Edgar Lomax Value Fund

Market Commentary

(through 09/30/17)

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

The Fund delivered a market-beating performance in 2017's third calendar quarter, rising 5.69% versus S&P 500 and S&P 500 Value respective returns of 4.48% and 3.48%. Despite a market that continued to favor "growth" stocks over their "value" counterparts, investors resoundingly showed real appreciation for your "blue-chip" Lomax holdings. Fittingly, 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, 2017:

	Fund	S&P 500 Value	S&P 500	Lipper Large Cap Value Average
1-year	**16.45%**	**16.47%**	**18.61%**	**17.16%**
5-year	**12.80%**	**13.21%**	**14.22%**	**12.35%**
10-year	**6.20%**	**5.57%**	**7.43%**	**5.42%**

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.*

Above, we alluded to the fact that large-cap investors are still bidding up the prices of "growth" stocks relative to the "value" stocks we primarily buy. Specifically, the S&P 500 Growth Index rose 5.29% during the past quarter while the S&P 500 Value gained 3.48%. In this environment, the Fund's 5.69% return is very gratifying. However, we still see investors, afraid of missing out on the next meteoric "tech" stock rise, throwing their money at companies with little or no earnings simply because their prices are going up. We don't, and won't, invest on that basis. While our holdings may not currently reside atop most investors' "buy" lists, we remain confidently patient because we know that stock prices, in the long run, must track the profits companies actually earn.

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* 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 the Fund's Total Annual Fund Operating Expenses After Fee Waiver and Expense Reimbursement (excluding acquired fund fees and expenses, interest, taxes and extraordinary expenses) do not exceed 0.70% 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.

With respect to noteworthy stock performers this past quarter, we have no shortage of winners. The largest portion of the Fund's assets is in the Industrials sector which rose a bit over 10%. Few stocks represent the industrial heartland of America better than Caterpillar (headquartered in Peoria, IL), whose fortunes are tied to the ebbs and flows of economic expansion around the world. We proudly own this stock when the price is right and, consequently, enjoyed its 16.8% third-quarter return. This is on top of an almost identical gain in the quarter ended June 30. Look no further than the prior quarter's commentary for our second stock example, this one in HealthCare. Pfizer is a regular holding of ours and currently one of our larger positions. It dipped ever so slightly in the year's second quarter but jumped 7.2% in the most recent three months. In short, we still like it (please see our June 30, 2017 commentary).

In the current market environment, it was a bit of a surprise that our Information Technology holdings rose only 1.5%. This was primarily due to a decline of -4.8% in IBM. The company is slowly transitioning away from older, declining businesses toward growing segments such as cloud computing and artificial intelligence. It's an incredibly profitable company with a price-to-earnings ratio of just 12.1 and a current dividend yield of about 4% annually. On October 18, IBM reported third-quarter earnings that sent the stock up 8.9% on that single day.

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, 2017 the Fund held 22.75% in the Industrials sector, 2.77% in Caterpillar, 7.90% in HealthCare, 3.51% in Pfizer, 8.72% in Information Technology and 3.76% in IBM.

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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