INVESTMENT PERFORMANCE (%) as of December 31, 2019

	Total Return				Total Return
	Inception	Quarter	YTD	1 Year	Since Inception
Palm Valley Capital Fund	**4/30/19**	**0.22%**	**N/A**	**N/A**	**1.42%**
S&P Small Cap 600 Index		**8.20%**			**5.89%**
Morningstar Small Cap Index		**8.67%**			**5.26%**

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 higher or lower than the performance quoted. Performance of the Fund current to the most recent quarter-end can be obtained by calling 904-747-2345.

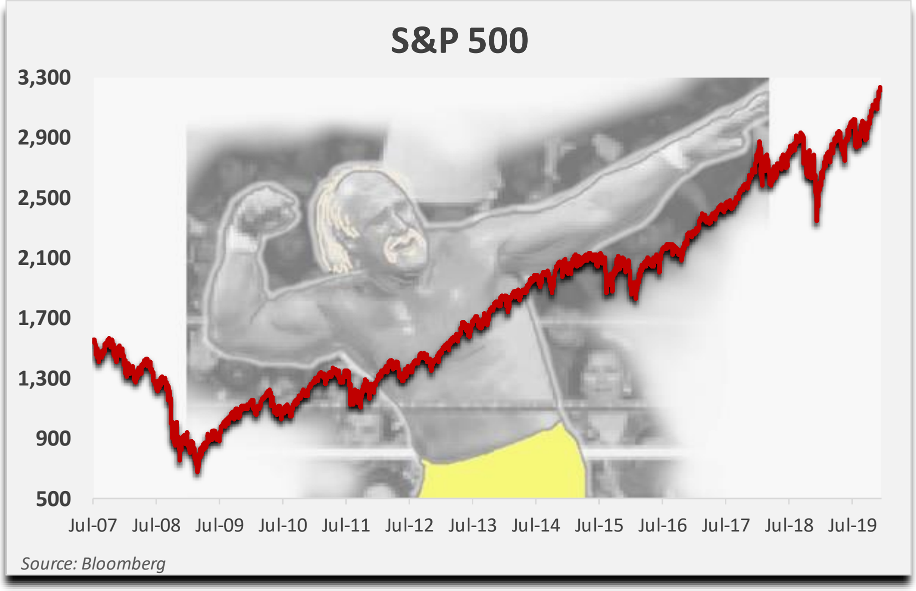
As of the most recent prospectus, the Fund's gross expense ratio is 2.02% and the net expense ratio is 1.25%. Palm Valley Capital Management has contractually agreed to waive its management fees and reimburse Fund operating expenses through at least April 30, 2021.

No Pain, ~~No~~ Gain?

January 1, 2020

Dear Fellow Shareholders,

Bottom-up investors like us are often fond of sharing stories about companies we have researched. As one example, we had a lot of fun following WWE, the promoter of professional wrestling events. Heroes versus heels under the big lights…with entrance music, feats of strength, and of course, bad acting. When we discussed WWE with others, they either giggled or gagged.



For boys growing up in the '80s, WWE's headliner, Hulk Hogan, told us young Hulkamaniacs to "say your prayers, take your vitamins and you will never go wrong." Good old-fashioned American positivity. As you can see, the Hulkster may also have been an early predictor of the bull run of the last decade.[1]

[1] Credit to Kid Dynamite's World blog for the original joke

"The Game"
WWE, Triple H's entrance music
by Motorhead

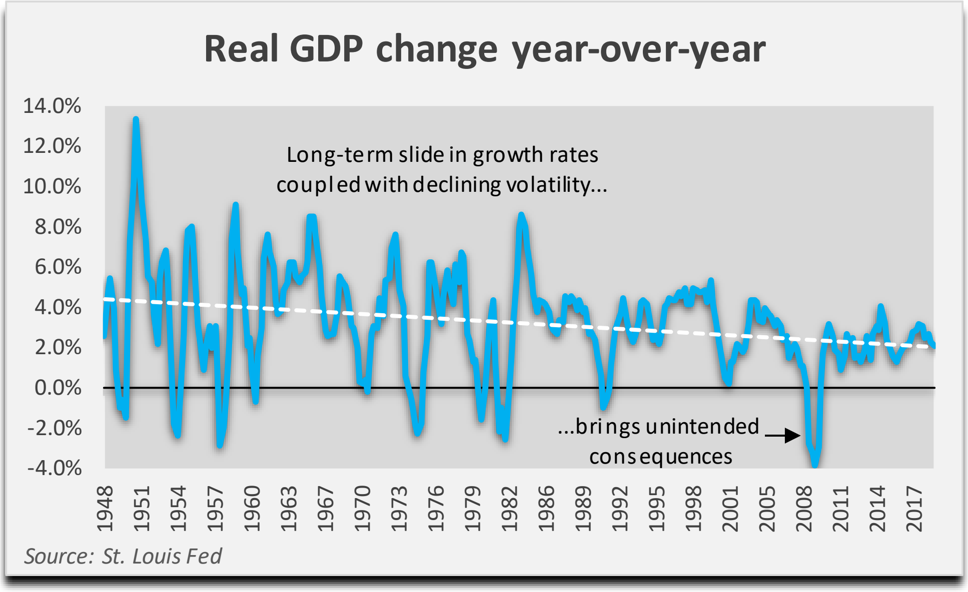
It's all about the game and how you play it.
All about control and if you can take it.
All about your debt and if you can pay it.
It's all about pain and who's gonna make it.

I am the game, you don't want to play me.
I am control, no way you can change me.
I am heavy debt, no way you can pay me.
I am the pain and I know you can't take me.

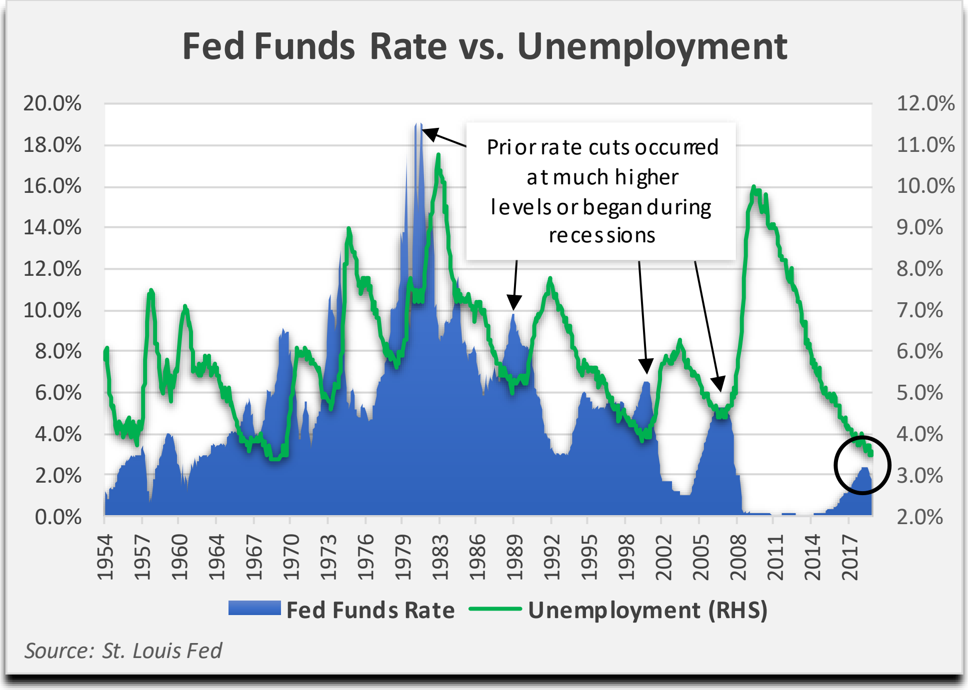
Thirty years later WWE is still giving its audience words to live by. Paul Levesque, aka Triple H, is one of WWE's biggest stars. The energy of the crowd is electric when the lights go dark and the music gets loud as Triple H appears to the sound of, "It's time to play the gaaaaame!"

"The Game" entrance music is about Triple H's invincibility in the ring, but it could also serve as the theme song for today's financialized economy. As an investor, how do you play the game? The second verse could speak truth to many investors: buy stocks—don't fight the market (*you don't want to play me*)…because the Fed is in control (*no way you can change me*)…to support our mountain of collective debt (*no way you can pay me*)….and **our diminished tolerance for economic pain** (*I know you can't take me*). Recessions, corrections, and bear markets, oh my! The men and women behind the curtain act like we-just-can't-take-the-pain.

It wasn't that long ago that people accepted that economic and investing cycles were natural and that recessions and bear markets helped cleanse the economy of malinvestment (see our post "Opportunities in Energy"). At some point, the Federal Reserve began to believe they could use monetary policy to diminish the severity of recessions. This morphed into an assumption that they could prevent recessions altogether. While the Fed's intentions may be good, "managing" GDP growth and delaying natural contractions can lead to more severe recessions, as witnessed in 2008-2009. Nevertheless, the Fed remains committed to its palliative for all our economic ills. *No pain, ~~no~~ gain.*

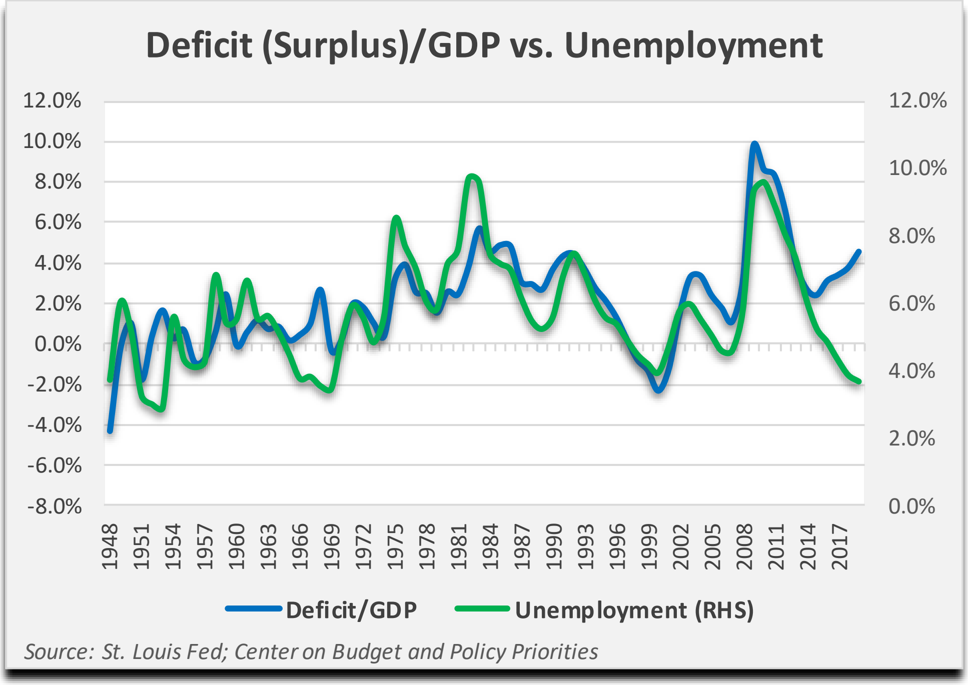


The housing bubble and crash should have proven for good that the Fed's efforts to stimulate the economy were incredibly destructive and counterproductive. However, in the most gigantic "hair of the dog" display in history, the Fed doubled down on its monetary manipulations after 2008 by keeping interest rates near zero for years and launching successive rounds of money printing (QE). To our

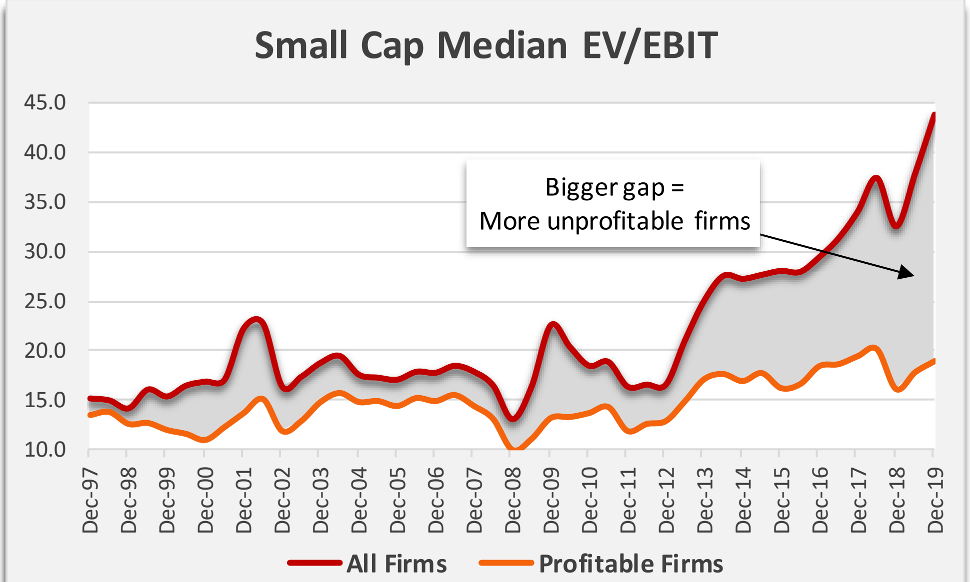


surprise, these aggressive and experimental monetary policies remain intact today. **For possibly the first time ever, the Fed just cut rates during an economic *expansion* where the Fed Funds Rate never exceeded the unemployment rate.** Most prior rate cutting campaigns coincided with the beginning of a recession, as unemployment surged and lower rates were intended to cushion the economic blow. Now, Fed rate cuts are viewed as "insurance" to perpetuate record low unemployment and record high asset prices that could be threatened if market forces alone determined interest rates. *No pain, ~~no~~ gain.*

Facilitated by low interest rates, politicians continued their borrowing binge from the Great Recession's aftermath and have brought the U.S. government back to trillion-dollar budget deficits. The deficit is currently the same size relative to GDP as it was during the Great Depression of the 1930s! **Contrary to almost all other periods since World War II, the deficit is growing while the unemployment rate is declining.** Politicians have overwhelmingly adopted the position that if debt is a problem, it's a problem for the future. Cutting spending doesn't win votes, so they leave the problem of dealing with mounting debt to future generations. *No pain, ~~no~~ gain.*



Here we sit again—record high stock prices built with a house of straw. Many investment professionals state there is no expiration date on this bull market. **The Fed, which used to intervene during times of true economic distress, has apparently become the lifeboat for every small move lower in stock prices.** This has pushed stock valuations to record levels. The median non-financial small cap trades at an EV/EBIT multiple of 44x—towering above prior market cycles. There are more speculative public companies than ever before, with 37% of domestic small caps losing money over the last twelve months. Rates were lowered and a new round of QE was launched during a time of economic prosperity. Why? In our opinion, the Fed is fearful. Publicly, they contend that high stock prices fuel consumer spending, the main driver of the U.S. economy, but they reject responsibility for the wealth disparities created by their engineered asset inflation. The Lender of Last Resort has mutated into the Vendor of Stock Support in the name of forestalling portfolio markdowns after history's longest bull market. *No pain, ~~no~~ gain.*

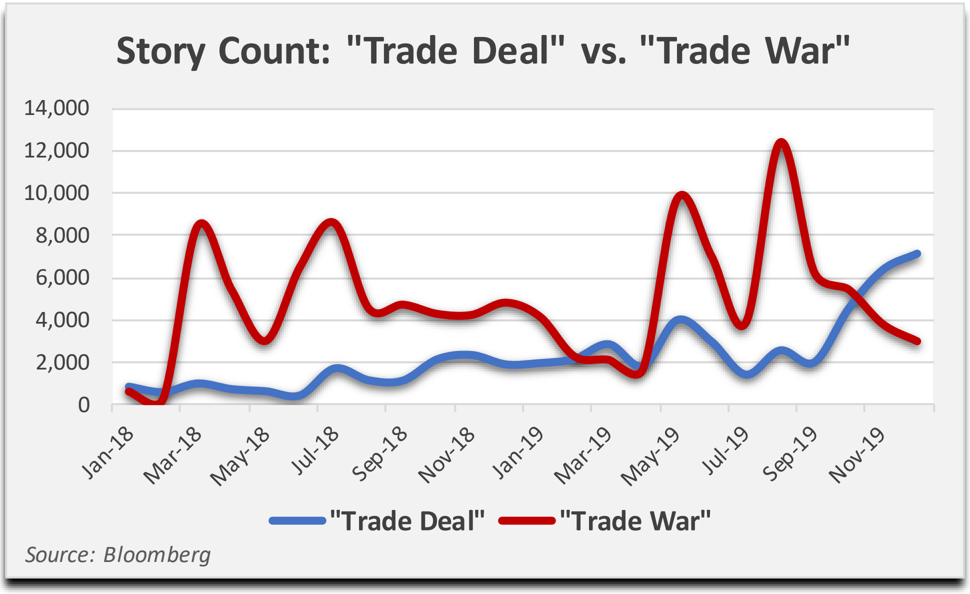


Source: Bloomberg; Russell 2000 non-financial companies

The 17th century philosopher Thomas Hobbes wrote that life outside society would be "solitary, poor, nasty, brutish, and short." Such is the plight of modern-day money managers with tracking error! You won't be surprised to hear that investors are more likely to sell funds that underperform, even over relatively short time periods. Over twenty domestic small cap value mutual funds have hemorrhaged half their assets or more over the last three years. Most of these funds only underperformed small cap value benchmarks by a small amount over the period. We haven't had a bear market in over ten years, but shareholders want results now. Most aren't willing to stomach extended bouts of underperformance, even with downside risks mounting. *No pain, ~~no~~ gain.*

The consensus view is the trade war has been a market overhang. The administration recognizes that its reelection chances are higher if the market stays inflated. Sensing opportunity, they repeatedly returned to the well of dishing out "trade deal is close" rumors, and usually when the stock market needed a jolt. And it worked. **After struggling in May and August when headlines about China were negative, the stock market rallied sharply in the fourth quarter as the media narrative shifted from "trade war"**

to "trade deal." Looking ahead, the possibility of a Phase Two trade deal, however artificial in substance, could be a useful tool to move markets in the coming quarters. Thus, the initial bravado toward China appears to have given way to a more practical political calculus. Once again, we avoid near-term sacrifices (pressure on stock prices) at the expense of long-term strategic objectives (more favorable trade terms). Short-sighted? Maybe. But that's the game—the game to win elections, to steer economies, and to ride markets up. *No pain, ~~no~~ gain.*



The Palm Valley Capital Fund ("the Fund") fell short of its benchmarks in the fourth quarter. The Fund increased 0.22% versus an 8.20% gain for the S&P Small Cap 600 Index and an 8.67% increase for the Morningstar Small Cap Total Return Index. The Fund's relative shortfall was due to our significant cash position, equaling 92.4% as of December 31, 2019. Since the Fund launched on April 30th, we have trailed our benchmarks during market rallies and outperformed during pullbacks. In both cases, the market action has generally been incited by events related to the trade war/trade deal or the Federal Reserve. We do not believe the movements have been closely tied to fundamentals.

As has been widely reported, public company earnings declined from the third quarter of 2018. Some investors believe the decreases were solely related to certain struggling sectors, like energy. **We found that seven out of the nine sectors comprising the Russell 2000 Index had lower year-over-year operating earnings (EBIT) for the median firm** (financials and consumer cyclicals grew earnings). While the Russell Index had sales growth of 6% for the median firm, operating profit declined 5.4% from the third quarter of 2018. Aggregate quarterly net earnings *excluding* unprofitable companies were down 5.1% from Q318.[2]

Russell 2000 Median Firm: Year-Over-Year Results for Q3 2019

	Sales	EBIT
Basic Materials	-0.6%	-4.6%
Communications	0.6%	-9.1%
Consumer Cyclical	3.8%	7.4%
Consumer Non Cyclical	7.7%	-12.7%
Energy	-3.1%	-39.8%
Financial*	10.3%	n/a
Industrial	1.6%	-1.4%
Technology	8.7%	-6.4%
Utilities	0.8%	-2.6%
Total	**6.0%**	**-5.4%**

*Source: Bloomberg; *Financials' net income increased*

During the quarter, we sold Gencor Industries (ticker: GENC), Crimson Wine (ticker: CWGL), and Adams Resources & Energy (ticker: AE). We sold Gencor and Adams Resources after their

[2] Bloomberg, 12/31/19: "Positive earnings" of $24.33 for Q319 vs. $25.65 for Q318 for Russell 2000 Index

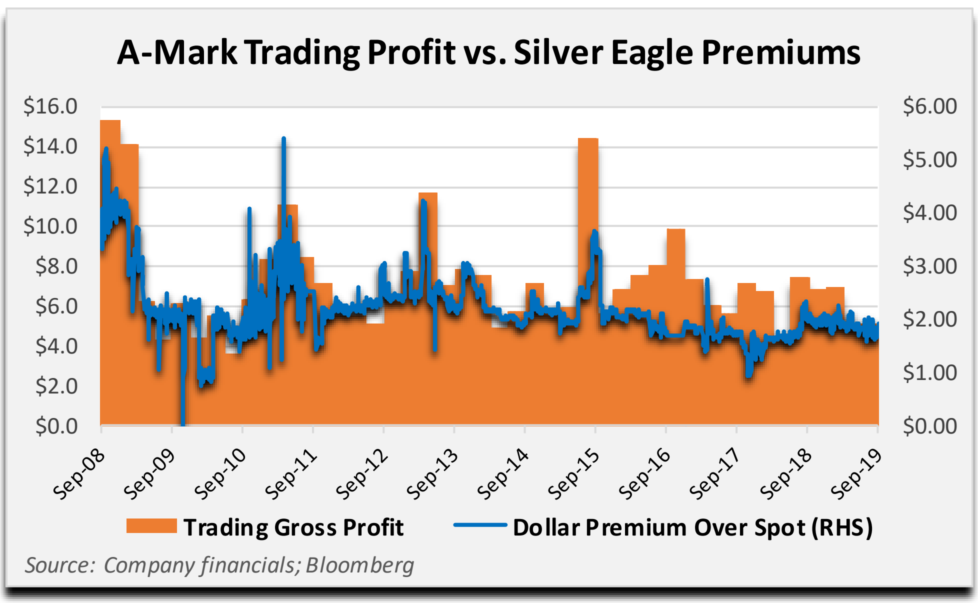
stocks reached our calculated valuations. Crimson Wine was sold after the company reported an operating loss for the third quarter. Previously, we believed Crimson could manage its business to a small profit, and we were happy to own the stock for the value of its net assets, including Napa and Sonoma Valley real estate and premium wine inventory. However, the company is now experiencing lower demand for its wines, and sales are declining while costs are not. We felt we could no longer value the business with a high degree of confidence and as a result, the position was sold.

Top Holdings (12/31/19)*	% Assets
A-Mark Precious Metals	1.75%
Crawford & Co. (Class B)	1.56%
Natural Gas Services Group	1.33%
Bonanza Creek Energy	1.28%
Protective Insurance	1.18%
Amdocs	0.46%

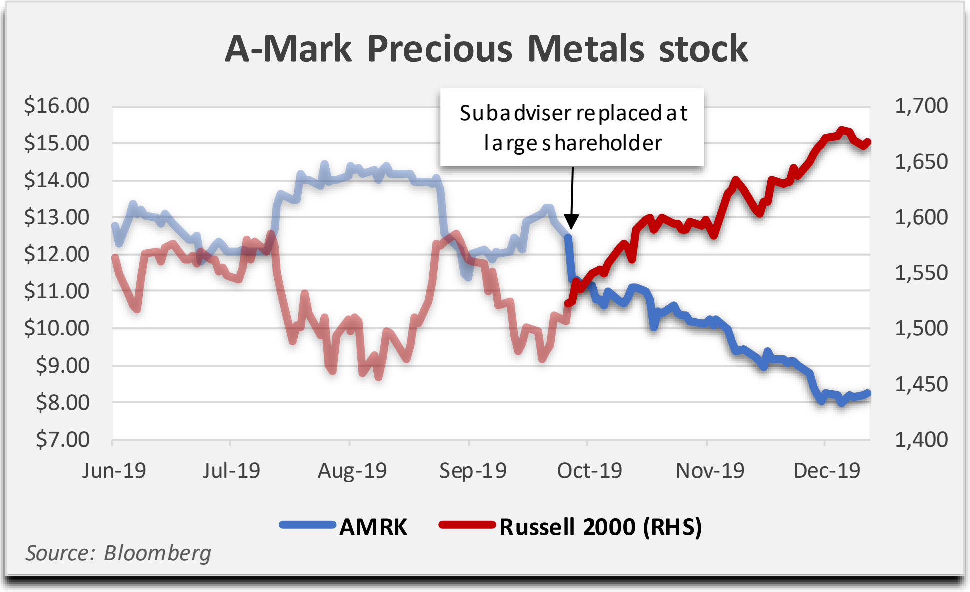
**The Fund had 6 equity holdings as of this date.*

We bought two new names during the quarter: Bonanza Creek Energy (ticker: BCEI) and A-Mark Precious Metals (ticker: AMRK). Bonanza Creek is an exploration and production company with reserves and production in the Wattenberg Field (DJ Basin). **In our opinion, Bonanza Creek's stock is selling at a significant discount to the replacement cost of its developed reserves. Due to its low-cost production, the company can generate profits even at today's energy prices.** From a cash flow perspective, Bonanza is near breakeven and is expected to generate positive free cash flow in 2020. Lastly, we consider its balance sheet to be healthy and expect debt to EBITDA to stabilize near current levels of 0.5x. Despite its relatively strong balance sheet and ability to generate profits, Bonanza's stock has fallen this year along with many of its industry peers. We view its decline as an opportunity and were happy to purchase Bonanza Creek's stock at prices below our calculated valuation.

A-Mark Precious Metals is a leading full-service precious metals company that trades, finances, stores, transports, and fabricates gold and silver bullion and related products. **A-Mark's trading operations earn higher profits when gold and silver prices are volatile and the spreads on physical metals are large, such as in 2008-2009, 2011, and 2015.** The demand for physical gold and silver has fallen sharply since 2016, and spreads have been relatively narrow. This has adversely impacted A-Mark's trading profitability. As you can see in the adjacent chart, American Silver Eagle coin premiums, or the dollar amount over current silver prices ("spot"), are relatively subdued. Likewise, A-Mark's gross profit from trading is well below the peak periods.



The company's stock is at multiyear lows and selling for a modest multiple to our estimate of normalized earnings. Additionally, A-Mark is currently priced at a small premium to tangible book value, with assets consisting of fully hedged gold, silver, and loans secured by precious metals. We determined that a large institutional shareholder replaced the subadvisor on certain of its funds in October, and the new portfolio managers began selling A-Mark's shares, which we believe contributed to the downward pressure on the stock. If historical trends repeat, the company is poised to earn outsized profits when volatility returns to precious metals. Furthermore, we believe A-Mark and its stock could perform much differently than the broader market during the next recession.



For the fourth quarter, the only holding having a negative impact of at least 10 basis points on the Fund's performance was A-Mark Precious Metals. Two holdings had a favorable impact of at 10 least basis points: Bonanza Creek Energy and Adams Resources & Energy. These positions benefited from a late quarter rally in energy stocks, which had been dramatically underperforming the market in 2019. In the case of Bonanza, the Fund benefited as we increased our weighting at lower prices for the stock.

Observing capital markets today, we are reminded of the story of Dr. Victor Frankenstein, who created a monster that ended up committing grave acts of violence on all the Doctor's loved ones. According to SparkNotes, "Victor refuses to admit to anyone the horror of what he has created, even as he sees the ramifications of his creative act spiraling out of control." **We see the Fed as Dr. Frankenstein, first believing they could eliminate the business cycle, and now unwilling to accept responsibility for their mad science**, which has promoted a massive accumulation of debt and dramatic wealth disparity among the U.S. population. The ultimate consequences of the Fed's actions are not obvious to everybody today, given low unemployment, record stock prices, and an economy that is delivering modest growth by living beyond its means. While many investors feel sanguine about the market's current climate, there is no escaping the fact that you can't get something for nothing forever. As Benjamin Franklin wrote, "There are no gains without pains."

Thank you for your support.

Sincerely,

Eric Cinnamond Jayme Wiggins

Mutual fund investing involves risk. Principal loss is possible. The Palm Valley Capital Fund invests in smaller sized companies, which involve additional risks such as limited liquidity and greater volatility than large capitalization companies. The ability of the Fund to meet its investment objective may be limited to the extent it holds assets in cash (or cash equivalents) or is otherwise uninvested.

Before investing in the Palm Valley Capital Fund, you should carefully consider the Fund's investment objectives, risks, charges, and expenses. The Prospectus contains this and other important information and it may be obtained by calling 904-747-2345. Please read the Prospectus carefully before investing.

Past performance is no guarantee of future results. *Dividends are not guaranteed and a company's future ability to pay dividends may be limited. A company currently paying dividends may cease paying dividends at any time.*

Fund holdings and sector allocations are subject to change and are not a recommendation to buy or sell any security.

The S&P Small Cap 600 Index measures the small cap segment of the U.S. equity market. The index is designed to track companies that meet specific inclusion criteria to ensure that they are liquid and financially viable. The Morningstar Small Cap Total Return Index tracks the performance of U.S. small-cap stocks that fall between 90th and 97th percentile in market capitalization of the investable universe. ***It is not possible to invest directly in an index.***

The Palm Valley Capital Fund is distributed by Quasar Distributors, LLC.

Definitions:
Basis point: One hundredth of a percentage point.
Debt/EBITDA: Total debt minus cash and equivalents divided by EBITDA (Earnings Before Interest Taxes Depreciation and Amortization).
Enterprise Value to EBIT (EV/EBIT): Enterprise Value (EV) equals Market Cap plus total debt minus cash and equivalents. EBIT equals Earnings before Interest and Taxes. EV/EBIT is a valuation metric.
Federal Funds rate: The interest rate that banks charge each other for lending money on an overnight basis.
Free cash flow: Cash from operating activities minus capital expenditures.
Quantitative Easing (QE): Monetary policy where a central banks purchases government bonds or other financial assets to create liquidity in an economy.
Real GDP: Inflation-adjusted measure of the value of all goods and services produced by an economy.
Russell 2000: The Russell 2000 Index is an American small-cap stock market index based on the market capitalizations of the bottom 2,000 companies in the Russell 3000 Index.
S&P 500: The Standard & Poor's 500 is an American stock market index based on the market capitalizations of 500 large companies.
Tangible book value: Stockholder's equity minus goodwill and intangibles