Edgar Lomax Value Fund

Market Commentary
(through 09/30/18)

We are pleased to provide an update regarding the performance of the Edgar Lomax Value Fund through September 30, 2018. 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.

Our discipline has paid off! The Fund put in an excellent performance in 2018's third calendar quarter as investors, facing likely additional interest rate hikes into 2019, dumped more risky smaller-cap stocks and rewarded larger, profitable blue-chip companies (such as those in the Fund's portfolio). Specifically, the Fund gained **8.86%** during the quarter versus S&P 500 and S&P 500 Value respective returns of just **7.71%** and **5.86%.** As such, we will keep this commentary brief and allow you to simply enjoy the numbers. Following is a summary of average annual total returns through September 30, 2018:

	Fund	**S&P 500 Value**	**S&P 500**	**Lipper Large Cap Value Average**
1-year	**14.73%**	**10.06%**	**17.91%**	**10.59%**
5-year	**12.33%**	**10.88%**	**13.95%**	**10.12%**
10-year	**10.51%**	**9.62%**	**11.98%**	**9.56%**

Please see the press release on our website regarding Morningstar's recent evaluation of the Fund.

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 0.50% for the fiscal year ended October 31, 2017.*

No one knows for certain when, and to what extent, the Federal Reserve's tightening monetary policy will slow U.S. economic growth, and this is a primary reason we believe the Fund's portfolio is especially attractive now. You may rest comfortably knowing that your Lomax holdings are abundantly rich in two extremely desirable qualities: financial strength and current earnings. This is important to note because as economic growth inevitably slows, firms with strong balance sheets and solid profits (particularly, relative to their prices) have an increased ability to survive (and, even, thrive) while others may struggle.

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* Figures are from the Fund's prospectus dated February 28, 2018. 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, 2019. 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, 2019, it has no current intention of doing so.

With respect to noteworthy stock performers this past quarter, the Fund's performance surge has left us with no shortage of winners. As one would hope, the Fund's two largest economic sectors (Consumer Staples and HealthCare) rose the most and, thus, delivered the greatest positive impact to performance. While we wouldn't necessarily expect these two traditionally-defensive sectors to dominate amidst a broadly euphoric market, we aren't going to look a gift horse in the mouth. Consumer Staples rose 13.5% as a group with CVS Health (up 23.1%) leading the way. CVS started the year with a lot of recent profits and what we thought was a bargain price (giving it a year-beginning price-to-earnings ratio of just 15). Its price suffered temporarily when Amazon announced its acquisition of PillPack and, later, when Amazon formed an unspecified alliance with Berkshire Hathaway and JP Morgan to address rising healthcare costs. The facts bore out this quarter, though; CVS is bringing in substantial earnings in an industry that looks to be on a long upward trajectory—aided, of course, by demographics (an aging populace) and our natural desire to live long and comfortably.

In the HealthCare sector (which rose 16.4%), Pfizer was our top performer with a return of almost 23% during the quarter. It has a huge share of a product category with large consumer demand. In other words, we believe it can continue to produce strong profits, which we will continue to attempt to buy at good prices. In fact, its price-to-earnings ratio of 12 is far below the S&P 500's ratio of over 23. Further, Pfizer has been paying dividends amounting to a yield of about 3.1%, also better than the S&P 500's yield of around 1.9%.

Seeking stocks with unrecognized value can also be a humbling experience. Companies don't always live up to their potential or, more commonly, don't achieve success in the kind of time frame that suits the attention span of many market players. We hold a small position in General Electric and believe the company—under intense shareholder pressure and with a revamped management team—can find some of its former success. It clearly has not yet done so, as evidenced by its 16% loss in the recent quarter. The stock has reacted positively to their latest CEO change, but the fact remains that there is much work to be done there.

Must be preceded or accompanied by a prospectus.

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, 2018 the Fund held 19.38% in the Consumer Staples sector, 13.05% in HealthCare, 4.84% in CVS, 1.47% in JP Morgan, 4.84% in Pfizer, and 1.33% in General Electric. The Fund holds no Amazon, PillPak or Berkshire Hathaway.

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 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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