

	Inception Date	3 Month	YTD	1 Year	3 Year	5 Year	Since Inception	2011	2012	2013	2014	2015	2016	2017
Morgan Dempsey Small/Micro Cap Value Fund	12/31/10	3.74%	11.73%	11.73%	9.14%	10.41%	8.59%	-1.46%	10.15%	34.45%	-6.14%	-7.41%	25.65%	11.73%
Russell 2000 Value Index		2.05%	7.84%	7.84%	9.55%	13.01%	10.84%	-5.50%	18.05%	34.52%	4.22%	-7.47%	31.74%	7.84%

**Performance data quoted represents past performance and does not guarantee future results.** Investment returns and principal value will fluctuate, and when sold, may be worth more or less than their original cost. Performance current to the most recent month-end may be lower or higher than the performance quoted and can be obtained by calling 877-642-7227. The Fund imposes a 2% redemption fee on shares held less than 90 days. Performance data does not reflect the redemption fee. If it had, returns would be reduced.

Gross Expense Ratio: 2.03% Net Expense Ratio: 1.30%. The Advisor has contractually agreed to waive fees through December 29, 2018.

Investment performance reflects fee waivers in effect. In the absence of such waivers, total return would be reduced.

The Russell 2000 Value Index measures the performance of small-cap value segment of the U.S. equity universe. It includes those Russell 2000 Index companies with lower price-to-book ratios and lower forecasted growth values. You cannot invest directly in an index.

## Our Strategy

The Small/Micro-Cap Value strategy seeks long-term capital appreciation. We offer an innovative approach in regard to both security selection and portfolio construction that we believe sets us apart.

### Fortress Balance Sheets

- We look for companies with ample free cash flow, little leverage and minimal goodwill that adhere to conservative Generally Accepted Accounting Principles (GAAP) accounting. The vast majority of companies in the Small and Micro-Cap space do not meet our strict criteria
- We believe a strong balance sheet may allow companies to thrive in good times, survive in bad times

### Founder/Owner Operator run

- The majority of companies the portfolio seeks to invest are Founder/Owner/Operator run
- We believe to be treated like an owner, we have to invest with owners
- Long term operating histories provide a historical frame of reference

### Avoiding Trouble - Strong Risk Controls

- We seek to invest in easy to understand companies. We seek to avoid turnarounds, serial roll-ups, litigation, high levels of debt and other problems.
- We believe that great companies aren't built through creative accounting.

### Information Advantage - Intense Forensic Accounting & Long Term Familiarity

- We utilize an intense, fundamental, bottom-up research process
- We have followed our core holdings for many years.
- Globalized markets have created a vacuum of coverage for smaller stocks which can be exploited

### Concentrated in Highest Conviction Ideas

- Top 10 holdings typically average ~ 40% of portfolio weight
- Our highest conviction ideas aren't diluted
- We believe over diversification leads to less knowledge of individual holdings and may potentially increase investment risk.

### Benchmark Agnostic

- We seek to pursue our best ideas in the most promising areas of the market
- We are active managers, not benchmark huggers

### We Buy Micro-Caps in Addition to Small-Caps

- We believe we are able to gain a significant information advantage due to the lack of analyst coverage in much of our portfolio as well as the depth and detail of our analysis we place into our proprietary research process.

## Equity Characteristics

Average Market Cap	\$1.49 bil
Median Market Cap	\$737 mil
P/B ratio	2.1
P/E ratio	24.7
P/S ratio	1.20
Price to Cash Flow ratio	14.20

The above information represents averages for the fund's holdings. They will vary over time.

## Fund Statistics

Total Net Assets	\$23.5 million
Total Number of Holdings	75
Net Expense Ratio	1.30%

## Top Ten Holdings

(% of net assets)

Granite Construction, Inc.	5.6%
The Gorman-Rupp Co.	4.9%
Sturm Ruger & Co., Inc.	4.7%
Marcus Corp.	4.7%
J&J Snack Foods Corp.	4.4%
MSA Safety, Inc.	3.9%
Weis Markets, Inc.	3.7%
Twin Disc, Inc.	2.0%
LB Foster Co. - Class A	1.8%
KMG Chemicals, Inc.	1.8%

## Sector Allocation

(% of investments)

Industrials	35.5%
Consumer Cyclical	16.8%
Materials	11.6%
Consumer Staples	11.3%
Financial Services	8.6%
Energy	5.8%
Health Care	5.3%
Information Technology	5.1%

Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any security.

## Portfolio Construction

- ◆ 80-120 Potential Portfolio Candidates

### Mix of Small and Micro-Cap Names

- ◆ 2/3 short term ideas (awaiting an emerging catalyst)
- ◆ 1/3 longer term ideas (catalyst >2 years)

### Concentrated in Best Ideas

- ◆ Top 10 Holdings ~ 40%
- ◆ Top 20 Holdings ~ 60%
- ◆ Sector limits of 35%
- ◆ Industry Limits of 20%

### Agnostic to Benchmark Weightings

- ◆ New Position Size = 1% - 2% of portfolio
- ◆ Seeks Low Turnover 45-75 positions in final portfolio

## Our Philosophy

- ◆ We believe that disciplined, fundamental, bottom-up research is the key to gaining an information advantage. We examine a full company history and apply rigorous forensic accounting in an attempt to understand our companies better.
- ◆ We focus on the area of the market where we can gain a significant edge through fundamental research. Our ability to pursue micro-cap companies in addition to small-caps provides us with opportunities that may be off limits to larger institutional strategies.
- ◆ We pursue companies with strong competitive characteristics and equally strong balance sheets that are selling at a discount to our conservative intrinsic value estimates. A fortress balance sheet is at the cornerstone of our investment decisions.
- ◆ We believe in having conviction in our analysis and patience in our convictions. We want to be long-term partners with the great companies and exceptional management teams we have assembled in our portfolio.

## Important Disclosure

**Mutual fund investing involves risk. Principal loss is possible. The Fund invests in small- and micro-capitalization companies, which involve additional risks such as limited liquidity and greater volatility than larger capitalization companies. Unlike mutual funds, ETFs do not necessarily trade at the net asset values of their underlying securities, which means an ETF could potentially trade above or below the value of its underlying portfolio. The Fund's use of derivatives could cause losses due to the unexpected effect of market movements on a derivative's price, or because the derivatives do not perform as anticipated.**

*The fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The summary and statutory prospectuses contain this and other important information about the investment company, and may be obtained by calling 800-969-6326, or visiting [morgandempseyfunds.com](http://morgandempseyfunds.com). Read it carefully before investing.*

The Morgan Dempsey Small/Micro-Cap Value Fund is distributed by Quasar Distributors, LLC.

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

Free cash flow measures the cash generating capability of a company by adding non-cash charges. (e.g. depreciation) and interest expense to pretax income. Median Market Cap: The midpoint of market capitalization (market price multiplied by the number of shares outstanding) of the stocks in a portfolio. Half the stocks in the portfolio will have higher market capitalizations; half will have lower. Price to Book Ratio (P/B): The ratio calculated by dividing the current price of the stock by the company's book value per share (assets minus liabilities). Price to Earnings Ratio (P/E) is a common tool for comparing the prices of different common stocks and is calculated by dividing the current market price of a stock by the earnings per share. Price to Sales Ratio (P/S): A ratio for valuing a stock relative to its own past performance, other companies or the market itself. Price to sales is calculated by dividing a stock's current price by its revenue per share for the trailing 12 months. Price-To-Cash-Flow Ratio (P/C) A measure of the market's expectations of a firm's future financial health. Because this measure deals with cash flow, the effects of depreciation and other non-cash factors are removed. Similar to the price-earnings ratio, this measure provides an indication of relative value. Compound Annual Growth Rate (CAGR): The year-over-year growth rate of an investment over a specified period of time. The compound annual growth rate is calculated by taking the nth root of the total percentage growth rate, where n is the number of years in the period being considered.

## Strategy Highlights

Fundamental - Bottom up research  
Concentrated in best ideas  
Emphasis on "Fortress Balance Sheets"  
(Limited Debt and Strong Free Cash Flow)  
Founder/Owner/Operator run companies  
Low Turnover

## Fund Facts

Ticker: MITYX  
CUSIP: 89833W477  
Minimum Investment: \$2,500  
Subsequent Minimum Investment: \$50

## Portfolio Manager

**Brian G. Rafn -Principal/Portfolio Manager**  
25 years of experience in securities analysis, trading and portfolio management focusing primarily on small/micro-cap stocks. Brian holds degrees in Finance, Accounting and Economics and previously served as a family office Director of Research.

## Fund Advisor

The Advisor is a registered investment advisor and is a successor company of National Investment Services of America, Inc., an investment management firm founded in 1975. As of December 31, 2017, the Advisor had \$346 million in assets under management.

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