

# Baywood ValuePlus Fund

## Discovering value from a different perspective

### Why ValuePlus?

Baywood ValuePlus seeks to achieve long-term capital appreciation by investing in undervalued equity securities. The Plus is the dividend yield in excess of the market, aimed at generating attractive income, capturing alpha and dampening volatility.

### Our Approach

Our valuation framework evaluates each company's Relative Dividend Yield (RDY) in relation to a universe consisting of 500 of the largest dividend-paying companies (by market capitalization) as well as to its own history. Companies passing through the RDY framework provide a diverse group of stocks with low expectations discounted into current valuations from which to begin our research process.

We then determine a company's normal earnings power – its long-term ability to generate profit for reinvestment or distribution to shareholders, and if an investment offers sufficient return potential. We focus on balance sheet and income statement strength, competitive position, industry prospects, management's alignment with shareholders' interests and dividend safety.

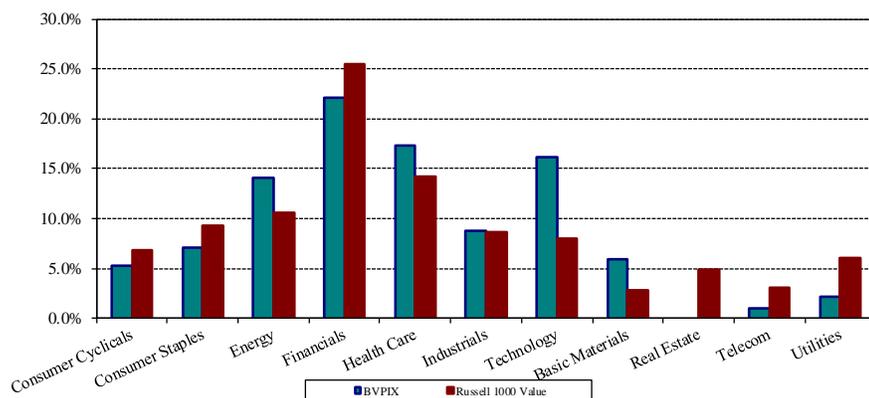
PORTFOLIO CHARACTERISTICS	BVPIX	RLV	SP500
# of holdings	51	719	505
P/E (trailing 12 months)	18.6	18.2	21.5
P/B	2.3	2.0	3.0
Median Market Cap. (\$B)	67.9	8.8	20.8

BVPIX = Baywood ValuePlus / RLV = Russell 1000 Value / SP500 = S&P 500

### Strategy Attributes

+ Value  
+ Yield  
+ Stability  
= Downside protection and desirable risk-adjusted total return expectations

### SECTOR DIVERSIFICATION



Fund holdings are subject to change. Percentages are based on total equity holdings and securities at market value.

### 10 LARGEST HOLDINGS

Occidental Petroleum Corp.	3.9%
M&T Bank Corp.	3.7%
Koninklijke Philips NV, ADR	3.6%
Cisco Systems, Inc.	3.6%
Wal-Mart Stores, Inc.	3.5%
U.S. Bancorp	3.1%
Eli Lilly & Co.	3.0%
The Mosaic Co.	3.0%
QUALCOMM, Inc.	2.8%
MetLife, Inc.	2.8%
<b>Total</b>	<b>33.0%</b>

Holdings are subject to change.

### Capitalize On Repeated Market Inefficiencies (RDY)

- Offer compelling capital appreciation potential from out-of-favor companies
- Target yield "sweet spot" to avoid distressed and overvalued companies while capturing income
- Improve total return and dampen volatility with above-market yield, without the drawback of interest rate sensitivity

### Perform In Challenging Markets With Less Risk

- Favorable returns as measured by excess return, alpha, and information ratio
- Upside and downside capture ratios show most environments lend themselves well to ValuePlus in producing attractive risk-adjusted returns
- Beta and Standard Deviation well below the benchmark

### Mitigate Risk with Active Portfolio Management

- Avoid overvalued companies regardless of benchmark representation
- Improve probability of outperformance over a market cycle from high Active Share
- Create agility in portfolio decisions from nimble organizational structure
- Control risk exposure with 40-60 diversified holdings



# Baywood ValuePlus Fund

	TOTAL RETURNS						As of 6/30/17
	2Q 2017	YTD	One Year	Three Years	Five Years	Since Inception 06/27/08	
Institutional Shares: BVPIX	1.03%	2.93%	14.33%	5.33%	11.68%	9.38%	
Investor Shares: BVPNX	0.98%	2.81%	14.12%	5.06%	11.42%	9.21%	
Russell 1000 Value Index	1.34%	4.66%	15.53%	7.36%	13.94%	8.71%	
S&P 500 Index	3.09%	9.34%	17.90%	9.61%	14.63%	9.72%	

Performance for periods greater than one year is annualized. On 12/02/2013, a collective trust (the "Predecessor Vehicle") was converted into the Baywood ValuePlus Fund (the "Fund"). The Predecessor Vehicle's performance has been included for the period 6/27/2008 to 12/2/2013 for Investor Shares. For the Institutional Shares, performance for the period includes the returns of Investor Shares prior to 5/2/2011, the commencement of operations of Institutional Shares. The Predecessor Vehicle's performance for shares in each class has been adjusted to reflect the monthly deduction of fees and expenses applicable to their respective share class of the Baywood ValuePlus Fund. The Predecessor Vehicle was not registered as a mutual fund under the Investment Company Act of 1940, as amended ("1940 Act"), and therefore was not subject to certain investment restrictions, limitations and diversification requirements imposed by the 1940 Act and Internal Revenue Code. If the Predecessor Vehicle had been registered under the 1940 Act its performance may have been different.

The performance data quoted represents past performance. Past performance is no guarantee of future results. Investment return and principal value will fluctuate, and shares, when redeemed, may be worth more or less than their original cost. The Fund's Gross Expense Ratio is 14.43% for Institutional Shares and 9.43% for Investor Shares. The Fund's Net Expense Ratio, (does not include "Acquired Fund Fees and Expenses") as the Adviser has contractually agreed to waive and/or reimburse fees until January 31, 2018, is 0.70% for Institutional Shares and 0.95% for Investor Shares. The performance shown reflects fee waivers/reimbursements in effect, without these waivers, performance would have been lower. Total returns are based on net change in NAV with reinvestment of all dividends. Current performance may be lower or higher than the performance data quoted. For performance current to the most recent month-end, please call 1-855-409-2297. The Russell 1000 Value Index is an unmanaged index. Individuals cannot invest in an index.

## SKBA Capital Management

SKBA Capital Management, founded in 1989, is an independent investment management firm based in San Francisco. We manage equity and fixed income portfolios for institutions and private clients using our time-tested value investing approach seeking to preserve and increase our clients' capital while maintaining appropriate risk exposure and downside protection.

## Investment Philosophy

Stock prices routinely overshoot true changes in the underlying fundamentals of a company, both on the upside and downside, due to excessive pessimism and exuberant optimism. We believe insightful proprietary research conducted within a consistent process provides the best opportunity for investment returns and that inexpensive securities will outperform the overall market in the long-run.

Baywood Funds are advised by SKBA Capital Management, LLC and distributed by Foreside Fund Services, LLC. Characteristic data is calculated from Factset. Aggregate price ratios are calculated using weighted harmonic averages. P/E (Price to Earnings Ratio): A valuation ratio of a company's current share price compared to its per-share earnings. P/B (Price to Book Ratio): A valuation ratio of a company's current share price compared to book value. Beta: A measure of systematic risk of a stock relative to a benchmark. Standard deviation: A measure of dispersion of a data set from its mean.

Risk considerations: Mutual fund investing involves risk including the possible loss of principal. The Fund primarily invests in undervalued securities which may not appreciate in value as anticipated by the Adviser or remain undervalued for longer than anticipated. The Fund may invest in American Depositary Receipts (ADRs) which involves risks relating to political, economic or regulatory conditions in foreign countries and may cause greater volatility and less liquidity. The Fund may also invest in convertible securities and preferred stock which may be adversely affected as interest rates rise.

**Before investing you should carefully consider the Fund's investment objectives, risks, charges and expenses. This and other information is available in the prospectus, a copy of which may be obtained from 855.409.2297. Please read the prospectus carefully before investing.**