Edgar Lomax Value Fund

Market Commentary
(through 03/31/17)

We are pleased to provide an update regarding the performance of the Edgar Lomax Value Fund through March 31, 2017. The Edgar Lomax Company is the Fund's investment advisor. We are considered a traditional large-cap value manager, and seek to achieve above-average long-term results by participating fully in rising markets while limiting "bear market" losses.

During 2017's first calendar quarter, large "growth" stocks showed renewed life after trailing large "value" issues by a wide margin in 2016. Specifically, the S&P 500 Growth index returned 8.53% during the quarter while the S&P 500 Value index rose 3.29% (and the S&P 500 fell between them, with a return of 6.07%). Meanwhile, the Edgar Lomax Value Fund outperformed the "value" index with a gain of 3.54%. Following is a summary of average annual total returns through March 31, 2017:

	Fund	**S&P 500 Value**	**S&P 500**	**Lipper Large Cap Value Average**
1-year	**15.98%**	**18.66%**	**17.17%**	**18.71%**
5-year	**11.84%**	**12.66%**	**13.30%**	**11.57%**
10-year	**6.24%**	**5.70%**	**7.49%**	**5.29%**

Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling (866) 205-0524 or visiting www.edgarlomax.com. *Before deducting fees that the Advisor contractually waived or expenses of the Fund that the Advisor absorbed, the gross expense ratio is 1.02%*; however, after such waivers or absorptions, the Fund's maximum net expense ratio is 0.70%. Including the voluntary performance-based waiver arrangement, actual Total Annual Fund Operating Expenses (the net expenses that investors paid) were 0.64% for the fiscal year ended October 31, 2016.*

Investors are showing little fear of either the market's high valuation (for example, the S&P 500's price-to-earnings ratio is about 25) or the Federal Reserve's determination to execute a series of interest-rate hikes this year. In fact, they continue to hang their post-election hopes on the promises of tax cuts, infrastructure spending and regulatory reform.

This past quarter, market participants took their "confidence" a step further and favored the higher-risk segment of the market (that is, "growth" stocks and, particularly, "tech" stocks) that underperformed the Fund's holdings so sharply in 2016. We have not wavered, however, in our commitment to what we think are lower-risk, blue-chip companies. We believe they will continue to perform strongly, especially during the inevitable next "down" market.

∗ Figures are from the Fund's prospectus dated February 28, 2017. The Advisor has contractually agreed to waive its fees and/or absorb expenses of the Fund to ensure that Net Annual Fund Operating Expenses do not exceed 0.70% (excluding acquired funds fees and expenses, interest, taxes and extraordinary expenses) through at least February 27, 2018. In addition, the Advisor has voluntarily agreed to waive a portion of its investment advisory fee contingent upon the Fund's performance versus the S&P 500 Value Index. While the Advisor may discontinue its voluntary waiver any time after February 27, 2018, it has no intention of doing so.

Before closing, let's look at some of the stocks and sectors that had the most influence on the Fund's first-quarter results. Our Industrials sector had the largest positive impact on the Fund's overall performance this quarter, rising 5.8% as a group. Within the group, General Dynamics and Raytheon gained 8.9% and 7.4%, respectively. Both companies lean on defense contracts for the bulk of their revenue; given the Trump administration's stated intent to "rebuild the military," along with the companies' solid balance sheets and long histories of proven profitable operations, we feel that both stocks present a compelling case of meaningful upside potential with good downside protection. Another stock that rose strongly this past quarter was Dow Chemical (up 11.9%), on the back of better-than-expected profits and sales. We have a heavy weighting in the company because we believe its stock price still doesn't give adequate credit to Dow's enormous revenues (and, thus, potential profits), its conservatively-structured balance sheet, or its above-market dividend yield of 2.9%.

One group that understandably lagged the market last quarter was our Energy sector, which fell about 7.3%. Exxon Mobil, a long-standing presence in the Fund's portfolio, declined 8.4% during the period as sharply fluctuating oil prices challenged the entire industry. However, Exxon's decline gives quality-conscious investors an opportunity to buy one of the country's most storied and successful companies at what we think is a bargain price. It is indisputably the largest energy company in the world, has a very strong balance sheet (that is, low debt) and, notably, remained profitable through the 2014-2015 collapse in oil prices. Also, Exxon has historically distributed a healthy share of its profits to shareholders in the form of quarterly dividends (current annual dividend yield of 3.7%).

The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectuses contain this and other important information about the investment company, and may be obtained by calling 866-205-0524, or visiting www.edgarlomax.com. Read carefully before investing.

Mutual fund investing involves risk; principal loss is possible. "Value" investing as a strategy may be out of favor in the market for an extended period. Value stocks can perform differently from the market as a whole and from other types of stocks. Growth stocks typically are more volatile than value stocks; however, value stocks have a lower expected growth rate in earnings and sales.

Investment performance reflects expense waivers in effect. In the absence of such waivers, total return would be reduced.

The opinions expressed are those of the investment advisor, are subject to change, and forecasts made cannot be guaranteed. Fund holdings and sector allocations are subject to change and should not be considered recommendations to buy or sell any security. As of March 31, 2017 the Fund held 20.55% in the Industrials sector, 2.62% in General Dynamics, 2.48% in Raytheon, 5.11% in Dow Chemical, 4.05% in the Energy sector, and 2.88% in Exxon Mobil.

The price-to-earnings ratio is calculated by dividing the current price of a stock by the company's trailing 12 months' earnings per share.

The Dividend Yield is calculated by dividing a company's per-share projected annual dividend payment by the company's stock price per share.

The S&P 500 Growth Index is a capitalization-weighted index of stocks in the S&P 500 Index which exhibit strong growth characteristics. The S&P 500 Value Index is a capitalization-weighted index of stocks in the S&P 500 Index which exhibit strong value characteristics. The S&P 500 Index is an unmanaged capitalization-weighted index of 500 stocks designed to represent the broad domestic economy. Lipper Averages are compiled by Lipper, Inc., an independent mutual fund research and rating service. Each Lipper average represents a universe of funds with similar investment objectives. You cannot invest directly in an index.

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