Clifford Capital Partners Fund

Quarterly Commentary – First Quarter 2025

Performance Summary

	1st Quarter 2025	*Average Annual Returns as of March 31, 2025* 1-Year	3-Year	5-Year	10-Year	Inception (1/30/2014)	Total Return, Inception (1/30/2014)
Institutional Class (CLIFX)	0.61%	8.79%	3.42%	16.69%	8.54%	9.35%	171.24%
Investor Class (CLFFX)	0.52%	8.56%	3.13%	16.38%	8.29%	9.11%	164.60%
Russell 3000 Value[1]	1.64%	6.64%	6.25%	16.10%	8.61%	9.06%	163.41%

	1st Quarter 2025	*Average Annual Returns as of March 31, 2025* 1-Year	3-Year	5-Year	10-Year	Inception (10/17/2019)	Total Return, Inception (10/17/2019)
Super Institutional Class (CLIQX)	0.67%	8.94%	3.52%	16.79%	n/a	8.86%	58.86%
Russell 3000 Value	1.64%	6.64%	6.25%	16.10%	n/a	9.60%	64.88%

**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, 2026.

Fund and Market Observations

The Clifford Capital Partners Fund ("the Fund") posted a slightly positive return during the first quarter but underperformed its benchmark. The Fund outperformed towards the end of the quarter, after a late-February market rotation away from technology and growth stocks, but didn't quite make up the gap from its underperformance at the start of the quarter.

The beginning of the year was characterized by continued excitement for artificial intelligence ("AI"), large cap technology stocks and stocks with high price momentum, which was a challenge to the Fund, given that most of those stocks are too expensive for our tastes, so we don't own much that directly benefits from the fervor over AI. However, in late January the revelation that a Chinese company had developed a more energy efficient and cost-effective AI model, DeepSeek, planted the seeds of a rotation away from large cap tech stocks (the "DeepSeek Rotation") that began in earnest in late-February (see **Table 1**). We believe this rotation was driven by increased skepticism about the need for, and prudence of, rapid spending associated with building out AI capabilities. The Fund outperformed its benchmark during the "DeepSeek Rotation" period in the second half of the quarter.

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).

Table 1: Notable Rotation Away from Tech in February (Q1 2025)

	Jan 1 – Feb 19, 2025	**"DeepSeek Rotation"** Feb 20 – Mar 31, 2025
Nasdaq-100 Index[2]	5.61%	-12.96%
S&P 500 Index[3]	4.63%	-8.51%
The Fund (*Institutional share class*)	3.17%	-2.48%
Russell 3000 Value Index	5.87%	-3.99%

Source: Bloomberg Finance L.P.

Unlike the "Great Rotation" in July 2024 that we discussed in our Q3 2024 commentary, the Fund's smaller-cap stocks did not meaningfully outperform during the "DeepSeek Rotation" because of a concurrent economic growth scare, which is typically deemed to affect smaller companies more than larger ones. Despite this, the Fund outperformed its benchmark during the "DeepSeek Rotation" period in the second half of the quarter, as we believe the benefits from the rotation away from technology outweighed the incremental worries about economic conditions.

The Fund also benefited from the idiosyncratic performance of some individual stocks, which we believe will be the ultimate driver of our strategy's long-term performance. We believe the U.S. stock market has been increasingly driven more by traders and trading strategies over the past few years rather than fundamental long-term investors seeking outperforming individual stocks. While those trading conditions may not change anytime soon, we believe long-term fundamentals will always matter, and good stock selection can transcend the vicissitudes of short-term market participants over the long term. We also think this trading environment has led, and will continue to lead to, even better long-term opportunities for the patient and discerning investor.

Are Tech Stocks Losing Some of Their Shine?

We noted that the DeepSeek Rotation was the second large move away from technology stocks that we've witnessed in the past nine months, including the "Great Rotation" in July 2024 that we discussed in our Q3 2024 letter. Although these rotations were brief (the bulk of the rotation only lasted a few weeks each time), we believe that popular tech stocks may be losing some of their shiny appeal, and rotations are beginning to have a more noticeable cumulative effect over recent periods (see **Table 2** which shows performance over the nine-month period ended March 31, 2025).

We've observed that value stocks tend to outperform during these rotations away from popular technology stocks, which is a boon to the Fund, given our valuation discipline and contrarian investment process. Historically, the Fund has performed very well versus its benchmark and its peer group when value stocks outperform technology stocks, so we've been beneficiaries of these rotations away from technology.

Table 2: The "Rotations" are Starting to Add Up

(9-month period from July 1, 2024 – March 31, 2025)

	Jul 1, 2024 – Mar 31, 2025
Nasdaq-100 Index	-1.49%
S&P 500 Index	3.78%
The Fund (*Institutional share class*)	12.91%
Russell 3000 Value Index	9.09%

Source: Bloomberg Finance L.P. and internal records

2 The Nasdaq-100 index is a modified capitalization-weighted index of the 100 largest and most active non-financial issues listed on the NASDAQ. On a Total Return, annualized basis for the period ending 3/31/2025, the index returned 6.44%, 10.03% and 20.75% over the prior 1-year, 3-year, and 5-year periods, respectively.

3 The S&P 500 index includes 500 leading companies and captures approximately 80% coverage of available market capitalization. On a Total Return, annualized basis for the period ending 3/31/2025, the index returned 8.23%, 9.03% and 18.56%, over the prior 1-year, 3-year, and 5-year periods, respectively.

We aren't declaring any victories from these short-term rotations (especially given the recently hatched volatility that's gripped markets in early Q2 2025 from tariff and trade war worries), but we're encouraged to see a lessening influence from popular technology and other high priced momentum stocks that have been a major challenge to the Fund's performance in recent years.

We continue to believe the market's focus on popular technology stocks—driven in part by AI excitement—has led to ample opportunities in companies that are under-owned, underfollowed, and undervalued. In many cases these are smaller companies that aren't as widely owned, but have strong prospects and much lower valuations, in our view. And we continue to see the presence of activist investors in many of these companies, who are seeing the same things we are, and are agitating for major changes that we think will result in shareholder-friendly outcomes.

The combination of more investor interest in our type of value stocks and a lessening influence of popular technology stocks is a welcome development for our strategy. We feel good about the long-term positioning of the Fund today, and we see solid value in its holdings.

April 2025 Tariff/Trade War Selloff

Given the extreme volatility in financial markets that we've witnessed since the first quarter ended, we wanted to provide some current thoughts about market conditions and how we think it may affect the Fund.

After the President announced a series of wide-ranging tariffs the evening of April 2, stock markets—which were already a bit skittish because of tariff worries and some emerging economic concerns—experienced a significant drawdown. We noted that there were few places to hide during this volatility with most stocks falling significantly. On balance, smaller companies underperformed the largest ones, but really no area of the market was spared during the heart of the downdraft.

In our opinion, the Administration is aiming for negotiation, not an escalating trade war (a recent announcement of the 90-day tariff moratorium suggests this as well), so we think there are some attractive opportunities emerging from the recent indiscriminate selling that would likely perform well as progress is made towards trade negotiations. As bottom-up stock investors, we've been scouring the market to take advantage of such opportunities. We've already made some trades to this end.

That said, this is a very fluid situation that's mostly unpredictable, and we are processing new information daily. As such, we're also striving to reduce risks that might be higher today than they were just a couple of weeks ago. We've also made a few trades with this in mind.

We think the risks of an economic slowdown or recession have increased, given the trade shock that we believe has affected consumer and business confidence. We think this is part of the reason smaller-cap companies have underperformed in the early days of the trade-related drawdown. However, we still believe there are very attractive opportunities in certain smaller-cap companies (typically ~$50B and below in market cap) that we think are less affected by the trade conflict (i.e. domestically focused with U.S. supply chains) and have company-specific catalysts for improvement, even in a slowing economy. We continue to find many of our best investment opportunities among these smaller-cap companies, which is also a subset of the U.S. stock market where we think recessionary conditions are more "priced in".

We monitor tariff and trade-war sensitivity at the individual company level and for the overall Fund, and we think the Fund has reasonably low direct exposure to tariffs and a potential trade war. However, the direct and secondary effects of a trade war are difficult to predict, so we're not making any big bets on the resolution of, or escalation of, the trade strife.

We also anticipate that corporate management teams—like the rest of us—have a high degree of uncertainty about the ultimate outcomes and effects of these new trade-related developments, which may lead to more uncertainty in guidance and earnings results. With the quarterly earnings reporting season just starting, we look forward to analyzing commentary from management teams about the potential effects on their companies' results and outlooks, which is our primary focus.

Reflections from the Last Major Period of Significant Uncertainty
Today's trade strife is resulting in uncertainty and many unanswerable questions, which is why we believe global financial markets have been shaken. In our quarterly letter almost exactly five years ago during the early innings of the pandemic lockdown, we described a similar situation. We think most of what we described then is applicable now, even if the circumstances leading to the uncertainty are different. Replacing references to "virus" with "tariff" or "trade war", we think our messaging continues to be consistent five years later:

> We feel the same pain as you during these difficult times because every principal at Clifford Capital is invested alongside you . . . The valuations of the stocks we own today are extremely attractive, in our opinion . . . and consistent with prices that typically lead to solid long-term returns.
>
> In some cases, the potential effects on our companies' fundamentals from the virus-related fallout were direct and obvious, so stock prices understandably declined as the market quickly priced in a much more negative future. In these cases, we strive to assess whether the current valuation of a stock adequately discounts this new, more negative view of the future, using reasonable assumptions of what a normal environment may look like in the next 18-24 months. We then make trading decisions accordingly. In other cases, we saw panic selling and overreactions in companies that should be relatively less affected by the virus and the economic downturn associated with combating it. This has been the greatest area of investment opportunity for us to find new positions or add to existing positions.
>
> . . . We strive to be deliberate and thoughtful in our trading decisions, with an eye on the long-term, striving to own individual stocks that are priced at low enough valuations that there's a higher probability of generating strong long-term returns.

Conclusion
The DeepSeek Rotation in late February was an encouraging development, and we've seen increasing signs over the past few quarters that the extremely positive sentiment around technology stocks—which have led the U.S. stock market for many years—may be starting to fade. We think this could benefit the Fund as the market looks towards investments with good prospects trading at lower valuations rather than companies that may 'completely change the world' and are trading at high valuations commensurate with such sentiment.

Current concerns about tariff and trade-related policies have led to another bout of significant uncertainty and market volatility in early Q2 2025, which we believe has led to some great longer-term bargains. Although we cannot accurately predict what the ultimate effects will be from today's current events, we believe the Fund's stocks are trading at the types of valuation levels that are historically consistent with solid longer-term returns. And more importantly, we see catalysts (our Key Thesis Points™) for each of our individual investments, that we think will improve each company's fundamental results, leading to higher stock prices.

Significant Fund Changes
We added four new holdings to the Fund during the quarter: Core Value stocks **NIKE, Inc.** (ticker: NKE – 2.27% of the Fund at 3/31/25), **Sysco Corp.** (ticker: SYY – 2.94% of the Fund at 3/31/25), and **United Parcel Service** (ticker: UPS – 1.40% of the Fund at 3/31/25), along with Deep Value stock **Millicom Intl. Cellular** (ticker: TIGO – 2.85% of the Fund at 3/31/25). We also sold five holdings: Core Value stocks **American Express** (ticker: AXP – 0.00% of the Fund at 3/31/25) and **Kraft Heinz** (ticker: KHC – 0.00% of the Fund at 3/31/25), along with Deep Value stocks **DXC Technology** (ticker: DXC – 0.00% of the Fund at 3/31/25), **Pitney Bowes** (ticker: PBI – 0.00% of the Fund at 3/31/25), and **Walgreens Boots Alliance** (ticker: WBA – 0.00% of the Fund at 3/31/25).

New Holdings
NKE: NIKE possesses one of the world's strongest brands, in our view, with unmatched abilities and resources to attract and sponsor teams and celebrity athletes, which creates a positive loop of demand creation. The firm's fortunes took a turn for the worse recently as prior management seemed to lose focus on some of its most

valuable customers, and inventories became more bloated, leading to disappointing sales and earnings results. We think the new CEO, Elliott Hill, returning to NIKE was a solid choice, and his team's plan to revive sales, which will likely drive difficult results over the next couple of quarters, should start bearing fruit within the next 12 months. The valuation of the stock is the most attractive we've seen in well over a decade, so we believe that improvements in the firm's earnings trajectory should result in both significant earnings growth and higher valuation ratios.

Since the tariff-related selloff in early April 2025, we noted that NIKE's stock underperformed, given its exposure to manufacturing in countries with high reciprocal tariffs and its exposures to China, which is in the crosshairs of the emerging trade war. As of the date of this letter, we continue to believe that NIKE is a wonderful long-term opportunity and would likely benefit in the short term from positive developments in trade negotiations.

SYY: Sysco is the largest food distribution company in the country and has unmatched scale, which leads to efficiencies in its logistics operations compared to its competition. These advantages result in industry-leading profit margins. Worries about declines in restaurant visits because of the economy and behavioral changes among GLP-1 weight loss drug users have led to an attractive entry point for the company, in our view. While there may be headwinds from these issues, we believe the company will continue to take market share in the fragmented foodservice industry, leading to better-than-expected results. Specifically, we think the company's recent significant additions to its salesforce combined with a new commission-heavy compensation plan should result in increased sales from new and existing customers beyond current expectations.

UPS: United Postal Service is the largest courier company in the world by revenue, delivering about 22.4 million packages per day on average in 2024. The company's scale and wide network provides a competitive edge, which we believe will endure. The investment opportunity arose earlier this year when the company announced that it had chosen to significantly reduce its shipping volumes for its largest customer, Amazon.com (ticker: AMZN – 0.00% of the Fund at 3/31/25), by more than 50% by the middle of 2026. While this will result in a near-term headwind for UPS' sales volumes, we think this was a wise decision, because the Amazon business was dilutive to UPS' margins and Amazon's volumes to UPS had been declining over the past few years anyway. We believe—and the UPS management team has publicly said—that the company will look much healthier once the Amazon business is deemphasized with better margins and higher growth. We think this was a unique opportunity to buy a world class company at a good price, given a temporary disruption to short-term results.

TIGO: Millicom Intl. Cellular is a telecommunications company offering both fixed and mobile services to customers in Central and Latin America under the TIGO brand. The company recently spent a significant amount of capital upgrading its networks and broadband offerings, which we believe will now convert into significant free cash flow growth as it fills in its new capacity. Reflecting the management team's confidence in its ability to generate significant cash flow, the company has proposed an ongoing dividend that equates to almost a 10% dividend yield based on the price at the end of March, one indicator of the significant value we see in the stock.

We also believe that two nonfundamental factors add to the stock's current attractiveness. First, the company's largest shareholder, who owns over 40% of the company and has tried to take the company private before, has agreed to purchase more shares in the open market at a price not far below where it's currently trading, so we'd be surprised if the stock fell below that price. Second, most of the stock's past trading volume occurred in Sweden, but all trading is now done in the U.S., which should increase the stock's liquidity and analyst/investor interest in the company, making it a less-hidden gem.

Sales

AXP: We sold American Express as we believed the company's recent strong performance was being boosted by factors that we think are temporary. Primarily, we believe the company's youngest cardmembers were spending at a pace that seemed unsustainable to us, leading to the potential for future disappointment. This, coupled with abnormally high valuation levels, led us to move on to other Core Value stocks with more attractive prospects. Amex is a wonderful company and was a successful long-term investment, but we simply believed its prospective returns did not look as attractive as in the past.

KHC: Kraft Heinz was a disappointing Core Value investment. Even though our primary Key Thesis Point (significant debt reduction leading to greater equity value) was mostly successful, the stock price did not improve, given other challenges with the company's end markets and some self-inflicted operational issues. We believed the emerging influence of GLP-1 weight loss drugs on consumer behavior could likely affect many of Kraft's categories more than other consumer staples companies, so we moved on from the stock.

DXC: We sold DXC Tech. after determining that our Key Thesis Points were unlikely to lead to a much higher stock price. The company made significant progress in deleveraging the company and improving the growth rates in its most valuable business segment, but continued issues in some of its more challenged business lines led to worse-than-expected earnings results. The final straw for us was the full-time hiring of a temporary CEO that we did not believe was the most qualified to fix the company's primary challenges, so we moved on.

PBI: We sold Pitney Bowes as the stock price was near our fair value estimate after a strong run. The company—under the leadership of an activist investor who had taken over the Board of Directors—sold its money-losing e-commerce division, which almost immediately improved the profitability of the overall firm several fold. The new management team also did a great job cutting expenses from the company and growing its remaining segments more quickly than expected.

WBA: We sold Walgreens Boots Alliance after the revelations of two new potential liabilities from the U.S. government (Justice Department and the IRS) that we believed could materially stress the company's finances. Shortly after we sold the stock, the company agreed to be purchased in a private equity-backed deal that was only slightly higher than our final sale price, and a deep discount to what we believe its assets are worth. WBA was a disappointing investment for the Fund. We believed that its assets were valuable and worth far more than the stock was trading for, but our thesis was derailed by a combination of worse-than-expected macroeconomic forces, lower market values for some of its non-core assets, and higher-than-expected off balance sheet liabilities.

Individual Stock Performance

Contributors: The two greatest contributors during the quarter were Deep Value stocks **Pitney Bowes** (ticker: PBI – 0.00% of the Fund at 3/31/2025) and **Kenvue** (ticker: KVUE – 4.47% of the Fund at 3/31/2025).

PBI: As mentioned above, Pitney Bowes stock increased significantly after the company shut down its money-losing e-commerce shipping division. We sold the stock near our fair value estimate.

KVUE: Kenvue posted better-than-expected earnings during its most recent quarterly report and the stock also benefited from rumors of activist pressures that could be shareholder-friendly.

Detractors: The two largest detractors were Deep Value stock **NCR Atleos (**ticker: NATL – 3.79% of the Fund at 3/31/2025) and **Liberty Energy** (ticker: LBRT – 2.43% of the Fund at 3/31/2025).

NATL: NCR Atleos declined during the quarter alongside other companies that have meaningful debt loads, even though the company is performing well and guided to a strong 2025. We believe most of NATL's stock decline was non-fundamentally driven, and the stock is an attractive combination of a low valuation and solid growth prospects (company has guided to ~20% adjusted EPS growth[4] in 2025). We also see the company's leverage ratios continuing to drop quickly as the company prioritizes debt paydown, which could lead to a more favorable rating from quantitative investors, which we think are likely penalizing the company's stock.

LBRT: Liberty Energy fell alongside many of its energy peers during the quarter as worries about declining oil prices and a potential economic slowdown took a toll. We also believe the appointment of LBRT's former CEO, Chris Wright, as Secretary of the Energy Department was disappointing because he was a well-regarded CEO with a great operating record. However, we think the company's new CEO, Ron Gusek, is a solid replacement. We also believe the company's nascent portable energy generation business has good long-term promise and is a solid diversifier for Liberty's core oilfield services business.

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.

4 EPS Growth is how much a company's earnings per share (profit per share) has gone up or down over time and is a key indicator of a company's profitability and financial health.

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 less than 50 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