Blue Current

BLUE CURRENT GLOBAL DIVIDEND

2016 – Q2 Quarterly Letter

Prepared by:

EDGE ADVISORS

Blue Current Global Dividend Fund
Ticker: BCGDX

June 30, 2016

Dear Investors:

The Blue Current Global Dividend Fund returned +1.79% (net) during the second quarter of 2016. We remind investors that the Fund is not managed to any specific equity index, but instead we focus on identifying companies that will pay a stable and increasing dividend and generate an attractive total return for our investors. For comparison, the MSCI World High Dividend Yield Index returned +2.98% and the MSCI World Index returned +1.01% during the quarter. Since inception, the Fund returned +0.60% (net), which compares to the MSCI World High Dividend Yield Index return of -0.55% and the MSCI World Index return of -0.95%.

Performance	Q2	1 Year	Since Inception*
BCGDX (net)	1.79%	1.37%	0.60%
MSCI World High Dividend Yield Index	2.98%	4.10%	-0.55%
MSCI World Index	1.01%	-2.78%	-0.95%

* Since inception: 9/18/2014

Expense Ratio	BCGDX
Gross Expense Ratio	1.69%
Net Expense Ratio	1.00%

Neither rain, nor snow, nor Brexit shall keep our dividends away!

The chase for yield has been a relentless campaign in recent months and increasingly causes us to question what motivates the decision making of individual market participants. The current state of sovereign yields represents the most extreme example of yield chasing. Why do investors continue to lend money to the German or Japanese government when bond yields across most maturities are negative? When does it make sense to voluntarily lend the equivalent of a $1 knowing that you will not be made whole upon maturity? Unfortunately this describes most of the G10 sovereign fixed income markets today. For a five-year loan, the following countries will not make investors whole at maturity: France, Germany, Japan, Netherlands, Sweden, Switzerland, and Belgium. Because of negative yields, the ECB quantitative easing program faces a dwindling opportunity set as it restricts bond purchases to those yielding above 40bps. If this is the case, why do investors continue to chase a poor opportunity? For many institutions, the investment mandate may necessitate a diverse sovereign bond portfolio, even in the zaniness of the current environment. Other investors (traders) may take a short investment horizon and justify the risk of buying a bond at $101 and selling it at $102 in a few months (or weeks). Regardless of the investment mandate or the time horizon, we believe investors are taking significant interest rate and credit risk against a backdrop of extreme and unprecedented global central bank decision making.

The stretch for yield is not isolated to fixed income, and is having a similar impact across equity sectors that some investors could label as "bond proxies." This includes utilities, consumer staples, and real estate investment trusts. In our mind, the equivalent of a 1.4% U.S. 10-Year Treasury yield is a utility company trading at 22x forward earnings and yielding 2.8% - the median multiple and yield of the utility companies that are eligible for the portfolio. Not to dampen spirits further, but the three-year average dividend growth

rate of the sector is 3.8%, approximately one-third of the recent dividend growth rate of the Blue Current fund over that period. Never in recent history have investors paid so much and received so little from this group. Although the sector represents approximately 8% of our benchmark, we are unable to find compelling value in the sector and do not have exposure currently.

Where do all roads lead? For right now, they lead to higher valuations and lower yields. We do not pretend to forecast how long this one-way trade will persist or what the catalyst will be to reverse sentiment. We would guess that the resurfacing of sovereign or corporate credit risk is more likely to be the tipping point versus an inflation or growth scare, but we shall see. Against this backdrop, we believe that our investment strategy makes more sense than ever. It is simple to articulate: we collect dividends from our companies every quarter and those dividends should increase each year. Most political and macroeconomic events (Brexit) should not impair our companies' abilities to pay dividends each quarter. The value of our stocks will change according to market conditions, but if we execute our process of buying companies with increasing dividends at fair multiples, the value of the portfolio should steadily increase over the long term.

BLUE CURRENT PHILOSOPHY & OBJECTIVES

The Blue Current investment team utilizes its expertise in growing cash flow to invest in what we believe is a niche universe of high-quality, dividend-paying companies with sustainable business models and dividend policies. The primary objectives are to pay a stable and increasing dividend each quarter and deliver attractive long-term capital appreciation to investors.

The portfolio is concentrated and invests in 25 to 50 companies across developed markets that meet our stringent quality requirements. We focus on companies that we believe have a strong history of rewarding shareholders and have the financial ability to continue to increase the dividend over time. We also focus on the future earnings potential of each company and strive to purchase those businesses when they are trading at a discount to their true value.

PORTFOLIO COMMENTARY

Ironically, the maligned health care sector was responsible for two of our four top performers during the quarter. Pfizer and Novartis, combined, contributed approximately 90bps to quarterly performance – both stocks outperformed the health care index over the period. Pfizer returned more than 20% and remains a core position (top 10) for the strategy. Pfizer made headlines in early April when the U.S. Treasury tightened the tax inversion regulations, thereby eliminating the attractiveness of the proposed merger between Pfizer and Allergan. Shareholders not keen on the merger have renewed their interest in stand-alone Pfizer. The stock has also benefited from several new drug developments, specifically in the field of oncology, which should bolster the future pipeline. Pfizer is valued at 15x 2016 earnings, yields 3.2%, and has a three-year dividend growth rate of 8%.

Our largest position (Comcast) was also a top contributor during the quarter. We are pleased to see other investors appreciate what we have valued in the company for some time - that is, the company's cash flow diversification across its leading cable franchise, theme park entertainment, and media properties, including NBC, which is scheduled to host the Olympic Games this summer. We believe the company is a cash cow, and believe entertainment (and experience) remains at the forefront of consumer spending

habits – potentially gaining share from retail and other consumer-challenged areas of the economy. Despite increasing similarities, the company trades at a 20% discount to Walt Disney and has a 15% higher yield. We believe there is additional upside in the company's share price and dividend growth rate – Comcast's current dividend payout ratio is a paltry 30%.

Lastly, a position that we have not discussed in recent letters, National Health Investors, appreciated 14% during the quarter. Similar to our views on the utility sector, we have struggled to find value in the REIT sectors; however, National Health represents solid value in our opinion. For example, the company is valued at 16x FFO (Funds From Operations), which compares to a median valuation for the REIT sector of 19x FFO. The company is a diversified health care operator with exposure to medical office, assisted living, and memory care, mostly nongovernment subsidized as well. National Health Investors currently yields 4.8%.

Not surprising given the Brexit decision, two of our main detractors in the portfolio are domestically exposed to the UK and eurozone economies, Sky Broadcasting and Christian Dior. If one were to only read the media headlines during the days following the Brexit announcement, you would believe that investors panicked, sending all equities into a tailspin. From our vantage, however, that was not the case at all. Companies domiciled within the UK but with material revenue generation in foreign markets rallied immediately after the decision and continued to rally through the end of the quarter. Investors were, intelligently, reacting to the depreciating GBP, which should serve as a nice boost to revenue translation and competitiveness for exporters. We added to our position in Diageo following the Brexit vote. Investors should note that the company has appreciated 14% (GBP) since the vote through quarter-end, which is a reference to our earlier point that the FTSE market has acted rationally to the depreciating currency. Simultaneously, companies that were inwardly focused to the UK consumer plummeted over fears of Brexit creating a 2017 UK recession – a view that is approaching consensus. As a result, Sky and Christian Dior were under pressure immediately following the announcement. We continue to hold these positions in the portfolio, and will monitor future economic data to determine whether Brexit will undermine economic growth in the region. As we mentioned, a weaker GBP should be stimulative for the UK economy, the benefit of having a local currency that can directly react to local fiscal and monetary policy – a phenomenon that many EU countries secretly wish for.

Concerns surrounding the health of the U.S. consumer have been negatively impacting the retail sector for well over a year, and as a result, valuations of many retailers are now at multiyear lows. Due to valuation and softening growth, we exited our position in Target during the first quarter at a fair price. As the sector continued to retreat during the second quarter, valuations have contracted, and accordingly, our quantitative scoring process has elevated several interesting ideas for the portfolio. One of the highest-rated companies is Williams-Sonoma, a position we subsequently initiated during the quarter. Aside from the namesake retailer (Williams-Sonoma), our readers are probably most familiar with two other WSM brands, Pottery Barn and West Elm. Within our process, Williams-Sonoma garners one of the highest rankings across the consumer discretionary sector. While performing our analysis, we were surprised to learn that over 50% of WSM sales are online! Aside from Amazon, that is one of the highest online penetration rates of any retailer. We were also impressed to learn that the company has a net cash balance sheet and currently has a valuation of 15x 2016 earnings. Williams-Sonoma initiated its dividend in

2006 and has been steadily increasing it since 2010. Lastly, the company's three-year dividend growth rate is 14% and the stock currently yields 2.7%.

INVESTMENT OUTLOOK

Investor preference for yield and safety continues to attract investors to our universe of stocks, although as we have shared, the attention is more myopic and raising valuations in some areas to stretched levels. The overall portfolio continues to trade at a meaningful discount to the broader markets, a quality that we believe will reward us in the future should market volatility accelerate.

Within the U.S., we believe second-quarter earnings will be better than consensus, especially within the consumer sector and our names in particular. Job creation, wage growth, low energy prices, and declining interest rates are all positive factors that we believe expand purchasing power and ultimately revenue for our companies. The consumer discretionary and staples sectors currently represent 32% of our portfolio. Outside of the U.S., we are positioned defensively in staples and telecom. Specifically within the UK, we are invested in exporters that will benefit from a weaker sterling relative to trading partners and includes such names as Diageo and Unilever. Within the UK, valuations are reasonable and materially lower than the U.S., where we believe investors are paying a handsome price for the equivalent peers.

As of June 30, the portfolio was invested in 41 companies with an average yield of 3.1% and a 2016 average P/E of 16.4x.

For more information, please visit bluecurrentfunds.com.

Sincerely,

Henry "Harry" M. T. Jones
Co-Portfolio Manager
Blue Current Global Dividend

Dennis Sabo, CFA
Co-Portfolio Manager
Blue Current Global Dividend

Disclosure and Risk Summary

The Letter to Shareholders seeks to describe some of the current opinions and views of the financial markets of Edge Advisors, LLC (the "Adviser"). Although the Adviser believes it has a reasonable basis for any opinions or views expressed, actual results may differ, sometimes significantly so, from those expected or expressed. The securities held by the Fund that are discussed in the Letter to Shareholders were held during the period covered by this Report. They do not comprise the entire investment portfolio of the Fund, may be sold at any time and may no longer be held by the Fund. The opinions of the Adviser with respect to those securities may change at any time.

The opinions expressed herein are those of the Adviser, and the report is not meant as legal, tax, or financial advice. You should consult your own professional advisors as to the legal, tax, financial, or other matters relevant to the suitability of investing. The external data presented in this report have been obtained from independent sources (as noted) and are believed to be accurate, but no independent verification has been made and accuracy is not guaranteed. The information contained in this report is not intended to address the needs of any particular investor.

Mutual fund investing involves risk. Principal loss is possible. Index returns reflect the reinvestment of dividends. An investor should consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. The Fund's prospectus contains this and other important information. To obtain a copy of the Fund's prospectus please visit our website at www.bluecurrentfunds.com or call 1-800-514-3583 and a copy will be sent to you free of charge. Please read the prospectus carefully before you invest. The Blue Current Global Dividend Fund is distributed by Ultimus Fund Solutions, LLC.

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. The fund imposes a 2% redemption fee on shares held within 7 days after purchase. Performance data does reflect the redemption fee which, if reflected would reduce the performance quoted. Performance data current to the most recent month-end is available at 1-800-514-3583.

The advisor has entered into an Expense limitation Agreement with the Fund that calls for the Advisor to reduce management fees and reimburse other expenses of the Fund, if necessary, to maintain Total Annual Fund Operating Expenses at 0.99% for Institutional Class Shares per annum. This agreement is in effect until January 1, 2018.

Investment in the Fund is subject to investment risks, including, without limitation, market risk, management style risk, investment style risk, large cap risk, mid cap risk, small cap risk, foreign security risk, ETF risk, MLP risk, MLP tax risk, and new fund risk. For more information about the Fund, including the Fund's objectives, charges, expenses and risks (including more information about the risks listed above), please read the prospectus. The MSCI World Index Net is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. You cannot invest directly in the index.

As of 6-30-16, the holding percentages of the stocks mentioned in this commentary are as follows: PFE (3.24%), NOVN (2.52%), CMCSA (3.94%), DIS (0%), NHI (1.99%), SKY LN (1.96%), CDI FP (1.68%), WSM (0%), AMZN (0%).