



CASTLE FOCUS FUND

MOATX *Investor Shares*

CASTX *Class C*

For Investors Seeking Long-Term Capital Appreciation

Annual Report

June 30, 2019

IMPORTANT NOTE: Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Fund's shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports from the Fund or from your financial intermediary, such as a broker-dealer or bank. Instead, the reports will be made available on a website, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Fund or your financial intermediary electronically by calling or sending an email request.

You may elect to receive all future reports in paper free of charge. You can inform the Fund or your financial intermediary that you wish to continue receiving paper copies of your shareholder reports by calling or sending an email request. Your election to receive reports in paper will apply to all funds held with the fund complex/your financial intermediary.

Dear Fellow Shareholders:

We are pleased to present the Annual Report for the Castle Focus Fund (the "Fund"). This report provides you with important financial information on the Fund as well as portfolio manager commentary for the fiscal year ended June 30, 2019. We are very appreciative of your continued investments in the Fund.

The Fund completed its ninth year of operations at the end of this fiscal year. Shareholder investments in the Fund totaled more than \$115.6 Million. The letter on the following page is from the Fund's Sub-Adviser — St. James Investment Company — and provides you with an explanation of how the Fund performed over this past fiscal year.

We appreciate your trust and confidence in our management of the Fund.

Kind Regards,



Caeli Andrews
Co-Founder, Managing Director
Castle Investment Management



Andrew Welle
Co-Founder, Managing Director
Castle Investment Management

Dear Castle Focus Fund Shareholder:

Thank you for your continued investments in the Castle Focus Fund (the "Fund"). It is our pleasure to report to you on the Fund's performance over the last fiscal year. For the fiscal year ended June 30, 2019, the Investor Class Shares returned 5.19% (Class C Shares returned 4.13%). Over that same one-year period, the S&P 500® Index (the Fund's "Benchmark") returned 10.42%. Our firm, St. James Investment Company, has served as Subadvisor to the Castle Focus Fund since the Fund's inception in 2010. Over that nine-year period the Investor Class Shares have experienced an average annual return of 7.73%.

The following were primary contributing factors to the Fund's one-year performance relative to its Benchmark:

A few of the Fund's holdings that added to performance during the fiscal year included The Walt Disney Company (DIS), Nestle (NSRGY) and Brookfield Asset Management (BAM), all of which enjoyed a rising market over the last fiscal year. We initiated a position in The Walt Disney Company in June 2018 when the headwinds to Disney's ESPN asset overshadowed a terrific franchise trading well below our conservative estimate of fair value. As value investors, we believe that investing in well-managed companies when prices and expectations are low creates greater potential for capital appreciation. The price of The Walt Disney Company stock rebounded and moved up more than 33% during the Fund's fiscal year. Nestle has been a long-term holding of the Fund, although we have trimmed the position as the price has moved toward fair value over the course of the fiscal year. The company's stock price moved up more than 33% over the fiscal year and positively impacted the Fund's performance. Other Fund holdings that added to performance during the fiscal year include W.R. Berkley (WRB), Berkshire Hathaway (BRK.b) and Dominion Energy (D).

The Fund's positions in Schlumberger (SLB), Liberty Global (LBTYK) and Anheuser-Busch (BUD) all detracted from performance. As mentioned earlier, as our view on a company diverges from the consensus, we often find investment opportunities. We have added selectively to these and other names in the portfolio when attractive entry prices were evident.

The Fund held a significant cash position throughout the fiscal year, which is an important part of our process. Given our absolute-return mindset, we contend that entry price is a significant determinant of return. As a result, we often wait for compelling prices to thoughtfully deploy capital. This is especially true over the last year, when prices of high-quality companies were significantly elevated above our conservative estimate of fair value.

Finally, we are bottom up managers, agnostic to relative performance to any particular index with the overall objective of long-term capital appreciation. As a result, our industry weightings have typically been significantly different than that of any benchmark. We pay no attention to these deviations and do not plan to in the future, consistent with our process.

Kind Regards,



Robert J. Mark
Portfolio Manager
St. James Investment Company



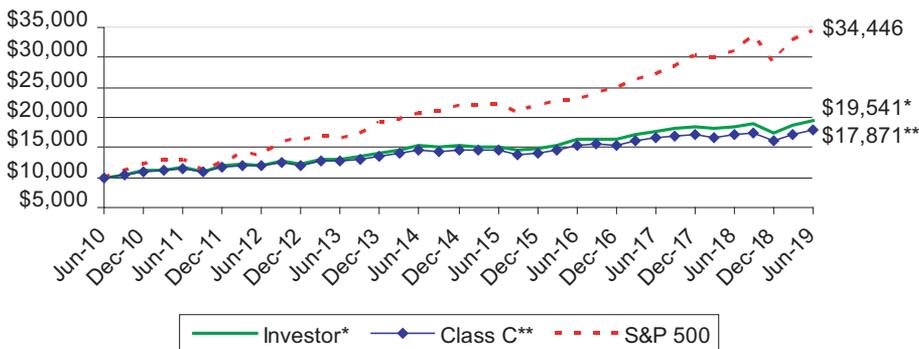
Larry J. Redell
St. James Investment Company

Past performance does not guarantee future results. The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance data quoted. Performance data current to the most recent month end are available by calling 1-877-743-7820.

The Castle Focus Fund's prospectus contains important information about the Fund's investment objectives, potential risks, management fees, charges and expenses, and other information and should be read and considered carefully before investing. You may obtain a current copy of the Fund's prospectus by calling 1-877-743-7820. Distributed by Rafferty Capital Markets, LLC-Garden City, NY 11530.

CASTLE FOCUS FUND (Unaudited)

The Value of a \$10,000 Investment in the Castle Focus Fund From July 1, 2010 to June 30, 2019 as Compared to the Standard & Poor's 500 Index



CASTLE FOCUS FUND PERFORMANCE INFORMATION

AVERAGE ANNUAL RETURNS AS OF JUNE 30, 2019

	<u>1 Year</u> ^(A)	<u>5 Year</u> ^(A)	<u>Since Inception</u> ^(A)
Investor Shares	5.19%	5.08%	7.73%
Class C	4.13%	4.04%	6.66%
S&P 500® Index ^(B)	10.42%	10.71%	14.73%

The Fund's Total Annual Operating Expense Ratios (from November 1, 2018 Prospectus):

Investor Shares – Gross 1.64%, Net 1.40%;

Class C – Gross 2.64%, Net 2.40%

The Fund's actual expense ratios for the fiscal year ended June 30, 2019 can be found in the financial highlights included in this report. The Total Annual Operating Expense Ratios reported above will not correlate to the expense ratio in the Fund's financial highlights because (a) the financial highlights include only the direct operating expenses incurred by the Fund, not the indirect costs of investing in the Fund, (b) the expense ratios may be for different periods, and (c) the Adviser has contractually agreed to waive Services Agreement fees (see Note 4).

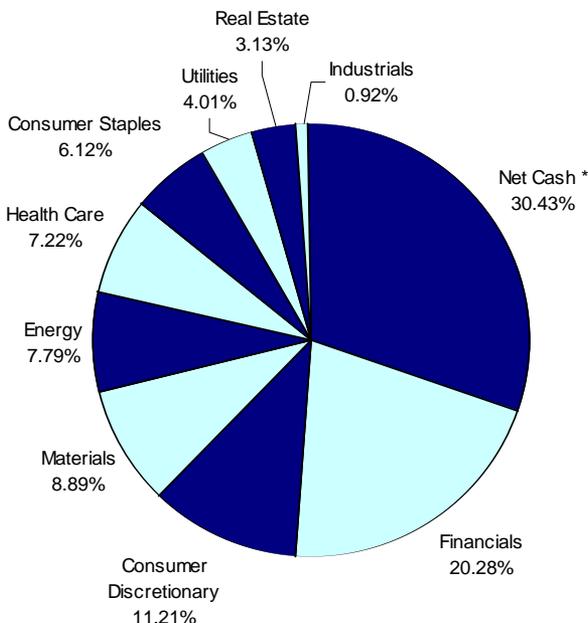
^(A) 1 Year, 5 Year and Since Inception returns include change in share prices and in each case includes reinvestment of any dividends and capital gain distributions. The Castle Focus Fund commenced operations on July 1, 2010.

^(B) The S&P 500® Index is an unmanaged index comprised of the stocks of large capitalization issues in the United States and it is considered representative of the U.S. equity markets as a whole.

PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. INVESTMENT RETURN AND PRINCIPAL VALUE WILL FLUCTUATE SO THAT SHARES, WHEN REDEEMED, MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST. RETURNS DO NOT REFLECT THE DEDUCTION OF TAXES THAT A SHAREHOLDER WOULD PAY ON FUND DISTRIBUTIONS OR THE REDEMPTION OF FUND SHARES. CURRENT PERFORMANCE MAY BE LOWER OR HIGHER THAN THE PERFORMANCE DATA QUOTED. TO OBTAIN PERFORMANCE DATA CURRENT TO THE MOST RECENT MONTH END, PLEASE CALL 1-877-743-7820. AN INVESTMENT IN THE FUND IS SUBJECT TO INVESTMENT RISKS, INCLUDING THE POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED. THE FUND'S DISTRIBUTOR IS RAFFERTY CAPITAL MARKETS, LLC.

CASTLE FOCUS FUND (Unaudited)

Castle Focus Fund by Sectors (as a percentage of Net Assets) June 30, 2019



*Net Cash represents cash equivalents and other assets in excess of liabilities.

Availability of Quarterly Schedule of Investments

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-Q. The Fund's Form N-Q is available on the SEC's website at <http://www.sec.gov>. The Fund's Form N-Q may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

Proxy Voting Guidelines

St. James Investment Company, LLC (the "Sub-Adviser") is responsible for exercising the voting rights associated with the securities held by the Fund. A description of the policies and procedures used by the Sub-Adviser in fulfilling this responsibility is available without charge by calling 1-877-743-7820. It is also included in the Fund's Statement of Additional Information, which is available on the SEC's website at <http://www.sec.gov>.

Information regarding how the Fund voted proxies, Form N-PX, relating to portfolio securities during the most recent 12-month period ended June 30, is available without charge, upon request, by calling 1-877-743-7820. This information is also available on the SEC's website at <http://www.sec.gov>.

Disclosure of Expenses (Unaudited)

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments; and (2) ongoing costs, including management fees; distribution and/or service (12b-1) fees; and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. You will be assessed fees for outgoing wire transfers, returned checks and stop payment orders at prevailing rates charged by Mutual Shareholder Services, LLC, the Fund's transfer agent, and IRA accounts will be charged an \$8.00 annual maintenance fee.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the period January 1, 2019 through June 30, 2019.

Actual Expenses

The first line of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in this Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as, the charges assessed by Mutual Shareholder Services, LLC as described above or the expenses of underlying funds. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

Investor Shares

	Beginning Account Value <u>January 1, 2019</u>	Ending Account Value <u>June 30, 2019</u>	Expenses Paid During the Period* January 1, 2019 <u>to June 30, 2019</u>
Actual	\$1,000.00	\$1,113.97	\$7.02
Hypothetical (5% annual return before expenses)	\$1,000.00	\$1,018.15	\$6.71

* Expenses are equal to the Fund's annualized expense ratio of 1.34% for Investor Shares, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

Class C

	Beginning Account Value <u>January 1, 2019</u>	Ending Account Value <u>June 30, 2019</u>	Expenses Paid During the Period* January 1, 2019 <u>to June 30, 2019</u>
Actual	\$1,000.00	\$1,108.60	\$12.23
Hypothetical (5% annual return before expenses)	\$1,000.00	\$1,013.19	\$11.68

* Expenses are equal to the Fund's annualized expense ratio of 2.34% for Class C, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

Castle Focus Fund

Schedule of Investments June 30, 2019

Shares	Fair Value	% of Net Assets
COMMON STOCKS		
Agricultural Production-Crops		
22,333 Corteva, Inc.	\$ 660,387	0.57%
Arrangement of Transportation of Freight & Cargo		
14,000 Expeditors International of Washington, Inc.	1,062,040	0.92%
Cable & Other Pay Television Services		
170,000 Liberty Global plc - Class C (United Kingdom) *	4,510,100	
23,000 The Walt Disney Company	3,211,720	
	7,721,820	6.68%
Electric Services		
60,000 Dominion Energy, Inc.	4,639,200	4.01%
Fire, Marine & Casualty Insurance		
23,000 Berkshire Hathaway Inc. - Class B *	4,902,910	
95,000 Loews Corporation	5,193,650	
40,000 W.R. Berkley Corporation	2,637,200	
	12,733,760	11.02%
Food and Kindred Products		
22,000 Nestle S.A. **	2,274,800	1.97%
Gold and Silver Ores		
55,000 Agnico Eagle Mines Limited (Canada)	2,818,200	2.44%
Investment Advice		
75,000 Franklin Resources, Inc.	2,610,000	2.26%
Malt Beverages		
43,000 Anheuser-Busch InBev SA/NV **	3,805,930	3.29%
Mineral Royalty Traders		
50,000 Royal Gold, Inc.	5,124,500	4.43%
Oil & Gas Field Services, NEC		
79,000 Schlumberger Limited	3,139,460	2.72%
Operators of Nonresidential Buildings		
115,000 Brookfield Asset Management Inc. - Class A (Canada)	5,494,700	4.75%
Pharmaceutical Preparations		
125,000 Sanofi **	5,408,750	4.68%
Pipe Lines (No Natural Gas)		
162,500 Enbridge Inc. (Canada)	5,863,000	5.07%
Plastic Materials, Synth Resins & Nonvulcan Elastomers		
22,333 DuPont de Nemours, Inc.	1,676,538	1.45%
Real Estate Investment Trusts		
35,000 Equity Commonwealth	1,138,200	
20,000 The Howard Hughes Corporation *	2,476,800	
	3,615,000	3.13%
Retail - Drug Stores and Proprietary Stores		
60,000 CVS Health Corporation	3,269,400	2.83%
Retail - Family Clothing Stores		
56,000 The TJX Companies, Inc.	2,961,280	2.56%
Services - Computer Integrated Systems Design		
40,000 Cerner Corporation *	2,932,000	2.54%
State Commercial Banks		
59,000 The Bank of New York Mellon Corporation	2,604,850	2.25%
Total for Common Stocks (Cost - \$63,187,671)	80,415,615	69.57%

* Non-Income Producing Security.

** ADR - American Depositary Receipt.

The accompanying notes are an integral part of these financial statements.

Castle Focus Fund

Schedule of Investments June 30, 2019

Shares	Fair Value	% of Net Assets
MONEY MARKET FUNDS		
35,141,205 Invesco Short-Term Investments Trust Treasury Portfolio Institutional Class 2.22% ***	\$ 35,141,205	30.41%
(Cost - \$35,141,205)		
Total Investments	115,556,820	99.98%
(Cost - \$98,328,876)		
Other Assets in Excess of Liabilities	17,992	0.02%
Net Assets	<u>\$ 115,574,812</u>	<u>100.00%</u>

*** The yield shown represents the 7-day yield at June 30, 2019. See Note 10 for additional information.

The accompanying notes are an integral part of these financial statements.

Castle Focus Fund

Statement of Assets and Liabilities

June 30, 2019

Assets:	
Investments at Fair Value	\$ 115,556,820
(Cost - \$98,328,876)	
Cash	15,640
Receivables:	
Dividends	150,862
Shareholder Purchases	54,214
Total Assets	<u>115,777,536</u>
Liabilities:	
Payable for Shareholder Redemptions	35,667
Accrued Advisory Fees	93,558
Accrued Service Fees	31,809
Accrued Distribution and Service (12b-1) Fees - Class C	41,690
Total Liabilities	<u>202,724</u>
Net Assets	<u>\$ 115,574,812</u>
Net Assets Consist of:	
Paid In Capital	\$ 96,838,091
Total Distributable Earnings	18,736,721
Net Assets	<u>\$ 115,574,812</u>
Investor Shares	
Net Assets	\$ 98,791,933
Shares of beneficial interest outstanding	
(Unlimited number of shares authorized without par value)	4,657,896
Net Asset Value, Offering Price per Share and Redemption Price per Share	<u>\$ 21.21</u>
Class C	
Net Assets	\$ 16,782,879
Shares of beneficial interest outstanding	
(Unlimited number of shares authorized without par value)	856,399
Net Asset Value, Offering Price per Share and Redemption Price per Share	<u>\$ 19.60</u>
Statement of Operations	
For the fiscal year ended June 30, 2019	
Investment Income:	
Dividends (Net of foreign withholding tax of \$148,720)	\$ 2,581,468
Total Investment Income	<u>2,581,468</u>
Expenses:	
Advisory Fees	1,214,009
Service Fees	704,126
Distribution and Service (12b-1) Fees - Class C	167,613
Total Expenses	<u>2,085,748</u>
Less: Expenses Waived	<u>(291,362)</u>
Net Expenses	<u>1,794,386</u>
Net Investment Income	787,082
Net Realized and Unrealized Gain on Investments:	
Net Realized Gain on Investments	1,098,105
Net Change in Unrealized Appreciation on Investments	3,347,079
Net Realized and Unrealized Gain on Investments	<u>4,445,184</u>
Net Increase in Net Assets from Operations	<u>\$ 5,232,266</u>

Castle Focus Fund

Statements of Changes in Net Assets

	7/1/2018 to 6/30/2019	7/1/2017 to 6/30/2018
From Operations:		
Net Investment Income	\$ 787,082	\$ 501,803
Net Realized Gain (Loss) on Investments	1,098,105	18,393,097
Net Change in Unrealized Appreciation on Investments	<u>3,347,079</u>	<u>(11,634,161)</u>
Net Increase (Decrease) in Net Assets from Operations	5,232,266	7,260,739
From Distributions to Shareholders:		
Investor Shares	(9,619,922)	(8,066,991) ^(a)
Class C	<u>(1,569,178)</u>	<u>(853,154)</u> ^(b)
Change in Net Assets from Distributions	(11,189,100)	(8,920,145)
From Capital Share Transactions:		
Proceeds From Sale of Shares		
Investor Shares	16,677,513	44,087,008
Class C	1,242,982	434,170
Shares Issued on Reinvestment of Dividends		
Investor Shares	9,260,263	7,271,781
Class C	1,502,493	826,492
Cost of Shares Redeemed		
Investor Shares	(38,767,661)	(96,386,490)
Class C	<u>(1,911,235)</u>	<u>(4,048,519)</u>
Net Decrease from Shareholder Activity	<u>(11,995,645)</u>	<u>(47,815,558)</u>
Net Decrease in Net Assets	(17,952,479)	(49,474,964)
Net Assets at Beginning of Period	<u>133,527,291</u>	<u>183,002,255</u>
Net Assets at End of Period	<u>\$ 115,574,812</u>	<u>\$ 133,527,291</u> ^(c)
Share Transactions:		
Issued		
Investor Shares	799,660	1,963,946
Class C	62,012	20,560
Reinvested		
Investor Shares	472,945	329,487
Class C	82,600	39,831
Redeemed		
Investor Shares	(1,860,089)	(4,360,430)
Class C	<u>(98,366)</u>	<u>(191,718)</u>
Net Decrease in Shares	<u>(541,238)</u>	<u>(2,198,324)</u>
Shares Outstanding at Beginning of Period	<u>6,055,533</u>	<u>8,253,857</u>
Shares Outstanding at End of Period	<u>5,514,295</u>	<u>6,055,533</u>

(a) For the prior year ended June 30, 2018, Investor Shares distributions consisted of Net Investment Income of \$103,240 and Capital Gains of \$7,963,751.

(b) For the prior year ended June 30, 2018, Class C distributions consisted of Capital Gains of \$853,154.

(c) As of June 30, 2018, Accumulated Undistributed Net Investment Income was \$501,803.

The accompanying notes are an integral part of these financial statements.

Castle Focus Fund

Financial Highlights - Investor Shares

Selected data for a share outstanding throughout the period:

	7/1/2018 to 6/30/2019	7/1/2017 to 6/30/2018	7/1/2016 to 6/30/2017	7/1/2015 to 6/30/2016	7/1/2014 to 6/30/2015
Net Asset Value -					
Beginning of Period	\$ 22.24	\$ 22.31	\$ 21.04	\$ 19.78	\$ 21.47
Net Investment Income ^(a)	0.17	0.08	0.04	0.04	0.07
Net Gains or Losses on Investments (realized and unrealized)	0.82	0.89	1.79	1.45	(0.17)
Total from Investment Operations	0.99	0.97	1.83	1.49	(0.10)
Proceeds from Redemption Fees	-	-	-	-	+
Distributions (From Net Investment Income)	(0.11)	(0.01)	(0.03)	(0.05)	(0.01)
Distributions (From Capital Gains)	(1.91)	(1.03)	(0.53)	(0.18)	(1.58)
Total Distributions	(2.02)	(1.04)	(0.56)	(0.23)	(1.59)
Net Asset Value -					
End of Period	\$ 21.21	\$ 22.24	\$ 22.31	\$ 21.04	\$ 19.78
Total Return ^(b)	5.19%	4.40%	8.92%	7.65%	(0.53)%
Ratios/Supplemental Data					
Net Assets - End of Period (Thousands)	\$ 98,792	\$ 116,678	\$ 163,123	\$ 150,304	\$ 141,283
Before Waiver					
Ratio of Expenses to Average Net Assets	1.58%	1.58%	1.58%	1.58%	1.58%
Ratio of Net Investment Income (Loss) to Average Net Assets	0.54%	0.14%	-0.06%	-0.02%	0.08%
After Waiver					
Ratio of Expenses to Average Net Assets	1.34%	1.34%	1.34%	1.34%	1.34%
Ratio of Net Investment Income to Average Net Assets	0.78%	0.38%	0.18%	0.22%	0.32%
Portfolio Turnover Rate	74.00%	38.71%	47.50%	37.88%	34.57%

Financial Highlights - Class C

Selected data for a share outstanding throughout the period:

	7/1/2018 to 6/30/2019	7/1/2017 to 6/30/2018	7/1/2016 to 6/30/2017	7/1/2015 to 6/30/2016	7/1/2014 to 6/30/2015
Net Asset Value -					
Beginning of Period	\$ 20.80	\$ 21.11	\$ 20.12	\$ 19.06	\$ 20.94
Net Investment Loss ^(a)	(0.04)	(0.12)	(0.17)	(0.13)	(0.13)
Net Gains or Losses on Investments (realized and unrealized)	0.75	0.84	1.69	1.37	(0.17)
Total from Investment Operations	0.71	0.72	1.52	1.24	(0.30)
Proceeds from Redemption Fees	-	-	-	-	+
Distributions (From Net Investment Income)	-	-	-	-	-
Distributions (From Capital Gains)	(1.91)	(1.03)	(0.53)	(0.18)	(1.58)
Total Distributions	(1.91)	(1.03)	(0.53)	(0.18)	(1.58)
Net Asset Value -					
End of Period	\$ 19.60	\$ 20.80	\$ 21.11	\$ 20.12	\$ 19.06
Total Return ^(b)	4.13%	3.43%	7.78%	6.61%	(1.52)%
Ratios/Supplemental Data					
Net Assets - End of Period (Thousands)	\$ 16,783	\$ 16,850	\$ 19,879	\$ 21,332	\$ 13,983
Before Waiver					
Ratio of Expenses to Average Net Assets	2.58%	2.58%	2.58%	2.58%	2.58%
Ratio of Net Investment Loss to Average Net Assets	-0.44%	-0.80%	-1.06%	-0.95%	-0.89%
After Waiver					
Ratio of Expenses to Average Net Assets	2.34%	2.34%	2.34%	2.34%	2.34%
Ratio of Net Investment Loss to Average Net Assets	-0.20%	-0.56%	-0.82%	-0.71%	-0.65%
Portfolio Turnover Rate	74.00%	38.71%	47.50%	37.88%	34.57%

+ Amount was less than \$0.005 per share.

(a) Based on Average Shares Outstanding.

(b) Total return represents the rate that the investor would have earned or lost on an investment in the Fund assuming reinvestment of dividends.

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
CASTLE FOCUS FUND
June 30, 2019

1.) ORGANIZATION

Castle Focus Fund (the "Fund") was organized as a non-diversified series of the PFS Funds (the "Trust") on June 28, 2010. The Trust was established under the laws of Massachusetts by an Agreement and Declaration of Trust dated January 13, 2000, which was amended and restated January 20, 2011. The Trust is registered as an open-end investment company under the Investment Company Act of 1940, as amended (the "1940 Act"). The Trust may offer an unlimited number of shares of beneficial interest in a number of separate series, each series representing a distinct fund with its own investment objectives and policies. As of June 30, 2019, there were eight series authorized by the Trust. The Fund commenced operations on July 1, 2010. The Fund currently offers Investor Shares and Class C Shares. The classes differ principally in their respective distribution expenses and service arrangements. All classes of shares have identical rights to earnings, assets and voting privileges, except for class specific expenses and exclusive rights to vote on matters affecting only individual classes. Investor Shares of the Fund are sold at the net asset value (the "NAV") without an initial sales charge and are not subject to 12b-1 distribution fees. Class C Shares of the Fund are sold at NAV without a sales charge and are subject to 12b-1 distribution/service fees of up to 1.00% per annum. The Fund's investment objective is to seek long-term capital appreciation. The Investment Adviser to the Fund is Castle Investment Management, LLC (the "Adviser") and the Sub-Adviser to the Fund is St. James Investment Company, LLC (the "Sub-Adviser"). Significant accounting policies of the Fund are presented below.

2.) SIGNIFICANT ACCOUNTING POLICIES

The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 946 *Financial Services - Investment Companies*. The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The Fund follows the significant accounting policies described in this section.

SECURITY VALUATION:

All investments in securities are recorded at their estimated fair value, as described in Note 3.

SHARE VALUATION:

The NAV is generally calculated as of the close of trading on the New York Stock Exchange (the "Exchange") (normally 4:00 p.m. Eastern time) every day the Exchange is open. The NAV is calculated by taking the total value of the Fund's assets, subtracting its liabilities, and then dividing by the total number of shares outstanding, rounded to the nearest cent. The offering price and redemption price per share is equal to the net asset value per share.

FEDERAL INCOME TAXES:

The Fund's policy is to continue to comply with the requirements of the Internal Revenue Code that are applicable to regulated investment companies and to distribute all of its taxable income to shareholders. Therefore, no federal income tax provision is required. It is the Fund's policy to distribute annually, prior to the end of the calendar year, dividends sufficient to satisfy excise tax requirements of the Internal Revenue Code. This Internal Revenue Code requirement may cause an excess of distributions over the book year-end accumulated income. In addition, it is the Fund's policy to distribute annually, after the end of the fiscal year, any remaining net investment income and net realized capital gains.

The Fund recognizes the tax benefits of certain tax positions only where the position is "more likely than not" to be sustained assuming examination by tax authorities. Management has analyzed the Fund's tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for open tax years. The Fund identifies its major tax jurisdictions as U.S. Federal tax authorities; however, the Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next twelve months. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations. During the fiscal year ended June 30, 2019, the Fund did not incur any interest or penalties.

DISTRIBUTIONS TO SHAREHOLDERS:

Distributions to shareholders, which are determined in accordance with income tax regulations, are recorded on the ex-dividend date.

Notes to the Financial Statements - continued

The treatment for financial reporting purposes of distributions made to shareholders during the period from net investment income or net realized capital gains may differ from their ultimate treatment for federal income tax purposes. These differences are caused primarily by differences in the timing of the recognition of certain components of income, expense, or realized capital gain for federal income tax purposes. Where such differences are permanent in nature, they are reclassified in the components of the net assets based on their ultimate characterization for federal income tax purposes. Any such reclassifications will have no effect on net assets, results of operations, or net asset value per share of the Fund. For the fiscal year ended June 30, 2019, \$2,238,487 was reclassified from total distributable earnings to paid in capital as a result of the use of equalization for tax purposes.

USE OF ESTIMATES:

The financial statements are prepared in accordance with GAAP, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

OTHER:

The Fund records security transactions based on a trade date. Dividend income is recognized on the ex-dividend date, and interest income, if any, is recognized on an accrual basis. The Fund uses the specific identification method in computing gain or loss on the sale of investment securities. Withholding taxes on foreign dividends have been provided for in accordance with the Fund's understanding of the applicable country's tax rules and rates.

ALLOCATION OF EXPENSES:

Expenses incurred by the Trust that don't relate to a specific fund of the Trust are allocated pro-rata to the funds based on the total number of funds in the Trust at the time the expense was incurred or by another appropriate method. Class specific expenses are borne by each specific class. Income, non-class specific expenses, and realized and unrealized gains/losses are allocated to the respective classes based on the basis of relative net assets.

3.) SECURITIES VALUATIONS

The Fund utilizes various methods to measure the fair value of most of its investments on a recurring basis. GAAP establishes a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.

Level 2 - Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 - Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

FAIR VALUE MEASUREMENTS

A description of the valuation techniques applied to the Fund's major categories of assets and liabilities measured at fair value on a recurring basis follows.

Notes to the Financial Statements - continued

Equity securities (common stocks, including ADRs). Equity securities generally are valued by using market quotations, but may be valued on the basis of prices furnished by a pricing service when the Adviser believes such prices accurately reflect the fair value of such securities. Securities that are traded on any stock exchange or on the NASDAQ over-the-counter market are generally valued by the pricing service at the last quoted sale price. Lacking a last sale price, an equity security is generally valued by the pricing service at its last bid price. Generally, if the security is traded in an active market and is valued at the last sale price, the security is categorized as a level 1 security, and if an equity security is valued by the pricing service at its last bid, it is generally categorized as a level 2 security. When market quotations are not readily available, when the Adviser determines that the market quotation or the price provided by the pricing service does not accurately reflect the current fair value, or when restricted securities are being valued, such securities are valued as determined in good faith by the Adviser, subject to review of the Board of Trustees (the "Trustees" or the "Board") and are categorized in level 2 or level 3, when appropriate.

Money market funds. Money market funds are valued at the net asset value provided by the fund and are classified in level 1 of the fair value hierarchy.

In accordance with the Trust's good faith pricing guidelines, the Adviser is required to consider all appropriate factors relevant to the value of securities for which it has determined other pricing sources are not available or reliable as described above. There is no single standard for determining fair value, since fair value depends upon the circumstances of each individual case. As a general principle, the current fair value of an issue of securities being valued by the Adviser would appear to be the amount which the owner might reasonably expect to receive for them upon their current sale. Methods which are in accordance with this principle may, for example, be based on (i) a multiple of earnings; (ii) a discount from market of a similar freely traded security (including a derivative security or a basket of securities traded on other markets, exchanges or among dealers); or (iii) yield to maturity with respect to debt issues, or a combination of these and other methods.

The following table summarizes the inputs used to value the Fund's assets measured at fair value as of June 30, 2019:

<u>Valuation Inputs of Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks (including ADRs)	\$ 80,415,615	\$0	\$0	\$ 80,415,615
Money Market Funds	<u>35,141,205</u>	<u>0</u>	<u>0</u>	<u>35,141,205</u>
Total	<u>\$115,556,820</u>	<u>\$0</u>	<u>\$0</u>	<u>\$115,556,820</u>

The Fund did not hold any Level 3 assets during the fiscal year ended June 30, 2019.

The Fund did not invest in derivative instruments during the fiscal year ended June 30, 2019.

4.) INVESTMENT ADVISORY AGREEMENT AND SERVICES AGREEMENT

The Fund entered into an Investment Management Agreement with Castle Investment Management, LLC as the investment adviser of the Fund. Under the terms of the Investment Management Agreement, the Adviser manages the investment portfolio of the Fund, subject to policies adopted by the Trust's Trustees. The Adviser, at its own expense and without reimbursement from the Fund, furnishes office space and all necessary office facilities, equipment and executive personnel necessary for managing the assets of the Fund. The Adviser also pays the salaries and fees of all of its officers and employees that serve as officers of the Trust. For its services, the Adviser receives a fee of 1.00% per annum of the average daily net assets of the Fund. The Sub-Adviser of the Fund has responsibility for providing investment ideas and recommendations for the assets of the Fund, subject to the supervision of the Adviser. As full compensation for all services rendered, including investment ideas and recommendations for the assets of the Fund, the Adviser pays the Sub-Adviser a sub-advisor fee. For the fiscal year ended June 30, 2019, the Adviser received management fees totaling \$1,214,009. At June 30, 2019, the Fund owed \$93,558 to the Adviser.

The Fund also has a Services Agreement with the Adviser (the "Services Agreement"), under which the Fund pays the Adviser. Under the Services Agreement, the Adviser shall supervise the Fund's business affairs and is obligated to pay the operating expenses of the Fund excluding management fees, 12b-1 fees, brokerage fees and commissions, taxes, borrowing costs (such as (a) interest and (b) dividend expenses on securities sold short), ADR fees, the cost of acquired funds and extraordinary expenses. In addition, to the extent not otherwise provided by other parties under agreements with the Trust, the Adviser shall supply: (i) non-investment related statistical and research data; (ii) the services of a Chief Compliance Officer for the Trust; and (iii) executive and administrative services. The Adviser shall also assist with and/or supervise the preparation by the Trust's administrator, transfer agent, and/or auditors of: (i) tax returns; (ii) reports to shareholders of the Fund; (iii) reports

Notes to the Financial Statements - continued

to, and filings with, the SEC, state securities commissions and Blue Sky authorities including preliminary and definitive proxy materials and post-effective amendments to the Trust's registration statement; and (iv) necessary materials for meetings of the Trust's Board of Trustees. The Adviser shall provide personnel to serve as officers of the Trust if so elected by the Trustees. Executive and administrative services include, but are not limited to, the coordination of all third parties furnishing services to the Fund, review of the books and records of the Fund maintained by such third parties, and the review and submission to the officers of the Fund for their approval, of invoices or other requests for payment of Fund expenses; and such other action with respect to the Fund as may be necessary in the opinion of the Adviser to perform its duties. For its services, the Adviser receives a service fee equal to 0.58% of the average daily net assets of the Fund. For the fiscal year ended June 30, 2019, the Adviser earned service fees of \$704,126. At June 30, 2019, the Fund owed the Adviser service fees of \$31,809. Beginning November 1, 2013, the Adviser has contractually agreed to waive Services Agreement fees by 0.24% of its average daily net assets. The Services Agreement fee waiver will automatically terminate on October 31, 2019 unless it is renewed by the Adviser. The Adviser may not terminate the fee waiver before October 31, 2019. There are no recoupment provisions for the waivers described above. A total of \$291,362 was waived for the fiscal year ended June 30, 2019.

5.) DISTRIBUTION AND SHAREHOLDER SERVICING PLAN

The Fund has adopted a Distribution Plan in accordance with Rule 12b-1 under the 1940 Act (the "Plan") with respect to the Class C Shares of the Fund. Pursuant to the Distribution Plan, the Fund compensates the Distributor for services rendered and expenses borne in connection with activities primarily intended to result in the sale of the Fund's Class C Shares. This Plan provides that the Fund will pay the annual rate of 1.00% of the average daily net assets of the Fund's Class C Shares for activities primarily intended to result in the sale of those shares. These activities include payment to entities for providing distribution and shareholder servicing with respect to the Fund's Class C Shares. The 1.00% for the Class C Shares is comprised of a 0.25% service fee and a 0.75% distribution fee. The Fund incurred distribution and service (12b-1) fees of \$167,613 for Class C Shares during the fiscal year ended June 30, 2019. At June 30, 2019, the Fund owed distribution and service (12b-1) fees of \$41,690 for Class C Shares.

6.) RELATED PARTY TRANSACTIONS

Jeffrey R. Provence of Premier Fund Solutions, Inc. (the "Administrator") also serves as a trustee/officer of the Fund. This individual receives benefits from the Administrator resulting from administration fees paid to the Administrator by the Adviser.

The Trustees who are not interested persons of the Fund were paid \$1,500 each, for a total of \$4,500, in Trustees' fees for the fiscal year ended June 30, 2019 by the Adviser.

7.) INVESTMENT TRANSACTIONS

For the fiscal year ended June 30, 2019, purchases and sales of investment securities other than U.S. Government obligations and short-term investments aggregated \$61,188,760 and \$77,440,954, respectively. Purchases and sales of U.S. Government obligations aggregated \$0 and \$0, respectively.

8.) CONTROL OWNERSHIP

The beneficial ownership, either directly or indirectly, of more than 25% of the voting shares of a fund creates a presumption of control of the fund, under section 2(a)(9) of the 1940 Act. At June 30, 2019, RBC Capital Markets LLC, held for the benefit of its customers, in aggregate, 25.33% of Fund shares. The Trust does not know whether any underlying accounts of RBC Capital Markets LLC, owned or controlled 25% or more of the voting securities of the Fund.

9.) TAX MATTERS

For Federal income tax purposes, the cost of securities owned at June 30, 2019 was \$98,333,508.

At June 30, 2019, the composition of gross unrealized appreciation (the excess of value over tax cost) and depreciation (the excess of tax cost over value) of investments on a tax basis was as follows:

<u>Appreciation</u>	<u>(Depreciation)</u>	<u>Net Appreciation (Depreciation)</u>
\$18,986,571	(\$1,763,259)	\$17,233,312

Notes to the Financial Statements - continued

Investor Shares paid a distribution on December 13, 2018 to the shareholders of record on December 12, 2018 of which \$0.105209 per share was paid from net investment income, \$1.426877 per share was paid from long-term capital gain and \$0.484855 per share was paid from short-term capital gain.

The tax character of Investor Shares distributions was as follows:

	Fiscal Year Ended <u>June 30, 2019</u>	Fiscal Year Ended <u>June 30, 2018</u>
Ordinary Income	\$ 2,814,351	\$ 1,200,652
Long-term Capital Gain	<u>6,805,571</u>	<u>6,866,339</u>
	\$ 9,619,922	\$ 8,066,991

Class C also paid distributions on December 13, 2018 to the shareholders of record on December 12, 2018 of which \$1.426877 per share was paid from long-term capital gain and \$0.484855 per share was paid from short-term capital gain.

The tax character of Class C distributions was as follows:

	Fiscal Year Ended <u>June 30, 2019</u>	Fiscal Year Ended <u>June 30, 2018</u>
Ordinary Income	\$ 397,976	\$ 117,565
Long-term Capital Gain	<u>1,171,202</u>	<u>735,589</u>
	\$ 1,569,178	\$ 853,154

As of June 30, 2019, the components of distributable earnings on a tax basis were as follows:

Undistributed ordinary income	\$ 787,082
Undistributed long-term capital gain/(accumulated losses)	726,327
Unrealized appreciation/(depreciation) - net	<u>17,223,312</u>
	\$18,736,721

Book to tax differences are primarily attributable to the tax deferral of wash sales.

10.) DEFENSIVE POSITIONS

The Fund may hold all or a portion of its assets in cash or cash-equivalents like money market funds, certificates of deposit, short-term debt obligations, and repurchase agreements, either due to pending investments or when investment opportunities are limited or market conditions are adverse. Under these circumstances, the Fund may not participate in stock market advances or declines to the same extent it would had it remained more fully invested in common stocks. If the Fund invests in shares of a money market fund, shareholders of the Fund generally will be subject to duplicative management and other fees and expenses. As of June 30, 2019, the Fund had 30.41% of the value of its net assets invested in the Invesco Short-Term Investments Trust Treasury Portfolio Institutional Class. Additional information for this money market fund, including its financial statements, is available from the SEC's website at www.sec.gov.

11.) SUBSEQUENT EVENTS

Subsequent events after the date of the Statement of Assets and Liabilities have been evaluated through the date the financial statements were issued. Management has concluded that there is no impact requiring adjustment to or disclosure in the financial statements.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of Castle Focus Fund and
Board of Trustees of PFS Funds

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Castle Focus Fund (the "Fund"), a series of PFS Funds, as of June 30, 2019, and the related statement of operations for the year then ended, the statement of changes in net assets for each of the two years in the period then ended, including the related notes, and the financial highlights for each of the five years in the period then ended (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of June 30, 2019, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

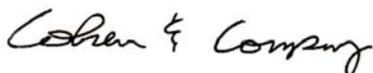
Basis for Opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of June 30, 2019, by correspondence with the custodian. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as auditor of one or more investment companies within the family of Funds since 2010.



COHEN & COMPANY, LTD.
Cleveland, Ohio
August 23, 2019

ADDITIONAL INFORMATION
June 30, 2019
(Unaudited)

APPROVAL OF CONTINUATION OF THE MANAGEMENT AGREEMENT BETWEEN THE TRUST AND CASTLE INVESTMENT MANAGEMENT, LLC ON BEHALF OF THE CASTLE FOCUS FUND AND THE INVESTMENT SUB-ADVISORY AGREEMENT BETWEEN CASTLE INVESTMENT MANAGEMENT, LLC AND ST. JAMES INVESTMENT COMPANY, LLC ON BEHALF OF THE CASTLE FOCUS FUND

On June 11, 2019, the Board of Trustees (the "Board" or the "Trustees") considered the renewal of the Management Agreement between the Trust and Castle Investment Management, LLC ("Castle") on behalf of the Castle Focus Fund and the Investment Sub-Advisory Agreement between Castle and St. James Investment Company, LLC ("St. James") on behalf of the Castle Focus Fund (the "Agreements"). In approving the Agreements, the Board considered and evaluated the following factors: (i) the nature, extent, and quality of the services provided by Castle and St. James to the Castle Focus Fund; (ii) the investment performance of the Castle Focus Fund, Castle, and St. James; (iii) the cost of the services to be provided and the profits to be realized by Castle and St. James and their respective affiliates from the relationship with the Castle Focus Fund; (iv) the extent to which economies of scale will be realized as the Castle Focus Fund grows and whether the fee levels reflect these economies of scale to the benefit of its shareholders; and (v) Castle's and St. James' practices regarding possible conflicts of interest.

In assessing these factors and reaching its decisions, the Board took into consideration information furnished for its review and consideration throughout the year at regular Board meetings, as well as information specifically prepared or presented in connection with the annual renewal process, including information presented at the Meeting. The Board reflected on the presentations by representatives of Castle earlier in the Meeting. The Board requested and was provided with information and reports relevant to the annual renewal of the Agreements, including: (i) reports regarding the services and support provided to the Castle Focus Fund and its shareholders by Castle and St. James; (ii) assessments of the investment performance of the Castle Focus Fund by personnel of Castle; (iii) commentary on the reasons for the performance; (iv) presentations addressing Castle's and St. James' investment philosophy, investment strategy, personnel, and operations; (v) compliance and audit reports concerning the Castle Focus Fund, Castle, and St. James; (vi) disclosure information contained in the registration statement of the Trust and the Forms ADV of Castle and St. James; and (vii) a memorandum from Counsel that summarized the fiduciary duties and responsibilities of the Board in reviewing and approving the Agreements, including the material factors set forth above and the types of information included in each factor that should be considered by the Board in order to make an informed decision. The Board also requested and received various informational materials including, without limitation: (i) documents containing information about Castle and St. James, including financial information, a description of personnel and the services provided to the Castle Focus Fund, information on investment advice, performance, summaries of Castle Focus Fund expenses, compliance program, current legal matters, and other general information; (ii) comparative expense and performance information for other mutual funds with strategies similar to the Castle Focus Fund; and (iii) benefits to be realized by Castle and St. James from their relationship with the Castle Focus Fund. The Board did not identify any information that was most relevant to its consideration to approve the Agreements, and each Trustee may have afforded different weight to the various factors.

1. Nature, Extent, and Quality of the Services Provided by Castle and St. James

In considering the nature, extent, and quality of the services provided by Castle and St. James, the Trustees reviewed the responsibilities of Castle and St. James under the Agreements. The Trustees reviewed the services being provided by Castle and St. James including, without limitation: the quality of investment advisory services (including research and recommendations with respect to portfolio securities); the process for formulating investment recommendations and assuring compliance with the Castle Focus Fund's investment objective, strategies and limitations, and regulatory requirements. The Trustees reflected on their discussions with representatives from Castle and St. James throughout the past year. The Trustees considered the coordination of services for the Castle Focus Fund among Castle and the service providers (including St. James) and Castle's interactions with the

Additional Information (Unaudited) - continued

Independent Trustees; and the efforts of Castle to promote the Castle Focus Fund and grow its assets. The Trustees noted Castle's and St. James' continuity of, and commitment to retain, qualified personnel and to maintain and enhance its resources and systems and the continued cooperation with the Independent Trustees and Counsel for the Castle Focus Fund. The Trustees evaluated Castle's and St. James' personnel, including the education and experience of their personnel. The Trustees reflected on discussions with the representatives from Castle during the Meeting. After reviewing the foregoing information and further information in the materials provided by Castle and St. James, the Board concluded that, considering all the facts and circumstances, the nature, extent, and quality of the services provided by Castle and St. James were satisfactory and adequate for the Castle Focus Fund.

2. Investment Performance of the Castle Focus Fund, Castle, and St. James

In considering the investment performance of the Castle Focus Fund, Castle and St. James, the Trustees compared the short-term and longer-term performance of the Castle Focus Fund with the performance of funds with similar objectives managed by other investment advisers, as well as with aggregated peer group data. The Trustees noted that Castle's only other client is a fund in the Trust. The Trustees discussed the performance of the Castle Focus Fund compared to other accounts managed by St. James, noting that St. James represented the performance to be within its typical dispersion and any differences in performance can be primarily attributed to the differences in fees charged to the respective accounts. As to the performance of the Castle Focus Fund, the Board was provided with a report that included information regarding the performance of the Castle Focus Fund compared to a group of funds of similar size, style and objective, categorized by Morningstar (the "Peer Group"), as well as the Fund's Morningstar category of US Fund Large Blend (the "Category"). The Trustees noted that for the one-year, three-year, and five-year periods ended March 31, 2019, the Castle Focus Fund underperformed relative to the Category, the Peer Group and benchmark. They also noted that the Castle Focus Fund has generally maintained a large cash position, which has detracted from performance during periods of general market appreciation. It was further noted that the large cash position is consistent with the philosophy of St. James and the investment strategies for the Castle Focus Fund. The Trustees reflected on conversations with representatives of Castle and St. James on the investment philosophy of the Castle Focus Fund being geared toward longer-term performance and that the Castle Focus Fund may not perform as well as its peers in certain types of markets. The Trustees noted that St. James actively manages the Castle Focus Fund to maintain lower risk levels as compared to other funds in its Category and Peer Group. They noted that this risk management component makes for a more difficult comparison to its Peer Group and Category during periods of positive market performance. The Trustees noted that differences in performance for the Castle Focus Fund's Class C shares versus those of the Investor Class shares were attributable to different fee structures. After reviewing and discussing the investment performance of the Castle Focus Fund further, Castle's and St. James' experience managing the Castle Focus Fund, their historical investment performance, and other relevant factors, the Board concluded, considering all the facts and circumstances, that the investment performance of the Castle Focus Fund, Castle, and St. James was satisfactory given the Castle Focus Fund's investment objectives and strategy.

3. Costs of the Services to be Provided and Profits to be Realized by Castle and St. James

In considering the costs of the services to be provided and profits to be realized by Castle and St. James from the relationship with the Castle Focus Fund, the Trustees considered: (1) Castle's and St. James' financial condition and the level of commitment to the Castle Focus Fund and Castle by the principals of Castle; (2) the asset level of the Castle Focus Fund; (3) the overall expenses of the Castle Focus Fund; and (4) the nature and frequency of advisory and sub-advisory fee payments. The Trustees reviewed the information provided by Castle and St. James regarding their respective profits associated with managing the Castle Focus Fund. The Trustees also considered potential benefits for Castle and St. James in managing the Castle Focus Fund. The Trustees then compared the fees and expenses of the Castle Focus Fund (including the management fee) to other comparable mutual funds. The Trustees reviewed the fees under the Agreements compared to the Peer Group and Category, noting that the management fee and net expense ratio for both share classes were above the Peer Group and Category averages. The Trustees also considered the fees charged by St. James relative to the fees it charged to their other accounts, noting that the fees charged to the Castle Focus Fund were less than those charged to the other accounts. The Trustees noted that

Additional Information (Unaudited) - continued

although the management fee is high relative to the Peer Group and Category averages, it was within the range of management fees of the Peer Group and the Category. The Trustees also received information on the sub-advisory portion of the fee as compared to other sub-advised funds in the Category and noted that the sub-advisory fee was within the range of fees charged by these other sub-advisers. The Trustees recognized that Castle instituted a waiver of a portion of its fees under the Services Agreement with the Trust, effective through October 31, 2019, which is recognized in the current net expense ratio. The Trustees also noted the intention expressed at the Meeting of the principals of Castle to keep the waiver in place through October 31, 2020. The Trustees considered that under the contractual arrangements with Castle, it was required to pay most of the Castle Focus Fund's operating expenses out of its assets. Based on the foregoing, the Board concluded that the fees to be paid to Castle (and in turn Castle's payment to St. James) and the profits to be realized by Castle and St. James, in light of all the facts and circumstances, were fair and reasonable in relation to the nature and quality of the services provided by Castle and St. James.

4. Economies of Scale

The Trustees next considered the impact of economies of scale on the Castle Focus Fund's size and whether advisory fee levels reflect those economies of scale for the benefit of the Castle Focus Fund's investors. The Trustees considered that while the management fee remained the same at all asset levels, the Castle Focus Fund's shareholders had experienced benefits from the fact that Castle was obligated to pay certain of the Castle Focus Fund's operating expenses, which had the effect of limiting the overall fees paid by the Castle Focus Fund. The Trustees also recognized, as noted above, that Castle instituted a waiver of a portion of its fees under the Services Agreement until October 31, 2019 and has indicated that it intends to keep the waiver in place through October 31, 2020. The Trustees also noted that the contractual arrangements with the Trust required that Castle effectively cap the expenses of the Castle Focus Fund, which has a similar effect as a breakpoint, although the Trustees noted that shareholders would benefit without the need for the Castle Focus Fund's assets to reach or be maintained at certain asset thresholds. The Trustees also noted that the fees payable to St. James were paid from the amounts paid to Castle and not paid directly by Castle Focus Fund shareholders. In light of its ongoing consideration of the Castle Focus Fund's asset levels, expectations for growth in the Castle Focus Fund, and fee levels, the Board determined that the Castle Focus Fund's fee arrangements, in light of all the facts and circumstances, were fair and reasonable in relation to the nature and quality of the services provided by Castle and St. James.

5. Possible Conflicts of Interest and Benefits to Castle and St. James

In considering Castle's and St. James' practices regarding conflicts of interest, the Trustees evaluated the potential for conflicts of interest and considered such matters as the experience and ability of the advisory personnel assigned to the Castle Focus Fund; the basis of decisions to buy or sell securities for the Castle Focus Fund; and the substance and administration of Castle's and St. James' respective codes of ethics. The Trustees also considered disclosure in the registration statement of the Trust related to Castle's and St. James' potential conflicts of interest. The Trustees noted that Castle's only other client is a fund in the Trust, and that it oversees St. James' compliance with the Trust's code of ethics. The Trustees also considered St. James' practices regarding brokerage and portfolio transactions, including particularly St. James' practice for seeking best execution for the Castle Focus Fund's portfolio transactions. The Trustees noted that St. James does not utilize soft dollars. The Trustees considered the process by which evaluations are made of the overall reasonableness of commissions paid. The Trustees noted the potential benefit of additional public exposure of St. James based on marketing that is done for the Castle Focus Fund. No other potential benefits (other than the management and service fees paid to Castle and sub-advisory fees paid to St. James) were identified by the Trustees. Based on the foregoing, the Board determined that Castle's and St. James' standards and practices relating to the identification and mitigation of possible conflicts of interest were satisfactory.

Next, the Independent Trustees met in executive session along with Counsel to discuss the continuation of the Agreements. The officers of the Trust and others present were excused during this discussion.

Additional Information (Unaudited) - continued

After further review, discussion, and determination that the best interests of the Castle Focus Fund's shareholders were served by the renewal of the Agreements.

Trustees and Officers (Unaudited)

The Board of Trustees supervises the business activities of the Trust. The names of the Trustees and executive officers of the Trust are shown below. For more information regarding the Trustees, please refer to the Statement of Additional Information, which is available upon request by calling 1-877-743-7820. Each Trustee serves until the Trustee sooner dies, resigns, retires, or is removed.

The Trustees and Officers of the Trust and their principal business activities during the past five years are:

Interested Trustees and Officers

Name, Address ⁽¹⁾ , and Year of Birth	Position(s) Held With the Trust	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios In Fund Complex Overseen By Trustee	Other Directorships Held By Trustee
Ross C. Provence, Year of Birth: 1938	President	Indefinite Term; Since 2000	General Partner and Portfolio Manager for Value Trend Capital Management, LP (1995 to current). Estate planning attorney (1963 to current).	N/A	N/A
Jeffrey R. Provence ⁽²⁾ , Year of Birth: 1969	Trustee, Secretary and Treasurer	Indefinite Term; Since 2000	CEO, Premier Fund Solutions, Inc. (2001 to current). General Partner and Portfolio Manager for Value Trend Capital Management, LP (1995 to current).	8	Blue Chip Investor Funds Meeder Funds
Julian G. Winters, Year of Birth: 1968	Chief Compliance Officer	Chief Compliance Officer Since 2010	Managing Member, Watermark Solutions LLC (investment compliance and consulting) since March 2007.	N/A	N/A

⁽¹⁾ The address of each trustee and officer is c/o PFS Funds, 1939 Friendship Drive, Suite C, El Cajon, California 92020.

⁽²⁾ Jeffrey R. Provence is considered an "interested person" as defined in Section 2(a)(19) of the Investment Company Act of 1940 by virtue of his position with the Trust.

Independent Trustees

Name, Address ⁽¹⁾ , and Year of Birth	Position Held With the Trust	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios In Fund Complex Overseen By Trustee	Other Directorships Held By Trustee
Thomas H. Addis III, Year of Birth: 1945	Independent Trustee	Indefinite Term; Since 2000	Executive Director/CEO, Southern California PGA (2006 to current).	8	None
Allen C. Brown, Year of Birth: 1943	Independent Trustee	Indefinite Term; Since 2010	Law Office of Allen C. Brown, Estate planning and business attorney (1970 to current).	8	Blue Chip Investor Funds
George Cossolias, CPA, Year of Birth: 1935	Independent Trustee	Indefinite Term; Since 2000	Partner of CWDL, CPAs (February 1, 2014 to current). Owner of George Cossolias & Company, CPAs (1972 to January 31, 2014). President of LubricationSpecialists, Inc. (1996 to current).	8	Blue Chip Investor Funds

⁽¹⁾ The address of each trustee and officer is c/o PFS Funds, 1939 Friendship Drive, Suite C, El Cajon, California 92020.

Investment Adviser

Castle Investment Management, LLC

Sub-Adviser

St. James Investment Company, LLC

Legal Counsel

Practus, LLP

Custodian

U.S. Bank, N.A.

Distributor

Rafferty Capital Markets, LLC

**Dividend Paying Agent,
Shareholders' Servicing Agent,
Transfer Agent**

Mutual Shareholder Services, LLC

Fund Administrator

Premier Fund Solutions, Inc.

Independent Registered Public Accounting Firm

Cohen & Company, Ltd.

This report is provided for the general information of the shareholders of the Castle Focus Fund. This report is not intended for distribution to prospective investors in the Fund, unless preceded or accompanied by an effective prospectus.

Castle Focus Fund

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