Clifford Capital Partners Fund

Quarterly Commentary – Second Quarter 2019

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

	2nd Quarter 2019	Year to Date Return	One-Year Return	3-Year Return, Annualized	5-Year Return, Annualized	Total Return, Since Inception (1/30/2014)	Total Return, Annualized Since Inception
Institutional Class (CLIFX)	-2.65%	14.88%	1.34%	12.69%	8.98%	71.55%	10.48%
Investor Class (CLFFX)	-2.72%	14.73%	1.14%	12.50%	8.77%	69.77%	10.27%
Russell 3000® Value[1]	3.67%	16.05%	7.34%	10.19%	7.31%	58.05%	8.82%

(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.)

After a strong first quarter—one of the best since the Fund's beginning—the Fund had its worst quarter compared against its benchmark since it began. The Fund's year-to-date return is still quite solid, and we remain pleased with its long-term performance. We are particularly encouraged today about its long-term potential. The market environment over the past year has been uncertain and volatile, but we are finding some compelling values today that we believe will make the recent volatility worthwhile.

As we've mentioned several times in the past, we strive not to get too worked up about short-term performance, whether it's good, bad, or somewhere in-between. We invest in individual stocks with a long-term focus and we believe that long-term results are the best way to judge our performance. That said, we also strive to be transparent about what's happening in the short-term and why we make the investment decisions that we do.

> "It's one of those things where you have to stay focused on the process, not the result. In a sport that's solely based on results, sometimes it's hard to do that."
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> - Max Muncy, Los Angeles Dodgers, April 5, 2019.

We will continue to maintain our disciplined focus on our long-term investment process and the C-Quad Philosophy™ and strive to invest in stocks when we believe they are trading at a significant discount to what they are worth. We believe our focus on long-term process, rather than short-term results, is a differentiating factor for the Fund.

Strong Concerns Lead to Great Opportunities

The same issues that led to volatility in 2018—tariff and trade concerns, economic slowdown worries, and interest rate fears to list a few—came back to the forefront of investors' consciousness during the second quarter. The month of May was particularly weak in the stock market and the specter of last December was quite visible.

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[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).

In times of uncertainty it's common for investors to seek out refuge in the stocks of larger companies with more steady results, less economic cyclicality, lower volatility, and more defensive qualities.

While there's some logic to hiding out in these types of companies when there is significant uncertainty, we think this idea has become a crowded trade and it may not end up being as "defensive" as many investors believe, given the high valuation levels we see in these types of stocks. We've observed that many of the high-quality, defensive companies we follow are trading at multiyear—or multidecade—high valuation ratios, which we believe does not bode well for their long-term potential.

On the other side of this trade, we have invested in several compelling Contrarian stock ideas in smaller companies in more economically sensitive parts of the market, which are trading with very low valuations. These Contrarian stocks hurt the Fund's performance in Q2 and they often feel riskier (especially when they've been performing poorly), but we believe they have significant long-term investment potential.

As an illustration of what we just discussed, the table below shows the results over the last year of a large cap low volatility index—the S&P 500 Low Volatility Index—which measures the performance of the 100 least volatile stocks of the S&P 500, versus our benchmark and the Russell 2000 Value, which represents the performance of small cap value stocks.

Index	**One-Year Performance through June 30, 2019**
S&P 500 Low Volatility	19.0%
Russell 3000 Value	7.3%
Russell 2000 Value[2]	-6.3%

We will always have a majority weighting (50-75%) in high-quality, competitively advantaged Core stocks, which typically have defensive qualities, but there are times we may increase our exposure to Contrarian stocks that we believe have excellent long-term potential. Consistent with our value discipline and our contrarian investment philosophy, when market sentiment becomes strongly one-sided, we are willing and able to take advantage of compelling opportunities in less favored small cap Contrarian stocks.

Today, we see strong value in the Fund, with Contrarian stocks being particularly compelling. We believe this bodes well for the long-term potential of the Fund.

Significant Fund Changes

We purchased two new Core stocks during the quarter, Kraft Heinz (ticker: KHC – 3.05% of the Fund at June 30, 2019) and GlaxoSmithKline (ticker: GSK – 2.46% of the Fund at June 30, 2019). We also sold out of Core stock Hanesbrands (ticker: HBI – 0.00% of the Fund at June 30, 2019) and Contrarian stock Build-A-Bear Workshop (ticker: BBW – 0.00% of the Fund at June 30, 2019). In addition to these transactions, we trimmed several other Core stock positions and added to many of our underperforming Contrarian stocks.

Additions

KHC: Kraft Heinz has been in the market's doghouse this year after slashing its dividend, lowering its financial guidance, and reporting some weakness in its internal controls that led to the company restating its financial results. Despite these negative events, we believe the company's core business is solid and its most important competitive advantages (in particular its worldwide distribution capabilities) are intact. The stock fell to a price where we believed the potential long-term rewards outweighed the near-term risks, so we initiated a position.

[2] The Russell 2000® Value Index is a capitalization-weighted index which is designed to measure performance of Russell 2000 Index companies, respectively, with lower price-to-book ratios and lower forecasted growth values. Numbers presented include the reinvestment of dividends (total return).

GSK: Glaxo is a solid pharmaceutical company with worldwide operations and a strong portfolio of branded drugs, over-the-counter products, and a solid vaccine franchise. We believe the company is well-managed and has significant potential to improve its results. We also believe the company is trading at an attractive valuation today, given worries about drug pricing, which we believe is a very manageable issue for Glaxo.

Sales
HBI: We sold Hanesbrands to provide capital for our new purchases in Core stocks that we believed had better reward to risk profiles.

BBW: We sold Build-A-Bear to provide capital for more attractive opportunities in other discretionary stocks.

Individual Stock Performance
Contributors: The two greatest contributors during the quarter were American Express (ticker: AXP – 3.97% of the Fund at June 30, 2019) and Evertec (ticker: EVTC – 2.52% of the Fund at June 30, 2019).

AXP: American Express continues to generate high returns on capital and strong earnings, which has led to recent gains in the stock. Despite these gains, we believe the stock still trades for a reasonable valuation multiple and has good long-term investment prospects. We think the company's high-quality business model combined with shareholder-friendly capital allocation should continue to benefit shareholders.

EVTC: Evertec—a high margin payment processor based in Puerto Rico—continues to benefit from the island's hurricane recovery efforts as well as from its diversification into other Latin American markets.

Detractors: The two largest detractors this quarter were Abercrombie & Fitch (ticker: ANF – 2.97% of the Fund at June 30, 2019) and GameStop (ticker: GME – 1.58% of the Fund at June 30, 2019).

ANF: Abercrombie's stock fell precipitously after its most recent earnings report, despite posting better than expected earnings and maintaining its full-year expectations in the face of a relatively weak spring selling season for most retailers. We believe there are a handful of issues affecting ANF (and other brick and mortar retailers), which we believe are transitory, leading to a very compelling investment opportunity.

One such issue is a new accounting rule that requires retailers to begin reporting their operating lease obligations (the long-term rental contracts for a retailer's stores) as long-term debt. In the past, lease obligations were simply disclosed in footnotes as a future use of cash but were not recorded on the balance sheet. This accounting change led to some large changes in commonly used valuation multiples of many retailers (specifically Enterprise Value/EBITDA calculations that were not properly adjusted), even though fundamentals did not change.

We believe many program/algorithmic trading systems acted quickly on this change in accounting and the perceived change in valuation ratios, by selling these stocks aggressively, leading to very attractive prices. To be clear, these rent obligations are real, they've simply always been there, and fundamental investors (especially debt investors) typically make proper adjustments for these obligations when considering the creditworthiness and valuation of individual companies. However, we believe many of the computerized trading models utilized today did not account for this "new" debt properly when the accounting standard changed, leading to nonfundamental selling. When this is combined with the current environment of low expectations surrounding brick and mortar retailers, tariff concerns, and economic slowdown worries, we believe it's been a perfect storm leading to irrationally low stock prices and investment opportunity.

We continue to believe that Abercrombie is fundamentally changing its business in positive ways that will result in higher profitability and modest sales growth as a true omnichannel retailer (almost 1/3 of the company's sales are now digital)—a much better future than current expectations imply.

GME: We believe GameStop was also affected by the non-fundamental trading associated with this new accounting change, but the company and its new management team was also to blame for its recent stock price weakness after eliminating the dividend without adequately outlining how they planned to use the cash savings from it. Management quickly recognized their strategic mistake by initiating a large share repurchase after the stock fell, which we think is a step in the right direction, but we are anxious to hear management's larger strategic plan, which we believe may include significant store closings that we think would improve the profitability and prospects of the overall company (~1/3 of GME's store leases come due in 2019 alone). As we mentioned last quarter, we expect its core business to continue to decline, but at a slower rate than the market believes, while some of its business lines continue to grow. In the meantime, the company has a strong balance sheet and an extremely low valuation (we believe the company will have over $8/share in net cash at the end of 2019, while it ended June 2019 trading for slightly less than $5.50/share).

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.