Clifford Capital Partners Fund

Quarterly Commentary – Second Quarter 2018

We hope that you are all enjoying a pleasant summer. We are grateful for your investment in the Clifford Capital Partners Fund ("the Fund") and thank you for your support.

	2nd Quarter 2018	Year-to-Date	One-Year Return	3-Year Return, Annualized	Total Return, Since Inception (01/30/14)	Total Return, Annualized Since Inception
Institutional Class (CLIFX)	4.35%	4.28%	13.70%	13.29%	69.28%	12.67%
Investor Class (CLFFX)	4.29%	4.22%	13.48%	13.06%	67.85%	12.45%
Russell 3000® Value[1]	1.71%	(1.16%)	7.25%	8.48%	47.24%	9.16%

(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 second quarter was not as rocky as the first quarter, but there were plenty of things happening to keep the financial press busy and keep traders on their toes. As long-term investors, we think the majority of today's "news" will not end up being all that newsworthy in a few months or a few years. In fact, my team and I recently tried to remember the reasons for the large stock market declines that happened just a few months ago and we ended up scratching our heads! Make no mistake, some news may actually have material consequences to the companies we invest in (e.g. tax reform, effects from trade wars), but most of what happens in the short term typically ends up being nothing more than market noise.

At Clifford Capital we strive to think independently, select individual stocks on a one-by-one basis that we believe will produce strong long-term returns, and manage a high-conviction portfolio of only 25-35 stocks at a time. Because our investment philosophy is predicated on the belief that stocks are often mispriced (and undervalued) because of low investor expectations, we are always looking for opportunities when the "noise" of today's news flow leads to bargain stock prices, or other cases where individual stocks may be mispriced for reasons that won't matter much over the long term.

Our Simple Take on Active vs. Passive Investing

If you were to Google the search terms "*active investing vs. passive investing*", you'll likely find dozens of very good articles that outline the arguments for and against investing with active managers like us (who strive to select individual stocks), and passive strategies that strive to mimic an entire index or some subset of an index. We won't opine on the merits of the two strategies here, but as you'd guess, we are strong believers in active management.

We believe it's still possible to earn healthy long-term returns and outperform the broader market by selecting individual stocks opportunistically. We also think the growing influence of passive investment strategies has led to, and will continue to lead to, longer-term opportunities for active managers. Quite

[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).

simply, sometimes a baby or two gets thrown out with the bathwater when passive investors sell an entire group of stocks simply because the rules of passive investing require it.

In a related way, we also believe that when large investors or groups of investors decide to make asset allocation decisions, moving from one asset class to another, or one stock sector to another (often called a "rotation"), big block trades of passive investment strategies are often employed, again leading to the potential of mispriced individual stocks.

For instance, we've observed that in 2018 thus far, many stocks that we follow with healthy dividend yields have been underperforming, even though their financial results were not deteriorating. We also noted that it seemed to be affecting a wide swath of stocks, not just one or two. Based on our observations and what we've read and heard in the marketplace, we hypothesized that as interest rates have started increasing, large amounts of money that was parked in stocks with solid dividend yields began rotating into other assets (again, most likely through the sale of passive indexes, rather than the sale of individual stocks).

Out of curiosity, we used Bloomberg to download the entire Russell 3000 Index (a sample size of over 2900 stocks that we think is a strong proxy for the stock market as a whole) and looked at the average return of stocks for the first six months of 2018, and over the one-year period ended June 30, 2018, sorted by dividend yield. What we found was quite interesting as shown in the table below:

You Didn't Want to be a Dividend Stock So Far in 2018!

Dividend Yield	Year-to-date Return	One-Year Return
0-1%	8.69%	27.00%
1-2%	3.90%	16.93%
2-3%	2.72%	11.47%
3-4%	1.17%	7.53%
4-5%	(0.40%)	1.61%
5% +	(0.66%)	(0.49%)

We were surprised to see that each strata of higher dividend yield had increasingly worse performance in recent times (the performance differences were even greater at the beginning of June when we first did this analysis). There may be some logic to this. For example, if investors have been using stocks as a source of income over the past few years, they may be rotating into bonds as interest rates have increased. However, we also believe this type of broad-based rotation can lead to great opportunity in select individual stocks that were already undervalued and were caught up in what amounts to a trade rotation tsunami.

The Fund's investment in Hanesbrands this quarter (ticker: HBI – 2.65% of the Fund at June 30, 2018) is an example of one such stock that we believe was caught up in this trade rotation. We'd been following Hanesbrands for a long time and this "rotation" took the stock from what we thought was a good valuation, down to what we believed was a deeply undervalued bargain.

We continually strive to find undervalued bargains, which we think is the best way to generate solid long-term returns from stocks. We believe as the stock market is increasingly driven by passive strategies and other strategies that do not rely on company-specific analysis, there will be more opportunities for the high-conviction stock picker, like Clifford Capital, to add value through independent fundamental research efforts.

Significant Fund Changes
We purchased two new stocks for the Fund during the quarter: Hanesbrands (a Core stock mentioned above) and a Contrarian stock, Big Lots (ticker: BIG – 3.02% of the Fund at June 30, 2018). We also sold the Fund's positions in Envision Healthcare (ticker: EVHC – 0.00% of the Fund at June 30, 2018), KLX Inc. (ticker: KLXI – 0.00% of the Fund at June 30, 2018), and Urban Outfitters (ticker: URBN – 0.00% of the Fund at June 30, 2018). All three of these investments were Contrarian stocks.

Additions
HBI: Hanesbrands is one of the world's largest undergarment manufacturers and owner of several valuable brands, including the fast-growing Champion brand of activewear. As discussed above, we think Hanes was caught up in a trade rotation, while investors were simultaneously concerned with increases in raw materials costs and the potential of slowing growth. We expect that by virtue of its brand power, the company will be able to pass along the costs of inflation. We also think the company's management team has a strong track record of wise capital allocation, which should help enhance shareholder returns.

BIG: Big Lots is a repeat purchase for the Fund. Our investment opportunity arose because of the untimely loss of its CEO to illness, coupled with an unexpected slowdown in the company's sales (which we believe is cyclical in nature), which led to a significant drop in the stock and a bargain price, in our opinion. We think the company's roll-out of the "Store of the Future", which emphasizes higher margin items at the front of the store, will provide a boost to sales over the next few years. We also believe the "bargain hunt" nature of Big Lots provides it some protection against online competition.

Sales
EVHC: Envision—a provider of emergency room and other health care services—received a buy-out offer from a large private equity group, and we sold the stock as the rumors of the buyout were circulating. This company was a disappointing investment for the Fund—we sold at a slight loss—mostly because we overestimated the value of the firm's emergency room business.

KLXI: KLX, Inc. announced the sale of their flagship aerospace parts business to Boeing (ticker: BA – 0.00% of the Fund at June 30, 2018) during the quarter. We think the company received a fair price for that part of its business, and the stock rose to our fair value estimate, so we sold the stock (we sell Contrarian positions when they reach our fair value estimates). KLXI was a very solid investment for the Fund.

URBN: Urban Outfitters had outperformed investor expectations for the past several quarters, leading to its stock rising up to our fair value estimate. We think Urban Outfitters is a strong retailer, but it was no longer an investment bargain, so consistent with our investment discipline, we sold the stock as it reached our fair value estimate. URBN was also a very solid investment for the Fund.

Individual Stock Performance
Contributors: The two greatest contributors during the quarter were Teva Pharma. (ticker: TEVA – 3.85% of the Fund at June 30, 2018) and Devon Energy (ticker: DVN – 2.37% of the Fund at June 30, 2018).

TEVA: Teva posted better than expected financial results during its most recent quarter and the company's new CEO is making good progress in eliminating debt and restoring investor confidence. The stock has recovered strongly from its lows, but remains an attractive investment, in our view.

DVN: Devon Energy rallied alongside oil prices, coupled with some company-specific transactions in which it sold some assets—including its stake in its pipeline business—for cash, which it plans on using for a significant share repurchase (a wise decision, in our view). We think Devon's management team has a strong record of good capital allocation, which we believe is critical in a business that's dependent on unpredictable commodity prices.

Detractors: The two largest detractors in the Fund this quarter were Diebold Nixdorf (ticker: DBD – 1.73% of the Fund at June 30, 2018) and Fastenal (ticker: FAST – 3.04% of the Fund at June 30, 2018).

DBD: Diebold Nixdorf continues to reside in the stock market's doghouse after struggling with some loss of market share since its game-changing acquisition of its largest global competitor in the ATM business. We see signs that the company's new management team is making progress in lowering its cost base (the main driver, in our opinion, to higher long-term profits). We also expect sales to begin to stabilize as the company integrates its merged business more fully, and banks begin to loosen their purse strings to purchase more equipment.

FAST: Fastenal fell victim to relatively high expectations during the quarter, when its strong revenue results were overshadowed by lower gross profit margins, which is the crux of current investor focus. We believe Fastenal's business is going through meaningful change, which results in lower gross margins, but is offset by higher customer retention, more stable results, and higher net income because the costs of its new way of doing business are lower. Our divergent view is that the company's strategic shift is a worthwhile trade-off that will result in higher value for shareholders over the long-term.

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.