



Letter to Shareholders

October 31, 2016

Dear Shareholder:

Kovitz Investment Group launched the Green Owl Intrinsic Value Fund (the Fund) with the goal of seeking long-term capital appreciation through high risk-adjusted returns. Relying on a fundamental, research-driven process, the Fund strives to build a diversified portfolio of equity investments through the purchase of competitively advantaged and financially strong companies at prices substantially less than our estimate of their intrinsic values.

As long-term investors, our research process emphasizes the appraisal of factors that we believe matter most to a business's long-term success. These include the quality of the business, the strength of the balance sheet, the predictability of the cash flows, and the ability of the management team to allocate capital intelligently and judiciously. We believe these attributes are the most reliable predictors of a company's ability to maximize intrinsic value on a per share basis.

Broadly speaking, our strategy is to own a relatively concentrated portfolio of the very best ideas we can find — essentially, undervalued stocks of companies with enduring competitive advantages that can generate sustainable free cash flow and have strong balance sheets. We are agnostic as to the timing, but believe that our disciplined approach to security selection along with the patience to ride out, and take advantage of, market volatility will ultimately lead to more than satisfactory results.

Overall, we remain optimistic about the long-term outlook for the Fund, where the valuation of its holdings, in aggregate, is significantly lower than that of the overall market. The wide valuation disparities that characterize the current market offer significant opportunities for active management. Patience, persistence, and a long-term investment horizon are essential to long-term investment success. We encourage our shareholders to take a similar view.

Market and Performance Summary

For the fiscal year ending October 31, 2016, the Fund returned 3.65%. In comparison, our benchmark, the S&P 500 Index, gained 4.51% during the same period. Since inception on December 28, 2011, the Fund has compounded at a rate of 11.53% annually, versus 14.00% annually for the S&P 500.

While slightly underperforming our benchmark for the year, we began to see a shift in investor sentiment towards the latter half of the fiscal year. Up until this time, the combination of modest U.S. economic growth and low interest rates caused investors to search for yield in the equity markets to the exclusion of almost any other attribute. As a consequence, stocks perceived as defensive (e.g. Consumer Staples/Utilities) with “bond-like” characteristics (i.e. attractive dividend

yields) outperformed most any business with even a whiff of cyclicality. As history has shown, whenever investors clamor for certain stocks with certain attractive near-term prospects to the exclusion of price, the euphoria eventually outstrips the reality. Over the summer, we urged caution and suggested that there's danger in thinking you're defensively positioned when you overpay. While correctly assessing the range of a company's future growth prospects is essential for any investor to be successful, the price paid for that prospective growth is the more important driver of long-term performance. Said differently, at one price, a potential investment may offer substantial investment merit. At a higher price, the same investment may offer only heartache.

As the year progressed and interest rates started to move higher (unthinkable only a few months before), excitement over supposed safe stocks appeared to wane. What had been the best performing sectors became the weakest while supposedly riskier cyclical sectors became some of the best performing. To us, this turn in performance came down to the fact that valuation – what a business sells for in relation to its intrinsic value – finally was relevant again. In other words, more cheaply valued stocks finally did better than more richly valued ones. At long-last, valuation parameters mattered and acted as a catalyst for price movement just like it has done for most of our investing careers.

We have long argued that stock price movements over the last few years were not driven by the valuation of the underlying businesses and did not necessarily mirror the fundamentals or economic prospects of the underlying businesses. Price momentum, where expensive stocks continued to get more expensive and cheap stocks seemed to get ever cheaper, played a bigger role in determining stock price movements than valuation. Investors had also appeared to focus way too much on how much the company decided to pay out shareholders in the form of a dividend. A dividend payment is just a capital allocation decision. The intrinsic value of a company's stock should be based solely on the amount of cash it generates, not on whether management chooses to allocate a larger or smaller portion of that cash towards a dividend. We have felt that this type of investment landscape was unsustainable and we may now be at an inflection point where math and economics will finally trump momentum and the chase for yield.

In the meantime, our job is to continue to identify companies that are unappreciated by the market and whose shares are undervalued. A contrarian approach – avoiding recently expensive securities and favoring recently cheap securities – may be uncomfortable in the short run, but it is a sound way to generate outperformance in the long run. Our job is to endure the emotional discomfort of deviating from the crowd, which sets the stage for our style of investing to continue to work over time. The bedrock of our philosophy is that price matters. Our clients would be poorly served if we chose to simply pile into whatever shares had appreciated the most over recent years, ignoring price, valuation, and underlying fundamentals. This is a time when paying calm, careful, and deliberate attention to the changing investment landscape can have a tremendous payoff.

Performance Attribution

Key Contributors to Relative Results

The individual positions that contributed the most to performance during the year were: **Quanta Services (PWR)**, **Jacobs Engineering Group (JEC)**, **CBS (CBS)**, **Halliburton (HAL)**, and **AON (AON)**.

The Fund's holdings in the Industrial sector (up 21% compared to up 7% for the S&P 500 sector) contributed significantly to results. Quanta (up 43%) and Jacobs Engineering (up 29%) were particularly strong.

The Fund's average underweight position in the Healthcare sector (1% versus 15%) contributed to results as Healthcare was one of three sectors with negative returns over the fiscal year.

Key Detractors to Relative Results

The individual positions that detracted the most from performance during the year were. **Bed Bath & Beyond (BBBY)**, **McKesson (MCK)**, **Noble (NE)**, **CarMax (KMX)**, and **CVS Health (CVS)**.

The Fund's average overweight position (19% versus 13% for the S&P 500) and holdings in the Consumer Discretionary sector (down 3% versus down 2%) detracted from results. Bed Bath (down 14%) was particularly weak.

The Fund's average underweight position (10% versus 21% for the S&P 500) and holdings in the Information Technology sector (up 8% versus up 11%) detracted from results.

Portfolio Activity

Portfolio activity during the year included the following:

Initiated positions in the following 4 companies; **AMERCO (UHAL)**, **Robert Half International (RHI)**, **McKesson**, and **CBRE Group (CBG)**.

Increased position sizes in the following 8 companies; **American Airlines Group (AAL)**, **American Express (AXP)**, **Apple (AAPL)**, **Bank of America (BAC)**, **CBS Corp.**, **CVS Health**, **Harley-Davidson (HOG)**, and **Leucadia National (LUK)**.

Exited positions in the following 7 companies; **Accenture (ACN)**, **American International Group (AIG)**, **Baker Hughes (BHI)**, **Bed Bath & Beyond**, **Corning (GLW)**, **Viacom (VIA.B)**, **Walmart Stores (WMT)**.

Decreased position sizes in the following 2 companies; **Bank of New York Mellon (BK)**, Jacobs Engineering Group.

As of October 31, 2016, our five largest positions were Quanta Services, **Berkshire Hathaway (BRKB)**, Apple, Bank of America, and **JPMorgan Chase (JPM)**.

We remain focused on the careful and patient application of our investment criteria and valuation requirements. We are more concerned with the risk of suffering a permanent loss of capital than about the risk of missing opportunities, especially those that are short-term in nature. Our bottom-up research emphasizes business quality, industry structures, growth opportunities, management skill and corporate culture. It is further augmented by our assessment of the company's ability to sustain earnings power over the long haul through an understanding of its competitive advantages, business model and management's proficiency in the allocation of capital. We use absolute, rather than relative, methods to estimate companies' intrinsic values and we use the movement of market prices around these intrinsic value estimates to construct and manage a portfolio of high-quality businesses that have the potential to create sustained shareholder value over many years.

Thank you for your continued support and trust in our ability to manage your investment in the Fund.

Kovitz Investment Group

As of September 30, 2016 the one year return for the fund was a increase of 8.75%, net of fees, compared to an increase of 15.43% for the S&P 500 Index. Since inception (12/28/2011), the average annual return for the fund was 11.58%, compared to 14.40% for the S&P 500 Index. The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment in the Fund 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 1-888-695-3729. The total expense ratio is 1.37%, and the net expense ratio after fee waiver contractual through February 28, 2018 is 1.10%.

Portfolio holdings are subject to change without notice and are not intended as recommendations of individual stocks.

The S&P 500 Index is a broad market-weighted average of U.S. blue-chip companies. This index is unmanaged and investors cannot actually make investments in this index.

The views and opinions expressed in this material are of the author and may or may not be accurate over the long term. While we believe we have a reasonable basis for our appraisals and we have confidence in our opinions, actual results may differ materially from those we anticipate. These opinions are current as of the date of this report but are subject to change. There is no guarantee that any forecasts or opinions in this material will be realized. Information should not be construed as investment advice. The information provided in this material should not be considered a recommendation to buy, sell or hold any particular security.

The Fund's prospectus contains important information about the Fund's investment objectives, potential risks, management fees, charges and expenses, and other information and should be read and considered carefully before investing. You may obtain a current copy of the Fund's prospectus by calling 1-888-695-3729. Investing involves risk, including loss of principal. Diversification and asset allocation do not ensure a profit or guarantee against loss.

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