



Where discipline meets common sense.

Semi-Annual Report

February 28, 2018

Meritage Growth Equity Fund MPGEX/MPGIX

Meritage Value Equity Fund MVEBX

Meritage Yield-Focus Equity Fund MPYEX/MPYIX

MESSAGE FROM THE CHIEF INVESTMENT OFFICER – (Unaudited)

At Meritage, we are value-driven investors. We buy stock in businesses when i) they score well in our comprehensive stock-ranking process (universe is global, all-cap and about 6,500 securities), and ii) they are selling for less than we believe they are worth. Our value discipline is intended to provide a margin of safety and is one of our primary risk management tools, along with managing position sizes and diversification.

Dear Fellow Shareholders:

During the six months ended February 28, 2018, since our annual report of August 31, 2017, we have seen periods of increasing returns, buoyed by good news from corporate earnings and the reality of tax reform in late 2017. After a particularly exuberant start to the calendar year of 2018, the S&P ended with a gain of 10.82% from August 31, 2017 to February 28, 2018. Growth stocks again significantly outpaced Value stocks and income-oriented Yield-Focus stocks in this period.

A policy agenda that includes lower corporate and individual tax rates, a rollback in business regulation, massive infrastructure spending and the repatriation of foreign corporate earnings back to the U.S. have been enthusiastically embraced by the stock market. Investor attention to rising interest rates, the implications of tariffs and potential of trade wars and increased regulation of technology companies have led to the return of market volatility in 2018 which had been largely absent from the market in all of 2017.

Our Growth Fund continued to perform well for the past six months, ahead of the S&P 500 but slightly trailing its respective growth market benchmarks. Our Value Fund turned in a solid six months, but trailed its primary benchmarks somewhat. The Yield-Focus Fund also performed well, but fell short of its most comparable benchmark, the Zacks Multi-Asset Income Index.

As always, we attribute our bottom-up value-centric security selection process for generating our strong long-term returns. We continue to refine and improve this process of rigorously searching for attractive mispriced securities, among all capitalization sizes and geographies throughout the world.

We explore this topic further in the following pages. A specific discussion of each Fund and its performance is included in Management's Discussion of Fund Performance.

Thank you for your continued trust in us as stewards of your capital. As previously mentioned we have our own money invested alongside yours in each of our funds, and we remain committed to delivering attractive risk-adjusted returns over full market cycles.

Sincerely,

Mark Eveans, CFA
President and Chief Investment Officer

MANAGEMENT'S DISCUSSION OF FUND PERFORMANCE – (Unaudited)

Meritage Growth Equity Fund

For the six-month period ended February 28, 2018, the Meritage Growth Equity Fund Institutional Class and Investors Class returned 12.06% and 11.87%, respectively. The Fund's returns trailed its primary benchmark, the Russell 1000 Growth Index, and the Lipper Large Cap Growth Index. They returned 13.94% and 13.57%, respectively, during the same time frame.

From an attribution standpoint the Fund's strong performance over the course of the last six months was driven by a number of factors. Positives included overweights in the Information Technology and Health Care sectors, and our stock selection within the Health Care and Consumer Discretionary sectors was superior. Stock selection within the Industrials and Financial sectors detracted from relative performance.

Regarding specific issues, the strongest gainers for the six months were Globus Medical, Inc. up 57.6%, Amazon.com, Inc. up 54.2% and Mastercard, Inc. up 32.3%.

The poorest performers for the six months were Applied Optoelectronics, Inc. down 18.6%, Momo Inc. Sponsored ADR, down 18.5%, and Electronic Arts, Inc. down 17.0%.

As a value-centric and process driven Growth manager, most sector differences as compared to the benchmark are a result of either an under or overweight of specific, bottom-up, attractively valued growth opportunities identified by our process, within that particular sector.

While we have seen interest rates begin to move higher in recent months, we expect a continuation of low interest rates and below average economic growth for the world's leading economies. We believe many investors share our view but have correspondingly been willing to pay an excessive premium for well-known growth stocks. This is where we part company with the crowd, however, as we expect the value discipline embedded in our growth approach will yield better results over full market cycles.

Meritage Value Equity Fund

For the six months ended February 28, 2018, the Meritage Value Equity Fund Institutional Class returned 5.69%, but lagged the Russell 1000 Value Index benchmark which returned 7.26% during the same time frame, as well as the Lipper Large Cap Value Index return of 9.03%.

From an attribution standpoint, positives included overweight sector allocation influences from Information Technology and Consumer Staples, as well as strong stock selection within the Industrials and Consumer Discretionary sectors. These were offset by subpar security selection in the Materials, Financial and Information Technology sectors.

Regarding individual issues, the strongest gainers for the six months were Adtalem Global Education, Inc. up 34.6%, Ross Stores, Inc. up 34.2%, and WNS Holdings Limited ADR up 28.6%.

The poorest performers for the six months were Celgene Corporation down 25.1%, Cemex SAB de CV Sponsored ADR down 19.7% and Welltower, Inc. down 18.2%.

As a value-centric and process driven manager, most sector differences as compared to the benchmark were the result of either an under or overweight of specific bottom-up valuation opportunities identified by our process.

MANAGEMENT'S DISCUSSION OF FUND PERFORMANCE – (Unaudited) (continued)

While we have seen interest rates begin to move higher in recent months, we expect a continuation of low interest rates and below average economic growth for the world's leading economies. We believe many investors share our view but have correspondingly been willing to pay an excessive premium for well-known stocks. This is where we part company with the crowd, however, as we expect the discipline embedded in our value approach will yield better results over full market cycles.

Meritage Yield-Focus Equity Fund

For the six months ended February 28, 2018, the Meritage Yield-Focus Equity Fund Institutional Class and Investors Class returned 4.13% and 3.97%, respectively. We use two benchmarks in assessing the performance of the Yield-Focus Equity Fund. The Russell 3000 Value Index is a long-term general purpose value-centric benchmark without specificity regarding the Fund's distinct yield-focus style. The Zacks Multi-Asset Income Index has specific asset structure and distinguished dividend yield characteristics similar to the Fund. The Fund's returns trailed the 7.10% total return for the Russell 3000 Value Index as well as the Zacks Multi-Asset Income Index which returned 5.65% during the same time.

A founding premise of the Yield-Focus Equity Fund is to earn 50 – 75% of the expected long-term equity return in the form of cash dividends and distributions. The fund invests in six key types of equity asset classes – common stocks, master limited partnerships, other limited partnerships, real estate investment trusts, business development companies, convertible preferred stocks and, in rare situations, straight preferred stocks. The Meritage comprehensive security selection process searches globally for attractive yield franchises.

For the six months ended February 28, 2018, regarding asset class performance, Limited Partnerships and common stocks were the strongest relative performers, whereas REITs and Master Limited Partnerships had the lowest contributions to returns. The fund's underweight in the Financial sector as well as superior stock selection was a positive contributor to relative performance, as was stock selection in the Energy sector. Performance was hurt by an underweight in the Consumer Discretionary sector as well as less favorable stock selection in the Health Care, Information Technology and Consumer Discretionary sectors.

In terms of specific issues, the strongest performers for the period were Boeing Company up 52.7%, Target Corp. up 40.9%, and Valero Energy Corp. up 35.1%.

The poorest performers for the period were CBL & Associates Properties, Inc. down 29.1%, CenturyLink, Inc. down 21.5% and VEREIT, Inc. down 16.0%.

INVESTMENT RESULTS – (Unaudited)

Average Annual Total Returns as of February 28, 2018 ^(a)			
<u>Fund/Index</u>	<u>Six Months</u>	<u>1 Year</u>	<u>Since Inception (12/23/13)</u>
Meritage Growth Equity Fund – Institutional Class	12.06%	21.60%	13.25%
Meritage Growth Equity Fund – Investor Class	11.87%	21.29%	12.95%
Russell 1000 Growth Index ^(b)	13.94%	26.11%	14.56%
Expense Ratios ^(c)			
	<u>Institutional Class</u>	<u>Investor Class</u>	
Gross	1.59%	1.84%	
With Applicable Waivers	1.04%	1.29%	

The performance quoted represents past performance, which 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. The returns shown do not reflect deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. Current performance of a Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 1-855-261-0104.

The performance in the preceding table reflects any fee reductions during the applicable period. If such fee reductions had not occurred, the quoted performance would be lower.

- ^(a) Return figures reflect any change in price per share and assume the reinvestment of all distributions. Total returns for less than one year are not annualized.
- ^(b) The Russell 1000 Growth Index is a widely recognized unmanaged index of equity securities and is representative of a broader domestic equity market and range of securities than is found in the Fund's portfolio. Individuals cannot invest directly in an index; however, an individual can invest in exchange traded funds or other investment vehicles that attempt to track the performance of a benchmark index.
- ^(c) The expense ratios are from the Fund's prospectus dated December 29, 2017. The Adviser has contractually agreed to waive or limit its fees and assume other expenses of the Fund through December 31, 2018, so that total annual fund operating expenses do not exceed 1.00% of the Fund's average daily net assets. This operating expense limitation does not apply to brokerage fees and commissions, borrowing costs (such as interest and dividend expenses on securities sold short), taxes, 12b-1 fees, extraordinary expenses and indirect expenses (such as "acquired fund fees and expenses"). Additional information pertaining to the Fund's expense ratios as of February 28, 2018 can be found in the financial highlights.

The Fund's investment objective, strategies, risks, charges and expenses must be considered carefully before investing. The prospectus contains this and other important information about the investment company and may be obtained by calling 1-855-261-0104. Please read it carefully before investing.

The Fund is distributed by Unified Financial Securities, LLC, Member FINRA/SIPC.

INVESTMENT RESULTS – (Unaudited) (continued)

Average Annual Total Returns as of February 28, 2018 ^(a)			
<u>Fund/Index</u>	<u>Six Months</u>	<u>1 Year</u>	<u>Since Inception (12/23/13)</u>
Meritage Value Equity Fund – Institutional Class	5.69%	9.57%	7.53%
Russell 1000 Value Index ^(b)	7.26%	7.75%	9.51%
	<u>Expense Ratios ^(c)</u>		
	<u>Institutional Class</u>		
Gross	1.73%		
With Applicable Waivers	1.04%		

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INVESTMENT RESULTS – (Unaudited) (continued)

Average Annual Total Returns as of February 28, 2018 ^(a)			
<u>Fund/Index</u>	<u>Six Months</u>	<u>1 Year</u>	<u>Since Inception (12/23/13)</u>
Meritage Yield-Focus Equity Fund – Institutional Class	4.13%	5.56%	4.69%
Meritage Yield-Focus Equity Fund – Investor Class	3.97%	5.34%	4.51%
Zacks Multi-Asset Income Index TR ^(b)	5.65%	9.53%	2.77%
Russell 3000 Value Index ^(c)	7.10%	7.39%	9.32%
Expense Ratios ^(d)			
	<u>Institutional Class</u>	<u>Investor Class</u>	
Gross	1.81%	2.06%	
With Applicable Waivers	1.33%	1.58%	

The performance quoted represents past performance, which 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. The returns shown do not reflect deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. Current performance of a Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 1-855-261-0104.

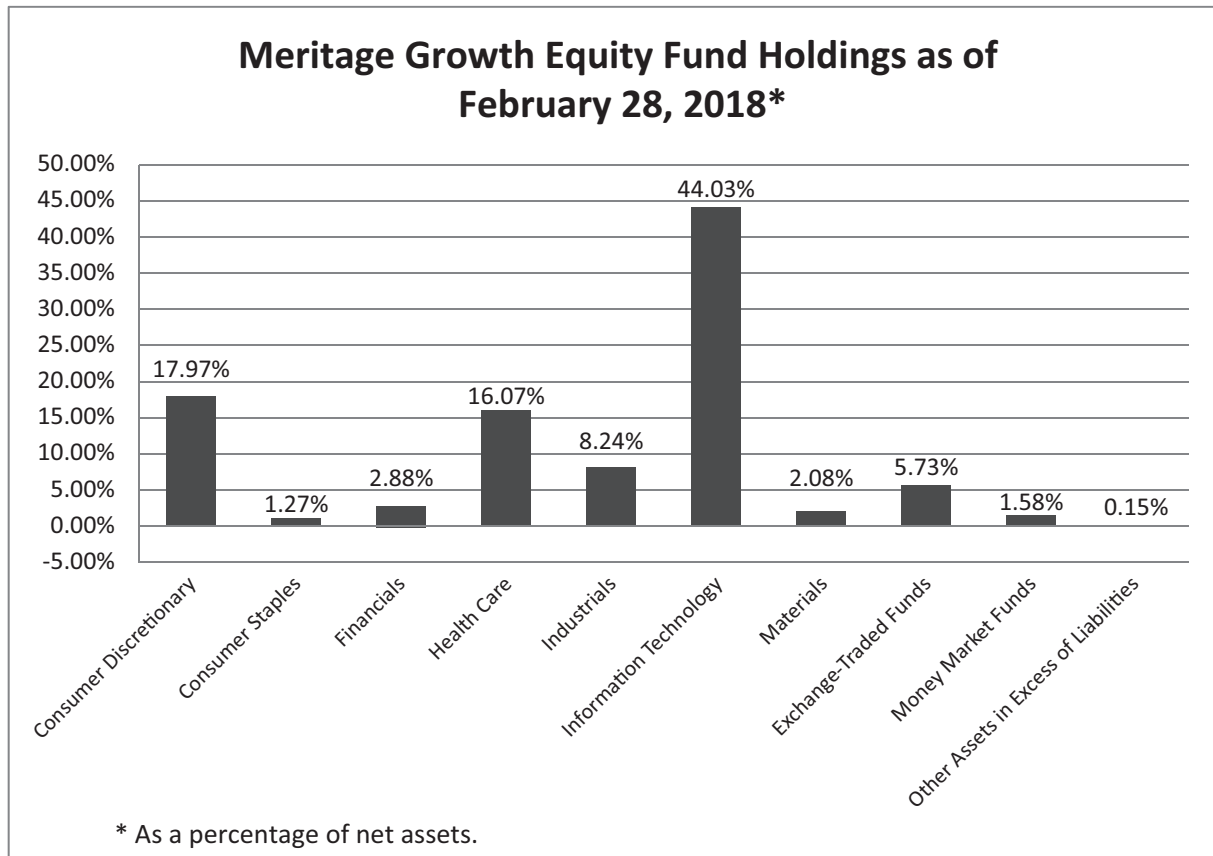
The performance in the preceding table reflects any fee reductions during the applicable period. If such fee reductions had not occurred, the quoted performance would be lower.

- ^(a) Return figures reflect any change in price per share and assume the reinvestment of all distributions. Total returns for less than one year are not annualized.
- ^(b) The Zacks Multi-Asset Income Index is comprised of approximately 125 to 150 securities selected, based on investment and other criteria, from a universe of domestic and international companies. The universe of securities within the index includes U.S. listed common stocks and ADRs paying dividends, real estate investment trusts, MLPs, closed end funds, Canadian royalty trusts and traditional preferred stocks. Individuals cannot invest directly in an index.
- ^(c) The Russell 3000 Value Index is a widely recognized unmanaged index of equity securities and is representative of a broader domestic equity market and range of securities than is found in the Fund's portfolio. Individuals cannot invest directly in an index; however, an individual can invest in exchange traded funds or other investment vehicles that attempt to track the performance of a benchmark index.
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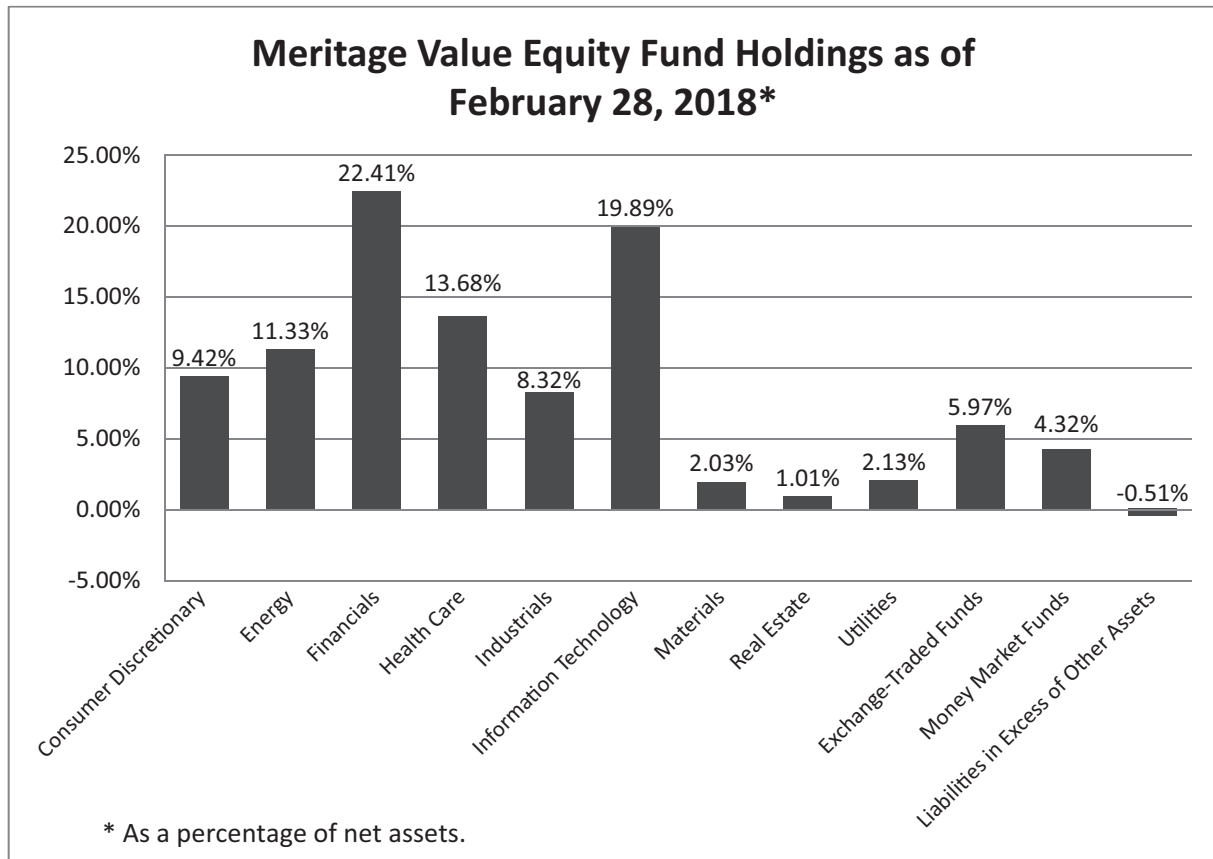
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FUND HOLDINGS – (Unaudited)



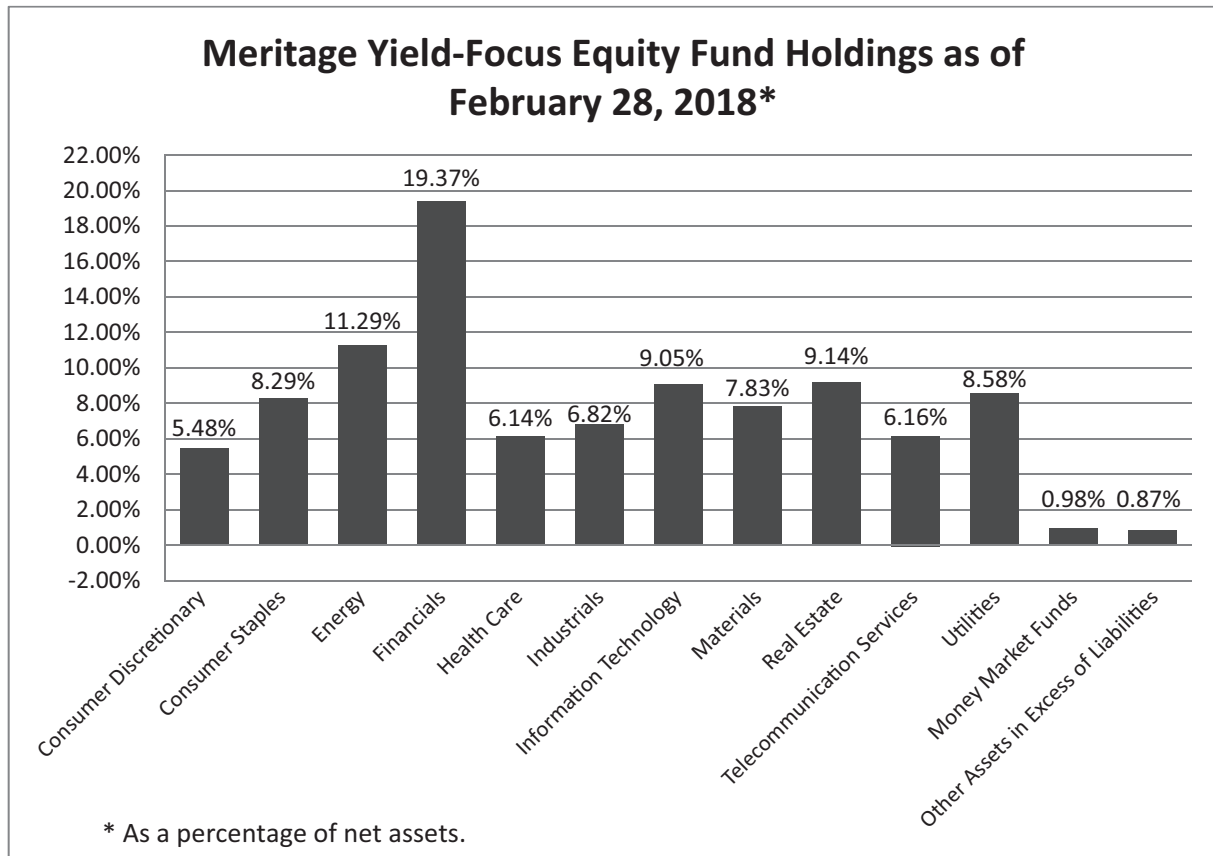
The investment objective of the Meritage Growth Equity Fund is to seek growth of capital.

FUND HOLDINGS – (Unaudited) (continued)



The investment objective of the Meritage Value Equity Fund is to seek growth of capital. Income is a secondary objective.

FUND HOLDINGS – (Unaudited) (continued)



The investment objective of the Meritage Yield-Focus Equity Fund is to seek long-term growth of capital with an emphasis on high current income.

AVAILABILITY OF PORTFOLIO SCHEDULE – (Unaudited)

The Funds will file their complete schedule of portfolio holdings with the Securities and Exchange Commission (“SEC”) for the first and third quarter of each fiscal year on Form N-Q. The Funds’ Forms N-Q will be available at the SEC’s website at www.sec.gov. The Form N-Q may be reviewed and copied at the Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

MERITAGE GROWTH EQUITY FUND
SCHEDULE OF INVESTMENTS
February 28, 2018 (Unaudited)

COMMON STOCKS – 92.54%	<u>Shares</u>	<u>Fair Value</u>
Consumer Discretionary – 17.97%		
Amazon.com, Inc. ^(a)	885	\$1,338,518
Aptiv PLC	7,360	672,189
Best Buy Company, Inc.	5,000	362,200
Carter’s, Inc.	3,020	352,374
Hasbro, Inc.	4,465	426,720
Home Depot, Inc. (The)	6,195	1,129,162
Thor Industries, Inc.	4,325	557,925
		<u>4,839,088</u>
Consumer Staples – 1.27%		
Monster Beverage Corporation ^(a)	5,400	342,198
Financials – 2.88%		
Aon PLC	2,570	360,622
BlackRock, Inc.	755	414,820
		<u>775,442</u>
Health Care – 16.07%		
Amgen, Inc.	2,456	451,339
Centene Corporation ^(a)	3,860	391,481
Express Scripts Holding Company ^(a)	5,730	432,329
Globus Medical, Inc., Class A ^(a)	9,085	432,809
Intuitive Surgical, Inc. ^(a)	1,119	477,197
Jazz Pharmaceuticals PLC ^(a)	1,905	275,844
Johnson & Johnson	5,670	736,420
Masimo Corporation ^(a)	3,015	263,903
Mettler-Toledo International, Inc. ^(a)	736	453,538
Teleflex, Inc.	1,652	412,719
		<u>4,327,579</u>
Industrials – 8.24%		
AMETEK, Inc.	5,365	406,345
Deluxe Corporation	6,390	453,690
Fortive Corporation	4,300	330,240
Ingersoll-Rand PLC	3,460	307,248
Meritor, Inc. ^(a)	14,490	355,005
Nordson Corporation	2,735	366,682
		<u>2,219,210</u>
Information Technology – 44.03%		
Adobe Systems, Inc. ^(a)	1,844	385,636
Alphabet, Inc., Class A ^(a)	1,150	1,269,508
Apple, Inc.	9,024	1,607,355
Applied Materials, Inc.	14,905	858,379

See accompanying notes which are an integral part of these financial statements.

MERITAGE GROWTH EQUITY FUND
SCHEDULE OF INVESTMENTS – (continued)
February 28, 2018 (Unaudited)

COMMON STOCKS – 92.54% – continued	<u>Shares</u>	<u>Fair Value</u>
Information Technology – 44.03% – continued		
Facebook, Inc., Class A ^(a)	4,483	\$ 799,409
Fiserv, Inc. ^(a)	4,575	656,009
IAC/InterActiveCorp ^(a)	3,221	479,639
MasterCard, Inc., Class A	9,201	1,617,168
Microsoft Corporation	14,365	1,347,006
Qualys, Inc. ^(a)	6,085	450,594
Tencent Holdings Ltd. ADR	22,050	1,210,325
Tokyo Electron Ltd. ADR	7,335	359,745
Western Digital Corporation	4,925	428,672
Zebra Technologies Corporation, Class A ^(a)	2,810	388,173
		<u>11,857,618</u>
Materials – 2.08%		
Eagle Materials, Inc.	5,575	558,782
TOTAL COMMON STOCKS (Cost \$18,129,846)		<u>24,919,917</u>
EXCHANGE-TRADED FUNDS – 5.73%		
Consumer Staples Select Sector SPDR Fund	5,485	292,954
iShares Nasdaq Biotechnology ETF	5,653	610,976
SPDR S&P Bank ETF	8,280	408,287
SPDR S&P Oil & Gas Exploration & Production ETF	7,000	231,420
TOTAL EXCHANGE-TRADED FUNDS Cost (\$1,417,737)		<u>1,543,637</u>
MONEY MARKET FUNDS – 1.58%		
Morgan Stanley Institutional Liquidity Funds Treasury Securities Portfolio, Institutional Class, 1.29% ^(b)	425,361	425,361
TOTAL MONEY MARKET FUNDS (Cost \$425,361)		<u>425,361</u>
TOTAL INVESTMENTS – 99.85% (Cost \$19,972,944)		<u>26,888,915</u>
Other Assets in Excess of Liabilities – 0.15%		<u>40,077</u>
NET ASSETS – 100.00%		<u>\$26,928,992</u>

^(a) Non-income producing security.

^(b) Rate disclosed is the seven day effective yield as of February 28, 2018.

ADR – American Depositary Receipt

ETF – Exchange-Traded Fund

SPDR – Standard & Poor’s Depository Receipt

The sectors shown on the schedule of investments are based on the Global Industry Classification Standard, or GICS® (“GICS”). The GICS was developed by and/or is the exclusive property of MSCI, Inc. and Standard & Poor’s Financial Services LLC (“S&P”). GICS is a service mark of MSCI, Inc. and S&P and has been licensed for use by Ultimus Fund Solutions, LLC.

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MERITAGE VALUE EQUITY FUND
SCHEDULE OF INVESTMENTS
February 28, 2018 (Unaudited)

COMMON STOCKS – 90.22%	<u>Shares</u>	<u>Fair Value</u>
Consumer Discretionary – 9.42%		
Adtalem Global Education, Inc. ^(a)	8,320	\$ 383,136
Big Lots, Inc.	5,955	334,671
Helen of Troy Ltd. ^(a)	3,345	301,217
Ross Stores, Inc.	4,295	335,397
Royal Caribbean Cruises Ltd.	1,980	250,668
		<u>1,605,089</u>
Energy – 11.33%		
Chevron Corporation	3,175	355,346
China Petroleum & Chemical Corporation ADR	4,785	378,494
CNOOC Ltd.	1,748	249,090
Devon Energy Corporation	11,095	340,284
Husky Energy, Inc.	13,680	181,944
Royal Dutch Shell PLC ADR	6,725	425,490
		<u>1,930,648</u>
Financials – 22.41%		
Berkshire Hathaway, Inc., Class B ^(a)	2,394	496,037
Citigroup, Inc.	5,235	395,190
CNO Financial Group, Inc.	9,990	225,175
Lincoln National Corporation	4,515	343,908
Northern Trust Corporation	3,640	385,367
Prudential Financial, Inc.	3,610	383,815
Reinsurance Group of America, Inc.	2,210	339,876
State Street Corporation	4,930	523,319
Torchmark Corporation	4,827	412,081
Unum Group	6,100	310,856
		<u>3,815,624</u>
Health Care – 13.68%		
Aetna, Inc.	1,640	290,378
Biogen, Inc. ^(a)	1,024	295,926
Bristol-Myers Squibb Company	5,380	356,156
Cigna Corporation	1,930	378,067
ICON PLC ^(a)	3,500	396,585
PRA Health Sciences, Inc. ^(a)	3,810	320,040
UnitedHealth Group, Inc.	1,297	293,330
		<u>2,330,482</u>
Industrials – 8.32%		
Briggs & Stratton Corporation	6,920	155,562
Herman Miller, Inc.	7,105	255,070
Regal-Beloit Corporation	4,010	289,923
Southwest Airlines Company	6,335	366,416

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MERITAGE VALUE EQUITY FUND
SCHEDULE OF INVESTMENTS – (continued)
February 28, 2018 (Unaudited)

COMMON STOCKS – 90.22% – continued	<u>Shares</u>	<u>Fair Value</u>
Industrials – 8.32% – continued		
Spirit AeroSystems Holdings, Inc., Class A	3,835	\$ 350,097
		<u>1,417,068</u>
Information Technology – 19.89%		
CDW Corporation	4,700	342,771
Cognizant Technology Solutions Corporation, Class A	4,650	381,393
KLA-Tencor Corporation	3,115	352,960
LG Display Company Ltd.	12,760	173,536
MAXIMUS, Inc.	5,115	342,603
Skyworks Solutions, Inc.	3,210	350,693
Synopsys, Inc. ^(a)	3,525	298,462
Teradyne, Inc.	6,895	313,033
Vishay Intertechnology, Inc.	18,675	343,620
WNS Holdings Ltd. ADR ^(a)	10,880	489,600
		<u>3,388,671</u>
Materials – 2.03%		
Louisiana-Pacific Corporation	12,150	346,275
Real Estate – 1.01%		
Host Hotels & Resorts, Inc.	9,270	172,051
Utilities – 2.13%		
Entergy Corporation	4,785	362,799
TOTAL COMMON STOCKS (Cost \$12,159,591)		<u>15,368,707</u>
EXCHANGE-TRADED FUNDS – 5.97%		
Energy Select Sector SPDR Fund	5,025	335,369
Materials Select Sector SPDR Fund	2,840	169,349
Utilities Select Sector SPDR [®] Fund	6,985	342,683
Vanguard REIT ETF	2,310	169,439
TOTAL EXCHANGE-TRADED FUNDS Cost (\$1,031,173)		<u>1,016,840</u>
MONEY MARKET FUNDS – 4.32%		
Morgan Stanley Institutional Liquidity Funds Treasury Securities Portfolio, Institutional Class, 1.29% ^(b)	736,751	736,751
TOTAL MONEY MARKET FUNDS (Cost \$736,751)		<u>736,751</u>
TOTAL INVESTMENTS – 100.51% (Cost \$13,927,515)		<u>17,122,298</u>
Liabilities in Excess of Other Assets – (0.51)%		<u>(86,415)</u>
NET ASSETS – 100.00%		<u>\$17,035,883</u>

^(a) Non-income producing security.

^(b) Rate disclosed is the seven day effective yield as of February 28, 2018.

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MERITAGE VALUE EQUITY FUND
SCHEDULE OF INVESTMENTS – (continued)
February 28, 2018 (Unaudited)

ADR – American Depositary Receipt.

ETF – Exchange-Traded Fund

REIT – Real Estate Investment Trust

SPDR – Standard & Poor’s Depository Receipt

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MERITAGE YIELD-FOCUS EQUITY FUND
SCHEDULE OF INVESTMENTS
February 28, 2018 (Unaudited)

COMMON STOCKS – 89.21%	<u>Shares</u>	<u>Fair Value</u>
Consumer Discretionary – 5.48%		
DSW, Inc., Class A	20,765	\$ 407,202
GameStop Corporation, Class A	18,025	282,812
Garmin Ltd.	7,355	435,710
Target Corporation	5,030	379,312
		<u>1,505,036</u>
Consumer Staples – 8.29%		
Altria Group, Inc.	9,575	602,746
British American Tobacco PLC	4,795	283,193
Imperial Brands PLC ADR	11,860	431,704
Philip Morris International, Inc.	5,785	599,037
Unilever PLC ADR	7,005	361,458
		<u>2,278,138</u>
Energy – 11.29%		
Alliance Holdings GP LP ^(a)	10,870	276,859
Enterprise Products Partners LP ^(a)	18,675	474,719
Plains GP Holdings LP, Class A ^(a)	21,780	453,024
Repsol SA ADR	28,765	510,579
Royal Dutch Shell PLC, Class B ADR	6,395	410,431
Total SA ADR	9,540	540,822
Valero Energy Corporation	4,840	437,633
		<u>3,104,067</u>
Financials – 19.37%		
AllianceBernstein Holding LP ^(a)	20,290	539,715
Aviva PLC ADR	29,890	421,300
AXA SA ADR	14,680	460,145
Bank of Montreal	5,610	426,416
Invesco Ltd.	12,070	392,758
Lazard Ltd., Class A ^(a)	9,255	499,492
Moelis & Company, Class A	9,895	502,171
Old Republic International Corporation	25,170	504,155
PacWest Bancorp	5,800	302,412
Power Financial Corporation	14,895	389,504
Solar Capital Ltd. ^(b)	18,760	380,828
Valley National Bancorp	40,845	509,337
		<u>5,328,233</u>
Health Care – 3.92%		
Merck & Company, Inc.	10,640	576,901
Pfizer, Inc.	13,775	500,170
		<u>1,077,071</u>

See accompanying notes which are an integral part of these financial statements.

MERITAGE YIELD-FOCUS EQUITY FUND
SCHEDULE OF INVESTMENTS – (continued)
February 28, 2018 (Unaudited)

COMMON STOCKS – 89.21% – continued	<u>Shares</u>	<u>Fair Value</u>
Industrials – 4.21%		
Boeing Company (The)	944	\$ 341,926
Eaton Corporation PLC	6,250	504,375
Lockheed Martin Corporation	880	310,147
		<u>1,156,448</u>
Information Technology – 6.50%		
HP, Inc.	24,565	574,575
International Business Machines Corporation	5,464	851,455
QUALCOMM, Inc.	5,540	360,100
		<u>1,786,130</u>
Materials – 7.83%		
Domtar Corporation	7,715	345,323
Innophos Holdings, Inc.	5,880	244,373
LyondellBasell Industries NV, Class A	4,165	450,736
Norbord, Inc.	12,770	431,243
Rio Tinto PLC ADR	12,425	679,772
		<u>2,151,447</u>
Real Estate – 9.14%		
Brandywine Realty Trust	23,920	374,587
Medical Properties Trust, Inc.	29,910	366,697
Piedmont Office Realty Trust, Inc., Class A	24,150	433,733
Simon Property Group, Inc.	1,711	262,656
Uniti Group, Inc.	24,910	382,369
VEREIT, Inc.	61,985	424,597
Xenia Hotel & Resorts, Inc.	13,570	266,922
		<u>2,511,561</u>
Telecommunication Services – 6.16%		
AT&T, Inc.	16,965	615,829
China Mobile Ltd. ADR	10,830	503,487
Verizon Communications, Inc.	12,042	574,885
		<u>1,694,201</u>
Utilities – 7.02%		
Edison International	4,460	270,231
Entergy Corporation	7,105	538,701
PPL Corporation	8,885	254,555
Public Service Enterprise Group, Inc.	8,470	410,202
SSE PLC	26,850	457,256
		<u>1,930,945</u>
TOTAL COMMON STOCKS (Cost \$21,621,471)		<u>24,523,277</u>

See accompanying notes which are an integral part of these financial statements.

MERITAGE YIELD-FOCUS EQUITY FUND
SCHEDULE OF INVESTMENTS – (continued)
February 28, 2018 (Unaudited)

CONVERTIBLE PREFERRED STOCKS – 8.94%	<u>Shares</u>	<u>Fair Value</u>
Health Care – 2.22%		
Anthem, Inc., 5.25%	10,615	\$ 609,089
Industrials – 2.61%		
Stanley Black & Decker, Inc. 5.38%	3,530	416,010
Stericycle, Inc., 5.25%	6,265	304,354
		<u>720,364</u>
Information Technology – 2.55%		
Belden, Inc., 6.75%	7,085	700,004
Utilities – 1.56%		
Sempra Energy, Series A, 6.00%	4,232	428,829
TOTAL CONVERTIBLE PREFERRED STOCKS (Cost \$2,401,560)		<u>2,458,286</u>
MONEY MARKET FUNDS – 0.98%		
Morgan Stanley Institutional Liquidity Funds Treasury Securities Portfolio, Institutional Class, 1.29% ^(c)	269,354	269,354
TOTAL MONEY MARKET FUNDS (Cost \$269,354)		<u>269,354</u>
TOTAL INVESTMENTS – 99.13% (Cost \$24,292,385)		<u>27,250,917</u>
Other Assets in Excess of Liabilities – 0.87%		<u>237,792</u>
NET ASSETS – 100.00%		<u><u>\$27,488,709</u></u>

^(a) Master Limited Partnership

^(b) Business Development Company

^(c) Rate disclosed is the seven day effective yield as of February 28, 2018.

ADR – American Depositary Receipt.

REIT – Real Estate Investment Trust

The sectors shown on the schedule of investments are based on the Global Industry Classification Standard, or GICS® (“GICS”). The GICS was developed by and/or is the exclusive property of MSCI, Inc. and Standard & Poor’s Financial Services LLC (“S&P”). GICS is a service mark of MSCI, Inc. and S&P and has been licensed for use by Ultimus Fund Solutions, LLC.

See accompanying notes which are an integral part of these financial statements.

MERITAGE FUNDS
STATEMENTS OF ASSETS AND LIABILITIES
February 28, 2018 (Unaudited)

	<u>Meritage Growth Equity Fund</u>	<u>Meritage Value Equity Fund</u>	<u>Meritage Yield- Focus Equity Fund</u>
Assets			
Investments in securities at value (cost \$19,972,944, \$13,927,515 and \$24,292,385)	\$26,888,915	\$17,122,298	\$27,250,917
Receivable for fund shares sold	–	–	4,063
Receivable for investments sold	279,240	–	88,296
Dividends receivable	19,061	24,664	117,655
Tax reclaims receivable	952	–	15,035
Prepaid expenses	21,554	12,644	34,698
Total Assets	<u>27,209,722</u>	<u>17,159,606</u>	<u>27,510,664</u>
Liabilities			
Payable for fund shares redeemed	260,201	–	–
Payable for investments purchased	–	108,552	–
Payable to Adviser	7,777	2,729	5,708
Accrued 12b-1 fees – Investor class	121	–	281
Payable to Administrator	5,826	4,356	8,944
Other accrued expenses	6,805	8,086	7,022
Total Liabilities	<u>280,730</u>	<u>123,723</u>	<u>21,955</u>
Net Assets	<u>\$26,928,992</u>	<u>\$17,035,883</u>	<u>\$27,488,709</u>
Net Assets consist of:			
Paid-in capital	\$19,923,903	\$13,704,016	\$28,627,753
Accumulated undistributed net investment income (loss)	(26,291)	37,140	129,764
Accumulated undistributed net realized gain (loss) from investment transactions and foreign currency translations	115,409	99,944	(4,227,340)
Net unrealized appreciation on investments	6,915,971	3,194,783	2,958,532
Net Assets	<u>\$26,928,992</u>	<u>\$17,035,883</u>	<u>\$27,488,709</u>
Net Assets: Institutional Class			
Shares outstanding (unlimited number of shares authorized, no par value)	1,767,810	1,301,566	2,517,217
Net asset value, offering and redemption price per share	<u>\$ 15.06</u>	<u>\$ 13.09</u>	<u>\$ 10.66</u>
Net Assets: Investor Class			
Shares outstanding (unlimited number of shares authorized, no par value)	20,189		61,413
Net asset value, offering and redemption price per share	<u>\$ 14.94</u>		<u>\$ 10.76</u>

See accompanying notes which are an integral part of these financial statements.

MERITAGE FUNDS
STATEMENTS OF OPERATIONS
For the six months ended February 28, 2018 (Unaudited)

	<u>Meritage Growth Equity Fund</u>	<u>Meritage Value Equity Fund</u>	<u>Meritage Yield- Focus Equity Fund</u>
Investment Income			
Dividend income			
(net of foreign taxes withheld of \$-, \$1,770 and \$12,646)	\$ 103,414	\$121,808	\$ 648,534
Total investment income	<u>103,414</u>	<u>121,808</u>	<u>648,534</u>
Expenses			
Investment Adviser	96,661	63,479	103,024
Administration	20,086	13,280	22,424
Fund accounting	13,390	8,853	14,949
Audit	10,712	10,712	10,712
Transfer agent	10,712	7,083	11,959
Registration	6,688	6,415	15,425
Legal	5,703	5,703	5,703
Trustee	2,976	2,976	2,976
Report printing	3,010	2,092	3,258
Insurance	2,101	1,982	2,673
Custodian	2,154	1,772	2,034
Pricing	1,095	1,135	1,271
12b-1 – Investor class	356	–	843
Other	6,692	5,142	8,122
Total expenses	<u>182,336</u>	<u>130,624</u>	<u>205,373</u>
Fees waived by Adviser	(53,060)	(45,957)	(67,141)
Net operating expenses	<u>129,276</u>	<u>84,667</u>	<u>138,232</u>
Net investment income (loss)	<u>(25,862)</u>	<u>37,141</u>	<u>510,302</u>
Net Realized and Change in Unrealized Gain (Loss) on Investments			
Net realized gain on investment securities transactions	255,760	593,602	684,468
Net realized gain on foreign currency translations	–	–	446
Net change in unrealized appreciation (depreciation) of investment securities	<u>2,677,813</u>	<u>289,434</u>	<u>(110,506)</u>
Net realized and change in unrealized gain on investments	<u>2,933,573</u>	<u>883,036</u>	<u>574,408</u>
Net increase in net assets resulting from operations	<u>\$2,907,711</u>	<u>\$920,177</u>	<u>\$1,084,710</u>

See accompanying notes which are an integral part of these financial statements.

MERITAGE GROWTH EQUITY FUND
STATEMENTS OF CHANGES IN NET ASSETS

	For the Six Months Ended February 28, 2018 (Unaudited)	For the Year Ended August 31, 2017
Increase (Decrease) in Net Assets due to:		
Operations		
Net investment income (loss)	\$ (25,862)	\$ 23,986
Net realized gain on investment securities transactions	255,760	1,852,658
Net change in unrealized appreciation of investment securities	2,677,813	1,792,047
Net increase in net assets resulting from operations	2,907,711	3,668,691
Distributions		
From net investment income – Institutional Class	(10,776)	(44,491)
From net realized gains – Institutional Class	(1,718,576)	(171,541)
From net realized gains – Investor Class	(18,215)	(1,047)
Total distributions	(1,747,567)	(217,079)
Capital Transactions – Institutional Class		
Proceeds from shares sold	2,081,791	4,352,696
Reinvestment of distributions	1,671,004	208,934
Amount paid for shares redeemed	(1,809,448)	(1,928,779)
Total Institutional Class	1,943,347	2,632,851
Capital Transactions – Investor Class		
Proceeds from shares sold	46,259	211,276
Reinvestment of distributions	17,846	1,047
Amount paid for shares redeemed	(52,573)	(328,967)
Total Investor Class	11,532	(116,644)
Net increase in net assets resulting from capital transactions	1,954,879	2,516,207
Total Increase in Net Assets	3,115,023	5,967,819
Net Assets		
Beginning of period	23,813,969	17,846,150
End of period	\$26,928,992	\$23,813,969
Accumulated undistributed net investment income (loss)	\$ (26,291)	\$ 10,347
Share Transactions – Institutional Class		
Shares sold	137,969	327,228
Shares issued in reinvestment of distributions	114,374	16,822
Shares redeemed	(119,977)	(152,144)
Total Institutional Class	132,366	191,906
Share Transactions – Investor Class		
Shares sold	3,104	15,392
Shares issued in reinvestment of distributions	1,231	85
Shares redeemed	(3,487)	(26,638)
Total Investor Class	848	(11,161)
Net increase in shares outstanding	133,214	180,745

See accompanying notes which are an integral part of these financial statements.

MERITAGE VALUE EQUITY FUND
STATEMENTS OF CHANGES IN NET ASSETS

	For the Six Months Ended February 28, 2018 (Unaudited)	For the Year Ended August 31, 2017
Increase (Decrease) in Net Assets due to:		
Operations		
Net investment income	\$ 37,141	\$ 92,024
Net realized gain on investment securities transactions	593,602	140,802
Net change in unrealized appreciation of investment securities	289,434	1,534,876
Net increase in net assets resulting from operations	920,177	1,767,702
Distributions		
From net investment income – Institutional Class	(90,492)	(115,272)
From net investment income – Investor Class ^(a)	–	(67)
Total distributions	(90,492)	(115,339)
Capital Transactions – Institutional Class		
Proceeds from shares sold	1,391,726	2,914,903
Reinvestment of distributions	88,422	113,051
Amount paid for shares redeemed	(1,290,888)	(2,517,719)
Total Institutional Class	189,260	510,235
Capital Transactions – Investor Class^(a)		
Proceeds from shares sold	–	922
Reinvestment of distributions	–	67
Amount paid for shares redeemed	–	(11,012)
Total Investor Class	–	(10,023)
Net increase in net assets resulting from capital transactions	189,260	500,212
Total Increase in Net Assets	1,018,945	2,152,575
Net Assets		
Beginning of period	16,016,938	13,864,363
End of period	\$17,035,883	\$16,016,938
Accumulated undistributed net investment income	\$ 37,140	\$ 90,491
Share Transactions – Institutional Class		
Shares sold	105,317	247,653
Shares issued in reinvestment of distributions	6,594	9,729
Shares redeemed	(97,152)	(222,567)
Total Institutional Class	14,759	34,815
Share Transactions – Investor Class^(a)		
Shares sold	–	–
Shares issued in reinvestment of distributions	–	6
Shares redeemed	–	(946)
Total Investor Class	–	(940)
Net increase in shares outstanding	14,759	33,875

(a) Meritage Value Equity Fund – Investor Class liquidated on February 3, 2017.

See accompanying notes which are an integral part of these financial statements.

MERITAGE YIELD-FOCUS EQUITY FUND
STATEMENTS OF CHANGES IN NET ASSETS

	For the Six Months Ended February 28, 2018 (Unaudited)	For the Year Ended August 31, 2017
Increase (Decrease) in Net Assets due to:		
Operations		
Net investment income	\$ 510,302	\$ 1,113,120
Net realized gain on investment securities transactions and foreign currency translations	684,914	1,746,129
Net change in unrealized depreciation of investment securities	(110,506)	(239,221)
Net increase in net assets resulting from operations	1,084,710	2,620,028
Distributions		
From net investment income – Institutional Class	(452,629)	(925,897)
From net investment income – Investor Class	(10,800)	(141,974)
Total distributions	(463,429)	(1,067,871)
Capital Transactions – Institutional Class		
Proceeds from shares sold	1,160,716	2,700,387
Reinvestment of distributions	434,814	877,453
Amount paid for shares redeemed	(1,475,123)	(7,887,178)
Total Institutional Class	120,407	(4,309,338)
Capital Transactions – Investor Class		
Proceeds from shares sold	66,950	565,477
Reinvestment of distributions	9,951	136,022
Amount paid for shares redeemed	(77,509)	(11,250,540)
Total Investor Class	(608)	(10,549,041)
Net decrease in net assets resulting from capital transactions	119,799	(14,858,379)
Total Increase (Decrease) in Net Assets	741,080	(13,306,222)
Net Assets		
Beginning of period	26,747,629	40,053,851
End of period	\$27,488,709	\$ 26,747,629
Accumulated undistributed net investment income	\$ 129,764	\$ 82,891
Share Transactions – Institutional Class		
Shares sold	106,728	264,568
Shares issued in reinvestment of distributions	39,977	86,151
Shares redeemed	(137,664)	(775,089)
Total Institutional Class	9,041	(424,370)
Share Transactions – Investor Class		
Shares sold	6,117	56,078
Shares issued in reinvestment of distributions	905	13,555
Shares redeemed	(6,969)	(1,081,302)
Total Investor Class	53	(1,011,669)
Net increase (decrease) in shares outstanding	9,094	(1,436,039)

See accompanying notes which are an integral part of these financial statements.

MERITAGE GROWTH EQUITY FUND – INSTITUTIONAL CLASS
FINANCIAL HIGHLIGHTS
(For a share outstanding during each period)

	For the Six Months Ended February 28, 2018 (Unaudited)	For the Year Ended August 31, 2017	For the Year Ended August 31, 2016	For the Year Ended August 31, 2015	For the Period Ended August 31, 2014 ^(a)
Selected Per Share Data:					
Net asset value, beginning of period	\$ 14.39	\$ 12.11	\$ 11.20	\$ 10.95	\$ 10.00
Investment operations:					
Net investment income	(0.01)	0.02	0.03	0.01	0.01
Net realized and unrealized gain on investments	1.72	2.41	1.12	0.36	0.94
Total from investment operations	1.71	2.43	1.15	0.37	0.95
Less distributions to shareholders:					
From net investment income	(0.01)	(0.03)	(0.01)	(0.01)	–
From net realized gains	(1.03)	(0.12)	(0.23)	(0.11)	–
Total distributions	(1.04)	(0.15)	(0.24)	(0.12)	–
Net asset value, end of period	\$ 15.06	\$ 14.39	\$ 12.11	\$ 11.20	\$ 10.95
Total Return ^(b)	12.06% ^(c)	20.27%	10.41%	3.38%	9.50% ^(c)
Ratios and Supplemental Data:					
Net assets, end of period (000 omitted)	\$26,627	\$23,537	\$17,479	\$13,331	\$10,642
Ratio of net expenses to average net assets	1.00% ^(d)	1.00%	1.00%	1.00%	1.00% ^(d)
Ratio of expenses to average net assets before waiver	1.41% ^(d)	1.55%	1.60%	1.66%	3.49% ^(d)
Ratio of net investment income (loss) to average net assets	(0.20)% ^(d)	0.12%	0.24%	0.08%	0.22% ^(d)
Portfolio turnover rate ^(e)	32% ^(c)	82%	73%	84%	94% ^(c)

(a) For the period December 23, 2013 (commencement of operations) to August 31, 2014.

(b) Total return in the above table represents the rate that the investor would have earned or lost on an investment in the Fund, assuming reinvestment of dividends.

(c) Not annualized.

(d) Annualized.

(e) Portfolio turnover is calculated on the basis on the Fund as a whole without distinguishing among the classes of shares.

See accompanying notes which are an integral part of these financial statements.

MERITAGE GROWTH EQUITY FUND – INVESTOR CLASS
FINANCIAL HIGHLIGHTS
(For a share outstanding during each period)

	For the Six Months Ended February 28, 2018	For the Year Ended August 31, 2017	For the Year Ended August 31, 2016	For the Year Ended August 31, 2015	For the Period Ended August 31, 2014 ^(a)
	(Unaudited)				
Selected Per Share Data:					
Net asset value, beginning of period	\$14.30	\$12.03	\$11.15	\$10.92	\$10.00
Investment operations:					
Net investment income (loss)	(0.03)	— ^(b)	— ^(b)	(0.02)	— ^(b)
Net realized and unrealized gain on investments	1.70	2.39	1.11	0.37	0.92
Total from investment operations	1.67	2.39	1.11	0.35	0.92
Less distributions to shareholders:					
From net investment income	—	—	—	(0.01)	—
From net realized gains	(1.03)	(0.12)	(0.23)	(0.11)	—
Total distributions	(1.03)	(0.12)	(0.23)	(0.12)	—
Net asset value, end of period	\$14.94	\$14.30	\$12.03	\$11.15	\$10.92
Total Return ^(c)	11.87% ^(d)	20.02%	10.13%	3.17%	9.20% ^(d)
Ratios and Supplemental Data:					
Net assets, end of period (000 omitted)	\$ 302	\$ 276	\$ 367	\$ 164	\$ 136
Ratio of net expenses to average net assets	1.25% ^(e)	1.25%	1.25%	1.25%	1.25% ^(e)
Ratio of expenses to average net assets before waiver	1.66% ^(e)	1.80%	1.85%	1.91%	3.32% ^(e)
Ratio of net investment income (loss) to average net assets	(0.45)% ^(e)	(0.10)%	(0.01)%	(0.17)%	0.01% ^(e)
Portfolio turnover rate ^(f)	32% ^(d)	82%	73%	84%	94% ^(d)

(a) For the period December 23, 2013 (commencement of operations) to August 31, 2014.

(b) Amount is less than \$0.01.

(c) Total return in the above table represents the rate that the investor would have earned or lost on an investment in the Fund, assuming reinvestment of dividends.

(d) Not annualized.

(e) Annualized.

(f) Portfolio turnover is calculated on the basis on the Fund as a whole without distinguishing among the classes of shares.

See accompanying notes which are an integral part of these financial statements.

MERITAGE VALUE EQUITY FUND – INSTITUTIONAL CLASS
FINANCIAL HIGHLIGHTS
(For a share outstanding during each period)

	<u>For the Six Months Ended February 28, 2018</u>	<u>For the Year Ended August 31, 2017</u>	<u>For the Year Ended August 31, 2016</u>	<u>For the Year Ended August 31, 2015</u>	<u>For the Period Ended August 31, 2014 ^(a)</u>
	(Unaudited)				
Selected Per Share Data:					
Net asset value, beginning of period	\$ 12.45	\$ 11.07	\$ 11.00	\$ 11.00	\$10.00
Investment operations:					
Net investment income	0.03	0.07	0.08	0.10	0.04
Net realized and unrealized gain on investments	0.68	1.41	0.12	0.01 ^(b)	0.96
Total from investment operations	<u>0.71</u>	<u>1.48</u>	<u>0.20</u>	<u>0.11</u>	<u>1.00</u>
Less distributions to shareholders:					
From net investment income	(0.07)	(0.10)	(0.09)	(0.04)	–
From net realized gains	<u>–</u>	<u>–</u>	<u>(0.04)</u>	<u>(0.07)</u>	<u>–</u>
Total distributions	<u>(0.07)</u>	<u>(0.10)</u>	<u>(0.13)</u>	<u>(0.11)</u>	<u>–</u>
Net asset value, end of period	<u>\$ 13.09</u>	<u>\$ 12.45</u>	<u>\$ 11.07</u>	<u>\$ 11.00</u>	<u>\$11.00</u>
Total Return ^(c)	5.69% ^(d)	13.41%	1.85%	0.94%	10.00% ^(d)
Ratios and Supplemental Data:					
Net assets, end of period (000 omitted)	\$17,036	\$16,017	\$13,854	\$11,321	\$9,673
Ratio of net expenses to average net assets	1.00% ^(e)	1.00%	1.00%	1.00%	1.00% ^(e)
Ratio of expenses to average net assets before waiver	1.54% ^(e)	1.69%	1.67%	1.66%	3.58% ^(e)
Ratio of net investment income to average net assets	0.44% ^(e)	0.60%	0.89%	0.96%	0.86% ^(e)
Portfolio turnover rate ^(f)	41% ^(d)	81%	67%	62%	50% ^(d)

(a) For the period December 23, 2013 (commencement of operations) to August 31, 2014.

(b) The amount shown for a share outstanding throughout the period does not accord with the aggregate gains and losses in the portfolio securities during the period because of the timing of sales and purchases of fund shares in relation to fluctuating market values during the period.

(c) Total return in the above table represents the rate that the investor would have earned or lost on an investment in the Fund, assuming reinvestment of dividends.

(d) Not annualized.

(e) Annualized.

(f) Portfolio turnover is calculated on the basis on the Fund as a whole without distinguishing among the classes of shares.

See accompanying notes which are an integral part of these financial statements.

MERITAGE YIELD-FOCUS EQUITY FUND – INSTITUTIONAL CLASS
FINANCIAL HIGHLIGHTS

(For a share outstanding during each period)

	For the Six Months Ended February 28, 2018	For the Year Ended August 31, 2017	For the Year Ended August 31, 2016	For the Year Ended August 31, 2015	For the Period Ended August 31, 2014 ^(a)
	(Unaudited)				
Selected Per Share Data:					
Net asset value, beginning of period	\$ 10.41	\$ 10.00	\$ 9.44	\$ 11.27	\$ 10.00
Investment operations:					
Net investment income	0.20	0.37	0.32	0.33	0.10
Net realized and unrealized gain (loss) on investments	0.23	0.40	0.56	(1.71)	1.17
Total from investment operations	0.43	0.77	0.88	(1.38)	1.27
Less distributions to shareholders:					
From net investment income	(0.18)	(0.36)	(0.32)	(0.41)	–
From net realized gains	–	–	–	(0.03)	–
From return of capital	–	–	–	(0.01)	–
Total distributions	(0.18)	(0.36)	(0.32)	(0.45)	–
Net asset value, end of period	\$ 10.66	\$ 10.41	\$ 10.00	\$ 9.44	\$ 11.27
Total Return ^(b)	4.13% ^(c)	7.79%	9.58%	(12.56)%	12.70% ^(c)
Ratios and Supplemental Data:					
Net assets, end of period (000 omitted)	\$26,828	\$26,103	\$29,340	\$28,316	\$26,436
Ratio of net expenses to average net assets	1.00% ^(d)	1.00%	1.00%	1.00%	1.00% ^(d)
Ratio of expenses to average net assets before waiver	1.49% ^(d)	1.48%	1.49%	1.44%	2.62% ^(d)
Ratio of net investment income to average net assets	3.72% ^(d)	3.49%	3.41%	3.17%	2.70% ^(d)
Portfolio turnover rate ^(e)	31% ^(c)	60%	99%	86%	63% ^(c)

(a) For the period December 23, 2013 (commencement of operations) to August 31, 2014.

(b) Total return in the above table represents the rate that the investor would have earned or lost on an investment in the Fund, assuming reinvestment of dividends.

(c) Not annualized.

(d) Annualized.

(e) Portfolio turnover is calculated on the basis on the Fund as a whole without distinguishing among the classes of shares.

See accompanying notes which are an integral part of these financial statements.

MERITAGE YIELD-FOCUS EQUITY FUND – INVESTOR CLASS
FINANCIAL HIGHLIGHTS
(For a share outstanding during each period)

	For the Six Months Ended February 28, 2018	For the Year Ended August 31, 2017	For the Year Ended August 31, 2016	For the Year Ended August 31, 2015	For the Period Ended August 31, 2014 ^(a)
	(Unaudited)				
Selected Per Share Data:					
Net asset value, beginning of period	\$10.51	\$ 9.98	\$ 9.42	\$ 11.25	\$10.00
Investment operations:					
Net investment income	0.19	0.32 ^(b)	0.32	0.29	0.01
Net realized and unrealized gain (loss) on investments	0.23	0.46	0.54	(1.70)	1.24
Total from investment operations	0.42	0.78	0.86	(1.41)	1.25
Less distributions to shareholders:					
From net investment income	(0.17)	(0.25)	(0.30)	(0.38)	–
From net realized gains	–	–	–	(0.03)	–
From return of capital	–	–	–	(0.01)	–
Total distributions	(0.17)	(0.25)	(0.30)	(0.42)	–
Net asset value, end of period	\$10.76	\$10.51	\$ 9.98	\$ 9.42	\$11.25
Total Return ^(c)	3.97% ^(d)	7.93%	9.35%	(12.85)%	12.50% ^(d)
Ratios and Supplemental Data:					
Net assets, end of period (000 omitted)	\$ 661	\$ 644	\$10,714	\$10,708	\$2,627
Ratio of net expenses to average net assets	1.25% ^(e)	1.25%	1.25%	1.25%	1.25% ^(e)
Ratio of expenses to average net assets before waiver	1.78% ^(e)	1.73%	1.74%	1.69%	2.46% ^(e)
Ratio of net investment income to average net assets	3.48% ^(e)	3.18%	3.17%	2.84%	2.26% ^(e)
Portfolio turnover rate ^(f)	31% ^(d)	60%	99%	86%	63% ^(d)

(a) For the period December 23, 2013 (commencement of operations) to August 31, 2014.

(b) Calculated using the average shares method.

(c) Total return in the above table represents the rate that the investor would have earned or lost on an investment in the Fund, assuming reinvestment of dividends.

(d) Not annualized.

(e) Annualized.

(f) Portfolio turnover is calculated on the basis on the Fund as a whole without distinguishing among the classes of shares.

See accompanying notes which are an integral part of these financial statements.

MERITAGE FUNDS
NOTES TO THE FINANCIAL STATEMENTS
February 28, 2018 – (Unaudited)

NOTE 1. ORGANIZATION

The Meritage Growth Equity Fund (the “Growth Equity Fund”), the Meritage Value Equity Fund (the “Value Equity Fund”), and the Meritage Yield-Focus Equity Fund (the “Yield-Focus Equity Fund”) (each a “Fund” and, collectively the “Funds”) were organized as a diversified series of the Capitol Series Trust (the “Trust”). The Trust is an open-end investment company established under the laws of Ohio by an Agreement and Declaration of Trust dated September 18, 2013 (the “Trust Agreement”). The Trust Agreement permits the Trust’s Board of Trustees (the “Board”) to issue an unlimited number of shares of beneficial interest of separate series without par value. The Growth Equity and Yield-Focus Equity Funds each offer two share classes, Institutional Class Shares and Investor Class Shares. As disclosed in a prospectus supplement dated February 15, 2017, the Value Equity Fund has discontinued the sale of its Investor Shares, and will continue to offer Institutional Shares. The Funds commenced operations on December 23, 2013. The Funds’ investment adviser is Meritage Portfolio Management, Inc. (the “Adviser”). The investment objective of the Growth Equity Fund is to seek growth of capital. The investment objective of the Value Equity Fund is to seek growth of capital. Income is a secondary objective for the Value Equity Fund. The investment objective of the Yield-Focus Equity Fund is to seek long-term growth of capital with an emphasis on high current income.

Each Fund’s prospectus provides a description of the investment objective, policies and strategies, along with information on the classes of shares currently being offered.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The Funds are investment companies and follow accounting and reporting guidance under Financial Accounting Standards Board Accounting Standards Codification (“ASC”) Topic 946, “Financial Services-Investment Companies”. The following is a summary of significant accounting policies consistently followed by each Fund in the preparation of its financial statements. These policies are in conformity with generally accepted accounting principles in the United States of America (“GAAP”).

Estimates – The preparation of financial statements in conformity with GAAP 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 date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

Securities Valuation – All investments in securities are recorded at their estimated fair value as described in Note 3.

Foreign Currency Translation – The accounting records of the Funds are maintained in U.S. dollars. Foreign currency amounts are translated into U.S. dollars at the current rate of exchange each business day to determine the value of investments, and other assets and liabilities. Purchases and sales of foreign securities, and income and expenses, are translated at the prevailing rate of exchange on the respective date of these transactions. The Funds do not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from fluctuation arising from changes in market prices of securities held. These fluctuations are included with the net realized and unrealized gain or loss from investments.

Federal Income Taxes – The Funds make no provision for federal income or excise tax. Each Fund has qualified and intends to qualify each year as a regulated investment company (“RIC”) under subchapter M of the Internal Revenue Code of 1986, as amended, by complying with the requirements applicable to RICs and by distributing

MERITAGE FUNDS
NOTES TO THE FINANCIAL STATEMENTS – (continued)
February 28, 2018 – (Unaudited)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES – continued

substantially all of its taxable income. Each Fund also intends to distribute sufficient net investment income and net capital gains, if any, so that it will not be subject to excise tax on undistributed income and gains. If the required amount of net investment income or gains is not distributed, the Funds could incur a tax expense.

The Funds recognize tax benefits or expenses of uncertain tax positions only when the position is “more likely than not” to be sustained assuming examination by tax authorities. Management of the Funds has reviewed tax positions taken in tax years that remain subject to examination by all major tax jurisdictions, including federal (i.e., the previous three tax year ends and the interim tax period since then, as applicable) and has concluded that no provision for unrecognized tax benefits or expenses is required in these financial statements and does not expect this to change over the next twelve months. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations. During the period, the Funds did not incur any interest or penalties.

Expenses – Expenses incurred by the Trust that do not relate to a specific fund of the Trust are allocated to the individual funds based on each Fund’s relative net assets or another appropriate basis (as determined by the Board). Expenses attributable to any class are borne by that class. Income, realized gains and losses, unrealized appreciation and depreciation, and expenses are allocated to each class based on the net assets in relation to the relative net assets of the Fund.

Security Transactions and Related Income – Throughout the reporting period, security transactions are accounted for no later than one business day following the trade date. For financial reporting purposes, security transactions are accounted for on trade date on the last business day of the reporting period. The specific identification method is used for determining gains or losses for financial statements and income tax purposes. Dividend income is recorded on the ex-dividend date and interest income is recorded on an accrual basis. Dividend income from real estate investment trusts (REITs) and distributions from limited partnerships are recognized on the ex-date and included in dividend income. The calendar year-end classification of distributions received from REITs during the fiscal year are reported subsequent to year end; accordingly, the Fund estimates the character of REIT distributions based on the most recent information available. Income or loss from limited partnerships is reclassified among the components of net assets upon receipt of K-1’s. Discounts and premiums on fixed income securities purchased are amortized over the life of the respective securities or accreted using the effective interest method.

Dividends and Distributions – Each Fund intends to distribute substantially all of its net investment income, if any, as dividends to its shareholders on at least an annual basis, except for Yield-Focus Fund which will normally distribute dividends on a quarterly basis. Each Fund intends to distribute its net realized long term capital gains and its net realized short term capital gains, if any, at least once a year. Dividends to shareholders, which are determined in accordance with income tax regulations, are recorded on the ex-dividend date. The treatment for financial reporting purposes of distributions made to shareholders during the period from net investment income or net realized capital gains may differ from their ultimate treatment for federal income tax purposes. These differences are caused primarily by differences in the timing of the recognition of certain components of income, expense or realized capital gains for federal income tax purposes. Where such differences are permanent in nature, they are reclassified in the components of the net assets based on their ultimate characterization for federal income tax purposes. Any such reclassifications will have no effects on net assets, results of operations or net asset values per share of the Funds.

MERITAGE FUNDS
NOTES TO THE FINANCIAL STATEMENTS – (continued)
February 28, 2018 – (Unaudited)

NOTE 3. SECURITIES VALUATION AND FAIR VALUE MEASUREMENTS

Fair value is defined as the price that the Funds would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market of the investment. GAAP establishes a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes.

Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Various inputs are used in determining the value of each Fund's investments. These inputs are summarized in the three broad levels listed below.

- Level 1 – unadjusted quoted prices in active markets for identical investments and/or registered investment companies where the value per share is determined and published and is the basis for current transactions for identical assets or liabilities at the valuation date
- Level 2 – other significant observable inputs (including, but not limited to, quoted prices for an identical security in an inactive market, quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – significant unobservable inputs (including each Fund's own assumptions in determining fair value of investments based on the best information available)

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

In computing the net asset value ("NAV") of the Funds, fair value is based on market valuations with respect to portfolio securities for which market quotations are readily available. Pursuant to Board approved policies, the Funds rely on independent third-party pricing services to provide the current market value of securities. Those pricing services value equity securities, including exchange-traded funds and exchange-traded notes, traded on a securities exchange at the last reported sales price on the principal exchange. Equity securities quoted by NASDAQ are valued at the NASDAQ Official Closing Price. If there is no reported sale on the principal exchange, equity securities are valued at the mean between the most recent quoted bid and asked price. When using the market quotations or close prices provided by the pricing service and when the market is considered active, the security will be classified as a Level 1 security. Investments in open-end mutual funds, including money market mutual funds, are generally priced at the ending NAV provided by the pricing service of the funds and are generally categorized as Level 1 securities. Debt securities are valued using evaluated prices furnished by a pricing vendor selected by the Board and are generally classified as Level 2 securities.

In the event that market quotations are not readily available, the Adviser determines that the market quotation or the price provided by the pricing service does not accurately reflect the current fair value, or certain restricted or illiquid securities are being valued, such securities are valued as determined in good faith by the Trust's

MERITAGE FUNDS
NOTES TO THE FINANCIAL STATEMENTS – (continued)
February 28, 2018 – (Unaudited)

NOTE 3. SECURITIES VALUATION AND FAIR VALUE MEASUREMENTS – continued

Valuation Committee, based on recommendations from a pricing committee comprised of various officers of the Trust, various employees of the Funds’ administrator, and representatives of the Adviser (together the “Pricing Review Committee”). These securities will be classified as Level 2 or 3 within the fair value hierarchy, depending on the inputs used.

In accordance with the Trust’s Valuation Procedures, the Pricing Review Committee in making its recommendations are required to consider all appropriate factors relevant to the value of securities for which it has determined other pricing sources are not available or reliable as described above. No single standard exists for determining fair value, because fair value depends upon the circumstances of each individual case. As a general principle, the current fair value of an issue of securities being valued pursuant to the Trust’s Fair Valuation Procedures would be the amount which the Funds might reasonably expect to receive for them upon their current sale. Methods which are in accordance with this principle may, for example, be based on (i) a multiple of earnings; (ii) a discount from market prices of a similar freely traded security (including a derivative security or a basket of securities traded on other markets, exchanges or among dealers); or (iii) yield to maturity with respect to debt issues, or a combination of these and other methods. Fair value pricing is permitted if, in accordance with the Trust’s Valuation Procedures, the validity of market quotations appears to be questionable based on factors such as evidence of a thin market in the security based on a small number of quotations, a significant event occurs after the close of a market but before the Fund’s NAV calculation that may affect a security’s value, or other data calls into question the reliability of market quotations.

The following is a summary of the inputs used to value the Funds’ investments as of February 28, 2018:

	Valuation Inputs			
	Level 1	Level 2	Level 3	Total
Growth Equity Fund				
Common Stocks	\$ 24,919,917	\$ –	\$ –	\$ 24,919,917
Exchange-Traded Funds	1,543,637	–	–	1,543,637
Money Market Funds	425,361	–	–	425,361
Total	\$ 26,888,915	\$ –	\$ –	\$ 26,888,915
Value Equity Fund				
Common Stocks	\$ 15,368,707	\$ –	\$ –	\$ 15,368,707
Exchange-Traded Funds	1,016,840	–	–	1,016,840
Money Market Funds	736,751	–	–	736,751
Total	\$ 17,122,298	\$ –	\$ –	\$ 17,122,298
Yield-Focus Equity Fund				
Common Stocks	\$ 24,523,277	\$ –	\$ –	\$ 24,523,277
Convertible Preferred Stocks	2,458,286	–	–	2,458,286
Money Market Funds	269,354	–	–	269,354
Total	\$ 27,250,917	\$ –	\$ –	\$ 27,250,917

MERITAGE FUNDS
NOTES TO THE FINANCIAL STATEMENTS – (continued)
February 28, 2018 – (Unaudited)

NOTE 3. SECURITIES VALUATION AND FAIR VALUE MEASUREMENTS – continued

The Funds did not hold any investments at the end of the reporting period in which significant unobservable inputs were used in determining fair value; therefore, no reconciliation of Level 3 securities is included for this reporting period. The Funds did not hold any derivative instruments during the reporting period.

The Trust recognizes transfers between fair value hierarchy levels at the end of the reporting period. There were no transfers between any levels as of February 28, 2018 based on input levels assigned as August 31, 2017.

NOTE 4. FEES AND OTHER TRANSACTIONS WITH AFFILIATES

Under the terms of the management agreement, on behalf of the Funds (the “Agreement”), the Adviser manages each Fund’s investments subject to oversight of the Board. As compensation for its management services each Fund is obligated to pay the Adviser a fee computed and accrued daily and paid monthly at an annual rate of 0.75% of the average daily net assets of each Fund. For the six months ended February 28, 2018, the Adviser earned fees of \$96,661 from the Growth Equity Fund, \$63,479 from the Value Equity Fund and \$103,024 from the Yield-Focus Equity Fund before the waiver/reimbursements described below. At February 28, 2018, the Growth Equity Fund owed the Adviser \$7,777, the Value Equity Fund owed the Adviser \$2,729 and the Yield-Focus Fund owed the Adviser \$5,708.

The Adviser has contractually agreed to waive its management fee and/or reimburse expenses so that total annual operating expenses (excluding (i) interest; (ii) taxes; (iii) brokerage fees and commissions; (iv) other extraordinary expenses not incurred in the ordinary course of the Fund’s business; (v) dividend expenses on short sales; (vi) expenses incurred under a Rule 12b-1 plan of distribution; and (vii) indirect expenses such as acquired fund fees and expenses) do not exceed 1.00% of each Fund’s average daily net assets through December 31, 2018 (“Expense Limitation”). During any fiscal year that the Investment Advisory Agreement between the Adviser and the Trust is in effect, the Adviser may recoup the sum of all fees previously waived or expenses reimbursed for a period of 36 months following the month during which such fee waiver or expense reimbursement was made, less any reimbursement previously paid, if such recoupment can be achieved within the Expense Limitation as well as any expense limitation in effect at the time the reimbursement is made. This expense cap agreement may be terminated by the Board at any time.

As of February 28, 2018, the Adviser may seek repayment of investment advisory fee waivers and expense reimbursements up to the amounts of \$296,609, \$267,286 and \$518,167 from the Growth Equity Fund, Value Equity Fund and Yield-Focus Equity Fund, respectively, no later than February 28, 2021.

The Trust retains Ultimus Asset Services, LLC (the “Administrator”) to provide the Funds with non-investment related administration and compliance, fund accounting and transfer agent services. For the six months ended February 28, 2018, fees incurred for administration, fund accounting and transfer agent services, and the amounts due to the Administrator at February 28, 2018 were as follows:

	<u>Growth Equity Fund</u>	<u>Value Equity Fund</u>	<u>Yield-Focus Equity Fund</u>
Administration	\$20,086	\$13,280	\$22,424
Fund Accounting	13,390	8,853	14,949
Transfer Agent	10,712	7,083	11,959
Payable to Administrator	5,826	4,356	8,944

MERITAGE FUNDS
NOTES TO THE FINANCIAL STATEMENTS – (continued)
February 28, 2018 – (Unaudited)

NOTE 4. FEES AND OTHER TRANSACTIONS WITH AFFILIATES – continued

The Board supervises the business activities of the Trust. Each Trustee serves as a Trustee for the lifetime of the Trust or until the earlier of his or her retirement as a Trustee at age 75, death, resignation or is removed. “Independent Trustees,” which means that they are not “interested persons” as defined in the 1940 Act of the Trust each receives annual compensation of \$15,000 from the Trust. Each Committee Chairperson receives an additional annual compensation of \$1,000 from the Trust. Independent Trustees also receive \$1,000 for attending each special in-person meeting. In addition, the Trust reimburses Trustees for out-of-pocket expense incurred in conjunction with attendance at meetings.

The officers and one Trustee of the Trust are employees of the Administrator. Unified Financial Securities, LLC (the “Distributor”) acts as the principal distributor of the Funds’ shares. Both the Administrator and the Distributor operate as wholly-owned subsidiaries of Ultimus Fund Solutions, LLC.

The Funds have adopted a Distribution Plan (the “Plan”) pursuant to Rule 12b-1 under the 1940 Act. The Plan provides that the Funds will pay the Distributor and/or any registered securities dealer, financial institution or any other person (the “Recipient”) a fee of 0.25% of the average daily net assets of each Fund’s Investor Shares in connection with the promotion and distribution of each Fund’s Investor Shares or the provision of personal services to shareholders, including, but not necessarily limited to, advertising, compensation to underwriters, dealers and selling personnel, the printing and mailing of prospectuses to other than current shareholders of Investor Shares, the printing and mailing of sales literature and servicing shareholder accounts (“12b-1 Expense”). The Funds or Distributor may pay all or a portion of these fees to any Recipient who renders assistance in distributing or promoting the sale of shares, or who provides certain shareholder services, pursuant to a written agreement. The Plan is a compensation plan, which means that compensation is provided regardless of 12b-1 expenses actually incurred. For the six months ended February 28, 2018, Investor Shares 12b-1 expense incurred by the Growth Equity Fund was \$356 and \$843 for the Yield-Focus Equity Fund. At February 28, 2018, the Distributor was owed \$121 by the Growth Equity Fund and \$281 for the Yield Focus Equity Fund for Investor Shares 12b-1 expenses.

NOTE 5. PURCHASES AND SALES OF SECURITIES

For the six months ended February 28, 2018, purchases and sales of investment securities, excluding short-term securities were as follows:

<u>Fund</u>	<u>Purchases</u>	<u>Sales</u>
Growth Equity Fund	\$9,097,933	\$7,806,371
Value Equity Fund	6,811,505	7,018,355
Yield-Focus Equity Fund	8,473,600	8,327,630

There were no purchases or sales of long-term U.S. government obligations during the six months ended February 28, 2018.

NOTE 6. BENEFICIAL OWNERSHIP

The beneficial ownership, either directly or indirectly, of 25% or more of the voting securities of a fund creates a presumption of control of a fund, under Section 2(a)(9) of the Investment Company Act of 1940. At February 28, 2018, National Financial Services LLC (“NFS”) and Charles Schwab & Co. Inc. (“Schwab”) owned, as record shareholder, 51.36% and 44.24%, respectively, of the outstanding shares of the Growth Equity Fund. At

MERITAGE FUNDS
NOTES TO THE FINANCIAL STATEMENTS – (continued)
February 28, 2018 – (Unaudited)

NOTE 6. BENEFICIAL OWNERSHIP – continued

February 28, 2018, NFS and Schwab owned, as record shareholder, 51.54% and 45.33%, respectively, of the outstanding shares of the Value Equity Fund. At February 28, 2018, NFS and Schwab owned, as record shareholder, 60.41% and 30.42%, respectively, of the outstanding shares of the Yield-Focus Equity Fund. It is not known whether NFS, Schwab or any of the underlying beneficial owners owned or controlled 25% or more of the voting securities of the Funds.

NOTE 7. FEDERAL TAX INFORMATION

At February 28, 2018, the net unrealized appreciation (depreciation) of investments for tax purposes was as follows:

	<u>Tax Cost of Securities</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation</u>
Growth Equity Fund	19,990,774	6,968,605	(70,464)	6,898,141
Value Equity Fund	13,968,255	3,335,585	(181,543)	3,154,042
Yield-Focus Equity Fund	24,646,953	3,463,087	(859,123)	2,603,964

The tax character of distributions paid during the fiscal year ended August 31, 2017 was as follows:

	<u>Ordinary Income</u>	<u>Net Long-Term Capital Gains</u>	<u>Total Distributions Paid</u>
Growth Equity Fund	\$ 44,491	\$172,588	\$ 217,079
Value Equity Fund	115,339	–	115,339
Yield-Focus Equity Fund	1,067,872	–	1,067,872

At August 31, 2017, the components of distributable earnings (accumulated losses) on a tax basis were as follows:

	<u>Ordinary Income</u>	<u>Undistributed Long-Term Capital Gains</u>	<u>Accumulated Capital and Other Losses</u>	<u>Unrealized Appreciation (Depreciation)</u>	<u>Total Accumulated Earnings (Losses)</u>
Growth Equity Fund	\$ 10,347	\$1,614,270	\$ –	\$4,220,328	\$ 5,844,945
Value Equity Fund	90,491	–	(453,145)	2,864,836	\$ 2,502,182
Yield-Focus Equity Fund	126,541	–	(4,718,284)	2,831,418	\$(1,760,325)

The difference between book basis and tax basis unrealized appreciation is primarily attributable to the tax deferral of wash losses, return of capital adjustments, interest accruals on trust preferred securities and mark-to-market of passive foreign investment companies.

As of August 31, 2017, the Value Equity Fund and Yield-Focus Equity Fund, respectively, had available for tax purposes an unused capital loss carryforward of \$453,145 and \$4,718,284 of short-term capital losses with no expiration, which was available to offset against future taxable net capital gains. To the extent that these carryforwards are used to offset future gains, it is probable that the amount offset will not be distributed to shareholders.

MERITAGE FUNDS
NOTES TO THE FINANCIAL STATEMENTS – (continued)
February 28, 2018 – (Unaudited)

NOTE 8. COMMITMENTS AND CONTINGENCIES

The Funds indemnify their officers and trustees for certain liabilities that may arise from the performance of their duties to the Funds. Additionally, in the normal course of business, the Funds enter into contracts that contain a variety of representations and warranties which provide general indemnifications. The Funds' maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Funds that have not yet occurred.

NOTE 9. SUBSEQUENT EVENTS

Management has evaluated events or transactions from February 28, 2018 through the date these financial statements were issued that would merit recognition or disclosure in the financial statements. There were no subsequent events to report that would have a material impact in the Funds' financial statements.

SUMMARY OF FUND EXPENSES – (Unaudited)

As a shareholder of a Fund, you incur ongoing costs, including 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 from September 1, 2017 to February 28, 2018.

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 = \$8.60), 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 ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. 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 the 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.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only. Therefore, the second line of the table below is useful in comparing ongoing costs only and will not help you determine the relative costs of owning different funds.

	Beginning Account Value September 1, 2017	Ending Account Value February 28, 2018	Expenses Paid During Period	Annualized Expense Ratio
Meritage Growth Equity Fund Institutional Class				
Actual	\$ 1,000.00	\$ 1,120.60	\$ 5.26*	1.00%
Hypothetical**	\$ 1,000.00	\$ 1,019.84	\$ 5.01	1.00%
Investor Class				
Actual	\$ 1,000.00	\$ 1,118.70	\$ 6.57*	1.25%
Hypothetical**	\$ 1,000.00	\$ 1,018.60	\$ 6.26	1.25%
Meritage Value Equity Fund Institutional Class				
Actual	\$ 1,000.00	\$ 1,056.90	\$ 5.10*	1.00%
Hypothetical**	\$ 1,000.00	\$ 1,019.84	\$ 5.01	1.00%
Meritage Yield-Focus Fund Institutional Class				
Actual	\$ 1,000.00	\$ 1,041.30	\$ 5.06*	1.00%
Hypothetical**	\$ 1,000.00	\$ 1,019.84	\$ 5.01	1.00%
Investor Class				
Actual	\$ 1,000.00	\$ 1,039.70	\$ 6.32*	1.25%
Hypothetical**	\$ 1,000.00	\$ 1,018.60	\$ 6.26	1.25%

* Expenses are equal to the Fund’s annualized expense ratio multiplied by the average account value over the period, multiplied by 181/365.

** Assumes 5% return before expenses.

MANAGEMENT AGREEMENT RENEWAL – (Unaudited)

At a quarterly meeting of the Board of Trustees of Capitol Series Trust (“Trust”) on September 21, 2017, the Trust’s Board of Trustees (“Board”), including all of the Trustees who are not “interested persons” of the Trust (“Independent Trustees”) as that term is defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended (the “1940 Act”), considered and approved the renewal of the Investment Advisory Agreement between the Trust and Meritage Portfolio Management, Inc. (“Meritage”) for an additional one-year period (the “Investment Advisory Agreement”), regarding the Meritage Growth Equity Fund, Meritage Value Equity Fund, and Meritage Yield-Focus Equity Fund (each a “Fund” and together the “Funds”). Each Fund is a series of the Trust.

Prior to the meeting, the Trustees received and considered information from Meritage and the Trust’s administrator designed to provide the Trustees with the information necessary to evaluate the terms of the proposed renewal of the Investment Advisory Agreement between the Trust and Meritage, including, but not limited to: Meritage’s response to counsel’s due diligence letter and Meritage’s supplemental response to counsel’s supplemental requests, each requesting information relevant to renewal of the Investment Advisory Agreement; the operating expense limitation agreement currently in effect between Meritage and each of the Funds (the “Expense Limitation Agreement”); and Morningstar expense and performance data for comparative purposes (the “Support Materials”). The Trustees reviewed the Support Materials at various times with Meritage, Trust management, and counsel to the Independent Trustees. The Trustees noted the completeness of the Support Materials provided by Meritage, which included responses and materials to supplemental requests. This information, together with the information provided to and reviewed by the Board throughout the course of the prior four years, formed the primary, but not exclusive, basis for the Board’s determinations. Before voting to approve the renewal of the Investment Advisory Agreement, the Trustees reviewed the terms and the form of Investment Advisory Agreement and the Support Materials with Trust management and with counsel to the Independent Trustees. The Trustees received and discussed a memorandum from such counsel delineating the legal standards governing their consideration of the renewal of the Investment Advisory Agreement, which memorandum described the various factors that the U.S. Securities and Exchange Commission (“SEC”) and U.S. Courts over the years have suggested would be appropriate for trustee consideration, including the factors outlined in Gartenberg v. Merrill Lynch Asset Management Inc., 694 F.2d 923, 928 (2d Cir. 1982); cert. denied sub. nom. and Andre v. Merrill Lynch Ready Assets Trust, Inc., 461 U.S. 906 (1983). Representatives from Meritage also provided additional information to the Trustees regarding its services to the Funds as part of the Support Materials, including but not limited to, information regarding its investment philosophy, the firm’s compliance culture, staffing and compensation, trading practices, liability insurance, resources available to service the Funds, financial statements, Fund expenses subsidized by Meritage, Meritage’s profitability with respect to each of the Funds, Meritage’s future plans with regard to the Funds and other benefits that Meritage derived from its relationship with the Funds, among other topics.

After having received and reviewed the Support Materials, as well as quarterly investment performance, compliance, operating, and distribution reports on the Funds over an extended time period, the Trustees discussed the facts and factors relevant to the continuation of the Investment Advisory Agreement, which incorporated and reflected their knowledge of Meritage’s services to the Funds. Taking such information into account, the Board considered whether the overall arrangements between the Trust and Meritage as set forth in the Investment Advisory Agreement, including the investment advisory fees that each Fund pays to Meritage, continue to be fair and reasonable in light of the services Meritage performs, as well as such other matters as the Trustees considered relevant in the exercise of their reasonable business judgment.

In determining whether to approve the renewal of the Investment Advisory Agreement, the Trustees considered all factors they believed relevant with respect to each Fund, including the following: (1) the nature, extent, and quality of the services to be provided by Meritage; (2) the cost of the services to be provided and the profits to be realized by Meritage from services rendered to the Trust and each Fund; (3) comparative fee and expense data for

MANAGEMENT AGREEMENT RENEWAL – (Unaudited) (continued)

each Fund and other investment companies with similar investment objectives, as well other accounts that Meritage advises; (4) the extent to which economies of scale would be realized as each Fund grows and whether the proposed advisory fee for each Fund, and the Funds together, reflects these economies of scale for each Fund's benefit; and (5) other financial benefits to Meritage resulting from services to be rendered to the Funds. The material factors and conclusions that formed the basis of the Trustees' determination to approve the continuation of the Investment Advisory Agreement are summarized below. In their deliberations, the Trustees did not identify any particular information that was all-important or controlling.

Nature, Extent and Quality of Services Provided. The Trustees considered the scope of services that Meritage provides under the Investment Advisory Agreement, noting that such services include but are not limited to the following: (1) investing each Fund's assets consistent with the Fund's investment objective and investment policies; (2) determining the portfolio securities to be purchased, sold or otherwise disposed of and the timing of such transactions; (3) voting all proxies with respect to each Fund's portfolio securities; (4) maintaining the required books and records for transactions that Meritage effects on behalf of the Funds; (5) selecting broker-dealers to execute orders on behalf of the Funds; and (6) marketing services. The Trustees considered Meritage's capitalization and its assets under management, noting the Fund's high retention rates and an increase in total assets under management. The Trustees further considered the investment philosophy and experience of the portfolio managers, and noted the lead portfolio manager's experience managing assets using investment philosophies similar to that employed for the Funds. The Trustees also noted each Fund's performance compared to its respective benchmark. The Trustees considered that each Fund both underperformed and outperformed its benchmark for certain periods since the respective Fund's inception. The Trustees also considered each Fund's performance compared to its respective Morningstar peer group category. They noted that the Meritage Growth Fund is outperforming the average and median of its peer group for the one- and three-year periods ended August 31, 2017, and both the Meritage Value Fund and Meritage Yield-Focus Fund are underperforming the average and median of their respective peer group for the same one- and three-year periods. The Trustees also noted Meritage's investment in internal resources and systems to promote growth in the firm and the Funds, including new hires and an investment in cloud-based technology systems to streamline and improve the client experience. The Trustees discussed the growth of assets of the Meritage Funds over time, as well as Meritage's efforts to improve the Meritage Yield-Focus Fund's performance. The Trustees further noted that it is difficult to make meaningful comparisons with short-term results. The Trustees concluded that they are satisfied with the nature, extent and quality of services that Meritage provides to the Funds under the Investment Advisory Agreement.

Cost of Advisory Services and Profitability. The Trustees considered the annual management fee that the Funds pay to Meritage under the Investment Advisory Agreement, as well as Meritage's profitability from the services that it rendered to the Funds. In that regard, the Trustees noted that Meritage subsidizes the costs of all distribution services rendered to the Funds which exceed the amounts payable by the Funds under their Rule 12b-1 Distribution Plan. They also noted that Meritage has additional responsibilities with respect to the Funds, including compliance, reporting and operational responsibilities. The Trustees considered that Meritage has contractually agreed to reduce its management fees and, if necessary, reimburse the Funds for operating expenses, as specified in each Fund's prospectus. The Trustees noted that while the firm is profitable, Meritage is not yet realizing any profits as a result of its advisory services to the Funds.

Comparative Fee and Expense Data. The Trustees noted that the Meritage Growth Fund's management fee was in line with the average and median gross management fee reported for its peer group. The Trustees noted that both the Meritage Value Fund's and Meritage Yield-Focus Fund's contractual management fees were slightly above the average and median gross management fee reported for its respective peer group. The Trustees then noted that the Meritage Growth Fund's gross and net total expense ratios (reflected with and without waivers and expense reimbursements) were below the average and median gross and net total expense ratios reported for its

MANAGEMENT AGREEMENT RENEWAL – (Unaudited) (continued)

peer group, and that the Meritage Value Fund's and Meritage Yield-Focus Fund's gross and net total expense ratios (reflected with and without waivers and expense reimbursements) were either at or below the average and median gross and net total expense ratios reported for its respective peer group. The Trustees also noted that the peer group comparisons included in the Support Materials were based upon funds with net asset levels similar to each Fund and considered the appropriateness of this comparison. They further considered the fees paid by Meritage's separately managed accounts and the significant and distinct differences in the services provided to these accounts and the Meritage Funds. The Board also noted that the Funds and separately managed accounts differ in retention expectations, economics and market forces, which were contributors to the difference in fees. While recognizing that it is difficult to compare advisory fees because the scope of advisory services provided may vary from one investment vehicle to another and investment adviser to another, the Trustees concluded that Meritage's advisory fee continues to be reasonable.

Economies of Scale. The Trustees considered whether the Funds may benefit from any economies of scale, but did not find that any material economies exist at this time. In addition, the Trustees reviewed comparable fee information to analyze whether economies of scale are already reflected in the advisory fee structure.

Other Benefits. The Trustees considered the extent to which Meritage utilizes soft dollar arrangements with respect to portfolio transactions, and noted that Meritage does utilize brokers with whom it has soft dollar relationships to execute the Funds' portfolio transactions. The Trustees also noted that while Meritage does utilize soft dollar arrangements consistent with the Section 28(e) safe harbor in connection with the execution of client transactions, affiliated brokers are not utilized to execute the portfolio transactions of any of the Funds. The Trustees noted Meritage's strong compliance culture and its successful efforts over the course of the previous two years in negotiating lower brokerage commission rates for the Funds. The Trustees further noted their continued review of and discussions with Meritage regarding the use of soft dollars and the soft dollar allocations with respect to the Funds. While the Trustees noted that Rule 12b-1 fees may be paid to Meritage as compensation for shareholder and distribution services performed on behalf of the Funds, the Trustees also observed that the distribution expenses that Meritage incurred continue to exceed any Rule 12b-1 payments from the Funds. The Trustees concluded that all things considered, Meritage does not receive material additional financial benefits from services rendered to the Funds.

FACTS	WHAT DOES CAPITOL SERIES TRUST DO WITH YOUR PERSONAL INFORMATION?
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Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
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What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> ▪ Social Security number ▪ account balances and account transactions ▪ account transactions, transaction or loss history and purchase history ▪ checking account information and wire transfer instructions <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>
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How?	All financial companies need to share customers’ personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers’ personal information; the reasons Capitol Series Trust chooses to share; and whether you can limit this sharing.
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Reasons we can share your personal information	Does Capitol Series Trust share?
For our everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes
For our marketing purposes – to offer our products and services to you	Yes
For joint marketing with other financial companies	No
For our affiliates’ everyday business purposes – information about your transactions and experiences	No
For our affiliates’ everyday business purposes – information about your creditworthiness	No
For nonaffiliates to market to you	No

Questions?	Call 1-855-261-0104
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Who we are	
Who is providing this notice?	Capitol Series Trust
What we do	
How does Capitol Series Trust protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does Capitol Series Trust collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> • open an account or deposit money ▪ buy securities from us or sell securities to us ▪ make deposits or withdrawals from your account provide account information ▪ give us your account information ▪ make a wire transfer ▪ tell us who receives the money ▪ tell us where to send the money ▪ show your government-issued ID ▪ show your driver's license
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> • sharing for affiliates' everyday business purposes – information about your creditworthiness ▪ affiliates from using your information to market to you ▪ sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>

Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies.
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ▪ Capitol Series Trust does not share your personal information with nonaffiliates so they can market to you.
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> • Capitol Series Trust doesn't jointly market financial products or services to you.

PROXY VOTING – (Unaudited)

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities and information regarding how each Fund voted those proxies during the most recent twelve month period ended June 30, is available without charge upon request by (1) calling the Funds at (855) 261-0104 and (2) from Funds documents filed with the Securities and Exchange Commission (“SEC”) on the SEC’s website at www.sec.gov.

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This report is intended only for the information of shareholders or those who have received the Funds’ prospectus which contains information about the Funds’ management fee and expenses. Please read the prospectus carefully before investing.

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