INVESTMENT PERFORMANCE (%) as of March 31, 2024

	Total Return				Annualized Return	
	Inception	Quarter	YTD	1 Year	3 Year	Inception
Palm Valley Capital Fund	**4/30/19**	**1.04%**	**1.04%**	**7.38%**	**4.55%**	**7.55%**
S&P SmallCap 600 Index		**2.46%**	**2.46%**	**15.93%**	**2.29%**	**8.47%**
Morningstar Small Cap Index		**5.69%**	**5.69%**	**21.51%**	**2.68%**	**8.31%**

Performance data quoted represents past performance and 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 month-end can be obtained by calling 904-747-2345.

As of the latest prospectus, the Fund's Investor class gross expense ratio is 1.53% and the net expense ratio is 1.28%. Palm Valley Capital Management has contractually agreed to waive its management fees and reimburse Fund operating expenses through at least April 30, 2025.

Circus Maximus

"Vast as the holding capacity of the structure was, so fearful were the people, on this occasion, lest there should not be room for them, that, early the day before the opening of the exhibition, they took up all the vacant spaces in the vicinity..."
Ben-Hur: A Tale of the Christ by Lew Wallace (1880)

April 1, 2024

Dear Fellow Shareholders,

Long before the Colosseum existed, the Circus Maximus was the center of sporting and cultural events in ancient Rome. The largest stadium in the Roman Empire, the immense U-shaped structure was over 2,000 feet long, almost 400 feet wide, and could hold over 150,000 spectators. Some sources claim as many as 300,000 Romans could fit inside. The massive venue hosted parades, religious ceremonies, beast hunts,

and gladiator battles. However, most of us know the Circus from the chariot race in *Ben-Hur*. This was the most electrifying scene from the award-winning 1959 Charlton Heston movie, heralded as one of the greatest films ever. The chariot race cost $4 million to shoot at the time, and *Ben-Hur's* total budget was $15 million, which is equivalent to $160 million in today's dollars. A king's ransom, but it wouldn't cover the budget of most action flicks released in the past year. The going rate for a spectacle is up—way up.

This summer, Paris will hold the Games of the XXXIII Olympiad. In *Circus Maximus: The Economic Gamble Behind Hosting the Olympics and the World Cup*, author Andrew Zimbalist details the heavy cost of hosting the biggest sporting events of the modern era: "While promoters of the games made lofty claims about the economic benefits to be gained from hosting these sporting extravaganzas, the local populations seemed unimpressed…those at the middle and bottom of the income ladder appear to be picking up the tab--and increasingly, they don't like it." The 2008 Beijing Summer Olympics generated $3.6 billion of revenue against an investment exceeding $40 billion. Qatar supposedly spent $220 billion preparing for the 2022 World Cup, which primarily reflected new hospitality and transportation infrastructure. The book describes the justification behind the bidding process: "**Rather than looking at the economic results of the event and comparing them to preexisting trends, the studies made assumptions, or predictions**, about the number of visitors and the amount of spending connected to the games." In other words, a multi-billion-dollar expected loss is spun into a triumph on the international stage.

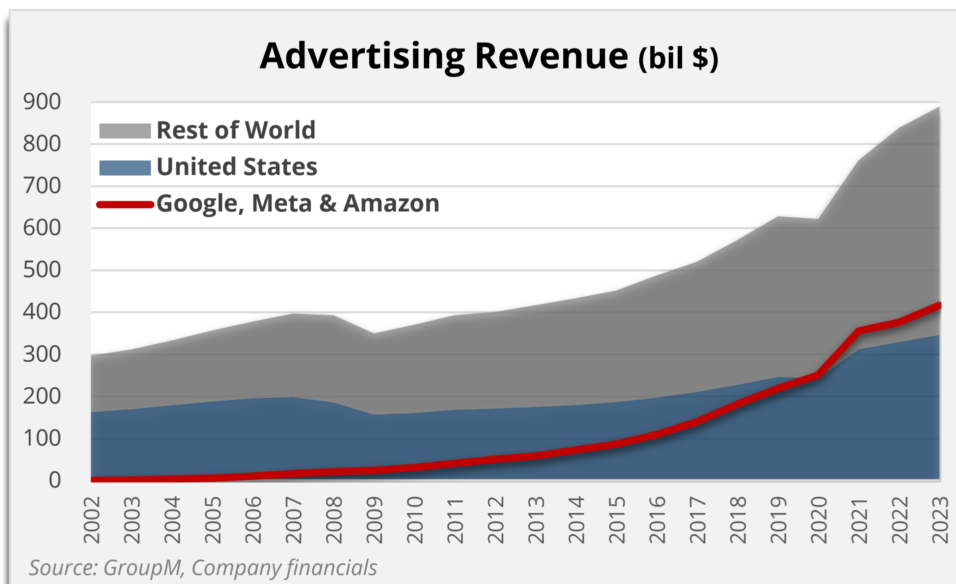
Such beguiling prognostications are indigenous to Wall Street—the biggest showcase of them all. The ferocious march higher of Nvidia's stock on expectations of its continued dominance in artificial intelligence (AI) chips might even confound the galley slavedriver in *Ben-Hur*. Ramming speed!

Nvidia's share price seems to imply the firm will soon control nearly the entire global semiconductor market (over half a trillion in sales vs. Nvidia's current $60 billion) while maintaining an operating margin of 54%—unprecedented for a hardware company. Leading hardware firms rarely retain their supremacy forever: IBM, Hewlett Packard, Digital Equipment Corporation, Intel, and Cisco all fell from their storied perches. Even Apple, before it was the world's most valuable brand, needed a second wind after flirting with bankruptcy in 1997. Recent softness in Apple's unit shipments reflects market saturation, and the Department of Justice (DOJ) just filed an antitrust case against the corporate colossus that threatens to disrupt its walled ecosystem. Governments have various irons in the fire for curbing (commandeering?) the power of tech titans, with the European Union rolling out the Digital Markets Act, the Federal Trade

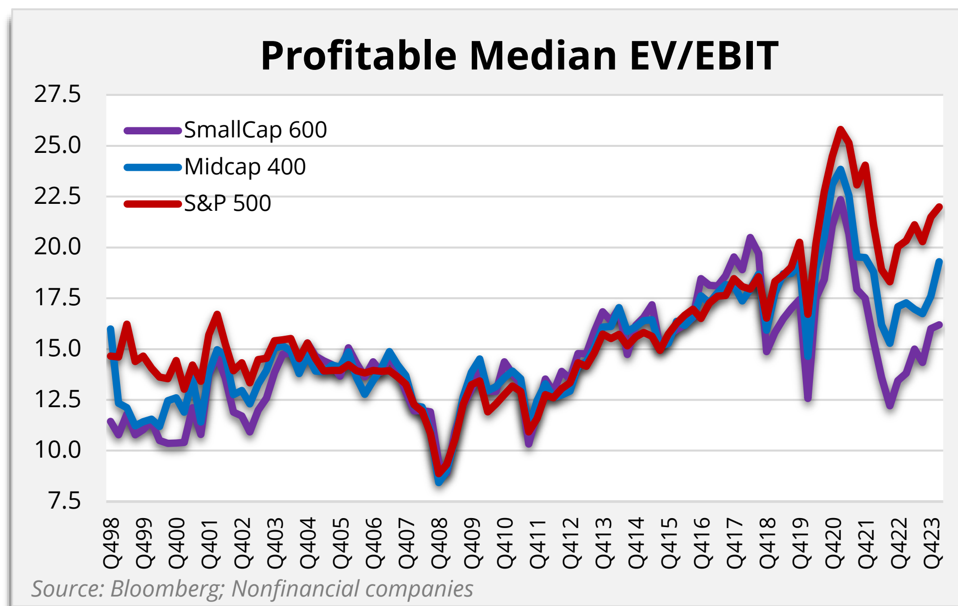
Commission suing Amazon for illegally using monopoly power, and the DOJ lawsuit against Google's advertising business going to trial in September.

Furthermore, the dominant technology enterprises are not immune from shooting themselves in the foot. Google's botched launch of its AI model, Gemini, shows the risk of having too much money. You lose discipline. A *Pirate Wires* exposé into the firm's culture revealed that employees went to extreme lengths to intentionally degrade the quality of the AI engine's output for ideological reasons. Try that as a small business! See how far you make it.

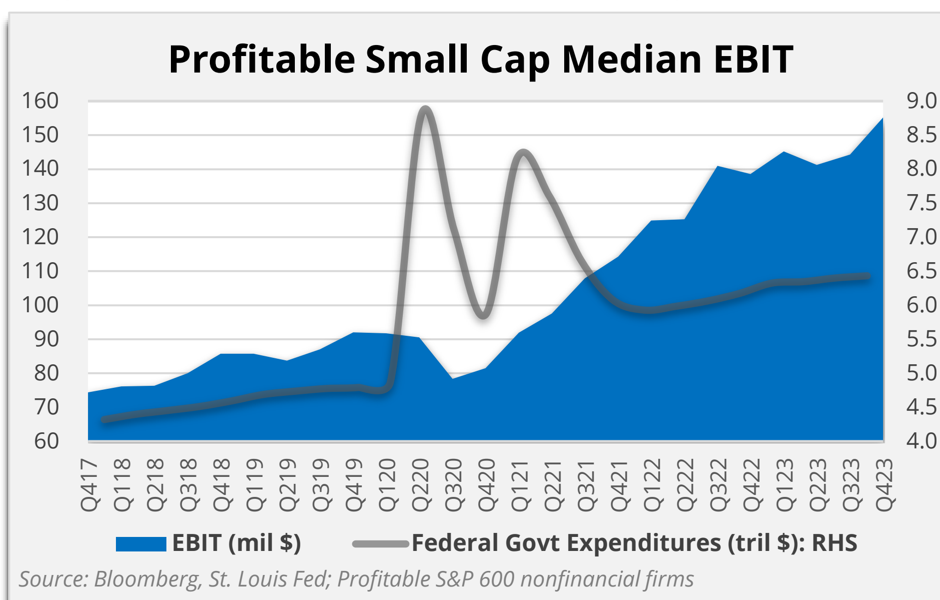
While we are not experts on the beanstalk tech stocks, we do have considerable experience observing behavior during bubbles. For the current crop of market leaders, we wonder: how good can it get? Google, Meta, and Amazon's combined advertising revenue exceeded the total value of the U.S. advertising industry by 2020 and now accounts for nearly 50% of the entire $900 billion global ad market (GroupM estimate). Meta's top advertiser last year was Temu, a retailer of cheap Chinese goods that is losing money on each U.S. order in an effort to take share from Amazon. In 2021, Google *grew* ad sales by $62 billion—a single company in a single year expanded more than the total advertising revenues earned by the following legacy businesses: Disney, Paramount, Warner Bros., FOX, iHeartMedia, SiriusXM, Clear Channel Outdoor, News Corp., New York Times, TEGNA, EW Scripps, Gray Television, and Nexstar Media. This is disruption on a colossal scale, and since advertising spending historically has a relatively fixed relationship to GDP, these tech behemoths may be running out of room to grow.



Although the "Magnificent 6" (sayonara Tesla) attracts most of the airtime these days, valuations for other large cap stocks are also just about as expensive as they've been going back at least three bubbles. Ignoring a shutdown-induced profit blip in 2020, **big cap median multiples have trended reliably higher since bottoming at the end of 2008**. Interestingly, the median EV/EBIT multiple for the S&P's version of profitable large, mid, and small cap equities was essentially the same from 2003 until around 2017. At that point, small caps pumped and then stumbled, and it has been a rocky ride for small cap multiples ever since. Even so, **current earnings multiples for most profitable small caps are still on the high side of any pre-QE3 period**. Investors have become used to breathing rarified air.

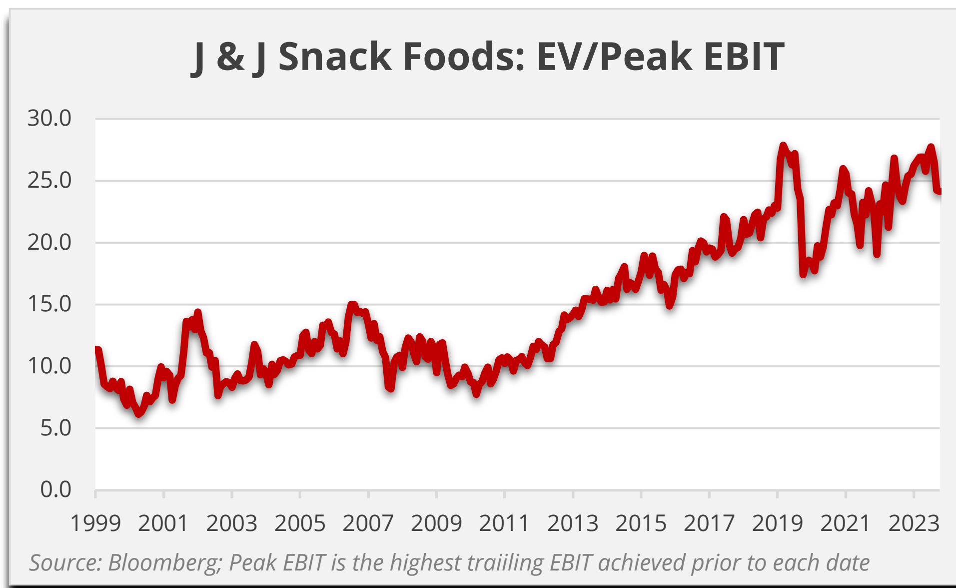


Nevertheless, simply looking at the multiples for profitable small firms leaves out a critical part of the equation. For example, it is our opinion that small caps were much cheaper during the throes of the COVID lockdowns than they were in late 2022. Yet, the median multiple for high quality (S&P 600) small caps was lower in 2022, when prices were substantially higher. The reason is the latter period reflects stimulus-juiced earnings. The median nonfinancial operating earnings for profitable SmallCap 600 companies at the end of 2019 was $92 million. On September 30, 2022, the median was $141 million, or over 50% more. Why? Inflation, yes. More fundamentally, government spending. **Since the end of 2019, median operating income for profitable small caps has surged by 69%** while federal government expenditures have lurched higher by 34%, even ignoring the spending tachycardia of 2020-2021. The percentage profit gains for the average large cap are noticeably less.



We can place most stocks in the small cap universe into three buckets. Bucket #1 companies are chronically unprofitable or have too much leverage to satisfy our financial risk threshold. Bucket #2 encompasses predictable, higher quality firms that currently sell for prodigious multiples, possibly on top of elevated profit margins. We want to own them, but we can't justify a purchase at existing prices. Bucket #3 includes cyclical or out-of-favor businesses where it can be difficult to judge what's normalized, but the stocks are in the penalty box, so there is some compensation for risks assumed. In bear markets, many Bucket #2 companies become investment opportunities. In contrast, today we're in the Bucket #3 orbit, doing far more looking than buying.

For example, Big Five Sporting Goods could be a Bucket #3 company. The current enterprise value of this 430-store retailer has shriveled to $80 million, which is less than the net income the company made in 2021 ($102 million). A pandemic star returns to its industry weakling status. We have no idea whether the firm can survive in the long run, but that is the type of judgment investors may be making today when buying beaten down value stocks. On the flipside, J & J Snack Foods could be considered a marginal Bucket #2 company. It's no WD-40, but its business as the top U.S. seller of soft pretzels, Dippin' Dots, and ICEE beverages is fairly consistent. Even though profits have been stagnant for several years, partly due to cost inflation, J & J's multiple has gone nowhere but up since the advent of QE. Below is a chart of J & J's enterprise value divided by its highest ever operating profit prior to each date. The shares trade for roughly double the multiple they did before this market cycle.



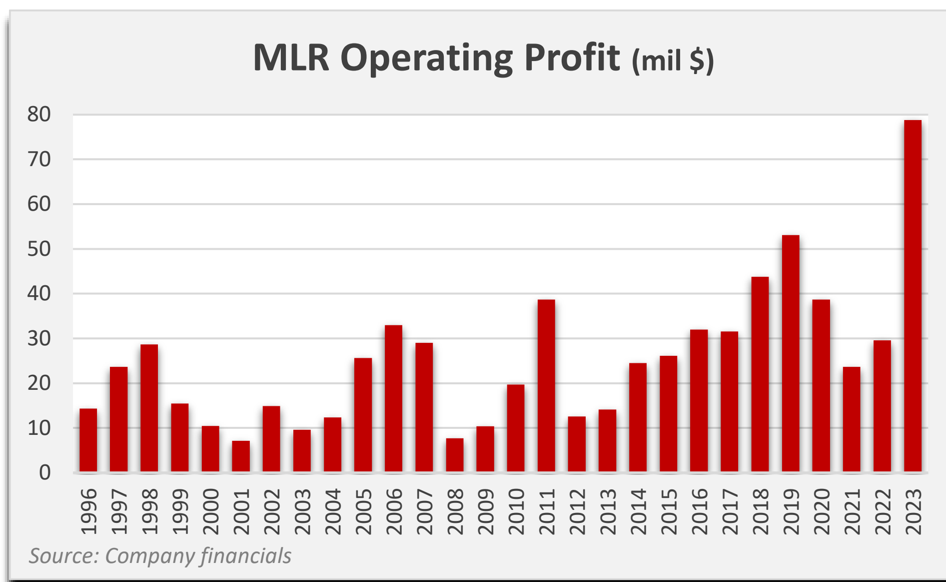
While the higher quality S&P SmallCap 600 Index is only 8% below its 2021 all-time high, the lower quality Russell 2000 Equal Weighted Index sits 24% beneath its peak. The performance gap reflects investors' suitable caution regarding unprofitable and leveraged firms. Furthermore, we believe part of the relative discount in valuations between quality small and large caps is due to higher earnings volatility for smaller companies. We are not extrapolating current conditions or profitability. Some investors are anchoring to

2021 prices and interest rates to bolster their confidence that small cap stocks have room to run, even after their 27% rally from the fall 2023 lows (SmallCap 600). However, any move higher from here would be purely speculation-driven, in our view. We'll continue to watch such antics from the cheap seats. Cue the music for Julius Fučík's "Entrance of the Gladiators"!

For the quarter ending March 31, 2024, the Palm Valley Capital Fund Investor class increased 1.04%, while the S&P SmallCap 600 Index rose 2.46% and the Morningstar Small Cap Total Return Index gained 5.69%. Smaller capitalization equities generally underperformed larger companies during the quarter. The equal-weighted Russell 2000 Index actually lost money (-0.67%). The Fund's returns trailed its benchmarks due to our cash position, which is offering a good current yield, but also because we did not own the small handful of stocks that accounted for a disproportionate share of benchmark performance in Q1. The equity securities in the Palm Valley Capital Fund, excluding cash equivalents and before fees, appreciated 2.11% during the first quarter. At the beginning of the period, the Fund held 77.7% of assets in cash (Treasury bills), which increased to 81.9% by the end of March.

The cornerstones of Palm Valley's differentiation are higher required returns and the normalization of cash flows. We try to avoid extrapolating peak and trough results and generally utilize lower valuation multiples than are popular with today's overindulged investors. This creates a higher threshold for deploying capital and is why our strategy can maintain significant cash exposure late in the business cycle when valuations are full.

We sold out of five Fund positions during the first quarter of 2024. Three positions were sold because the stocks exceeded our intrinsic value estimates: Gencor Industries (ticker: GENC), Miller Industries (ticker: MLR), and Crawford & Co. (ticker: CRD/A). Gencor Industries is generating record results driven by infrastructure spending. While positive earnings tailwinds should continue in the near term, we took advantage of available liquidity to sell the stock at prices better than our target valuation. Similarly, tow truck manufacturer Miller Industries is posting record sales and earnings after emerging past the supply chain constraints created by the pandemic. It's a cyclical business, and we think normalized results are considerably lower.



Crawford was previously one of the Fund's larger holdings, but we significantly reduced our weighting late last year as the shares rose on a sharp profit recovery. We finished selling the position in early January

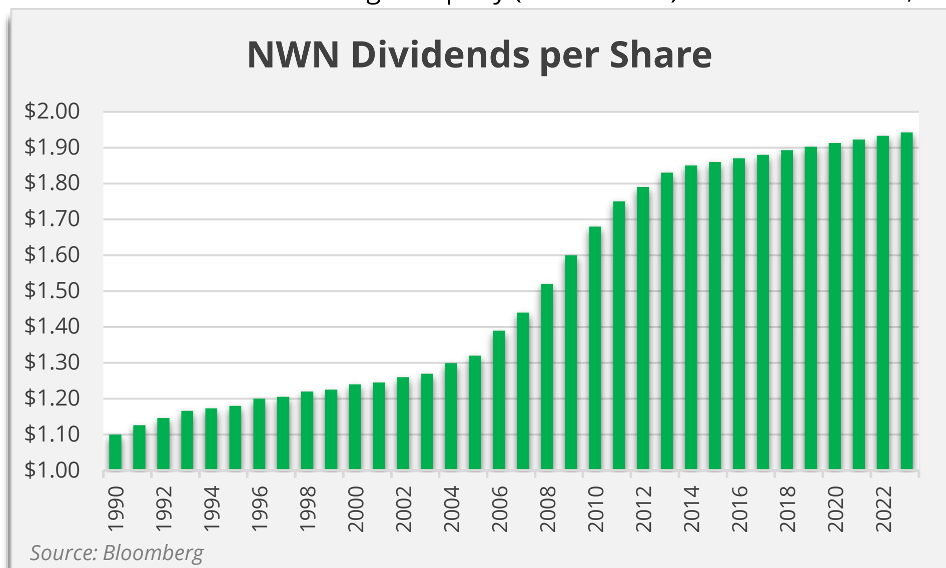
above our valuation. Crawford's stock collapsed in early March after the first quarter earnings report, in which the insurance claims company commented on benign weather trends. We began to reestablish a position at prices that were 40% below our last sale price, but we were only able to acquire a very small weighting. We hope to capitalize on future volatility in Crawford's shares, which fluctuate much more than the value of its business.

Top 10 Holdings (3/31/24)	% Assets
Sprott Physical Silver Trust	3.12%
Lassonde Industries	2.19%
Sprott Physical Gold Trust	1.98%
Amdocs	1.55%
WH Group (ADR)	1.36%
Avista	1.34%
TrueBlue	1.19%
Kelly Services	1.06%
Equity Commonwealth	0.96%
John Wiley & Sons	0.81%

Two positions were sold under less favorable circumstances. SSR Mining (ticker: SSRM) experienced a catastrophic event at its Copler gold mine in Turkey. A slip (break) in the leach pad, which contains chemicals including cyanide, incited an enormous landslide. This caused a loss of life and massive environmental damage a little more than one mile from the Euphrates River. Shortly after the event was reported, we determined the cleanup liabilities would be substantial and could no longer reliably value this element of the company's operations. Given the material impairment and uncertainty, we sold our stake. While we absorbed a significant percentage loss on the security, our position size before the calamity was only ~65 basis points. We calibrate position weightings based on our perception of operational and financial risk. In the case of SSR, we originally believed aggressive government actions (i.e., anything from more taxes to expropriation) were the biggest potential threat to our investment. The Fund had profitably bought and sold SSR Mining two other times before this loss.

We also exited Advance Auto Parts (ticker: AAP) during Q1 and realized a modest gain on this security. However, based on our observations since purchasing the stock in 2023, we concluded that a recovery in the company's profits could be more challenging than we first anticipated. Also, while we expect material proceeds from the eventual disposition of its Worldpac wholesale distribution business, it's unclear how thin the remaining retail store margins will be. Due to our reduced confidence in normalized earnings, we lowered our valuation. This eliminated our estimated discount for the shares, so we sold.

During the quarter, we purchased Northwest Natural Holding Company (ticker: NWN). Founded in 1859, NW Natural is a natural gas utility operating in Oregon and Washington. While the company targets long-term earnings growth of 4%-6%, earnings per share in 2024 are expected to decline by 7% to 15%. Earnings are being pressured by above average investments in the utility's infrastructure and higher than expected inflation. In response, management filed for a rate increase with regulators in December 2023, which

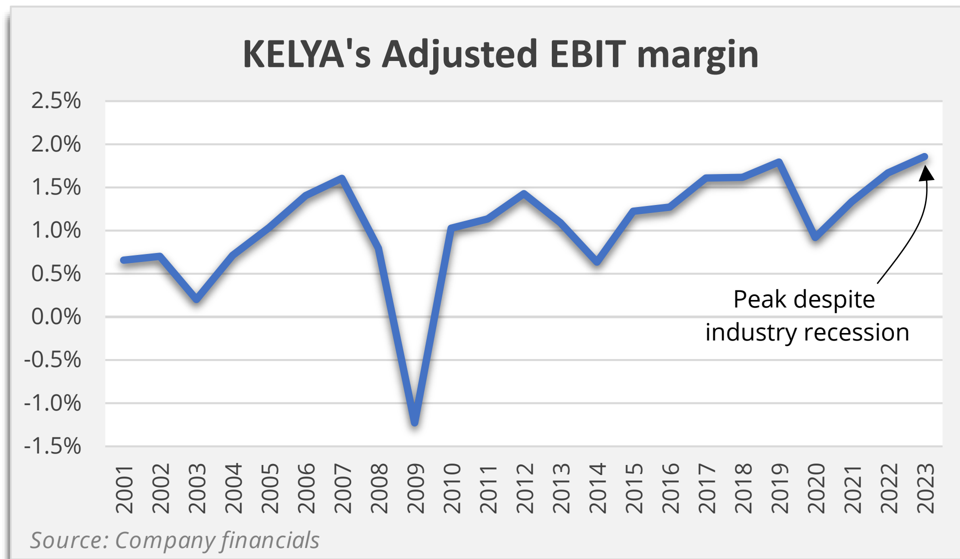


Source: Bloomberg

would provide the utility with a 10.1% return on equity. If approved, new rates are expected to go into effect in November and should move earnings in 2025 closer to our normalized estimate of $2.80/share. NW Natural is currently trading at 13x our normalized EPS estimate and 1.2x tangible book value—both near historical lows. The firm has increased its dividend for 68 years in a row, and the stock offers a 5.3% yield. While there remains uncertainty related to regulatory decisions and interest rates, at its current price, we believe we're being adequately compensated for risk assumed.

Two positions cost the Fund more than 10 basis points in Q1: SSR Mining and TrueBlue (ticker: TBI). Current demand for blue collar staffing roles is recessionary, pushing TrueBlue to a very uncharacteristic operating loss in the fourth quarter. TrueBlue earned $78 million of operating profit before amortization in 2022, but it lost $9 million in 2023. Free cash flow was slightly positive for the year. Management noted, "*As businesses see less churn in their employee base and remain uncertain around their workforce needs, hiring volumes have declined to a level where some are relying more heavily on internal resources to fill jobs.*" The company has no debt and $62 million of cash, and it just renewed its credit facility. While first quarter 2024 results are expected to be ugly for TrueBlue, management believes margins will improve throughout the year. Results are at a historical trough. In our opinion, existing labor dynamics—robust overall employment but poor demand for temporary staffing—are nothing the business cycle won't eventually cure.

The top gainers in the Palm Valley Capital Fund in Q1 were the Sprott Physical Gold Trust (ticker: PHYS), Kelly Services (ticker: KELYA), and John Wiley & Sons (ticker: WLY). Kelly Services has managed to grow earnings despite a challenging climate for staffing. Kelly's leading position in educational staffing (e.g., substitute teachers) is offsetting lower demand from other industries. Management is executing its margin improvement plan and projects further gains in 2024. Additionally, the company recently sold non-core European operations at an excellent price ($100 million in proceeds received for $1 million of EBIT!). The business is flush with cash (~$250 million), and allocating this carefully is important to the investment case.



While Wiley's third quarter results were distorted by completed and pending divestitures, management expressed confidence in the company's core Research business and said Wiley is on track to meaningfully grow profits over the next two years. The company received a last-minute invitation to the AI party by engaging in a one-time content rights deal with a large tech company that intends to use Wiley's books to train large language models.

Gold prices hit an all-time high in March, driving performance of the Sprott Gold Trust. Investors seem to be responding to the prospect of monetary easing, including telegraphed rate cuts and an end to Quantitative Tightening. Of course, in past times tailwinds like these haven't always produced the expected reaction in precious metals. The gains in gold, while welcomed by us, are middling compared to Bitcoin's explosion higher. While investors will sometimes make similar arguments for gold and cryptocurrencies as a dollar hedge, we believe the latter is being driven mostly by turbocharged animal spirits. It's unlikely that gold has demonstrated enough volatility to satisfy the modern gambler's appetite.

"Excuse me, ma. DoorDash is a job. I'm a first responder!"
Dumb Money (2023)

In A.D. 64, a conflagration destroyed 70% of Rome over six days and left half its inhabitants homeless. The Great Fire of Rome originated in, of all places, the Circus Maximus. To rebuild the city, Emperor Nero's government increased taxes and devalued the Roman currency, the denarius, by reducing the coin's silver content by an estimated 20%. The unpopular, musically inclined, and increasingly corpulent leader used a portion of the proceeds to build a large palace for himself. Commented NGC, the world's largest coin grading firm, "Future emperors would also follow his example and continue to reduce the purity of coins whenever financial difficulties fell upon them."

Nero's denarius, pre and post-debasement

circa A.D. 61

circa A.D. 68

Source: Numismatic Guaranty Company. Images from Classical Numismatic Group.

And it continues to this day. The fiscal and monetary responses to the COVID pandemic resulted in an epic bubble, highlighted by the meme stock craze of 2021. This was captured in the 2023 flick *Dumb Money*, which deified Roaring Kitty's crowdsourced GameStop short squeeze by pretending that rich hedge fund managers were the only ones who lost money. Lessons not learned. Have you seen MicroStrategy's stock lately? Other signals such speculative fervor has returned can be seen in aggregate altcoin (non-Bitcoin

crypto) market cap surging back toward 2021 bubble highs and ODTE options that now have their own ODTE options.

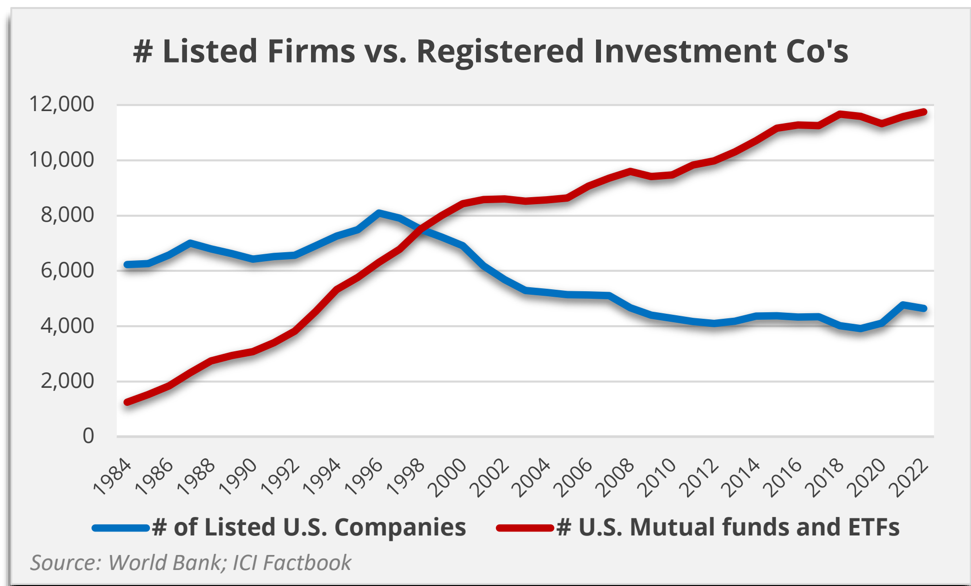
Recent ad on X. Imitating $3 bil valuation PEPE coin.

Today, while most investors are focused on Nvidia, the shares of Super Micro Computer (ticker: SMCI), a producer of servers that delivered zero profit growth in the five years through 2020, had one of the largest percentage gains in the Russell 3000 in the first quarter of 2024 (+255%). Management exploited investors' delirium by issuing $1.75 billion of equity the week before last. As a result of its rocketing market cap and tangential AI halo, Super Micro recently received the unique distinction of simultaneously serving as a constituent of the Russell 2000 and S&P 500. If you list the top 50 companies by net income dollars in the Russell 2000, 49 of them currently have a P/E below 11x, reflecting investors' doubts that supranormal profits will be sustained. One high-earning "small cap" stands out for its 81x multiple: SMCI.

Although we have never researched Super Micro, it took an AI bubble to lift its long slumbering operating margins to 10%. We wouldn't bet there is a durable competitive advantage. The daily headlines for SMCI remind us that it's an anagram for a proven entrenched business: MSCI, the provider of global financial benchmarks. MSCI grew profits from $136 million in 2008 to $1.39 billion in 2023, a 17% CAGR. The company's Index segment reported an incredible 76% EBITDA margin last year. The operating margins for the Indices division of S&P Global, owner of the S&P Indexes, are similarly stately at 66% *after* depreciation. The London Stock Exchange Group's Data & Analytics segment margins, powered by FTSE Russell Indexes, are not far behind. Each of the three businesses in this oligopoly collects most of its revenue from passive products that track a specific index, and passive strategies now account for over half of U.S. equity assets.

Meanwhile, Microsoft's powerhouse Office division carried a 49% operating margin last year, Meta's Facebook and Instagram segment had a 47% margin, and Google's Search earned a 35% operating margin. In other words, purveyors of financial indexes that are primarily constructed by simple, easy-to-replicate formulas sport profit margins that make those of the most dominant technology franchises on Earth seem prosaic.

Some fear how AI could impact our world in the future, but few openly worry about the pernicious effects of financialization, which has already asserted its dominance. Nearly one out of four public companies is primarily involved in finance or real estate, and the industry's share of GDP is still twice as large as the digital economy, according to the Bureau of Economic Analysis. Derivatives are driving prices of the underlying asset in many markets. Global cryptocurrency market cap has doubled in four months, spurred by the approval of Bitcoin ETFs. There are now 3x as many mutual funds and ETFs as publicly



listed U.S. companies—a ratio that has completely flipped over the last 40 years. Finance is everything everywhere all at once, center stage when it should serve in a supporting role. The vast U.S. paper wealth creation of recent decades has been facilitated by a financially irresponsible government and extremely accommodating central bank armed with the world's reserve currency. High asset prices are good for the last generation, but not so much for the next. Yet politicians clamor for a return to low interest rates "to make housing more affordable." As if.

There will come a time when Wall Street's grip on society is once again threatened. In the Greatest Circus, as the chaotic battle reaches its conclusion, defeated speculators will gaze up, hoping for mercy and to fight another day. Another bailout or lifeline to revive the bull run. However, the frenzied crowds will eventually realize they've been rooting for the wrong side. At that point, like it or not, those in the imperial box will have no choice but to deliver the demanded verdict.

Thank you for your investment.

Sincerely,
Jayme Wiggins Eric Cinnamond

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. Earnings growth for a Fund holding does not guarantee a corresponding increase in the market value of the holding or the Fund.

The S&P SmallCap 600 Total Return 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. Opinions expressed are those of the author, are subject to change at any time, are not guaranteed and should not be considered investment advice.

Definitions:
ODTE options: An option contract set to expire at the end of the current trading day.
Basis point: One hundredth of a percentage point (0.01%).
CAGR: Compound annual growth rate.
Cryptocurrency: A digital currency in which transactions are verified and records maintained by a decentralized system using cryptography.
Earnings per share (EPS): Net income divided by shares outstanding.
EBIT: Earnings Before Interest and Taxes (i.e. operating income).
EBITDA margin: Earnings before interest, taxes, depreciation, and amortization divided by sales.
Enterprise Value: Market capitalization plus total debt minus cash equivalents, adjusting for noncontrolling interests.
ETF: An Exchange Traded Fund is an investment fund that trades on stock exchanges, like stocks.
EV/EBIT: Enterprise Value of a company (Market Capitalization – Cash + Debt) divided by its trailing twelve-month Earnings Before Interest and Taxes (i.e., operating income).
Free Cash Flow: Cash from Operating Activities minus Capital Expenditures.
GDP: Gross Domestic Product
Large language models: Very large machine learning models that are trained on vast amounts of data and can generate human language text.

Magnificent Six: Six influential large capitalization U.S. technology stocks, including Alphabet, Amazon, Apple, Meta Platforms, Microsoft, and NVIDIA.
Median EV/EBIT: EV/EBIT represents the Enterprise Value of a company (Market Capitalization – Cash + Debt) divided by its trailing twelve-month Earnings Before Interest and Taxes (i.e. operating income). The Median EV/EBIT is the middle value when the ratios of all companies are ranked from smallest to largest.
Meme stock: An equity that has gained viral popularity through social media.
Price to Earnings (P/E) Ratio: A stock's price divided by its earnings per share.
QE: Quantitative Easing is U.S. monetary policy where the central bank purchases government bonds to create liquidity in the economy.
QE3: The third round of Quantitative Easing, announced in September 2012.
Quantitative Tightening (QT): Monetary policy where a central bank sells government bonds or other financial assets to reduce liquidity in an economy.
Return on equity (ROE): Net income divided by shareholder's equity.
Russell 2000 Equal Weighted: An American small-cap stock market index based on the market capitalizations of the bottom 2,000 companies in the Russell 3000 Index, where each company has the same weighting.
Russell 3000: An American stock market index based on the market capitalizations of the largest 3,000 publicly traded companies.
S&P Midcap 400: An American stock market index for mid-sized companies.
S&P 500: The Standard & Poor's 500 is an American stock market index based on the market capitalizations of 500 large companies.
Short squeeze: A rapid increase in the price of a stock with high short interest that causes short sellers to cover (buy back) their position and creates more upward pressure on the share price.
Tangible book value: Shareholders' equity, or total assets excluding goodwill and other intangibles minus total liabilities.