Edgar Lomax Value Fund

Market Commentary

(through 12/31/16)

We are pleased to provide an update regarding the performance of the Edgar Lomax Value Fund through December 31, 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.

With the presidential election ending in a victory for the "business friendly" Donald Trump, animal spirits drove the markets during the fourth quarter as investors apparently savored the prospects of at least four (4) years of major new government spending and substantial income tax cuts. Consequently, the "risk on" trade—which seemed dead in early-2016—reappeared in earnest among value stocks. For example, the small-cap Russell 2000 Value Index rose 14.07% in the quarter ending December 31, 2016, while the S&P 500 Index and S&P 500 Value Index returned 3.82% and 7.35%, respectively. Your "large-cap value" Lomax portfolio understandably trailed the value indexes in this environment with a gain of 4.83%, bringing the Fund's full year gain to 17.01%. Following is a summary of average annual total returns through December 31, 2016:

	Fund	**S&P 500 Value**	**S&P 500**	**Lipper Large Cap Value Average**
1-year	**17.01%**	**17.40%**	**11.96%**	**14.64%**
5-year	**12.47%**	**14.69%**	**14.66%**	**13.28%**
10-year	**5.82%**	**5.50%**	**6.95%**	**5.02%**

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.*

We understand why, following the election, investors may feel more uncertain as we move into 2017. The fact is, the new administration has signaled its intention to change course with respect to corporate income tax rates, international trade policy and immigration, all of which could have economic consequences for corporations and, by extension, their investors. Nonetheless, whatever events may occur, we believe that the Edgar Lomax Value Fund's portfolio is well prepared. The cornerstone of our investment strategy is choosing companies

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∗ Figures are from the Fund's prospectus dated February 28, 2016. 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.

possessing both strong balance sheets and consistent, reasonably-priced earnings. This is important to note because financially solid companies should be better able to weather difficult economic environments. Moreover, our large and historically profitable companies should be attractive in rising markets, as investors seek out companies with substantial earnings. With this in mind, we believe that the Fund has the ability to outperform its relevant comparative indexes (see above table) over longer periods of time.

Before closing, let's look at a few of the Fund's stocks and see how they performed for us during the quarter ended December 31, 2016. The stand-out performers during the period were our Financial names, which climbed over 16.8% as a group. Among them, JPMorgan and Bank of New York Mellon rose 30.5% and 19.4%, respectively, and each still maintains a below-market price-to-earnings ratio ("P/E") of about 15 and 16, versus an S&P 500 P/E of 24. In the aftermath of the 2008-2009 financial crisis, and with massive help from the government, banks shored up their balance sheets by keeping more real assets in reserve and built stable earnings from less risky investments. Now, the prospect of at least four years of loosened Federal regulations has many investors believing these relatively "cheap" financial stocks still have some of their best days ahead.

Another substantial contributor to the Fund's performance was our Industrial sector, which gained an aggregate 7.0% during the fourth quarter. Our holdings here include Boeing (up 19.1%) and General Dynamics (up 11.8%). As we said last quarter, we do not foresee any reduction in defense spending, which should bode well for both of these names. Our Consumer Staples holdings, on the other hand, fell -2.7% as a group. Wal-Mart, the Fund's largest holding in the sector as of December 31, declined -3.5%. This is perhaps due to reports of less than expected holiday sales. Still, this perennial favorite of ours gained nearly 16.3% during calendar year 2016. With its below-market P/E of 15 and a dividend yield of over 2.8%, Wal-Mart is a stock that we believe can continue adding meaningful value to the Fund's portfolio.

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 December 31, 2016 the Fund held 13.01% in the Financials sector, 1.82% in JPMorgan, 1.60% in Bank of New York Mellon, 18.73% in the Industrials sector, 1.27% in Boeing, 2.86% in General Dynamics, 9.10% in the Consumer Staples sector, and 4.38% in Wal-Mart.

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 Value Index is a capitalization weighted index of stocks of small companies that display value 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 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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