

# AI Frank Fund (VALUX)

Investor Class – Second Quarter 2019



## Investment Strategy

The AI Frank Fund (VALUX) is an actively managed equity mutual fund that seeks total return from capital appreciation. Its portfolio is broadly diversified, via exposure to a significant number of major market sectors and industry groups, with the Advisor purchasing equity securities that it believes are trading for low fundamental valuations relative to what the Advisor thinks their businesses will be worth over the next five years. The Advisor then attempts to purchase the securities and hold them until it believes that the securities have reached a fair value. The AI Frank Fund is designed for long-term-oriented investors.

## Compound Annual Returns

|                 | VALUX  | Russell 3000 Index | Russell 3000 Value Index |
|-----------------|--------|--------------------|--------------------------|
| Last Month      | 8.11%  | 7.02%              | 7.12%                    |
| Last Quarter    | 2.94%  | 4.10%              | 3.68%                    |
| Year to Date    | 13.22% | 18.71%             | 16.05%                   |
| 1 Year          | 4.22%  | 8.98%              | 7.34%                    |
| 3 Years         | 11.78% | 14.02%             | 10.19%                   |
| 5 Years         | 5.31%  | 10.19%             | 7.31%                    |
| 10 Years        | 12.23% | 14.67%             | 13.14%                   |
| Since Inception | 9.90%  | 7.45%              | 7.22%                    |

Returns as of June 30, 2019. The fund's operating expenses are 1.61%. However, the advisor has contractually agreed to cap its expenses at 1.49% through at least April 30, 2019, or until the Board of Trustees terminates such agreements.

## Fund Facts

**Ticker:**  
VALUX  
**CUSIP:**  
66538A356  
**Share Type:**  
Investor Class

**Total Net Assets as of June 30, 2019:**  
\$76.5 million (includes VALAX)

**Fund Inception Date**  
January 02, 1998

### Minimum Investment:

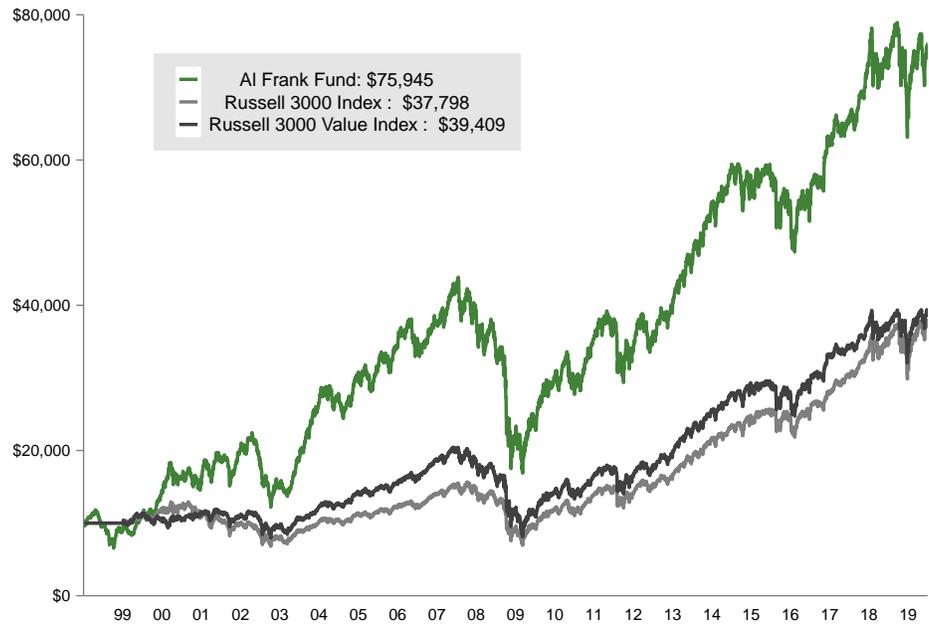
**Initial:**  
\$1000  
**Subsequent:**  
\$100

**Median Market Cap:**  
\$33.4 billion

**Number of Holdings:**  
85

**Percent in Top Ten Holdings:**  
19.9%

## Growth of a Hypothetical \$10,000 Investment Since Inception

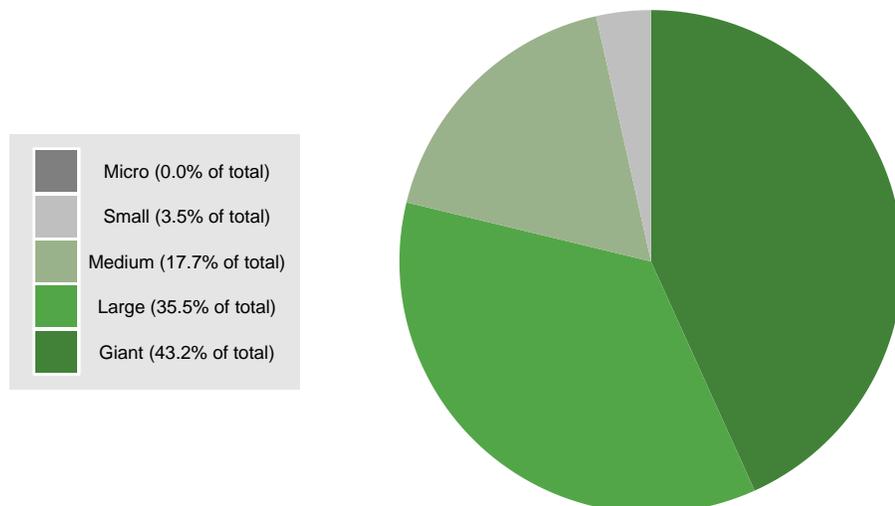


From January 02, 1998 through June 30, 2019. Actual performance of investors will vary depending on the timing of their investments in the fund. Hypothetical investment assumes the reinvestment of dividends and capital gains but does not reflect the effect of any applicable sales charge or redemption fees. This chart does not imply any future performance. SOURCE: Kovitz Investment Group using data from Bloomberg

## AI Frank Fund Performance

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. Performance data current to the most recent month-end may be obtained by visiting [alfrankfunds.com](http://alfrankfunds.com). The fund imposes a 2.00% redemption fee on shares held for 60 days or less. Performance data do not reflect the redemption fee. If reflected, total returns would be reduced.

## Composition of Fund by Market Capitalization



As of June 30, 2019. Market capitalization is subject to change. SOURCE: Kovitz Investment Group using data from Bloomberg



## Top Ten Holdings and Sector Composition (net assets excluding cash)

| Ticker | Company Name                | Pct. Net Assets |
|--------|-----------------------------|-----------------|
| DIS    | Walt Disney Co              | 2.5%            |
| JPM    | JPMorgan Chase & Co         | 2.2%            |
| AMGN   | Amgen Inc                   | 2.1%            |
| GLW    | Corning Inc                 | 2.1%            |
| AAPL   | Apple Inc                   | 2.0%            |
| MSFT   | Microsoft Corp              | 2.0%            |
| BBT    | BB&T Corp                   | 1.9%            |
| RCL    | Royal Caribbean Cruises Ltd | 1.8%            |
| ORCL   | Oracle Corp                 | 1.7%            |
| MDC    | MDC Hldgs Inc               | 1.7%            |

| Sector                 | Pct. Net Assets |
|------------------------|-----------------|
| Information Technology | 21.9%           |
| Financials             | 16.5%           |
| Industrials            | 12.9%           |
| Consumer Discretionary | 11.7%           |
| Health Care            | 10.2%           |
| Communication Services | 7.2%            |
| Consumer Staples       | 5.7%            |
| Materials              | 5.3%            |
| Energy                 | 5.1%            |
| Real Estate            | 3.6%            |
| Utilities              | 0.0%            |

## Contact Information

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\*Holdings and sector composition data as of June 30, 2019.

## Portfolio Management

John Buckingham  
Chief Investment Officer



John Buckingham leads a team that scrutinizes more than 300 stocks for money-management clients and newsletter subscribers. He is equally resolute in his management of the AI Frank Fund. Before the acquisition of the firm by Kovitz Investment Group in 2018, John was part of AI Frank Asset Management beginning in 1987, where he served as Director of Research since 1989 and Chief Portfolio Manager since 1990.

John graduated magna cum laude from the University of Southern California in 1987 with a B.S. degree in computer science and a minor in business administration. His opinion is widely sought: John has appeared on numerous television and radio programs, is frequently interviewed by publications and conducts workshops at investment seminars.

Jason Clark, CFA  
VP, Senior Portfolio Manager



Jason Clark, a member of the Investment Committee of Kovitz Investment Group's AFAM Division, has been a part of the firm's Research and Portfolio Management Department since 2007. Within research, Jason is primarily focused on fundamental analysis of individual stocks and industries. Within Portfolio Management, Jason is responsible for active account management, providing education about the firm's investment strategies and portfolio management process and working with the firm's current and prospective Private Wealth clients. After serving in the United States Navy, Jason graduated summa cum laude with a B.A. degree in finance from the University of West Florida. His background includes experience as a fixed income specialist and corporate bond trader for Edward Jones and equity research associate with A.G. Edwards. Jason is a CFA charterholder and a member of the CFA Society of Orange County.

## Disclosures & Important Information

Investors should carefully consider the investment objectives, risks, charges and expenses of the AI Frank Mutual Funds. This and other important information about the Fund is contained in the prospectus, which can be obtained at [www.alfrankfunds.com](http://www.alfrankfunds.com) or by calling 888.263.6443. The prospectus should be read carefully before investing. The AI Frank Funds are distributed by Northern Lights Distributors, LLC member FINRA/SIPC. Kovitz Investment Group is not affiliated with Northern Lights Distributors, LLC.

**Mutual Funds involve risks including the possible loss of principal.**

**Small and medium sized companies may be more vulnerable to adverse business or economic events, and thus a greater risk, than stocks of larger companies. There are risks that when lending portfolio securities, the securities may not be available to the Fund on a timely basis and the Fund may lose the opportunity to sell the securities at a desirable price. The Advisor follows an investing style that favors value investing and when out of favor may underperform alternate investing styles. The Fund may invest in foreign securities that can be more volatile and less liquid than domestic securities.**

Management and distribution fees and other expenses apply. Please refer to the prospectus for further details.

Investment performance reflects voluntary fee waivers in effect. In the absence of such waivers, total returns would be reduced.

The Russell 3000 Index measures the performance of the largest 3000 U.S. companies. It is constructed to provide a comprehensive, unbiased, and stable barometer of the broad market and is reconstituted annually to ensure new and growing equities are reflected. The Russell 3000 Value Index measures the performance of those Russell 3000 Index companies with lower price-to-book ratios and lower forecasted growth values.

Kovitz Investment Group is a Registered Investment Advisor. The AFAM Division of Kovitz Investment Group is editor of The Prudent Speculator newsletter and is the Investment Advisor to certain no-load proprietary mutual funds and individually managed client accounts. Registration of an investment adviser does not imply any certain level of skill or training. The firm had assets under management of \$5.4 billion as of June 30, 2019.

Top ten holdings and sector compositions are subject to change. SOURCE: Kovitz Investment Group using data from Bloomberg As of June 30, 2019.