Edgar Lomax Value Fund

Market Commentary

(through 6/30/16)

The Edgar Lomax Value Fund has had a remarkable year thus far, and it is our pleasure to provide an update regarding the Fund's performance through June 30, 2016. The Edgar Lomax Company is the Fund's investment advisor. We are recognized as 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.

The bottom line is that **the Edgar Lomax Value Fund outperformed both the value and broad benchmarks during 2016's second calendar quarter <u>and</u> year to date**. For the quarter ended June 30, the Fund earned a gross return of 4.75% in comparison to S&P 500 Index and S&P 500/Citigroup Value Index ("Citigroup Value") respective returns of 2.46% and 3.96%; year to date through June 30, the Fund's outperformance was even greater with a gain of 9.43% versus S&P 500 and Citigroup Value returns of 3.84% and 6.24%. Following is a summary of average annual total returns through June 30, 2016:

	Fund	**Citigroup Value**	**S&P 500**	**Lipper Large Cap Value Average**
1-year	**6.48%**	**3.38%**	**3.99%**	**-1.21%**
5-year	**11.07%**	**11.18%**	**12.10%**	**9.34%**
10-year	**6.74%**	**5.77%**	**7.42%**	**5.32%**

Please note, in particular, the Fund's great 1-year performance against the indexes as well as its outperformance of the average large-cap value mutual fund over all three periods.

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 1.31%*; however, after such waivers or absorptions by the Advisor, the Fund's net expense ratio is 0.96%.*

The past six months have witnessed a decided shift in the market from "growth" stocks to "value" stocks (and heavily toward our blue-chip version thereof). Whatever the principal cause (e.g., the sharp drop in oil prices, general global economic weakness or unease following the Fed's December interest rate hike), the market shift has clearly benefited the companies we hold for reasons such as the following: 1) they are generally financially strong and can weather tough times, 2) they sell essential products and services worldwide during both good and bad economic times and 3) they have been paying dependable dividends that compare strongly to fixed-income alternatives. Moreover, after its fantastic recent performance, we believe the Fund still holds clear potential for strong relative results over the

* Figures are from the Fund's prospectus dated 2/28/16. 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 0.96% (excluding "Acquired Funds Fees and Expenses" and extraordinary expenses) through at least 2/27/17. In addition, the Advisor has voluntarily agreed to waive a portion of its investment advisory fee contingent upon the Fund's performance versus the Citigroup Value. While the Advisor may discontinue its voluntary waiver any time after 2/27/17, it has no intention of doing so.

next several years. For example, its price-to-earnings ratio ("P/E") of 22.7 compares to S&P 500 and Citigroup Value respective ratios of 24.4 and 23.2.

Before closing, let's look at some of the stocks and sectors that had the most influence on the Fund's second-quarter results. Our Energy sector delivered the largest gain with a rise of 14.6%. Within the group, Exxon Mobil (the sector's largest holding) rose 13.3% during the quarter and, thus, provided a huge boost to the Fund's performance. This integrated oil company is a standout among its peers for its consistently strong balance sheet and long-running stream of profits. Though the decline in oil prices will impact these firms' profits, investors are clearly more comfortable with the larger players and the fact that oil prices have come well off their lows. We also experienced an above-market gain from the Healthcare sector. Here, we saw yet another nice result from UnitedHealth Group, which rose 10.2%. Its price has risen substantially for us over the last few years, but so have its profits. It also is one of our largest holdings, so the quarter's gain made a strong positive impact on our overall results. Even more consequential, though, was Pfizer which rose 20.1% (and represents an approximate 4% weighting in the Fund). This company has an enviable history of profitability, an above-average 3.3% dividend yield and the kind of strong balance sheet that bolsters its ability to not only survive but thrive in all types of economic environments.

Our Consumer Discretionary sector, on the other hand, declined -10.7%. Our largest holding in the group, Target, lost -14.4%. Investors were likely showing concern about the general weakness in consumer spending and Target's competitiveness in the online arena. However, Target is quite profitable, boasts an above-market dividend yield of 3.2% and has the financial resources to compete very formidably in a rapidly evolving retail marketplace. Consequently, we are holding onto our shares, particularly at a P/E of just 13.7 (or, about half that of the S&P 500).

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.

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 June 30, 2016 the Fund held 12.90% in the Energy sector, 5.09% in Exxon Mobil, 16.58% in the Healthcare sector, 4.59% in UnitedHealth Group, 4.17% in Pfizer, 5.20% in the Consumer Discretionary sector, and 3.22% in Target.

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 Index is an unmanaged capitalization-weighted index of 500 stocks designed to represent the broad domestic economy. The S&P 500/Citigroup Value Index is a capitalization-weighted index of stocks in the S&P 500 Index which exhibit strong value characteristics. 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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