



# SEPTEMBER 2018 FUND FACT SHEET

# MRFOX

## OBJECTIVE

The Fund seeks the dual goals of capital preservation and the long-term growth of principal, while targeting a pattern of performance at variance with that of the market.

## PHILOSOPHY

The Fund is premised on the belief that in order to outperform the market, an investment strategy needs to be different from the market in as many ways as possible that add value on a risk-adjusted basis. Marshfield believes that thoughtful concentration, the willingness to hold cash while awaiting well-priced opportunities, steering clear of generic “consensus” stocks, and being freed from sector and market capitalization constraints facilitate the goal of avoiding the “closet index” trap while laying the groundwork for superior performance.

## PROCESS/STRATEGY

Marshfield believes that process and discipline are essential for intelligent investing. The Fund’s seasoned research team engages in a rigorous collective process designed to achieve consensus while avoiding group-think. Companies on Marshfield’s “buy” list should have at least the following characteristics: resilience (i.e., the ability to sustain themselves during difficult times); profitability (i.e., a long-term return on equity above Marshfield’s discount rate); and disciplined, thoughtful management (i.e., who balance the interests of shareholders, customers and employees appropriately, and who think about the long term). Stocks on the list are only bought if and when they trade significantly below what Marshfield believes to be their intrinsic value. Stocks are sold either due to price appreciation or because the conceptual theory no longer holds.

## ADVISORY

Marshfield Associates, Inc. is a Registered Investment Advisor located in Washington, DC. It provides the Fund with a comprehensive program of investment of the Fund’s assets and determination of the composition of the Fund’s portfolio. The Adviser was organized in 1989 and since that time has provided separate account-based investment advisory services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, municipalities and other entities according to the same philosophy and discipline as that of the Fund. Our six principals own the firm, invest alongside our clients, and have average tenure of 22 years.

The Adviser has contractually agreed, until January 1, 2019, to reduce Management Fees and reimburse Other Expenses to the extent necessary to limit Total Annual Fund Operating Expenses to an amount not exceeding 1.10% of the Fund’s average daily net assets.

Net Expense Ratio      1.10%  
Gross Expense Ratio    2.87%

## PERFORMANCE

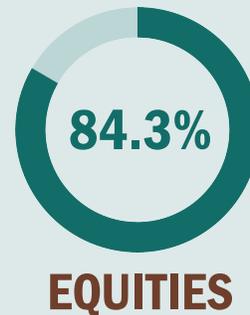
9/30/18

	QTD	1 Year	Incep
<b>MRFOX</b>	<b>8.02%</b>	<b>19.23%</b>	<b>17.98%</b>
<b>S&amp;P 500 Index</b>	<b>7.71%</b>	<b>17.9%</b>	<b>15.4%</b>

**Fund Inception: 12/28/2015**

*The performance data quoted represents past performance. Past performance does not guarantee future results. Investment returns 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 may be lower or higher than the performance data quoted. Call 1-855-691-5288 for current month-end data. \*Annualized*

## ASSET ALLOCATION





## MARKET COMMENTARY

---

It's been said that bull markets climb a wall of worry. During the third quarter, which witnessed an S&P 500 that skyrocketed 7.7%, it looks as though investors vaulted right over that wall.

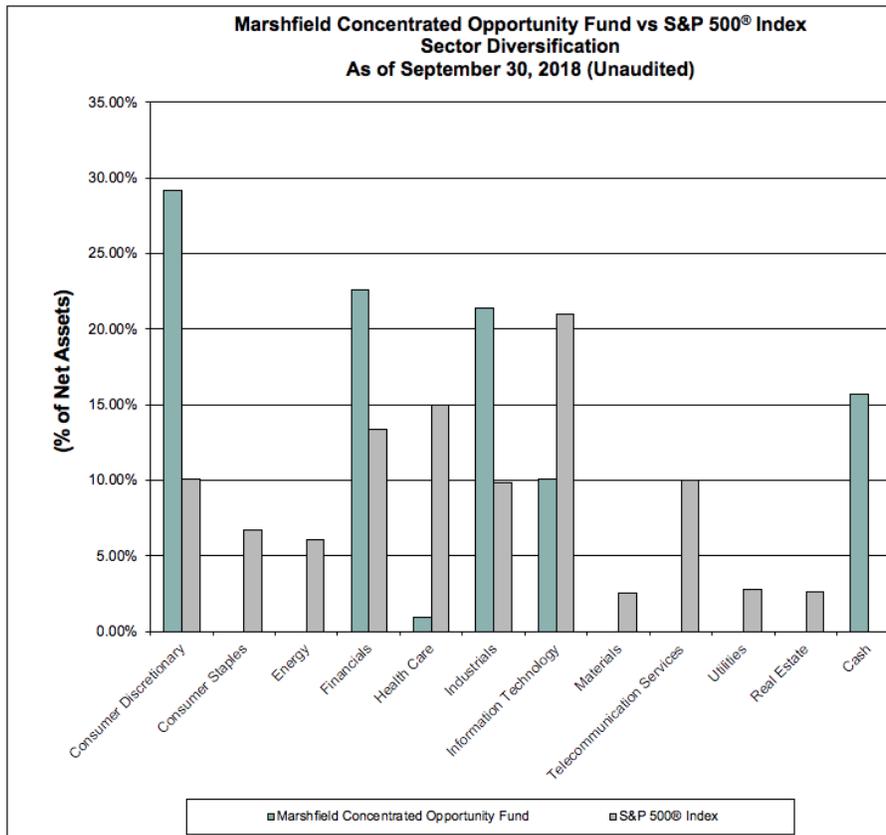
Stock market participants have been lugging a whole backpack full of worries for much of the last ten years, even as the market has steadfastly trudged northward. The exact fears have changed over time, from concerns about contagion from a troubled Europe to nervousness about the bust in commodities, but the gradually improving domestic economy has served to provide enough toeholds to sustain the market's ascent. Today, as consumer and business sentiment have continued their upward trajectory, recent investor concerns about the impact of icy trade relations with China, the cooling effects of interest rate hikes, and a retail sector being seemingly reduced to rubble appear once again to have given way to the conviction that things will get better still. Of course, investor optimism in the face of even rugged conditions, both for the economy and for individual companies, is nothing new. Market participants typically dismiss worries when they're convinced those challenges are either surmountable or simply don't matter, especially when market momentum prods them in that direction. So the anxiety that led investors to sell **Cummins** last quarter (down around 17%) due, we believe at least in part, to concerns about the impact of tariffs, gave way this quarter (up around 10%) to the belief that the company could survive them quite nicely, thank you very much.

As you know, Marshfield does not take a view on where the stock market is headed, though we do have a pretty decent sense of whether we're currently at a peak, in a valley, or on a plateau. We take the market as we find it and make decisions based on whether it's offering us good points of entry or exit for potential or existing holdings. We try very hard not to be emotional, neither optimism nor pessimism being useful to our decision-making (though we admit to a degree of cynicism). We certainly do not try to "overcome" our worries but, rather, to probe them. In light of that, it is perhaps useful to note that we neither bought a new stock nor added to an existing equity position beginning mid-July and running through the end of September. We have, however, sold some **Union Pacific** and been a happy holder of the cash generated by that sale.

And so as the market continues to climb, many of our holdings are ascending along with it—or even taking the lead. But as other investors are strapping on their crampons to plant their flag at the peak, we're tightening our harnesses, preparing for the possibility of a (hopefully controlled) descent.



**MARSHFIELD CONCENTRATED OPPORTUNITY FUND  
PORTFOLIO INFORMATION  
September 30, 2018 (Unaudited)**



**Top 10 Holdings\***

<u>Security Description</u>	<u>% of Net Assets</u>
Cash & Cash Equivalents	15.7%
Moody's Corp.	10.1%
Arch Capital Group Ltd	7.6%
Chipotle Mexican Grill Cl A	6.0%
Deere & Co.	5.6%
Autozone Inc	5.3%
Mastercard Inc Class A	5.3%
Goldman Sachs Group Inc	4.9%
Visa, Inc	4.8%
Fastenal Co	4.5%

\*Subject to change



# SEPTEMBER 2018 FUND FACT SHEET

**MRFOX**

## MINIMUM INVESTMENT

Non-Retirement - \$10,000.00

IRA/Gift to Minors - \$ 1,000.00

Additional purchases may be made at any time and any amount.

## DISCLOSURES

*The information contained herein should not be considered a recommendation to purchase or sell any particular security. It should not be assumed that any securities transactions, holdings or sectors discussed were or will be profitable, or that the investment recommendations or decisions that we make in the future will be profitable. The opinions stated and strategies discussed in this commentary are subject to change at any time.*

Mutual Fund investing involves risk, Principal loss is possible. Investment in the Fund is subject to stock market risk, equity securities risk, large-cap company risk, small-cap and mid-cap company risk, issuer risk, management style risk, industry and sector risk, value stock risk, new fund risk, and non-diversified status risk. For more information about the Fund, including the Fund's objectives, charges, expenses, and risks (including more information about the risks listed above, please read the prospectus.

The success of the Fund's investment strategy depends largely upon the Adviser's skill in selecting securities for purchase and sale by the Fund and there is no assurance that the Fund will achieve its investment objective. Because of the types of securities in which the Fund invests and the investment techniques the Adviser uses, the Fund is designed for investors who are investing for the long term. The Fund may not be appropriate for use as a complete investment program. The principal risks of an investment in the Fund are described in the Prospectus.

S&P 500 Index: a capitalization weighted index of 500 large capitalization stocks which is designed to measure broad domestic securities markets. You cannot invest directly in an index.

**The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectuses contain this and other important information about the investment company, and may be obtained by calling 855-691-5288. Please read carefully before investing.**

The Fund is distributed by Ultimus Fund Distributors, LLC. For Information or assistance in opening an account, please call toll-free 1-855-691-5288.