Clifford Capital Partners Fund

Quarterly Commentary – Second Quarter 2017

We hope that this letter finds you all 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 2017	Year-to-Date 2017	One-Year Return	3-Year Return, Annualized	Total Return, Since Inception (01/30/14)	Total Return, Annualized Since Inception
Institutional Class (CLIFX)	0.21%	1.21%	24.20%	10.08%	48.88%	12.36%
Investor Class (CLFFX)	0.14%	1.14%	24.04%	9.88%	47.91%	12.15%
Russell 3000® Value[1]	1.29%	4.32%	16.21%	7.32%	37.29%	9.73%

(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 Fund eked out a small gain during the quarter, about 1% less than its benchmark. The Fund has had an underwhelming start to 2017, but we see solid value in the Fund's holdings at June 30. We believe that many of the Fund's holdings are mispriced and poised for significant long-term appreciation. In fact, according to our internal reward/risk measurement system for the Fund, we believe it is trading at the most attractive valuation level that we've seen in over a year, so we are encouraged by the Fund's prospects.

The second quarter started out as a continuation of the first quarter as growth stocks (and particularly popular large cap growth stocks) led the charge, while value stocks (particularly small cap value stocks) lagged. In June, this trend reversed, which was a positive for value investors and the Fund.

As we'd mentioned in last quarter's letter, we have witnessed large swings in the performance results of various categories of investments (e.g. growth vs. value, or large vs. small) and these prevailing winds are difficult—if not impossible—to predict and often change without warning (like the weather in my hometown of Chicago!). At Clifford Capital, rather than trying to predict which way the winds of sentiment and popularity will blow from month to month and quarter to quarter, we strive to find investment bargains that the winds blow into our path. We typically find these bargains when the investment community's sentiment has become unrealistically pessimistic, or perhaps their attention has simply been diverted elsewhere and some stocks "gather dust" after being placed on the shelf of unpopularity.

Our focus—and passion—is on selecting individual stocks that we believe are undervalued and have strong long-term appreciation potential with acceptable downside risks. We feel confident about our ability to find bargains in the stock market and believe our strategy can produce solid long-term returns, even though there will inevitably be periods of time that our stocks do not behave how we'd wish. Regardless of which way the stock market winds blow, we will remain disciplined and continue to focus on the fundamentals of the investments we own, while diligently looking for new ideas.

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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).

Where We See Value Today
Even with the major stock market indices trading at, or near, all-time highs today we are finding some compelling individual stocks in certain pockets of the market. Two areas that we think are particularly interesting today are certain select brick and mortar retailers (an industry that's been very out of favor with the investment community) and high quality regional banks (an industry that's been more in favor over the last year, but for which we think there is still significant value):

Retail. The stock prices of many retail companies that rely on brick and mortar store traffic have been pummeled by changing consumer behavior as shoppers often buy online—especially on Amazon.com (ticker: AMZN – 0.00% of the Fund at 06/30/17)—and skip the trip to the store. Despite this upheaval, we believe there are certain retailers that will survive and even thrive in this new environment, which we do not think is reflected in their current stock prices. For example, both Abercrombie & Fitch (ticker: ANF – 1.81% of the Fund at 06/30/17), and Urban Outfitters (ticker: URBN – 2.53% of the Fund at 06/30/17) have already invested heavily in online capabilities and more than 30% of their sales are made through online channels, which are growing strongly, just not strong enough yet to offset declines in traffic in the physical stores. We think both companies sport viable brands and a large customer base, and we believe that within about two years the percentage of online sales will overtake those in the stores, leading to better financial performance. This transition has not been smooth, and recent earnings have disappointed, both conditions that lead to low investor sentiment and bargain stock prices. We view this as an opportunity.

The Fund also owns positions in retailers that provide a differentiated experience such as Build-A-Bear Workshop (ticker: BBW – 2.28% of the Fund at 06/30/17). While Amazon.com has disrupted many types of shopping, it's difficult to replicate the experience of selecting—and stuffing—your own teddy bear with children in tow. We would also argue that Target (ticker: TGT – 3.15% of the Fund at 06/30/17) provides a differentiated experience with a cheap chic allure and the convenience of a one-stop shop for groceries, household essentials, and apparel. We also see tremendous value in Target's real estate holdings. The company owns about 94% of its stores and 85% of the land the stores sit on. Using conservative estimates, we believe this property alone is worth well above $30 billion, which is higher than its market capitalization at June 30. Target's stock performance has been disappointing this year, with its most recent weakness attributable to Amazon.com making an offer to purchase Whole Foods (ticker: WFM – 0.00% of the Fund at 06/30/17). While Amazon is indeed a formidable competitor, we think Target's value proposition for groceries is significantly different than Whole Foods' high-end niche, and we also believe that Amazon's purchase of a bricks and mortar store chain provides validation of the need for stores, like Target's, over the long term. Ultimately, we think Target is a mature, slow-growth, financially strong company with a very compelling stock price.

Regional Banks. One year ago, in our Q2 2016 letter, we outlined our investment case for regional banks. While bank stocks have done quite well over the past year, we still see solid value in high quality regional banks today. Summarizing our three main thesis points from one year ago, which we still believe are true: 1) we think high quality banks will begin buying up smaller peers, leading to better than expected profit growth; 2) high quality bank management teams are aggressively cutting costs, which should lead to higher margins; and 3) we view the U.S. regional banking industry as more stable than in the past because of higher capital requirements and stricter rules, leading to more predictable profit (and dividend) streams. Although it's not a primary reason we own regional banks in the Fund, we also think higher than expected interest rate increases would also benefit our bank holdings, increasing earnings faster than we anticipate. The collection of regional bank stocks in the Fund represent what we think are some of the finest regional banks in the country with strong franchises run by excellent management teams.

Significant Fund Changes

We purchased one new Contrarian mid cap stock during the quarter: Compass Minerals (ticker: CMP – 3.46% of the Fund at 06/30/17). We also completely sold out of four Contrarian stocks during the quarter: Avon Products (ticker: AVP – 0.00% of the Fund at 06/30/17); Cloud Peak Energy (ticker: CLD – 0.00% of the Fund at 06/30/17); Lumos Networks (ticker: LMOS – 0.00% of the Fund at 06/30/17); and Xcerra Corp (ticker: XCRA – 0.00% of the Fund at 06/30/17).

Additions

CMP: Compass Minerals is the low-cost producer of the salt used to deice roadways and is also a low-cost producer of a key crop nutrient, sulfate of potash ("SOP"). While neither of these businesses will turn heads at a stock market fashion show, we think Compass operates in areas that are relatively stable and necessary—especially for a commodity business—and is run by a solid management team. We have watched Compass for years, waiting for a compelling opportunity to buy the stock, given that the company boasts sustainable low-cost advantages that have led to historically strong returns on capital. We believe its returns on capital will remain strong over the long term.

Recent results have been weak because of two very mild winters that reduced salt demand—and prices for salt—while at the same time prices in SOP have also fallen due to oversupply issues. This confluence of events has led to lower earnings and a lower stock price, both of which we believe are short-term, cyclical events that have led to an undervalued stock price. We also believe that the firm's recent purchase of a Brazilian fertilizer company—while not critical to our investment thesis—may provide upside, given what we think was a good purchase price in a growing market.

Sales

AVP: We sold Avon shortly after its most recent earnings report after seeing more evidence that the firm's turnaround efforts were falling short of our expectations (which were low to begin with). Specifically, new evidence suggested that its business in Brazil had deteriorated more than we expected. Avon's Latin American operations—especially Brazil—had historically been an area of strength for the company, and one of the key points of our investment thesis was that its Latin American operations would remain strong. We recognized that without a strong Latin American operation, Avon's road to recovery would be significantly bumpier, so we sold the stock.

Avon was a disappointing investment. The greatest lesson we learned from our experience with Avon is to closely monitor our investment companies' exposure to rapid changes in foreign exchange rates. In most cases, foreign exchange movements have temporary and transitory effects, but in Avon's case, it resulted in a very significant—and longer-term—degradation to the firm's earnings power. We will closely monitor our holdings for events like this one, where conditions that we'd normally view as transitory may have a meaningful long-term effect on the economics of the business.

CLD: We sold the Fund's remaining shares in Cloud Peak during the quarter. We had previously trimmed a large portion of the position when the stock had increased after the election last year. We believe that the company currently faces a significant threat in its thermal coal export business. Specifically, the government of British Columbia is seeking a ban of coal shipments from its ports, and Cloud Peak's exports to Asia are transported through British Columbian ports. While the ultimate outcome is uncertain, we believed the potential risk of a negative outcome was high enough that we sold the stock and locked in the Fund's gains. We believe Cloud Peak was a successful investment for the Fund.

LMOS and **XCRA**: We sold the Fund's holdings in both Lumos and Xcerra during the quarter as both firms had received buyout offers earlier this year and we do not believe that higher offers are likely. Each stock was trading near its buyout price and we moved on. We think both stocks were successful investments for the Fund.

Individual Stock Performance

Contributors: The two greatest contributors during the quarter were CIT Group (ticker: CIT – 4.05% of the Fund at 06/30/17) and Build-A-Bear Workshop (ticker: BBW – 2.28% of the Fund at 06/30/17).

CIT: CIT Group's stock increased during the quarter as the firm sold its aircraft leasing business and immediately used the proceeds to repurchase about 30% of its shares in a tender offer. We think this was a good use of the firm's excess capital, which is still ample even after the tender offer. We think the company will continue to deploy its excess capital, leading to strong earnings growth. The company now looks much more like a bank than a specialty finance company, which we think will be a long-term positive for the company and its stock as investors begin to view CIT as a relatively stable and high-performing middle-market bank, rather than a volatile specialty finance lender.

BBW: As we mentioned in our commentary above, we think Build-A-Bear provides a differentiated retail experience and we think it has a solid long-term plan. After reporting disappointing fourth-quarter earnings in January (which led to our buying opportunity), the company posted better than expected earnings in its most recent earnings report, leading to an increase in the stock price. We think Build-A-Bear's stock is still attractively valued and it has significant long-term promise.

Detractors: The two largest detractors in the Fund this quarter were Devon Energy (ticker: DVN – 1.89% of the Fund at 06/30/17) and Fastenal (ticker: FAST – 2.41% of the Fund at 06/30/17).

DVN: Devon's stock—along with its oil and gas peers—fell alongside oil prices during the quarter. While low oil prices are a significant headwind to Devon's current results, we think the company is relatively well positioned in the industry with a strong balance sheet, excellent oil reserves, and a solid management team. If oil prices remain low, we would expect Devon to acquire assets at bargain prices, something it's done with success in the past. The company has also done a good job selling non-core assets and using the proceeds to further strengthen its cash reserves or invest in its most promising oil fields.

FAST: Fastenal's stock gave back a significant portion of its post-election gains during the quarter after posting its most recent earnings results. We think the market is overly focused on the company's declining gross margins, which we believe is a result of a natural shift in the company's business and not a weakening in its fundamental performance. We think Fastenal is a competitively-advantaged distribution business with an excellent management team and a strong performance-based culture. We believe its stock is trading for an unassuming price, given its quality.

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

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%
Total Annual Fund Operating Expenses	1.10%	0.90%

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