1919 Financial Services Fund

December 31, 2024

Commentary

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

Morningstar Rating™

Overall Rating as of December 31, 2024

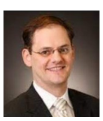
★★★

As of 12/31/24, Class I shares rated 3 stars among 94 US 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.

Portfolio Management

Charles C. King, CFA
Portfolio Manager

Mr. King is the Chief Investment Officer at 1919 Investment Counsel and a Portfolio Manager for the 1919 Financial Services Fund. He has over 38 years of industry experience.



John F. Helfst
Portfolio Manager

Mr. Helfst is a Portfolio Manager for the 1919 Financial Services Fund. He has over 26 years of industry experience.

About 1919 Investment Counsel

1919 Investment Counsel is the investment advisor to the 1919 Funds and manages approximately $23.9 billion in assets as of December 31, 2024. 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 Managers Charles King and John Helfst provide insight into opportunities in the financial sector.

Q1. *Would you please provide your overall outlook for the financial services sector as we enter 2025?*

As we enter 2025, the outlook for the financial services sector is shaped by several key factors, including the regulatory environment and earnings growth. For example:

- **Potential Regulatory Easing -** There is an expectation of reduced regulation with the entrance of the new Trump Administration, including the anticipation of less stringent capital requirements for banks, which has positively influenced the performance of financial stocks.
- **Earnings Growth and Mergers & Acquisitions -** The expectation is for higher earnings growth driven by buybacks and potential corporate tax rate reductions. Mergers and acquisitions (M&A) are also expected to rise, which may benefit both larger banks and regional players.

Overall, we believe the financial services sector is poised for growth in 2025, driven by a favorable regulatory environment. We believe the Fund's portfolio companies are well positioned to benefit from these trends.

Q2. *In which financial subsectors do you see the most attractive opportunities?*

The 1919 Financial Services Fund boasts a diversified portfolio that spans a spectrum of financial subsectors, including an allocation of approximately 48% in banks, with 23% of that allocation in regional banks, 22% in insurance, and 19% in fintech, as of December 31, 2024. The most attractive opportunities moving forward in 2025 include:

- **Banks -** Specialized markets position regional banks, a significant portion of the Fund's portfolio, for opportunity. In addition, easing regulatory constraints could lead to increased M&A activity, benefiting both larger and regional banks. The banking sector is also expected to benefit from improved loan growth, particularly in commercial and industrial lending, as well as home equity loans.
- **Insurance -** Property and Casualty Insurance companies' pricing environment remains strong. We expect them to benefit from rising insurance rates and improved underwriting conditions.

continued on the next page

- **Fintech -** There is significant investor interest in companies that are innovating in payment processing and related services, with a focus on how they can integrate value-added services, which bodes well for companies in this area.

Q3. *What changes do you expect from a regulatory perspective with the new Trump Administration and how may various financial subsectors be impacted?*

The new Administration is expected to bring about several regulatory changes that may foster a more favorable environment for growth across various financial subsectors, including:

- **Banks -** There is an expectation for less stringent regulations, which could increase banks' capital availability. This may encourage lending and support loan growth, particularly in commercial and industrial sectors. Regional banks, in particular, may benefit from reduced compliance burdens, allowing them to compete more effectively with larger institutions.
- **Fintech -** The Administration may promote innovation in the fintech space by reducing regulatory hurdles and encouraging the growth of digital payment solutions and alternative lending platforms.
- **M&A -** With a more favorable regulatory environment, there may be an increase in mergers and acquisitions activity across financial services, benefiting larger institutions and boutique advisory firms.

Q4. *The Fund boast an overall Morningstar "Below Average" Morningstar Risk rating as of December 31, 2024. How do you manage risk in the portfolio?*

Risk management in the portfolio is approached through a two-pronged strategy:

1. Prioritizing companies with defendable positions against competitors.
2. Being vigilant about valuations. The Fund aims to trim positions that approach their price targets while maintaining a focus on business model risk. This strategy helps to mitigate potential downturns aiming to capitalize on favorable market conditions. ■

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 I shares of the Fund were rated against 94, 89, and 74 Financial funds over the 3-, 5- and 10-year periods, respectively. With respect to these time periods, Class I shares of the Fund received Morningstar Ratings of 3, 3, and 3 stars as of 12/31/24, based on risk-adjusted returns.. 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.

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

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.

1919 Funds are distributed by Quasar Distributors, LLC.