Moerus Worldwide Value Fund

Annual Shareholder Letter: Twelve Months Ended November 30, 2021

For standardized performance and holdings current to the most recent quarter end please see page 16.

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

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Moerus Worldwide Value Fund

Annual Shareholder Letter: Twelve Months Ended November 30, 2021

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 November 30, 2021. In this Letter, we will discuss Fund performance, notable investment activity in the Fund in 2021, the Fund's outlook looking forward, as well as event-driven value creation that we have seen in the Fund's portfolio.

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

Fund Performance (as of November 30, 2021)*

		Average Annual Returns		
Fund/Index	**1-year**	**3-year**	**5-year**	**Since Inception****
Moerus Worldwide Value Fund - Class N	17.89%	2.62%	2.57%	3.42%
Moerus Worldwide Value Fund - Institutional Class	18.19%	2.87%	2.83%	3.68%
MSCI AC World Index Net (USD) ***	19.27%	15.95%	13.99%	13.38%

** Performance data quoted is historical and is net of fees and expenses.*
***Inception date is May 31, 2016.*
**** The MSCI AC World Index Net (USD) captures large and mid-cap representation across 23 Developed Market and 27 Emerging Market countries. With 2,976 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. Please call 1 (844) MOERUS1 or visit www.moerusfunds.com for most recent month end performance.

Investment performance reflects expense limitations in effect. In the absence of such expense limitations, total return would be reduced. The Fund's Adviser has contractually agreed to reduce its fees and/or absorb expenses of the Fund, until at least March, 31, 2022, to ensure that total annual fund operating expenses after fee waiver and/or reimbursement (exclusive of any taxes, brokerage fees and commissions, 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 1.65% and 1.40% for Class N and Institutional Class Shares, respectively.

With regard to the table above, as always, please note that the Fund's performance data is noted 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.

Fund Performance in 2021: The Year in Review

With that said, purely for comparison purposes, we will highlight the noteworthy factors driving short-term performance during the period under review. The Fund's Institutional Class was up 18.2% during its 2021 *Fiscal Year* – the twelve months ended November 30, 2021. By comparison, the Fund's benchmark, the MSCI All-Country World Index Net ("MSCI ACWI (Net)") was up 19.3% during the same period.

For the Fund, as it was in 2020, 2021 was a year that could be broken down into two very distinct halves. The Fund started off 2021 quite well, picking up where it left off in late-2020 and performing very strongly during the First Half of the Fund's Fiscal 2021[1] (+29.3% in H1), as the portfolio continued its recovery from the worst of the pandemic suffered in the early days of 2020. It was a generally positive First Half of 2021 for most markets, aided by the accelerating vaccine rollout and the passage of a USD 1.9 trillion pandemic-relief bill in the U.S., in addition to continued monetary stimulus from leading Central Banks. Notably, these developments also contributed to increased inflation expectations and rising U.S. Treasury yields, which, at times, weighed somewhat on higher-priced, longer duration Growth and Information Technology stocks, causing them to lag in a relative sense during the First Half of 2021. On the other hand, Value stocks fared better, in general, during the First Half – particularly the types of businesses that can be found in our Fund, which have been long disliked and deeply undervalued, and were hit disproportionately hard by the onset of COVID-19 (and resultant lockdowns) in early-2020.

Thereafter, market conditions took a turn for the worse, and the Second Half of Fiscal 2021 proved to be a challenging period for the Fund (-8.6% in H2). Renewed pandemic-related concerns driven by, first, the spread of the Delta variant beginning in June/July, and then, most recently, the emergence of the Omicron variant in November, contributed to a market environment somewhat similar to the one experienced early in the pandemic. Namely, the Second Half of 2021 saw Growth stocks – which are widely perceived to be better-suited for pandemic-era social distancing, lockdowns, and working from home – significantly outperforming Value stocks. Also, U.S. stocks, driven by the popular Information Technology sector and FAANG stocks, meaningfully outpaced many international markets during the Second Half of 2021. Long out-of-favor areas, such as Emerging Market and Natural Resource-related stocks, notably lagged other areas of the market. Late in 2021, this environment weighed on the performance of the Fund, which is focused on long-term investments in undervalued businesses and areas (including Emerging Markets) that are unpopular and out-of-favor in the present.

2021 Performance Drivers

Overall, for the year, the Fund performed well on an *absolute* basis in 2021 (+18.2%), driven by a very strong First Half of 2021, albeit slightly lagging the benchmark by year's end (after outperforming for much of the year) due to a return in heightened COVID-related fears late in 2021. The Fund's positive performance for the year was fairly broadly-based, with meaningful contributions coming from a majority of Fund holdings that appreciated –many significantly –in 2021. Still, these solid contributions from the majority of holdings were partially offset by pockets of the portfolio (most notably our Latin American holdings) that lagged in 2021. With that said, we will discuss a few of the notable drivers of the Fund's 2021 performance below. But first, it is important to emphasize that, as long-term investors, we remain much

[1] Please note: "2021" or "Fiscal 2021" refers to the Fund's 2021 Fiscal Year - the twelve months ended November 30, 2021.

more focused on fundamental developments affecting the *businesses* that the Fund owns than on *stock price* fluctuations from one quarter or six-month period to the next. Fortunately, on that note, business-level developments continued to be encouraging, in our view, across much of the portfolio (more on that later).

Event-Driven Value Creation
Several of the Fund's most meaningful contributors to performance, including three of the top-five contributors for the full year, generated significant value creation via deal-driven corporate activity.

The Straits Trading Co. Ltd., a Singapore-based Holding Company with financial interests in various areas, including property, hospitality, and resources (tin smelting), was the second-largest contributor to Fund performance in Fiscal 2021. Long underfollowed and, in our view, trading at a significant discount to intrinsic value, Straits Trading performed well during the First Half of 2021. This was perhaps driven, in part, by a sell-side analyst for a local bank who launched research coverage of the company, pointing out the massive discount to intrinsic value that Straits Trading shares were offering, in addition to the significant "hidden asset" value (hidden from the perspective of the broader market) within the Holding Company structure. Then, in August, ARA Asset Management, a privately-held real estate fund manager in Asia partially-owned by Straits Trading, was the subject of a roughly USD 5 billion takeover offer from ESR Cayman, a leading Asia-focused real estate services and investment company. The price of ESR Cayman's takeover offer for ARA Asset Management implies a multiple that is much higher than the value at which Straits Trading's 19% (post-transaction) stake in ARA is held on its balance sheet today. Not surprisingly, Straits Trading shares jumped on the news, although, even after their appreciation, they still trade at a substantial discount to their intrinsic value, especially if the ARA takeover is completed as expected by the end of Q1 2022.

Aker ASA, a Norway-based Holding Company that owns or controls companies that are primarily engaged in the production of oil and provision of services to the oil and offshore renewables industries, was the third-largest contributor to Fund performance for the year. Aker's strong performance has surely been driven, in no small part, by the recovery in the price of oil from pandemic-sparked lows in early-2020, which have resulted in strong cash flow generation from Aker's oil producing holding and improving business conditions for its oil and gas-related service providers.

But in addition to improving market conditions for oil, since the start of the pandemic, Aker has executed on a number of corporate actions that have, in our view, highlighted the latent value in some of Aker's non-oil-related holdings that had been obscured within the Holding Company structure. Examples include: spinning off and publicly listing four subsidiary companies (Aker Offshore Wind, Aker Carbon Capture, Aker Clean Hydrogen, and Aker BioMarine); establishing a new subsidiary that they also publicly listed in Q1 2021 (Aker Horizons), which is focused on developing, investing in, and operating renewable energy projects; and announcing a partnership between its private industrial software company (Cognite) and a global venture capital firm (Accel) at a far greater valuation than is reflected on Aker's balance sheet. This same software company subsequently raised USD 150 million in equity capital from another technology-focused investment company (TCV), once again at a significantly higher valuation.

Aker's busy year continued in September 2021, when Aker announced the sale of its stake in Ocean Yield ASA, a listed shipping holding, to Kohlberg Kravis Roberts & Co. at a 26% premium to Ocean Yield's prior closing price. This sale brought roughly NOK 4.4 billion in cash proceeds to Aker, which will likely be deployed in further investments in current and new business opportunities. Capitalizing on both improved business conditions for its investee companies, as well as value-accretive, corporate deal-driven activity, Aker shares performed strongly in 2021, though they nonetheless continue to trade at a meaningful discount to our estimate of intrinsic value despite an excellent long-term track record of delivering growth in intrinsic value through such activity.

Spectrum Brands Holdings, Inc., a U.S.-based consumer products company, was the fifth-largest contributor to Fund performance in 2021. In September 2021, Spectrum Brands announced that it had entered into a definitive agreement to sell its Hardware & Home Improvement segment to Assa Abloy for USD 4.3 billion in cash, unlocking some of the company's latent value and driving share price gains. This transaction –struck at what we view as an attractive price –both simplifies the Spectrum Brands portfolio and strengthens the balance sheet significantly, providing the company with meaningful flexibility with which to reinvest in the business and/or return capital to shareholders. In our opinion, this transaction should bring to the surface some –but far from all –of the "hidden value" that we have long believed to be present within its collection of businesses. As for ongoing operations, meaningful inflation-related challenges notwithstanding, the company has reported a string of solid business results, in our view, demonstrating strength across its segments (Home & Personal Care, Global Pet Care, and Home & Garden), most of which have benefitted from people's increased time spent at home during the pandemic. Further, Spectrum Brands continues to repurchase shares pursuant to a recently announced 3-year, USD 1 billion stock repurchase program, which could potentially be increased further after proceeds from the sale of the Hardware & Home Improvement segment come in. Despite its strong recent performance, Spectrum Brands stock still trades at a meaningful discount to our estimate of the intrinsic value of its constituent parts: a disparity that might get increased attention following the aforementioned announcement.

In addition to these three leading contributors in 2021, Fund performance also benefited from deal-driven activity involving a host of other holdings, including **Shinsei Bank**, **Exor NV**, and **Grupo de Inversiones Suramericana**, among others. Given our investment style and approach, we believe that event-driven value creation could potentially continue to be a meaningful source of potential returns for the Fund going forward, as it has been in the past (a topic that we will return to later).

Financial Services Holdings

The most material contributor by *sector* to the Fund's performance in 2021 was our allocation to Financial Services holdings. This heterogenous group of investments consists of various holdings across different geographies (North America, Europe, India, Japan, and Latin America) and types of business (including Banks, Holding Companies, and Insurance Companies) – all of which, we believe, represent opportunities to invest in well-capitalized businesses with attractive long-term prospects at meaningfully discounted valuations. In 2021, the Fund's Financial Services holdings continued their strong performance that began in the latter half of 2020, with the majority of holdings appreciating meaningfully. Of this group, the three most significant contributors to Fund performance were **Bajaj Holdings & Investment Ltd.**, **Jefferies Financial Group**, and **Shinsei Bank**.

Bajaj Holdings & Investment Ltd. is an Indian-listed Holding Company with a collection of assets primarily in the areas of Auto Manufacturing, where it owns a leading manufacturer of two-wheeler and three-wheeler vehicles in India, and Financial Services, where it owns interests in Non-Banking Finance, Life Insurance, Property & Casualty Insurance, and Asset Management (among other investments). Bajaj Holdings was the fourth-largest contributor to Fund performance in Fiscal 2021. As you may imagine, companies such as Bajaj Holdings – with investments in such blue chip-type businesses in India, which is typically a richly-valued market, given its significant long-term growth potential – tend not to come very cheaply, in our view, under normal circumstances. However, we were afforded such an opportunity in 2020, when Bajaj Holdings shares fell sharply during the early days of the pandemic, reflecting fears of a contraction in demand for its services and products and the possibility of losses in its financial businesses. The uncertain environment at the time offered those with a longer-term perspective, such as the Fund, the opportunity to acquire shares of what we believe to be a well-run group of businesses, with strong growth characteristics, at a very attractive price. In the time since then, the worst of the transitory fears in the market subsided and, following the waning of pandemic-related disruptions and restrictions in India in 2021, Bajaj Holdings' businesses began their return to normalcy, with the valuation of Bajaj Holdings' shares appreciating accordingly.

Jefferies Financial Group, a New York-based Financial Services Holding Company, was another meaningful contributor to Fund performance in 2021, driven by very strong business results that included setting company records for revenues, pre-tax income, and net earnings. The company's Investment Banking business continued its strong recent performance, as the pandemic and ongoing recovery drove a surge in the company's underwriting and advisory businesses. Jefferies also indicated that its dealmaking backlog for the current period recently reached an all-time high. Japanese bank **Shinsei Bank** also meaningfully contributed to performance in 2021, driven primarily by a public tender offer for Shinsei Bank shares that was made in September 2021 by SBI Holdings, Japan's largest online brokerage, at a nearly 40% premium to Shinsei Bank's previous closing price. Shinsei Bank is another example of deal-related value being realized in the Fund in 2021, a topic that we will return to later.

Energy-Related Holdings

The Fund's Energy-related holdings, another area of the portfolio that had been hit extremely hard in the early days of the pandemic, was the second-largest contributor by *sector* to Fund performance in 2021. The previously discussed **Aker ASA** contributed significantly to this performance, but the single largest contributor to Fund performance in 2021 was **Cameco Corp.**, a leading uranium producer based in Canada. Uranium had been a much-hated commodity for the better part of the past decade, and the share prices of most/all associated companies – including what we see as the largest, highest quality producers, such as Cameco – suffered accordingly for years. In our view, the fundamentals are quite attractive, driven by a favorable and improving uranium market balance from a long-term supply/demand perspective. Uranium prices have recently strengthened meaningfully from long-depressed levels, driven by improving fundamentals, in general, and, in particular, by a Canadian Closed End Fund (Sprott Physical Uranium Trust) that has been accumulating physical uranium in a market that had already been seeing falling above-ground inventories and reduced mine supply (due to mine closures resulting from nearly a decade of low uranium prices). This has resulted in increased uranium prices, which has helped drive Cameco's share price gains.

Furthermore, amid recent spikes in energy costs (particularly in Europe) and concerns about surging utility bills, in addition to the significant challenges that the ongoing global campaign to reduce emissions will face, it appears that general market sentiment towards the uranium space – which had long been depressed – has begun to improve, perhaps due to the sector's potential role in the transition towards low-carbon power generation. Cameco possesses high quality assets and a strong financial position, with a net cash position of over CAD 360 million, CAD 1.4 billion of cash and short-term investments on hand, and undrawn credit facilities of another CAD 1 billion. The long-term investment case, in our view, remains quite strong, as we believe Cameco is well positioned to benefit from potential further improvements in the uranium market balance.

Notable Detractors: Latin America

As noted earlier, the positive contributions to Fund performance in 2021 were fairly broadly-based. The most notable exception to this were the Fund's investments in Latin America, a region that began to be adversely impacted by the pandemic fairly late relative to the rest of the world, and where the initial health response (notably in terms of the vaccine roll-out) was relatively slow to take hold. In addition to the pandemic-related issues, our investments in Brazil, most notably our commercial real estate holding, **BR Properties**, have seen their stock prices adversely impacted by a challenging macroeconomic and political environment, which have weighed on both the value of the local currency (BRL) as well as general equity market sentiment in the country. Recently, the COVID-related situation in Brazil has, in our view, shown some signs of improvement as vaccinations continue to progress, but the challenging political environment continues to generate headlines and affect market sentiment ahead of a Presidential election in 2022. In addition to Brazil, a combination of pandemic-related, political, and/or macroeconomic uncertainty has cast a pall over both equities and local currency values across a wide swathe of the region, including Argentina, Chile, Colombia, and Peru.

As a result, most of the Fund's Latin American holdings detracted from Fund performance in 2021, with the two largest detractors being **BR Properties** and **Despegar.com**, a pan-Latin American Online Travel Agency. But importantly, whereas the uncertainty described above is out of the control of our businesses in the region, company-specific developments, in our view, have generally been quite encouraging, as our Latin American businesses continue to recover from the worst of the pandemic. In general, their management teams have been busy at work, taking actions that we believe are building business value over the long run, even if the stock prices languish in the near term due to overarching factors beyond their control. This, we believe, bodes well for the potential future of our Latin American investments if the dark clouds ever clear, which we believe they eventually will, as dark clouds often do. Indeed, for long-term investors who can look beyond quarter-to-quarter volatility, we believe that Latin America is one of the most interesting places in the world in which to be investing, at the moment. We will return to discuss a couple new opportunities in the region shortly and will also discuss some of the value-accretive actions being taken by our existing holdings in the region later.

Notable Investment Activity in the Fund

The Fund's Fiscal 2021 was a busy period, as we strove to take advantage of short-term volatility and attractive pricing to add to several existing positions in the Fund, in addition to initiating six new positions in the portfolio. Two of the new positions – **Canfor Pulp Products** and **Emaar Properties** – were purchased during the First Half of 2021, and their investment cases were discussed in detail in our May 2021 Semi-Annual Shareholder Letter. Four additional new positions – **Companhia Brasileira de Distribuição**, **Grupo de Inversiones Suramericana**, **Cromwell Property Group**, and **International Petroleum Corporation** – were purchased during the Second Half of 2021, and we will highlight the investment case for each below.

Latin America
Perhaps not surprisingly, the area of the Fund's portfolio that lagged most in 2021 also is the one in which we are currently seeing some of the most attractive opportunities looking forward. As noted above, we are currently excited by the current opportunity set, especially in Latin America. It might not feel exciting or comfortable to invest in an area when skies are darkest. Indeed, there is quite a bit of hand-wringing and hair-tearing among investors going on in Latin America right now. Uncertainty abounds, be it of the political variety in Chile and Peru following recent elections and in Brazil with upcoming elections, of the macroeconomic variety (concerns about local currencies depreciating, inflation rising, interest rates increasing, etc.), or of the pandemic-related variety. Investors have been fleeing the region in response. Such a backdrop of unusually heightened fear sometimes results in babies being thrown out with the bathwater, temporarily offering longer-term investors attractive opportunities that we believe will prove lucrative over the long run. We believe that is currently the case in Latin America, and that this is an exciting time to be deploying capital there.

We have been investing in Latin America for over 20 years. The present environment, as described above, stands in sharp contrast to earlier periods in which, over the years, we scoured the opportunity set for years at a time but often came up empty-handed because of rich valuations. This is because, from our perspective, historically, many people have thought of investing in Emerging Markets as the playing field of Growth investors, with valuations in such markets tending to be extended most of the time – in our view, due to the potential for higher rates of economic growth than most Developed Markets typically offer. Although investors have historically not tended to approach investing in Emerging Markets from a Value perspective, given the clouds hovering over the region at the present time, very good value is precisely what we believe we are finding in Latin America today – what we see as significantly undervalued opportunities, the kinds of which, based on our experience, only appear occasionally and fleetingly given the region's relatively attractive longer-term growth potential.

In addition to the Fund's pre-existing holdings in Latin America, in the Second Half of 2021, we found two new opportunities in the region – **Companhia Brasileira de Distribuição** and **Grupo de Inversiones Suramericana S.A.** – both of which stand out to us, given their unusually discounted valuations that belie what we view to be high-quality assets and longer-term prospects.

Companhia Brasileira de Distribuição
In the Second Half of 2021, the Fund started acquiring shares of Companhia Brasileira de Distribuição ("CBD"), also known by its main brand, Pão de Açúcar. CBD is listed in Brazil, where it is a leading food-led retailer. In Brazil, CBD owns a collection of grocery stores, convenience stores, gas stations, and hypermarkets, as well as significant e-commerce operations. In addition to its Brazilian retail business, CBD is also the dominant shareholder of Grupo Éxito ("Exito"), a listed Colombian food-led retailer, owning 96.6% of the shares outstanding. In addition to its controlling stake in Exito, CBD is also a large shareholder (owning a 34% stake) of Cnova N.V., a French e-commerce retailer. In total, across all of its subsidiaries, CBD has a network encompassing more than 1,500 stores and e-commerce and brick and mortar retail operations across five countries.

We have followed CBD for the past several years, given our historic investment in Exito, which had previously been CBD's controlling shareholder and, following its acquisition by CBD in 2019, became a majority-owned subsidiary of CBD. In early-2021, CBD spun off its high-growth Assai Cash & Carry business, which reduced debt significantly (most debt associated with the acquisition of Exito was spun off with Assai), but left the remaining company with a collection of businesses that are relatively slowergrowing. This perceived lower growth profile, a challenging macro environment in both Brazil and Colombia, and the corporate complexity of a company that has assets in five countries across three publicly listed entities has resulted in subdued interest from investors in owning CBD shares, contributing to a weakening stock price.

However, we believe that this situation has also created a very attractive entry point for investors who are able to hold for the long term. At current prices, the total market capitalization of CBD implies a 15% discount to the market value of its stake in Exito alone. This means that shareholders are getting the entire Brazil retail business and the 34% stake in Cnova NV basically for free. While there is risk inherent in every investment – and risks here include a challenging macro situation, currency risks, and governance risk in the form of a controlling shareholder – the valuation of CBD today seems very low and is not based on any optimistic (or even lukewarm) assumptions.

We believe that the market will eventually come around to recognize the value inherent in this company. However, in the meantime, there are a wide variety of ways that management and CBD's controlling shareholder could create significant value. One example is the recently announced transaction where CBD is selling its remaining 71 hypermarket stores to Assai (its spun-off Cash & Carry business), which has a total value of BRL 5.2 billion (around USD 920 million at current exchange rates). The implied value of the hypermarkets – which were amongst the weakest parts of CBD's remaining Brazilian businesses – in this transaction is estimated to imply a multiple that reflects almost twice the current multiple at which CBD trades, overall. Post transaction, CBD will have an improved financial position and should have a stronger margin profile (having exited one of the weakest parts of its business), but it remains at a multiple that is significantly below where it has shown it can sell even its weakest stores. We believe there are many other potential transactions that could unlock additional value. While we do not make investments predicated upon catalysts or even try to predict what path an investment may take, we do find situations like this – where there are a multitude of ways to create upside value, but we do not have to pay up for them and, in fact, are buying the company at a discount to its in-place operations – quite attractive.

Grupo de Inversiones Suramericana S.A.
Another of our purchases in Latin America during the Second Half was the common shares of Grupo de Inversiones Suramericana S.A. ("GrupoSura"). GrupoSura is a Colombian Holding Company with holdings in both listed and private entities. The public entities include some of the companies that dominate a variety of sectors of Colombia's economy. These include: Bancolombia S.A., Colombia's largest bank with operations also in proximate countries, including Panama and various Central American nations; Grupo Nutresa S.A., Colombia's largest processed food producer, with additional operations in Central America; and Grupo Argos S.A., parent company of Colombia's largest cement producer, with operations also in the Caribbean and Florida, as well as infrastructure assets. The unlisted entities include a pension administrator with operations in Peru, Chile, Mexico, and Colombia, as well as insurance operations, both life and non-life, and an asset management operation.

Parsing through this daunting collection of assets, we found the valuation to be unusually attractive. Specifically, not only was GrupoSura trading at a hefty discount to its stated book value at the time of purchase (on the order of around 60%); additionally, we believe GrupoSura's underlying holdings were (and continue to be) unusually modestly valued, given their dominant business positions, largely reflecting the depressant (but, in our opinion, waning) impact of the pandemic. For historical context, in normal periods, GrupoSura has traded at far smaller discounts (or even at a premium) to the stated book value, with the underlying listed holdings trading at meaningfully higher valuations.

While eschewing any forecasting or extrapolation, we reasoned that, if and as growth resumed and the profitability for the various businesses improved, GrupoSura's underlying businesses would be repriced in line with improving expectations, which would, in turn, be reflected in a less depressed valuation for GrupoSura. This baseline scenario ignored the possibility of any corporate activity that could further eliminate any Holding Company discount – quite simply because GrupoSura is itself held in a web of cross shareholdings configured to repel hostile bidders. However, notwithstanding the low probability that we assigned to a hostile bid emerging to surface the value embedded in GrupoSura shares, such a bid did actually appear on November 30, 2021, at a roughly 27% premium to the closing stock price that day. It is likely too early in the process to handicap any outcomes, but one thing is clear: this bid served to highlight what we see as the extreme undervaluation at which GrupoSura shares trade.

Cromwell Property Group
Moving outside of Latin America, during the Second Half, we also initiated a position in Cromwell Property Group ("Cromwell"), an Australia-based company that owns and manages real estate. Cromwell's business principally consists of operations across three segments. First, the company owns a portfolio of properties in Australia, Poland, and Italy, which are defensive in nature and principally consists of offices in Australia that are leased to governmental and other high-credit-quality corporate tenants. Second, Cromwell has a Real Estate Asset Management Business, which manages more than AUD 7.6 billion of third-party Assets Under Management (AUM) across Europe, Australia, and New Zealand. Finally, in conjunction with its Asset Management Business, the company also has indirect property investments, which consist of co-investments Cromwell has in the property funds managed by its Asset Management division.

Cromwell came to our attention, as there has been a high-profile challenge by ARA Asset Management ("ARA"), Cromwell's largest shareholder, to gain representation on Cromwell's Board. This has been a multi-year tussle (with ARA's initial attempts not attaining enough votes). In 2021, ARA, along with other shareholders, was finally able to gain enough votes that it was able to change the Board. As a result, ARA was able to nominate two representatives to the Board, one of whom became Chairman. The reconstitution of the Board also resulted in several management departures, including Cromwell's long-time CEO. ARA hasn't publicly stated what their goals would be if they were to gain representation but, given that ARA is an asset management company itself, it is not unreasonable to expect that they may seek to grow the Funds Management business.

This is of particular interest because we believe that purchasers of Cromwell, at current valuations, are effectively getting the Asset Management business for free. At current prices, the security trades at a discount to the value of its tangible assets alone – Cromwell's direct property investments and its co-investments in funds it manages. While the Asset Management business has seen sub-optimal growth over the past several years, with a new CEO and newly reconstituted Board, this may begin to change. As such, we believe that this could create significant potential upside for Cromwell investors.

In the meantime, while the company seeks to grow its Asset Management business, its other assets will continue to throw off attractive cash flows. As its directly-owned portfolio is primarily leased to governmental and high-credit-quality tenants, Cromwell saw almost no impact to its revenue collections during the pandemic, collecting 99% of rent billed in 2020. Also, the various co-investments in managed funds pay recurring dividends, which Cromwell pays on to its shareholders. At current prices, the stock yields almost 8%, which is covered by the company's strong recurring revenue base.

In short, we believe that Cromwell is a situation where the new management team has multiple potential avenues to realize the significant potential upside, while it was acquired at a decent discount to the in-place portfolio of assets that the company owns.

International Petroleum Corporation

Finally, during the Second Half of 2021, we also initiated a position in the common stock of International Petroleum Corporation ("IPC" or "the company"). IPC was originally a part of Lundin Energy, a larger, more mature Oil & Gas Exploration & Production ("E&P") company operating primarily in the North Sea. Then, in 2017, Lundin Energy (then known as Lundin Petroleum) spun-off their non-Norway producing assets into IPC – a new, separately listed company that would be focused on growth and value creation opportunities outside of Norway. To this day, IPC remains very much a member of the "Lundin Group" of companies; in fact, a number of IPC's senior management team and Directors came over from Lundin Energy and/or have significant experience at other Lundin companies. The Lundin family, which remains IPC's largest shareholder, with a stake of over 26%, has compiled what we view to be a very impressive, multi-decade track record of investing in and generating value from various segments of the natural resource space, including oil & gas, base metals (copper, zinc) and precious metals, among others. We have long followed the Lundin family's efforts at creating value by building assets and businesses, countercyclically buying and selling assets on advantageous terms, and returning capital to shareholders via share repurchases and dividends (regular and special). In general, we find the Lundin family to be solid, long-term stewards of capital, and their involvement in IPC is an attractive part of IPC's investment case, in our view.

Listed in both Canada and Sweden, today, IPC is an Oil & Gas E&P company with the bulk of its asset base located in Western Canada (nearly 85% of current production), with the balance coming from resources in Malaysia and France. Following its spin-off from Lundin Energy, IPC built up its Western Canadian asset base primarily via two acquisitions the company made in 2017-2018. At the time, the Western Canadian Oil & Gas space was suffering not just from lower benchmark commodity prices, but also because a lack of sufficient pipeline takeaway capacity resulted in Western Canadian crude trading at wide differentials (discounts) to benchmark prices. Needless to say, this combination made it difficult to make money, and IPC was able to swoop in and, mainly through two large acquisitions, build up an asset base in Western Canada that's relatively low cost and long-lived, and at what we believe to be quite attractive prices – due to the turmoil affecting the Energy sector in Western Canada at the time.

Fast forward to today: oil & gas prices have recovered somewhat, and the difficult pipeline capacity situation in Western Canada has moderated with some additional capacity coming online. As a result, higher commodity prices and narrower Western Canadian differentials are translating into materially improved profitability and free cash flow generation. Yet, perhaps because IPC has a bit of a "split personality" as a result of its history noted above (its physical headquarters is in Canada, but the bulk of its stock trading volume is in Sweden, and a meaningful amount of its shareholder base is in Europe) IPC stock appears, in our view, under-analyzed and under-appreciated in North America. This is despite the company being well-positioned going forward, in our view, driven by the impressive job that management has done in opportunistically building up IPC's asset base in periods of distress that were particularly severe and protracted in Canada. In our opinion, IPC stock appears to be meaningfully undervalued based on various metrics, be it reserves, production, recent comparable transactions in the area, and estimated free cash flow generation. At IPC's current stock price, we believe the business could generate a mid-teens percentage free cash flow yield, using assumptions for oil prices that are well below today's prices. We believe that this well-financed business could potentially generate significant excess cash flow generation at current oil prices, which will allow it to either reinvest or return capital to shareholders, as it has done in recent months.

Notable Selling Activity
A good deal of the Fund's selling activity in 2021 involved trimming some existing positions (many of which had appreciated significantly in previous months) in order to rebalance position sizes within the portfolio. Two notable sales during the year, both of which were eliminated entirely from the Fund, were **Lundin Mining** and **Telefonica Brasil**. We eliminated the position in **Lundin Mining**, a copper mining company that we had already been reducing in size for valuation reasons following a significant increase in the stock price, during the First Half, as noted in our May 2021 Semi-Annual Shareholder Letter.

We also eliminated our position in **Telefonica Brasil** in the Second Half of 2021. To be clear, we remain quite positive on Telefonica Brasil's long-term prospects and believe the investment thesis remains largely intact (including a consolidation of the number of players and continuing growth in the market segments where it is dominant). However, we made the assessment that there were more compelling investment opportunities (especially from a timeliness and valuation perspective) elsewhere to deploy the capital in the Fund at this point in time. More than anything else, the nature and timing of this sale highlights, in our opinion, the availability of even more attractive investment opportunities, especially in Latin America, including the purchases we highlighted earlier. Again, we believe such environments typically tend to be transitory (although it may not seem like it at the time of making the investment, when skies are the darkest), and the ability to deploy capital in the region during times like these has historically been rewarding. In sharp contrast to earlier periods when we scoured the potential opportunity set in Brazilian and broader Latin American equities for some years and came up empty handed, given the valuations – when investors could not have enough of Brazilian equities (notwithstanding their cyclically elevated valuations) – today, foreign investors seemingly cannot eject them fast enough from their portfolios. This has led to what we believe are more compelling (and perhaps more fleeting) opportunities elsewhere in Brazil and the broader region, hence the sale of Telefonica Brasil to redeploy capital elsewhere.

Thoughts on Relative Performance

As we have noted often, our goal is to achieve attractive risk-adjusted performance over the long term. Our approach involves taking a long-term view and striving to take advantage of near-term uncertainty by investing in depressed and/or unpopular assets at attractive prices. We do not make investment decisions based on short-term or benchmark index-related considerations. The Fund will never allocate assets to a particular industry, country, or specific security based on their respective weightings in benchmark indices. Instead, the Fund is invested in what we believe are the most attractive, undervalued, long-term investment opportunities at that time. Given our valuation criteria, that often means investing in out-of-fashion names, instead of popular stocks that are weighted more heavily in benchmark indices.

Despite the fact that short-term or benchmark considerations play no role in the composition and approach of the Fund, purely for informational purposes, we provide the returns of our benchmark index (the MSCI ACWI) because some of our fellow investors value those comparisons. In any event, as noted earlier, for its Fiscal 2021, the Fund's institutional class returned 18.2% – a positive result, albeit one that was slightly below the benchmark's return of 19.3% for the year[2]. For those who are interested in short-term relative performance, some of the long-familiar headwinds facing the Fund in recent years reappeared in 2021, especially in the Second Half, after the emergence of the Delta and Omicron variants, including, among others:

[2] Source: MSCI Fact Sheets for Index weightings; Bloomberg for Index returns.

- *U.S. Markets Outperformed Rest-of-World*: The benchmark MSCI ACWI, which is 61.5% invested in the U.S., as of November 30, 2021, outperformed the MSCI ACWI ex-USA (0% invested in U.S.) by over 10 percentage points during the Fund's Fiscal 2021. The MSCI ACWI ex-USA returned 9.1% for the year –well below major U.S. indexes such as the S&P 500 (+27.9%) and NASDAQ Composite (+28.3%)[2].

- *Emerging Markets Underperformed*: The benchmark MSCI Emerging Market Index significantly underperformed, generating a return of only 2.7% during Fiscal 2021[2].

- *Growth Stocks Outperformed Value*: The MSCI ACWI *Growth* Index outperformed the MSCI ACWI *Value* Index by 3.5 percentage points during the Fund's Fiscal 2021[2].

In terms of relative performance, that backdrop was a challenging one for the Fund, given its Value-orientation, its investments in Emerging Markets (particularly in Latin America, which was hit particularly hard, as previously described), and its significantly lower allocation to the U.S. compared to the benchmark (9.5% of Fund assets as of November 30, 2021, versus 61.5% for MSCI ACWI)[2]. Yet, the Fund generated a positive return of roughly 18% for the year and only modestly lagged the benchmark, despite that challenging overarching backdrop.

Event-Driven Value Creation and Crystallization in the Fund's Portfolio

This was notably driven, in part, by stock-specific, deal-related news flow that unlocked latent value in several different Fund holdings, including the following, among others:

The Straits Trading Co. Ltd. owns a meaningful stake in ARA Asset Management, which was subject to a takeover offer at a large premium to stated value on Straits Trading's balance sheet.

Aker ASA sold its stake in Ocean Yield ASA at a 26% premium to its prior closing price. Aker also spun-out and separately listed several subsidiary companies operating in the renewable energy space and secured partnerships and equity financing for its unlisted industrial software company at a significant premium to its prior stated value.

Spectrum Brands Holdings agreed to sell its Hardware & Home Improvement segment for USD 4.3 billion in cash – a price that we view as attractive, representing a meaningful premium to its value as implied by where Spectrum Brands' stock price was trading.

Shinsei Bank's shares were the subject of a public tender offer at a nearly 40% premium to Shinsei Bank's previous closing price.

Exor NV, the Italian Holding Company, announced a Memorandum of Understanding under which the company intends to sell PartnerRe, its global reinsurance business, to Covea for USD 9 billion. If completed, the transaction will close the book on another profitable investment for Exor, in our view, meaningfully increasing intrinsic value and generating substantial proceeds that could be redeployed into additional investment opportunities.

Grupo de Inversiones Suramericana shares were the subject of a tender offer made on November 30, 2021, at a roughly 27% premium to the prior closing price.

NN Group, the Dutch insurer, announced the sale of NN Investment Partners, NN Group's asset management business, to Goldman Sachs for a total cash consideration of EUR 1.7 billion – a deal which we believe further improves an already quite strong capital position and supports additional capital returns to shareholders.

Over our years of experience, event-driven value creation – for example, takeovers, mergers and acquisitions, asset sales, share repurchases, etc. – has often played a meaningful role in positively contributing to performance. We strive to invest in well-financed, high-quality assets or businesses at significant discounts to a conservative estimate of intrinsic value, which tend to be available at the time because for one reason or another, either the industry, geography, or company in question is out-of-favor at that point in time. We believe that, if we are able to successfully identify and invest in such opportunities, over the long run, the Fund's holdings are generally apt to possess two sources of potential upside: either the "hidden" or unappreciated value that we see is eventually recognized in the stock market itself, as the investments come back into the market's favor, or, failing that, the value could be realized through corporate events such as those noted above.

Generating ongoing earnings and cash flow from going-concern operations is not the only way that a corporation can build value over time. Significant value can be created over the long run by skillful management teams through other, non-earnings-centric means such as, among others, shrewd buying and selling of businesses and/or assets on advantageous terms, repurchasing shares when they are trading at a material discount to intrinsic value, and even issuing shares when they are trading at a material premium to intrinsic value. However, many investors and analysts tend to focus primarily on going-concern operations and on generating ongoing reported earnings –or, in the absence of earnings, on revenues and/or going-concern key performance indicators (such as subscriber growth, etc.). Perhaps this is because, although well-managed companies can, and often do, create value through, for example, the buying and selling of businesses, these corporate activities are inherently one-off and non-recurring in nature. Further, the value created by such activities is often not highly visible on the income statement or in earnings reports, except sporadically and in lumpy sums that cannot easily be modeled and forecast by analysts. As a result, well-managed companies that have a track record of adding significant value in these ways, including some of the Fund holdings that we have discussed, can nonetheless, at times, fall under the radar and be undervalued by the market – potentially providing us with interesting opportunities over the long-term.

Value Creation versus Value Crystallization

The corporate events listed above have resulted in some – but still far from all, in our view – of the "hidden" value of those respective holdings' being realized, contributing to Fund performance in 2021. But while those areas of the Fund's portfolio realized some of their value, management teams of other companies in the portfolio have been busy toiling away in relative obscurity – in our opinion, *creating* shareholder value that has not yet been *crystallized*, but which we believe will be recognized over the long-term. For some examples of this, we could point to our Latin American investments that lagged in 2021, primarily due to political and macroeconomic factors. For example, **BR Properties**, our Brazilian commercial real estate holding, saw its stock price languish in 2021 based on concerns about the pandemic, increasing interest rates, and a looming election in Brazil. The exceptionally negative sentiment in the stock market has resulted in BR Properties' stock price trading at an over 50% *discount* to its tangible book value, even as the company sold a number of its non-core properties in the actual property market at *premiums* to their respective carrying values. Taking advantage of this wide disparity between the stock market and the real property market, BR Properties has been taking the proceeds from those sales and increasingly repurchasing its own shares at discounted prices. In our view, through buying its own shares at 50 cents on the dollar, while selling some of its assets for, say, $1.05 on the dollar, BR Properties has been increasing its intrinsic value per share over time, with the benefits potentially accruing to shareholders over the long run.

Despegar.com, the largest online travel agency ("OTA") in Latin America, saw its share price slump in 2021 amid recently heightened COVID-related fears and resultant headwinds facing travel (especially international) across much of Latin America. Business conditions have obviously been very challenging since the onset of the pandemic in Latin America in March 2020. However, the company has a strong financial position to weather the storm, as it currently operates with more than USD 260 million of net cash on the balance sheet. Longer-term, we believe the significant cost-cutting steps taken by Despegar during the pandemic will result in a stronger business with improved margins when we eventually exit the currently challenging period. In addition, Despegar's smaller, less well-capitalized competitors are apt to have a tougher time surviving the current downturn – especially the longer it drags on – leaving Despegar to take even greater market share when we eventually emerge from this. In fact, Despegar has already taken advantage of its strong financial position in growing its footprint on attractive terms, acquiring Best Day Travel Group – one of the leading travel agencies in Mexico (which is now one of Despegar's largest markets) – in October 2020 at what we believe is an exceptionally modest valuation, and with no cash paid up front, reflecting the extreme adversity facing the industry during the pandemic. These developments, in our view, bode well for Despegar's competitive positioning as conditions continue to normalize in the future.

In our view, both BR Properties' selling of assets at premiums to book value, while repurchasing its own shares at deep discounts, as well as Despegar.com's acquisition of Best Day Travel Group (and its leading position in Mexico) on the cheap, are just two examples of value-accretive corporate actions that we have seen taking place in the portfolio, even if the companies' respective stock prices did not have much to show for it in 2021. However, if conditions and market sentiment eventually normalize in Latin America, we believe that these activities will bear fruit and be recognized.

Although some Fund holdings are further along than others are in *realizing* some of their intrinsic value, we are encouraged by recent fundamental developments and what we believe to be meaningful value *creation* across much of the portfolio, even though some of it is going underappreciated by the markets for now. While the timing of potential "pay-offs" is impossible to predict, we believe that the fundamental, underlying value creation that we see across much of the Fund bodes well for potential value realization in the future, whether it comes from appreciation in the market or, alternatively, through event-driven value crystallization.

Fund Outlook Looking Forward

Today, we continue to observe a broader market environment in which, we would argue, the stock prices of many of the popular, household names have run well ahead of underlying fundamentals and even highly optimistic expectations for the future. We have no unique insights as to how long this environment might last and cannot make any predictions on timing with any confidence. Indeed, it is possible that, in the short-run, recent increasing concerns about the spread of the Omicron variant may spark an additional flight to highly priced stocks that are seen as relative beneficiaries of lockdowns and a work-from-home environment. However, longer-term, we believe the Fund is populated by well-financed, undervalued businesses that have staying power, as demonstrated during the worst of the pandemic in early-2020. If 2022 sees a continued resurgence in new COVID-19 cases, it is important to note that, in our view, there are significant mitigating factors this time around, most notably increasing numbers of people who are vaccinated and boosted, in addition to the arrival of new treatments. While the twists and turns of the ongoing pandemic make for unpredictability in terms of short-term share price fluctuations, the positive side of this is that such an environment seems likely to continue to periodically offer us opportunities to invest at very modest prices in businesses that have many of the attractive characteristics discussed herein. We believe this will serve the Fund's portfolio well over the longer-term.

For context regarding valuation, it is worth noting that the positive performance of many Fund holdings in 2021 came off of extremely depressed levels. Our portfolio, which consists of investments in what have been some of the most disliked, discounted areas in markets for years (Financials, Natural Resources, Emerging Markets), remains, in our view, unusually undervalued relative to its longer-term fundamentals, with stock price performance still lagging far behind underlying business performance and prospects. For one statistical indicator of the extent of the disparity in valuations between the Fund and the broader market, as of November 30, 2021, the Price-to-Book Value ratio (P/B) of the Fund was 0.72x, as compared to 3.00x for the benchmark MSCI ACWI[3].

In the long run, we continue to believe that the unusually attractive valuations, sound long-term fundamentals, and staying power of many Fund holdings offer attractive margins of safety and bode well for the portfolio's prospective risk-adjusted returns – particularly in a world where broader benchmark indices continue to trade at historically rich valuations and are increasingly concentrated in a relatively small number of popular mega-cap companies. In our view, this extremely bifurcated market, which we have commented on often in previous letters, continues to provide us with some very attractive investment opportunities, sowing the seeds for potentially quite interesting prospective longer-term returns.

As always, many thanks for your continued support, interest, and curiosity. We look forward to writing you again later in the year. Best wishes for a healthy, happy, safe, and prosperous 2022.

Sincerely,

Amit Wadhwaney, Portfolio Manager

[3] Source: MSCI Fact Sheets for Index weightings; Bloomberg for Index returns.

Fund Performance (as of December 31, 2021)

Fund/Index	1-year	Average Annual Returns 3-year	5-year	Since Inception[1]
Moerus Worldwide Value Fund - Class N	17.99%	6.79%	3.10%	4.56%
Moerus Worldwide Value Fund - Institutional Class	18.33%	7.05%	3.35%	4.82%
MSCI AC World Index Net (USD) [2]	18.54%	20.38%	14.40%	13.96%

Gross Expense Ratios: Class Inst.: 1.42%; Class N: 1.67%.

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. Investment performance reflects expense limitations in effect. In the absence of such expense limitations, total return would be reduced.

The funds advisor has contractually agreed to reduce its fees and/or absorb expenses of the fund, until at least March 31, 2022, 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 litigation) will not exceed 1.65% and 1.40% for Class N and Institutional Class Shares Respectively.

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

2. The MSCI All-Country World Index (Net) is an unmanaged index consisting of 48 country indices comprised of 23 developed and 25 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.

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.

Top ten holdings as of 12/30/21 as a percentage of the Fund's net assets: Grupo de Inversiones Suramericana SA (4.74%), Exor NV (4.30%), Emaar Properties PJSC (3.94%), Aker ASA (3.86%), Straits Trading Co Ltd (3.74%), Tidewater Inc. (3.68%), Arcos Dorados Holdings Inc. (3.46%), UniCredit SpA (3.39%), Standard Chartered PLC (3.17%), Hammerson PLC (3.17%).

Holdings are subject to change.