Clifford Capital Partners Fund

Quarterly Commentary – First Quarter 2019

We hope that this letter finds you well. We are grateful for your investment in the Clifford Capital Partners Fund ("the Fund") and thank you for your support.

	1st Quarter 2019	One-Year Return	3-Year Return, Annualized	5-Year Return, Annualized	Total Return, Since Inception (01/30/14)	Total Return, Annualized Since Inception
Institutional Class (CLIFX)	18.01%	8.63%	14.44%	10.19%	76.23%	11.60%
Investor Class (CLFFX)	17.95%	8.44%	14.21%	9.97%	74.52%	11.39%
Russell 3000® Value[1]	11.93%	5.30%	10.48%	7.56%	52.45%	8.51%

(Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment 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 (800) 628-4077. Short term performance, in particular, is not a good indication of the fund's future performance, and an investment should not be made based solely on returns.)

The first quarter provided a solid bounce back after the tumult in last year's fourth quarter. The Fund performed well during the quarter, fully recouping what it lost in Q4. While there were a multitude of potential reasons cited for the market's sharp decline at the end of 2018 (none of which were overly compelling to us), it seems to be a widely-held consensus that the increase thus far in 2019 is due to the Fed's seemingly newfound patience with raising rates and reducing monetary stimulus.

As always, we don't spend much time trying to decipher (or base our investment decisions on) top-down, macroeconomic happenings. Instead, our long-term oriented, bottom-up, stock-by-stock investment approach strives to take advantage of the market's mood swings: seeking bargains when markets are despondent, and often providing liquidity in our stocks when markets become more euphoric.

Value Investing – the constant search for mispriced stocks

The late Sir John Templeton, one of my personal favorite investors and a tremendous human being, once stated, "To buy when others are despondently selling and to sell when others are euphorically buying takes the greatest courage but provides the greatest profit." We agree wholeheartedly but would also add that a contrarian viewpoint alone is not enough – the viewpoint must be both different and correct (or at least more correct than not!). This idea is summarized succinctly by a quote from another one of my favorite investors, Seth Klarman, the founder, CEO and portfolio manager of The Baupost Group, an extremely successful hedge fund who once said, "Value investing is at its core the marriage of a contrarian streak and a calculator." The contrarian viewpoint requires the right temperament—the "courage" spoken of by Templeton—while the "calculator" part is shorthand for the analysis that must be performed to have confidence that valuation is sufficiently attractive, and the potential rewards far outweigh the potential risks of each investment.

In our experience one of the most common reasons for the existence of mispriced/undervalued stocks is due to behavioral/emotional reasons, hence the use of descriptive terms like "despondent" and "euphoric" when describing investment conditions at their extremes. Investors often overreact to short-term events or are

[1] The Russell 3000® Value Index is a capitalization-weighted index which is designed to measure performance of Russell 3000 Index companies, respectively, with lower price-to-book ratios and lower forecasted growth values. Numbers presented include the reinvestment of dividends (total return).

influenced by herd behavior (it's more comfortable in a crowd), which can lead to investment opportunity. This element of value investing is well known.

We are also seeing more evidence over the past few years that the growing influence of passive strategies, algorithmic trading, high speed traders, and other strategies that are not traditional active strategies like ours, is having a larger effect on the marketplace and individual stocks. This too may lead to mispriced/undervalued stocks in the short-term when stocks trade on non-fundamental reasons such as index rebalancing, an algorithmic trade trigger, or money flows into/out of large passive funds.

Using an example from the Fund, one of our current holdings, Stericycle (ticker: SRCL – 4.71% of the Fund at March 31, 2019) had a bizarre period of trading around the time it was removed from the S&P 500 index on November 30, 2018. Although in our view it was already trading for a bargain basement price, starting on November 30, the stock declined every trading day for 16 consecutive days (on much higher than average volume) – an unprecedented event in the history of the company's life as a public company. There was no fundamental news about the company during this period. Even though the market also performed poorly over this time frame, we would have expected Stericycle's stock to hold up better than most, given that the company's flagship medical waste disposal business would generally be considered a "safe haven" in times of difficulty. Instead, the stock declined 27.0% over those 16 trading days, 12.8% worse than the Russell 3000 Value.

We believe the majority of this decline in SRCL stock was simply due to the stock's removal from the most popular index in the U.S. and had essentially nothing to do with anything company-specific or fundamental. We also firmly believed that the decline provided tremendous future value to whomever was willing to buy the shares (which we acknowledge provided little comfort for those of us who owned it throughout the downdraft!). As such, we added to the position during the decline.

As bizarre as that 16-day losing streak was, when the selling was exhausted, we later witnessed Stericycle stock *increase* for 18 consecutive trading days starting on December 31 – again an unprecedented experience in the stock's history. During that period, it increased about 11% more than the Russell 3000 Value, and the stock has been one of our top performers in 2019 thus far.

In our view, neither of these "streaks" made much sense, but we think it's an applicable example of the influence of non-fundamental forces that we believe are affecting the market these days. We also think it's an example of the type of bargain that a discerning value investor can take advantage of as passive and other non-traditional asset managers become a larger percentage of what drives the market's day to day movements.

In our opinion, successful value investing requires differentiated thinking, differentiated analysis, and the ability to move against the crowd when our fundamental research suggests it's a prudent thing to do. We strive to live by these principles at Clifford Capital.

Significant Fund Changes
We purchased one new Contrarian stock during the quarter, GameStop (ticker: GME – 1.30% of the Fund at March 31, 2019) and sold one Contrarian stock, Devon Energy (ticker: DVN – 0.00% of the Fund at March 31, 2019).

Addition
GME: GameStop is the epitome of a Contrarian stock. The company is extremely out of favor today because its core physical gaming business has been under pressure—and in slow decline—for years. These declines recently accelerated, given the booming popularity of internet-based games and the ability to download games rather than going to the store to purchase them. Despite these challenges, we think the pessimism is overdone, leading to what we believe are unrealistically low expectations and a bargain stock price. We also believe that the company's current balance sheet is extremely strong—the company currently holds about $800 million cash, net of all debt—which we think provides the company's new CEO many options to improve the company's

business prospects and perform shareholder-friendly actions such as closing down underperforming stores and repurchasing substantial amounts of its stock.

Sale

DVN: Devon was a Contrarian staple in the Fund for many years and was frankly mostly disappointing, despite the firm's management team having operated the business well, in our opinion. As we recently reassessed the company's prospects, we determined that the stock's dependence on oil prices far outweighed the positive company-specific thesis points we'd identified, and while there may be times we think it makes sense to own oil/gas producers (e.g. when oil is at cyclical low prices and stocks are priced like the cycle will never end) we aren't looking to speculate on the future price of oil.

Individual Stock Performance

Contributors: The two greatest contributors during the quarter were Stericycle (mentioned already above) and eBay (ticker: EBAY – 4.37% of the Fund at March 31, 2019).

SRCL: As we described above, Stericycle recovered strongly from what we believe was an unwarranted decline late last year after the company was removed from the S&P 500. Additionally, the company announced the appointment of a new CEO (a strong operations person who was hired last year from United Parcel Service (ticker: UPS – 0.00% of the Fund at March 31, 2019)), which was welcome news to shareholders who were growing increasingly frustrated with the previous management team. We believe the company is making good strides in improving its operations and it should translate into stronger profitability and shareholder returns.

EBAY: eBay's financial expectations for 2019 were slightly stronger than expected, but the bigger news during the quarter leading to a strong stock price increase was the involvement of activist investors who are pressuring eBay to improve its financial results and sell some of its non-core businesses. We think most of the activists' suggestions are prudent (and we think the proverbial children tend to behave better when they know their parents are watching!), so their involvement is likely positive. In our view eBay is a solid internet retailer with an undervalued stock and good future prospects, with or without the presence of activist investors.

Detractors: The two largest detractors this quarter were GameStop—a new stock discussed above—and Evertec (ticker: EVTC – 2.00% of the Fund at March 31, 2019). GameStop has simply remained out of favor since we first purchased it (we rarely "bottom tick" a stock) and Evertec provided slightly weaker than expected 2019 financial guidance, given the uncertainty of Puerto Rico's economic recovery after Hurricane Maria. Neither stock detracted significantly.

Final Comments

Thank you for your investment in the Fund. We have high conviction in the Fund's stocks and we are invested alongside you. We appreciate your support, and we will continue to strive to prudently manage your money.

Sincerely yours,

Ryan Batchelor, CFA, CPA
Principal and Portfolio Manager
Clifford Capital Partners, LLC

The fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The prospectus contains this and other important information about the investment company, and it may be obtained by calling (800) 628-4077, or by going to the Clifford Capital Partners Funds website at www.cliffordcapfunds.com and clicking on the "Prospectus" link. Read it carefully before investing.

Risks of the Fund

The Fund invests in common stocks, which subjects the Fund and its shareholders to the risks associated with common stock investing, including the financial risk of selecting individual companies that do not perform as anticipated. Over time, the stock markets tend to move in cycles. The value of the Fund's investments may increase or decrease more than the stock markets in general.

Investing in the securities of small-cap and mid-cap companies generally involves substantially greater risk than investing in larger, more established companies. These companies are typically subject to greater changes in earnings and business prospects than are larger, more established companies, and may be more vulnerable than larger companies to adverse business or economic developments; the risk exists that the companies will not succeed; and the prices of the companies' shares could dramatically decline in value. Companies with large market capitalizations go in and out of favor based on various market and economic conditions. Prices of securities of larger companies tend to be less volatile than companies with smaller market capitalizations. In exchange for this potentially lower risk, the Fund's value may not rise as much as the value of funds that emphasize companies with smaller market capitalizations.

The Fund is a focused fund and is currently expected to hold stocks of between only 25 and 35 companies once fully invested. Focusing investments in a small number of companies may subject the Fund to greater share price volatility and therefore a greater risk of loss because a single security's increase or decrease in value may have a greater impact on the Fund's value and total return.

Because the Fund invests primarily in value stocks (stocks that the Adviser believes are undervalued), the Fund's performance may at times be better or worse than the performance of stock funds that focus on other types of stock strategies (e.g., growth stocks), or that have a broader investment style.

The Clifford Capital Partners Funds are distributed by First Dominion Capital Corp., Member FINRA/SIPC

Fees and Expenses of the Fund

The following table describes the expenses and fees that you may pay if you buy and hold shares of the Fund.

Shareholder Fees (fees paid directly from your investment)	**Investor Class**	**Institutional Class**
Redemption Fee (as a percentage of the amount redeemed on shares after holding them for 60 days or less)	2.00%	None
Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)		
Management Fees	0.90%	0.90%
Distribution and Service 12b-1 Fees	0.20%	0.00%
Other Expenses[1]	0.00%	0.00%
Acquired Fund Fees and Expenses	0.01%	0.01%
Total Annual Fund Operating Expenses	1.11%	0.91%

1. Based on estimated amounts for the current fiscal year.