**Letter to Shareholders** **October 31, 2015**

Dear Shareholder:

For the fiscal year ending October 31, 2015, the Fund lost 0.60%. In comparison, our benchmark, the S&P 500® Index, gained 5.20% during the same period. Since inception on December 28, 2011, the Fund has returned at a rate of 13.66% annually, versus 16.22% annually for the S&P 500®.

It's always easier for management of the Fund to report to you that we've had a year of strong outperformance. But this wasn't the case in the latest fiscal year. On the contrary, we lagged the S&P 500® by 5.8 percentage points – a significant margin of underperformance.

It's important to understand that it is inevitable that we will underperform the market from time to time. This is simply part of the game if your goal is to return money at high rates over many years and to achieve long-term outperformance. After all, to beat the index, you cannot own the index. In the short term, our divergence from the index sometimes works to our disadvantage. But in the long term, we believe this divergence will prove to be a considerable advantage.

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 can't predict when the upside will come, but believe that our disciplined approach to security selection along with the patience to endure these periods of underperformance will ultimately lead to more than satisfactory results.

One reason why most investors do so badly over the long term is that it requires psychological discipline to stick with the program. Thankfully (for us), the nature of the stock market is ultimately to shift money from impatient investors to patient investors.

Quantitatively, paying a low price for a company relative to the cash flows generated skews the odds in the investor's favor over a long period of time, and produces a margin of safety if future results are worse than hoped for. Qualitatively (and counter-intuitively), the reason our investment strategy tends to work is because not everyone can handle that it doesn't work all of the time. The emotional discomfort of deviating from the crowd is large. And sets the stage for our style of investing to continue to work over time.

## Performance Attribution

The individual positions that contributed the most to performance during the year were **Target (TGT)**, **Walgreen Boots Alliance (WBA)**, **Boeing (BA)**, **Alphabet (formerly known as Google,**

**GOOGL & GOOG)**, and **Accenture (ACN).**

The individual positions that detracted the most from performance during the year were **Ocwen Financial (OCN)**, **Quanta Services (PWR)**, **Ensco (ESV)**, **Wal-Mart Stores (WMT)**, and **Viacom (VIAB)**.

On a sector basis, the combination of sector weighting and security selection in the Energy, Materials, and Information Technology sectors benefitted the Fund the most during the year. The combination of the sector weighting and security selection in the Financials, Consumer Discretionary, and Industrials sectors detracted from the Fund's performance the most.

## Portfolio Activity

Portfolio activity during the year included the following:

- Initiated positions in the following 11 companies; **American Airlines Group (AAL)**, **Aon (AON)**, **Baker Hughes (BHI)**, **CBS (CBS)**, **FMC Technologies (FTI)**, **Haliburton (HAL)**, **Harley Davidson (HOG)**, **Jacobs Engineering (JEC)**, **Precision Castparts (PCP)**, **Quanta Services (PWR)**, and **Schlumberger (SLB)**.
- Increased position sizes in the following 5 companies; Boeing, **General Motors (GM)**, Jacobs, Quanta, and **Valmont Industries (VMI)**.
- Exited positions in the following 8 companies; **Abbott Laboratories (ABT)**, **Coach (COH)**, **DirecTV (DTV)** (acquired), **Expeditors International of Washington (EXPD)**, **National Oilwell Varco (NOV)**, Ocwen, Precision Castparts (acquired), Target.
- Decreased position sizes in the following 7 companies; Accenture, **American International Group (AIG)**, **CarMax (KMX)**, **CVS Health (CVS)**, **Kohl's (KSS)**, Walgreens Boots Alliance, **Walt Disney (DIS)**.

As of October 31, 2015, our five largest positions were **Berkshire Hathaway (BRKB)**, Quanta, Jacobs, **Apple (AAPL)**, and Boeing.

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*

*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.***

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