

"Losing feels worse than winning feels good."

Vin Scully

It's October so that means playoff baseball is here. Millions tune in to watch the emotional roller-coaster of two teams fighting for survival. Walk-off wins and gut-wrenching losses are compelling to watch... even if your team is not playing. The moments captured below create indelible memories (click on each image to relive the moment!)



Kurt Gibson's epic bomb



Yankee's fan helps the home team



Big Papi!



Cubs lose... Cubs lose!

Do you remember these playoff games? Click on the image to relive these moments.

Nobody likes to lose. Not in sports, not in cards and definitely not in investing. The feelings that are experienced after a win and after a loss have been studied extensively. Those studies have found what Vin Scully learned from a lifetime of covering sports: that the emotions associated with losing are quite different than those tied to winning...the pain of losing is much stronger and longer-lasting than the elation of winning. It hurts to lose much more than it feels good to win.

As investors, we want to win. We learn from a very early age that if we play a game to win that means we need to keep score. But as investors, who are we playing against? Is winning in investing an absolute measurement? Are we trying to beat the S&P 500 (our benchmark) over every one, three and five year period? Or is it a relative measurement? While managing the Castle Focus Fund we want to win on an absolute basis. We want to beat our benchmark over a full market cycle. To do that, our process requires us to tread lightly when we believe equities are expensive. We think the best approach to winning long-term is to participate sensibly during bullish periods, and to be prepared to soften the blow of market downdrafts. We think our approach is much different than most managers who are focused on relative returns and looking to capture the maximum upside possible and secondarily care about down capture.



Investors don't care about losses...until they have losses. Then, all too often investors want to get conservative after the fact. This is how the unfortunate cycle of buying high and selling low occurs. Financial Advisors can help individual investors avoid this cycle. This can be done by using a variety of managers that have different approaches. This approach can help to soften the blows of market downdrafts. The Financial Advisors who use the Castle Focus Fund understand that our approach adds particular value in periods of extreme volatility.

The Castle Focus Fund is about ½ as volatile as the S&P 500 as shown via the Fund's Beta of 0.52 over the last 5 years. This is the result of caring about risk while seeking long-term capital appreciation. We believe an allocation to the Castle Focus Fund is valuable to investors as a complement to high beta strategies.

Buys and Sells

The market volatility we saw during the second quarter gave us the opportunity to make some changes around the edges of the Fund. This quarter we reduced the weightings of several positions, including Nestle, TJX Companies, and Schlumberger. We increased our positions in CVS and Berkshire Hathaway during the quarter. We liquidated the Fund's position in Franklin Resources Inc.

Fund Holding	Fund Position 6/30/19	Fund Position 9/30/19
Nestle	1.97%	0.98%
TJX Companies	2.56%	2.00%
Schlumberger	2.72%	1.48%
CVS	2.83%	4.06%
Berkshire Hathaway, B	4.24%	6.92%
	Position sizes represent a percentage of the Fund's Assets	

Risk and Volatility

For the five years ending September 30, 2019, the Fund's beta was 0.52, roughly half that of the S&P 500. For the same period, our standard deviation was 7.15% versus a S&P 500 standard deviation of 12.02%. Up Capture versus the S&P 500 for the five year period was 53% and down capture was 53%.

Performance

HISTORICAL TOTAL RETURNS (%)

As of 9/30/19

	YTD	Annualized			
		1 Year	3 Year	5 Year	Since Inception (7/1/10)
Castle Focus Fund Investor Class	13.13	4.99	6.37	5.74	7.69
S&P 500	20.55	4.25	13.39	10.84	14.51

Performance quoted represents past performance. Past performance is no guarantee of future results. Investment return and the principal value of an investment will fluctuate. Shares may be worth more or less than original cost when redeemed. Current performance may be lower or higher than performance shown. You may obtain performance data current to the most recent month end by calling 703-260-1921.

The expense ratio excluding acquired fund expenses for the Investor Share Class is 1.34% (2.34% for Class C). The expense ratio including acquired fund expenses for the Investor Share Class is 1.40% (2.40% for Class C). Effective November 1, 2018 the Adviser has contractually agreed to waive Services Agreement fees by 0.24% of its average daily net assets through October 31, 2019. 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. The total expense ratio excluding the Services Agreement fee waiver for the Investor Share Class is 1.64% (2.64% for Class C).

Regards,

A handwritten signature in black ink that reads "Caeli Andrews".

Caeli Andrews
Managing Director
Castle Investment Management

A handwritten signature in black ink that reads "Andrew Welle".

Andrew Welle
Managing Director
Castle Investment Management

The opinions expressed are those of the Fund's Adviser and are not a recommendation for the purchase or sale of any security.

The Standard & Poors 500 Index (S&P 500) is an index of 500 stocks. Beta is a measure of the Fund's sensitivity to a benchmark or broad market index which has a beta of 1.00. Standard deviation is used to measure an investment's historic volatility. The up capture and down capture ratios are statistical measures of a manager's overall performance in upward moving and downward moving markets, respectively. We define a full-market cycle as a period of time, usually measured in years, that includes both 'bearish' markets (the market trends down) and 'bullish' markets (the market trends up).

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 Fund, and it may be obtained by calling 1-877- 743- 7820, or visiting [www. castleim.com](http://www.castleim.com). Read it carefully before investing.

The risks associated with the Fund, detailed in the Prospectus, include the risks of investing in small and medium sized companies and foreign securities which may result in additional risks such as the possibility of greater price volatility and reduced liquidity, different financial and accounting standards, fluctuations in currency exchange rates, and political, diplomatic and economic conditions as well as regulatory requirements in foreign countries. There also may be risks associated with the Fund's investments in exchange traded funds, real estate investment trusts ("REITs"), significant investment in a specific sector, and nondiversification. Technology companies held in the Fund are subject to rapid industry changes and the risk of obsolescence. The Fund is nondiversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the Fund is more exposed to individual stock volatility than a diversified fund.

Distributed by Rafferty Capital Markets, LLC-Garden City, NY 11530.