

Schwartz Value Focused Fund

Q4 2016
Investment
Commentary

For the three months ended December 31, 2016, the total return on the Schwartz Value Focused Fund¹ (RCMFX) was 4.08%, compared to the S&P 1500 Index (4.32%) and the Russell 1000[®] Index (3.83%). The Fund's performance versus its benchmarks as of December 31, 2016 is as follows:

	1 Yr.	3 Yrs. [^]	5 Yrs. [^]	10 Yrs. [^]	Prospectus Gross/Net Expense Ratio
Schwartz Value Focused Fund	18.13%	-1.66%	4.57%	1.28%	1.59%/1.25%
S&P 1500 [®] Index	13.03%	8.89%	14.78%	7.19%	
Russell 1000 [®] Index	12.05%	8.59%	14.69%	7.08%	

[^] 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, 2017.

2016 was a good year for the Schwartz Value Focused Fund (the "Fund"). The Fund's outperformance can be attributed mainly to 12 portfolio holdings which each appreciated more than 35% during the year. These issues were from a variety of industry sectors including mining, energy, industrial, financial, retail, and technology. The Fund's best performing stocks were commodity and industrial related. Pan American Silver Corporation (+133%) and Barrick Gold Corporation (+118%) posted strong gains as their share prices rebounded from 2015's depressed levels, owing to gold and silver prices that rose sharply in the first half of the year. Energy stocks bottomed early in the year and rebounded concomitantly with the rise in oil prices. At year end, the price of WTI crude oil reached \$50/barrel, up 45% for the year and up nearly 100% from the February low. Holdings in the energy sector that produced substantial gains included Texas Pacific Land Trust (+85%), Devon Energy Corporation (+45%), and Apache Corporation (+45%). Industrial stocks benefitted from improving economic growth in the second half and to a lesser extent from rising oil and natural gas prices. Notable outperformers in the industrial sector included Colfax Corporation (+71%), MSC Industrial Direct Co., Inc. (+67%), Donaldson Company, Inc. (+39%), and Eaton Corporation (+35%). The Fund's five best performing stocks in 2016 were:

<u>Company</u>	<u>Industry</u>	<u>2016 Performance</u>
Pan American Silver Corporation	Metals & Mining	+132.96%
Barrick Gold Corp.	Metals & Mining	+118.07%
Texas Pacific Land Trust	Oil & Gas Royalties/Real Estate	+84.98%
Colfax Corporation	Industrial Machinery	+71.21%
MSC Industrial Direct Co., Inc.	Industrial Equipment	+66.84%

On the negative side, the Fund's worst performing stock during 2016 was Liberty Interactive Corporation, which owns and operates QVC Group, a multinational corporation that sells consumer goods through its television network and online. The share price fell after the company experienced a U.S. sales decline due to weakness in its fashion business and hair care division. Due to QVC's loyal customer base and strong viewership, we view this slowdown as temporary. The Fund's five worst performing stocks in 2016 were:

<u>Company</u>	<u>Industry</u>	<u>2016 Performance</u>
Liberty Interactive Corporation	Consumer - Retail	-26.49%
ServiceMaster Global Holdings	Business Services	- 6.41%
Moody's Corporation	Business & Financial Services	- 6.20%
Liberty Global	Cable TV & Broadband	- 4.07%
ANSYS, Inc.	Software	- 0.01%

During the second half, six stocks were sold from the portfolio, having reached our estimate of intrinsic value: Citigroup, Inc. (financial services), Cubic Corporation (transportation & defense), Emerson Electric Co. (industrial electrical equipment), Exxon Mobil Corporation (integrated oil & gas), HP, Inc. (technology), and United Technologies Corporation (industrial products). New positions were established in four companies that meet our value investing criteria: AMERCO, AMETEK, Inc., Cognizant Technology Solutions Corp., and Moody's Corporation. AMERCO owns the U-Haul self-moving and storage franchise. With a dominant market position, the company has an impressive track record of increasing earnings, and may have ample growth opportunities. AMETEK manufactures and sells electronic instruments and electromechanical devices worldwide. The company generates high profit margins, strong free cash flow, and a high return on invested capital (ROIC). Cognizant Technology Solutions provides information technology consulting services worldwide. The business is highly profitable and generates strong free cash flow with a high ROIC. Moody's provides credit ratings, research, and analysis of debt instruments and other securities. As such, the company enjoys a strong business franchise that produces high profit margins and loads of cash, which is used primarily for dividends and share repurchases.

2017 could be another good year for stock investors. We are confident that the new Trump Administration will be more hospitable to corporate America than the Obama Administration. President Trump's pro-growth agenda of lower tax rates – corporate and personal, a less punishing regulatory environment, and a generally less intrusive government should lead to greater business and consumer confidence, more economic activity, and ultimately higher corporate profits. As always, we'll be working tirelessly to invest in well-managed, high-quality companies that are selling at a discount to our estimate of intrinsic value.

No capital gains or income distributions were paid at year end. The net asset value of the Fund ended the year at \$25.02 per share.

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

IMPORTANT INFORMATION FOR INVESTORS

¹ Schwartz Value Focused Fund was formerly known as Schwartz Value Fund.

As of 12-31-16, the holding percentages of the stocks mentioned in this commentary are as follows; Pan American Silver Corporation (2.5%), Barrick Gold Corporation (1.5%), Texas Pacific Land Trust (4.9%), Devon Energy Corporation (1.5%), Apache Corporation (1.8%), Colfax Corporation (4.3%), MSC Industrial Direct Co., Inc. (1.3%), Donaldson Company, Inc. (2.0%), Eaton Corporation (1.6%), Liberty Interactive Corporation (3.8%), ServiceMaster Global Holdings (0.9%), Moody's Corporation (2.2%), Liberty Global (2.1%), ANSYS, Inc. (0.9%), AMERCO (2.6%), AMETEK, Inc. (2.8%) and Cognizant Technology Solutions Corp. (1.3%). 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 12-31-16: Unico American Corporation (9.2%), ARRIS International PLC (7.2%), Texas Pacific Land Trust (4.9%), Berkshire Hathaway, Inc. - Class A (4.6%), Colfax Corporation (4.3%), Liberty Global PLC - Series C (3.8%), Goldcorp, Inc. (3.2%), Graham Holdings Company - Class B (3.2%), Baker Hughes, Inc. (2.8%), AMETEK, Inc. (2.8%). 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. The Russell 1000[®] Index is an unmanaged index of the largest 1,000 stocks in the Russell 3000[®] Index. 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.