Clifford Capital Partners Fund

Quarterly Commentary – Fourth Quarter 2017

Happy New Year! We hope that 2018 is a wonderful year for each of you. We are grateful for your investment in the Clifford Capital Partners Fund ("the Fund") and thank you for your support.

	4th Quarter 2017	2017 (one-year return)	3-Year Return, Annualized	Total Return, Since Inception (01/30/14)	Total Return, Annualized Since Inception
Institutional Class (CLIFX)	5.48%	10.36%	10.44%	62.33%	13.15%
Investor Class (CLFFX)	5.46%	10.13%	10.18%	61.05%	12.92%
Russell 3000® Value[1]	5.06%	13.19%	8.71%	48.97%	10.70%

(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 had a strong finish to the year—led by the Fund's investments in retailer stocks—and ended 2017 with a double-digit gain, even though it was about 3% below its benchmark. Although the Fund's results didn't keep pace with the overall market this year, we weren't too disappointed, especially given its outsized gains in 2016 and its solid long-term results.

As we discussed in last quarter's letter, the stock market in 2017 was led by companies that had been performing well with rapidly rising stock prices—a "momentum" market. As we described at length in last quarter's letter, our investment philosophy is more contrarian by nature and we would not expect to post stellar results when the market favors momentum.

Regardless of the market's moods, our focus is—and always will be—on the Fund's long-term results, so we won't get too excited or upset about short-term time periods when the Fund is in or out of favor, but we'll also strive to be open and transparent with you, regardless of the time frame.

We strongly believe in our investment philosophy of buying stocks that we believe are mispriced because of low expectations (the antithesis of momentum investing), and maintaining a dynamic balance between high quality Core stocks and deeply undervalued, opportunistic Contrarian stocks. While our investment style may not always be in favor, we think the stock market is a fertile field for our type of investing and the Fund has bright long-term prospects.

Fear, Risk, and Speculation

Fear and Risk

As we write this letter, we see a high amount of fear in the marketplace for risky assets—a fear of missing out that is! We've recently witnessed an increase in speculative risk-taking and an excitement that we

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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).

haven't seen in a long time. Stocks continue to rise, leading to high valuations in the major stock market indices. Tax cuts, a relatively strong economy, and a more business-friendly environment in the United States are no doubt a good recipe for corporate health, but we'd argue that in many cases stock prices already reflect these positives. In our view, this type of environment leads to greater risk.

When times are difficult, and things look and feel miserable, we believe expectations often become too low and stocks fall to bargain basement prices that are based on overly pessimistic assumptions. Conversely, when things look and feel great, expectations move to the sky and stock prices often rise to levels that leave little margin for error, based on overly optimistic sentiment.

My favorite stock investing mentor—and wonderful human being—the late Sir John Templeton once stated: "Bull markets are born on pessimism, grow on skepticism, mature on optimism, and die on euphoria. The time of maximum pessimism is the best time to buy, and the time of maximum optimism is the best time to sell." On this continuum, we believe we are getting closer to the optimistic/euphoric stage today, and as such we will continue to tread cautiously.

Lest we sound too pessimistic, I'll reassure you that we are still finding some potential bargains today, and we believe the Fund's holdings are solid. We simply think that risk is growing in the marketplace, alongside higher stock valuations.

Speculation – the Cryptocurrency Craze

While the stock market may reflect optimistic sentiment today, we've witnessed an outright speculative fervor in an area that's only tangentially associated with the stock market: digital currencies, often referred to as cryptocurrencies, and the blockchain technology these currencies are built upon. We aren't experts on cryptocurrencies, so I won't provide much background or express strong opinions about them, but in brief, we think the blockchain technology on which cryptocurrencies are based is intriguing, and has strong long-term potential for finance and other applications. In fact, IBM (ticker: IBM – 2.32% of the Fund at December 31, 2017) is one of the biggest developers of blockchain technology, and we believe the company will ultimately be a beneficiary of the financial rewards that it may bring (although we do not think it will amount to very much for a long time).

The cryptocurrencies that are created and traded on the blockchain, however, are difficult to understand and to transact with, but that hasn't stopped people from speculating on them! Many cryptocurrencies have had spectacular increases in price, which we believe has attracted a wide swath of speculators, looking to reap quick profits. The excitement surrounding cryptocurrencies and blockchain is reminiscent of the dot-com days and has spilled over into the stock market. In several cases, the mere mention of a company being associated with blockchain or a cryptocurrency has led to tremendous stock price gains. Here are a few entertaining anecdotes that we've seen:

A Bloomberg columnist[2] recently looked at 32 publicly traded firms around the world that use "blockchain" or "crypto" to describe what their business does. Based on his analysis, an equal-weighted index of their share prices rose 218,000 percent over the last two years. That means a $1000 investment would have grown to about $2.2 million! In some cases, these businesses are brand new with no revenue to speak of.

LongFin (ticker: LFIN – 0.00% of the Fund at December 31, 2017) is a small trading services firm that was listed in the stock market with no fanfare on December 13, 2017. It closed that first day at $5.17 per share, up from its $5 initial offering price. On December 15, it announced the acquisition of a small "Blockchain-empowered solutions provider" that will use its own cryptocurrency that is "loosely pegged to Ethereum

[2] Bloomberg L.P. (2018). *Jumping on the 218,000% Crypto Bandwagon Is Hard: Gadfly*. by Mukherjee, Andy, Bloomberg Gadfly columnist. Retrieved January 10, 2018.

and Bitcoin". By the end of the second day after this announcement, LongFin stock closed at $72.38 and sported a market cap of over $6 billion! This for a tiny business that reported pro-forma revenues of about $28 million for the six months ended June 30, 2017, and generated net income of $1.8 million over that same period. Did the stock rise because of thoughtful analysis, or because of speculative enthusiasm? Even the CEO himself went on national television shortly afterwards and candidly exclaimed that the market cap of his company was not justified.

More recently with a company most people are familiar with, Eastman Kodak (ticker: KODK – 0.00% of the Fund at December 31, 2017) announced that they are launching a new platform for photographers using blockchain technology and its own cryptocurrency—KODAKCoin—which enables photographers to be paid in cryptocurrency for the images they post. The company announced this new development on January 9, 2018 and over the next two trading days, KODK stock increased 245% on the highest volume in the stock's history. In fact, it traded enough volume over the two days to turn over its entire share count four times!

As I mentioned earlier, we don't have strong opinions about cryptocurrencies, but we think it's an instructive case study that illustrates how speculation can lead to euphoric outcomes. In our experience, meteoric rises in asset prices rarely end well, and we'll only watch this game from the sidelines.

Summary Thoughts
We view the investor/trader sentiment surrounding these digital currencies (and anything that touches them) as a decent thermometer to measure the speculative temperature of the overall "risky-asset" marketplace. When speculative fevers burn high, we will remain extra cautious to ensure that our stock investments are priced with appropriate expectations.

Ultimately, we believe a prudent, valuation-sensitive approach to investing, focused on bottom-up, stock by stock fundamentals, will lead to solid long-term outcomes. We believe managing your money is a sacred trust, and we'll continue striving to make wise long-term decisions for the Fund.

Significant Fund Changes
We did not purchase any new stocks for the Fund during the quarter, and we sold out of Landauer (ticker: LDR – 0.00% of the Fund at December 31, 2017), which was purchased by Fortive Corp. (ticker: FTV – 0.00% of the Fund at December 31, 2017) for $67.25 in cash in October. We described the Landauer sale in our last letter, given its proximity to that quarter-end.

Individual Stock Performance
Contributors: The two greatest contributors during the quarter were Urban Outfitters (ticker: URBN – 3.21% of the Fund at December 31, 2017) and KLX, Inc. (ticker: KLXI – 3.31% of the Fund at December 31, 2017).

The two greatest contributors for 2017 were Landauer (discussed above), and American Express (ticker: AXP – 4.64% of the Fund at December 31, 2017).

URBN: Urban Outfitters—a specialty retail company—reported better than expected quarterly results and the stock appreciated sharply off its lows. We believe that Urban is a differentiated retailer that has better prospects than most investors/speculators think. Even though the stock has significantly increased from its lows earlier in the year, we think the stock still represents a solid value.

KLXI: KLX, whose primary business is distributing aircraft nuts and bolts, had a solid increase during the quarter on the back of better than expected quarterly results, combined with an announcement that it had received unspecified buyout interest. Given the company's stability and strong execution in its primary business, we would not be surprised if private equity or even a large aerospace customer would consider buying KLX. We think there's a high probability of such an event.

AXP: American Express had a solid year in 2017, surpassing expectations for profits and revenues. The company entered 2017 still in the shadows of the loss of its partnership with Costco. We originally believed that the Costco loss was a minor obstacle at worst, and a wise business decision at best, and the company's subsequent strong execution has resulted in good performance that's been reflected in the stock price. We still think Amex is a solid holding, even though it's no longer a deeply undervalued bargain.

Detractors: The two largest detractors in the Fund this quarter were Diebold Nixdorf (ticker: DBD – 1.29% of the Fund at December 31, 2017) and Envision Healthcare (ticker: EVHC – 1.11% of the Fund at December 31, 2017).

The two largest detractors for 2017 were Teva Pharma. (ticker: TEVA – 3.13% of the Fund at December 31, 2017) and Diebold Nixdorf.

DBD: Diebold Nixdorf's stock continued to struggle after the company initially surprised the market in July by lowering its annual financial guidance due to disruptions in its core markets caused by the integration of its transformational merger. In its most recent quarter, the company again slightly disappointed investors, but the stock fell more than we believe is justified. Diebold continues to be the leader in its primary market and we believe that its current struggles are transitory and that the stock is undervalued. We think the company can double its earnings over the next 5 years and the stock should trade at a much higher price.

EVHC: One of the Fund's newest holdings, Envision, had a noisy quarter. The company reported disappointing results and guidance that spooked Wall Street and led to a large drop in the stock. At the same time, it announced that it's looking at "strategic alternatives" and there has been news of significant interest from potential suitors for the company, which helped pare back some of the stock's earlier losses. Ultimately, we believe the company's core business is still valuable, and like KLX, we would not be surprised to see a take-out of Envision in the near- to medium-term.

TEVA: We discussed Teva at length in our last quarterly letter. Even though it was the largest detractor from the Fund's performance in 2017, the stock price has bounced significantly off its lows, mostly attributable to the company's hire of a capable CEO, Kare Schultz. Mr. Schultz laid out a sensible plan to return the company to stronger financial footing, which was well received by investors and analysts, and the stock responded accordingly. We believe the stock remains undervalued.

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.