

TFS Market Neutral Fund

Dear Investor,

The TFS Market Neutral Fund (TFSMX) was up 9.17% in the fourth quarter of 2016, outperforming both the S&P 500 and the Russell 2000 equity indices (up 3.82% and 8.83%, respectively.) The Fund finished the 2016 calendar year up 3.39% versus an 11.96% gain for the S&P 500 index and a 21.31% gain for the Russell 2000. For the year, the Fund generated modest positive alpha relative to both indices. In other words, the Fund had positive performance relative to the S&P 500 and Russell 2000 beyond the portion explained by its low, but positive, market exposure.

In terms of alpha, this was the best quarter in the Fund’s history. It follows four consecutive quarters of negative alpha, and, for the most part, the portions of the portfolio that have hurt the most over the last several quarters helped the most this quarter.

The Fund’s beta for the quarter was 0.00 versus the S&P 500 and -0.01 versus the Russell; in other words, none of the Fund’s performance for the quarter can be attributed to gains in the market. These betas are significantly lower than the Fund’s long-term beta of 0.23 vs. the S&P 500 and 0.17 vs. the Russell 2000.

The Fund performed well during all three months of the quarter:

	TFSMX	S&P 500	Russell 2000
October 2016	2.83%	-1.82%	-4.75%
November 2016	4.20%	3.70%	11.15%
December 2016	1.88%	1.98%	2.80%

Total return by month

The reversal in Fund performance was most evident in small cap stocks, which make up a majority of the portfolio. Long holdings in the core small cap strategies rose approximately 9.8%, outperforming the Russell 2000 by about a percent. But the core small cap short portfolio had much better performance—it fell 2.7%. That means that our short portfolio outperformed a short position in the Russell 2000 by 11.5%.

Last quarter, we noted that “we are considering whether inexpensive debt [caused by low interest rates] could be allowing lower quality companies to survive longer.” Since then, the federal-funds target interest rate has been raised. Moreover, expectations for further increases have risen dramatically. In the last 3 months, the probability of the target interest rate being at 1% or higher by the end of 2017 has increased from 12% to 72%¹. We think that the change in interest rates and interest rate expectations positively impacted the performance of our short portfolio.

We continue to have a higher than normal amount invested on the short side—roughly 80% of the portfolio vs. a long-term average of about 70%. We made this adjustment in an effort to benefit more from alpha opportunities on the short side; we are still concerned about high equity valuations in stocks that our models perceive to be low quality.

We are pleased that our expectation for a reversal in performance was realized in the fourth quarter. However, we recognize that the Fund has not recovered all of its losses from the prior 4 quarters. While we do not expect more quarters as strong as this one, we will continue to strive for positive alpha.

¹ Source: Bloomberg Implied Fed Funds Futures Probabilities

Thank you for your continued support. Please do not hesitate to contact us should you have any questions.

Regards,

The Portfolio Management Team of the TFS Market Neutral Fund

An investor should consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. To obtain a summary prospectus and/or prospectus, which each contain this and other important information, go to www.tfscapital.com or call +1 888 534 2001. Please read the summary prospectus and/or prospectus carefully before investing.

The Fund may not be suitable for all investors. The Fund is distributed by Ultimus Fund Solutions, LLC. Current performance may be lower or higher than the quoted past performance, which cannot guarantee future results. Share price, principal value, and return will vary and you may have a gain or loss when you sell your shares. Go to www.tfscapital.com for performance data through the most recent month end. In addition, please see the attached Fact Sheet for the Fund's standardized performance through December 31, 2016.

The following "risk" information is being provided to you to help better understand the unique risks associated with investing in the Fund. As a result of the Fund's use of short selling, the Fund will not participate to the same level as a long-only mutual Fund in a bull market. Short selling subjects the Fund to the potential for unlimited losses. In addition, the Fund will have a high portfolio turnover rate, which will increase transaction costs for the Fund and decrease tax efficiency relative to funds with lower turnover.

Russell 2000® Index is an index that measures the performance of the 2,000 smallest companies in the Russell 3000® Index. You cannot invest directly in an index.

TFS Market Neutral Fund

December 2016

FUND INFORMATION

Investment Objective

The TFS Market Neutral Fund seeks to produce capital appreciation while having a low correlation to the U.S. equity market. In addition, it seeks to produce lower volatility than would result from a long-only investment in the U.S. equity market.

General Information

Ticker	TFSMX
NAV	14.65
Net Assets	\$294,708,788
Min. Investment	\$5,000
Inception Date	9/7/2004

About TFS Capital

An Independent Portfolio Manager

TFS Capital LLC is an employee-owned independent advisory firm that provides portfolio management services to investment funds. The firm currently manages three mutual funds, the TFS Market Neutral Fund (Ticker: TFSMX), the TFS Small Cap Fund (Ticker: TFSSX), and the TFS Hedged Futures Fund (Ticker: TFSHX), and also offers private investment funds ("hedge funds") that are available to qualified investors.

An Experienced Team Specializing in Quantitative Analysis

TFS was founded in 1997 and, since inception, has been dedicated to building proprietary quantitative factor models that are designed to exploit market inefficiencies. The firm's managers specialize in quantitative research and have appeared in numerous industry publications and media outlets including The Wall Street Journal, The Financial Times, The New York Times, The Washington Post, CNBC, Reuters, CNN, Bloomberg, Bloomberg Businessweek, Forbes, MarketWatch, Institutional Investor, Barrons, and more.

TFS Capital LLC

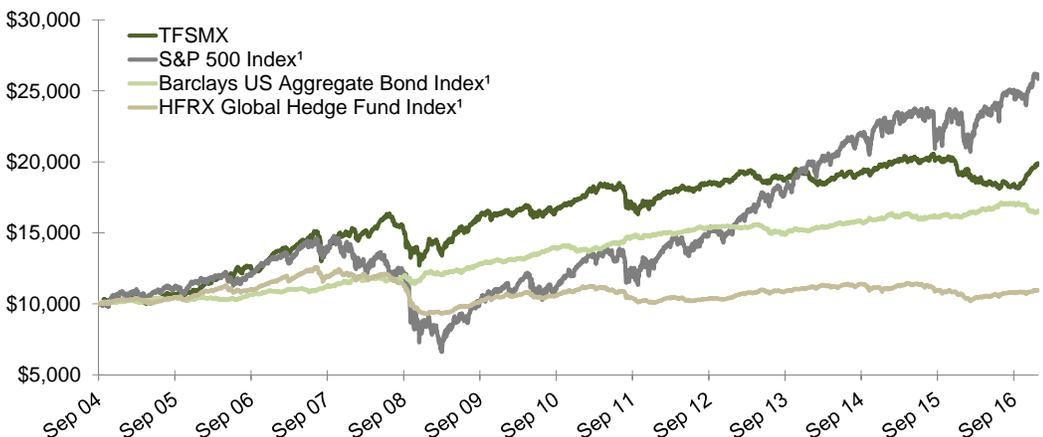
10 N. High Street, Suite 500
West Chester, Pennsylvania 19380
+1 888 837 4446
info@tfscapital.com
tfscapital.com

PERFORMANCE

	1M	3M	YTD	Annualized Total Return				
				1 Year	3 Year	5 Year	10 Year	Inception
TFSMX	1.9%	9.2%	3.4%	3.4%	1.5%	2.7%	3.9%	5.8%
S&P 500 Index ¹	2.0%	3.8%	12.0%	12.0%	8.9%	14.7%	6.9%	8.0%
Bar US Agg Bond Index ¹	0.1%	-3.0%	2.6%	2.6%	3.0%	2.2%	4.3%	4.2%
HFRX Global Index ¹	0.8%	1.1%	2.5%	2.5%	-0.6%	1.6%	-0.6%	0.8%

Gross Expense Ratio: 7.76%. Net Expense Ratio: 7.70%. Adjusted Net Expense Ratio: 1.90%. Please see Expenses section for more information about fund expenses.

GROWTH of \$10,000



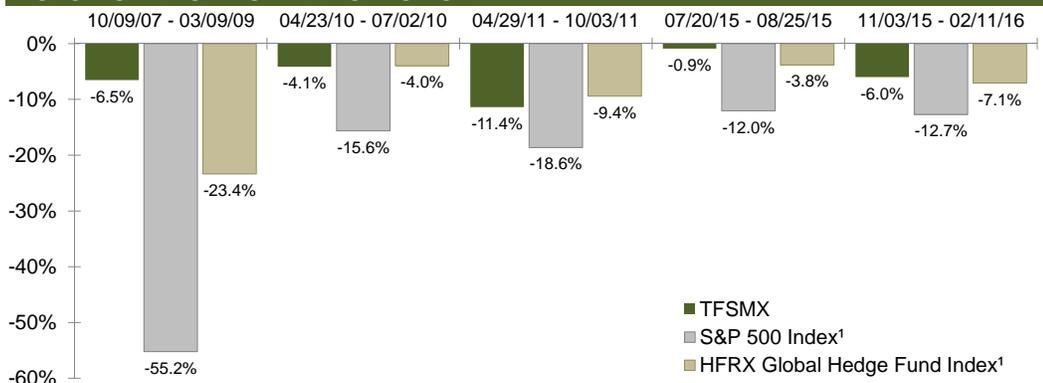
RISK MEASURES

Alpha (Annualized) [‡]	2.82%
Beta (Average)	0.23
Sharpe Ratio	0.63
Std. Dev. (Annualized)	7.39%

[‡] Risk free rate used in alpha and Sharpe ratio calculations is daily 3 Month U.S. Treasury Bill. Alpha and Beta both calculated versus S&P 500 Index¹. Please see Disclosure 2 for definitions of the above calculations.



HISTORICAL DOWNSIDE PROTECTION



Five largest S&P 500 TR Index¹ drawdowns since TFSMX inception of 09/07/2004

All data since TFSMX inception of 9/7/04 and as of 12/31/2016, unless otherwise noted. The performance data quoted represents past performance, which is not a guarantee of future results. Current performance may be lower or higher than the performance data quoted.

An investor should consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. To obtain a summary prospectus and/or prospectus, which contains this and other important information, go to www.tfscapital.com or call (888) 534-2001. Please read the summary prospectus and/or prospectus carefully before investing.

ANNUAL PERFORMANCE

	2004*	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
TFSMX	3.5%	5.9%	24.2%	11.5%	-7.3%	16.6%	6.2%	0.1%	7.8%	1.4%	4.2%	-3.0%	3.4%
S&P 500 Index ¹	8.1%	4.9%	15.8%	5.5%	-37.0%	26.5%	15.1%	2.1%	16.0%	32.4%	13.7%	1.4%	12.0%
Bar. US Agg. Bond Index ¹	-0.7%	1.9%	4.3%	7.0%	5.2%	5.9%	6.5%	7.8%	4.2%	-2.0%	6.0%	0.6%	2.6%

* Data from TFSMX inception date of 9/7/2004

EXPENSES

Gross Expense Ratio	7.76%
Net Expense Ratio	7.70%
Adjusted Net Expense Ratio	1.90%

Effective January 1, 2014, the management fee paid by the Fund was reduced from 2.25% per annum to 1.65% per annum. In addition, the Adviser contractually agreed (for the life of the Fund) to reduce its management fees and to absorb the Fund's operating expenses to the extent necessary to limit the annual ordinary operating expenses to an amount not exceeding 1.90% of the Fund's average daily net assets. The Fund's annual ordinary operating expenses include all Fund expenses except acquired fund fees and expenses, dividend expenses, borrowing costs and brokerage expense on securities sold short. The expense ratio information listed above has been restated for the new management fee and expense cap arrangement between the Fund and the Adviser. The Adj. Net Expense Ratio of 1.90% excludes acquired fund fees and expenses, dividend expenses, borrowing costs and brokerage expense on securities sold short which totaled 5.80% for the prior fiscal year. See the current Prospectus for a more detailed discussion.

STANDARD PERFORMANCE

	1Y	3Y	5Y	10Y	Inception
TFSMX	3.39%	1.48%	2.70%	3.89%	5.76%
S&P 500 Index	11.96%	8.87%	14.66%	6.95%	8.01%
Bar US Agg. Bond	2.65%	3.03%	2.23%	4.34%	4.21%

As of 12/31/2016

The performance data quoted represents past performance, which is not a guarantee of future results. Current performance may be lower or higher than the performance data quoted. Go to www.tfscapital.com for performance data through the most recent month end. The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Fee waivers and/or expense reimbursements by the Adviser have positively impacted the Fund's performance. Without such waivers and/or reimbursements, performance would have been lower.

DISCLOSURES

All data since TFSMX inception of 9/7/04 and as of 12/31/2016, unless otherwise noted.

RISK INFORMATION

The following "risk" information is being provided to you to help better understand the unique risks associated with investing in TFSMX. As a result of TFSMX's use of short selling, TFSMX will not participate to the same level as a long-only mutual fund in a bull market. Short selling subjects the fund to the potential for unlimited losses. In addition, TFSMX will have a high portfolio turnover rate which will increase the transaction costs of the Fund and decrease tax efficiency relative to funds with lower turnover. When TFSMX uses leverage it will exaggerate any increase or decrease in the Fund's net asset value. The Fund's use of derivatives requires special skills and knowledge of investment techniques that are different than those normally required for purchasing and selling common stock. If the Adviser uses a derivative instrument at the wrong time or incorrectly identifies market conditions, or if the derivative instrument does not perform as expected, these strategies may significantly reduce the Fund's return. The quantitative models used by the Adviser may be similar to the models used by other quantitative managers. This potential portfolio overlap with other quantitative funds could lead to periods of high volatility, especially in the event that other managers choose to rapidly sell securities or close short positions. A more detailed discussion of the Fund's risks, including risks that are unique to the Fund, can be found in its prospectus.

(1) INDICES

S&P 500 Index: Standard and Poor's 500 Index is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The index was developed with a base level of 10 for the 1941- 43 base period. The Total Return Index is calculated intraday by S&P based on the price changes and reinvested dividends of the S&P 500 Index, with a starting date of Jan 4, 1988. (Source: Bloomberg Professional)

Barclays US Aggregate Bond Index: The Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency). Provided the necessary inclusion rules are met, US Aggregate-eligible securities also contribute to the multi-currency Global Aggregate Index and the US Universal Index, which includes high yield and emerging markets debt. The US Aggregate Index was created in 1986 with history backfilled to January 1, 1976. (Source: Barclays)

HFRX Global Hedge Fund Index: The HFRX Global Hedge Fund Index is designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. The strategies are asset weighted based on the distribution of assets in the hedge fund industry. (Source: Hedge Fund Research)

(2) GLOSSARY

Standard Deviation is a measure of the dispersion of a set of data from its mean. **Correlation** is a statistical measure of how two securities move in relation to each other. **Beta** is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. **Alpha** is the abnormal rate of return on a security or portfolio in excess of what would be predicted by an equilibrium model. **Sharpe Ratio** is the ratio of portfolio returns in excess of a risk free rate over the standard deviation of those excess returns.

The Fund is distributed by Ultimus Fund Distributors, LLC.

TFS Small Cap Fund

Dear Investor,

The TFS Small Cap Fund (TFSSX) was up 10.62% in the fourth quarter of 2016, outperforming the Russell 2000 Index (up 8.83%) by 1.79%. The outperformance for the quarter made up for the underperformance the Fund experienced during the first three quarters of the 2016 calendar year. For the year, the Fund finished up 21.43%, marginally above the Russell 2000 gain of 21.31%.

During the quarter, Healthcare was both the largest sector in the Fund, and the largest overweight sector relative to the Russell 2000. Stock selection within the sector was very strong: Healthcare holdings in the Fund were up 3.9%, vs. a -5.8% decline in the Russell 2000 Healthcare Index. This gain was achieved despite the Fund's overexposure to the sector, and the overall poor performance of Healthcare stocks during the quarter; the gain from stock selection more than offset the overweight.

Most other sectors also performed well. Stock selection in the Consumer Discretionary, Industrials, and Information Technology sectors also contributed positively to performance, while Financials was the lone major sector in which stock selection detracted from Fund performance last quarter.

Finally, performance was helped by the new portfolio construction methodology we have implemented over a portion of the Fund. Absolute return from this portion of the portfolio was higher, and it also had lower deviation from the Russell 2000.

Thank you for your continued support. Please do not hesitate to contact us should you have any questions.

Regards,

The Portfolio Management Team of the TFS Small Cap Fund

An investor should consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. To obtain a summary prospectus and/or prospectus, which each contain this and other important information, go to www.tfscapital.com or call +1 888 534 2001. Please read the summary prospectus and/or prospectus carefully before investing.

The Fund may not be suitable for all investors. The Fund is distributed by Ultimus Fund Solutions, LLC. Current performance may be lower or higher than the quoted past performance, which cannot guarantee future results. Share price, principal value, and return will vary and you may have a gain or loss when you sell your shares. Go to www.tfscapital.com for performance data through the most recent month end. In addition, please see the attached Fact Sheet for the Fund's standardized performance through December 31, 2016

The following "risk" information is being provided to help you better understand the unique risks associated with investing in TFSSX. TFSSX will invest predominantly in small capitalization companies which are generally more volatile than larger, more established companies. In addition, TFSSX will have a high portfolio turnover rate which will increase transaction costs for the Fund and decrease tax efficiency relative to funds with lower turnover. A more detailed discussion of the Fund's risks, including risks that are unique to the Fund, can be found in its Prospectus.

TFS Small Cap Fund

December 2016

FUND INFORMATION

Investment Objective

The TFS Small Cap Fund seeks to outperform the Russell 2000® Index. The Fund invests at least 80% of its net assets in the common stocks of "small cap companies."

General Information

Ticker	TFSSX
NAV	13.88
Net Assets	\$71,844,241
Min. Investment	\$5,000
Inception Date	3/7/2006

About TFS Capital

An Independent Portfolio Manager

TFS Capital LLC is an employee-owned independent advisory firm that provides portfolio management services to investment funds. The firm currently manages three mutual funds, the TFS Market Neutral Fund (Ticker: TFSMX), the TFS Small Cap Fund (Ticker: TFSSX), and the TFS Hedged Futures Fund (Ticker: TFSHX), and also offers private investment funds ("hedge funds") that are available to qualified investors.

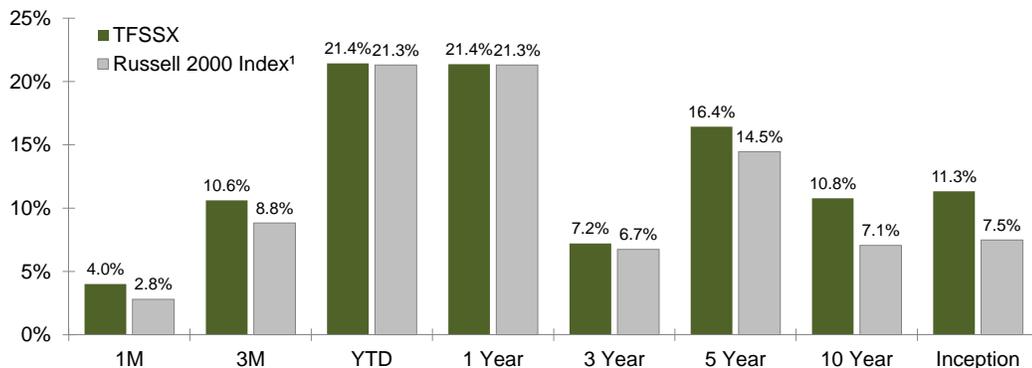
An Experienced Team Specializing in Quantitative Analysis

TFS was founded in 1997 and, since inception, has been dedicated to building proprietary quantitative factor models that are designed to exploit market inefficiencies. The firm's managers specialize in quantitative research and have appeared in numerous industry publications and media outlets including The Wall Street Journal, The Financial Times, The New York Times, The Washington Post, CNBC, Reuters, CNN, Bloomberg, Bloomberg Businessweek, Forbes, MarketWatch, Institutional Investor, Barrons, and more.

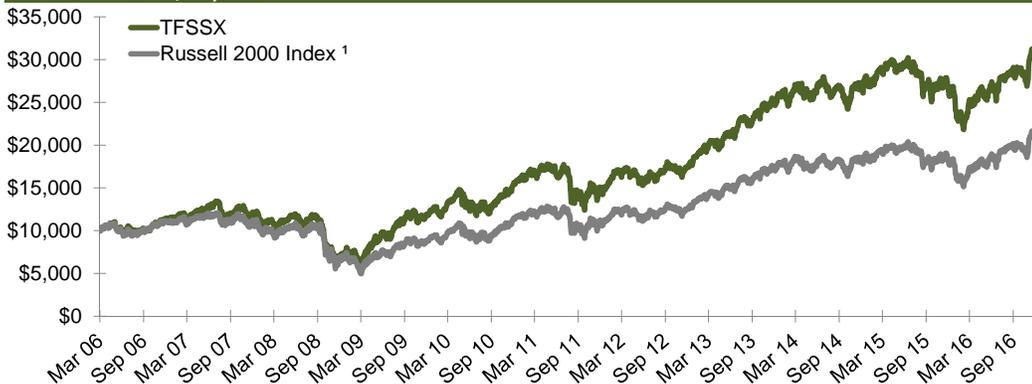
TFS Capital LLC

10 N. High Street, Suite 500
West Chester, Pennsylvania 19380
+1 888 837 4446
info@tfscapital.com
tfscapital.com

PERFORMANCE



GROWTH OF \$10,000



ANNUAL PERFORMANCE

	2006*	2007	2008	2009	2010	2011	2012	2013	2014
TFSSX	14.7%	5.0%	-38.4%	65.4%	29.0%	-5.6%	20.6%	44.1%	7.6%
Russell 2000 ¹	10.4%	-1.6%	-33.8%	27.2%	26.9%	-4.2%	16.3%	38.8%	4.9%
	2015	2016							
TFSSX	-5.6%	21.4%							
Russell 2000 ¹	-4.4%	21.3%							

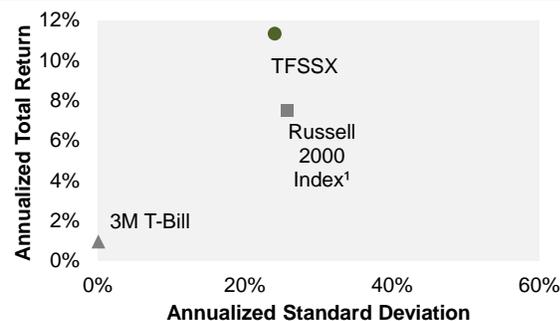
* Data from TFSSX inception date of 3/7/2006

Gross Expense Ratio: 1.68%. Net Expense Ratio: 1.50%. Please see Expenses section for more information about fund expenses

RISK MEASURES

Alpha (Annualized) [‡]	4.10%
Beta (Average)	0.90
Information Ratio	0.47
Active Share	71.52%
R-Squared	0.94
Std. Dev. (Annualized)	24.03%

[‡] Risk free rate used in alpha calculations is daily 3 Month U.S. Treasury Bill. Alpha, Beta, Information Ratio, Active Share and R-Squared all calculated versus Russell 2000 Index¹. Please see Disclosure 2 for definitions of the above calculations.



All data since TFSSX inception of 3/7/06 and as of 12/31/2016, unless otherwise noted. The performance data quoted represents past performance, which is not a guarantee of future results. Current performance may be lower or higher than the performance data quoted.

An investor should consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. To obtain a summary prospectus and/or prospectus, which contains this and other important information, go to www.tfscapital.com or call (888) 534-2001. Please read the summary prospectus and/or prospectus carefully before investing.

HOLDINGS DATA

Number of Holdings	589
Largest Position	0.78%
Asset Weighted Mkt Cap	\$1,465mm

Largest Holdings	Ticker	Pct of Fund
Hudson Pacific Properties Inc	HPP	0.78%
Mack-Cali Realty Corp	CLI	0.69%
First Potomac Realty Trust	FPO	0.68%
Washington Prime Group Inc	WPG	0.67%
Harsco Corp	HSC	0.65%
InfraREIT Inc	HIFR	0.65%
CBL & Associates Properties In	CBL	0.65%
Ramco-Gershenson Properties	RPT	0.64%
Magellan Health Inc	MGLN	0.63%
Kite Realty Group Trust	KRG	0.63%

EXPENSES

Gross Expense Ratio	1.68%
Net Expense Ratio	1.50%

Effective January 1, 2014, the management fee paid by the Fund was reduced from 1.25% per annum to 1.15% per annum. In addition, the Adviser contractually agreed to reduce its management fees and to absorb the Fund's operating expenses (for the life of the Fund) to the extent necessary to limit annual ordinary operating expenses to an amount not exceeding 1.50% of the TFS Small Cap Fund's average daily net assets. The expense ratio information listed above has been restated for the new management fee and expense cap arrangement between the Fund and the Adviser. See the current summary prospectus/prospectus for a more detailed discussion.

DISCLOSURES

All data since TFSSX inception of 3/7/06 and as of 12/31/2016, unless otherwise noted.

RISK INFORMATION

The following "risk" information is being provided to help you better understand the unique risks associated with investing in TFSSX. TFSSX will invest predominantly in small capitalization companies which are generally more volatile than larger, more established companies. In addition, TFSSX will have a high portfolio turnover rate which will increase transaction costs for the Fund and decrease tax efficiency relative to funds with lower turnover. A more detailed discussion of the Fund's risks, including risks that are unique to the Fund, can be found in its Prospectus.

(1) INDICES

Russell 2000 Index: The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000 Index representing approximately 8% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000 is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set. (Source: Bloomberg Professional)

(2) GLOSSARY

Standard Deviation is a measure of the dispersion of a set of data from its mean. **Correlation** is a statistical measure of how two securities move in relation to each other. **Beta** is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. **Alpha** is the abnormal rate of return on a security or portfolio in excess of what would be predicted by an equilibrium model. **Active Share** is a measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index. **Information Ratio** is the ratio of portfolio returns in excess of a benchmark over the standard deviation of those excess returns.

The Fund is distributed by Ultimus Fund Distributors, LLC.

SECTOR EXPOSURE

Sector	TFSSX	Russell 2000
Consumer Discretionary	13.3%	12.3%
Consumer Staples	3.8%	3.0%
Energy	4.0%	3.8%
Financials	16.2%	19.9%
Health Care	17.2%	12.1%
Industrials	13.3%	14.5%
Information Technology	15.3%	17.0%
Materials	4.5%	4.9%
Real Estate	9.7%	7.7%
Telecommunication Services	0.9%	0.7%
Utilities	1.8%	3.5%

STANDARD PERFORMANCE

	1Y	3Y	5Y	10Y	Inception
TFSSX	21.43%	7.23%	16.45%	10.79%	11.34%
Russell 2000 Index	21.31%	6.74%	14.46%	7.07%	7.48%

As of 12/31/2016

The performance data quoted represents past performance, which is not a guarantee of future results. Current performance may be lower or higher than the performance data quoted. Go to www.tfscapital.com for performance data through the most recent month end. The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Fee waivers and/or expense reimbursements by the Adviser have positively impacted the Fund's performance. Without such waivers and/or reimbursements, performance would have been lower.

TFS Hedged Futures Fund

Dear Investor,

The TFS Hedged Futures Fund (TFSHX) was down -1.89% during the fourth quarter of 2016, underperforming the S&P Diversified Trends Indicator (DTI) (up 3.13%) by 502 basis points. This loss for the quarter offset the gains for the year, and the Fund finished down -0.29% in 2016.

In general, the Fund has a very low correlation to the S&P Diversified Trends Indicator (DTI) and the S&P 500. The Fund's beta to the DTI was -0.14 during the quarter. While the beta of the Fund to the DTI does vary, it is generally fairly low; the average beta since inception is -0.04.

The Fund's beta to the S&P 500 was also -0.14 in the fourth quarter. While still small, the magnitude of the beta to the S&P 500 was slightly higher than we have seen recently. The Fund's beta has been consistently between -0.10 and 0.10 for the previous several quarters.

The TFS Hedged Futures Fund uses a relatively unique investing style that attempts to capture the risk premia in futures contracts. In the Fund's primary commodities strategy, spot movements in underlying commodities continued to be more substantial than the benefit realized from roll yield. As a result, the Fund's primary commodities strategy fell 7.5%, losing 12.5% for the year.

Long-term, we expect roll yield to be larger than the underlying spot movements, but the opposite can be true over short to medium periods of time, as was the case in the fourth quarter. And, there is no assurance that roll yield will exceed spot movements over the long-term.

The Fund's sector-specific commodities strategies have lower spot movement risk than the primary commodities strategy, because movements in the underlying commodities tend to be more highly correlated to each other. The wheat sector strategy was up 6.3% for the quarter, and was the Fund's best performing strategy for the period. The soy sector strategy was in cash for the entire quarter, because opportunities did not justify an investment.

In June, we increased the maximum target exposure of each of the Fund's strategies. Average exposure for the fourth quarter was 116%, slightly lower than the 124% exposure from the third quarter, based on the notional value of the futures contracts held in the Fund. But both of these are up from the 93% exposure in the second quarter. Note that all of these values include both long and short positions.

We continue to evaluate whether a further increase in exposure is warranted; even with this increase in exposure, volatility of the Fund remains below the average for mutual funds in the managed futures category. It is unlikely that any future increases would be across all strategies. Instead, for example, we are considering increasing exposure to the domestic equity volatility strategy, which is the lowest volatility strategy in the Fund.

Please contact us if you would like to hear more detail about the Fund's process or strategies.

Regards,

The Portfolio Management Team of the TFS Hedged Futures Fund

An investor should consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. To obtain a summary prospectus and/or prospectus, which each contain this and other important information, go to www.tfscapital.com or call +1 888 534 2001. Please read the summary prospectus and/or prospectus carefully before investing.

The Fund may not be suitable for all investors. The Fund is distributed by Ultimus Fund Solutions, LLC. Current performance may be lower or higher than the quoted past performance, which cannot guarantee future results. Share price, principal value, and return will vary and you may have a gain or loss when you sell your shares. Go to www.tfscapital.com for performance data through the most recent month end. In addition, please see the attached Fact Sheet for the Fund's standardized performance through December 31, 2016

The following "risk" information is being provided to you to help better understand the unique risks associated with investing in TFSHX. An investment in the Fund involves risk, including loss of principal. The value of the Fund's portfolio holdings may fluctuate in response to events specific to economic, political or social events in the United States or abroad. The Fund's use of derivatives, forward and futures contracts, and commodities exposes the Fund to additional risks including increased volatility, lack of liquidity, and possible losses greater than the Fund's initial investment as well as increased transaction costs. Concentration generally will lead to greater price volatility. As a result of TFSHX's use of short selling, TFSHX will not participate to the same level as a long-only mutual fund in a bull market. Short selling subjects the fund to the potential for unlimited losses. In addition, when TFSHX uses leverage it will exaggerate any increase or decrease in the Fund's net asset value. An investor considering the Fund should be able to tolerate potentially wide price fluctuations. The Fund is subject to frequent trading, and thus, will incur a higher level of brokerage fees and commissions, and cause a higher level of tax liability to shareholders in the Fund. Futures investing is speculative. A more detailed discussion of the Fund's risks, including risks that are unique to the Fund, can be found in its prospectus.

S&P Diversified Trends Indicator Index: The Standard & Poor's Diversified Trends Indicator (S&P DTI) is an investable long/short strategy that seeks to benefit from trends (in either direction) in the global futures markets. It consists of 24 futures contracts, with a 50% weighting in financial futures (e.g., interest rates and currencies) and 50% weighting in commodities futures (softs, energy, metals, etc.). (Source: Bloomberg Professional)



TFS Hedged Futures Fund

December 2016

FUND INFORMATION

Investment Objective

The TFS Hedged Futures Fund seeks to achieve long-term capital appreciation. The Fund will seek to achieve its investment objective by using TFS Capital's proprietary models which generally result in the Fund holding a basket of futures contracts long and a separate basket of futures contracts short. The Fund will be actively managed.

General Information

Ticker	TFSHX
NAV	10.36
Net Assets	\$14,895,630
Min. Investment	\$5,000
Inception Date	12/29/2011

About TFS Capital

An Independent Portfolio Manager

TFS Capital LLC is an employee-owned independent advisory firm that provides portfolio management services to investment funds. The firm currently manages three mutual funds, the TFS Market Neutral Fund (Ticker: TFSMX), the TFS Small Cap Fund (Ticker: TFSSX), and the TFS Hedged Futures Fund (Ticker: TFSHX), and also offers private investment funds ("hedge funds") that are available to qualified investors.

An Experienced Team Specializing in Quantitative Analysis

TFS was founded in 1997 and, since inception, has been dedicated to building proprietary quantitative factor models that are designed to exploit market inefficiencies. The firm's managers specialize in quantitative research and have appeared in numerous industry publications and media outlets including The Wall Street Journal, The Financial Times, The New York Times, The Washington Post, CNBC, Reuters, CNN, Bloomberg, Bloomberg Businessweek, Forbes, MarketWatch, Institutional Investor, Barrons, and more.

TFS Capital LLC

10 N. High Street, Suite 500
West Chester, Pennsylvania 19380
+1 888 837 4446
info@tfscapital.com
tfscapital.com

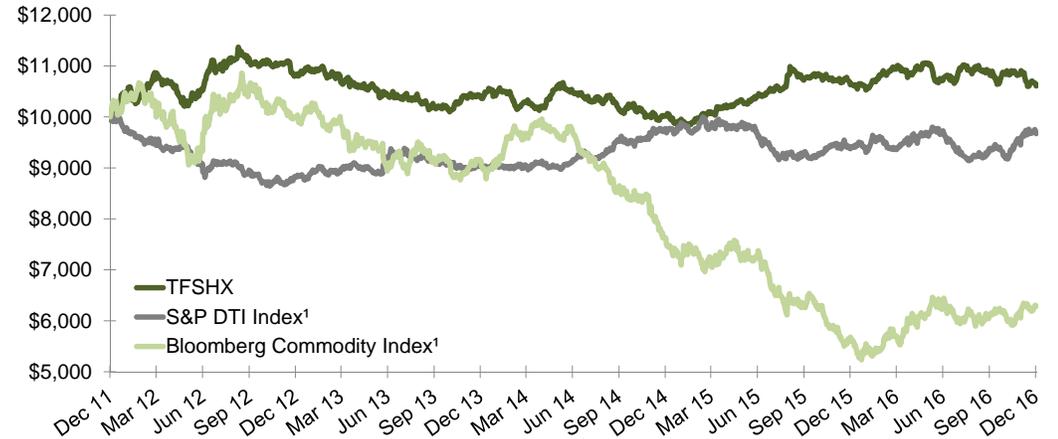
PERFORMANCE

	Annualized Total Return						
	1M	3M	YTD	1 Year	3 Year	5 Year	Inception
TFSHX	-2.7%	-1.9%	-0.3%	-0.3%	0.8%	1.2%	1.2%
S&P DTI Index ¹	0.9%	3.1%	2.9%	2.9%	2.2%	-0.9%	-0.7%
Bloomberg Commodity Index ¹	1.8%	2.5%	11.4%	11.4%	-11.4%	-9.1%	-8.9%

Gross Expense Ratio: 3.01%. Net Expense Ratio: 1.92%. Adjusted Net Expense Ratio: 1.80%.

Please see Expenses section for more information about fund expenses.

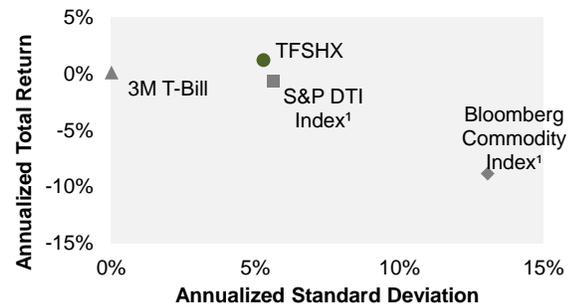
GROWTH of \$10,000



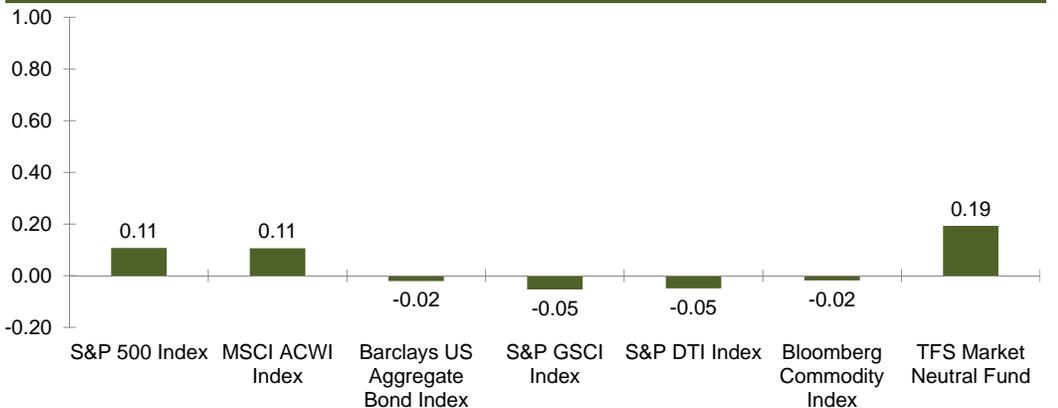
RISK MEASURES

Alpha (Annualized) [‡]	1.21%
Beta (Average)	-0.05
Sharpe Ratio	0.23
Std. Dev. (Annualized)	5.28%

[‡] Risk free rate used in alpha and Sharpe ratio calculations is daily 3 Month U.S. Treasury Bill. Alpha and Beta both calculated versus S&P DTI Index¹. Please see Disclosure 2 for definitions of the above calculations.



CORRELATION



All data since TFSHX inception of 12/29/11 and as of 12/31/2016, unless otherwise noted. The performance data quoted represents past performance, which is not a guarantee of future results. Futures investing is speculative. Current performance may be lower or higher than the performance data quoted.

An investor should consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. To obtain a summary prospectus and/or prospectus, which contains this and other important information, go to www.tfscapital.com or call (888) 534-2001. Please read the summary prospectus and/or prospectus carefully before investing.

EXPENSES

Gross Expense Ratio	3.01%
Net Expense Ratio	1.92%
Adjusted Net Expense Ratio	1.80%

Effective January 1, 2014, the management fee paid by the Fund was reduced from 2.00% per annum to 1.50% per annum. In addition, the Adviser contractually agreed to reduce its management fees and to absorb the Fund's operating expenses (for the life of the Fund) to the extent necessary to limit the annual ordinary operating expenses to an amount not exceeding 1.80% of the TFS Hedged Futures Fund's average daily net assets. The expense ratio information listed above has been restated for the new management fee and expense cap arrangement between the Fund and the Adviser. The Adj. Net Expense Ratio of 1.80% excludes acquired fund fees and expenses and borrowing costs which totaled 0.12% for the prior fiscal year.

STANDARD PERFORMANCE

	1Y	3Y	5Y	Inception
TFSHX	-0.29%	0.78%	1.19%	1.19%
S&P DTI	2.93%	2.22%	-0.90%	-0.67%

As of 12/31/2016

The performance data quoted represents past performance, which is not a guarantee of future results. Current performance may be lower or higher than the performance data quoted. Go to www.tfscapital.com for performance data through the most recent month end. The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Fee waivers and/or expense reimbursements by the Adviser have positively impacted the Fund's performance. Without such waivers and/or reimbursements, performance would have been lower.

DISCLOSURES

All data since TFSHX inception of 12/29/11 and as of 12/31/2016, unless otherwise noted.

RISK INFORMATION

The following "risk" information is being provided to you to help better understand the unique risks associated with investing in TFSHX. An investment in the Fund involves risk, including loss of principal. The value of the Fund's portfolio holdings may fluctuate in response to events specific to economic, political or social events in the United States or abroad. The Fund's use of derivatives, forward and futures contracts, and commodities exposes the Fund to additional risks including increased volatility, lack of liquidity, and possible losses greater than the Fund's initial investment as well as increased transaction costs. Concentration generally will lead to greater price volatility. As a result of TFSHX's use of short selling, TFSHX will not participate to the same level as a long-only mutual fund in a bull market. Short selling subjects the fund to the potential for unlimited losses. In addition, when TFSHX uses leverage it will exaggerate any increase or decrease in the Fund's net asset value. An investor considering the Fund should be able to tolerate potentially wide price fluctuations. The Fund is subject to frequent trading, and thus, will incur a higher level of brokerage fees and commissions, and cause a higher level of tax liability to shareholders in the Fund. Futures investing is speculative. A more detailed discussion of the Fund's risks, including risks that are unique to the Fund, can be found in its prospectus.

(1) INDICES

S&P Diversified Trends Indicator Index: The Standard & Poor's Diversified Trends Indicator (S&P DTI) is an investable long/short strategy that seeks to benefit from trends (in either direction) in the global futures markets. It consists of 24 futures contracts, with a 50% weighting in financial futures (e.g., interest rates and currencies) and 50% weighting in commodities futures (softs, energy, metals, etc.). (Source: Bloomberg Professional)

S&P GSCI Index: The S&P GSCI® is widely recognized as a leading measure of general price movements and inflation in the world economy. It provides investors with a reliable and publicly available benchmark for investment performance in the commodity markets. (Source: Bloomberg Professional)

Barclays US Aggregate Bond Index: The Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency). Provided the necessary inclusion rules are met, US Aggregate-eligible securities also contribute to the multi-currency Global Aggregate Index and the US Universal Index, which includes high yield and emerging markets debt. The US Aggregate Index was created in 1986 with history backfilled to January 1, 1976. (Source: Barclays)

S&P 500 Index: Standard and Poor's 500 Index is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The index was developed with a base level of 10 for the 1941- 43 base period. The Total Return Index is calculated intraday by S&P based on the price changes and reinvested dividends of the S&P 500 Index, with a starting date of Jan 4, 1988. (Source: Bloomberg Professional)

MSCI ACWI Index: The MSCI ACWI Index is a free-float weighted equity index. It was developed with a base value of 100 as of December 31 1987. MXWD includes both emerging and developed world markets. (Source: Bloomberg Professional)

Bloomberg Commodity Index: Bloomberg Commodity Index (formerly the Dow Jones-UBS Commodity Index) is calculated on an excess return basis and reflects commodity futures price movements. The index rebalances annually weighted 2/3 by trading volume and 1/3 by world production and weight-caps are applied at the commodity, sector and group level for diversification. Roll period typically occurs from 6th-10th business day based on the roll schedule. (Source: Bloomberg Professional)

(2) GLOSSARY

Standard Deviation is a measure of the dispersion of a set of data from its mean. **Correlation** is a statistical measure of how two securities move in relation to each other. **Beta** is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. **Alpha** is the abnormal rate of return on a security or portfolio in excess of what would be predicted by an equilibrium model. **Sharpe Ratio** is the ratio of portfolio returns in excess of a risk free rate over the standard deviation of those excess returns.

The Fund is distributed by Ultimus Fund Distributors, LLC.