GREEN OWL
INTRINSIC VALUE FUND

LETTER TO SHAREHOLDERS — OCTOBER 31, 2020

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. To accomplish this, Fund management implements a fundamental, research-driven process, in order 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.

We remain focused on the careful and patient application of our investment criteria and valuation requirements. 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 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.

MARKET AND PERFORMANCE SUMMARY

During the second half of the fiscal year (May 1, 2020 through October 31, 2020), the Fund returned 19.76%. In comparison, our benchmark, the S&P 500 Index, gained 13.29% during the same period. For the full fiscal year ending October 31, 2020, the Fund returned 0.23%, while the S&P 500 gained 9.70%. Since inception on December 28, 2011, the Fund has compounded at a rate of 10.50% annually, versus 13.63% annually for the S&P 500 over the same time period.

On August 10th, after eking out a modest 0.28% gain on the day, the stock market[1] recovered the last bit of the ground it lost during the pandemic-induced sell-off earlier this year. All told, it took 33 days for the market to lose nearly 34% and 140 days to gain it all back. Not even six months elapsed from start to finish.
Since 1929, there have been nine instances of the stock market declining 25% or more following an all-time high. As you can see in the table below, the 2020 drawdown (highlighted below) is notable for both the speed of the decline, but even more so for the rapidity of the recovery.

[1] All references to the "stock market" or the "market" refer to the S&P 500 Index and all returns include the reinvestment of dividends into the index.

Rank	Drawdown	Dates			Days		
		Peak	Trough	New Peak	Drawdown	Recovery	Total
1	-86.19%	9/16/1929	6/1/1932	1/28/1946	989	4,989	5,978
2	-55.22%	10/9/2007	3/9/2009	4/2/2012	517	1,120	1,637
3	-47.42%	9/1/2000	10/9/2002	10/23/2006	768	1,475	2,243
4	-44.80%	1/11/1973	10/3/1974	7/9/1976	630	645	1,275
5	-33.79%	2/19/2020	3/23/2020	8/10/2020	33	140	173
6	-32.93%	8/25/1987	10/19/1987	5/15/1989	55	574	629
7	-32.58%	11/29/1968	5/26/1970	3/15/1971	543	293	836
8	-26.88%	12/12/1961	6/26/1962	4/15/1963	196	293	489
9	-25.22%	5/29/1946	5/19/1947	9/30/1949	355	865	1,220

Source: Kovitz using data from Bloomberg.

"But, is it real?" This is a question we often receive. It might seem odd that the stock market is oscillating around its all-time high while unemployment remains around 7%, over 230,000 deaths in the U.S. have been attributed to COVID-19, and the country continues to lose almost 1,000 more people per day to the pandemic. In addition, many feel detached from the world from being cooped up in our houses and practicing social distancing for the past six months.

Yet, there are two main factors that are strongly supportive of current stock market valuations. First, the accommodative monetary policy enacted by the Federal Reserve – exemplified by near-zero interest rates – is making all forms of credit, from home mortgages to commercial loans, easier to attain by businesses and individuals. Recently, Jerome Powell, Chairman of the Federal Reserve, declared that the fed funds target rate will likely remain in its current 0%-0.25% range until at least 2023. In such an environment, stocks become relatively more attractive purely for a lack of alternative means of generating returns.

Second, and perhaps more important from a mathematical perspective, the effects of COVID on various industries are not evenly distributed and those companies least impacted happen to already make up the lion's share of the stock market's total capitalization.

It is often said in some circles that the stock market does not equal the economy. It would be inaccurate to believe the two are completely unrelated, but a more apt phrasing would be that the stock market roughly approximates future expectations for the economy, while neither the stock market nor the overall economy necessarily reflects the experience of the median person in the economy.

In some ways, the recession is essentially over for a certain subset of the population – mainly those with college degrees and higher incomes. These two factors are strongly correlated with the ability to work from home. On the other end of the spectrum are those with only a high school diploma or who never completed high school. These individuals – who tend to have lower incomes, jobs disproportionately located in the hospitality, food service, and retail sectors that have been decimated by COVID, and no ability to work from home – continue to experience what feels to many of them like a deep recession.

To be sure, there is some diversity of experience among these groups. Not everyone in the former group is unaffected by the pandemic, just as not everyone in the latter group is struggling. However, on the whole, the fortunes of these two groups continue to diverge.

Nevertheless, current stock market valuations express the long-term view that better days are ahead for the overall economy and that hypothetical median person. At the Fund, we are generally supportive of this view. The United States and the world are not faced with an intractable credit crisis coupled with a loss of confidence such as that faced during the Great Depression, or even the 2008 Global Financial Crisis. There is a singular problem faced by humanity: COVID-19. There is merit in the idea that a combination of continuously improving treatments for COVID-19 and the scientific community inching closer to a vaccine will eventually lead to an end to the pandemic. At the very least, these developments will result in a dramatic decrease in the risk of contracting the disease.

In the long run, human progress through technological innovation, rising living standards, increasing life expectancy, and virtually every other metric moves forward. Always forward. We would not bet against that changing.

However, as we know too well, there are always many unknowns in the short run that could upset this bullish tilt to the market. London Business School Professor Elroy Dimson once said, “Risk means more things can happen than will happen.” This simple statement encapsulates why uncertainty and risk are inescapable, particularly in the field of investing. Understanding that this is just a natural and ordinary part of the investment landscape is why we remain singularly focused on ascertaining the difference between what we think a business is worth and its current stock price. This emphasis on business value, as opposed to share price action, empowers us to act when others may be fleeing the markets. Through experience, we know that business values are far less volatile than stock prices and with patience, share price ultimately converges with business value.

We believe there are certain stocks of great businesses, with durable balance sheets and reasonably predictable cash flow streams, that are undervalued relative to their future earning power. For those focused on long-term horizons, it’s a good time to be investing in such opportunities.

PORTFOLIO ACTIVITY

Given the volatility caused by the coronavirus, we were active market participants. We’ve consistently driven home the message that we typically use market dislocations as opportunities to upgrade the overall quality of our portfolio. This time was no different. When the dust settled after two of the most unforgettable and unpredictable quarters in market history, we were fortunate to have been able to initiate numerous new positions, add to several existing positions, and generally upgrade the quality of the portfolio. As such, we entered the second half of the fiscal year with a well-balanced portfolio of businesses we believe are positioned to generate solid returns amidst a variety of market conditions. Despite the myriad risks, the expected forward returns of the portfolio today look substantially better than it did even a year ago, and we would argue the quality is also higher.

We are utilizing the same approach we have always used – a valuation framework that focuses on the long-term fundamentals and minimizing the odds of a permanent loss of capital. We have been using the volatility to upgrade both the quality of the portfolio and the expected return profile. One of the identifiable themes to our recent activity is maintaining or initiating positions in exceptional businesses that we believe will weather any coronavirus-related macroeconomic downturn quite well and emerge stronger on the other side due to the possession of one or more competitive advantages. We have also maintained or increased several current positions in quality businesses that may experience near-term cash flow constraints due to the coronavirus, but we believe will endure and offer significant upside as the current challenges abate.

The following portfolio actions were taken during the Fund's fiscal year period:

INITIATED POSITIONS in the following companies: Amazon (AMZN), Arista Networks (ANET), Autodesk (ADSK), Becton Dickinson (BDX), Charter Communications (CHTR), Hasbro (HAS), Keysight Technologies (KEYS), Lockheed Martin (LMT), Lowes (LOW), Motorola Solutions (MSI), Northern Trust (NTRS), NVR (NVR), Visa (V).

EXITED POSITIONS in the following companies: Amerco (UHAL), Analog Devices (ADI), Bank of America (BAC), Boeing (BA), Delta, eBay (EBAY), FedEx (FDX), Goldman Sachs (GS), PPG, Tencent (TCEHY), US Foods (USFD), United Parcel Service (UPS), and Valmont (VMI).

THE FUND'S TEN LARGEST POSITIONS as of October 31, 2020 were Alphabet (GOOG/GOOGL), Quanta Services (PWR), Facebook (FB), Berkshire Hathaway (BRKB), Philip Morris (PM), Apple (AAPL), Walt Disney (DIS), General Motors (GM), Charter Communications (CHTR) and Jacobs (J).

PERFORMANCE ATTRIBUTION

Key Contributors to Relative Results

The individual positions that contributed the most to performance, on a dollar basis, during the year were: Apple (AAPL), Quanta Services (PWR), Covetrus (CVET), Alphabet (GOOG/GOOGL), and Facebook (FB).
On a percentage total return basis, the top performers for the year were: Covetrus (CVET, +149%), Lowes (LOW, +93%), Apple (AAPL, +77%), NVR (NVR, +74%), and Amazon (AMZN, +69%).

On a sector basis, the largest contributor to relative results was the Fund's underweight position Energy sector. Security selection in the Health Care and Communication Services sectors also contributed.

Key Detractors to Relative Results

The individual positions that detracted the most from performance, on a dollar basis, during the year were: Delta (DAL), Mohawk (MHK), Boeing (BA), Viacom CBS (VIAC), and Expedia (EXPE).

On a percentage basis, the worst performers for the year were: Boeing (BA, -56%), Delta (DAL, -48%), Citigroup (C, -40%), PPG (PPG ,-33%), and Expedia (-31%).
On a sector basis, security selection in Consumer Discretionary along with an underweight position in Information Technology detracted from the Fund's from results.

GREEN OWL'S RESPONSE TO COVID-19

Given the current circumstances surrounding the COVID-19 pandemic, the majority of the Fund's employees continue to work remotely. Business operations and client service have not been disrupted. The Fund's management team is in the business of risk management and typically, focus on and assess market-related risks very well. Over the past several months the Fund has been implementing various business continuity plans to ensure we protect the health and safety of our employees, while also continuing to be able to manage the portfolio and serve its clients. We have robust business continuity programs in place that we can call on as needed to manage the situation in the safest, most effective way possible.

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

Your Kovitz Team

Annualized Performance (Net of Fees) As of October 31, 2020		
	Green Owl	S&P 500
Quarter *	6.15%	0.37%
YTD *	-4.68%	2.77%
One Year	0.23%	9.71%
Three Year	3.93%	10.42%
Five Year	8.13%	11.71%
Since Inception (12/28/11)	10.50%	13.65%

**Quarter and Year to Date Performance numbers are not annualized.*

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 1.33%, and the net expense ratio after fee waiver contractual through February 28, 2022 is 1.11%.*** *The capped expense ratio is 1.10%. This operating expense limitation does not apply to interest, taxes, brokerage commissions, other expenditures which are capitalized in accordance with generally accepted accounting principles, other extraordinary expenses not incurred in the ordinary course of the Fund's business, dividend expense on short sales, expenses incurred under a Rule 12b-1 plan of distribution, "acquired fund fees and expenses," and expenses that the Fund has incurred but did not actually pay because of an expense offset arrangement.*

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

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.

Investing involves risk, including loss of principal. There is no guarantee that this, or any, investing strategy will be successful. Diversification does not ensure a profit or guarantee against loss. Investing in value stocks presents the risk that the stocks may never reach what the adviser believes are their full market values. There are no guarantees that dividend paying stocks will continue to pay dividends.

The Fund may lose money due to fluctuations within the stock market which may be unrelated to individual issuers and could not have been predicted. The price of the securities which the Fund holds may change unpredictably and due to local, regional, international, or global events. These events may include economic downturns such as recessions or depressions; natural occurrences such as natural disasters, epidemics or pandemics; acts of violence such as terrorism or war; and political and social unrest. Due to the prominence of globalization and global trade, the securities held by the Fund may be affected by international and global events. In the case of a general market downturn, multiple asset classes, or the entire market, may be negatively affected for an extended and unknown amount of time. Although all securities are subject to these risk, different securities will be affected in different manners depending on the event.

The Fund's prospectus contains important information about the Fund's investment objectives, potential risks, management fees, and charges and expenses and should be read carefully before investing. You may obtain a current copy of the Fund's prospectus by calling 1-800-695-3729. Distributed by Ultimus Fund Distributors, LLC.