

## Pinnacle Value Fund Annual Report

December 31, 2021

Dear Fellow Shareholders,

<b>Total Return</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Pinnacle Value Fund	14.3%	3.4%	10.7%	(11.8)%	(0.1)%
Russell 2000	14.8	20.0	25.5	(11.0)	14.6
S&P 500	28.7%	18.4%	31.5%	(4.4)%	21.8%

(all returns include dividend reinvestment. Past returns do not predict future results. Results do not reflect taxes payable on distributions or redemptions of shares held in taxable accounts).

### Fund Performance

Our Fund's NAV rose 14.3% in 2021, slightly behind the benchmark Russell 2000 which rose 14.8%. While we feel our stock selection was acceptable, we had very few opportunities to put our cash to work causing us to lag the market. The portfolio remains conservatively positioned and we have cash to take advantage of any market dislocation. We continue to search for undervalued equities with strong fundamentals and reasonable valuations that provide a margin of safety to help mitigate the possibility of capital loss.

Overall the markets had a decent year with a strong first half followed by a weaker second half. A strong first half was driven by a robust vaccine rollout, continued fiscal and monetary stimulus, and the return of the individual investor (remember the meme stocks?). A weaker second half unfolded as investors grew fearful of rising inflation, the prospect of higher interest rates and late in the year, the Omicron variant which created economic uncertainty. Still, unemployment remains low and corporate earnings came in largely as expected (so far).

### Contributors to and Detractors from Performance

As you can see from the following page, there were several contributors to performance led by the Buckle, a teen retailer headquartered in Kearney, Nebraska with about 440 stores in 42 states. Through astute inventory management and a relentless focus on costs, the Buckle survived the pandemic and delivered record sales driven by robust in-store and on-line sales. Our next best performer was Williams Industries, a provider of staffing and other services to industrial America. After several difficult years in turnaround mode, WLMS finally gained traction this year delivering higher sales and earnings as their underlying customer base rebounded from the pandemic. Finally, Friedman Industries, a Texas steel service center, saw margins improve because of record high hot rolled steel coil prices driven by supply shortages. Friedman is building a new plant near Corpus Christi, TX which should open additional markets to them.

---

Detractors from performance include our two precious metals ETFs, the Sprott Junior Gold Miners ETF and the Sprott Gold Miners ETF. Precious metals prices generally declined this year on fears of higher interest rates and robust crypto-currency markets which many investors view as a substitute for precious metals. However, we believe that investors will eventually view precious metals as an inflation hedge which should bode well for our ETFs. Our other major detractor was Culp Inc. a supplier of fabric to the furniture and bedding/mattress industries. Culp suffered from supply chain disruptions, inflationary pressures, a challenging labor market and significant sourcing in China where US- Sino relations are growing frostier.

## **Outlook & Portfolio Positioning**

We expect the market to remain volatile as investor sentiment shifts between optimism (a sustained economic recovery) and pessimism (higher inflation and interest rates). While our crystal ball is no clearer than others we see a few trends that make us cautious. First, after years of robust corporate profits, labor is growing stronger and demanding a larger piece of the pie. Strikes are becoming more common, the minimum wage is rising and major firms like Amazon are facing the possibility of unionization. This will almost certainly dent margins. Next, debt levels are up across the board- government, corporate and individual. Low interest rates have spurred borrowing which becomes more difficult to repay should interest rates rise. Expanding credit was a large driver of the most recent expansion and a slowing economy or rising interest rates could spell trouble for overleveraged firms. Finally, this remains a “no fear” market driven by 3 themes: FOMO (fear of missing out), TINA (there is no alternative) and BTD (buy the dip). Most stock indices trade near record levels and any type of negative surprise could have significant consequences.

So, we'll stay conservative, let valuations be our guide and try to keep risk to a minimum. We'll continue to take profits on fully valued positions and try to keep gains long term to minimize taxes. Given current valuations, we feel there is no room for error in today's market.

By now you should have received your yearend statement. Should you have any questions about your account or the Fund, don't hesitate to call or write. We are positioned to invest our cash as opportunities become available and are searching diligently for such opportunities. Your portfolio manager remains a major Fund shareholder and buys shares opportunistically.

**John E. Deysher  
President & Portfolio Manager  
212-605-7100**

**Pinnacle Value Fund  
745 Fifth Ave.- 2400  
New York, NY 10151**

## TOP 10 POSITIONS

	% net assets
1. Bristow Group, Inc.- helicopter services	7.9%
2. Dorian LPG Ltd.- fleet of liquid petroleum gas tankers	7.1
3. Gulf Island Fabrication, Inc.- engineering/design/construction	6.3
4. Williams Industrial Service Group, Inc.- industrial staffing & services	3.2
5. Weyco Group, Inc.- wholesale & retail shoes	3.1
6. Powell Industries, Inc.- electrical equipment & services	2.0
7. Patriot Transportation Holdings, Inc.- tank truck operator	1.8
8. The Buckle, Inc. - young adult apparel retailer	1.8
9. Independence Holding Co.- specialty insurer	1.8
10. Sprott Junior Gold Miners ETF	<u>1.4</u>
<b>Total</b>	<b>36.4%</b>

## YTD TOP 5 Contributors (includes dividends)

1. The Buckle, Inc.	1.8%
2. Williams Industrial Service Group, Inc.	1.2
3. Friedman Industries, Inc.	1.2
4. Weyco Group, Inc.	1.1
5. FreightCar America, Inc.	1.0%

## YTD TOP 5 Detractors (includes dividends)

1. Sprott Junior Gold Miners ETF	-0.3%
2. Culp, Inc.	-0.3
3. Sprott Gold Miners ETF	-0.1
4. Graham Corp.	-0.1
5. Hooker Furnishings Corp.	-0.1%

## SECURITY CLASSIFICATIONS

Government Money Market Funds	46.6%
Energy	16.1
Construction & Fabrication	9.8
Consumer Goods & Services	7.2
Industrial Goods & Services	5.3
Insurance	4.3
Transportation	2.9
Closed End & Exchange Traded Funds	2.8
Banks & Thrifts	2.2
Technology	1.5
Real Estate	<u>1.3</u>
<b>Total</b>	<b>100.0%</b>

Schedule of Investments  
December 31, 2021

Shares/Principal Amount		Basis	Market Value	% of Net Assets
<b>COMMON STOCKS</b>				
<b>Apparel &amp; Textile</b>				
38,183	Crown Crafts, Inc.	\$ 173,883	\$ 277,972	
13,900	Culp, Inc.	99,854	132,189	
		273,737	410,161	1.28%
<b>Banks &amp; Thrifts</b>				
12,507	Hope Bancorp, Inc.	45,240	183,978	
18,612	OP Bancorp	130,000	237,489	
12,300	PCB Bancorp	123,349	270,108	
		298,589	691,575	2.15%
<b>Construction &amp; Fabrication</b>				
501,941	Gulf Island Fabrication, Inc. *	2,622,811	2,012,783	
1,850	Preformed Line Products Co.	71,233	119,695	
342,193	Williams Industrial Service Group, Inc. *	492,281	1,023,157	
		3,186,325	3,155,635	9.83%
<b>Energy</b>				
79,929	Bristow Group, Inc. *	1,134,028	2,531,351	
179,256	Dorian LPG Ltd.	1,209,569	2,274,759	
2,093	Sabine Royalty Trust	52,145	87,236	
83,233	Seacor Marine Holdings, Inc. *	446,698	282,992	
		2,842,440	5,176,338	16.12%
<b>Furniture &amp; Fixtures</b>				
8,353	Ethan Allen Interiors, Inc.	87,365	219,600	
8,385	Flexsteel Industries, Inc.	80,408	225,221	
4,720	Hooker Furnishings Corp.	63,064	109,882	
		230,837	554,703	1.73%
<b>Industrial Metals</b>				
33,345	Friedman Industries, Inc.	171,658	312,776	
14,272	Universal Stainless & Alloy Products, Inc. *	108,254	113,320	
		279,912	426,096	1.33%
<b>Insurance</b>				
110,111	First Acceptance Corp.	90,907	237,840	
30,000	Genworth Financial, Inc. Class A *	87,875	121,500	
10,192	Independence Holding Co.	50,650	577,683	
5,533	Kansas City Life Insurance Co.	212,097	235,153	
1,469	Mercury General Corp.	51,585	77,945	
3,041	National Security Group, Inc. (a)	23,326	27,977	
100	White Mountains Insurance Group, Ltd. (Bermuda)	101,748	101,390	
		618,188	1,379,488	4.30%
<b>Power Equipment</b>				
8,556	AstroNova, Inc. *	73,616	115,506	
8,114	Graham Corp.	96,647	100,938	
4,900	Hurco Cos., Inc.	125,778	145,530	
4,157	LSI Industries, Inc.	11,327	28,517	
22,020	Powell Industries, Inc.	469,670	649,370	
		777,038	1,039,861	3.24%
<b>Real Estate</b>				
1,379	FRP Holdings, Inc. *	44,924	79,706	
6,207	Getty Realty Corp.	77,479	199,183	
1,900	Potlatch Deltic Corp.	44,970	114,418	
3,255	Regency Affiliates, Inc.	12,760	20,637	
		180,133	413,944	1.29%

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

PINNACLE VALUE FUND  
BERTOLET CAPITAL TRUST

5

Schedule of Investments (Continued)  
December 31, 2021

<b>Shares/Principal Amount</b>		<b>Basis</b>	<b>Market Value</b>	<b>% of Net Assets</b>
<b>Retail</b>				
100	Aaron's Co., Inc.	\$ 2,206	\$ 2,465	
1,500	Haverty Furniture Cos., Inc.	15,586	45,855	
2,000	Shoe Carnival, Inc.	14,439	78,160	
13,729	The Buckle, Inc.	187,262	580,874	
41,066	Weyco Group, Inc.	934,208	983,120	
		1,153,701	1,690,474	5.26%
<b>Security Services</b>				
51,701	Costar Technologies, Inc. (a)*	355,831	240,410	0.75%
<b>Technology</b>				
7,000	Benchmark Electronics, Inc.	143,774	189,700	
4,935	Espey Manufacturing & Electronics Corp. *	64,295	70,126	
8,521	Kimball Electronics, Inc. *	91,999	185,417	
4,562	Ultralife Corp. *	22,922	27,554	
		322,990	472,797	1.47%
<b>Transportation</b>				
56,793	FreightCar America, Inc. *	110,820	209,566	
2,500	Kirby Corp. *	103,712	148,550	
72,849	Patriot Transportation Holdings, Inc.	743,133	587,891	
		957,665	946,007	2.94%
<b>Total for Common Stock</b>		\$ 11,477,386	\$ 16,597,489	51.69%
<b>Closed-End &amp; Exchange Traded Funds</b>				
4,378	Barings Participation Investor	56,770	64,786	
13,400	Sprott Gold Miners ETF	243,136	366,624	
11,022	Sprott Junior Gold Miners ETF	245,496	450,359	
<b>Total for Closed-End &amp; Exchange Traded Funds</b>		\$ 545,402	\$ 881,769	2.75%
<b>SHORT TERM INVESTMENTS</b>				
<b>Money Market Fund</b>				
1,000,000	Invesco Government & Agency Portfolio Institutional Class 0.03% **	1,000,000	1,000,000	
13,954,489	First American Government Obligation Fund Class Z 0.02% **	13,954,489	13,954,489	
<b>Total for Short Term Investments</b>		\$ 14,954,489	\$ 14,954,489	46.58%
<b>Total Investments</b>		\$ 26,977,277	\$ 32,433,747	101.02%
Liabilities in excess of other assets			(326,754)	(1.02)%
<b>Net Assets</b>		\$ 32,106,993		100.00%

(a) Level 2 Security.

\* Non-Income producing securities.

\*\* Variable rate security; the money market rate shown represents the yield at December 31, 2021.

*The accompanying notes are an integral part of the financial statements.*

**Statement of Assets and Liabilities**

**December 31, 2021**

**Assets:**

Investment Securities at Market Value	\$ 32,433,747
(Identified Cost \$26,977,277)	
Cash	1,000
<b>Receivables:</b>	
Dividends and Interest	9,811
Prepaid Expenses	4,189
Total Assets	<u>32,448,747</u>

**Liabilities:**

Payable to Advisor	322,027
Accrued Expenses	<u>19,727</u>
Total Liabilities	<u>341,754</u>

**Net Assets**

Net Assets Consist of:	<u>\$ 32,106,993</u>
------------------------	----------------------

Paid-In Capital	\$ 26,266,395
Distributable Earnings	<u>5,840,598</u>
Total Assets	<u>\$ 32,106,993</u>

**Net Asset Value and Redemption Price Per Share (\$32,106,993/2,051,725 shares**

outstanding), no par value, unlimited shares authorized	<u>\$ 15.65</u>
---	-----------------

**Statement of Operations**  
**For the year ended December 31, 2021**

Investment Income:

Dividends	\$ 775,660
Interest	3,099
Total Investment Income	<u>778,759</u>

Expenses:

Investment Advisor Fees (Note 3)	411,883
Transfer Agent & Fund Accounting Fees	38,058
Insurance Fees	16,012
Audit Fees	15,399
Custodial Fees	11,003
Trustee Fees	10,001
Miscellaneous Fees	4,602
Registration Fees	3,727
Legal Fees	2,000
Printing & Mailing Fees	<u>1,600</u>
Total Expenses	<u>514,285</u>
Advisory Fees Waived by Advisor	<u>(105,697)</u>
Net Expenses	<u>408,588</u>

Net Investment Income 370,171

Realized and Unrealized Gain on Investments:

Net Realized Gain on Investments	2,714,525
Capital Gain Distribution from Regulated Company	3,324
Change in Unrealized Appreciation on Investments	<u>1,121,526</u>
Net Realized and Unrealized Gain on Investments	<u>3,839,375</u>

Net Increase in Net Assets from Operations \$ 4,209,546

*The accompanying notes are an integral part of the financial statements.*

**Statements of Changes in Net Assets**

	Year Ended <u>12/31/2021</u>	Year Ended <u>12/31/2020</u>
<b>From Operations:</b>		
Net Investment Income	\$ 370,171	\$ 208,443
Net Realized Gain on Investments	2,714,525	102,459
Capital Gain Distributions from Regulated Investment Companies	3,324	523
Net Change In Unrealized Appreciation	<u>1,121,526</u>	<u>493,801</u>
Net Increase in Net Assets from Operations	<u>4,209,546</u>	<u>805,226</u>
<b>From Distributions to Shareholders:</b>		
Distributions	(2,347,239)	-
Total Distributions to Shareholders	<u>(2,347,239)</u>	<u>-</u>
<b>From Capital Share Transactions:</b>		
Proceeds From Sale of Shares	484,509	805,478
Shares issued in Reinvestment of Dividends	2,156,068	-
Cost of Shares Redeemed (a)	<u>(1,713,102)</u>	<u>(3,179,724)</u>
Net Increase (Decrease) from Shareholder Activity	<u>927,475</u>	<u>(2,374,246)</u>
Net Increase (Decrease) in Net Assets	<u>2,789,782</u>	<u>(1,569,020)</u>
Net Assets at Beginning of Year	<u>29,317,211</u>	<u>30,886,231</u>
Net Assets at End of Year	<u>\$32,106,993</u>	<u>\$29,317,211</u>
<b>Share Transactions:</b>		
Issued	27,924	73,768
Reinvested	138,147	-
Redeemed	<u>(100,803)</u>	<u>(252,104)</u>
Net Increase (Decrease) in shares	<u>65,268</u>	<u>(178,336)</u>
Shares outstanding beginning of Year	<u>1,986,457</u>	<u>2,164,793</u>
Shares outstanding end of Year	<u>2,051,725</u>	<u>1,986,457</u>

<sup>(a)</sup> Net of Redemption Fees of \$23 for the year ended December 31, 2021, and \$83 for the year ended December 31, 2020.

*The accompanying notes are an integral part of the financial statements.*

## Financial Highlights

Selected data for a share outstanding throughout each year.

	Year Ended <u>12/31/2021</u>	Year Ended <u>12/31/2020</u>	Year Ended <u>12/31/2019</u>	Year Ended <u>12/31/2018</u>	Year Ended <u>12/31/2017</u>
<b>Net Asset Value -</b>					
Beginning of Year	\$ 14.76	\$ 14.27	\$ 13.21	\$ 15.63	\$ 16.12
Net Investment Income (Loss) *	0.19	0.10	0.06	0.05	(0.01)
Net Gains or Losses on Securities (realized and unrealized)	1.90	0.39	1.34	(1.88)	(0.01)
Total from Investment Operations	2.09	0.49	1.40	(1.83)	(0.02)
Distributions from Net Investment Income	(0.36)	-	- (a)	(0.06)	-
Distributions from Capital Gains	(0.84)	-	(0.34)	(0.53)	(0.47)
Total Distributions	(1.20)	-	(0.34)	(0.59)	(0.47)
Paid-in Capital from Redemption Fees (Note 2) <sup>(a)</sup>	-	-	-	-	-
<b>Net Asset Value -</b>					
End of Year	\$ 15.65	\$ 14.76	\$ 14.27	\$ 13.21	\$ 15.63
Total Return	14.31%	3.43%	10.66%	(11.75)%	(0.06)%
<b>Ratios/Supplemental Data</b>					
Net Assets - End of Year (Thousands)	\$ 32,107	\$ 29,317	\$ 30,886	\$ 36,034	\$ 60,571
<b>Before Reimbursement/Recapture</b>					
Ratio of Expenses to Average Net Assets	1.56%	1.66%	1.60%	1.50%	1.44%
Ratio of Net Income (Loss) to Average Net Assets	0.80%	0.37%	0.09%	0.15%	(0.07)%
<b>After Reimbursement/Recapture</b>					
Ratio of Expenses to Average Net Assets	1.24%	1.24%	1.24%	1.33%	1.44%
Ratio of Net Income (Loss) to Average Net Assets	1.12%	0.79%	0.45%	0.32%	(0.07)%
Portfolio Turnover Rate	7.48%	48.23%	19.50%	31.51%	23.37%

\* Per share net investment Income (loss) determined on average shares outstanding during year.

(a) Less than \$0.01 per share.

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

## **1.) ORGANIZATION:**

Pinnacle Value Fund ("Fund") is registered under the Investment Company Act of 1940 as an open-end investment management company and is the only series of the Bertolet Capital Trust, a Delaware business trust organized on January 1, 2003 ("Trust"). The Trust's Declaration of Trust authorizes the Board of Trustees to issue an unlimited number of Fund shares. Each share of the Fund has equal voting, dividend, distribution, and liquidation rights. The Fund's investment objective is long term capital appreciation with income as a secondary objective.

The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standard Codification Topic 946 "Financial Services-Investment Companies."

## **2.) SIGNIFICANT ACCOUNTING POLICIES**

### **SECURITY VALUATION:**

The Fund will primarily invest in equities and convertible securities. Investments in securities are carried at market value. Securities traded on any exchange or on the NASDAQ over-the-counter market are valued at the last quoted sale price on that day. Lacking a last sale price, a security is valued at its last bid price on that day, except when, in the Adviser's opinion, the last bid price does not accurately reflect the current value of the security. When market quotations are not readily available, when Adviser determines the last bid price does not accurately reflect the current value or when restricted securities are being valued, such securities are valued as determined in good faith by Adviser, in conformity with guidelines adopted by and subject to review of the Board of Trustees.

Fixed income securities are valued by using market quotations, but may be valued on the basis of prices furnished by a pricing service when Adviser believes such prices accurately reflect the fair market value. A pricing service uses electronic data processing techniques based on yield spreads relating to securities with similar characteristics to determine prices for normal institutional-size trading lots of debt securities without regard to sale or bid prices. When prices are not readily available from a pricing service, or when restricted or illiquid securities are being valued, securities are valued at fair value determined in good faith by Adviser, subject to review of the Board of Trustees. Short term investments in fixed income securities with maturities of less than 60 days when acquired, or which are within 60 days of maturity, are valued by using the amortized cost method.

The Trust has performed an analysis of all existing investments to determine the significance and character of all inputs to their fair value determination. Various inputs are used in determining the value of each investment which are summarized in the following three broad levels:

Level 1 – quoted prices in active markets for identical securities

Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, yield curves & similar data.)

Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining fair value which may require a high degree of judgement)

The availability of observable inputs may vary by security and is affected by a wide variety of factors including type of security, liquidity and other characteristics unique to the security. If valuation is based on models or inputs that are less observable or unobservable in the market, determination of fair value requires more judgment. Thus, the degree of judgment exercised in determining fair value is greatest for Level 3 investments. Inputs used in valuing securities are not indicative of associated risks. Transfers between levels are recognized at the end of a reporting period. Transfer from Level 1 to Level 2 results when a security priced previously with an official close price (Level 1) has no official close price so the bid price is used. The below table summarizes the inputs used at December 31, 2021:

	Level 1	Level 2	Level 3	Total
Equity (a)	\$ 16,329,102	\$ 268,387	-	\$ 16,597,489
Closed-end & Exchange Traded Funds	881,769	-	-	881,769
Money Market Funds	14,954,489	-	-	14,954,489
Investments at Market	\$ 32,165,360	\$ 268,387	-	\$ 32,433,747

(a) See Schedule of Investments for industry breakout.

There were no transfers between levels at period end. The Fund did not hold any Level 3 assets (those valued using significant unobservable inputs) at any time during the year ended December 31, 2021. Therefore a reconciliation of assets in which significant unobservable inputs were used in determining fair value is not applicable.

The Fund has adopted the financial accounting reporting rules required by the Derivatives and Hedging Topic of FASB Accounting Standards Codification (FASB ASC). Fund is required to include enhanced disclosure that enables investors to understand how and why a fund uses derivatives, how they are accounted for and how they affect a fund's results. For the year ended December 31, 2021, the Fund held no derivative instruments.

**SHORT TERM INVESTMENTS:**

The Fund may invest in money market funds and short term high quality debt securities such as commercial paper, repurchase agreements and certificates of deposit. Money market funds typically invest in short term instruments and attempt to maintain a stable net asset value. While the risk is low, these funds may lose value. At December 31, 2021 the Fund held approximately 47% of net assets in money market funds. These include the First American Government Obligations Fund which normally invests in government and agency securities with an objective of maximum current income consistent with capital preservation and maintaining liquidity and the Invesco Government & Agency Fund.

As of December 31, 2021 the Fund had approximately 43% of its assets in First American Government Obligation Fund - Class Z (Ticker: FGZXX). The investment in this fund is approximately 0.04% of the fund's net assets which was approximately \$38.2 billion dollars at December 31, 2021. If the Adviser determines that it is in the best interest of Fund shareholders, the Adviser may redeem this investment. Further information on these funds is available at [www.sec.gov](http://www.sec.gov).

**SECURITY TRANSACTIONS AND INVESTMENT INCOME:**

The Fund records security transactions based on a trade date. Dividend income is recognized on the ex-dividend date, and interest income is recognized on an accrual basis. Discounts and premiums on securities purchased are amortized over the lives of the respective securities.

**INCOME TAXES:**

*Federal income taxes.* The Fund's policy is to continue to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all its taxable income to its shareholders. Therefore, no federal income tax provision is required.

*Distribution to shareholders.* Distributions to shareholders, which are determined in accordance with income tax regulations, are recorded on the ex-dividend date. All short term capital gain distributions are ordinary income distributions for tax purposes.

The Fund recognizes the tax benefits of uncertain tax positions only when the position is "more-likely-than-not" to be sustained upon examination by tax authority. Management has analyzed the Fund's tax positions and concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on the prior three year returns or expected to be taken on the Fund's 2021 tax return. The Fund is not aware of any tax position for which it is reasonably possible that the total amount or unrecognized tax benefits will change materially in the next 12 months.

**ESTIMATES:**

Preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 financial statement date and reported revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Fund imposes a redemption fee of 1.00% on shares redeemed within one year of purchase. The fee is assessed on an amount equal to the Net Asset Value of the shares at the time of redemption and is deducted from proceeds otherwise payable to the shareholder. For the year ended December 31, 2021, \$23 of early redemption fees were returned to the Fund through shareholder redemptions. There were \$83 in early redemption fees for the year ended December 31, 2020.

**3.) INVESTMENT ADVISORY AGREEMENT**

The Fund has entered into an Investment Advisory Agreement with Bertolet Capital LLC (Adviser). Under the Agreement, Adviser receives a fee equal to the annual rate of 1.25% of the Fund's average daily net assets up to \$300 million, and an annual rate of 1% of the Fund's average daily net assets thereafter. For the year ended December 31, 2021, Adviser earned \$411,883 in fees which are paid yearly. For the year ended December 31, 2021, the Adviser waived \$105,697 in advisory fees.

A Fund officer and trustee is also an officer and trustee of the Adviser. Advisory Agreement provides for expense reimbursement and fee waivers by Adviser, if Fund Annual Total Expenses exceed 1.24%, of average daily net assets through April 30, 2022.

Adviser will be entitled to reimbursement of fees waived or reimbursed by Adviser to the Fund. Fees waived or expenses reimbursed during a given year may be paid to Adviser during the following three year period if payment of such expenses does not cause the Fund to exceed the expense limitation. Adviser is entitled to recoup \$121,198 through Dec. 31, 2022, \$111,277 through Dec. 31, 2023, and \$105,697 through Dec. 31, 2024.

#### **4.) PURCHASES AND SALES OF SECURITIES**

For year ended December 31, 2021, purchases and sales of investment securities other than U.S. Government obligations/short-term investments totaled \$1,440,084 and \$6,695,002, respectively.

#### **5.) FEDERAL TAX INFORMATION**

Net Investment income/(loss) and net realized gains/(losses) differ for financial statement and tax purposes due to differing treatments of wash sale losses deferred and losses realized after October 31, 2021. Differences between book basis and tax basis unrealized appreciation/(depreciation) are attributable to tax deferral of losses.

For the year ended December 31, 2021 the Fund paid an ordinary income distribution of \$0.36 per share and a short-term capital distribution of \$0.02, and a long-term capital gain of \$0.84 per share. No distributions were paid during the year ended December 31, 2020.

The tax nature of distributions paid during the year ended December 31, 2021, and the year ended December 31, 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Ordinary Income	\$ 751,384	\$ -
Long Term Capital Gain	<u>\$1,595,855</u>	<u>\$ -</u>
	\$2,347,239	\$ -

At December 31, 2021, the components of accumulated earnings/(losses) on a tax basis were as follows:

Costs of investments for federal income tax purposes	<u>\$ 27,031,835</u>
Gross tax unrealized appreciation	\$ 6,446,665
Gross tax unrealized depreciation	<u>(1,044,753)</u>
Net tax unrealized appreciation	5,401,912
Undistributed ordinary income	-
Accumulated capital and other gains - net	<u>438,686</u>
Total Distributable Earnings	<u>\$ 5,840,598</u>

During the year ended December 31, 2021, the fund utilized \$156,990 of short term capital loss carryforwards and \$503,989 of long term capital loss carryforwards. At December 31, 2021, the Fund had no capital loss carryforwards. At December 31, 2021, the Fund had no post-October losses.

#### **6.) COMMITMENTS AND CONTINGENCIES**

In the normal course of business, the Fund may enter into contracts that may contain a variety of representations and warranties and provide general indemnifications. The Fund's maximum exposure under these arrangements is dependent on future claims that may be made against the Fund and, therefore, cannot be estimated; however, management considers the risk of loss from such claims to be remote.

#### **7.) SUBSEQUENT EVENTS**

Management has evaluated Fund related events and transactions occurring subsequent to year end. There were no events or transactions that occurred during this period that materially impacted the Fund's financial statements.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees and  
Shareholders of Bertolet Capital Trust  
New York, New York

### Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of Pinnacle Value Fund, a series of shares of Bertolet Capital Trust, including the schedule of investments, as of December 31, 2021, the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and financial highlights for each of the five years in the period then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of Pinnacle Value Fund as of December 31, 2021, 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 have served as the Fund's auditor since 2003.

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. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion.

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 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. Our procedures included confirmation of securities owned as of December 31, 2021 by correspondence with the custodian. We believe that our audits provide a reasonable basis for our opinion.

TAIT, WELLER & BAKER LLP

Philadelphia, Pennsylvania  
February 28, 2022

---

### **PROXY VOTING (Unaudited)**

A description of the policies and procedures the Fund uses to determine how to vote proxies relating to portfolio securities and information regarding how the Fund voted those proxies during the most recent 12 month period ended June 30, are available without charge upon request by calling 877-369-3705 or visiting [www.pinnaclevaluefund.com](http://www.pinnaclevaluefund.com) or [www.sec.gov](http://www.sec.gov).

### **QUARTERLY PORTFOLIO HOLDINGS (unaudited)**

Fund files a complete schedule of investments with the SEC for the first and third quarter of each fiscal year on Form N-PORT. Fund's first and third fiscal quarters end on March 31 and Sept. 30. Form N-PORT filing must be made within 60 days of the end of the quarter, and Fund's first Form N-PORT was filed with the SEC on Nov. 29, 2004. Fund Form N-PORTs are available at [www.sec.gov](http://www.sec.gov) or may be reviewed and copied at the SEC's Public Reference Room in Washington, DC (call 1-800-732-0330 for information on the operation of the Public Reference Room). You may also obtain copies by calling the Fund at 1-877-369-3705.

### **SUPPLEMENTAL INFORMATION (Unaudited)**

#### ***Illiquid Securities***

Pursuant to Rule 22e-4 under the 1940 Act, the Fund has adopted a Liquidity Risk Management Program ("LRMP") that requires, among other things, that the Fund limits its illiquid investments that are assets to no more than 15% of net assets. An illiquid investment is any security which may not reasonably be expected to be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment. If the Advisor, at any time, determines that the value of illiquid securities held by the Fund exceeds 15% of its net asset value, the Advisor will take such steps as it considers appropriate to reduce them as soon as reasonably practicable in accordance with the Fund's written LRMP.

The following table provides biographical information with respect to each Trustee.

Name, Age	Position with Fund	Term of Office Length of Time Served	Principal Occupation During Past 5 years	Other Directorships
<b>Interested Trustee</b>				
John E. Deysher, CFA (66)	Trustee	Unlimited Since Inception	President, Secretary, Treasurer Pinnacle Value Fund	None
<b>Independent Trustees</b>				
Edward P. Breau, CFA (88)	Trustee	Unlimited Since Inception	Private Investor	None
Richard M. Connelly (66)	Trustee	Unlimited Since Inception	Counsel, CCO JG Wentworth (finance)	None
James W. Denney (56)	Trustee	Unlimited Since Inception	Entrepreneur Private Investor	None

### **TRUSTEES AND SERVICE PROVIDERS**

Trustees: Edward P. Breau, Richard M. Connelly, James W. Denney, John E. Deysher

Transfer Agent: Mutual Shareholder Services, 8000 Town Centre Dr- 400, Broadview Heights, OH 44147

Custodian: US Bank, 425 Walnut St., Cincinnati OH 45202

Independent Registered Public Accounting Firm: Tait, Weller & Baker LLP, 50 S.16<sup>th</sup> Street - 2900, Philadelphia PA 19102

### Expense Example (Unaudited)

As a shareholder of the Pinnacle Value Fund, you incur ongoing costs which typically include management 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. The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period, July 1, 2021 through December 31, 2021.

#### 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 the 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 ratios and an assumed rate of return of 5% per year before expenses, which are not the Fund's actual returns. 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.

	<b>Beginning Account Value</b>	<b>Ending Account Value</b>	<b>Expenses Paid During the Period*</b>
	<u>July 1, 2021</u>	<u>December 31, 2021</u>	<u>July 1, 2021 to December 31, 2021</u>
Actual	\$1,000.00	\$967.07	\$6.15
Hypothetical (5% Annual Return before expenses)	\$1,000.00	\$1,018.95	\$6.31

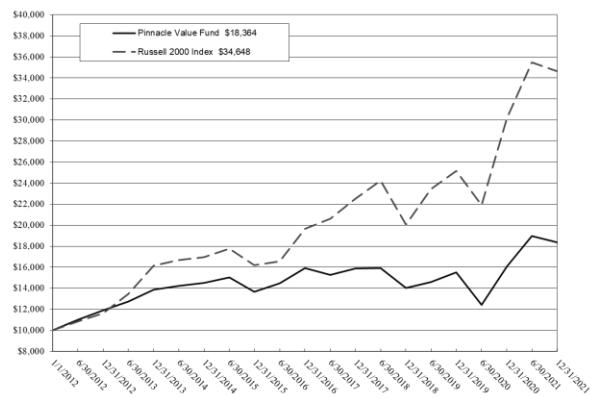
\* Expenses are equal to the Fund's annualized expense ratio of 1.24%, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period).

#### AVERAGE ANNUAL RATE OF RETURN (%) FOR YEAR ENDED DECEMBER 31, 2021

	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>	<b>10 Year</b>
Pinnacle Value Fund	14.31%	9.37%	2.91%	6.27%
Russell 2000 Index	14.82%	20.02%	12.02%	13.23%

Chart assumes an initial investment of \$10,000 made on 1/1/2012. Total return is based on the net change in NAV and assuming reinvestment of all dividends and other distributions. Performance figures represent past performance which is not predictive of future performance. Investment return and principal value will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost. All returns reflect reinvested dividends but do not reflect the impact of taxes.

Throughout the period shown, the investment adviser has voluntarily waived and reimbursed certain expenses of the Fund. Without such waivers and reimbursements returns would be lower.





**PINNACLE VALUE FUND®**  
**A SERIES OF THE**  
**BERTOLET CAPITAL TRUST**

**ANNUAL REPORT**

**DECEMBER 31, 2021**

**[www.pinnaclevaluefund.com](http://www.pinnaclevaluefund.com)**

---