TOWLE & CO.

November 17, 2026

Gaining Traction!

Over the past three, five, and ten years, the Towle Small-Cap Value ETF ("TCV")[1] has lagged the Russell 2000® Value Index. Why? Historically, our deep-value approach has performed best during early-cycle recoveries but faced headwinds as bull markets matured. We believe two forces amplified that pattern after the Global Financial Crisis: prolonged policy support stretched out economic cycles and passive flows began to compete with valuation signals.

That changing market prompted us to refine our investment process. We kept the valuation discipline that has defined Towle since 1981 and rethought what surrounds it: how we identify opportunities, commit capital, and exit positions.

The centerpiece of this evolution is VALT™ (Value + Traction), a proprietary system that ranks stocks from our value screen by combining valuation with a momentum-based measure we call traction. The two counterbalance each other: a deeply undervalued stock needs only modest traction to rank highly while a less discounted one needs stronger traction. As market conditions evolve, we believe the interplay of valuation and traction can help the portfolio adapt – seeking deeper discounts during recoveries, stronger traction in sustained advances, and greater resilience as risks rise.[2]

Our goal is to deliver more consistent results in small-cap value investing across full market cycles.[3] Early evidence is encouraging, as discussed on page three under **Evaluating VALT**.

TCV declined 2.0% in the third quarter but outperformed the index by 2.88%. Year-to-date through September 30, 2026, TCV returned 19.0%, versus 17.0% for the Russell 2000® Value Index. Full performance results follow with multi-year returns annualized:

Periods ending 9/30/26	*TCV (Market)*	*TCV (NAV)*	*Russell 3000*	*Russell 2000 Value Index*	*S&P 500 Index*
Quarter	-1.85%	-2.03%	1.41%	-4.91%	2.30%
YTD	19.22	19.04	12.42	16.96	12.75
1 year	20.71	20.53	15.13	20.77	15.74
3 years	9.01	8.95	22.26	17.93	22.89
5 years	5.67	5.64	12.64	7.80	13.79
10 years	7.01	6.99	14.73	9.40	15.33
Inception (10/30/2011)	9.17%	9.16%	14.32%	10.25%	14.77%

Expense Ratio: 0.85% The 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 sold or redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance quoted. For Fund performance information current to the most recent month-end visit www.towleetfs.com. Indexes are unmanaged. You cannot invest directly in an index.

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[1] *Prior to September 30, 2026, the ETF was called the Towle Value ETF.*

[2] *Momentum-based measures, including those used in VALT, can underperform. Valuation-based measures can also underperform. No assurance is made that objectives will be met.*

[3] *Think of Towle's strategy as a rear-wheel-drive muscle car. On dry pavement (an early-cycle recovery), few cars accelerate faster. In winter (mid- to late-cycle), the wheels tend to spin and the corners get tricky. For most of our history, we could wait for dry pavement. After the Global Financial Crisis, the winters grew longer. So we kept the engine – valuation – and rebuilt the rest of the car. New tires: a wider screen, with every inch of tread on the road. And traction control: VALT is designed to steer capital toward cheap stocks gripping the road and away from those spinning in place or sliding off the road. The goal: speed on dry pavement, traction in winter. The VALT score is an important metric in Towle's investment screening and decision-making process. However, it is not a guarantee of effectiveness or better outcomes.*

Towle 4.0

"The difficulty lies, not in the new ideas, but in escaping from the old ones." –John Maynard Keynes

Officially incorporated in July 2025, VALT marks the beginning of Towle 4.0. Developed in-house following decades of investing and years of quantitative research, VALT represents the latest chapter in our ongoing evolution:

- **Towle 1.0 (1980s):** Founder Woody Towle pioneered an approach focused on small-cap stocks trading at exceptionally low price-to-sales ratios, relying primarily on fundamental research.

- **Towle 2.0 (1990s):** Woody and Chris Towle built an institutional investment firm, strengthening research capabilities, systems, and organizational infrastructure.

- **Towle 3.0 (2010s):** The firm incorporated team-based investment decisions, systematic research disciplines, and greater emphasis on enterprise value-to-sales.

- **Towle 4.0 (today):** VALT and a refined screen.[1]

Across every Towle era, valuation has remained the constant. VALT adds a second perspective. Traction grades whether investors are buying, and we designed it to be a steadier signal than standard momentum measures.

Valuation and traction usually pull in opposite directions,[2] and each may help counterbalance the other's limitations. For example, traction can help a value investor avoid falling knives, sitting in value traps, and selling winners too early. Valuation can help a momentum investor avoid chasing stocks that have come untethered from their worth. Together, we believe they provide different but complementary information and help identify what neither can see alone.[3]

Here is how VALT has sharpened our investment process:

- **Screening and Ranking:** We have always screened for cheap stocks and systematically ranked the results; that discipline is unchanged. What changed is the core metric we screen on and how we rank. VALT now does the ranking, combining fundamentals (sales, margins, earnings, cash, debt, and valuation) with technicals (market-based indicators of how the stock is trading).

- **Fundamental Underwriting:** Strong VALT rankings are starting points, not automatic approvals – our portfolio managers still underwrite every investment. VALT prioritizes our fundamental research; the team then verifies the underlying financial data, challenges assumptions, and looks for reasons to disqualify. AI tools speed up that research, freeing our investment team to focus on the judgment calls no system can make.

- **Portfolio Management:** Ultimately, VALT helps us evaluate when to be patient. A cheap stock that keeps falling tends to rank lower until it stabilizes, supporting patience before buying. An appreciating stock tends to stay highly ranked while traction persists, supporting a longer hold. And a stock with neither compelling value nor improving traction tends to slip down the rankings, signaling it may be time to move on. Patience with bargains, patience with winners, impatience with stagnation.[4]

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[1] Our old screen took the cheapest decile of stocks by enterprise value-to-sales, but many of those companies lacked the earnings power to interest us. Recognizing this shortcoming, we built a measure that combines earnings power with Enterprise Value/Sales and widened the screen to the cheapest two deciles. The result is more real candidates for VALT to rank.

[2] A falling stock typically gets cheaper but weaker, and a rising stock gets stronger but more expensive. New information can break the link: after a strong earnings report, a stock can rise and still get cheaper if its fundamentals improved more than its price. In general, though, the price drop that makes a stock look cheaper also makes it look weaker.

[3] In 1947, Denmark made Niels Bohr, the Nobel Prize–winning physicist, a Knight of the Order of the Elephant, an honor usually reserved for royalty and heads of state. Knights need a coat of arms, so Bohr designed one: a yin-yang symbol above the motto Contraria sunt complementa, "opposites are complementary." It summed up his life's work. Bohr had argued that light behaves as both a wave and a particle, two descriptions that seem to contradict each other yet are each incomplete alone. Value and momentum work much the same way: one asks whether a stock is cheap, the other whether the market agrees, and each tells only part of the story.

[4] These describe how VALT's rankings are designed to behave. Actual decisions and outcomes may differ.

Evaluating VALT

In the third quarter of 2025, VALT's first, we bought nine new positions and fully exited ten. To evaluate these decisions, we compared each stock's subsequent one-year return (or holding period return if shorter than one year) following its purchase or sale with the return of the Russell 2000 Value index over the same period:[1]

VALT's First Quarter: Grading Our Q3 2025 Decisions*

Bought			Sold		
Ticker	**Stock Return‡**	**Decision Alpha†**	**Ticker**	**Stock Return**	**Decision Alpha†**
HOUS**	111%	+88%	SNBR	-100%	+131%
UNFI	72%	+42%	GT	-37%	+61%
SNX	69%	+33%	WOOF	-24%	+58%
BWA	50%	+26%	AAP	-11%	+47%
MYRG	16%	+2%	ASTL	-3%	+39%
SANM	15%	-3%	CBRL	0%	+36%
LYFT	12%	-5%	TSN	-6%	+29%
OSK	-14%	-38%	UAA	3%	+21%
ACI	-21%	-38%	FL	-6%	+12%
			AVT[2]	85%	-61%
Dollar-weighted	**37.8%**	**+14.9%**	**Dollar-weighted**	**-9.1%**	**+35.9%**

**Returns measured through the one-year anniversary of the initial buy or sell. Returns for purchases sold prior to one year (MYRG, SANM, LYFT, OSK, ACI), and sales that were repurchased or delisted prior to one year (SNBR, FL), are for the relevant holding period. ‡Stock Returns in the Bought column are stated net of fees, while Stock Returns in the Sold column reflect a period after each was sold from the Towle Small-Cap Value ETF and are not reduced for management fees. †Decision Alpha measures the value added by each investment decision relative to the benchmark over the same period. For purchases, it is the stock's subsequent return minus the benchmark return; for sales, it is the benchmark return minus the stock's subsequent return. The benchmark is the Russell 2000 Value and its returns do not reflect the deduction of Towle management fees but do reflect other fees as disclosed in its offering documents. **HOUS was acquired in an all-stock transaction by COMP, and we still hold COMP shares. Past performance is no guarantee of future outcome. Refer to the last page for additional disclosures.*

The nine stocks we bought during VALT's first quarter gained 37.8% on a dollar-weighted basis over the following year, outperforming the benchmark by 14.9 percentage points. The ten stocks we sold subsequently declined 9.1%, underperforming the benchmark by 35.9 points. **The significance is clear: VALT helped us identify what to own *and* what to move on from – improving decisions on both sides of our trading activity.**

Why grade only one quarter? Because VALT's first quarter was its cleanest test. The portfolio still held many stocks our old process had bought and VALT scored poorly, making them natural sells and a fair contrast with VALT's first buys. Today, what we sell is more often a mediocre VALT stock making room for a better one, so those comparisons will be narrower by design. From here, the right measure of VALT is the portfolio as a whole.

As the portfolio has evolved over subsequent quarters, our trades increasingly reflect reallocations within a higher-VALT group rather than a shift away from legacy holdings. Going forward, we believe the best measure of VALT's impact will be the performance of the Towle Small-Cap Value ETF.

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[1] The table reflects security-level returns and does not reflect the total performance of the Towle Value ETF. Security-level returns associated with Bought securities are extracted performance that should not be interpreted as indicative of overall portfolio results. Extracted performance can differ meaningfully from ETF performance and from any individual client. The comparison is provided solely to illustrate how our process behaved during its initial quarter of implementation. It includes all buys and all sells from that quarter and is not intended to suggest that similar results will occur in the future.

[2] AVT is an example of how VALT works and where we are still learning. Its VALT score became unattractive in Q3 2025, so we sold. In early 2026, a surprisingly strong earnings report sent the shares higher and pushed AVT to a price above where we had sold – but, also, to the top of our buy list. Anchored to our previous sale price and concerned AVT wasn't cheap enough anymore (though it still met our cheap-screen criteria), we passed.

It bears repeating: while VALT ranks every company, we buy only from within our cheap universe. **Valuation remains nonnegotiable**. What has changed is how we respond to price trends. Historically, falling prices attracted us, while rising prices prompted us to sell. Yet the research we've completed in the last few years, which is corroborated by decades of academic evidence, shows that relative strength and weakness often persist. Today, a falling price may be a reason to wait before buying, while a rising price may be a reason to hold rather than sell.

Keynes was right: the real challenge is letting go of old habits.

Quarterly Portfolio Review

On a sector basis, Information Technology (IT) and Energy were our leaders. IT drove much of the quarter's outperformance in two ways: our IT holdings rose while the benchmark's IT stocks fell, and we held nearly three times the benchmark's IT weight throughout the quarter. Healthcare and Consumer Discretionary were our largest detractors.

Below are the largest contributors and detractors to quarterly performance at the security level (as measured by contribution to return):

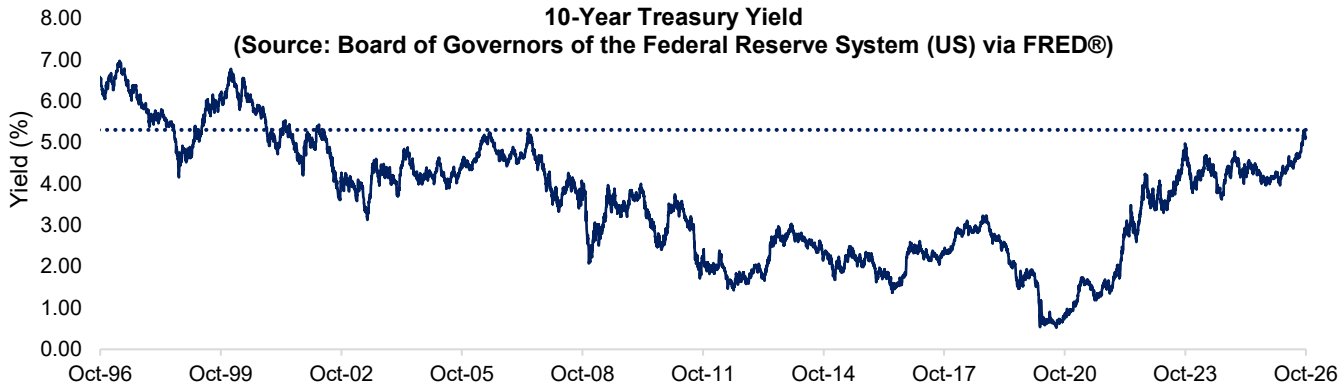
	Company	Contribution %		Company	Contribution %
1.	Five9 (FIVN)	1.27%	1.	Methode Electronics (MEI)	-1.07%
2.	PBF Energy (PBF)	1.15%	2.	Compass (COMP)	-0.93%
3.	Par Pacific (PARR)	0.90%	3.	Astrana Health (ASTH)	-0.66%
4.	PagerDuty (PD)	0.72%	4.	Liberty Energy (LBRT)	-0.54%
5.	Atkore (ATKR)	0.50%	5.	Scholastic (SCHL)	-0.53%

Past performance is no guarantee of future outcome. The contribution to return characteristics shown do not reflect the deduction of all fees and expenses that a client has paid or would have paid. See page 1 for market and NAV performance to understand the overall effect of fees over the same period. Refer also to the last page for additional disclosures. ***Holdings are subject to change. For current Fund holdings visit www.towleetfs.com***

Looking Ahead

"I violated the Noah rule: Predicting rain doesn't count; building arks does." –Warren Buffett

The yield on 10-year Treasuries recently hit its highest level since 2002. Persistent inflation and higher rates change the math of investing: capital costs more, elevated valuations face greater scrutiny, and debt becomes a heavier burden. Meanwhile, market leadership remains concentrated in a narrow group of companies tied to AI. The technology may transform the economy, but great technologies are not necessarily great investments.



We believe prudent diversification belongs in place before market leadership shifts, not after.

The Towle Small-Cap Value ETF invests in attractively valued, company-specific opportunities beyond crowded mega-cap equities and illiquid private markets. Our refined valuation screen and VALT ranking system help us evaluate those opportunities, including when to stay invested as traction persists or redeploy capital as other prospects emerge. The portfolio is also cheaper and less leveraged than our benchmark – attributes we believe are particularly valuable when capital costs more.

Our aim is value exposure without drag: a more adaptable small-cap value strategy built to compete across full market cycles. Investors need not bet against today's market leaders to invest beyond them.

-Towle Investment Team

DISCLOSURES

Effective September 30, 2026, the Fund's name changed to **Towle Small-Cap Value ETF**. Previously the Towle Value ETF.

Towle & Co.("Towle") is an SEC registered investment adviser and a commodity pool operator registered with the Commodity Futures Trading Commission (CFTC). Registration does not imply a certain level of skill or training.

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Past performance is no guarantee of future outcome.

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Median Price/Earnings: The midpoint of the price-to-earnings (P/E). The P/E ratio measures a company's share price relative to its earnings per share (EPS). Often called the price or earnings multiple, the P/E ratio helps assess the relative value of a company's stock. It's handy for comparing a company's valuation against its historical performance, against other firms within its industry, or the overall market.

Median EV/EBITDA: The midpoint of the ratio of enterprise value to earnings before interest, taxes, depreciation, and amortization (EV/EBITDA). The EV/EBITDA compares the value of a company—debt included—to the company's cash earnings minus non-cash expenses. The EV/EBITDA metric is most handy for comparing companies within the same sector since industry norms vary widely.

Median Price/Book: The midpoint of the price-to-book (P/B). Price-to-book (P/B) ratio is a financial metric that compares a company's market value to its book value, which is the value of all its assets minus its liabilities, helping investors identify undervalued stocks.

Median Price/Sales: The midpoint of the Price/Sales ratios over a specified period, where half of the values are above and half are below. It helps indicate typical valuation levels by reducing the impact of outliers.

Median Debt/Equity: The midpoint of the Debt-to-Equity ratios for a selected group of companies or a historical time period—with half the values above and half below—offering a stable measure of typical leverage without skew from extremes.

Russell 3000: A market-capitalization-weighted index tracking the performance of the 3,000 largest publicly traded U.S. companies, representing approximately 96–98% of the investable U.S. equity market.

Russell 2000 Value: A subset of the Russell 2000 Index, tracking the performance of U.S. small-cap value stocks based on price-to-book ratios, earnings, and other value characteristics.

S&P 500: A market-capitalization-weighted index representing the performance of 500 of the largest publicly traded U.S. companies across various sectors.

NAV (Net Asset Value): The value of one share of the fund, calculated by dividing the total value of the fund's assets, minus its liabilities, by the number of outstanding shares. **Market price** returns are based upon the closing composite market price and do not represent the returns you would receive if you traded shares at other times. Returns are average annualized total returns, except those for periods of less than one year, which are cumulative.

The Fund acquired all of the assets and assumed the liabilities of the Towle Value Fund, a series of Investment Managers Series Trust (the "Predecessor Fund"), as of immediately after the close of business on March 13, 2026 (the Reorganization"), and the Fund assumed the financial and performance history of the Predecessor Fund. The Predecessor Fund had the same investment objective and substantially the same strategies as the Fund. Performance results shown in the performance table above for periods prior to March 13, 2026 is that of the Predecessor Fund. The Predecessor Fund's past performance is not necessarily an indication of how the Fund will perform in the future.

Important Information
Investments involve risk. Principal loss is possible.
The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. This and other important information is contained in the prospectus, which may be obtained by following the links Prospectus and Summary Prospectus or by calling +1.303-731-2494. Please read the prospectus carefully before investing.

Small-Capitalization Companies Risk*. Investing in securities of small-capitalization companies involves greater risk than customarily is associated with investing in larger, more established companies. Small-capitalization companies often have less predictable earnings, more limited product lines, markets, distribution channels and financial resources, and the management of such companies may be dependent upon one or a small number of individuals. Price movements of small-capitalization companies may be more volatile than mid-capitalization and large-capitalization companies.*

Foreign Investment Risk. *The prices of foreign securities may be more volatile than the prices of securities of U.S. issuers because of economic and social conditions abroad, political developments, and changes in the regulatory environments of foreign countries. Changes in exchange rates and interest rates and the imposition of sanctions, confiscations, trade restrictions (including tariffs) and other government restrictions by the U.S. and/or other governments may adversely affect the values of the Fund' foreign investments.*

Non-Diversification Risk*. The Fund is classified as "non-diversified," which means the Fund may invest a larger percentage of its assets in the securities of a smaller number of issuers than a diversified fund. Investment in securities of a limited number of issuers exposes the Fund to greater volatility and potential losses than if its assets were diversified among the securities of a greater number of issuers.*

Quantitative Security Selection Risk*. Data for some issuers may be less available and/or less current than data for issuers in other markets. The Sub-Adviser uses quantitative models, and its processes could be adversely affected if erroneous or outdated data is utilized. In addition, securities selected using a quantitative model could perform differently from the financial markets as a whole as a result of the characteristics used in the analysis, the weight placed on each characteristic and changes in the characteristic's historical*

trends. The factors used in those analyses may not be predictive of a security's value and its effectiveness can change over time. These changes may not be reflected in the quantitative models.

***Sector Focus Risk**. The Fund may invest a larger portion of its assets in one or more sectors than many other mutual funds, and thus will be more susceptible to negative events affecting those sectors. The prices of securities of issuers in a particular sector may be more susceptible to fluctuations due to changes in economic or business conditions, government regulations or monetary and fiscal policies, market sentiment and expectations, availability of basic resources or supplies, or other events that affect that sector more than securities of issuers in other sectors.*

***Consumer Discretionary Sector Risk.** Companies in the consumer discretionary sector are affected by fluctuations in supply and demand, changes in consumer preferences and changes in discretionary consumer spending as a result of various factors such as political and economic conditions. At times the performance of the Fund's investments may lag the performance of other sectors or the broader market as a whole. Such underperformance may continue for extended periods of time.*

***Value-Oriented Investment Strategies Risk**. Value stocks are those that the Sub-Adviser believes to be undervalued in comparison to their peers due to adverse business developments or other factors. Value investing is subject to the risk that the market will not recognize a security's inherent value for a long time or at all, or that a stock judged to be undervalued may actually be appropriately priced or overvalued. In addition, during some periods (which may be extensive) value stocks generally may be out of favor in the markets. Therefore, the Fund is most suitable for long-term investors who are willing to hold their shares for extended periods of time through market fluctuations and the accompanying changes in share prices.*

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