

**Quarterly Portfolio Commentary – Fourth Quarter 2025**  
***Lone Peak International Value Portfolio (f.k.a. Clifford Capital International Value Portfolio)***

**Summary of the *Lone Peak International Value Portfolio* Composite Historical Return\* (unaudited)**

	<b>4<sup>th</sup> Quarter 2025</b>	<b>1-year</b>	<b>3-year, annualized</b>	<b>5-year, annualized</b>	<b>Since Inception**</b>
Portfolio, gross <sup>1</sup>	5.83%	38.41%	17.46%	12.82%	11.19%
Portfolio, net	5.61%	37.27%	16.49%	11.87%	10.21%
MSCI EAFE Index	4.86%	31.22%	17.22%	8.92%	9.51%

\* Individual account performance will differ from the overall Composite.

\*\* Inception Date: August 1, 2019, annualized

**Past Performance does not guarantee future results.**

**Clifford Capital Partners is Now Lone Peak Global Investors**

We're excited to share our rebranding as Lone Peak Global Investors, a name that better reflects who we are and how we invest.

Lone Peak is a prominent mountain in our home community of northern Utah and a demanding summit that has inspired generations of locals, serving as a reminder of resilience, ambition, and the rewards of disciplined effort over time. The mountain peak also symbolizes our approach to the stock market: seeking a higher vantage point, staying focused on a disciplined fundamentals-based process, tuning out short-term market noise, and maintaining the conviction to diverge from consensus when warranted—being willing to stand a-“Lone” at times in a contrarian way. The addition of “Global Investors” to our name also underscores our broadened investment capabilities and our firm’s ability to evaluate opportunities worldwide with a global mindset.

We look forward to continuing to serve you as Lone Peak Global Investors. While our name is changing, our investment process, ownership, and team remain the same. We're grateful for your continued trust and partnership as our firm continues to grow and evolve.

**International Markets**

International markets continued to perform well in Q4 with the EAFE index returning 4.86% and the Lone Peak International Value Composite returning 5.83% (gross of fees). Inflationary pressures have started to ease in the EU and are expected to reach their 2% target in the UK by mid-2026. Consequently, rate expectations have moderated, and currencies have stabilized versus the US Dollar. Japan is somewhat unusual in that the central bank is keen to continue raising rates to fight inflation and close the real interest gap (approximately negative real rates of 225bps in Japan, compared to positive rates in the US, UK and zero real rates in the EU) but Prime Minister Sanae Takaichi's expansionary policy has put pressure on the Yen. Her influence may yet be boosted by a snap election early in 2026 and if successful we would expect this two-way pull on the economy to continue. This conflict has led to strong equity performance in Japan, particularly in long duration stocks such as technology companies, but has seen the yen weaken, lowering returns in US Dollar terms.

Q4 saw a change in sector leadership with Health Care and Utilities being the top 2 sectors in the quarter. Financials continued to outperform the index along with Energy, IT and Materials. The main laggard sector was Communication Services, but this sector was heavily influenced by Softbank, which fell by 35% in the quarter.

<sup>1</sup> Portfolio, gross return represents the performance results for the International 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 International Value composite is the MSCI EAFE Index. The 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). 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.

For the year benchmark performance was dominated by the Financials sector. The largest sector in the Index (average weight of 23.8%) produced almost double the returns of the total benchmark. Only Industrials and Utilities outperformed the benchmark, such was the importance of Financials in determining overall index returns. We got this sector both wrong and right last year. We were underweight this strongest sector all year, and remain so, but our stock selection was excellent. We discuss portfolio performance later in this letter but in US Dollar terms, sixteen financial stocks in the benchmark returned over 100% in 2025, with the top performer delivering 187% (Societe Generale), over 4x the return of Nvidia, for reference.

### Deep Value and Core Value sleeves

2025 was the year of deep value in EAFE markets. The Financials sector is the largest sector in the EAFE index and an even larger component of the EAFE Value index. With such strong performance coming from one sector (that we classify as Deep Value) it was inevitable that our Deep Value sleeve would perform well in 2025 (see **Table 1**). Core Value held its own vs. the index, but it was Deep Value that led to overall outperformance, led by our financials stocks but also strong stock selection across the board and in consumer staples and healthcare, in particular. Our goal is to produce solid long-term returns with the core value sleeve, which will likely be less volatile than deep value names, coupled with alpha-generating deep value stocks that may be more volatile in the near term but offer superior upside. 2025 was a good example of this in practice and while we continue to see significant value in both sleeves, we would be surprised if Deep Value continued to outperform to such a degree in 2026.

**Table 1: Core Value and Deep Value Total Returns**

	2025 Full Year
Intl Value Strategy, net	37.3%
Deep Value, net <sup>2</sup>	<b>67.1%</b>
Core Value, net	29.1%
EAFE	31.2%

Source: Bloomberg Finance L.P. and internal records as of December 31, 2025

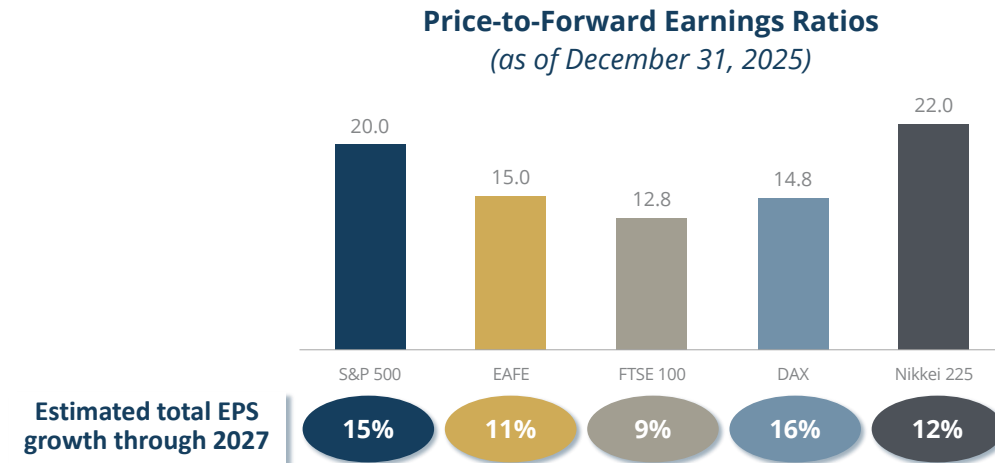
### Market conditions and expectations for 2026

2025 was a strong year for international markets, aided by the weakening of the US Dollar to most major currencies, leading to reported EAFE returns of 31.2% in US Dollar. Given the current administration's view on the current US trade deficit it certainly remains possible that a weak dollar could be desirable for US exporters. We continue to build the portfolio from the bottom up and find value where we find value, but this may continue to be a modest tailwind in 2026.

We continue to see geopolitical tensions rise across the globe with markets generally shrugging off these worries and focusing on company valuations. Irrespective of these tensions we continue to expect to see European nations taking their own destiny into their hands and relying less and less on the US. This has led to rising earnings expectations in Europe as countries spend more on defense and infrastructure. Growth in the US is still expected to be stronger than in EAFE markets, but this is heavily influenced by the Artificial Intelligence ("AI") stocks. According to Bloomberg Intelligence around 43% of the US equity market is made up from AI stocks and according to Barclays research 75%-80% of the S&P 500's earnings have come from AI stocks since the end of 2022. This contrasts with Bloomberg Intelligence's view that AI will only account for 2.1% of European earnings. If investors want to play the AI theme the US remains the best way to get that exposure. EAFE markets offer diversification, lower multiples but respectable growth which we feel is still not fully reflected in valuations.

<sup>2</sup> Attribution returns are based on a representative account within the composite (the "Representative Account") and assume that the Intl Value Deep Value and Intl Value Core Value stocks were traded as separate ex-cash portfolios. Attribution returns are net of a 0.85% model advisory fee (assessed quarterly), which is the highest fee charged to clients invested in the strategy.

**Chart 1: Major EAFE markets represent good value**



Source: Bloomberg Finance L.P.

### **We expect Healthcare stocks to outperform**

In 2025 Healthcare was the worst performing sector, returning 17.5% total return, with 2/3 of that return being currency gains. Healthcare stocks tend to be classified as quality stocks given their strong balance sheets, high returns and high Intellectual Property content, but 2025 challenged the sector with the US administration's desire to lower drug prices and medical care in general. We have some sympathy as the US does bear a disproportionate cost of global healthcare, but it is also the country at the cutting edge of healthcare services and pharmaceutical access. Nevertheless, the sector was hit across the board last year, irrespective of the companies' exposure to governmental pressures. Given the rally in financials and the poor performance of quality stocks and healthcare names in particular, we remain overweight the sector and see significant value in our holdings. Q4 of 2025 started to see a turn in sentiment as Healthcare was the best performing sector and we increased our weighting by adding to our modest position in Novo Nordisk. Novo, once a stock market darling and at one time the largest stock in Europe, had fallen around 50% in 2025 on the back of increased competition and price pressure for their obesity and weight-loss drugs and fell to a price-to-earnings ratio ("P/E") of around 12x in Q4 of last year. With a weight loss pill about to be submitted to the FDA we increased our weight to 4% and this pill was approved towards the end of the quarter. To us, taking a pill will be a much more palatable form of dosage than an injection and this could see their potential market size expand even further. While it is unlikely that we will see the sort of multiples Novo Nordisk has traded at historically, this felt like an opportune moment to increase exposure to a leading business with huge market opportunity ahead of it. Risks still exist but with a pill already being approved we feel the upside potential is huge.

As others enter into agreement for lower drug prices with the US government and invest in US manufacturing we would expect tariff pressure to ease and solid results to lead to a re-rating in 2026.

### **We won't chase the Financials sector**

Financials tend to perform well when interest rates are rising (which improves Net Interest Margins), the yield curve is steepening (this has been the case in Europe but appears to be more stable looking forward but is not the case in Japan) and economic growth is robust. Given our expectations for interest rates and inflation coming under control in the UK and EU we don't see rates changing much in 2026. The yield curve has steepened in Europe but is unlikely to change much this year and economic expectations are for improving conditions. These conditions look reasonable for financials stocks, but the performance of 2025 and valuations look a little stretched to us. We continue to have exposure to the sector and will add new positions if opportunities arise, but we are very unlikely

to move from our current underweight position to an overweight position. Valuation is the key element holding us back.

**Chart 2** shows the Price to Book ratio of the EAFE financials sector. Since Covid took the sector down to a near 20-year low (around 0.6x) the sector has seen earnings recover as interest rates have risen (to fight inflation) and a steady re-rating to the current level of 1.65x Book Value. This is a level not seen since before the Global Financial Crisis and while we appreciate the higher returns being seen in the sector, valuation risk is as high as it has been for many years. We still see selective value in certain stocks in the sector, but we would be surprised if Financials perform as well as they have in 2025 and we remain significantly underweight the sector.

**Chart 2:** EAFE Financials Price-to-Book Ratio  
(Jan 1, 2005 to Dec 31, 2025)



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### Conclusion on outlook

Throughout the letter we have discussed sector and market outlooks, but we continue to believe that most of our performance will come from stock selection. We have offered our views and rationale for our largest overweight and underweight sectors but we have reached those conclusions by either finding many undervalued stocks with Key Thesis Points, or struggling to find attractive businesses at appropriate valuations. In general, we remain positive on EAFE markets with a bias towards European markets as we see lower valuations there with fundamental improvements in macro and micro outlooks. Valuations remain attractive on an international basis and we feel a theme of 2026 will be not necessarily AI plays in EAFE but companies that can benefit from using AI to grow their business and become more efficient. This is something we are actively thinking about as a team as well as companies that have been put into the AI “sin-bin” by the market as expectations are that their business models will be eroded by AI. This will undoubtedly be the case in some instances, but some businesses will be tarred with the same brush providing opportunity to buy at bargain prices. Caution and diligence are required, as ever, but as contrarian investors we will always go looking in areas of pessimism, as these are often rich fishing grounds.

In conclusion, 2026 is likely to be another fascinating year and we continue to believe that international markets provide investors with diversification and good value. We see significant upside to our current holdings and remain optimistic about another strong year of performance.

## Significant Portfolio Changes

We bought three new Core Value stocks, **Ashtead**, **Screen Holdings** and **Wolters Kluwer** during the quarter.

We also sold one Core Value stock, **Enel**, as well as exiting two Deep Value stocks, **Carrefour** and **Telefonica**. We sold out of the very small position in **Magnum Ice Cream** that was spun out of Unilever as we did not wish to add to it.

**Ashtead** is an international equipment rental company, renting construction and industrial equipment to customers in the UK, the USA and Canada. They could be a key beneficiary in the growth of large-scale data center projects as well as power and HVAC markets that have been growing in double digits recently. Trading at a significant discount to long-term average levels, we took a starter position in the quarter.

**Screen Holdings** is a Japanese manufacturer of semiconductor equipment focusing on cleaning systems, coater/developer tracks and annealing equipment, all essential in the production of advanced semiconductors. Screen's main products of water cleaning systems, including spin scrubbers and annealing systems are likely to become increasingly important in the semiconductor process as chips become more complex and require high degrees of precision and cleanliness. Trading around 13x P/E at time of purchase Screen was significantly cheaper than their larger peers and we took a position in the quarter.

**Wolters Kluwer** is a global information and solutions provider, serving the Health, Tax and Accounting, Finance & Corporate Compliance, Legal & Regulatory and Corporate Performance and ESG markets. Historically a traditional print business they are mainly a software and services business that the market remains skeptical of in this AI era. We felt that Wolters Kluwer had been determined an "AI loser" by the market and this represented an opportunity to buy a very high-quality business trading near all-time lows, who we believe has a real opportunity to embrace AI and use their strong proprietary database and client list to enhance their products in future. Time will tell but the business is still growing profits by more than 10% and at the time of purchase has not been cheaper in at least 10 years.

**Magnum Ice Cream** is a Dutch ice cream company that was spun out of Unilever in the fourth quarter. It was a very small position for us and so we decided to exit the position completely.

**Enel** is a multinational power company operating in the global power, gas and renewables markets. Having been a strong performer in 2025 the stock reached our fair value and we sold the stock to reinvest in better opportunities.

**Carrefour** is French supermarket and hypermarket operator with operations in France, Spain, Italy, Belgium, Romania, Poland and Latin America. After a thorough review of our Key Thesis Points we came to the conclusion that the positive developments from their geographic expansion plans were taking much longer to come to fruition. Valuation was inexpensive but we did not feel that the business was progressing as we expected and we sold the position to reinvest in one of our new ideas.

**Telefonica** is a telecommunications company, offering fixed, mobile and broadband services in Spain, Brazil, Germany and Latin America. A long-term holding that had performed well in 2024 and most of 2025, held an investor update that cut their dividend, lowered growth expectations and raised capex with the additional prospect of aggressive M&A in Europe. We took the opportunity to exit the stock as we felt the company's strategy was not aligned with shareholder interests.

## Individual Stock Performance

Top Contributors <sup>3</sup> – Q4 2025	Largest Detractors – Q4 2025
Bayer (BAYN GR)	BAE Systems (BA/ LN)
Barry Callebaut (BARN SW)	Telefonica (TEF US)
Roche (ROG SW)	Fresenius Medical Care (FMS US)
Societe Generale (GLE FP)	Smith & Nephew (SNN US)
Continental (CON GR)	STMicroelectronics (STM US)

Past performance does not guarantee future results.

Source: Bloomberg as of 12/31/2025

## Commentary on the Top Two Contributors and Detractors to the Portfolio's Total Return

**Bayer**, the crop science and pharmaceutical company, performed extremely well in Q4 and has continued to be strong thus far in 2026. Q3 results were much stronger than the market expected with crop science recovering and key pipeline drugs showing promising results. Newly launched drugs' growth outstripped Xarelto's declines and their partner prostate cancer drug has shown very promising results. Coupled with positive commentary from the US administration that they expect to see the Glyphosate cases in front of the Supreme Court by June 2026 Bayer re-rated from its mid-single digit P/E to nearer 9x.

**Barry Callebaut** manufactures cocoa and chocolate products, selling to industrial food manufacturers, chocolatiers, pastry chefs, bakers and retailers globally. Barry Callebaut was not our best performer in the quarter but as a large position was the second greatest contributor in the quarter. We invested in the business as we felt that the price of cocoa would fall over time and that would ease pressure on their inventory levels (which have risen and elevated debt levels) and as demand stays high and input costs fall, profit margins and cash flow could expand. Cocoa has been very volatile but fell over 10% in the quarter and this helped sentiment towards the stock which rose 20% in the quarter.

**BAE Systems** was the largest detractor of the quarter, falling around 16%, which was driven by high volatility over the prospect of peace in Ukraine leading to a slowdown in orders for defense equipment. The stock has also been an excellent performer over recent years and so profit taking was inevitable at some stage. We had already trimmed our position into strength so we held on as we believed that even with a peace deal the EU would be increasing their defense budgets and reducing their reliance on the US. The stock has recovered all of those losses in the first few weeks of 2026 as geopolitical tensions have risen once again.

**Telefonica** was also a modest detractor, finishing down around 18% in the quarter. We exited our position as explained above, due to the strategic announcements not resonating with our previous expectations of the business.

## Final Comments

Thank you for your investment with Lone Peak Global Investors. We will continue to focus on building long-term wealth through diligent and prudent portfolio management.

Sincerely yours,

James Harper, CFA, Roger Hill, and Allan C. Nichols, CFA  
Portfolio Managers  
Lone Peak Global Investors, LLC

<sup>3</sup> Portfolio holdings are from a representative account managed within the investment composite. The representative account is selected based on account characteristics that Lone Peak Global believes accurately represent the investment strategy as a whole. Should these characteristics change materially, Lone Peak Global may select a different representative account. Holdings may change daily and may vary among accounts, which may contribute to different investment results.

The securities identified do not represent all of the securities purchased, sold, or recommended for advisory clients.

Please contact us at (385) 387-1212 or support@cliffordcap.com to obtain information about (i) the calculation methodology; and (ii) a list showing the contribution of each holding in the representative account to the account's performance during the measurement period.

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## Disclaimers & Disclosures

Identifying undervalued securities and other assets is difficult, and there are no assurances that such a strategy will succeed. Any fair value estimates are subject to actual known and unknown risks, uncertainties, and other factors that could cause actual results to differ materially from those projected. Information is as of the period stated in this letter and is subject to change. Lone Peak Global Investors LLC ("LPG") undertakes no obligation to update this information if circumstances or management's estimates or opinions should change.

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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 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 International 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 LPG 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.

**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.

**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.

**Foreign Currency Risk.** Foreign securities often are purchased with and make any dividend and interest payments in foreign currencies. Therefore, the portfolio’s value could decline solely as a result of changes in the exchange rates between foreign currencies and the U.S. dollar, particularly if the portfolio 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.** When a substantial portion of the 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.

## **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.

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