Clifford
CAPITAL FUNDS

Clifford Capital International Value Fund

Quarterly Commentary – First Quarter 2024

Performance Summary

	1st Quarter 2024	Year-to-Date	Average Annual Returns as of March 31, 2024: 1-Year	3-Year	5-Year	Inception (5/6/2022)	Total Return, Inception (5/6/2022)
Institutional Class (CCIVX)	-0.48%	-0.48%	1.03%	n/a	n/a	2.73%	5.26%
Investor Class (CIIRX)	-0.59%	-0.59%	0.78%	n/a	n/a	2.47%	4.75%
Super Institutional Class (CIVQX)	-0.39%	-0.39%	1.17%	n/a	n/a	2.82%	5.43%
MSCI EAFE Net Return[1]	5.78%	5.78%	15.32%	n/a	n/a	12.51%	25.00%

**Expense Ratio Gross/Net: CCIVX 28.72%/1.05%; CIIRX 28.97%/1.30%; CIVQX 28.33%/0.97%

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling (800) 673-0550.

**Clifford Capital Partners, LLC (the "Adviser") has contractually agreed to reduce fees and/or reimburse certain International Value Fund expenses until January 31, 2025.

Performance Summary and Market Observations

The first quarter was tough for the Clifford Capital International Value Fund ("the Fund"). While markets, especially in Japan, kept rising, the Fund didn't. Some stocks that did well in November and December lost much of their gains in the quarter, which outweighed the gains of others. As a result, the Fund was basically flat for the quarter while the MSCI EAFE Index had a nice gain. Nonetheless, we're still very enthusiastic about our Fund's setup and the potential for our stocks.

Momentum

We have observed, and Bloomberg data has confirmed, that recent stock performance has been primarily driven by the momentum factor ("Momentum"). In the first quarter, Momentum was the top performing factor for the MSCI EAFE Index, with nearly a 12% increase for the stocks with the highest 20% of Momentum scores, which was double the index return. As traditional value managers, navigating momentum-driven markets poses challenges for us. We typically invest in individual stocks based on projected future cash flows. The Fund usually consists of 50% to 90% Core Value stocks, companies with strong returns on capital and sustainable competitive advantages. These companies often trade at higher multiples, but we only invest when short-term issues have pushed their stock prices down, offering a favorable 3-to-1 upside/downside ratio based on our analysis.

In our view, Momentum has been a significant driver of the Japanese stock market, particularly since Warren Buffett announced his increased positions in major Japanese trading firms last May. This momentum continued in the first quarter, with the Japanese Nikkei Index[2] up almost 20% in local currency terms. Sentiment has been boosted by the Japanese Ministry of Finance's push for companies trading below book value to enhance returns on capital through buybacks and higher dividends, a strategy we support.

1 The MSCI EAFE Index captures large and mid cap securities across developed markets countries around the world, excluding the U.S. and Canada. Index returns include the reinvestment of dividends (total returns).

2 The Nikkei-225 Stock Average is a price-weighted average of 225 top-rated Japanese companies listed on the Tokyo Stock Exchange.

However, we believe returns on equity and valuation also play crucial roles. We anticipate similar structural changes in Europe with lower stock multiples and higher returns on equity.

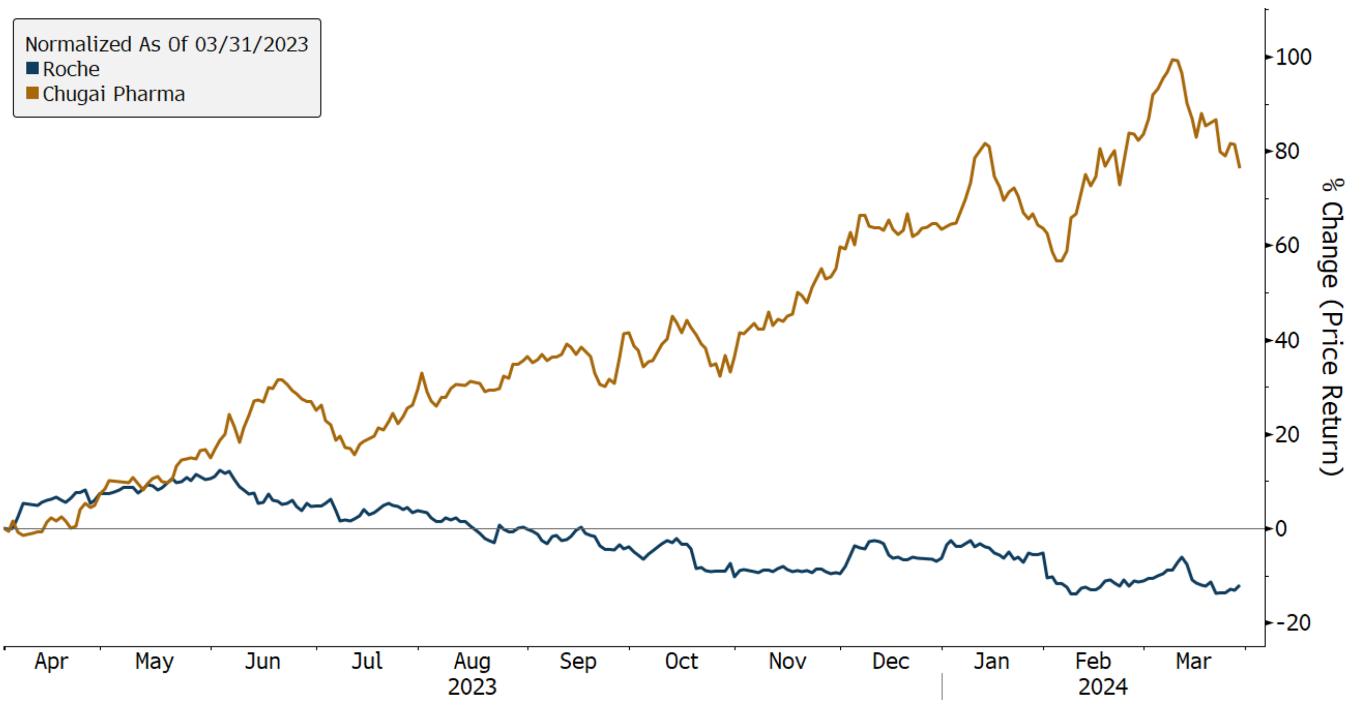
Apart from Japan, two sectors driving Momentum are artificial intelligence ("AI") and GLP-1 drugs. Nvidia (ticker: NVDA US – 0.00% of the Fund at 3/28/24) has led in AI, while outside the U.S., ASML (ticker: ASML NA – 0.00% of the Fund at 3/28/24) and tech-related stocks have seen success. Our previous holding in Taiwan Semiconductor Manufacturing Company (ticker: TSM US – 0.00% of the Fund at 3/28/24) benefited from this trend, although we were underweight compared to the benchmark and sold the position during the quarter.

In the GLP-1 sector, Novo Nordisk (ticker: NOVOB DC – 0.00% of the Fund at 3/28/24) and Eli Lilly (ticker: LLY US – 0.00% of the Fund at 3/28/24) have been major beneficiaries, despite historically high multiples due to their diabetes franchises. We've found opportunities in pharma companies trading at multi-year low valuations and have increased our overweight position in the sector.

For instance, Chugai Pharmaceuticals' (ticker: 4519 JP – 0.00% of the Fund at 3/28/24) stock surged over the last year due to its GLP-1 drug Orforglipron, licensed to Lilly. Orforglipron's oral administration could improve patient reception, with successful phase 2 trials and ongoing phase 3 trials. Chugai, 60% owned by Roche (ticker: ROG SW – 3.09% of the Fund at 3/28/24), saw its stock rise while Roche's fell. This disparity, along with Roche's acquisition of Carmot Therapeutics, highlights the market's focus on trends rather than valuation. Despite Covid-related sales declines, Roche's core diagnostic business continues to grow, and we expect improved performance throughout 2024, contrary to overly pessimistic sell-side analyst views (see **Chart 1**).

Chart 1: Roche, Chugai Pharmaceuticals Price Return

(April 1, 2023 to March 31, 2024)



Foreign Exchange

Another factor we believe has impacted Japan and Switzerland is foreign exchange rates. Japan's central bank adjusted its interest rate from a range of -0.01% to 0.0% to a range of 0.0% to 0.01%, ending its negative interest rate policy. However, the effect on the yen was a surprise; market expectations (including ours) were for the yen to strengthen against the dollar. Although there was some strengthening prior to the announcement, the yen weakened again toward its historic low after the change. While a weaker yen benefits exporters, who continued to perform well, it poses challenges for the rest of the country, facing higher import costs, notably for gasoline.

Japanese bank stocks resumed their ascent, seemingly anticipating significant earnings and return on capital growth from a 0.10% rate adjustment. We believe restructuring efforts have already been factored into their stock prices, with major Japanese banks up considerably since October 2022.

Unlike Japanese exporters that have benefited from the weak yen, Swiss exporters have struggled due to the strong Swiss franc. The focus in both cases has been on reported earnings growth rather than growth in local currencies. Our investment in Roche, a pharmaceutical giant, has been affected by reduced revenue from diagnostic equipment sales during Covid and the impact of translating sales back into the strong franc. Despite revenue growth in local currencies in 2023, Roche experienced a 7% decline in francs. Management projects mid-single digit earnings growth in local currency terms for 2024, but flat growth in francs. However, the Swiss central bank's surprise interest rate cut on March 21st weakened the franc by about 1% against the dollar. While this affects the translation of Roche shares into dollars, it should be offset by improved sentiment on the stock when sales are translated back into the weakened franc, assuming the currency weakness persists.

On the other hand, the Japanese yen is currently at its lowest point against the dollar since 1990. The government has hinted at intervening in currency markets, as it has in the past two years at similar levels. This suggests the yen may not depreciate in 2024 as it did in 2023, potentially denying Japanese exporters a similar benefit from currency movements this year.

Significant Fund Changes

Trading activity within the Fund was higher than normal. We sold one Deep Value stock, Taiwan Semi, and one Core Value stock, Schneider Electric (ticker: SU FP – 0.00% of the Fund at 3/28/24). We also acquired two new Core Value stocks, Sanofi (ticker: SNY US – 3.00% of the Fund at 3/28/24) and Reckitt Benckiser (ticker: RKT LN – 1.63% of the Fund at 3/28/24), and one Deep Value stock, Swatch (ticker: UHR SW – 1.86% of the Fund at 3/28/24).

TSM US: Taiwan Semi and Schneider were both influenced by Momentum trading. The recent surge in artificial intelligence (AI), exemplified by Nvidia's remarkable stock price increase in the past year, has driven momentum. TSM manufactures chips for Nvidia, and though it hasn't seen the same gains, it was approaching our fair value estimate. Since TSM is headquartered in Taiwan, classified as an emerging market by MSCI, we consider it a Deep Value company. Following our policy, we sold TSM as it reached our target price, and used the capital for other available investment opportunities.

SU FP: Schneider Electric is an outstanding company, but its stock became overvalued, in our view. Despite strong performance and margin growth from its electrical equipment sales, particularly high-margin software, we believe the stock's valuation exceeded its fundamentals. While Momentum could drive the stock further, we no longer found the risk reward compelling and, with other compelling opportunities available, decided to move on.

SNY US: Sanofi, a major French pharmaceutical company, boasts several promising drugs in its portfolio. Despite challenges, including an anticipated drop in earnings for 2024, Sanofi trades at attractive multiples and offers a dividend yield[3] of over 4%. Despite being overlooked due to the excitement over GLP-1 drugs, Sanofi's diverse pipeline and potential spin-off of its consumer business make it an appealing investment option.

RKT LN: Reckitt Benckiser, a consumer products company, experienced a downturn following the peak of the Covid-19 pandemic, as lower sales of its Lysol cleaning products and Enfamil baby formula, and other noteworthy but temporary events negatively impacted its stock price, leading to an attractive entry point, in our opinion. We see an opportunity for growth, with revenue expected to rise annually and the potential for margin expansion. Additionally, the stock's attractive dividend yield and stock buyback program enhance its investment appeal.

UHR SW: Swatch, a leading Swiss watchmaker, faces challenges from a slowdown in Chinese demand. Despite this, Swatch boasts a strong balance sheet and diverse product offerings, including its renowned Omega brand. While Chinese sales may be sluggish in the near term, we anticipate growth to resume in the future, making Swatch an intriguing investment opportunity.

Commentary on the Top Two and Bottom Two Contributors and Detractors to the Fund's Total Return

Rolls-Royce (ticker: RR/ LN – 1.57% of the Fund at 3/28/24) had another strong quarter, benefiting from its exclusive engine contract with Airbus (ticker: AIR FP – 2.73% of the Fund at 3/28/24) for the A350 wide body airplane. Airbus' increasing order book and production rate provide visibility for the future, while higher profitability is driven by increased flying time on existing planes and ongoing company restructuring. Despite trimming our position, we believe there's further upside potential in the stock.

Banco Santander (ticker: SAN US – 5.29% of the Fund at 3/28/24) rebounded from allegations of violating Iran funding restrictions, with strong year-end results showcasing geographic diversification benefits. While its auto financing business normalized in 2023, offset by growth in Latin America and Europe, Santander's overall performance improved. We maintain a positive outlook on Santander's stock, and it remains our largest position.

Philip's (ticker: PHG US – 3.20% of the Fund at 3/28/24) stock rallied at the end of 2023 but declined in early 2024 after missing earnings and facing regulatory challenges on its sleep apnea products. While this may impact divisional sales in 2024, overall revenue growth is anticipated in other business areas. We consider the stock undervalued and maintain a positive outlook.

Worldline's (ticker: WLN FP – 1.33% of the Fund at 3/28/24) stock declined in the first quarter despite a previous rebound. Despite disappointment with its recent performance, we still see significant upside. Worldline completed a review of its client relationships and doesn't anticipate further disruptions due to cybersecurity compliance issues, which was a major contributor to its declines last year. Economic recovery signs in Germany also suggest the market may have overreacted to Worldline's business slowdown.

3 Dividend Yield is a financial ratio that expresses how much a company pays out in dividends each year relative to its share price, and is calculated as Annual Dividends per Share divided by Price per Share.

Final Comments

We appreciate your investment in the Clifford Capital International Value Fund. While the last quarter was tough, we have confidence in the Fund's future prospects and new positions. Our enthusiasm stems from its current positioning, and we are invested right alongside you. We will continue to focus on building long-term wealth through diligent and prudent portfolio management.

Sincerely yours,

Allan Nichols, CFA
Principal and Portfolio Manager
Clifford Capital Partners, LLC

The fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The prospectus contains this and other important information about the investment company, and it may be obtained by calling (800) 673-0550, or by going to the Clifford Capital Funds website at* cliffordcapfunds.com *and clicking on the "Prospectus" link. Read it carefully before investing.

Fund holdings are subject to change at any time and should not be considered a recommendation to buy or sell any security. Dividends are not guaranteed and may fluctuate. Revenue growth is not a measure of future performance.

Definitions

Core Value Stocks. Investments in companies the Adviser believes are high-quality companies that earn high returns on capital. These stocks will represent 50-90% of the Fund's holdings.

Deep Value Stocks. Opportunistic investments in companies the Adviser believes are deeply-undervalued. These stocks, plus the Fund's cash holdings, will represent the remaining 10-50% of the Fund.

Information about Risk

Active Management Risk. The Fund is actively-managed and is thus subject to management risk. The Adviser will apply its investment techniques and strategies in making investment decisions for the Fund, but there is no guarantee that its techniques will produce the intended results.

Risks of Investing in Equity Securities. Overall equity market risks may affect the value of the Fund. Factors such as domestic economic growth and market conditions, interest rate levels, and political events affect the securities markets. When the value of the Fund's investments goes down, your investment in the Fund decreases in value and you could lose money.

Market and Geopolitical Risk. Market risk includes the possibility that the Fund's investments will decline in value because of a downturn in the stock market, reducing the value of individual companies' stocks regardless of the success or failure of an individual company's operations. The value of your investment in the Fund is based on the market prices of the securities the Fund holds. These prices change daily due to economic and other events that affect markets generally, as well as those that affect particular regions, countries, industries, companies or governments. The increasing interconnectivity between global economies and financial markets increases the likelihood that events or conditions in one region or financial market may adversely impact issuers in a different country, region or financial market. Securities in the Fund's portfolio may underperform due to inflation (or expectations for inflation), interest rates, global demand for particular products or resources, natural disasters, pandemics, epidemics, terrorism, regulatory events and governmental or quasi-governmental actions. The occurrence of global events similar to those in recent years, such as terrorist attacks around the world, natural disasters, social and political discord or debt crises and downgrades, among others, may result in market volatility and may have long term effects on both the U.S. and global financial markets. There is a risk that you may lose money by investing in the Fund.

Health Crisis Risk. A widespread health crisis, such as a global pandemic, could cause substantial market volatility, exchange trading suspensions or restrictions and closures of securities exchanges and businesses, impact the ability to complete redemptions, and adversely impact Fund performance. An outbreak of infectious respiratory illness caused by the novel coronavirus known as COVID-19 was first detected in China in December 2019 before spreading worldwide and being declared a global pandemic by the World Health Organization in March 2020. COVID-19 has resulted in travel restrictions, closed international borders, enhanced health screenings, disruption and delays in healthcare services, prolonged quarantines, cancellations, temporary store closures, social distancing, government ordered curfews and business closures, disruptions to supply chains and consumer activity, shortages, highly volatile financial markets, and general concern and uncertainty. These types of market disruptions may adversely impact the Fund's investments.

Risks of Mid-Cap Securities. Investing in the securities of mid-cap companies generally involves substantially greater risk than investing in larger, more established companies.

Risks of Large-Cap Securities. Prices of securities of larger companies tend to be less volatile than companies with smaller market capitalizations. In exchange for this potentially lower risk, the Fund's value may not rise as much as the value of funds that emphasize companies with smaller capitalizations.

Focused Investment Risk. The Fund is a focused fund and generally holds stocks of between only 25 and 45 companies. Focused funds may invest a larger portion of their assets in the securities of a single issuer compared to other funds. Focusing investments in a small number of companies may subject the Fund to greater share price volatility and therefore a greater risk of loss because a single security's increase or decrease in value may have a greater impact on the Fund's value and total return. Economic, political or regulatory developments may have a greater impact on the value of the Fund's portfolio than would be the case if the portfolio held more positions, and events affecting a small number of companies may have a significant and potentially adverse impact on the performance of the Fund. In addition, investors may buy or sell substantial amounts of Fund shares in response to factors affecting or expected to affect a small number of companies, resulting in extreme inflows and outflows of cash into or out of the Fund. To the extent such inflows or outflows of cash cause the Fund's cash position or cash requirements to exceed normal levels, management of the Fund's portfolio may be negatively affected.

Sector Risk. The Fund may emphasize investment in one or more particular business sectors at times, which may cause the value of its share price to be more susceptible to the financial, market, or economic events affecting issuers and industries within those sectors than a fund that does not emphasize investment in particular sectors. Economic or market factors, regulation or deregulation, and technological or other developments may negatively impact all companies in a particular sector and may increase the risk of loss of an investment in the Fund. This may increase the risk of loss associated with an investment in the Fund and increase the volatility of the Fund's net asset value ("NAV") per share.

Management Style Risk. Because the Fund invests primarily in value stocks (stocks that the Adviser believes are undervalued), the Fund's performance may at times be better or worse than the performance of stock funds that focus on other types of stock strategies (e.g., growth stocks), or that have a broader investment style.

Economic and Political Risks. These effects may be short-term by causing a change in the global markets that is corrected in a year or less, or they may have long-term impacts which may cause changes in the markets that may last for many years. In any given country, some factors may affect changes in one sector of the economy or one stock, but don't have an impact on the overall market. The particular sector of the economy or the individual stock may be affected for a short or long-term.

Emerging Markets Risk. Emerging market securities may present issuer, market, currency, liquidity, volatility, valuation, legal, political, and other risks different from, and potentially greater than, the risks of investing in securities of issuers in more developed markets. Emerging markets may have less established legal and accounting systems than those in more developed markets. Governments in emerging markets may be less stable and more likely to take extra-legal action with respect to companies, industries, assets, or foreign ownership than those in more developed markets. The economies of emerging markets may be dependent on relatively few industries and thus affected more severely by local or global changes. Emerging market securities may also be more volatile, more difficult to value, and have lower overall liquidity than securities economically tied to U.S. or developed non-U.S. issuer.

Non-U.S. Investment Risk. Securities of non-U.S. issuers (including American depository receipts ("ADRs") and other securities that represent interests in a non-U.S. issuer's securities) may be less liquid, more volatile, and harder to value than U.S. securities. Non-U.S. issuers may be subject to political, economic, or market instability, or unfavorable government action in their local jurisdictions or economic sanctions or other restrictions imposed by U.S. or foreign regulators. There may be less information publicly available about non-U.S. issuers and their securities and those issuers may be subject to lower levels of government regulation and oversight. These risks may be higher when investing in emerging market issuers. Certain of these elevated risks may also apply to securities of U.S. issuers with significant non-U.S. operations.

Foreign Currency Risk. Although the Fund will report its NAV and pay dividends in U.S. dollars, foreign securities often are purchased with and make any dividend and interest payments in foreign currencies. Therefore, the Fund's NAV could decline solely as a result of changes in the exchange rates between foreign currencies and the U.S. dollar, particularly if the Fund invests a significant percentage of its assets in foreign securities or other assets denominated in currencies not tightly pegged to the U.S.

Inflation Risk. At any time, the Fund may have significant investments in cash or cash equivalents. When a substantial portion of a portfolio is held in cash or cash equivalents, there is the risk that the value of the cash account, including interest, will not keep pace with inflation, thus reducing purchasing power over time.

Cybersecurity Risk. The Fund and its shareholders could be negatively impacted as a result of a cybersecurity breach. Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality.

New Fund Risk. The Fund is new and has only recently commenced operations. As a new fund, there can be no assurance that the Fund will grow to or maintain an economically viable size, in which case it could ultimately liquidate.

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