

SCHWARTZ VALUE FOCUSED FUND

Q2 2019 COMMENTARY

For the three months ended June 30, 2019, the total return on the Schwartz Value Focused Fund (RCMFX) was 0.79%, compared to the S&P 1500[®] Index at 4.16%. The Fund's performance versus its benchmark as of June 30, 2019 is as follows:

	Year to Date	1 Yr.	3 Yrs.^	5 Yrs.^	10 Yrs.^	Prospectus Gross/Net Expense Ratio
Schwartz Value Focused Fund	13.29%	-1.90%	9.02%	1.18%	8.01%	1.68%/1.26%
S&P 1500 [®] Index	18.37%	9.32%	13.91%	10.45%	14.73%	

^ 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, 2020.

For the six-month period ended June 30, 2019, value stocks continued to underperform growth stocks, and our overweighed energy-related shares lagged during the period. The Fund's best performing stock this year has been Rosetta Stone, Inc., which the Fund initially purchased nine months ago. Rosetta Stone provides technology-based language learning solutions for schools, businesses, and consumers. Rosetta Stone made a timely acquisition in 2013, when the company purchased Lexia, a literacy software & services business. Lexia serves the K-12 education market and is considered the gold standard in the industry. It currently serves only about 10% of the K-12 market, and as a market leader, is poised to expand rapidly. Lexia has been growing revenue by 20%+ the last few quarters, and we believe there is a long runway of growth in the future.

Texas Pacific Land Trust (TPL) was the Fund's second best performing stock this year and remains the Fund's largest holding. TPL, owner of roughly 900,000 acres of land in Texas, generates revenue primarily from oil & gas mineral rights, a water business, and periodic land sales. TPL is in the midst of a legal battle with its largest shareholder regarding a vacant trustee position. We believe a resolution of this proxy contest would be a positive, regardless of its outcome. In the meantime, TPL's revenue and earnings are growing rapidly due to increased oil and gas drilling activity in the Permian Basin.

The Fund's five best performing securities in the first half of 2019 were:

<u>Company</u>	<u>Industry</u>	<u>YTD Return</u>
Rosetta Stone, Inc.	Software – Educational	+44.86%
Texas Pacific Land Trust	Real Estate	+43.06%
Mastercard Incorporated	Credit Services	+40.64%
Moody's Corporation	Capital Markets	+40.27%
Avid Bioservices, Inc.	Biopharmaceuticals	+36.59%

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Qurate Retail Inc, a leading TV, video, and e-commerce retailer, was the main detractor from performance in the first half of 2019. The company's recent operational performance has been lackluster due to the challenging retail environment and a rapidly changing TV and cable market. An ongoing challenge for Qurate is cord cutting and the decline of traditional TV viewing. We recently reduced the size of our position.

Kroger, the largest grocery store chain in the U.S., was also a significant detractor from performance in the first half of 2019. Kroger is investing heavily through a series of initiatives aimed at reinvigorating its core grocery business, while also creating a seamless omni-channel shopping experience (in-store, curbside pickup, and e-commerce delivery). As a result of these investments, Kroger's margins and short-term profitability have suffered. Longer-term, these efforts should increase Kroger's market share, revenues, and earnings. The stock trades for less than 10x 2019 estimated earnings.

The Fund's five worst performing securities during the first half of 2019 were:

<u>Company</u>	<u>Industry</u>	<u>YTD Return</u>
Qurate Retail, Inc.	TV and Internet Retail	-38.69%
The Kroger Company	Grocery Stores	-18.06%
Pan American Silver Corporation	Metals & Mining	-11.07%
DuPont De Nemours, Inc.	Diversified Industrials	+ 0.98%
American Airlines Group, Inc.	Airlines	+ 2.19%

During the past six months, we liquidated the following four stocks from the portfolio as their share prices reached our estimate of intrinsic value: Avnet, Inc., Axalta Coating Systems Ltd., Graham Holdings Company, and Interactive Brokers Group, Inc. New positions were established in Apache Corporation (oil and gas exploration & production), Pioneer Natural Resources Company (oil and gas exploration & production), and Valvoline, Inc. (oil refining & marketing). We also substantially increased the Fund's position in Delta Air Lines, Inc. In our opinion, Delta is a mispriced security, with substantial upside potential. For 2019, Delta is on track for 6-7% revenue growth, 20% EPS growth, and 40% free cash flow growth. Delta has a highly respected management team, an aggressive share repurchase program, an investment grade balance sheet, and a 2.4% dividend yield.

The cycle of value stocks underperforming growth stocks is now entering its 11th year. Recent headlines in various financial publications include "Value Investing is Dead" and "Death of Value Investing." Sometimes such headlines precede a robust about-face. We continue to believe that investors will rediscover the merits of value investing, perhaps soon.

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

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IMPORTANT INFORMATION FOR INVESTORS

As of 6-30-19, the holding percentages of the stocks mentioned in this commentary are as follows: Rosetta Stone, Inc. (6.3%), Texas Pacific Land Trust (16.3%), Mastercard Incorporated (2.4%), Moody's Corporation (2.7%), Avid Bioservices, Inc. (1.5%), Qurate Retail, Inc. (1.4%), The Kroger Company (1.5%), Pan American Silver Corporation (2.1%), DuPont De Nemours, Inc. (1.1%), American Airlines Group, Inc. (1.1%), Apache Corporation (1.3%), Pioneer Natural Resources Company (2.1%), Valvoline, Inc. (1.8%) and Delta Air Lines, Inc. (10.4%). 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 6-30-19: Texas Pacific Land Trust (16.3%), Delta Air Lines, Inc. (10.4%), Rosetta Stone, Inc. (6.3%), Barrick Gold Corp. (5.8%), The Madison Square Garden Co. (5.1%), Berkshire Hathaway, Inc. - Class A (4.4%), Noble Energy, Inc. (4.1%), AMERCO (3.5%), Moody's Corporation (2.7%) and Gildan Activewear, Inc. (2.7%). 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.

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.

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.