains across a meaningful portion of the portfolio amid improving business fundamentals, in addition to corporate activity (e.g., takeovers, asset sales, share repurchases) – which, in our view, was once again a meaningful source of value creation for the Fund in 2024 (more on that later). Below, we will highlight what we thought were some of the more notable factors driving the Fund's performance in 2024.

Valuation Matters: Opportunities in Argentina and Turkey Amid Macro Mayhem

In 2024, four of the Fund's five largest positive contributors to performance came from two areas of the equity universe (Argentina and Turkey) that had been widely avoided in recent years by investors, many of whom were presumably unable and/or unwilling to seize upon bottom-up opportunities that arose largely due to macroeconomic crisis. Three out of these four contributors – Grupo Financiero Galicia, Despegar.com, and Banco Macro – are based in Argentina, which accounted for the largest positive contribution by *country* to the Fund's performance in 2024. The other (Türkiye Sigorta) is based in Turkey.

These investments provide both a good example of how we approach the investment universe and an interesting contrast with the MAG-7, AI plays and their ilk – many of which we believe are attractive as *businesses*, but nonetheless priced for perfection (in general) despite a world that is imperfect and unpredictable (hence the Fund's avoidance of those names). By contrast, these four Fund holdings provide examples of pockets of the equity universe that we'd argue had seen any last glimmer of optimism beaten out of their share prices in recent years. These two markets, which were avoided by many given their numerous issues, offered us compelling opportunities to seize, leveraging the Fund's go-anywhere approach. All four are, in our view, high quality businesses with strong market positions; Grupo Financiero Galicia and Banco Macro are two of Argentina's largest banks, Despegar is Latin America's largest Online Travel Agency, and Türkiye Sigorta is a leading insurer in Turkey. In recent years, due to a combination of macroeconomic and political adversity and the pandemic (in the case of Despegar), we were able to acquire shares of each business at what we believed to be unusually attractive valuations that reflected extremely low expectations. The assumptions implicit in those valuations, in our view, were that Argentina and Turkey would remain economic basket cases (or deteriorate even further) and that travel-related activity in Latin America would not recover much from COVID-era depths (in the case of Despegar).

Our experience investing in Argentina predates Moerus, going back over two decades to a dramatic economic collapse that included a December 2001 sovereign debt default. Due in large part to decades of irresponsible policies that led to extreme economic volatility, chaos and dysfunction, Argentina has been a market best avoided *most of the time*; however, on occasion, it also offers potential for exceptional profits for those who can tolerate short-term volatility. We believe the recent period has been one of those rare occasions in Argentina, as was that disorderly early-2000s period that offered us very attractive opportunities back then.

This time around, an unraveling Argentine economy saw a massive currency devaluation and soaring inflation that surged past 200% late in 2023. In 2023, we built a position in **Grupo Financiero Galicia** ("GGAL") and in February 2024 we built a position in **Banco Macro** – two of Argentina's largest banks – at what we viewed as unusually discounted prices that reflected the extreme pessimism caused by the macro chaos. We believed both GGAL and Banco Macro were well-positioned in an Argentine banking industry that was consolidating further as international players fled the market. In fact, both GGAL and Banco Macro have recently announced acquisitions of foreign banks exiting Argentina at what we thought were exceptionally modest valuations. We believe these acquisitions meaningfully increase each of the banks' market shares and potential earnings power, positioning them well if an improvement in economic conditions were ever to eventuate. Since then, there have been some encouraging (albeit still very early) signs of improvement of late, including a deceleration in inflation (though it is still quite high), while the Milei administration (elected in late 2023) achieved a fiscal surplus in 2024 for the first time in decades, marking a meaningful milestone. In our view, lower inflation and greater economic stability could potentially result in increased investment and spending by Argentine businesses and consumers alike, both of whom had largely been sitting on their hands during a period of tremendous economic uncertainty and adversity under the previous government. Given the rock-bottom expectations that had previously been baked into its price, GGAL and Banco Macro shares surged in 2024 amid these positive early indications of progress. As a result, GGAL and Banco Macro were the largest and fourth-largest overall contributors, respectively, to the Fund's 2024 performance.

The second-largest positive contributor to performance, **Despegar.com**, is also based in Argentina, although it is more accurately described as a pan-regional company. Shares of Despegar.com, the largest Online Travel Agency (OTA) in Latin America, continued their strong recent performance in 2024, building upon the gains seen in 2023 amid an accelerating recovery in travel-based activity in Latin America from pandemic-era depths. We have detailed the Despegar investment case a number of times in recent Shareholder Letters, but in short, we believe the company has benefited from both a post-pandemic recovery in demand for its services as well as from cost reductions implemented during and since the pandemic. Furthermore, Despegar's strong balance sheet enabled the company to consolidate its leadership in and further strengthen its position across Latin America both through acquisition (particularly in Mexico and Brazil) and through industry attrition, as weaker competitors withered during the COVID-induced freefall in travel-related activity. Put it all together, and we believe the much-strengthened position with which Despegar has emerged from the pandemic will serve the company well in the years to come, as they began to show in their recent quarterly results, which have included strong performance in bookings, revenue and profitability. Most recently, late in December 2024, an already quite strong year of performance for Despegar shares, culminated with the announcement that Prosus NV agreed to acquire Despegar for US$19.50 per share – reflecting a premium of over 33% to its previous day's closing price. Despegar's Board of Directors approved Prosus' offer, and the companies expect the transaction to close during the second quarter of 2025 pending regulatory approvals, etc.

Türkiye Sigorta was the firth-largest contributor overall to performance in 2024, picking up where it left off in 2023, where it was also a leading contributor to Fund performance. As in the case of Despegar, we also detailed the Türkiye Sigorta investment case more than once in recent Shareholder Letters. In summary, Türkiye Sigorta is a Turkish non-life insurance company that we believe boasts numerous attractive attributes, including a leading position in an underpenetrated market with ample long-term growth potential. We built the Fund's position in early 2023, after a period of rampant inflation (reaching a 24-year high of over 85% in October 2022) and unorthodox economic policies in Turkey had sparked capital flight out of the country in general and also weighed heavily on Türkiye Sigorta's profitability, presenting us with what we believed was an attractive opportunity from a longer-term perspective. As in the case of the Fund's recent Argentine investments, the extreme economic adversity in Turkey allowed us an opportunity to invest in what we believe is a high-quality business at an unusually attractive valuation. Since then, Türkiye Sigorta has benefited from a dramatic improvement in profitability due to a combination of increased insurance pricing (to better reflect inflation) and much-improved investment portfolio returns, as the Turkish Central Bank (out of necessity) began raising interest rates significantly in 2023. Driven by a positive inflection in the company's profitability, Türkiye Sigorta's share price has appreciated significantly, providing a meaningful contribution to the performance both in 2023 and 2024.

To be clear, the improving macroeconomic conditions noted above are only nascent signs of progress, and both the Argentine and Turkish economies are far from out of the woods in a macro sense. But we believe *valuation matters*, and when only dire expectations are priced into a stock, even baby steps in terms of improving conditions and/or investor sentiment could provide meaningful upside potential, as it has in the cases outlined above. Indeed, the recent, tentative signs of improving top-down macroeconomic conditions in each country arguably allowed (in investors' collective eyes) for the quality, profitability, and value-accretive corporate activity undertaken by these businesses to garner increased investor attention of late.

Other Themes: Financial Services and Energy Services

By *sector*, the largest positive contribution to Fund performance in 2024 came from its Financial Services holdings. The Fund's Financials holdings are a heterogeneous group of investments operating across different geographies (North America, Europe, Asia, Latin America, and South Africa) and different types of business (including Banks, Holding Companies, Insurance Companies, and Securities Exchanges) that collectively offer, in our opinion, opportunities to invest in well-capitalized businesses with attractive long-term prospects at meaningfully discounted valuations. In 2024, although the aforementioned Argentine and Turkish holdings led the way, the contributions to Fund performance were fairly broad-based, with the large majority of the Fund's Financials holdings positively contributing to performance and significant gains coming from holdings in areas that included Banking (e.g., GGAL, Banco Macro, Standard Chartered, UniCredit), Insurance (e.g., Türkiye Sigorta), and Holding Companies (e.g., Bajaj Holdings & Investment).

Of these holdings, the largest contributor not already discussed is U.S.-based investment bank and capital markets service provider **Jefferies Financial Group**, which was the third largest overall contributor to performance in 2024. Jefferies shares benefited in 2024 from meaningful improvements in business fundamentals amid a revival in capital market activity, as the company saw demand in its relevant business areas continue to pick up from relatively depressed previous levels. Jefferies, whose investment banking business provides advisory and underwriting services related to capital market transactions (M&A, Equity and Debt Underwriting, etc.), has performed well in recent years despite a difficult industry backdrop in 2022-2023 that included a rapid succession of interest rate hikes amid the Federal Reserve's attempts to rein in inflation, in addition to wars in Ukraine and the Middle East – all of which contributed to heightened volatility and uncertainty in capital markets during that period. In recent years, Jefferies took advantage of

the retrenchment of other investment banks to build 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. 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).

Notable positive contributions to performance in 2024 also came from two of the Fund's Energy Service holdings: one land-focused (Enerflex) and the other Offshore-focused (Tidewater). As discussed in our prior (Semi-Annual) Shareholder Letter, Offshore Energy Services provider **Tidewater** was a leading contributor to performance in the First Half (H1) of 2024 (before the Fund's position was eliminated late in H1). Tidewater shares were up 32% in H1, adding further to what had been a strong 2023 (up 96% in 2023), driven by continued meaningful improvements in business activity levels, revenue, profitability and cash flow generation.

On the other hand, **Enerflex's** contribution to the Fund's performance primarily came in the Second Half of 2024. This Canada-based energy infrastructure, equipment, and service provider's share price had long been depressed in recent years amid a dearth of maintenance and growth capital investment from its customers (primarily oil and gas producers and midstream companies) during and coming out of the pandemic. Then, in 2022, Enerflex took advantage of the depressed industry conditions to opportunistically acquire competitor Exterran at what we believed to be an attractive price – in doing so, adding to the company's footprint, offerings and recurring revenue platform while generating cost synergies. But while the Exterran acquisition, in our view, had its merits, most notably its potential to prove accretive to shareholder value over the long run, it came with acquisition and integration-related capital requirements and challenges that limited free cash flow generation in the near-term – a feature that weighed on its share price in recent years as energy stock investors generally favored companies that were producing free cash flow and returning significant capital to shareholders. But this changed in 2024, as Enerflex continued to digest the Exterran acquisition while producing quarterly results (most recently for Q3 2024) that included a continued improvement in profit margins, solid free cash flow generation that exceeded consensus expectations, a 50% increase to the dividend, and improved debt reduction, putting the company on a visible path to potentially increasing shareholder returns looking forward. Amid these positive developments, Enerflex shares performed well in 2024, making it the sixth-largest contributor in 2024.

<u>Notable Detractors: Brazil</u>

Moving on to detractors from performance in 2024, there wasn't much in the way of common themes. Perhaps the only notable exception to this was Brazil, which was by *country* the largest detractor from Fund performance in 2024, driven by declines in grocery retailer **Companhia Brasileira de Distribuição** ("CBD") and beauty products retailer **Natura & Co.** We believe both holdings were adversely impacted in 2024 by generally negative investor sentiment towards both the Brazilian equity market, which was one of 2024's worst performing markets (the Bovespa index declined by nearly 30% in USD terms for the year), and its local currency (the Brazilian Real weakened by over 20% against the USD in 2024). In addition to CBD and Natura, this backdrop likely weighed on the share price of **Arcos Dorados** as well (Brazil is by far its largest market) in 2024. CBD, Natura, and Arcos Dorados made up three of the Fund's five top performance detractors in 2024.

The currently negative investor sentiment towards Brazil seems to be stemming, 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. As described above in the cases of Argentina and Turkey (admittedly much more extreme examples), volatility in investor sentiment can often be a source of bottom-up investment opportunities for the long-term investor. From our perspective, much more important than short-term swings in top-down investor sentiment are the longer-term, company-specific developments for each of the Fund's holdings, which we continue to find encouraging. Arcos Dorados (the pan-Latin American McDonald's franchisee) continues to produce business results that we find impressive considering the macroeconomic backdrop, with recent business results continuing to show meaningful market share gains across its markets. CBD has taken a number of actions that we believe are commendable, including a series of non-core asset sales that materially strengthen its financial position, allow for greater focus on the core business, and are, in our view, likely to be accretive to shareholder value longer-term. Natura, following its 2023 sales of Aesop and The Body Shop, has been focusing on its core Natura brand, whose recent results are showing signs of improvement, in our view, as the company continues its turnaround plan.

In short, we believe the long-term investment cases of each of these holdings remain unchanged (other than more attractive valuations following recent share price declines). Just as the years of irresponsible finance and economic mismanagement in Argentina resulted in macro chaos that allowed us to invest in what we saw as high quality, well-positioned businesses at exceptional prices in 2023, we believe investor angst towards Brazil today due to macro concerns has led to babies being thrown out with the bathwater. In a world that is short on patience and long on instant gratification, we believe such a dreary top-down backdrop creates a window of opportunity for the long-term, value-conscious investor who is focused 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, come what may on the macro or market-wide front.

Notable Investment Activity in the Fund

2024 was a busy year for the Fund. New positions initiated in the Fund in 2024 included **Douglas Elliman Inc.**, **Hong Kong Exchanges and Clearing Limited** ("HKEX"), and **MEG Energy Corp**. – each of which were acquired in the First Half of 2024 and discussed in our June 2024 Semi-Annual Shareholder Letter. Other notable additions to the Fund in 2024 included **ESR Group Ltd.**, **Samsonite International S.A.**, and **Anglo American PLC**. We will discuss the investment cases of each below.

Hong Kong

Long-time followers of the Fund might have noticed its limited exposure to Hong Kong-based securities in the years since inception (with property holding **Sino Land** being an exception). The reason: looking back over a decade ago, China was then in favor, with local securities priced accordingly for a number of years. During this era, which saw Hong Kong and Chinese stocks flying high, there were a number of foreign companies that decided to list in Hong Kong because they believed they would receive a premium valuation just by "being there." Examples would include French beauty product company L'Occitane (listed in Hong Kong in 2010), Italian fashion company Prada (listed in 2011), and American luggage company Samsonite (listed in 2011). Not surprisingly, given an environment in which companies had been flocking to Hong Kong to obtain premium valuations, we had found few opportunities there at attractive enough valuations.

Fast forward to today, and the situation has changed remarkably, with Mainland China (and by extension Hong Kong) having fallen out of favor spectacularly with investors over the past several years as the Chinese government moved to assert its control over businesses. A range of developments in Hong Kong,

including the street protests in 2019, the implementation of the National Security Law in 2020, some of the strictest COVID-19 lockdowns globally, and the continued economic challenges of Mainland China (perhaps most notably in its troubled property market), has cast a pall on investor interest in the region. These headwinds, exacerbated further by some global investment banks having taken to calling China (and by extension Hong Kong) "un-investible," were part of a grim outlook that took the stock prices of all sorts of Hong Kong-listed businesses down, seemingly irrespective of their operating performance – they just happened to be (listed) in the wrong place at the wrong time. Unlike the prior era of rich valuations that motivated companies from elsewhere to list in Hong Kong, this more recent environment – one pessimistic enough to have caused investors to flee Hong Kong *en masse* – provided the Fund with what we believe to be interesting investment opportunities at attractive prices. Three of the Fund's new positions acquired in 2024 are listed in Hong Kong: HKEX (discussed in our prior Letter), ESR Group, and Samsonite. Ironically, both ESR and Samsonite generate the bulk of their revenues outside of Hong Kong and China; however, that fact has not prevented either stock from being heavily discounted amid poor investor sentiment towards the region.

ESR Group Limited

ESR is a Hong Kong-listed real estate and financial services company that is the largest real asset manager in the Asia Pacific region, currently managing roughly $80 billion of fee-generating assets and $150 billion of assets in total (including assets on their own balance sheet). The company provides real estate private equity fund management, Real Estate Investment Trust management, as well as development and management of real estate properties across most of Asia, and to a lesser extent the U.S. and Europe. Arguably, the epicenter of much of the economic adversity and waning interest from investors in Hong Kong and Mainland China in recent years has been the real estate segment in the region, which has had its share of well-publicized challenges, frauds, and bankruptcies. However, this has created an opportunity for us to acquire shares in the region's largest real estate asset manager at what we think are very attractive prices. What's more, while ESR had traded down largely as a result of the flagging investor interest and the issues facing the broader real estate industry in Mainland China, it is worth noting that ESR's business has transformed significantly over the past several years.

Specifically, ESR has been transitioning its business from an asset-heavy developer and owner of real estate properties to an asset-light investment management business. This has resulted in the growth of fee income, a reduction of risk related to its footprint, and the diversification of funding sources. Additionally, the company has diversified its exposure away from Mainland China, which now represents only around 17% of fee-related Assets Under Management. Lastly, ESR has evolved its strategy from being a developer / owner of industrial warehouse properties to focus on New Economy Assets (logistics warehouses, data centers, and life sciences properties), alternatives, and asset management.

Shares of ESR were acquired in the Fund at a meaningful discount to the company's current book value per share and an even greater discount to its 2019 IPO price. In short, we believe that current prices do not ascribe value to the company's ongoing transition to an asset-light investment management business, which in our opinion should be worth meaningfully more than the current stock price. Subsequent to a position in ESR being purchased in the Fund earlier in the year, in December 2024 a consortium of investment firms submitted a takeover offer to acquire the roughly 60% of ESR that the buyout group does not already hold, for HK$13.00 per share. We will update you further on the status of this takeover offer as new developments come in.

Samsonite International S.A.

We also initiated a position in the shares of Samsonite International S.A. in 2024. Samsonite is the largest luggage company in the world, with an estimated 20% market share and a portfolio of globally recognized brands including Samsonite, Tumi, Hartmann, Lipault, and American Tourister. Samsonite has a storied history, consisting of both highs and lows. Founded in 1910, the company in its early years built a hard-earned reputation for high quality, strength, and innovation in luggage. However, in 1973 it was sold to a conglomerate and subsequently spent the next almost 40 years changing hands amongst private equity buyers, having a stint as a public company, and suffering through the bankruptcy of its retail business. In 2011, amid a more buoyant market in Asia, Samsonite listed in Hong Kong, despite being a U.S.-based business with sales and manufacturing located around the globe. As noted above, the company was one of a slew of western companies that listed in Hong Kong to be closer to Asian consumers and investors at a time when the markets there were strong. Today, Samsonite has brands across the luxury spectrum, ranging from high end (Tumi), to mass market (Samsonite) to budget (American Tourister). The company has been actively diversifying its business to move beyond just travel luggage – with non-travel bags accounting for 33% of revenues today; transitioning to more direct-to-consumer distribution; and diversifying its outsourced manufacturing footprint (85% of manufacturing is outsourced).

This has resulted in what we view as a stronger company today, with attractive growth prospects, real margin improvement potential, and a capital-light business model. However, because the company is listed in Hong Kong and the market there has faced a challenging several years, we believe that Samsonite's current stock price does not accurately reflect the underlying value of its business. In short, we believe that Samsonite is a leader in the industry, but it is not valued as such. We believe that the price at which we purchased our shares represents an approximately 35% discount to the company's Net Asset Value ("NAV") in our base case and a 50% discount in a more optimistic scenario. What is even more interesting about this situation, in our view, is the fact that the company is not just standing idly by and waiting for the market to reprice its stock, but it is instead taking benchmark-independent steps to try close the discount. Specifically, Samsonite recently announced a $200 million share repurchase program, equating to approximately 5% of the market capitalization of the company when it was announced. Additionally, Samsonite management has stated that they are evaluating a dual-listing in the U.S. Importantly, this may provide a strong level of support for Samsonite's share price, not only because of the premium multiple that U.S.-listed businesses have tended to trade at in recent years, but also because of the fact that the company is currently excluded from the MSCI Indices because it is exclusively listed in Hong Kong but is considered by MSCI to be a U.S. Company. While this is not a reason to make an investment, it will likely provide significant support for the stock as there is a substantial amount of assets that passively follow the index.

In short, we believe Samsonite today is attractively priced – trading at just 11x earnings, well below its peers and below its historic multiples; it has a reasonable balance sheet – with modest levels of leverage and over $1.4 billion of liquidity; and there appear to be attractive growth prospects both for the top and bottom line. We believe that the market is fundamentally mispricing Samsonite stock as a result of its history, its orphan status, and the prevailing weak consumer trends in Asian Luxury. But for a long-term investor, we believe that the current price represents a very attractive entry point.

Anglo American PLC

Moving on from Hong Kong to the United Kingdom, another new position added to the Fund in 2024 was in shares of **Anglo American PLC**, a global mining company with a portfolio of assets that spans numerous

natural resources, including copper, iron ore, manganese, nickel, platinum group metals (PGMs), crop nutrients, metallurgical coal, and diamonds through the company's ownership of De Beers.

Earlier in 2024, Anglo American was the subject of a takeover bid made by BHP Group ("BHP"). BHP's pursuit of Anglo American was an iterative process that included three all-share bids, with the latter bids equating to roughly GBP 30-31 per Anglo American share – but ultimately a deal was not completed. BHP's proposal was a complex one that involved Anglo American shedding multiple assets that BHP did not want – namely, the demerger of two publicly listed companies that Anglo American owns: Anglo American Platinum ("Amplats") and Kumba Iron Ore. Anglo American balked at (among other things) the complexities of two demergers alongside a takeover process, with all three transactions essentially being inter-dependent.

Instead, Anglo American decided to go down its own path, which includes separating out and/or selling its assets in areas including metallurgical coal, nickel, manganese, PGMs, and diamonds. We believe this process is likely to simplify Anglo American's portfolio of assets – leaving copper, iron ore, and perhaps crop nutrients as the company's remaining businesses – while jettisoning other assets that are arguably being undervalued at present, as implied by the current stock market valuation of Anglo American *in its entirety*. At the same time, this is likely to bring significant cash inflows to Anglo American's balance sheet as they reinvest in their core resources going forward.

The process is already well underway. Anglo American recently announced the pending sale of its entire metallurgical coal business (via two transactions) for up to roughly US$4.9 billion of total cash proceeds (more than some expected). The company has also stated that it expects a demerger of Amplats (its PGM asset) by mid-2025, while suggesting that it is also seeing "strong interest" in its nickel business, with the sale process "well progressed." Also likely to be sold off or separated in some form (and at some point) are Anglo American's manganese assets and its diamond business (De Beers).

At the end of the day, we believe Anglo American will emerge a slimmer, simplified business that is focused on what we believe are high quality assets (primarily copper and iron ore). Meanwhile, given all of the moving parts and uncertainty regarding the precise timeline surrounding each of the intended asset sales or separations, we were able to acquire shares of Anglo American at a meaningful discount to what we believe the collection of assets are worth, despite the company actively taking steps to monetize some of these assets and making meaningful progress at that. The shares were also acquired at a significant discount to the price offered by BHP earlier in 2024. With a much-simplified form of Anglo American potentially on the horizon in 2025 and beyond, it is not beyond the realm of possibility, in our view, that Anglo American might eventually become a takeover target once again (its copper assets seem to be of particular interest). However, to be clear, that scenario is not a necessary component of our investment thesis – the primary attraction of which is that we believe, given the potential sale and/or separation of its various non-core assets, we are able to create an ownership interest in the high-quality remaining assets (copper, iron ore, etc.) at an unusually cheap price.

Notable Selling Activity: Value Creation Driven by Corporate Activity

On the sell side, most of the Fund's positions that were eliminated in 2024 were preceded in one form or another by corporate activity (e.g., M&A, asset sales, share repurchases, etc.) – which has been an important contributor to the Fund's performance (as discussed in detail in recent Shareholder Letters). One of these exits from the Fund's portfolio in 2024 was a relatively short-lived position that had been acquired via spin-off in 2023: India-based **Nuvama Wealth Management Ltd.** ("Nuvama"). Nuvama was spun out of another former Fund holding **Edelweiss Financial Services Ltd.** ("Edelweiss") and began trading

independently in September 2023. While Nuvama is a fine company, in our view, its attractions did not go unnoticed by investors; the stock performed well after it began trading independently, as it garnered a number of “Buy” recommendations from sell-side analysts. Given what we believed had become an arguably full valuation, we decided to eliminate the Fund’s position in Nuvama in the First Half of 2024, in favor of other investments that we believe are more attractively valued. Later in 2024, we eliminated the Fund’s position in Edelweiss as well, as it too generated strong performance following its spin-off of Nuvama.

Other noteworthy selling activity that took place in the Fund in 2024 included the sale of three long-tenured holdings (**Spectrum Brands**, **Tidewater**, and **Osisko Mining**) following strong share price performance that preceded each of those decisions. As discussed in greater detail in our June 2024 Semi-Annual Shareholder Letter, we believe both Spectrum Brands and Tidewater created considerable shareholder value via corporate activity, which eventually translated into the share price gains enjoyed by the Fund prior to being sold. In the case of U.S.-listed consumer products company Spectrum Brands, the company sold its Hardware and Home Improvement (HHI) business to Assa Abloy for $3.8 billion in net proceeds (a full price, in our view). Spectrum Brands then took advantage of its significantly improved balance sheet to repurchase a substantial portion of its shares outstanding.

In the case of Offshore Energy Services provider Tidewater, the company used its strong financial position – a key competitive advantage in a distressed industry that had suffered through a multi-year downturn – to make three sizeable acquisitions, one back in 2018 and two more since 2022 (the most recent one completed in July 2023). In doing so, Tidewater acquired vessels from financially distressed and/or otherwise motivated sellers, at what we believed to be exceptional prices that have served the company well as industry conditions began to recover. Both Spectrum Brands and Tidewater were sold in H1, as we redeployed the proceeds into other investment opportunities that, in our view, became more compelling from a valuation perspective following the strong performance of each.

Later in 2024, Osisko Mining, another long-tenured holding in the Fund (purchased when gold prices were depressed) was also sold from the Fund as a result of corporate activity – in this case, following a takeover bid made for the company in August by Gold Fields Ltd. at a roughly 66% premium to its prior closing price. All told, corporate activity was a significant contributor to the Fund’s performance once again in 2024.

On a less satisfactory note, we also eliminated the Fund’s position in **John Wood Group PLC** in 2024, after the U.K.-based provider of consulting and engineering services in the energy and materials markets announced a review of reported positions on contracts in its Projects division and whether any prior-year restatements may be required. As outside investors, given the unknowns involved and our focus on risk mitigation taking priority, we concluded that our investment in Wood Group had seen its margin of safety diminished by recent developments, and we therefore decided to move on, eliminating the Fund’s position in Wood Group in 2024 and redeploying the proceeds into what we believe are more compelling opportunities at this point, including many existing holdings and the new positions noted above.

Fund Outlook

The past two years of economists’ and financial market experts’ predictions have proven (yet again) why forecasting near-term economic variables (including inflation and interest rates) is not a particularly productive use of our time, in our view. The recession of 2023 (widely presumed late in 2022) never arrived. Talk of a hard landing morphed into that of a soft landing, then to perhaps no landing at all, as

2023 progressed. Late in 2023 and into 2024, slowing inflation rates led to increased expectations for Federal Reserve interest rate cuts (both in terms of their imminence and ultimate magnitude) to be priced into markets – only for subsequent inflation data to come in hotter than expected, dampening those expectations just a few months later. A similar pattern repeated in mid-2024, as economic data that suggested weakening in the U.S. labor market resulted in increased expectations of monetary easing – with the long-awaited, first interest rate cut arriving at last in September 2024. However, in the months that followed, economic statistics (e.g., U.S. employment data) indicated a more resilient labor market than generally expected, while yields began rising again as concerns about arguably reckless fiscal policy (current and future) and high sovereign debt levels returned to the forefront of the financial market's consciousness. This resulted (yet again) in a tempering of expectations regarding the ultimate magnitude of monetary easing and interest rate cuts as 2024 ended.

All told, these past two years have offered numerous reminders of why we do not base investment decisions on near-term macroeconomic forecasts. Looking forward, various scenarios remain possible: recession or no recession; hard landing, soft, or none at all; or 1970s-style stagflation, among others. We do not expect the forecasters to be any more accurate over the next two years than they were over the previous two. The financial markets' obsession with forecasting the path of rates – and changing such forecasts upon the release of any economic datapoint – is hardly of any interest to us as a long-term investor, except to the extent that the fallout from such fluctuations in near-term expectations provides attractive investment opportunities from a longer-term perspective.

On that last point, in recent years we have indeed seen a healthy number of attractive long-term investment opportunities become available amid the short-term volatility in financial markets' expectations and notoriously fickle macroeconomic forecasts. In assessing the current state of equity markets globally, we see an interesting picture. On the one hand, certain pockets of the market seem to be priced for perfection, in our view, thereby incorporating meaningful downside price risk in the event such great expectations are ultimately not met (e.g., U.S. Tech and Growth stocks). At the same time, we believe that there has been no shortage of unusually attractive investment opportunities elsewhere for the patient, price-conscious investor, including those discussed above. On the contrary, we have found plenty to do, both 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), as well as among other opportunities made 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 or recent opportunities in Hong Kong). Our focus is 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 day.

Furthermore, 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.

In our view, a number of developments in recent years have contributed to what we believe 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. These developments include: years of unorthodox *monetary* policy; *fiscal* profligacy; intensifying geopolitical conflict, consisting of both hot wars and increased government intervention in matters of trade; years of underinvestment in Natural Resources needed to support long-term economic growth (e.g., growing demand for power-intensive AI), etc. Taking these factors into consideration, we believe that the post-GFC era of extraordinarily low interest rates, benign inflation rates, and cheap/free money – *consistently, over a protracted period of time* – could prove to have been more of a historical anomaly, rather than the norm to which many in the investment community (who have grown up and built their careers during this era) have become accustomed.

We believe that security selection, valuation and fundamentals are apt to matter more in determining investment outcomes in such a world of heightened geopolitical and macroeconomic volatility. In our view, 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, 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. Another 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 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.

In conclusion, we continue to believe the Fund is well positioned for a changing world, one of heightened geopolitical risk, unpredictability, and 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 increasingly concentrated in what we view as highly correlated areas (e.g., mega-cap 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

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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.

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Date of first use of this material: February 2025

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Moerus Worldwide Value Fund

MOWIX - MOWNX

Performance (%) (As of December 31, 2024)*	QTR	YTD	1 Yr	3 Yr	5 Yr	Since June 1, 2016**
Moerus Worldwide Value Fund (Inst.)	-2.10%	15.97%	15.97%	15.48%	10.39%	8.43%
MSCI All Country World Index ex USA (Net)***	-7.60%	5.53%	5.53%	0.82%	4.10%	6.23%
MSCI All Country World Index (Net)****	-0.99%	17.49%	17.49%	5.44%	10.06%	10.89%

Gross Expense Ratios: Class Inst.: 1.72%; Class N: 1.97%

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, 2025, 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 12/31/24 as a % of the Fund's net assets: Hong Kong Exchanges and Clearing Ltd (3.66%), Westaim Corp (3.46%), Jefferies Financial Group Inc (3.43%), Turkiye Sigorta AS (3.27%), Despegar.com Corp (3.19%), Standard Chartered PLC (3.05%), Dundee Corp (3.03%), International Petroleum Corp (2.96%), Grupo Financiero Galicia SA (2.92%), and MEG Energy Corp (2.83%).

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