1919 FUNDS

1919 Financial Services Fund

March 31, 2017

Commentary

Portfolio Manager Christopher Perry provides insight into current opportunities in the Financial Services sector.

Q1. *Would you please discuss how banks could benefit if the Trump administration relaxes regulatory hurdles?*

While regulations have not yet been rewritten, several developments suggest the Trump administration may take a less onerous approach. With respect to smaller banks, the administration seems to realize regulation needs to be less burdensome to fund loan growth. Currently, lawmakers have focused on adjusting the level of regulation proportionately to the bank's size. For example, the current level of stress testing and exams required for banks with assets below $10 billion may be unnecessary, as the failure of a smaller bank is less likely to disrupt the overall market compared to larger banks. As new regulatory leaders are appointed, a looser interpretation could provide clarity for banks and allow management to focus on growth strategies.

In addition, in its March 2017 approval of a recent bank merger, the Federal Reserve effectively raised its asset threshold for merger and acquisition (M&A) activity, potentially enlarging the pool of banks able to engage in transactions without increased scrutiny. This threshold for highly scrutinized bank M&A was lifted from $25 billion to $100 billion in assets. We believe this change may result in increased dialogue between banks and regulators, a smoother pipeline and an acceleration of activity, which is bullish for the sector as growth of many banks hinges on M&A transactions.

Q2. *What is your expectation for earnings growth in the Financial Services sector?*

Wall Street consensus assumes the Fed will increase rates two more times in 2017 and two in 2018, although the decision is contingent upon the rate of economic growth. Depending on the number of rate hikes, we believe the Financial Services sector should see solid earnings growth, assuming consumer and commercial credit quality remains high. While loan demand has recently decelerated, we believe the loan environment and outlook for the economy remain optimistic.

We believe Financial Services remain a compelling long-term opportunity as return on equity (ROE) figures remain depressed. We believe as ROEs expand and merger and acquisition activity increases, valuations may rise with anticipated expansion of multiples.

continued on the next page

Morningstar Rating™

Overall Rating as of March 31, 2017

★★★★★

As of 3/31/17, Class A shares rated 5 stars among 100 Financial funds, based upon risk-adjusted returns derived from a weighted average of the performance figures associated with 3-, 5- and 10-year (if applicable) Morningstar Ratings metrics without adjustment for sales load.

Tickers

Class A: **SBFAX**
Class C: **SFSLX**
Class I: **LMRIX**

Portfolio Management

Christopher J. Perry, CFA
Portfolio Manager

Mr. Perry is a Principal at 1919 Investment Counsel. His primary responsibilities are as an Equity Research Analyst covering the Financial Services Sector and Portfolio Manager for the 1919 Financial Services Fund. He has over 25 years of industry experience.

About 1919 Investment Counsel

1919 Investment Counsel is the investment advisor to the 1919 Funds and manages $10.7 billion in assets as of March 31, 2017. The cornerstone of 1919's investment process is proprietary, fundamental research with an emphasis on quality, risk management and diversification.

In addition to the 1919 Funds, 1919 Investment Counsel provides customized equity and fixed income strategies for institutions, family offices and high net worth individuals.

continued from previous page

Q3. *How is the Fund positioned to capitalize on the potentially strengthening economy?*

With the rising rate environment and robust economic growth potentially positively impacting the Financial Services sector, as bottom-up investors, we can take advantage of these trends to opportunistically invest across the sector in companies of all market capitalizations. As a result, 68% of the Fund's assets were in smaller Financial Services companies where we see opportunity, including banks, as of March 31, 2017.

However, we do not necessarily purchase companies solely because they may be beneficiaries of less regulation or stronger economic growth. Rather, we have been adding smaller banks based on individual strengths, such as strong fundamental growth prospects and potentially higher earnings growth, in markets where they have greater opportunity to thrive.

We have also added Financial Technology companies. After the presidential election, many of these companies lagged as investors turned their focus to banks and insurance companies that are levered to higher rates and less regulation. However, we believe these fintech holdings have a solid growth outlook generally due to the secular trend of checks and cash moving to electronic payments.

Disclosure

The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history without adjustment for sales load. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating™ for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating™ metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Class A shares of the Fund were rated against 100, 96, and 72 Financial funds over the 3-, 5- and 10-year periods, respectively. With respect to these funds, Class A shares of the Fund received Morningstar Ratings of 5, 5, and 5. Ratings shown are for the highest and lowest rated share classes only, when available. Other share classes have different expense structures and performance characteristics. Classes have a common portfolio. ©2017 Morningstar Inc. All Rights Reserved. The information contained herein (1) is proprietary to Morningstar (2) may not be copied or distributed and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. **Past performance is no guarantee of future results.**

All investments are subject to risk including the possible loss of principal. Past performance is no guarantee of future results. In addition to normal risks associated with equity investing, narrowly focused investments typically exhibit higher volatility. The financial services sector may be subject to greater governmental regulation, competitive pressures and rapid technological change and obsolescence, which may have a materially adverse effect on the sector. Fixed income securities are subject to a number of risks, including credit, market and interest rate risks. Additionally, the Fund's performance will be influenced by political, social and economic factors affecting investments in companies in foreign countries. The Fund may use derivatives, such as options and futures, which can be illiquid, may disproportionately increase losses, and have a potentially large impact on Fund performance. Please see the Fund's prospectus for a more complete discussion of these and other risks, and the Fund's investment strategies.

Opinions expressed are subject to change at any time, are not guaranteed and should not be considered investment advice.
Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any security.

The fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The summary and statutory prospectus contains this and other important information about the investment company, and may be obtained by calling 1.844.828.1919. Read it carefully before investing.

Earnings growth is not representative of the Fund's future performance. Return on Equity (ROE) is the amount of net income returned as a percentage of shareholders equity.

Diversification does not assure a profit or protect against loss in a declining market.

1919 Funds are distributed by Quasar Distributors, LLC.