19/19 FUNDS

1919 Financial Services Fund

June 30, 2017

Commentary

Morningstar Rating™

Overall Rating as of June 30, 2017

★★★★★

As of 6/30/17, Class A shares rated 5 stars among 102 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 approximately $10.7 billion in assets as of June 30, 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.

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

Q1. ***Since regional and community banks are more dependent on local economics, which regions of the U.S. do you favor?***

In the Western and Pacific Northwest regions of the U.S., cities have experienced strong job growth primarily from the technology and health care related industries. As a result, there is an elevated level of new construction to accommodate strong commercial and residential real estate demand. In certain areas, such as San Francisco, demand continues to outpace supply. As a result, many banks in these regions have been experiencing double-digit loan growth, higher than the overall industry.

In the Southern part of the U.S., economies appear resilient, particularly in Texas despite the state's large exposure to oil. Regardless of weaker oil prices, Dallas and Houston are experiencing positive job growth due to more diversified economies.

We believe stronger local economic growth can lead to faster earnings and higher total return potential for shareholders. As of June 30, 2017, over 25% of the Fund's allocation to banks are levered to these stronger economic areas of the U.S.

Q2. ***Would you please discuss 2017 merger and acquisition (M&A) activity in the banking sector?***

We believe the pace of M&A activity for banks has been healthy although it is essentially the same as 2016. Over the first six months of 2017, there have been 110 M&A bank transactions; in 2016, banks engaged in a total of 239 M&A deals. While transactions were at higher multiples and slightly higher valuations, additional M&A activity could take place. We believe that some management teams may be waiting for an even higher valuation resulting from an improving regulatory and tax environment before selling.

Q3. ***What factors may drive the banking sector going forward?***

In today's market we believe many banks remain attractive due to their potential earnings acceleration, attractive growth opportunities and reasonable valuations. In particular, several positive factors driving bank growth include:

- **Higher earnings from increased efficiencies.** Many banks have become more efficient and well-managed to compensate for an era of low interest rates and strict regulations. As a result, greater loan demand and higher net interest margin could lead to positive operating leverage and an acceleration in earnings.

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- **Higher credit quality.** In the aftermath of the financial crisis, many banks have a more conservative approach to underwriting, focusing on higher credit quality and more stringent lending standards. We believe this focus could make banks more resilient in a potential market downturn.
- **Return of capital to shareholders.** With favorable results from the 2017 stress tests, we believe we may see strong capital deployment from large banks in the form of increased dividends and share buybacks. Smaller banks also appear to be better positioned to grow their dividends and increase share buybacks. We believe that in a fully valued market, higher dividends and share buybacks could become more important factors in determining overall total return.

Q4. *Would you please describe your bottom-up stock selection approach?*

We seek Financial Services companies of all sizes with strong upside earnings potential and experienced management teams that have been successful in delivering superior operating results. The Fund is diversified across multiple subsectors including Insurance, Financial Information Technology (Fintech) Services, Capital Markets and Real Estate. Therefore, depending on the subsector, we concentrate on aspects we believe demonstrate the best growth potential in that subsector. For example, in the property casualty subsector, we look for companies with the highest revenue growth in their respective markets. In Fintech, we focus on companies with a global market emphasis that are experiencing impressive growth in clients.

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 102, 96, and 73 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, 4, 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.

Diversification does not assure a profit or protect against loss in a declining market. Earnings growth is not a measure of the Fund's future performance.

1919 Funds are distributed by Quasar Distributors, LLC.