Schwartz Value Focused Fund

Q2 2018
Investment
Commentary

For the three months ended June 30, 2018, the total return on the Schwartz Value Focused Fund (RCMFX) was 5.53%, compared to the S&P 1500 Index at 3.65%. The Fund's performance versus its benchmark as of June 30, 2018 is as follows:

	Year to Date	1 Yr.	3 Yrs.^	5 Yrs.^	10 Yrs.^	Prospectus Gross/Net Expense Ratio
Schwartz Value Focused Fund	6.09%	18.74%	7.61%	5.66%	6.26%	1.80%/1.26%
S&P 1500® Index	2.91%	14.50%	11.90%	13.40%	10.29%	

^ Annualized

Performance data quoted represents past performance, which is no guarantee of future results. Investment return and principal value are historical and may fluctuate so that redemption value may be worth more or less than the original cost. Current performance may be lower or higher than what is quoted. Call 1-800-449-9240 for the most current month-end performance.

The adviser has contractually agreed to limit the Fund's ordinary operating expenses to an amount not exceeding 1.25% of the Fund's average daily net assets until at least May 1, 2019.

The Schwartz Value Focused Fund had a strong start to the year with a total return of 6.09% for the six-month period ended June 30, 2018, compared to 2.91% for the S&P 1500 Index. The Fund also performed well for the one-year period ended June 30, 2018, with a total return of 18.74%, compared to 14.50% for the S&P 1500 Index. The Fund's performance for that period ranked in the top 4th percentile in Morningstar's mid-cap blend category. The Fund's recent outperformance is notable given our value-laden portfolio and considering the ongoing underperformance of value stocks compared to growth stocks. For the first 6 months of 2018, the S&P 500 Value component returned -2.22% compared to +7.28% for the Growth component.

The Fund's best performing security this year is Texas Pacific Land Trust (the "Trust" or TPL), which is also the Fund's largest holding. You may recall that we initiated our position just over two years ago at $170. Today, the share price is over $700 and we believe considerable upside remains. The Trust owns nearly 900,000 acres of land in West Texas – in the heart of the Permian Basin – which has become the epicenter of the U.S. oil fracking boom. The Trust generates revenue primarily from oil & gas mineral rights, a rapidly expanding water rights business, and periodic land sales. Remarkably, TPL produces a 91% pre-tax profit margin and a 160% return on equity, with a zero-debt balance sheet. In 2017, revenue and earnings grew 121% and 109%, respectively. Last year's growth is clearly unsustainable long term, but TPL has the potential to achieve out-sized revenue and earnings growth for many years to come.

The stock price of Madison Square Garden (MSG) has appreciated more than 45% this year, after initiating our position near the end of 2017. MSG owns and operates professional sports teams (New York Knicks, New York Rangers), various athletic and entertainment venues (Madison Square Garden, The Forum in L.A., Radio City Music Hall), and other entertainment productions (the Rockettes). Based on its diverse portfolio of iconic and irreplaceable assets, we believe the shares still represent a significant discount to our intrinsic value estimation. MSG is a top-10 holding in the Fund.

The Fund's five best performing securities in the first half of this year were:

Company	Industry	YTD Return
Texas Pacific Land Trust	Real Estate	56.87%
Madison Square Garden	Leisure	45.67%
Interactive Brokers Group, Inc.	Investment Brokerage	31.91%
Mastercard Incorporated	Credit Services	31.26%
TJX Companies, Inc.	Retail	25.48%

The main detractors from performance were consumer-oriented companies in the airline, retail, and consumer products sectors. The share prices of American Airlines Group, Inc. and Delta Air Lines, Inc. have been weak in recent months. The fear of rising energy prices has dampened investor enthusiasm in the airline sector. We believe American and Delta are strong franchises and attractively priced, as both stocks trade for 9x 2018 estimated earnings. Qurate Retail, Inc. (formerly known as Liberty Interactive QVC), is the leading TV, video, and Internet commerce retailer that owns QVC and the Home Shopping Network. Qurate's stock price was down 23% in the first half of the year, as it transitions from a complicated tracking stock structure to a traditional asset-backed stock. The company is growing modestly and generates strong free cash flow, which is primarily used to repurchase shares. We believe Chairman John Malone to be a good capital allocator and expect Qurate to generate above-average shareholder returns over time.

The Fund's five worst performing securities the first half of 2018 were:

Company	Industry	YTD Return
American Airlines Group, Inc.	Airlines	-26.71%
Qurate Retail, Inc.	TV and Internet Retail	-22.59%
Liberty Global PLC	Communication Services	-21.37%
Spectrum Brands Holdings, Inc.	Consumer Products	-13.04%
Delta Air Lines, Inc.	Airlines	- 9.30%

During the past six months, we liquidated 3 stocks from the portfolio: Goldcorp, Inc. – due to deteriorating fundamentals, QUALCOMM, Inc. – better risk/reward opportunities, and Service Master Global Holdings, Inc. – stock price reached our estimate of intrinsic value. New positions were established in five companies that meet our criteria of owning shares of high-quality businesses, in strong financial condition, that are selling at a discount to our estimate of intrinsic value:

• Avid Bioservices, Inc. (CDMO) – Avid is a biologic contract development and manufacturing company that provides a range of process development and manufacturing services for the biotech and biopharma industries. Avid's industry is characterized by high margins, high return on invested capital, long-term contracts, and high barriers to entry. The stock is trading at a price substantially below our estimate of intrinsic value.

• Delta Air Lines, Inc. (DAL) – Delta is one of the largest and best-managed airlines in the world. In recent years, mid-single digit top-line growth, along with improving margins, has led to record profitability. For 2018, the company should generate $5.50/share in earnings and $9.50/share in gross cash flow. At a recent price of $49, the stock looks extremely inexpensive, selling for 9x earnings and 5x cash flow. We applaud management for aggressively repurchasing shares in recent quarters at such a low valuation.

• DowDupont, Inc. (DWDP) – DowDupont is a holding company formed by the August 2017 merger of Dow Chemical and DuPont. The company engages in agriculture, material sciences, and specialty products businesses worldwide. The company has announced plans for the separation of its operation into three independent companies and we believe this transaction will ultimately unlock shareholder value. Meanwhile, management recently enacted a large share repurchase program, which seems like a wise capital allocation given the current depressed share price.

• Liberty Media Corporation Formula One (FWONK) – Formula One is the leading global automotive sport with an estimated 400 million fans all over the globe. About 18 months ago, Chairman John Malone and CEO Greg Maffei hired Chase Carey to run Formula One. Under his capable leadership, we believe the company has several growth opportunities ahead, including higher broadcast rights, expanded advertising and sponsorships, and recently launched digital products and services aimed at diehard Formula One fans.

• Spectrum Brands Holdings, Inc. (SPB) – Spectrum Brands is a leading and highly diversified supplier of household and personal care products. Major product categories include: batteries, hardware/home improvement, pet supplies, home/garden goods, and auto care. The long-term appreciation potential of these shares is substantial.

As always, we're working tirelessly to find opportunities that meet our stringent, value-oriented investment criteria. We continue to believe the Fund contains several undervalued and underappreciated stocks. As such, we remain enthused about the Fund's future investment prospects.

Thank you for being a shareholder in the Schwartz Value Focused Fund.

IMPORTANT INFORMATION FOR INVESTORS

As of 6-30-18, the holding percentages of the stocks mentioned in this commentary are as follows; Texas Pacific Land Trust (13.6%), Madison Square Garden (4.0%), Interactive Brokers Group, Inc. (0.8%), Mastercard Incorporated (1.7), TJX Companies, Inc. (2.1%), American Airlines Group, Inc. (2.5%), Delta Air Lines, Inc. (1.7%), Qurate Retail, Inc. (6.5%), Liberty Global PLC (1.7%), Spectrum Brands Holdings, Inc. (1.8%), Avid Bioservices, Inc. (1.3%), DowDupont, Inc. (2.9%) and Liberty Media Corporation Formula One (2.6%). Fund holdings are subject to change and should not be considered purchase recommendations. There is no assurance that the securities mentioned remain in the Fund's portfolio or that securities sold have not been repurchased. The Fund's top ten holdings as of 6-30-18: Texas Pacific Land Trust (13.6%), Qurate Retail, Inc. (6.5%), ARRIS International PLC (5.3%), Kroger Co. (4.6%), Barrick Gold Corp. (4.6%), Madison Square Garden (4.0%), Axalta Coating System Ltd. (4.0%), Berkshire Hathaway, Inc. - Class A (3.7%), Cognizant Tech. Solutions Corp. (3.4%) and AMERCO (3.1%). The most current available data regarding portfolio holdings can be found on our website, www.schwartzvaluefocusedfund.com.

This Fund is a non-diversified fund. Because the fund may invest in securities of smaller numbers of issuers, the Fund may be more exposed to the risks associated with and developments affecting an individual issuer than a fund that invests more widely. This may, therefore, have a greater impact on the Fund's performance. Performance can be affected by market and investment style risk. Mutual Fund investing involves risk and principal loss is possible. The Fund's investments in small- and mid-capitalization companies could experience greater volatility than investments in large-capitalization companies.

Morningstar Percentile Rankings is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. Percentile rankings for other periods are a follows: 3 years (63rd), 5 years (96th) and 10 years (90th).

The investment performance assumes reinvestment of dividends and capital gains distributions. The quoted performance for the Fund includes performance of RCM Partners Limited Partnership for periods prior to July 20, 1993. It should be noted that: (1) the Fund's performance includes performance for periods before the Fund's registration statement became effective; (2) the Fund was not registered with the Securities and Exchange Commission and, therefore, was not subject to the investment restrictions imposed by law on registered mutual funds; and (3) if the Fund had been registered during such periods, performance may have been adversely affected. The S&P 1500 Index includes all stocks in the S&P 500, S&P 400, and S&P 600. This index covers 90% of the market capitalization of U.S. stocks. Indexes do not incur fees and it is not possible to invest directly in an index. The S&P/Citigroup Value Index and S&P/Citigroup Growth Index are capitalization-weighted indexes developed by Standard & Poor's consisting of those stocks within the S&P 500 Index that exhibit strong value or growth characteristics respectively.

Prospective investors should read the prospectus carefully and consider the Fund's investment objectives, risks, charges and expenses carefully before investing. The prospectus, which can be obtained by calling 1-800-449-9240 or online at www.schwartzvaluefocusedfund.com, contains this and other important information. *Distributed by Ultimus Fund Distributors, LLC.*

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