



Pinnacle Value Fund [pvfix]

Portfolio Diagnostics

| | |
|--------------------------|------------|
| Weighted Avg. market cap | \$460 mil |
| Securities Yield | 1.1% |
| Weighted Avg. P/B ratio | 1.2 |
| Net Assets | \$34.5 mil |
| No. Holdings | 38 |
| Active Share | 99% |

Statistical Measures*

| | Sharpe | Std Dvn |
|-------|--------|---------|
| PVFIX | .55 | 10.4 |
| R2000 | .37 | 17.7 |

²⁰ yrs. ending 12/31/2023

Top 10 Positions

| | % NET ASSETS |
|---|--------------|
| 1 Gulf Island <i>Marine fabrication</i> | 5.1 |
| 2 Culp, Inc. <i>Industrial fabrics</i> | 5.0 |
| 3 Bristow Group <i>Helicopter services</i> | 4.3 |
| 4 Unifi <i>Texturized yarns</i> | 3.9 |
| 5 Hurco <i>Machine tools</i> | 3.8 |
| 6 Weyco Group <i>Shoe wholesaling</i> | 3.7 |
| 7 Seacor Marine <i>Offshore Supply Vessels</i> | 2.5 |
| 8 Graham Corp <i>Industrial equipment</i> | 2.4 |
| 9 Stealthgas <i>Fleet LPG Tankers</i> | 2.4 |
| 10 Dorian LPG <i>Fleet LPG Tankers</i> | 2.3 |
| TOTAL | 35.4% |

Fund Profile

- **Objective:** long term capital appreciation with income as a secondary objective.
- Seek long term, above average risk adjusted rates of return.
- "Quality value" style of investing—"bottom up" focus on business fundamentals rather than on macro factors like direction of interest rates or economy.
- Diversified portfolio of equity and convertible securities issued by small and micro-cap firms which adviser believes are trading at significant discounts to underlying earnings power or asset value. Securities chosen will generally have market caps of less than \$2 billion at time of investment. Disciplined trading strategy employed.
- Securities chosen are often out of favor or overlooked in marketplace, may trade at depressed prices which may not reflect true intrinsic value. Many will be neglected or orphaned stocks trading under the radar screen of large institutional investors.

Why invest in Pinnacle Value Fund?

- Focus on specific asset class: U.S. small and micro-cap value.
- No style drift or market cap creep, concentration in high conviction ideas.
- Disciplined research process with first hand due diligence.
- Boutique Fund — only Fund managed by adviser. No SMAs.
- Access to Portfolio Manager who has a substantial Fund investment.
- Above average Sharpe Ratio (risk adjusted rates of return), high Active Share %.
- Low turnover to minimize taxes and transaction costs.

Investment themes

- Undervalued assets. Companies trading at less than liquidation or private sale value.
- Turnarounds. Recovering from depressed results due to company or industry factors.
- Growth at reasonable price. Faster growing firms available at reasonable valuations.
- Special situations. Spin-offs, liquidations, firms emerging from Chap 11, broken IPOs.

Average Annual Total Return (%) through 12/31/23

| | Q4 | YTD | 1 YR | 5 YR | 10 YR |
|-----------|------|------|------|------|-------|
| PVFIX (1) | 9.9 | 25.4 | 25.4 | 10.7 | 5.3 |
| IWM (1) | 24.1 | 16.9 | 16.9 | 9.9 | 7.1 |

(1) Includes dividend reinvestment

Source: Bloomberg

All performance reflects reinvestment of distributions and does not reflect taxes payable on distributions or redemptions of shares held in taxable accounts. Past performance is no guarantee of future results. The investment return and principal value may fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. Shares redeemed within one year of purchase are subject to a 1% redemption fee payable to the Fund. Performance data does not reflect the redemption fee and, if reflected, total returns would be reduced. Adviser has contractually agreed to waive fees and/or reimburse expenses to extent required to maintain Fund net annual operating expenses at 1.49% (excluding extraordinary expenses and acquired fund fees and expenses).

Current performance information is available at www.pinnaclevaluefund.com.

IWM is the iShares Russell 2000 ETF which attempts to mirror the performance of the 2,000 smallest publicly traded US stocks within the Russell 3000 index.



Organization and Philosophy

Founded Jan. 2003, Bertolet Capital LLC is a registered investment adviser specializing in the analysis of small and micro-cap securities (under \$1 billion market cap) purchased on a value basis. The firm is adviser to the Pinnacle Value Fund (PVFIX) an open end, diversified, SEC registered mutual fund.

We believe that small and micro-cap companies offer compelling return opportunities. They often operate niche businesses and focus on a limited number of areas where they excel. Balance sheets are often more conservative. Insiders are often major shareholders, aligning their interests with ours. They often generate excess cash flow which can be used for dividends, share repurchases, debt repayment and acquisitions. Such firms are often less well known and improperly priced by investors.

We focus on understanding the intrinsic value of a business, what it might sell for in a private transaction between rational, well informed parties. We are buying a piece of a real business, not a stock certificate. A strict fundamental approach emphasizes understanding management priorities, balance sheets, cash flows, internal rates of return and the strategic, operating and financial dynamics impacting the business. We attempt to purchase securities which we feel are trading at a substantial discount to its underlying asset value or earnings power. We are conservative and prefer a wide margin of safety.

We are risk averse and attempt to limit risks in several ways. First, we are adequately diversified across multiple industries and companies. Next, we have the ability to hold significant cash in the absence of suitable investment ideas. Finally, we are disciplined in the prices we accept, and are extremely patient in waiting for the right price.

Adviser Personnel

John E. Deysher is President of Bertolet Capital LLC, adviser to the Pinnacle Value Fund. He is responsible for the Fund's daily investment activities and has 40+ years investment management experience. From 1990 until 2002, Mr. Deysher was a Portfolio Manager, Senior Analyst with Royce & Associates, an investment firm specializing in the securities of small cap companies and adviser to the Pennsylvania Mutual Fund. Mr. Deysher began his investment career with Kidder Peabody in 1983, where he managed equity and fixed income portfolios for individuals and small institutions. He holds a bachelor's degree from the Pennsylvania State University, and master's degrees from both Indiana University, Bloomington (Business) and the University of California, Berkeley (Engineering). He is a CFA charter holder, and lives and works in New York City.

Contacts

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Active share is the percentage of stockholdings that differ from the benchmark and indicates the extent of active fund management. The higher the active share, the less overlap with the benchmark. Standard deviation is a statistical measure of return volatility. The lower the standard deviation, the lower a fund's volatility. The Sharpe Ratio uses a fund's standard deviation and its excess return (difference between a fund's return and the risk free rate of return) to determine reward per unit of risk. The higher a fund's Sharpe Ratio, the higher a fund's risk adjusted rate of return.

This material is not authorized for distribution unless preceded or accompanied by a current prospectus which should be read carefully before investing. The Fund invests primarily in small cap stocks which may involve more risk than investing in large cap stocks. Mutual fund investing involves risk and loss of principal is possible. The Fund generally invests a significant portion of its assets in a limited number of stocks which may involve more risk than a broadly defined portfolio because a decline in value of any one stock may cause the Fund's overall value to decline by a greater degree. The Fund's investment objectives, risks and expenses must be considered carefully before investing. A current prospectus may be obtained by calling (877) 369-3705 x115 or by visiting www.pinnaclevaluefund.com.