

June 30, 2025

Dear Fellow FAM Value Fund Shareholder,

The first half of 2025 was marked by significant volatility in U.S. equity markets. The year began with stocks riding a wave of optimism around the potential for corporate tax and regulatory reform as well as continued capital investment in artificial intelligence (“AI”). That optimism was punctured in January with the surprise revelation of a Chinese large language model purportedly developed at a fraction of the cost of comparable U.S. systems. This prompted the stock market to question future AI infrastructure investments.

Then, the market fell sharply in the days following the April 2 (“Liberation Day”) announcement of sweeping tariffs on a range of major trading partners. The S&P 500 Index fell 18.9% from its February 19 high to its April 8 low, coming within range of a formal bear market. However, stocks rebounded swiftly as, among other things, the administration repeatedly delayed the implementation of new tariffs and capital investment in AI showed no signs of slowing. From the April low, the S&P 500 surged and finished with a year-to-date return of 6.20%.¹

Fund Performance

Against this backdrop, the FAM Value Fund (FAMVX — Investor Shares) performed well on both an absolute and relative basis, returning 4.66%, and just slightly trailed the 4.84%² return of our Russell Midcap Index benchmark.³

A Few Words on Tariffs

For much of the first half of the year, investor attention was fixed on tariffs — understandably so, as few policy tools can affect corporate earnings as broadly and directly. There is much uncertainty around which countries and products will ultimately be targeted and at what rates, requiring companies to prepare for a wide range of outcomes. Though there is very little clarity, most businesses now assume that the effective tariff rate will be materially higher. Companies that import components or finished goods are assessing the impact on their cost of goods sold, while exporters are weighing the potential for retaliation that could reduce international sales.

To limit the impact of tariffs, management teams have several options: shift sourcing to lower-tariff countries; negotiate with suppliers to share cost increases; absorb the higher costs (and lower costs elsewhere); or raise prices. We have spoken with the leadership

¹ FactSet as of June 30, 2025

² FactSet as of June 30, 2025

³ The Russell Midcap is an unmanaged index that measures the performance of a mid-cap segment of the U.S. equity universe. This benchmark is used for comparative purposes only and very generally reflects the risk or investment style of the investments reported.

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of nearly all of our holdings that are likely to be affected by tariffs. While final rates and implementation timelines remain uncertain, most managers already have plans in place and have begun executing them. Their mitigation plans are typically a combination of the options mentioned above and almost all believe they should be able to minimize the impact on margins and earnings.

Situations like this highlight the value of owning what we deem to be high-quality businesses — those with strong balance sheets, pricing power, and experienced leadership. For example:

- Low debt provides the financial flexibility to adapt.
- Pricing power helps protect margins.
- Capable management teams act swiftly and creatively — supported by strong cultures — to ideally exit a tumultuous period even stronger than when they entered it.

Portfolio Activity

We sold one position and added to seven existing positions.

Purchases

Our team used the volatility during 2025's first six months to increase our positions in seven holdings: **Ametek (AME)** (1.7%),⁴ **Amphenol Corporation (APH)** (6.4%), **Analog Devices (ADI)** (3.8%), **Keysight Technologies (KEYS)** (3.5%), **Pinnacle Financial Partners (PNFP)** (2.5%), **Waters Corporation (WAT)** (2.8%), and **Zebra Technologies (ZBRA)** (3.2%). In each case, we believed the market price was below the company's intrinsic value and that their long-term earnings power remained intact, even under uncertain trade conditions.

Sales

We exited our position in **McCormick & Company (MKC)** (0.0%). While the business has historically delivered consistent results, earnings growth slowed. Our analysts see growing pressure from tariffs, increased competition from private-label products, and limited pricing flexibility. We reallocated the proceeds to existing holdings that we believe offer better long-term return potential.

Closing

As of this writing, there is still little clarity on the final tariff policy. We will learn more about the impact on the economy and corporate earnings as the year unfolds. In the meantime, markets are likely to stay volatile as investors react to a steady flow of shifting trade policy headlines. In addition, the second quarter ended with signs of speculation picking up in companies whose business prospects are challenged, reminiscent of what we saw during the 2021 meme stock and SPAC surge. This, too, could add to volatility.

However, when you are focused on the long-term earnings power of strong, resilient companies — thinking five years out instead of five days — these periods are less unsettling. In fact, they often create opportunity for Fenimore's investment research team. That long view gives us the confidence to act when others pull back, especially when market prices diverge from business fundamentals. As we did in the first half of 2025, we are prepared to take advantage of volatility — often by moving in the opposite direction of the crowd — to invest in what we believe are high-quality businesses at attractive prices.

⁴ Percentage is the company's weight in the portfolio as of 6/30/2025

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TOP 5 CONTRIBUTORS AND DETRACTORS*

12/31/2024 to 6/30/2025

TOP 5 CONTRIBUTORS		
NAME	AVERAGE WEIGHT (%)	CONTRIBUTION (%)
Amphenol Corp.	5.12	2.26
Markel Group	5.88	0.84
Brown & Brown	8.64	0.68
Progressive Corp.	5.36	0.62
Fastenal Company	3.59	0.61

This reflects the FAM Value Fund's best and worst performers, in descending order, based on individual stock performance and portfolio weighting. Past performance does not indicate future results.

TOP 5 DETRACTORS		
NAME	AVERAGE WEIGHT (%)	CONTRIBUTION (%)
Ross Stores	6.67	-1.03
Zebra Technologies Corp.	3.30	-0.83
IDEX Corp.	4.79	-0.81
Waters Corp.	3.03	-0.20
Illinois Tool Works	3.56	-0.08

Past performance does not indicate future results.



John D. Fox, CFA
Portfolio Manager



Drew P. Wilson, CFA
Portfolio Manager



Marc D. Roberts, CFA
Portfolio Manager

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Performance data quoted above is historical. Past performance is no guarantee of future results. Current performance may be higher or lower than the performance data quoted. The principal value and investment return of an investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost.

**Reflects top contributors and top detractors to the fund's performance based on each holding's contribution to the overall fund's return for the period shown. The information provided does not reflect all positions purchased, sold or recommended for advisory clients during the period shown. It should not be assumed that future investments will be profitable or will equal the performance of the security examples discussed. Past performance is no guarantee, nor is it indicative, of future results. For more detailed information on the calculation and methodology as well as a complete list of every holding's contribution to the overall fund's performance during the time period shown, please call (800) 932-3271 or visit the fund's website at famfunds.com. Portfolio composition will change due to ongoing management of the fund. References to individual securities are for informational purposes only and should not be construed as an offer or a recommendation, by the fund, the portfolio managers, or the fund's distributor, to purchase or sell any security or other financial instrument. The summary is not advice, a recommendation or an offer to enter into any transaction with Fenimore or any of its affiliated funds. The portfolio holdings as of the most recent quarter most recent quarter.*

TOP 10 HOLDINGS

AS OF 06/30/2025

FAM VALUE FUND	% OF PORTFOLIO
Brown & Brown	7.73%
Amphenol Corp.	6.43%
Markel Group	5.96%
Ross Stores	5.73%
CDW Corp.	5.53%
Brookfield Corp.	5.46%
Progressive Corp.	5.03%
Stryker Corp.	4.56%
Vulcan Materials	4.31%
IDEX Corp.	4.20%
TOTAL NET ASSETS	\$1,802,625,468

The portfolios are actively managed and current holdings may be different.

AVERAGE ANNUAL TOTAL RETURNS

AS OF 06/30/2025

	SINCE INCEPTION	10 YEAR	5 YEAR	3 YEAR	1 YEAR	TOTAL FUND OPERATING EXPENSES*
FAM VALUE FUND INVESTOR CLASS (12/31/86)	10.43%	10.04%	12.89%	14.99%	14.35%	1.17% (gross) 1.18%* (net)
INSTITUTIONAL CLASS (12/31/86)	10.48%	10.22%	13.10%	15.20%	14.57%	1.13% (gross) 0.99%* (net)

The performance data quoted represents past performance.

**FAM Value Fund Disclosure: The Fund's gross annual operating expense ratio as stated in the fee table of the Fund's most recent prospectus is 1.17% for the Investor Class. The Fund's gross annual operating expense ratio as stated in the fee table of the Fund's most recent prospectus is 1.13% for the Institutional Class. The annual operating expense as reported in the FAM Value Fund's audited financial statements for the Investor Class is 1.18% after net fee recoupment of 0.01% and the Institutional Class is 0.99% after fee waivers of (0.14)% as of December 31, 2024. The Advisor has contractually agreed, until May 1, 2026, to waive fees and/or reimburse the Fund certain expenses (excluding interest, taxes, brokerage costs, Acquired Fund Fees and Expenses, dividend expense and extraordinary expenses) to the extent necessary to cap Net Fund Operating Expenses for Investor Shares at 1.18% and Institutional Shares at 0.99%. There are no sales charges.*

Institutional Class shares became available for sale on January 1, 2017. For performance prior to that date, this table includes the actual performance of the Fund's Investor Class (and uses the Fund's Investor Class' actual expenses), without adjustment. The performance results shown on this and the next page for the periods prior to January 1, 2017, the date of commencement of operations for Institutional Shares, are for the Investor Shares, which are subject to higher fees due to differences in the shareholder administrative services fees and certain other fees paid by each class. Institutional Shares and Investor Shares would have substantially similar performance results because the shares of each class are invested in the same portfolio securities of the Fund. Because of the difference in the level of fees paid by Investor Shares, the returns for the Investor Shares may be lower than the returns of the Institutional Shares.

PERFORMANCE DISCLOSURES

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Please consider a fund's investment objectives, risks, charges and expenses carefully before investing. The FAM Funds prospectus or summary prospectus contains this and other important information about each Fund and should be read carefully before you invest or send money. To obtain a prospectus or summary prospectus for each fund as well as other information on the FAM Funds, please go to fenimoreasset.com or call (800) 932-3271.

IMPORTANT RISK INFORMATION

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