

The Small Cap Core Strategy outperformed its benchmark, the Russell 2000, both in the third quarter and year-to-date, primarily due to our disciplined stock selection across a diverse range of sectors, including Consumer Staples, Industrials, and Energy. Our focus on ESG principles continues to guide us toward companies with tangible catalysts and strong, sustainable fundamentals.

Sector Highlights

The portfolio's top-performing sectors were the Energy sector, where we held a slight overweight, and the IT sector, where we maintained an underweight position. Notably, while Energy was the worst-performing sector in the benchmark, it was the biggest contributor to our sector attribution, largely driven by our investment in CNX Resources (CNX). The IT sector also delivered positive returns, led by standout performer InterDigital (IDCC), benefiting from diversification and strategic positioning.

Our Consumer Staples and Healthcare holdings were our weakest areas this quarter. Despite Consumer Staples lagging in broader market performance, it included some of our top-performing individual names, like Limoneira (LMNR). Our overweight position in Consumer Staples reflects our belief in select opportunities within the sector, despite current headwinds. Conversely, our underweight stance in Healthcare did not yield favorable returns, but we remain patient, awaiting more attractive valuations and potential breakthroughs in demographics and technology.

Top Contributors

Limoneira Company (LMNR), our top performer this quarter, remains attractive in our view relative to its intrinsic value. Over the past 24 months, LMNR has made significant strides in unlocking the full potential of its asset base. Limoneira has strengthened its balance sheet by divesting non-core assets, selling and partnering on certain real estate holdings, and transitioning fruit production to a less capital-intensive model. It also owns significant water rights which

could be monetized. While LMNR has shown strong performance in recent quarters, our expectations for the company remain high.

Our second-best performer during the quarter was Tecnoglass Inc. (TGLS), a higher-end Columbia-based window manufacturer that generates nearly all its revenue in the United States. Tecnoglass demonstrated robust performance due to its low-cost manufacturing base in Colombia, coupled with high-quality production capabilities. Its competitive pricing advantage and expanding product lineup have positioned it well to capture further market share. We believe Tecnoglass's innovative approach and cost-efficient production give it a strong competitive edge for continued growth.

Our third best performer during the quarter was CNX Resources Corporation (CNX), a low intensity natural gas producer. We have owned CNX for quite some time. We continue to be attracted to its strong balance sheet and prudent risk management through a well-executed hedging strategy significantly boosted our portfolio's returns. We continue to value CNX's ability to innovate and generate free cash flow, driven by its diversified technology portfolio.

Top Detractors

BRC Inc. (BRCC), a coffee company, was the largest detractor in the third quarter, primarily due to delays in product rollouts at new grocery locations, leading to a downward revision in full-year guidance. However, we remain confident in the brand's potential, supported by its growing presence at Walmart and a promising new distribution partnership with Keurig Dr Pepper.

Another notable detractor in our portfolio was Atkore Inc. (ATKR), a provider of electrical power infrastructure. During the COVID-19 pandemic, ATKR benefited from increased demand, but post-pandemic, a normalization in its end markets has led to a slowdown in both revenue and earnings. Additionally, the influx of Chinese products in some of its markets has created further pricing pressure. While we have reduced our position in ATKR, we remain optimistic about its long-term potential.

Outlook

Our outlook for Q4 2024 and 2025 is optimistic in light of what we consider to be opportunities presented by additions to the portfolio during the third quarter. We purchased three new names in Q3 2024: Merit Medical Systems, Inc. (MMSI), Atmus Filtration Technologies, Inc. (ATMU) and Uranium Energy Corp. (UEC).

Merit Medical Systems, Inc. (MMSI), is a leading manufacturer and marketer of proprietary disposable medical devices used in interventional, diagnostic, and therapeutic procedures, particularly in cardiology, radiology, oncology, critical care, and endoscopy. MMSI successfully executed its Foundation for Growth program launched in 2020 which aimed to generate above-market (5%) revenue growth, with 400 bp margin expansion and free cash flow of \$300mm by the end of 2023. Today the company has a full new-product pipeline to support steady mid-single-digit top-line organic growth, and continued margin expansion, for the next several years. MMSI's recently FDA-approved WRAPSODY stent graft for dialysis patients, as well as products from recently acquired Angiodynamics and Bluegrass Vascular, will be major contributors. This revenue growth should enable low double-digit EBITDA growth and shareholder return over time.

Atmus Filtration Technologies, Inc. (ATMU), which was spun out from Cummins Inc. (CMI) in 2023. ATMU specializes in high-quality filtration products for air, fuel, water, and lubrication. Although the company was founded in 1958, it is now beginning to establish itself as an independent entity. With full control over capital allocation and innovation, ATMU is positioned to broaden its customer base and enhance profit margins. The filtration market is highly attractive given stable and recurring revenues with very attractive returns on capital. These factors, combined with its proven track record, and attractive relative valuation point to a promising future for the company.

Lastly, we added Uranium Energy Corp. (UEC) to the portfolio in the third quarter. UEC engages in exploration, extraction, and processing of uranium. Its core holdings are in Wyoming and Texas, with some quality development projects in Canada and plans for producing assets in the United States this year. We purchased UEC to invest in the uranium space. We are bullish on the sector due to the supply and demand mismatch (more future demand than supply), its zero-emission energy footprint and recent deals that highlight its appeal. It is targeted as the main clean energy supply to power the exponential growth in data centers as evidenced by the deals Amazon.com, Inc. (AMZN) and Microsoft Corporation (MSFT) inked with utility companies. It is also a hedge on geopolitical risk as most enriched uranium comes from Russia and most physical uranium comes from Kazakhstan.

Thank you for your trust and confidence and please reach out with any questions.



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(Disclosures and chart showing strategy largest contributors and detractors on next page).

Small Cap Strategy
Largest Contributors and Detractors – Q3 2024

5 Best - Absolute Contribution			
Ticker	Company	Average Weight	Contribution
LMNR	Limoneira Company	5.02%	127 bps
TGLS	Tecnoglass Inc.	4.50%	121 bps
CNX	CNX Resources Corporation	3.71%	107 bps
UEC	Uranium Energy Corp.	1.50%	100 bps
MOD	Modine Manufacturing Company	4.07%	95 bps
5 Best Total		18.80%	550 bps

5 Worst - Absolute Contribution			
Ticker	Company	Average Weight	Contribution
BRCC	BRC Inc Class A	2.04%	-136 bps
ATKR	Atkore Inc	1.82%	-89 bps
LEU	Centrus Energy Corp. Class A	1.63%	-44 bps
HAE	Haemonetics Corporation	3.39%	-19 bps
ANIK	Anika Therapeutics, Inc.	3.92%	-10 bps
5 Worst Total		12.80%	-298 bps

Disclosures:

Reader should not assume that investments in the securities identified were or will be profitable. Timing differences of purchases and sales may have a modest impact on the actual contribution numbers presented. The holdings identified do not represent all the securities purchased, sold, or recommended. The calculation's methodology along with details on all holding's contribution to the overall account's performance during the measurement period are available upon request. Past performance does not guarantee future results.