FAM FUNDS
Managed by
FENIMORE ASSET MANAGEMENT

FAM SMALL CAP FUND

Semi-Annual Shareholder Letter 2026

June 30, 2026

Dear Fellow FAM Small Cap Fund Shareholder,

During the first half of 2026, the FAM Small Cap Fund (FAMFX — Investor Shares) declined -1.46%, trailing its benchmark the Russell 2000 Index[1] which rose 22.57%.[2] While our holdings are expected to grow earnings by double digits this year, similar to 2025, markets have been piling into what we believe are speculative and low-quality stocks which led to relative underperformance.

2026's First-Half Recap

During the first half of 2026, markets focused on several key themes including:

- The Middle East conflict which directly impacted oil prices.
- The reacceleration of inflation and what this will ultimately mean for monetary policy under newly appointed Federal Reserve Chair Kevin Warsh.
- The artificial intelligence ("AI") data center construction boom and whether the returns on these investments will justify the trillions that have been invested.

Markets shrugged off these questions as animal spirits continued to dominate the overall investor mood. The Russell 2000's outperformance was influenced by three major themes:

1. Companies selling hardware for the data center buildout.
2. Speculation in the performance of biotechnology firms.
3. Energy companies benefiting from higher oil prices due to the Middle East conflict.

We believe all three themes drove the performance of stocks tied to enterprises that do not satisfy Fenimore's criteria for businesses that can sustainably compound their earnings over a long period of time. A feature of long-term investing involves short-term cycles of speculation, but, in the long run, stock returns should be determined by the results of the underlying business. Our investment process remains focused on investing in what we deem to be high-quality companies built for the long term and we are not interested in chasing trends driven by low-quality operations.

Top Contributors

The top three contributors to performance year-to-date were **Element Solutions (ESI), Landstar System (LSTR),** and **OneSpaWorld Holdings (OSW).**

Element Solutions is a specialty chemicals company that provides technology, chemical products, and technical services. Our thesis centered on a highly cash-generative, diversified

[1] *The Russell 2000 is an unmanaged index that measures the performance of a small-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.*

[2] *FactSet as of 6/30/2026*

firm run by a very strong capital allocator, Ben Gliklich. That thesis proved to be sound and we also received an unexpected benefit as strong demand for their products in AI data center construction accelerated growth. Subsequent to quarter-end, it was announced that Solstice Advanced Materials would acquire Element.

Landstar operates a network that connects independent freight agents to shippers and trucking companies. In 2025, we wrote about Landstar as a performance detractor while the business navigated a difficult environment. For years, freight markets have been in a recession, resulting in Landstar's lower growth. This downcycle created an opportunity to acquire shares at a discount. Recently, signs of activity have picked up, resulting in strong stock performance.

OneSpaWorld manages spas for all major cruise ships. OneSpaWorld dominates its market, in our view, and faces little noteworthy competition. Cruise industry results remain strong and this tailwind was amplified by a number of specific initiatives that management has been successfully executing.

Top Detractors

The three largest detractors from performance were **ExlService Holdings (EXLS), Colliers International Group (CIGI),** and **CBIZ (CBZ).** All three holdings share two common themes:

1. They offer professional services that investors have become concerned could be AI casualties.
2. Their operations continue to generate impressive results.

While we take potential risks associated with AI seriously, our research — coupled with the results of these enterprises — leads us to believe market concerns are overblown and that each company should benefit from AI developments.

EXLS manages back-office operations, analyzes business data, and helps clients implement technology solutions to improve efficiency and make better decisions for insurance, healthcare, and financial services companies. Despite strong sales and earnings growth, investors are apprehensive that EXLS will become an AI casualty if clients replace their services with internally developed solutions. Results have run counter to this argument as clients are increasingly relying on them to develop and orchestrate their AI strategies.

Colliers is a real estate services firm that helps businesses, investors, and developers buy, sell, lease, and manage commercial real estate (such as office buildings, warehouses, and retail) and they handle property valuations and project management. First quarter results for Colliers were strong; however, markets reacted negatively to short-term investments they made in their investment management operation. We view these investments as intelligent and believe they should benefit shareholders over time.

CBIZ provides accounting, tax preparation, payroll, employee benefits, insurance, and business advisory services to help mid-market companies manage their finances and operations. Results for CBIZ continue to accelerate and, most recently, management reported substantial progress on integrating Marcum as well as early positive returns from implementing AI to augment their associates' domain expertise.

Portfolio Activity

The first half of 2026 saw significant market volatility driven by bullish sentiment in AI infrastructure, bearish sentiment regarding AI's impact on software and professional services, and concerns about Middle East geopolitical risks. We view volatility not as risk but as opportunity, which led us to initiate a new position, add to existing holdings, and trim positions that had appreciated significantly.

Performance data quoted above is historical. Past performance is not indicative of future results, current performance may be higher or lower than the performance data quoted. Investment returns may fluctuate; the value of your investment upon redemption may be more or less than the initial amount invested. All returns are net of expenses. To obtain performance data that is current to the most recent month-end for each fund as well as other information on the FAM Funds, please go to fenimoreasset.com or call (800) 932-3271. 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.

Purchases
We initiated a new position in **RYAN Specialty Holdings (RYAN),** an insurance broker. We previously owned shares in Ryan, which were sold as the company outgrew our small-cap range. Recent soft-market conditions, coupled with broader concerns around potential disruption from AI developments, led to a selloff of insurance broker stocks. We believe these concerns are overblown given the complex expertise required in Ryan's business and were excited to reinitiate a position. Finally, our team regards CEO and Chairman Pat Ryan as a legendary leader in the insurance brokerage space.

Sales
We exited three positions — two were disappointments and one a success.

Dream Finders Homes (DFH) is a fast-growing homebuilder based in Jacksonville, Florida. We were initially attracted to their management team as well as their asset-light strategy, which we believed would produce superior risk-adjusted returns. Over time, our investment perspective and management's strategic direction diverged, leading us to reinvest the proceeds into leaders more aligned with our philosophy.

Boston Omaha Corp. (BOC) is a conglomerate consisting of three primary businesses in billboards, surety insurance, and a growing fiber-to-home operation. Additionally, the corporation holds a series of minority investments. Initially, we liked management's capital allocation philosophy; however, investments in fiber were proving to provide less certain returns than we had anticipated. Given the volatility in the markets, we decided to exit our position and reinvest the proceeds in holdings we felt would generate stronger returns.

We successfully sold shares in **Dutch Bros (BROS).** Dutch Bros is a fast-growing coffee chain that differentiates itself with a high-touch service model. BROS continued to execute successfully on its growth plans, leading to strong results that were reflected in its stock price. We exited our position as Dutch Bros outgrew our small-cap range.

Adds & Trims
Beyond these sales, market volatility gave us plenty of opportunities to add to and trim many of our existing positions.

We added to **Casella Waste Systems (CWST), ESAB Corp. (ESAB), Floor & Decor Holdings (FND), FirstService Corp. (FSV), LSTR, SPS Commerce (SPSC), Descartes Systems Group (DSGX), CBZ,** and **Baldwin Insurance Group (BWIN).**

Our team trimmed **Brookfield Infrastructure Corp. (BIPC), ESI, EXLS, Exponent (EXPO), Frontdoor (FTDR), Home BancShares (HOMB), OSW, SiteOne Landscape Supply (SITE), SPSC, Trisura Group (TRRSF), LSTR, Franklin Electric Co. (FELE), Choice Hotels International (CHH),** and **CBZ.**

In many cases, volatility was so pronounced that we had opportunities to add to and trim the same business. This speaks to one of the core tenets of our investment philosophy: intrinsic value is far less volatile than stock prices and when market moods fluctuate, we are prepared to act accordingly.

Closing Thoughts

Today, we believe our portfolio is trading at a discount to its intrinsic value with certain positions trading at steep bargains. Our investment research analysts also believe we own a higher-quality collection of businesses when compared to the Russell 2000. Therefore, we remain optimistic about the portfolio's long-term return potential.

As we move into 2026's second half, we believe the market's dominant focus will be on:

- A resolution to the Middle East conflict.
- Inflation and the corresponding monetary policy that Kevin Warsh establishes.
- The AI data center capital cycle and, ultimately, what returns will come of such massive investments.

While we will monitor these variables closely — as we always do — our attention will remain on executing Fenimore's process. Our team will continue to meet with management teams, speak with industry experts, and tour companies.

Thank you for investing with us and for your ongoing trust. We will continue to work diligently on your behalf.

TOP 5 CONTRIBUTORS AND DETRACTORS*
12/31/2025 to 6/30/2026

TOP 5 CONTRIBUTORS		
NAME	AVERAGE WEIGHT (%)	CONTRIBUTION (%)
Element Solutions	4.12	2.78
Landstar System	4.61	2.26
OneSpaWorld Holdings	3.93	1.32
Frontdoor	3.65	1.18
Novanta	3.75	1.16

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

TOP 5 DETRACTORS		
NAME	AVERAGE WEIGHT (%)	CONTRIBUTION (%)
ExlService Holdings	5.44	-2.78
Colliers International Group	5.28	-2.43
CBIZ	5.04	-1.57
SPS Commerce	2.74	-1.22
Altus Group	3.31	-0.79

Past performance does not indicate future results.

Andrew F. Boord
Portfolio Manager

Kevin D. Gioia, CFA
Portfolio Manager

The opinions expressed herein are those of the portfolio managers as of the date of the report and are subject to change. There is no guarantee that any forecast made will come to pass. This material does not constitute investment advice and is not intended as an endorsement of any specific investment.

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.

TOP 10 HOLDINGS AS OF 6/30/2026

FAM SMALL CAP FUND	% OF PORTFOLIO
CBIZ	5.65%
Baldwin Insurance Group	5.34%
Frontdoor	4.72%
Colliers International Group	4.62%
Novanta	4.53%
Floor & Decor Holdings	4.36%
Casella Waste Systems	4.35%
SiteOne Landscape Supply	4.20%
Chemed Corp.	4.13%
Trisura Group	4.11%
TOTAL NET ASSETS	**$311,110,339**

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

AVERAGE ANNUAL TOTAL RETURNS AS OF 6/30/2026

	SINCE INCEPTION	10 YEAR	5 YEAR	3 YEAR	1 YEAR	TOTAL FUND OPERATING EXPENSES*
FAM SMALL CAP FUND INVESTOR CLASS (3/1/12)	8.96%	7.25%	2.22%	2.01%	-10.28%	1.25% (gross) 1.25%* (net)
INSTITUTIONAL CLASS (1/1/16)	9.04%	7.37%	2.32%	2.09%	-10.23%	1.15% (gross) 1.15%* (net)

The performance data quoted represents past performance.

*FAM Small Cap Fund Disclosure: The Fund's gross annual operating expense ratio as stated in the fee table of the Fund's most recent prospectus is 1.25% 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 1.15% for the Institutional Class. When excluding Acquired Funds Fees and Expenses, which are not direct costs paid by the Fund's shareholders and fee waivers, the gross annual operating expense as reported in the FAM Small Cap Fund's audited financial statements for the Investor Class is 1.24% and the Institutional Class is 1.14% as of December 31, 2025. The Advisor has contractually agreed, until May 1, 2027, 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 1.42% and Institutional Shares at 1.20%. There are no sales charges.*

Institutional Class shares became available for sale on January 1, 2016. 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, 2016, 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 ofthe difference in the level of fees paid by Investor Shares, the returns for the Investor Shares will be lower than the returns of the Institutional Shares.

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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

Risk Disclosures: The principal risks of investing in the fund are: stock market risk (stocks fluctuate in response to the activities of individual companies and to general stock market and economic conditions), stock selection risk (Fenimore utilizes a value approach to stock selection and there is risk that the stocks selected may not realize their intrinsic value, or their price may go down over time), and small-cap risk (prices of small-cap companies can fluctuate more than the stocks of larger companies and may not correspond to changes in the stock market in general).

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800.932.3271 • 518.234.7462 • F 518.234.7793 384 North Grand Street, PO Box 399, Cobleskill, NY 12043

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