Quarterly Portfolio Commentary – Third Quarter 2025
Clifford Capital Focused Small Cap Value Portfolio

Summary of the *Focused Small Cap Value Portfolio* Composite Historical Return* (unaudited)

	3rd Quarter 2025	Year-to-Date	1-Year	3-year, annualized	5-year, annualized	Since Inception**
Portfolio, gross[1]	13.55%	17.26%	19.62%	17.98%	15.57%	10.72%
Portfolio, net	13.31%	16.50%	18.59%	16.96%	14.59%	9.75%
Russell 2000 Value, total return	12.60%	9.04%	7.87%	13.51%	14.55%	9.18%

* Individual account performance will differ from the overall Composite.
**Inception Date: April 1, 2016, annualized
Past Performance does not guarantee future results.

Portfolio and Market Observations

The Clifford Capital Partners Focused Small Cap Value Portfolio ("the Portfolio") outperformed in the third quarter. Like last quarter, the strategy posted particularly strong performance during the heart of the quarterly earnings reporting season in August, with several companies posting better than expected results.

We saw a major "risk rally" in the third quarter (that actually started in early June), with the U.S. stock market's riskiest companies outperforming. We believe this risk rally was fueled by speculative behavior and investor enthusiasm surrounding the potential of generative artificial intelligence ("AI"), and the Fed's interest rate cut that occurred late in the third quarter. As we'd expect in an environment like this quarter's, the Portfolio's Core Value stocks lagged the benchmark, while Deep Value stocks outperformed.

The risk rally presented some significant challenges to the strategy's relative performance results, as we'll describe more below. However, positive individual stock performance—led by idiosyncratic, stock-specific developments—fully offset these headwinds leading to outperformance.

Our investment philosophy and process are predicated around finding stocks that trade at discounts to our estimated fair values (we believe valuation—what you pay for what you get—always matters) with Key Thesis Points™ that are catalysts for improved fundamental results (we believe better fundamental results will be rewarded over time with a higher stock price). We're encouraged that improving fundamental results at our companies have been rewarded by the stock market in recent periods.

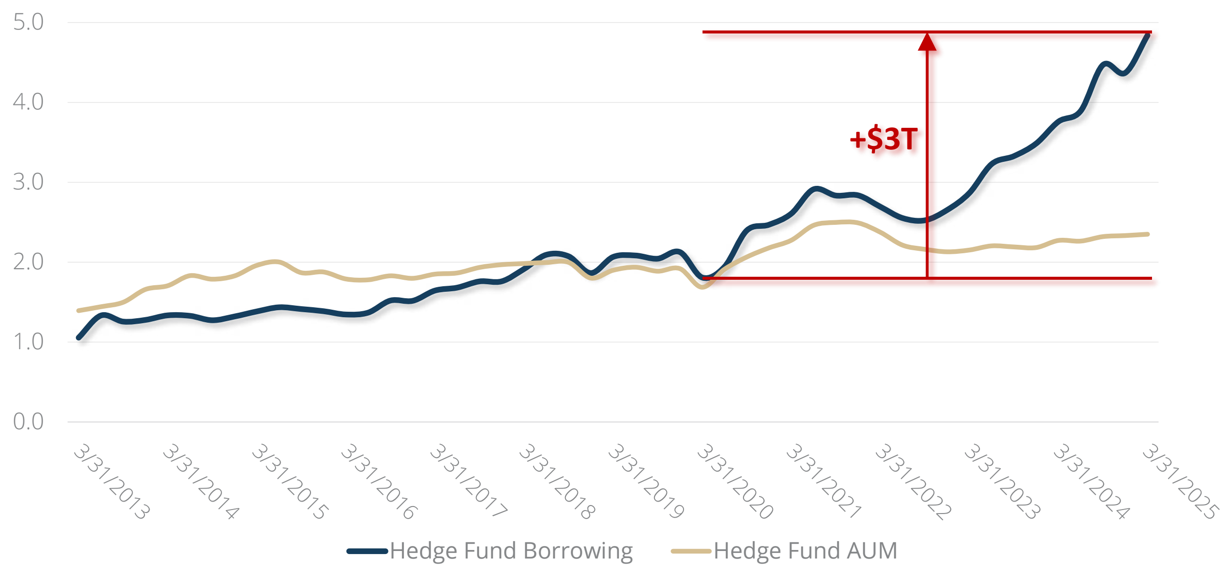
Influence of Large Leveraged Traders

We believe that short-term market movements like this quarter's risk rally are greatly influenced by large traders, who typically operate with significant leverage and often have a shorter time horizon than ours. This leverage contributes to heightened volatility, as traders quickly shift positions to exploit short-term stock market movements. Industry data indicates that U.S. hedge funds alone have employed over $3 trillion in additional leverage over the past five years, underscoring the sheer potential impact these players may have on market movements (see **Chart 1**).

1 Portfolio, gross return represents the performance results for the Focused Small Cap Value composite including the reinvestment of dividends and other account earnings and are net of transaction costs, but do not reflect the effect of advisory fees, which would lower performance. Portfolio, net return includes the deduction of advisory fees, reflects the reinvestment of dividends and other account earnings and are net of transaction costs. Past performance does not guarantee future results.

The benchmark for the Focused Small Cap Value composite is the Russell 2000 Value index. This 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). Performance of the composite and the index may not be comparable due to differences amongst them including, but not limited to, risk profile, liquidity, volatility and asset composition. An investor cannot invest directly in an index. Moreover, index performance does not reflect the deduction of advisory fees, transaction fees, and other expenses.

Chart 1 – Total Borrowings Have Significantly Increased at U.S. Hedge Funds *($ trillions)*



Source: Office of Financial Research for hedge fund borrowings and AUM for Equity, Macro, Multi, and Event hedge funds.

Evidence of the risk rally in the third quarter was reflected in unusually strong quantitative risk factors. Examining long/short factor performance (calculated by hypothetically buying, or going "long", the 20% highest-ranked stocks for each quant factor while selling, or going "short", the 20% lowest-ranked stocks) for the U.S. equity market[2] using Bloomberg's models, the preference for riskier stocks was obvious (see **Table 2**).

Table 2 – Long/Short Performance of Various Market Factors in Q3 2025

	Q3 2025
Low Volatility[3]	-25.3%
High Quality[4]	-19.1%
Low Valuation[5]	-17.6%

Source: Long/Short performance for the Bloomberg 3000 Index from Bloomberg Finance L.P. as of September 30, 2025

In simple terms, the market's most volatile stocks significantly outperformed less-volatile ones, lower quality companies outperformed higher quality firms, and more expensive stocks outperformed cheaper ones.

Risk Rally Was Challenging, but Stock Selection Helped the Portfolio

This trading environment presented an overall challenge to the Portfolio because it is positioned predominantly in companies with lower volatility, higher quality, and lower valuations. For example, almost 70% of the Portfolio was ranked in the top 40% of the Quality factor for the U.S. stock market as of September 30, 2025, and almost 60% was in the market's least volatile 40% of companies. We view this as especially notable, given

2 Based on the Bloomberg 3000 Index—a market-cap-weighted benchmark of the 3000 companies with the largest market capitalization in the U.S.—which is a reasonable proxy for the broad U.S. stock market.

3 The Volatility factor is a composite measure of Beta (how much a stock moves in line with its benchmark; higher beta means a stock is more volatile than the benchmark and lower beta means less volatile) and Residual Volatility (stock-specific volatility rather than market-related volatility).

4 The Quality Factor combines three factors: a firm's profitability, its leverage/indebtedness, and the consistency of its earnings. Firms with higher quality scores tend to have higher profit margins, less debt, and stable earnings.

5 The Valuation factor is a composite measure of several valuation metrics, including price to earnings ("P/E") and forward P/E (P/E is a ratio used to compare a stock's market price to its earnings per share, which is calculated by dividing the current price of the stock by the last 12-months' earnings per share or for the forward P/E, the estimated earnings per share for the upcoming year), the price to sales (a ratio used to compare a stock's market price to its sales per share, which is calculated by dividing the current price of the stock by the last 12-months' sales per share), and price to cash flow (a ratio used to compare a stock's market price to its cash flow per share, which is calculated by dividing the current price of the stock by the last 12-months' cash flow per share). A lower Valuation score means an investor is paying less (receiving more value).

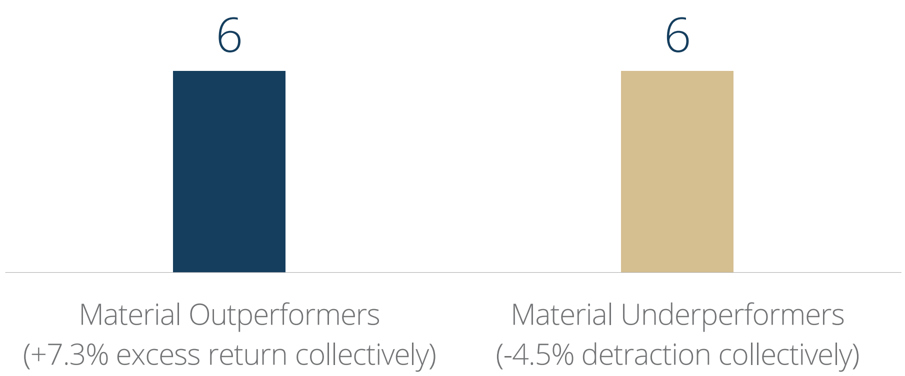
that the strategy is a small cap value strategy, which is generally thought to possess higher volatility and lower quality metrics than the overall market.

Several of the strategy's stocks underperformed in this environment, and we attribute a significant portion of these stocks' underperformance to the prevailing winds of the risky rally.

Fully offsetting these challenges, however, there were some positive company-specific developments that led to strong performance from many individual stocks. Several of our investments made significant progress towards their Key Thesis Points (catalysts for fundamental improvement that we've identified through our research), leading to increased stock prices, which benefited the Portfolio's results. Many of these improvements were manifested during quarterly earnings reporting season, which is when the strategy performed the best.

Chart 2 illustrates this quarter's tug of war between the risk rally and strong individual stock selection among the Portfolio's investments. Looking at an attribution analysis, six stocks contributed at least 0.60% of outperformance versus the benchmark during the quarter while six stocks also detracted by at least 0.60%. This is an unusually high number of large contributors and detractors, based on our historical observations. The outperformers, however, contributed more than the laggards, which is the primary reason the Portfolio outperformed during the quarter in a tough relative performance environment.

Chart 2 – Several Outperforming Individual Stocks Led to the Portfolio's Quarterly Outperformance



Source: Internal Records and Bloomberg Finance L.P.

Greater Opportunities from the Market Inefficiencies Caused by Large Leveraged Traders

As we discussed last quarter, we think the short-term market volatility spurred by large leveraged traders leads to even greater opportunities for our strategy. In 2025 thus far we've witnessed several periods where investor sentiment and trading behaviors have swung wildly between despondency (e.g. growth worries near the start of the year and April tariff concerns) and euphoria (risk rally that we've been discussing). These shifts in sentiment, and the prevailing trades that accompany them, often lead to inefficiencies in the market prices of individual stocks.

For instance, in the third quarter we found excellent opportunities in some companies with lower volatility and higher quality factor scores that underperformed, in our opinion, mostly because they weren't in the "trade du jour" of riskier companies. We took advantage of this by opportunistically trading some of our investments in a contrarian way (e.g. trimming back some of our higher-volatility stocks that were getting closer to our fair value estimates to buy some with lower-volatility that were trading at a larger discount to our fair value estimates). Because we know our companies well, and we have a strong view of what they are worth, we can take advantage of short-term market volatility through opportunistic trading.

Maintaining a disciplined focus on the fundamentals of our investments while striving to opportunistically trade to take advantage of the divergences and convergences between our estimated fair values and the market prices of our stocks is our approach to exploit market inefficiencies. This strategy not only weathers speculative rallies but also positions the strategy to benefit from the volatility created by leveraged trading activity.

We've seen signs that the U.S. stock market has become even more inefficient than it was when we started our firm over 15 years ago, especially among smaller-cap companies. This may sound counterintuitive, given how liquid and well-followed the stock market is today, but we continue to find stocks that our analysis suggests are significantly undervalued, sometimes to a head-scratching extent. We think at least part of the reason for this is the increased influence of large, leveraged traders whose trading actions may lead to momentum-based selling pressure leading to even deeper discounts (or conversely popular stocks may rise to even greater valuation premiums). As such, these traders occasionally provide wonderful opportunities for a bottom-up investor with a longer-term investment time horizon like us.

Positioning

We still see the most compelling opportunities in the U.S. stock market in smaller-cap companies. We think these companies have been overshadowed by the performance, and popularity, of larger companies that are exposed to AI, leading to many smaller companies being under-followed, under-owned, and undervalued.

We continue to favor the Deep Value sleeve of the Portfolio with about a 42% weighting at the end of the quarter. We consider this an overweight position and is a direct result of the market environment that has favored the market's highest-quality large cap stocks for several years, leading to more Deep Value bargains. While this quarter's risk rally presented challenges to the strategy, we're encouraged that there seems to be less negativity towards deep value companies lately, which allows improving fundamental results (spurred by our Key Thesis Points) to be recognized more fully in stock prices.

We're not alone in seeing the value in our stocks as evidenced by more than half of the Portfolio's investments having an activist investor presence. These activists in many cases are agitating for accretive changes, and/or accretive mergers and acquisitions activity, which we think will continue to increase. We've already seen some positive strategic actions from some of our companies that are a direct result of activist suggestions (e.g. increased share repurchases, sales of segments, full sale of the business), and we expect more to come.

We're enthusiastic about the positioning of the Portfolio today, and we believe the strategy is still significantly undervalued, even after the solid performance so far this year.

Note on Health Care Stocks

The Portfolio is overweight the Health Care sector, despite having a zero weighting in biotechnology stocks, which represent almost 6% of the benchmark. The uncertainty surrounding potential disruption in the U.S. healthcare system has led to solid opportunities in a few health care companies that we believe are less at risk. The Administration's focus on cutting healthcare costs and disrupting certain businesses within it (i.e. vaccine manufacturers) has led some investors and traders to avoid the sector, or trim back their exposure to it indiscriminately, given the uncertainty surrounding many areas of healthcare.

The Portfolio's health care investments are excellent businesses, in our opinion, that are relatively insulated from most of the governmental pressures and in many cases were simply caught up in the negativity surrounding the entire sector. We also think some of the current undervaluation in these stocks is because of factor-based selling by large leveraged traders because many of these investments are lower-volatility, higher-quality companies that underperformed during the recent risk rally.

Although the uncertainty surrounding health care has not fully dissipated as of this letter, we've recently seen some positive share price reactions when the government provided more details around its proposals relating to certain areas of health care (e.g. large pharmaceutical companies rallied strongly in early October when drug negotiations weren't as bad as feared). This action suggests to us that market participants have been overly negative against the health care sector, and investors are beginning to recognize the inherent value in these companies. We think our health care investments are very attractive today and as our Key Thesis Points come to fruition, we expect them to be strong contributors to the Portfolio.

Our Brief Thoughts on AI

The AI trade has dominated the U.S. stock market in recent years, and the third quarter was no exception. Given the enormous amount of capital being invested in AI infrastructure, there's increased potential for an overbuilding of capacity, and/or insufficient returns on these investments. However, we have already seen strong productivity benefits from generative AI (including within our own workflows) and the technology's ultimate potential is still unknown but potentially world-changing, so the investments may pay off. As such, we don't have a strong opinion on whether it's a risky bubble or the beginning of a new type of industrial revolution.

We're watching developments in AI and AI-related stocks with interest but given our valuation discipline we have very little direct exposure to stocks that are at the forefront of the AI trade. Importantly, however, we think AI excitement has created market inefficiencies that have led us to investment opportunities in other areas that are not as popular but still have solid prospects. In our opinion, many companies that still possess good business models and have catalysts for improved fundamentals (our Key Thesis Points) are trading at bargain prices because the market is enamored with the AI theme, resulting in stocks in less 'exciting' areas being under-followed, under-owned, and undervalued.

We believe the Portfolio is a good diversifier and complement to AI investments because we own different types of companies that provide differentiated exposure in an AI-dominated stock market.

Conclusion

We are encouraged by the recent performance of the strategy despite facing some market headwinds from the current risk rally. The Portfolio is well positioned in what we view as the U.S. market's sweet spot of small cap companies that are relatively ignored by many market participants. Although we expect markets to remain volatile because of the influence of large leveraged traders who are larger than ever, we see market volatility as an avenue for us to exploit investment opportunities because of our stock-specific focus and our high-conviction investment process.

Significant Portfolio Changes

It was another active quarter for the Portfolio as we took advantage of market volatility. We added three new holdings to the strategy during the quarter: Core Value stock **Bath & Body Works** (ticker: BBWI), along with Deep Value stocks **Kornit Digital** (ticker: KRNT) and **Bloomin' Brands** (ticker: BLMN).

We also sold four holdings: Core Value stock **Fresh Del Monte Produce** (ticker: FDP) and Deep Value stocks **Commercial Vehicle Group** (ticker: CVGI), **Millicom** (ticker: TIGO), and **Steelcase** (ticker: SCS).

New Holdings

BBWI: Bath & Body Works is a retailer with over 2400 locations that specializes in selling fragrance-led products for the body and the home. We expect the company to improve its results beyond expectations because of recent collaborations with Disney and its connections with customers through social media. Additionally, the firm recently hit its leverage target for the first time since it separated from Victoria's Secret & Co. (ticker: VSCO), which should provide optionality for share repurchases that we expect would be very accretive today. Finally, we also believe its competitive positioning has likely improved recently compared to many of its foreign peers because of potential tariffs, given that most of BBWI's products are produced domestically.

KRNT: Kornit Digital is a manufacturer of on-demand digital garment printing machines, based in Israel, but traded in the U.S. stock market. The company has new machines—with high output capability and excellent quality—which are one of the first legitimate replacements for traditional screen printing for medium-to-borderline large garment print jobs. We expect the company to continue taking market share from screen printers over the next several years. We also see promise in the company's All-Inclusive Click model, which is a subscription service that provides Kornit's customers with access to their machines without a large capital commitment. We think this recurring revenue stream provides more stable and predictable cash flows and overcomes one of the biggest hurdles for potential clients to test out the on-demand printing service. The firm also possesses an excellent balance sheet with almost $500 million of net cash with a market capitalization slightly above $610 million as of September 30, 2025. The company has recently used its ample cash to repurchase its shares, which we see as a positive signal for management's expectations, and we expect these buybacks to boost earnings per share in future periods.

BLMN: Bloomin' Brands is the holding company for Outback Steakhouse as well as a few other smaller restaurant concepts. The company is undergoing a turnaround under a new management team. We think the leadership team's plan is solid and already showing nascent signs of success. We expect improved results at Outback beginning within the next few quarters, given several initiatives that are currently in process. Additionally, some strategic actions taken last year will improve the balance sheet later in 2025, which should improve the sentiment around the stock. We see significant value in the stock today with some valuation ratios near all-time lows. We expect that as the turnaround unfolds, earnings will improve and valuation multiples should expand, leading to solid upside.

Sales

FDP: We sold Core Value stock Fresh Del Monte, given that it was near our fair value estimate and we had other opportunities we wanted to invest in.

CVGI: We sold Commercial Vehicle Group during the quarter after new information arose during the quarter that called into question one of our Key Thesis Points (namely that new emissions regulations that were expected to frontload demand for large truck in 2026 were rolled back by the government).

TIGO: We sold Millicom stock during the quarter after it reached our fair value estimate, which is what we always hope to accomplish with our Deep Value investments.

SCS: We sold Steelcase after it received a buyout offer from HNI Corp. (another FSCV holding) at roughly a 60% premium to its stock price the day before the offer. This offer was slightly below our fair value estimate, so we think HNI did not overpay for Steelcase, especially given the potential synergies of the deal. We made an opportunistic addition to SCS a few days before the offer (which was frankly lucky, but we'll take it!), given the significant discount to our fair value estimate at the time. We view the combination of the two companies as very attractive—the largest office furniture company in the world—with significant revenue and cost synergies. As such, we're even more bullish about our investment in HNI, and we added to the position during the quarter.

Individual Stock Performance

Top Contributors[6] – Q3 2025	Largest Detractors – Q3 2025
Delek Holdings (DK)	Allison Transmission (ALSN)
Steelcase (SCS)	Chemed (CHE)
NCR Atleos (NATL)	EVERTEC (EVTC)
Green Plains (GPRE)	Henry Schein (HSIC)
Winmark (WINA)	Solventum (SOLV)

Past performance does not guarantee future results. Source: Bloomberg as of 9/30/2025

Commentary on the Top Two Contributors and Bottom Two Detractors

DK: Delek benefited from some company-specific improvements with better refining margins, share repurchases, and significant cost cuts (all among our Key Thesis Points). Meaningfully, the company also benefited from the Environmental Protection Agency's granting of small refinery exemptions ("SREs") for sustainable fuel mandates that we believe will save the company more than $200M of cash flow annually moving forward and potentially provide $300M or more of value related to prior years. We opportunistically added to

6 Portfolio holdings are from a representative account managed within the investment composite. The representative account is selected based on account characteristics that Clifford Capital believes accurately represent the investment strategy as a whole. Should these characteristics change materially, Clifford Capital may select a different representative account. Holdings may change daily and may vary among accounts, which may contribute to different investment results.

For informational purposes only. The specific securities shown represent only the top contributors and detractors for the reporting period discussed in this Commentary, and do not represent all of the securities purchased, sold or recommended for the representative account or Portfolio. The reader should not assume that an investment in any of these securities, or in the Portfolio, was or will be profitable. Past performance is not a guarantee of future results.

You may obtain information about (i) the calculation methodology; and (ii) a list showing the contribution of each holding to the overall performance of the representative account during the reporting period discussed in this Commentary by contacting us at (385) 387-1212 or support@cliffordcap.com.

the position in advance of the receipt of these SREs because we identified through our research efforts that the probability of receiving these exemptions had increased.

We still see significant value in the stock today. Delek still owns ~64% of publicly traded midstream company Delek Logistics Partners, LP (ticker: DKL), which represented about $1.5 billion in value at quarter-end. The company is seeking ways to reduce its ownership of DKL below 50%, which we think will happen within the next 6-12 months. This action should result in several financial and other benefits, including improving the optics of DK's balance sheet since it will no longer be required to consolidate its financials with that of DKL.

SCS: As discussed above, Steelcase received a buyout offer from HNI Corp. during the quarter for a significant premium.

ALSN: Allison Transmission's stock declined about 10% during the quarter. The firm announced a large $2.7B acquisition—Dana's (ticker: DAN) off-highway business—in June, which was not well received by the market. Additionally, the company modestly lowered its financial guidance in its last quarterly earnings report that did not help sentiment. The Dana acquisition is expected to be accretive to the overall value of the firm but will result in lower profit margins and represents a challenge to integrate. However, the acquisition also provides much better international exposure for the company, which we view as a long-term positive. We believe the reward/risk of the stock is attractive today.

CHE: Chemed's stock declined modestly (~8%) during the quarter after posting disappointing earnings results. The primary issue leading to the earnings miss (Medicare Cap billing limitations) should be transitory and we expect it to be rectified in the upcoming year when the company has more cushion in its billing abilities. We think the stock has significant value and we purchased some more in the quarter.

Final Comments

Thank you for your investment with Clifford Capital. We will continue to focus on building long-term wealth through disciplined portfolio management.

Sincerely yours,

Ryan Batchelor, CFA, CPA
Principal and Portfolio Manager
Clifford Capital Partners, LLC

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Information about Risk

***Risks of Investing in Equity Securities**. Overall stock market risks may affect the value of an equity portfolio. Factors such as domestic economic growth and market conditions, interest rate levels, and political events affect the securities markets. When the value of the portfolio investments goes down, the portfolio 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.*

***Focused Investment Risk.** The Focused Small Cap Value strategy is a focused strategy and generally holds stocks of less than 50 companies. Focused strategies may invest a larger portion of their assets in the securities of a single issuer compared to a more diversified strategy. Focusing investments in a small number of companies may subject the portfolio to greater 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 portfolio's value and total return.*

***Sector Risk**. The portfolio may emphasize investment in one or more particular business sectors at times, which may cause the value of portfolio to be more susceptible to the financial, market, or economic events affecting issuers and industries within those sectors than a strategy that does not emphasize investment in particular sectors.*

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

Definitions

***Core Value Stocks.** We define Core Value stocks as high-quality companies with sustainable competitive advantages and long-term records of strong returns on capital. These companies tend to have stable and predictable cash flows as well as steady growth in the intrinsic value of their stock.*

***Deep Value Stocks.** We define Deep Value stocks as opportunistic investments in deeply discounted shares of businesses that do not meet the high requirements of a Core company. Deep Value investments are deemed by us to have high potential returns with acceptable downside risks. These investments may be considered traditional value stocks with low price multiples, and low near-term investor and analyst expectations.*

***Price-to-Book Ratios.** Ratio used to compare a stock's market value to its book value. It is calculated by dividing the current price of the stock by the latest quarter's book value per share.*

***Price-to-Earnings Ratios.** Ratio used to compare a stock's market price to its earnings per share. It is calculated by dividing the current price of the stock by the last 12-months' earnings per share.*

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