Clifford Capital Partners Fund

Quarterly Commentary – Fourth Quarter 2024

Performance Summary

		Average Annual Returns as of December 31, 2024					
	4th Quarter 2024	**Full Year 2024**	**3-Year**	**5-Year**	**10-Year**	**Inception** (1/30/2014)	**Total Return, Inception** (1/30/2014)
Institutional Class (CLIFX)	0.21%	9.31%	3.34%	7.97%	8.38%	9.51%	169.59%
Investor Class (CLFFX)	0.23%	9.09%	3.08%	7.70%	8.13%	9.27%	163.24%
Russell 3000 Value[1]	-1.95%	13.96%	5.37%	8.57%	8.38%	9.11%	159.15%

		Average Annual Returns as of December 31, 2024					
	3rd Quarter 2024	**Full Year 2024**	**3-Year**	**5-Year**	**10-Year**	**Inception** (10/17/2019)	**Total Return, Inception** (10/17/2019)
Super Institutional Class (CLIQX)	0.30%	9.40%	3.43%	8.06%	n/a	9.16%	57.81%
Russell 3000 Value	-1.95%	13.96%	5.37%	8.56%	n/a	9.73%	62.22%

**Expense Ratio Gross/Net: CLIFX 1.18%/0.90%; CLFFX 1.59%/1.15%; CLIQX 1.08%/0.82%

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 Partners Fund expenses until January 31, 2025.

Fund and Market Observations

The Clifford Capital Partners Fund ("the Fund") outperformed its benchmark during the fourth quarter, posting a small overall gain. While the Fund's full-year results still ended behind the benchmark, performance significantly improved after a tough first quarter. Most of the quarterly outperformance came after the U.S. presidential election. The Fund's Deep Value stocks (mostly smaller-cap companies) rallied post-election on hopes of improving business conditions and the potential for an increase in pro-business policies.

Even though many of the stock market's post-election gains were lost in December, due in part to the Fed indicating that it may be less aggressive in lowering interest rates than originally believed, the Fund declined less than its benchmark during December with both Core Value and Deep Value stocks outperforming.

We think the Fund is well positioned headed into 2025. We believe the Fund's holdings have more attractive valuations than the overall market, and prospects that could be materially better with the proposed policies of the new administration. During the last few quarters, we've seen progress from many of the Fund's holdings towards their Key Thesis Points ("KTPs"), which we think will lead to better-than-expected fundamental results. Additionally, a significant portion of the Fund's holdings already have a shareholder activist presence, which we believe will lead to shareholder-friendly actions, including the potential for accretive mergers and acquisitions ("M&A"). We expect a significant increase in M&A activity under the new administration, which should potentially benefit smaller companies with attractive valuations, including some of the Fund's holdings.

1 The Russell 3000 Value Index is a capitalization-weighted index which is designed to measure performance of Russell 3000 Index companies, respectively, with lower price-to-book ratios and lower forecasted growth values. Numbers presented include the reinvestment of dividends (total return).

The Stock Market's Focus on Large Popular Companies Has Led to Opportunity

The fourth quarter ended up being a good example of how the U.S. stock market (using the S&P 500 Index[2] as a proxy) has behaved over the past several years; dominated by a relatively small group of well-known mega cap companies that have been performing very well. Many of these are technology companies and are influenced by the market's excitement over the potential of generative artificial intelligence, or AI.

During the fourth quarter, the official return of the widely used S&P 500 Index was positive by over 2% even though the average S&P 500 stock (as measured by the S&P 500 Equal Weight Index[3]) declined about 2%. This is attributable to the outperformance of the S&P 500's largest companies, especially the "Magnificent Seven".

Table 1: Fourth Quarter Performance Again Led by the Magnificent Seven

(as of December 31, 2024)

	Q4 Total Return
Magnificent 7 Index[4]	15.89%
S&P 500 Index (official market-cap weighted)	2.39%
S&P 500 Equal Weight Index	-1.89%

We think the outsized influence and popularity of the Magnificent Seven over the past few years—which has also expanded to other companies that have solid earnings and stock price momentum and are widely considered "high quality"—has been a major challenge to the Fund's performance, given our valuation discipline and contrarian investment style. Many of these popular stocks trade with high valuation ratios that we think are inconsistent with our value discipline (see **Table 2**). However, we think this environment has also led to ample contrarian opportunities in companies that are under-owned, underfollowed, and undervalued, particularly smaller companies, which we think will lead to better returns for the Fund. As we've mentioned before, we think our strategy is particularly well-suited as a diversifier for large cap technology stocks, given our investment discipline (for instance during the "Great Rotation" of July 2024 as described in our last letter).

Table 2: Valuations of Smaller Companies and the Fund Are More Compelling

(as of December 31, 2024)

	Price to Earnings[5]	Price to Sales[6]
Magnificent 7 Index	36.2	5.6
Russell 3000 Index[7] (proxy for entire U.S. stock market)	26.4	2.7
Russell 2000 Value Index[8] (proxy for small cap value stocks)	15.5	1.0
The Fund *(Institutional Share Class)*	12.9	0.7

Source: Bloomberg Finance L.P.

2 S&P 500 Index is widely recognized index of large-cap U.S. stocks. The index includes 500 leading companies and captures about 80% of available U.S. market capitalization.

3 S&P 500 Equal Weight Index is the equal-weight version of the S&P 500 Index. The index includes the same constituents as the capitalization weighted S&P 500, but each company in the S&P 500 Equal Weight Index is allocated a fixed weight (~0.2%) of the index total at each quarterly rebalance date.

4 The Bloomberg Magnificent 7 Total Return Index is an equal-dollar weighted equity benchmark consisting of a fixed basket of 7 widely-traded companies, commonly known as the "Magnificent 7". These are Apple, Amazon.com, Google/Alphabet, Meta Platforms, Microsoft, Nvidia, and Tesla, all of which are 0.00% of the Fund as of 12/31/2024.

5 Price to earnings ratio represents the current stock price divided by the prior 12 month's earnings per share, excluding extraordinary items and excludes companies without positive earnings for comparative reasons.

6 Price to sales ratio represents the current stock price divided by the prior 12 month's sales per share.

7 The Russell 3000 index is a capitalization-weighted index which measures the performance of Russell 3000 index companies, which represent ~98% of the investable U.S. stock market.

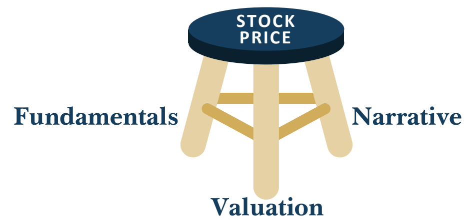
8 The Russell 2000 Value index is a capitalization-weighted index which measures the performance of Russell 2000 index companies, respectively with lower price-to-book ratios and lower forecasted growth values. Index returns include the reinvestment of dividends (total returns).

We continue to find many attractive investments among the market's smaller companies at valuations that are very compelling. We are also finding value in some larger-cap companies that reside in more "defensive" sectors of the market such as consumer staples and health care, which tend to perform relatively better in tough economic environments. We continue to see mixed economic signals, so owning some of these less economically sensitive companies that we think are trading at good prices makes sense to us.

We are not the only investors that are seeing these opportunities. We've observed a significant increase in shareholder activism among the market's less popular stocks, which we think could be a catalyst for these companies having their day in the sun. For example, at the end of 2024 over 2/3 of the Fund's investments in companies with a market capitalization of less than $30 billion had rumored or confirmed activist and/or M&A interest at some point in the last two years. We view this as a strong leading indicator of future shareholder-friendly activity.

Today's Market Viewed Through the Lens of our Three-Legged Stool

As we've shared before, our simple model of the Three-Legged Stool of Stock Prices illustrates some factors that we believe are the primary drivers of stock prices. This is not a description of what a company is worth (its "fair value"), but rather our opinion about a few factors that influence stock prices (what stocks trades for in the market).



Borrowing some excerpts from our Q4 2020 commentary when we introduced this idea:

> We think a company's stock price is a product of its *Fundamentals* (its actual financial results and current financial condition); its *Narrative* (investor and analyst perception, growth expectations, management guidance and other forward-looking "stories" – all of which are more subjective); and its *Valuation* (how much investors are currently willing to pay for the *Fundamentals*, given the strength of the *Narrative*) . . .
>
> The *Fundamentals* and *Valuation* of an individual company at a given point of time are usually fact based and are fairly easy to ascertain for a trained analyst. Figuring out the *Narrative*, however, is extremely time intensive and challenging. Much of today's investment industry is dedicated to this challenge (including our own).
>
> KTPs are the linchpin of this effort at Clifford Capital Partners. We believe KTPs are the catalysts that will lead to improvement in a company's *Fundamentals* and the *Narrative* surrounding its stock. When this happens, the *Valuation* often meaningfully improves as well, leading to a higher stock price. It requires significant analysis and judgment to identify KTPs, but we believe this approach, combined with an insistence on purchasing stocks at a discount to what we believe they are worth, is a prudent way to invest in stocks.

Looking at today's market through the lens of this stool, we think investors are increasingly magnifying the importance of *Fundamentals* and the *Narratives*, while discounting *Valuations*. For example, the Magnificent Seven—and other stocks deemed to be high-quality with strong growth rates—have very strong *Fundamentals* and *Narratives* today, while *Valuations* move even higher (see **Table 2** above). It seems to us that *Valuations* have become the least important—or maybe even forgotten—leg of the stool for many market participants.

We think even a mild hiccup in either the *Fundamentals* or the *Narrative* for these companies is a risk, given how high *Valuations* are today. These potential hiccups could include among many other scenarios: earnings that miss growth expectations, economic conditions that worsen beyond current estimates, less accommodating monetary policy from the Fed, geopolitical turmoil, or simply the exhaustion of bullish investors.

Conversely, the Fund's holdings trade at *Valuations* well below its benchmark and the overall stock market. We believe the KTPs we've identified for these holdings should result in better *Fundamentals* and improved *Narratives* over time, which we think will lead to increased stock prices as all three legs of the stool stabilize.

Conclusion

We remain highly encouraged by the value we see in the Fund, and its recent improvements in performance, despite lagging the benchmark over the past couple of years. We see evidence of progress towards our holdings'

KTPs, and we believe that other investors, including activists and M&A participants, are becoming more interested in the strategy's stocks, which we think could result in positive outcomes. We continue to believe the Fund provides strong diversification against what is most popular—and expensive—in today's stock market, and we think the long-term future of the strategy looks much brighter than its recent past.

Significant Fund Changes

There were two new holdings added to the Fund during the quarter: Core Value stocks **Henry Schein** (ticker: HSIC – 2.56% of the Fund at 12/31/2024), and **Keurig Dr Pepper** (ticker: KDP – 2.95% of the Fund at 12/31/2024). We also sold Core Value stock **GSK PLC** (ticker: GSK – 0.00% of the Fund at 12/31/2024).

New Holdings

HSIC: Henry Schein is a worldwide leader in dental and healthcare product distribution. We believe the company has sustainable competitive advantages, given its wide distribution network and breadth of products for the dental industry. We think the company is on track to recover its revenue losses from a recent cybersecurity attack, which should result in better-than-expected revenue growth. Additionally, the firm's cost-cutting and share repurchases—which may accelerate given the presence of an activist investor—should lead to higher-than-expected earnings per share[9] growth rates.

KDP: Keurig Dr Pepper is a large manufacturer and distributor of non-alcoholic beverages, including many strong brands worldwide. The investment opportunity arose when KDP's largest shareholder sold a significant stake in a secondary equity offering, which pressured the stock price. We believe the only reason for the sale was because the shareholder needed cash to finalize an acquisition. We think the company's growing international market share, coupled with growth in its energy drink segment (including a recent solid acquisition of the Ghost brand), should lead to better-than-expected revenue and earnings growth over the next few years.

Sales

GSK: We sold GSK (formerly GlaxoSmithKline, PLC) after some of our KTPs had come to fruition, but the stock price did not react how we expected it to. We believed we had better opportunities elsewhere, so we sold the stock to provide capital for new ideas.

Individual Stock Performance

Contributors: The two greatest contributors during the quarter were Deep Value stocks **Warner Bros. Discovery** (ticker: WBD – 3.12% of the Fund at 12/31/2024) and **NCR Atleos** (ticker: NATL – 4.06% of the Fund at 12/31/2024).

WBD: Warner Bros. announced a new corporate structure during the quarter that we believe will eventually lead to a spin-off or breakup of the company that should be favorable to shareholders. The firm's earnings results also showed progress, which was viewed favorably by market participants.

NATL: NCR Atleos reported better-than-expected earnings results, and received some favorable new sell-side analyst coverage, some of whom believe the stock has significant near-term upside. We think the company's earnings should grow more than expected over the next few years, leading to a higher stock price.

Detractors: The two largest detractors were Core Value stock **GSK (**discussed above) and **Vodafone** (ticker: VOD – 3.25% of the Fund at 12/31/2024).

VOD: Vodafone declined during the quarter because of weakness in their Germany operations, which led to disappointing earnings results. We continue to believe the company's strategic restructuring progress is not being recognized fully by the market, so we applaud the company's current share repurchase plans, which we believe will add value over time.

9 Earnings Per Share is a financial metric that shows how much profit a company makes for each share of its stock. It is calculated by dividing the company's net income (profit) by the total number of outstanding shares. The metric helps investors evaluate a company's profitability and compare it to other companies.

Final Comments

Thank you for your investment in the Fund. We have high conviction in the Fund's stocks, and we are invested alongside you. We appreciate your support, and we will continue to strive to prudently manage your money.

Sincerely yours,

Ryan Batchelor, CFA, CPA
Principal, Chief Investment Officer
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. Diversification cannot assure a profit or protect against loss in a down market. Earnings growth and revenue growth are not measures 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 50-75% of the Partners 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 25-50% of the Partners Fund.

Free Cash Flow. A measure of financial performance calculated as operating cash flow minus capital expenditures. Free cash flow represents the cash a company is able to generate after laying out the money required to maintain or expand its asset base.

Information about Risk

Risks of Investing in Equity Securities. Overall stock 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.

Risks of Small-Cap and Mid-Cap Securities. Investing in the securities of small-cap and 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 35 companies. Focused funds may invest a larger portion of their assets in the securities of a single issuer compared to a more diversified fund. 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.

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.

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.

The Clifford Capital Funds are distributed by Foreside Fund Services, LLC, Member FINRA/SIPC