Edgar Lomax Value Fund

Market Commentary

(through 9/30/16)

We are pleased to provide an update regarding the performance of the Edgar Lomax Value Fund through September 30, 2016. 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 2016's third quarter, the Federal Reserve twice declined to raise interest rates, prompting investors to snap up risky "beaten down" names (which, for the most part, underperformed during 2016's first half)—specifically, smaller-cap and growth issues. For instance, the Russell 2000 Growth index rose 9.22% during the quarter, after a -1.59% loss through the year's first half. In this environment, the Fund logged a quarterly gain of 2.00% while the S&P 500 and S&P 500/Citigroup Value ("Citigroup Value") indexes returned 3.85% and 2.94%, respectively. This return maintains the Fund's outperformance year to date, with a gain of 11.62% versus S&P 500 and Citigroup Value respective returns of 7.84% and 9.36%. Following is a summary of average annual total returns through September 30, 2016:

	Fund	**Citigroup Value**	**S&P 500**	**Lipper Large Cap Value Average**
1-year	**17.79%**	**15.98%**	**15.43%**	**12.77%**
5-year	**13.71%**	**15.87%**	**16.37%**	**14.35%**
10-year	**6.16%**	**5.54%**	**7.23%**	**5.15%**

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, the Fund's maximum net expense ratio is 0.96%. Including the voluntary performance-based waiver arrangement, actual Total Annual Fund Operating Expenses (the net expenses that investors paid) were 0.63%.*

The third quarter saw investors take a decided turn toward riskier stocks after favoring large "blue-chip" names in the prior six months. The Federal Reserve's decision to keep short-term interest rates near zero—likely until at least December—appears to be a significant driving factor in this shift by investors. When money is unusually cheap to obtain, distortions can develop in the wisdom with which it is allocated. For example, corporate borrowers take on more debt and vet their corresponding uses for it (e.g., projects or ventures) less rigorously; even very poorly run companies can obtain financing and remain afloat longer than their businesses justify. So, at the same time that some corporations are exercising less fiscal discipline, investors feel safer investing in them due to the Federal Reserve's implicit support. On top of that, because bonds aren't providing a seemingly meaningful return, investors feel great pressure to put virtually all of their money in stocks.

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* 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.

Thus, the latest quarter is a stark reminder that there is, in our opinion, a temporary "tide" of cash that is lifting all stock "boats," thus making relatively riskier stock categories (e.g., small-cap and "growth" stocks) look less so. In the long-run, however, stock prices rise as a result of real and sustainable earnings (or profits). We believe we are already well positioned in the type of companies that will deliver such profits and, consequently, can continue to provide solid long-term performance for the Fund's shareholders.

We will conclude by discussing the Fund's holdings, specifically those which had a substantial impact on the Fund's overall performance during the third quarter. Our Industrials sector had the largest positive impact this quarter, rising 6.1% as a group, and one of our favorite companies in the sector, General Dynamics, rose substantially with a quarterly return of 11.4%. The company, which leans on defense contracts for the bulk of its revenue, took what appears to be a steady source of revenue (given the current level of world conflict) and generated strong profit growth over the last year. Specifically, even as General Dynamics' price has risen, it remains at a below-market price-to-earnings ratio of 16 versus an S&P 500 ratio of about 25. Another stock that rose strongly this past quarter was Merck (up 9.1%), whose price responded to positive news regarding its lung cancer drug, Keytruda. We hold a heavy weighting in Merck because we value, among other things, its solid balance sheet which, paired with its dominance in a growing industry, could very well lead to a continued stream of successes. We are patient, though, and will gladly collect its hefty dividend (current yield of 3.4%) while we wait.

A group that understandably underperformed the market last quarter was our Energy sector, which had a gain of just 0.1%. Our largest holding in the group is Exxon Mobil, which fell 6.1%. Oil price volatility continued to create a challenging market for much of the Energy sector. It is likely, though, that oil prices will stabilize and probably rise at some point. Until then, consider two points: first, no one is projecting a decline in world oil consumption for as far as the eye can see; second, Exxon is enormous because it has successfully navigated innumerable business environments over a very long history. Remember, too, Exxon has an enviable balance sheet and has remained profitable through the most recent oil price decline.

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 September 30, 2016 the Fund held 18.23% in the Industrials sector, 2.66% in General Dynamics, 4.88% in Merck, 12.29% in the Energy sector, and 4.63% 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 Russell 2000 Growth Index is a capitalization weighted index of stocks of small companies that display growth characteristics. 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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