Clifford Capital Partners Fund

Quarterly Commentary – Fourth Quarter 2018

We hope that this letter finds you well. We are grateful for your investment in the Clifford Capital Partners Fund ("the Fund") and thank you for your support.

	4th Quarter 2018	One-Year Return	3-Year Return, Annualized	Total Return, Since Inception (01/30/14)	Total Return, Annualized Since Inception
Institutional Class (CLIFX)	-14.41%	-8.01%	11.27%	49.33%	8.50%
Investor Class (CLFFX)	-14.42%	-8.12%	11.03%	47.97%	8.29%
Russell 3000® Value[1]	-12.24%	-8.58%	7.01%	36.19%	6.48%

(Performance data quoted represents past performance; past performance 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 lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling (800) 628-4077. Short term performance, in particular, is not a good indication of the fund's future performance, and an investment should not be made based solely on returns.)

The fourth quarter was a rough ride for the overall stock market and the Fund. There have been myriad potential reasons cited for the market's sharp decline at the end of 2018 including, but not limited to: trade wars, Fed policies, U.S. politics, a worldwide economic slowdown, and peak earnings. We can't pinpoint any one thing, but to us trading conditions looked and felt like an old-fashioned bear market when good company-specific news is ignored, and any news that's even remotely bad is severely punished. We think some of the market action may also have been magnified by the presence of algorithmic, or other program-related trading (which is less "old-fashioned"). Regardless of the "why's", it was a difficult quarter for stock investors.

Although it doesn't feel good at the time, it is in bear markets where we believe the most money is actually made, by buying stocks at bargain prices with strong long-term return potential. We believed the Fund was attractively valued at September 30, and our conviction has only grown stronger at the end of the year. In most cases, the fundamental outlooks of the Fund's individual holdings have not materially changed even though their prices have dropped significantly—the definition of better value. We've also found some new bargains in the stock market's flash sale, so we enter 2019 with optimism about the Fund's long-term potential.

As bottom-up investors—analyzing individual companies one-by-one, based on their own merits and not based on a view of the overall stock market—we do not hold strong views of where the overall market is headed, but we have high conviction and strong opinions about the individual companies we have invested in. In the short-term, stock prices can fluctuate violently, but we believe individual companies' intrinsic values are much less volatile, leading to investment opportunity.

The Growling Bear

Although the financial press did not officially declare the market's decline to be a bear market (because the S&P 500 did not decline a full 20% from its peak), it looked like a bear, felt like a bear, and acted like a bear to most investors. Looking at the Fund's benchmark, the Russell 3000 Value, we noted the following interesting statistics (the stats below are compiled from the returns of the Russell 3000 Value's constituents—2109 stocks across the market cap spectrum—as of 12/31/18):

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[1] The Russell 3000® Value Index is a capitalization-weighted index which is designed to measure performance of Russell 3000 Index companies, respectively, with lower price-to-book ratios and lower forecasted growth values. Numbers presented include the reinvestment of dividends (total return).

	Q4 2018	Full Year 2018	December 2018
Reported Return of Russell 3000 Value (cap-weighted)	-12.24%	-8.58%	-9.78%
Average Return* (equal-weighted)	-19.19%	-14.63%	-12.04%

**the simple average return of the Russell 3000 Value index constituents as of 12/31/18, data provided from Bloomberg.*

As you can see from the table above, the average stock did far worse than the benchmark's official return. This is because mega-cap stocks, which held up better, have such a large influence on the index's capitalization-weighted returns.

In addition, as of December 31, stocks in the index were down 32.4% on average from their 52-week high (using the parameters of how a "bear market" is typically measured). The losses were also widespread; in December alone over 93% of the index's individual stocks declined.

Although it's little comfort for any of us—we are personally invested alongside you and detest losing money, even when it's "paper" losses—the Fund held up relatively well, all things considered. There are always things we could have done better (especially with the benefit of hindsight!), but we are encouraged today by the value we see in the Fund's holdings today.

The Investor Mentality

In times of market turmoil, we find it helpful to remind ourselves that we are investors—long-term investors at that—and not traders or market prognosticators. At Clifford Capital we spend our time striving to understand the current fundamentals of the individual companies we invest in, and a reasonable estimate of how these companies should perform in the future, based on each company's individual plans and prospects. We also spend time striving to understand whether these fundamentals are appropriately reflected in the stock price of a given company, and whether the price we pay for the stock is sufficiently low to earn a decent long-term return. We strive to be aware of the overall economic environment, and specific macroeconomic factors that may affect our companies (similar to how a football coach may watch the weather forecast while formulating a game plan). But what matters the most to us is the excess cash flows that we think will be generated from a given business over its life (using what we believe to be reasonable, if not conservative estimates) and what we are paying for the right to receive that cash, as equity owners. At Clifford Capital, we call this the Investor Mentality.

Because we view stock investing as buying ownership interests in operating businesses (which it is!), it remains perplexing to us that the "market" will often assign a 20-30% lower value to a company in a very short period, based on a modest deviation from Wall Street's or investors' expectations, or based on a change in the market's mood. While there are always exceptions, we believe it's rare that short-term events can affect a company's long-term fair value by more than a few percentage points.

In a 2011 commentary, we used an example of the Investor Mentality for a different type of investing, rental real-estate, to illustrate how we think about investing. Borrowing from that letter with minor edits:

> "Because real estate typically cannot be easily bought and sold, and there are not daily quotes (or 'every-secondly' quotes like stocks), investors tend to focus intensely on the fundamentals of the properties they own. Is it in a good location? Are the tenants going to pay their rent? Are the rental rates competitive and allow for a good return on investment?
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> "It is unlikely that the real-estate investor is going to wake up every morning and read the Wall Street Journal to see what experts think will happen to their property's quoted price over the next few days, weeks or months.

"As a simplistic example, let's assume you buy an office building for $1 million that is producing net rental income of $200,000 a year; a solid 20% return produced by good, happy tenants and a favorable location. Then the local economy takes a hit and the property loses a few customers, so the rental income goes down to $150,000. This would certainly hurt, but it's still a pretty decent return on your original investment (15% to be exact) and you are convinced that the decline will be temporary because it's still in a good area and you are doing everything you can to keep the property in tip-top shape. If a competitor walked in shortly after you lost a few tenants and offered you $500,000 to take the property off your hands given your recent problems, you'd probably laugh them out of your office! At that price, your competitor would be earning a 30% return on their investment ($150K on $500K investment) even on temporarily depressed rental income.

"Alternatively, would you panic if you saw a building across the street--which is about the same size--sell for $500K because the owner had too much debt and was forced to sell? Although it may make you a little uncomfortable to see that low of a price, as an *investor*, you would likely focus much more on what you are getting ($150K in rental income that you believe will go up over time) rather than what price other people are willing to pay for your property.

"If the example above were for a stock, there would be newspaper headlines suggesting how the decline in rent is potentially going to last for years, analysts would downgrade the building because it won't hit their estimates for next quarter's earnings targets, and many other investors would talk about how they will 'wait on the sidelines' until there is more clarity about the future of the building!

"Although it's a simplistic example, I believe one of the key advantages to the real-estate investor over the long-term is the fact that there is not an active quote system so the primary investor focus is on the cash generated by the investment and not the investment's daily, monthly, or quarterly quoted price. Thus, there are less temptations to make trades (and there is an enormous business in trading, so you can be sure the financial industry promotes it!). Essentially, the lack of constant quotes forces investors to concentrate on the fundamentals of what they are receiving for what they are paying—focusing on the cash flows generated by their investments, which is the essence of the Investor Mentality."

We believe maintaining an Investor Mentality helps us stay focused on what matters most—fundamentals of individual companies—when the noise from the roaring bear can be almost deafening.

While there is significant uncertainty going into 2019 (although I'm not sure when the future hasn't been uncertain!), we feel good about the Fund's holdings, and we will remain vigilant to seek out new opportunities while striving to avoid potential pitfalls.

Significant Fund Changes
Given the market turmoil, we made several trades this quarter, which we believe increased the attractiveness of the Fund. We purchased five new stocks during the quarter: Core stocks CDK Global (ticker: CDK – 3.63% of the Fund at 12/31/18), and Wesbanco (ticker: WSBC – 2.40% of the Fund at 12/31), and Contrarian stocks Fresh Del Monte Produce (ticker: FDP – 2.03% of the Fund at 12/31), KLX Energy Services (ticker: KLXE – 1.21% of the Fund at 12/31), and Pitney Bowes (ticker: PBI – 1.33% of the Fund at 12/31).

We also sold out of four stocks: Core stocks CH Robinson (ticker: CHRW – 0.00% of the Fund at 12/31), Dun & Bradstreet (ticker: DNB – 0.00% of the Fund at 12/31), and Walmart (ticker: WMT – 0.00% of the Fund at 12/31), and Contrarian stock Teva Pharma. (ticker: TEVA – 0.00% of the Fund at 12/31).

Additions
CDK: CDK Global is the market leader in auto dealer software, a business with high recurring revenue streams and a sticky customer base. The company was spun-out of Automatic Data Processing (ticker: ADP – 0.00% of

the Fund at 12/31/18) in 2014 and has become a more profitable business as a stand-alone, but we believe there is more opportunity to improve.

WSBC: Wesbanco is a solid regional bank, based in West Virginia. We think the company has an attractive combination of capital strength, deposit quality, and strong credit culture. Bank stocks sold off sharply as a group during the quarter, based on interest-rate worries, which we do not expect to be a material concern for the Fund's bank holdings. So we took advantage of the negative sentiment to buy Wesbanco.

FDP: Fresh Del Monte Produce is one of the largest worldwide producers of sweet gold pineapples and bananas, which are relatively stable food commodities. The company has been expanding into more ready-to-eat products and fresh cut products, which we believe will add to its profit margins and growth rates, beyond what's currently expected.

KLXE: KLX Energy Services was recently spun-out of a former Fund holding, KLX Inc. (ticker: KLXI – 0.00% of the Fund at 12/31/18), after the latter's largest division was sold to Boeing (ticker: BA – 0.00% of the Fund at 12/31). KLXE is an oil services business, which specializes in technically-challenging drilling and completion services. Given the nature of its services, which are generally critical troubleshooting tasks, its services tend to be less price sensitive leading to higher margins and returns on capital. Our opportunity arose when the stock fell in tandem with the decline in oil prices, leading to what we believe is a bargain opportunity given its differentiated, higher-margin services.

PBI: Pitney Bowes is in the midst of a multi-year transition from a sticky, but declining mail services business to a growing e-commerce shipping business. The company has done an admirable job maintaining (and recently starting to grow) its free cash flow, while paying down a significant amount of debt. We believe it will be more successful than expected in both of these areas.

Sales
CHRW: CH Robinson—a trucking brokerage business—was a solid investment for the Fund. We sold the stock as it had reached our fair value estimate and we were finding new investment opportunities.

DNB: Dun & Bradstreet received a buyout offer from a private equity group, near our fair value estimate. It was also a solid investment for the Fund.

WMT: We sold Walmart shares as the stock had reached our fair value estimate and we wanted to deploy the capital into new investment opportunities with better values. Walmart was a solid investment for the Fund.

TEVA: We sold Teva's shares as we found another company—Pitney Bowes, discussed above—that had a similar investment thesis (debt paydowns leading to higher shareholder value) with stronger value.

Individual Stock Performance
Contributors: The two greatest contributors during the quarter were Evertec (ticker: EVTC – 2.46% of the Fund at 12/31/18) and AutoZone (ticker: AZO – 3.73% of the Fund at 12/31).

EVTC: Evertec—a Puerto Rican payment processing business—continued to benefit from the hurricane recovery efforts on the island. Growth and earnings were much stronger than expected in 2018, leading to a strong increase in the stock, even during the difficult fourth quarter.

AZO: AutoZone also had a modest increase during the fourth quarter, given better than expected earnings results, coupled with its standing as a high-quality company—an area of the market that held up relatively well.

Detractors: The two largest detractors this quarter were Stericycle (ticker: SRCL – 3.77% of the Fund at 12/31/18) and Build-A-Bear Workshop (ticker: BBW – 1.03% of the Fund at 12/31).

SRCL: Despite having a business model that we believed would outperform in a difficult market environment (medical waste disposal and paper shredding), Stericycle declined sharply during Q4 after posting a mildly disappointing quarterly earnings report and being removed from the S&P 500 index in late November. We noted particular weakness in SRCL shares in December after the company was removed from the S&P, which we view as non-fundamental—the type of scenario that leads to undervalued investment opportunities. Although it's been a disappointing stock so far, we still view Stericycle as a very compelling investment today.

BBW: Build-A-Bear, the experiential retailer where you can build your own stuffed plush toys, posted a disappointing third-quarter earnings report in late November, which surprised us and the market because the company had strong momentum heading into this most recent period. We believe most of the issues leading to the shortfall were cyclical and/or temporary (e.g. they moved a typical seasonal promotion from the 3rd quarter into the 4th quarter, which affects comparisons), but the company's results have been very lumpy in the recent past, which is not a good formula for inspiring confidence among stock market participants. That said, we see strong value in the company's brand and believe they are making the necessary changes to become a more profitable, less capital-intensive business over time.

Final Comments
Thank you for your investment in the Fund. We have high conviction in the Fund's stocks and we are invested alongside you. We appreciate your support, and we will continue to strive to prudently manage your money.

Sincerely yours,

Ryan Batchelor, CFA, CPA
Principal and Portfolio Manager
Clifford Capital Partners, LLC

The fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The prospectus contains this and other important information about the investment company, and it may be obtained by calling (800) 628-4077, or by going to the Clifford Capital Partners Funds website at www.cliffordcapfunds.com and clicking on the "Prospectus" link. Read it carefully before investing.

Risks of the Fund

The Fund invests in common stocks, which subjects the Fund and its shareholders to the risks associated with common stock investing, including the financial risk of selecting individual companies that do not perform as anticipated. Over time, the stock markets tend to move in cycles. The value of the Fund's investments may increase or decrease more than the stock markets in general.

Investing in the securities of small-cap and mid-cap companies generally involves substantially greater risk than investing in larger, more established companies. These companies are typically subject to greater changes in earnings and business prospects than are larger, more established companies, and may be more vulnerable than larger companies to adverse business or economic developments; the risk exists that the companies will not succeed; and the prices of the companies' shares could dramatically decline in value. Companies with large market capitalizations go in and out of favor based on various market and economic conditions. Prices of securities of larger companies tend to be less volatile than companies with smaller market capitalizations. In exchange for this potentially lower risk, the Fund's value may not rise as much as the value of funds that emphasize companies with smaller market capitalizations.

The Fund is a focused fund and is currently expected to hold stocks of between only 25 and 35 companies once fully invested. Focusing investments in a small number of companies may subject the Fund to greater share price volatility and therefore a greater risk of loss because a single security's increase or decrease in value may have a greater impact on the Fund's value and total return.

Because the Fund invests primarily in value stocks (stocks that the Adviser believes are undervalued), the Fund's performance may at times be better or worse than the performance of stock funds that focus on other types of stock strategies (e.g., growth stocks), or that have a broader investment style.

The Clifford Capital Partners Funds are distributed by First Dominion Capital Corp., Member FINRA/SIPC

Fees and Expenses of the Fund

The following table describes the expenses and fees that you may pay if you buy and hold shares of the Fund.

Shareholder Fees (fees paid directly from your investment)	**Investor Class**	**Institutional Class**
Redemption Fee (as a percentage of the amount redeemed on shares after holding them for 60 days or less)	2.00%	None
Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)		
Management Fees	0.90%	0.90%
Distribution and Service 12b-1 Fees	0.20%	0.00%
Other Expenses[1]	0.00%	0.00%
Total Annual Fund Operating Expenses	1.10%	0.90%

1. Based on estimated amounts for the current fiscal year.