PRIVATE CAPITAL MANAGEMENT VALUE FUND

Semi-Annual Investment Adviser's Report
October 31, 2023
(Unaudited)

Dear Fellow Shareholder:

Performance of the Private Capital Management Value Fund's Class I shares ("PCM Value Fund") trailed the market over the six months ending October 31, 2023. As long-term investors in the PCM Value Fund are aware, our investment style is driven by in-depth due diligence and high-conviction stock selection. The result is a concentrated portfolio that focuses on long-term outcomes and is necessarily uncorrelated with the broader market. While our approach inevitably leads to periods like the one we have just experienced – where the Fund lagged the Russell 2000's return by 4.1% – our fundamental valuation discipline is also the source of the Fund's compelling multi-year return profile. The PCM Value Fund's return eclipses the Russell 2000 by 14.5% per year over the trailing three years ending October 31, 2023 and 4.9% per year over the trailing five years.

PCM Value Fund Class I				
		Annualized Return Periods		
As of 12/31/2023	1-Year	3-Year	5-Year	10-Year
Class I	7.12%	12.99%	13.97%	8.52%
Russell 2000	16.93%	2.22%	9.97%	7.16%

The performance data quoted represents past performance. Past performance is no guarantee of future results. Investment return and principal value will fluctuate, and shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For performance current to the most recent month-end, please call 1-800-763-0337. The Fund's Gross Expense Ratio is 1.67%. The Russell 2000 Index is an unmanaged index that consists of the smallest 2,000 companies in a group of 3,000 U.S. companies in the Russell 3000 Index, as ranked by market capitalization. It is not possible to invest directly in an index.

2023 has been a challenging year. Market participants have been confronted with a confused environment marked by spontaneous bank failures, stubbornly high inflation, rising interest rates, continued war between Russia and Ukraine, rising tensions with China, and most recently the horrific attack on Israel and subsequent conflict in Gaza. All of this has contributed to a risk-on, risk-off battle between bulls and bears with neither side evidencing sustained conviction. The U.S. economy has continued to persevere through the stress and turmoil. Up to this point, in fact, this economic resilience has confounded and confused economists and forecasters alike. Respected commentators have gone so far as to opine that it might be necessary for the Federal Reserve to tighten monetary policy substantially further – pushing short-term interest rates to 7% or more – in order to tamp down inflationary pressures. On the other hand, October U.S. inflation data showed a pronounced deceleration in inflation. The point we take from these discordant data points is that at this juncture, attempting to accurately forecast near-term dynamics for something as multivariate and complex as the U.S. economy is likely to prove a fool's errand. And as one might expect, of course, the release of softer economic data served to reignite concerns about the possibility of a recession in 2024 along with a return of speculation as to when the Fed might begin cutting rates.

So, how do we process this conflicting information and – more importantly – how do we make good investment decisions amidst the prevailing uncertainty? First and foremost, we assiduously avoid poring over economic statistics to "read tea leaves" for the immediate future. Instead, we work to get the "big picture" right and then focus our time and attention where it matters most – the specific fundamentals of the investments we have made for the PCM Value Fund and the ones that we are considering. Rather than chasing our tail over short-term factors, we feel it is far more valuable to capitalize on the long-term opportunities created by the uncertainty.

Being something of a contrarian is elemental to successful value investing because it is typically necessary to see the world, or a specific business, through a prism that differs from prevailing views. Before the ascent of passive index funds, the market's "prevailing view" was generally informed by an absence of research coverage, shorter investment timelines than we routinely adopt, or an underwriting conclusion substantially different from ours. Today, in some respects, finding overlooked value has become easier since the competing view is often set by passive index fund selling driven by fund flows rather than company-specific analysis.

Despite the decline in the PCM Value Fund's portfolio over the last six months, we see our capital deployment process as being advantaged when fundamentals seem to matter less and our close understanding of company-specific business factors affords us great conviction. Amidst the noise of daily price moves and near-term economic data, we look to maintain our focus on the long-term

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topics and trends pertaining to the Fund's portfolio companies that we view as most critical to value creation. In this respect, our fundamentals-based perspective and constructive time horizon stands in clear contrast to strategies geared toward near-term results and macro-driven price moves.

When viewed at a high level, the management teams of the companies in which the Fund is invested do not seem particularly concerned about the health of the U.S. economy as it relates to the prospects for their specific businesses. We view this data point as important since, over time, our experience is that company-specific factors are the predominant driver of the PCM Value Fund's results. As a practical matter, most of these management teams seem to view the Fed's tightening cycle as largely complete – with interest rates being near their cyclical peak – and anticipate that with 2024 being an election year, the Fed will act quickly to cut interest rates should the economy stumble meaningfully. Perhaps the more subtle and interesting question with respect to the upcoming election year is why with an unemployment rate below 4%, so many people seem to feel that the economy is doing poorly.

Simply put, inflation is an extremely regressive tax that disproportionately impacts the economic bottom third of the population. Housing, food and fuel have all been subject to substantial price pressures – so while wage growth for people at the bottom of the pyramid may seem to have been strong, it is highly unlikely that this cohort feels economically better off for it. In addition, the bottom third of households largely lack savings and are heavily dependent on credit cards and other forms of consumer finance, all of which have become dramatically more expensive over the last two years. In contrast, for America's middle and upper economic cohorts the situation is quite different. Yields on savings are up dramatically, home values have appreciated materially, and financial markets have stabilized, albeit after a brutal 2022. All of this gives rise to divergent economic realities where many individuals and families are doing quite well while others are struggling.

Suffice it to say that we agree with the broad view that the Fed ultimately must do whatever is necessary to tame inflation because the failure to do so would result in permanently elevated long-term rates and, ultimately, a catastrophic fiscal situation for the U.S. government. Looking forward, we would observe that decelerating inflationary pressures are frequently a clear positive for equities since stock prices typically suffer more from the fear of recession than the reality of a typical downturn. For the last two years markets have struggled as inflation persisted, interest rates moved steadily higher and fears intensified that the Fed could overshoot. In our view this elongated cycle has resulted in extremely compressed valuations for small-cap U.S. equities – akin to stock market Purgatory – as investors seem to have been unwilling to "pay" for good current results out of fear that next year might be worse. Nevertheless, we continue to expect high quality operational performance results from the businesses the Fund holds and hopefully more salutary market conditions to receive them.

We appreciate your continued support.

Private Capital Management

Mutual Fund investing involves risk and it is possible to lose money by investing in a fund. The Fund is a diversified fund, but nevertheless has invested a significant portion of its assets in the securities of a relatively smaller number of issuers, which may cause the Fund's value to fluctuate more widely than some other diversified funds. As a result of the Fund's investment approach and the relative price movements of certain Fund holdings, as of October 31, 2023 the Fund's holdings profile reflected a portfolio concentration level normally associated with a non-diversified fund. This may result in the Fund exhibiting greater volatility and less liquidity than other diversified funds.

Investors should consider the investment objectives, risks, charges, and expenses of the Fund carefully before investing. The prospectus contains this and other important information about the Private Capital Management Value Fund, and it may be obtained by visiting our website at www.pcmvaluefund.com. Read it carefully before investing.

The performance shown reflects fee waivers/reimbursements in effect, without these waivers, performance would have been lower. Total returns are based on net change in NAV with reinvestment of all dividends. The returns shown do not reflect a 2% fee applied to shares redeemed within 30 days of purchase.

Shares of the Private Capital Management Value Fund are distributed by Foreside Funds Distributors LLC, not an adviser affiliate.

This letter is intended to assist shareholders in understanding how the Fund performed during the six months ended October 31, 2023 and reflects the views of the investment adviser at the time of this writing. Of course, these views may change and do not guarantee the future performance of the Fund or the markets.

Portfolio composition is subject to change. The current and future portfolio holdings of the Fund are subject to investment risks.