



Where discipline meets common sense.

# Annual Report

August 31, 2018

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Meritage Growth Equity Fund MPGEX/MPGIX

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Meritage Value Equity Fund MVEBX

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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 they i) score well in our comprehensive stock-ranking process (universe is global, all-cap and about 6,500 securities), and ii) 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 August 31, 2018, since our semi-annual report of February 28, 2018, the broad equity market as represented by the S&P 500 was up 8.0%. For the fiscal year ended August 31, 2018, the S&P was up 19.7%.

As mentioned in our semi-annual report, a policy agenda that includes lower corporate and individual tax rates, a rollback in business regulation, infrastructure spending and the repatriation of foreign corporate earnings back to the U.S. have been enthusiastically embraced by the stock market. For the most part, the markets have held up reasonably well as the Administration has laid out its objectives regarding trade. Current market levels at close to all-time highs imply that an all-out trade war with China is an unlikely outcome. However, the rhetoric around trade policy has ramped up and is causing increased angst among investors, as is potential pressure on corporate profit margins coming from wage increases and tighter monetary conditions.

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. Our investment focus leads us to be a little more cautious in our security selection given the market cycle extended run, with an eye for higher quality and more domestic exposure in portfolios.

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 fiscal year ended August 31, 2018, the Meritage Growth Equity Fund Institutional Class and Investor Class returned 24.2% and 23.8%, respectively. These returns were better than those provided by the broad equity market (as represented by the S&P 500) but trailed the Fund's primary benchmark, the Russell 1000 Growth Index, which returned 27.2%, and the Lipper Large Cap Growth Index, which returned 25.4% during the same time frame.

For the six months ended August 31, 2018, which is the period since our semi-annual report, the Meritage Growth Equity Fund Institutional Class and Investor Class returned 10.8% and 10.6%, respectively. These returns lagged the Russell 1000 Growth Index benchmark which returned 11.7% during the same time frame, but were better than the Lipper Large Cap Growth Index return of 10.4%.

Consumer Discretionary, Information Technology and Health Care sectors were the best performing sectors for the fiscal year ended August 31, 2018. From an attribution standpoint, the Fund's relative performance over the course of the last 12 months was helped by strong security selection in the Information Technology, Health Care and Consumer Discretionary sectors. Stock selection in the Industrials sector and modest cash balances held back relative performance.

Regarding specific issues, the strongest gainers for the year were Amazon.com, Inc., up 105.3%, Qualys, Inc., up 89.4% and Globus Medical, Inc., up 76.2%.

The poorest performers for the year were Meritor, Inc., down 23.4%, Applied Optoelectronics, Inc., down 18.6% and Momo, Inc., down 18.5%.

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.

As noted in previous report discussions, 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 and have correspondingly been willing to pay an excessive premium for well-known growth names. This is where we part company with the crowd, however, as we expect the value discipline embedded in our growth approach to yield better results over full market cycles.

### **Meritage Value Equity Fund**

For the fiscal year ended August 31, 2018, the Meritage Value Equity Fund Institutional Class returned 10.7%. This return lagged both the Russell 1000 Value Index benchmark which returned 12.5% and the Lipper Large Cap Value Index return of 14.8% during the same time frame.

For the six months ended August 31, 2018, which is the period since our semi-annual report, the Meritage Value Equity Fund Institutional Class returned 4.7%. This return trailed slightly the Russell 1000 Value Index benchmark which returned 4.9% during the same time frame, as well as the Lipper Large Cap Value Index return of 5.3%.

For fiscal year ended August 31, 2018, the best performing sectors were Energy, Consumer Discretionary and Industrials. From an attribution standpoint, the Fund's overweight in the Health Care and Information Technology sectors, coupled with an underweights in the Telecommunication and Consumer Staples sectors were positive factors. Superior stock selection in the Industrials and Consumer Discretionary sectors were significant positive factors. An underweight in the Energy sector along with under-performing security selections in the Financials and Information Technology sectors held back the Fund returns.

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

Regarding individual issues, the strongest gainers for the year were WNS Holdings LTD, up 48.1%, Ross Stores, Inc., up 46.2%, and Adtalem Global Education, Inc., up 39.9%.

The poorest performers for the year were Celgene Corporation, down 25.1%, Briggs & Stratton Corporation, down 25.0% and Unum Group, down 20.2%.

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

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 and have correspondingly been willing to pay a 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 fiscal year ended August 31, 2018, the Meritage Yield-Focus Equity Fund Institutional Class and Investor Class returned 12.4% and 12.1%, respectively. The Zacks Multi-Asset Income Index has specific asset structure and distinguished dividend yield characteristics similar to the 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 Fund's returns trailed slightly the 12.5% return for the Zacks Multi-Asset Income Index and the 13.0% total return for the Russell 3000 Value Index during the same time.

For the six months ended August 31, 2018, which is the period since our Semi-Annual Report, the Meritage Yield-Focus Equity Fund Institutional Class and Investor Class returned 7.9% and 7.8% respectively. These returns significantly exceeded the Zacks Multi-Asset Index which returned 6.5% and the Russell 3000 Value Index, which returned 5.5% during the same time frame.

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 strategy 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.

Regarding equity asset class performance for the fiscal year ended August 31, 2018, Limited Partnerships and MLPs were the strongest relative performers. Business Development Companies and convertible preferred stocks had the lowest absolute returns. The best performing sectors were Energy, Information Technology and Consumer Discretionary while strong stock selection helped relative performance in the Telecommunication, Utilities and Consumer Discretionary sectors. Performance was hurt by less favorable stock selection in the Consumer Staples and Real Estate sectors.

In terms of specific issues, the strongest performers for the year were Valero Energy Corporation, up 81.4%, Target Corporation, up 66.2% and DSW Inc., up 62.7%.

The poorest performers for the year were Philip Morris International Inc., down 30.3%, CBL & Associates Properties Inc., down 29.1% and Invesco Ltd., down 23.5%.

**INVESTMENT RESULTS – (Unaudited)**

<b>Average Annual Total Returns as of August 31, 2018 <sup>(a)</sup></b>			
<b>Fund/Index</b>	<b>1 Year</b>	<b>3 Year</b>	<b>Since Inception (12/23/13)</b>
Meritage Growth Equity Fund – Institutional Class	24.18%	18.14%	14.22%
Meritage Growth Equity Fund – Investor Class	23.78%	17.83%	13.91%
Russell 1000 Growth Index <sup>(b)</sup>	27.23%	19.33%	15.59%
<b>Expense Ratios <sup>(c)</sup></b>			
	<b>Institutional Class</b>	<b>Investor Class</b>	
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:*

<sup>(a)</sup> Return figures reflect any change in price per share and assume the reinvestment of all distributions.

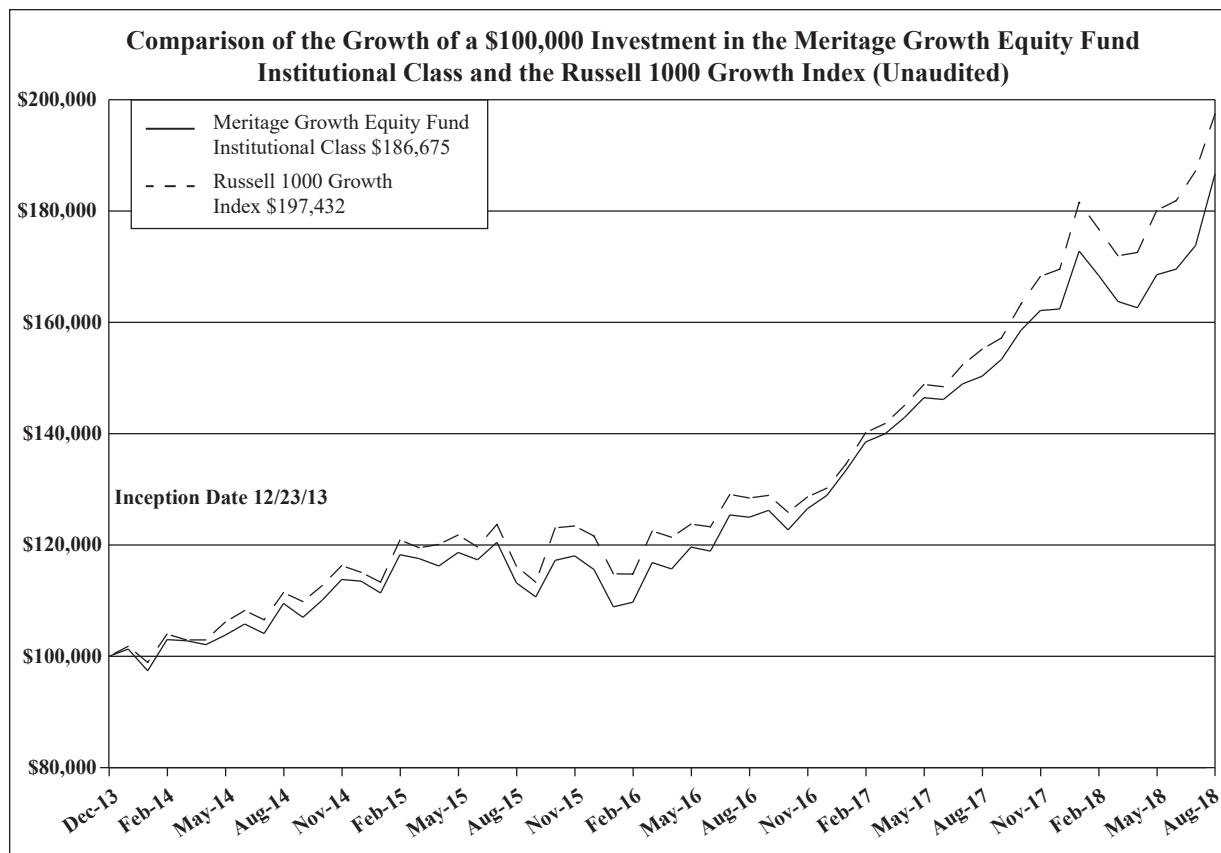
<sup>(b)</sup> The Russell 1000 Growth Index is a widely recognized unmanaged index of equity securities and is representative of a broader domestic equity market and range of securities than is found in the Fund's portfolio. Individuals cannot invest directly in an index; however, an individual can invest in exchange traded funds or other investment vehicles that attempt to track the performance of a benchmark index.

<sup>(c)</sup> The expense ratios are from the Fund's most recent prospectus dated June 4, 2018. The Adviser has contractually agreed to waive or limit its fees and assume other expenses of the Fund through December 31, 2019, 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 August 31, 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)**



The chart above assumes an initial investment of \$100,000 made on December 23, 2013 (commencement of operations) and held through August 31, 2018. **THE FUND'S RETURNS REPRESENT PAST PERFORMANCE AND DO NOT GUARANTEE FUTURE RESULTS.** The returns shown do not reflect deduction of taxes that a shareholder would pay on the Fund's distributions or the redemption of the Fund's shares. Investment returns and principal values will fluctuate so that your shares, when redeemed, may be worth more or less than their original purchase price.

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. The Index returns do not include expenses, which have been deducted from the Fund's return. These performance figures include the change in value of the stocks in the index plus the reinvestment of dividends and are not annualized. The returns shown do not reflect deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

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**INVESTMENT RESULTS – (Unaudited) (continued)**

<b>Average Annual Total Returns as of August 31, 2018 <sup>(a)</sup></b>			
<b>Fund/Index</b>	<b>1 Year</b>	<b>3 Year</b>	<b>Since Inception (12/23/13)</b>
Meritage Value Equity Fund – Institutional Class	10.70%	8.54%	7.75%
Russell 1000 Value Index <sup>(b)</sup>	12.47%	12.32%	9.55%
<b>Expense Ratios <sup>(c)</sup></b>			
<b>Institutional Class</b>			
Gross	1.73%		
With Applicable Waivers	1.04%		

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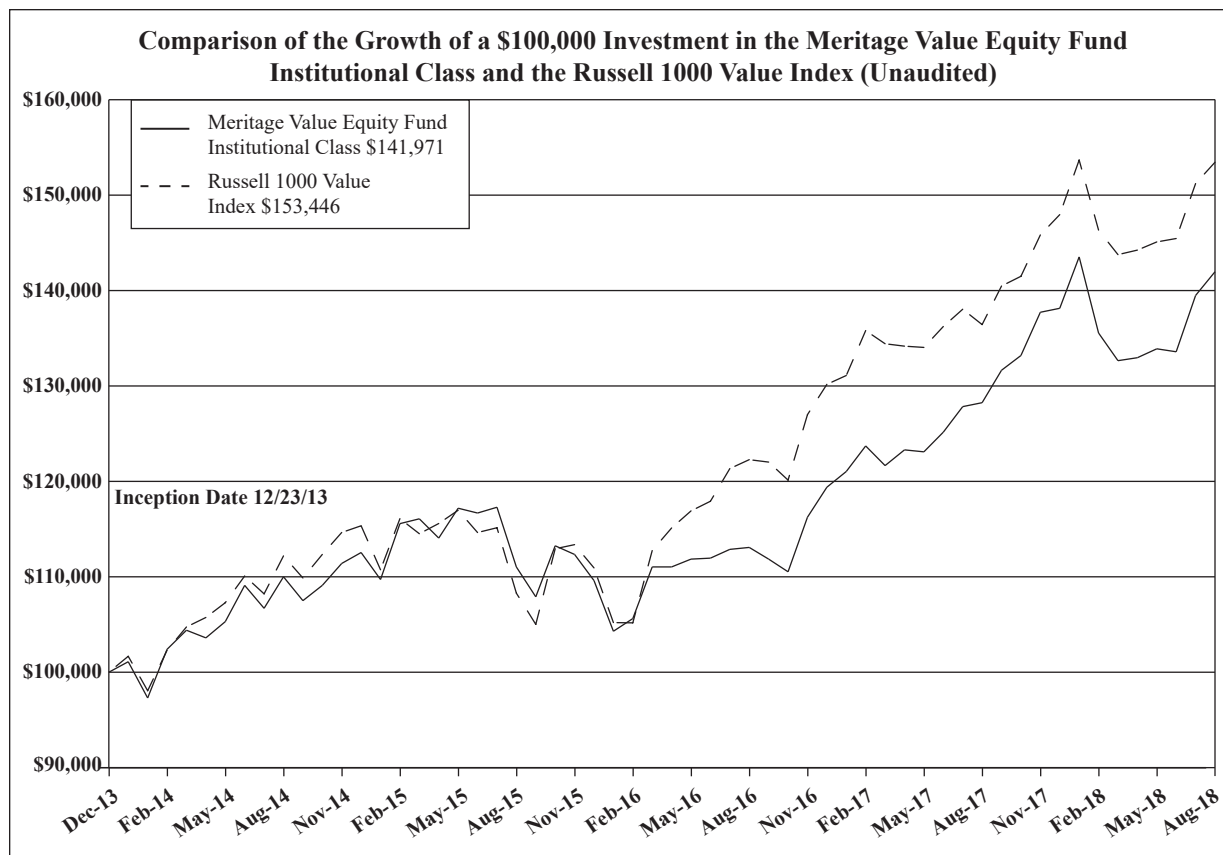
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**INVESTMENT RESULTS – (Unaudited) (continued)**



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**INVESTMENT RESULTS – (Unaudited) (continued)**

<b>Average Annual Total Returns as of August 31, 2018 <sup>(a)</sup></b>			
<b>Fund/Index</b>	<b>1 Year</b>	<b>3 Year</b>	<b>Since Inception (12/23/13)</b>
Meritage Yield-Focus Equity Fund – Institutional Class	12.40%	9.91%	5.89%
Meritage Yield-Focus Equity Fund – Investor Class	12.09%	9.78%	5.70%
Zacks Multi-Asset Income Index TR <sup>(b)</sup>	12.50%	10.04%	3.85%
Russell 3000 Value Index <sup>(c)</sup>	13.04%	12.58%	9.53%
<b>Expense Ratios <sup>(d)</sup></b>			
	<b>Institutional Class</b>	<b>Investor Class</b>	
Gross	1.81%	2.06%	
With Applicable Waivers	1.33%	1.58%	

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<sup>(b)</sup> Effective December 14, 2017 for performance reflected in this prospectus, the Yield-Focus Equity Fund's benchmark was updated from the Russell 3000 Value Index to the Zacks Multi-Asset Income Index based on the Adviser's determination that the Zacks Multi-Asset Income Index more closely aligns with the investment strategy of the Fund. The Trust's Board approved this change to the Fund's benchmark in December 2017.

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.

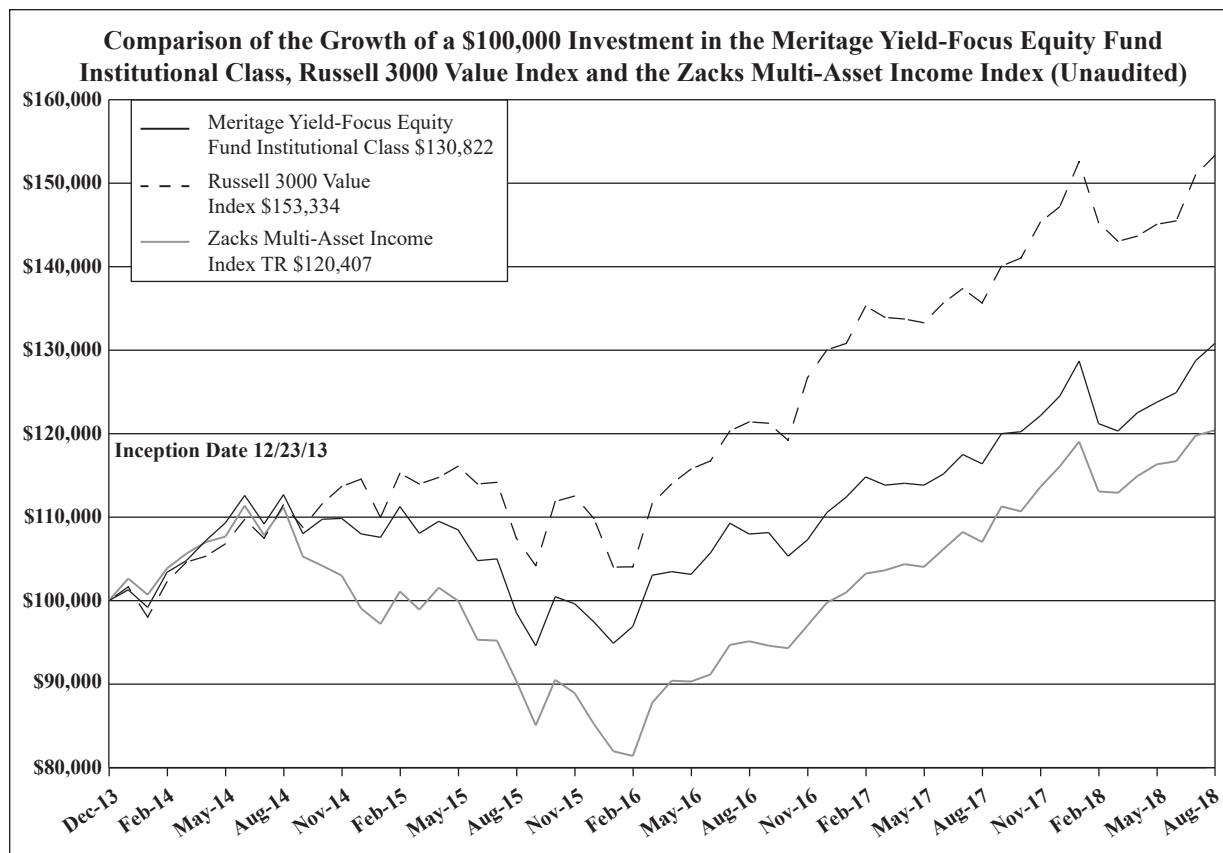
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**INVESTMENT RESULTS – (Unaudited) (continued)**



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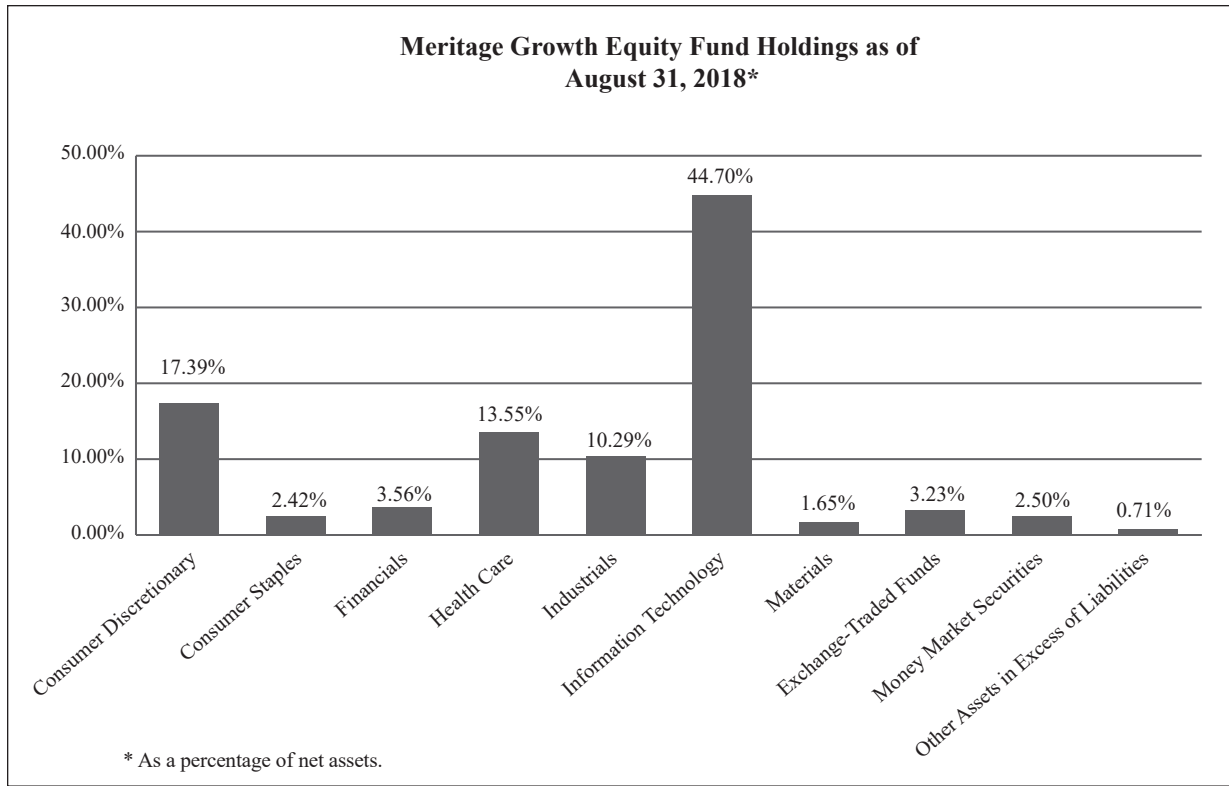
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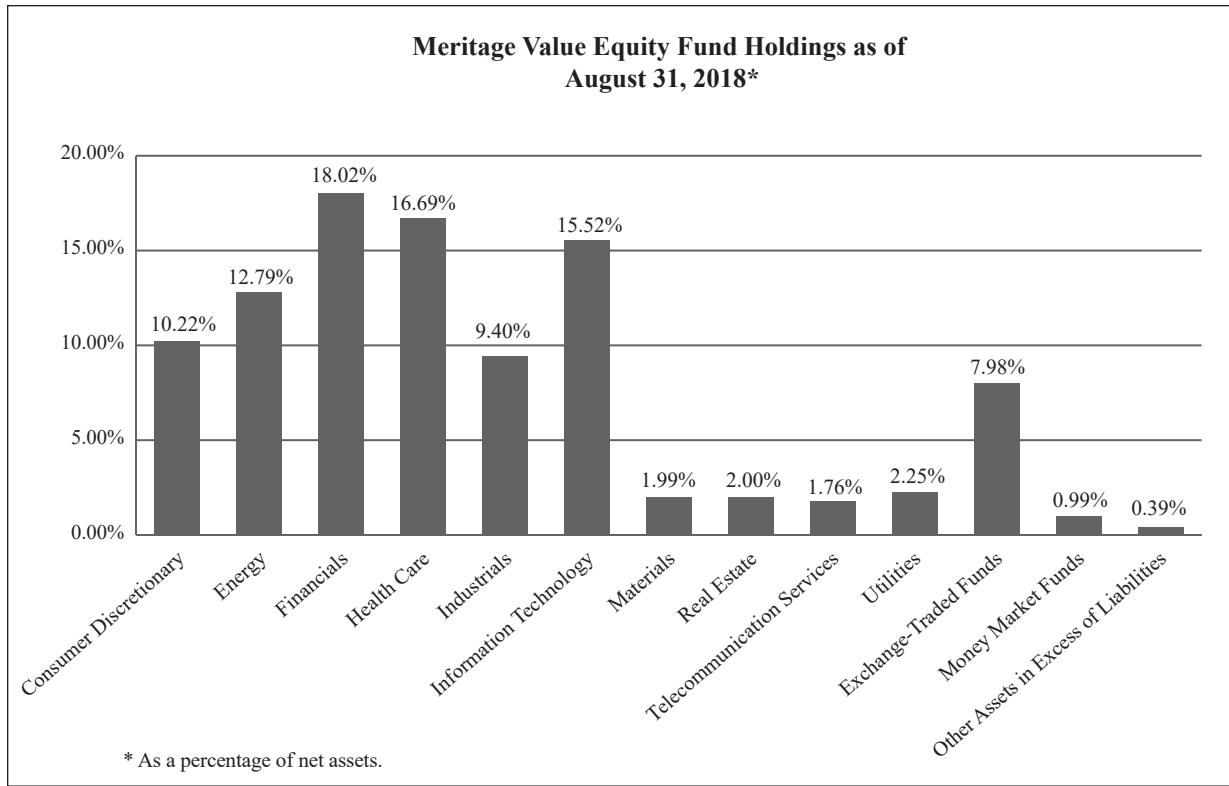
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**FUND HOLDINGS – (Unaudited)**



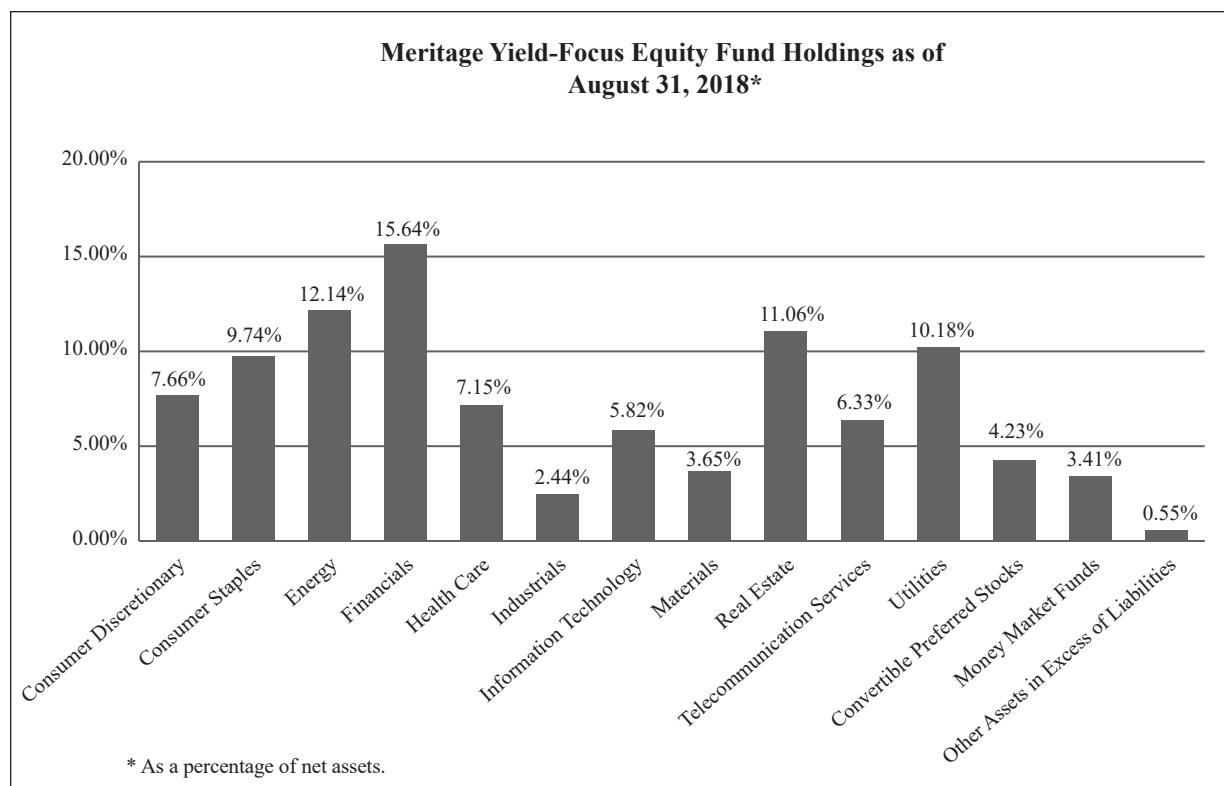
The investment objective of the Meritage Growth Equity Fund is to seek growth of capital.

**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 investments 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](http://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**

August 31, 2018

<b>COMMON STOCKS — 93.56%</b>	<b>Shares</b>	<b>Fair Value</b>
<b>Consumer Discretionary — 17.39%</b>		
Amazon.com, Inc. <sup>(a)</sup>	875	\$ 1,761,121
Best Buy Company, Inc.	5,000	397,800
Home Depot, Inc. (The)	6,080	1,220,681
Nordstrom, Inc.	8,430	529,826
O'Reilly Automotive, Inc. <sup>(a)</sup>	1,228	411,896
Sony Corporation - ADR	7,760	441,001
Urban Outfitters, Inc. <sup>(a)</sup>	6,050	281,204
Walt Disney Company (The)	2,640	295,733
		<u>5,339,262</u>
<b>Consumer Staples — 2.42%</b>		
Monster Beverage Corporation <sup>(a)</sup>	5,400	328,806
National Beverage Corporation <sup>(a)</sup>	3,515	414,208
		<u>743,014</u>
<b>Financials — 3.56%</b>		
BlackRock, Inc.	735	352,109
Green Dot Corporation, Class A <sup>(a)</sup>	3,520	301,558
S&P Global, Inc.	2,123	439,568
		<u>1,093,235</u>
<b>Health Care — 13.55%</b>		
Amgen, Inc.	2,456	490,733
Centene Corporation <sup>(a)</sup>	3,910	572,737
Express Scripts Holding Company <sup>(a)</sup>	5,730	504,355
Globus Medical, Inc., Class A <sup>(a)</sup>	8,900	474,103
Innoviva, Inc. <sup>(a)</sup>	16,130	234,208
Intuitive Surgical, Inc. <sup>(a)</sup>	1,119	626,640
Johnson & Johnson	3,382	455,521
Mettler-Toledo International, Inc. <sup>(a)</sup>	731	427,240
WellCare Health Plans, Inc. <sup>(a)</sup>	1,239	374,884
		<u>4,160,421</u>
<b>Industrials — 10.29%</b>		
AMETEK, Inc.	5,365	412,890
Deluxe Corporation	6,265	371,013
Fortive Corporation	4,300	361,114
Graco, Inc.	7,510	353,045
Ingersoll-Rand plc	3,460	350,463
Meritor, Inc. <sup>(a)</sup>	14,075	304,865
Nordson Corporation	2,795	388,561
Sensata Technologies Holding plc <sup>(a)</sup>	11,695	619,251
		<u>3,161,202</u>
<b>Information Technology — 44.70%</b>		
Adobe Systems, Inc. <sup>(a)</sup>	1,844	485,912
Alphabet, Inc., Class A <sup>(a)</sup>	1,088	1,340,197
Apple, Inc.	9,471	2,155,884

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

**MERITAGE GROWTH EQUITY FUND**  
**SCHEDULE OF INVESTMENTS – (continued)**

August 31, 2018

<b>COMMON STOCKS — 93.56% – continued</b>	<b>Shares</b>	<b>Fair Value</b>
<b>Information Technology — 44.70% – continued</b>		
Facebook, Inc., Class A <sup>(a)</sup>	1,570	\$ 275,896
Fiserv, Inc. <sup>(a)</sup>	9,030	723,032
Fortinet, Inc. <sup>(a)</sup>	7,295	611,029
IAC/InterActiveCorp <sup>(a)</sup>	3,211	633,209
Lumentum Holdings, Inc. <sup>(a)</sup>	10,035	681,377
Mastercard, Inc., Class A	9,066	1,954,267
Microsoft Corporation	14,090	1,582,730
Novanta, Inc. <sup>(a)</sup>	5,245	401,767
Orbotech Limited <sup>(a)</sup>	5,520	353,170
Stamps.com, Inc. <sup>(a)</sup>	1,511	375,408
Tencent Holdings Limited - ADR	6,270	270,488
Tokyo Electron Limited - ADR	7,335	311,591
Ultimate Software Group, Inc. (The) <sup>(a)</sup>	1,272	393,900
Zebra Technologies Corporation, Class A <sup>(a)</sup>	6,852	1,176,762
		<u>13,726,619</u>
<b>Materials — 1.65%</b>		
Eagle Materials, Inc.	5,495	507,353
<b>Total Common Stocks (Cost \$20,673,750)</b>		<u>28,731,106</u>
<b>EXCHANGE-TRADED FUNDS — 3.23%</b>		
Consumer Staples Select Sector SPDR Fund	5,485	294,983
SPDR S&P Bank ETF	8,120	401,290
SPDR S&P Oil & Gas Exploration & Production ETF	7,000	296,381
<b>Total Exchange-Traded Funds (Cost \$886,097)</b>		<u>992,654</u>
<b>MONEY MARKET FUNDS — 2.50%</b>		
Morgan Stanley Institutional Liquidity Funds Treasury Securities Portfolio, Institutional Class, 1.84% <sup>(b)</sup>	767,467	767,467
<b>Total Money Market Funds (Cost \$767,467)</b>		<u>767,467</u>
<b>Total Investments — 99.29% (Cost \$22,327,314)</b>		<u>30,491,227</u>
<b>Other Assets in Excess of Liabilities — 0.71%</b>		<u>216,720</u>
<b>NET ASSETS — 100.00%</b>		<u>\$ 30,707,947</u>

<sup>(a)</sup> Non-income producing security.

<sup>(b)</sup> Rate disclosed is the seven day effective yield as of August 31, 2018.

ADR – American Depositary Receipt

ETF – Exchange-Traded Fund

SPDR – Standard & Poor's Depositary 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.

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



**MERITAGE VALUE EQUITY FUND**  
**SCHEDULE OF INVESTMENTS**  
**August 31, 2018**

<b>COMMON STOCKS — 90.64%</b>	<b>Shares</b>	<b>Fair Value</b>
<b>Consumer Discretionary — 10.22%</b>		
Adtalem Global Education, Inc. <sup>(a)</sup>	8,490	\$ 406,247
AutoZone, Inc. <sup>(a)</sup>	518	397,244
Dollar General Corporation	2,770	298,412
Gentex Corporation	14,780	345,556
Helen of Troy Limited <sup>(a)</sup>	3,420	<u>406,809</u>
		1,854,268
<b>Energy — 12.79%</b>		
Chevron Corporation	3,225	382,034
China Petroleum & Chemical Corporation - ADR	4,885	485,128
CNOOC Limited - ADR	1,803	320,411
Equinor ASA - ADR	13,595	350,343
Husky Energy, Inc.	20,315	335,401
Royal Dutch Shell PLC, Class A - ADR	6,850	<u>446,826</u>
		2,320,143
<b>Financials — 18.02%</b>		
Athene Holding Limited, Class A <sup>(a)</sup>	5,715	283,807
Discover Financial Services	4,730	369,508
Lincoln National Corporation	4,610	302,324
Northern Trust Corporation	3,705	398,139
Prudential Financial, Inc.	3,685	362,051
Reinsurance Group of America, Inc.	2,240	319,984
State Street Corporation	5,030	437,158
Synchrony Financial	11,485	363,730
Torchmark Corporation	4,927	<u>433,182</u>
		3,269,883
<b>Health Care — 16.69%</b>		
Aetna, Inc.	1,700	340,459
Anthem, Inc.	1,130	299,145
Biogen, Inc. <sup>(a)</sup>	1,044	369,044
Bristol-Myers Squibb Company	7,220	437,171
Cigna Corporation	2,210	416,231
Emergent BioSolutions, Inc. <sup>(a)</sup>	6,340	393,080
PRA Health Sciences, Inc. <sup>(a)</sup>	3,910	412,896
UnitedHealth Group, Inc.	1,342	<u>360,273</u>
		3,028,299
<b>Industrials — 9.40%</b>		
Acuity Brands, Inc.	2,590	395,855
CSX Corporation	4,720	350,035
Herman Miller, Inc.	7,240	277,292
Regal-Beloit Corporation	4,145	346,937
Spirit AeroSystems Holdings, Inc., Class A	3,930	<u>336,015</u>
		1,706,134

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

**MERITAGE VALUE EQUITY FUND**  
**SCHEDULE OF INVESTMENTS – (continued)**  
**August 31, 2018**

<b>COMMON STOCKS — 90.64% – continued</b>	<b>Shares</b>	<b>Fair Value</b>
<b>Information Technology — 15.52%</b>		
CDW Corporation	4,835	\$ 423,353
Cognizant Technology Solutions Corporation, Class A	4,750	372,542
KLA-Tencor Corporation	3,200	371,872
Kulicke & Soffa Industries, Inc.	7,000	180,530
MAXIMUS, Inc.	5,215	346,798
Synopsys, Inc. <sup>(a)</sup>	3,595	367,193
Vishay Intertechnology, Inc.	19,320	459,816
WNS Holdings Limited - ADR <sup>(a)</sup>	5,675	294,135
		<u>2,816,239</u>
<b>Materials — 1.99%</b>		
Louisiana-Pacific Corporation	12,385	361,147
<b>Real Estate — 2.00%</b>		
Host Hotels & Resorts, Inc.	16,830	362,350
<b>Telecommunication Services — 1.76%</b>		
Nippon Telegraph and Telephone Corporation - ADR	7,210	320,196
<b>Utilities — 2.25%</b>		
Entergy Corporation	4,885	408,337
<b>Total Common Stocks (Cost \$13,221,096)</b>		<u>16,446,996</u>
<b>EXCHANGE-TRADED FUNDS — 7.98%</b>		
iShares Russell 1000 Value ETF	2,831	359,820
Utilities Select Sector SPDR® Fund (The)	13,275	709,814
Vanguard Real Estate ETF	4,500	378,225
<b>Total Exchange-Traded Funds Cost (\$1,372,726)</b>		<u>1,447,859</u>
<b>MONEY MARKET FUNDS — 0.99%</b>		
Morgan Stanley Institutional Liquidity Funds Treasury Securities Portfolio, Institutional Class, 1.84% <sup>(b)</sup>	179,502	179,502
<b>Total Money Market Funds (Cost \$179,502)</b>		<u>179,502</u>
<b>Total Investments — 99.61% (Cost \$14,773,324)</b>		<u>18,074,357</u>
<b>Other Assets in Excess of Liabilities — 0.39%</b>		<u>71,051</u>
<b>NET ASSETS — 100.00%</b>		<u>\$ 18,145,408</u>

<sup>(a)</sup> Non-income producing security.

<sup>(b)</sup> Rate disclosed is the seven day effective yield as of August 31, 2018.

ADR – American Depositary Receipt

ETF – Exchange-Traded Fund

SPDR – Standard & Poor's Depositary Receipt

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**MERITAGE YIELD-FOCUS EQUITY FUND**  
**SCHEDULE OF INVESTMENTS**

August 31, 2018

<b>COMMON STOCKS — 91.81%</b>	<b>Shares</b>	<b>Fair Value</b>
<b>Consumer Discretionary — 7.66%</b>		
DSW, Inc., Class A	14,040	\$ 466,969
Extended Stay America, Inc.	18,070	364,653
GameStop Corporation, Class A	17,795	236,140
Garmin Limited	7,205	490,949
General Motors Company	7,240	261,002
Target Corporation	4,890	427,875
		<u>2,247,588</u>
<b>Consumer Staples — 9.74%</b>		
Altria Group, Inc.	9,515	556,818
General Mills, Inc.	11,670	536,936
Imperial Brands PLC - ADR	11,670	414,752
Kimberly-Clark Corporation	4,120	476,025
Philip Morris International, Inc.	6,165	480,192
Unilever PLC - ADR	6,895	392,119
		<u>2,856,842</u>
<b>Energy — 12.14%</b>		
Alliance Resource Partners LP <sup>(a)</sup>	28,016	563,122
Enterprise Products Partners LP <sup>(a)</sup>	18,220	521,092
Kinder Morgan, Inc.	36,630	648,351
Plains GP Holdings LP, Class A <sup>(a)</sup>	27,345	704,953
Repsol SA - ADR	28,385	546,127
Royal Dutch Shell PLC, Class B - ADR	8,550	576,099
		<u>3,559,744</u>
<b>Financials — 15.64%</b>		
AllianceBernstein Holding LP <sup>(a)</sup>	19,990	600,699
Invesco Limited	16,950	408,495
Lazard Limited, Class A <sup>(a)</sup>	9,130	439,518
MetLife, Inc.	11,670	535,536
Old Republic International Corporation	24,610	545,850
PacWest Bancorp	5,740	289,813
People's United Financial, Inc.	26,345	487,646
Power Financial Corporation	14,715	343,080
Principal Financial Group, Inc.	9,660	533,135
Solar Capital Ltd. <sup>(b)</sup>	18,605	404,659
		<u>4,588,431</u>
<b>Health Care — 7.15%</b>		
AbbVie, Inc.	3,885	372,882
Merck & Company, Inc.	10,475	718,481
Pfizer, Inc.	13,595	564,464
Roche Holding AG - ADR	14,250	441,180
		<u>2,097,007</u>
<b>Industrials — 2.44%</b>		
Cummins, Inc.	5,044	715,239

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

**MERITAGE YIELD-FOCUS EQUITY FUND**  
**SCHEDULE OF INVESTMENTS – (continued)**

August 31, 2018

<b>COMMON STOCKS — 91.81% – continued</b>	<b>Shares</b>	<b>Fair Value</b>
<b>Information Technology — 5.82%</b>		
HP, Inc.	12,695	\$ 312,932
International Business Machines Corporation	5,394	790,113
QUALCOMM, Inc.	8,780	<u>603,274</u>
		<u>1,706,319</u>
<b>Materials — 3.65%</b>		
Domtar Corporation	5,935	302,092
Norbord, Inc.	11,250	428,849
Rio Tinto PLC - ADR	7,085	<u>340,293</u>
		<u>1,071,234</u>
<b>Real Estate — 11.06%</b>		
Medical Properties Trust, Inc.	29,465	443,448
National Health Investors, Inc.	8,445	669,267
Piedmont Office Realty Trust, Inc., Class A	23,805	472,291
Simon Property Group, Inc.	2,911	532,800
Uniti Group, Inc.	15,790	328,748
VEREIT, Inc.	60,780	475,300
Xenia Hotel & Resorts, Inc.	13,290	<u>322,415</u>
		<u>3,244,269</u>
<b>Telecommunication Services — 6.33%</b>		
AT&T, Inc.	21,840	697,570
China Mobile Limited - ADR	10,670	512,053
Verizon Communications, Inc.	11,902	<u>647,112</u>
		<u>1,856,735</u>
<b>Utilities — 10.18%</b>		
CenterPoint Energy, Inc.	22,435	623,469
Duke Energy Corporation	8,060	654,794
Entergy Corporation	6,970	582,622
PPL Corporation	23,130	687,887
Public Service Enterprise Group, Inc.	8,320	<u>435,552</u>
		<u>2,984,324</u>
<b>Total Common Stocks (Cost \$23,678,455)</b>		<u><u>26,927,732</u></u>
<b>CONVERTIBLE PREFERRED STOCKS — 4.23%</b>		
<b>Industrials — 1.27%</b>		
Stanley Black & Decker, Inc., 5.38%	3,430	<u>372,464</u>
<b>Information Technology — 2.96%</b>		
Belden, Inc., 6.75%	8,935	<u>868,425</u>
<b>Total Convertible Preferred Stocks (Cost \$1,266,110)</b>		<u><u>1,240,889</u></u>

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

**MERITAGE YIELD-FOCUS EQUITY FUND**  
**SCHEDULE OF INVESTMENTS – (continued)**

**August 31, 2018**

<b>MONEY MARKET FUNDS — 3.41%</b>	<u>Shares</u>	<u>Fair Value</u>
Morgan Stanley Institutional Liquidity Funds Treasury Securities Portfolio, Institutional Class, 1.84% <sup>(c)</sup>	1,000,382	\$ 1,000,382
<b>Total Money Market Funds (Cost \$1,000,382)</b>		<u>1,000,382</u>
<b>Total Investments — 99.45% (Cost \$25,944,947)</b>		<u>29,169,003</u>
<b>Other Assets in Excess of Liabilities — 0.55%</b>		<u>160,437</u>
<b>NET ASSETS — 100.00%</b>		<u>\$ 29,329,440</u>

<sup>(a)</sup> Master Limited Partnership

<sup>(b)</sup> Business Development Company

<sup>(c)</sup> Rate disclosed is the seven day effective yield as of August 31, 2018.

ADR – American Depositary Receipt

REIT – Real Estate Investment Trust

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**MERITAGE FUNDS**  
**STATEMENTS OF ASSETS AND LIABILITIES**  
**August 31, 2018**

	<u>Meritage Growth Equity Fund</u>	<u>Meritage Value Equity Fund</u>	<u>Meritage Yield- Focus Equity Fund</u>
<b>Assets</b>			
Investments in securities at value (cost \$22,327,314, \$14,773,324 and \$25,944,947)	\$ 30,491,227	\$ 18,074,357	\$ 29,169,003
Receivable for fund shares sold	238,699	59,950	—
Dividends receivable	27,237	25,584	143,710
Tax reclaims receivable	952	—	18,071
Prepaid Trustee	3,823	3,823	3,823
Prepaid expenses	<u>24,492</u>	<u>11,603</u>	<u>30,760</u>
<b>Total Assets</b>	<u>30,786,430</u>	<u>18,175,317</u>	<u>29,365,367</u>
<b>Liabilities</b>			
Payable for investments purchased	40,972	—	—
Payable to Adviser	6,229	1,253	4,886
Accrued 12b-1 fees - Investor class	125	—	281
Payable to Administrator	7,768	4,954	7,904
Payable to audit and tax	20,950	20,950	20,950
Other accrued expenses	<u>2,439</u>	<u>2,752</u>	<u>1,906</u>
<b>Total Liabilities</b>	<u>78,483</u>	<u>29,909</u>	<u>35,927</u>
<b>Net Assets</b>	<u>\$ 30,707,947</u>	<u>\$ 18,145,408</u>	<u>\$ 29,329,440</u>
<b>Net Assets consist of:</b>			
Paid-in capital	20,768,029	14,000,234	28,802,642
Accumulated undistributed net investment income (loss)	—	106,308	93,498
Accumulated undistributed net realized gain (loss) from investment transactions and foreign currency translations	1,776,005	737,836	(2,790,756)
Net unrealized appreciation on investments	<u>8,163,913</u>	<u>3,301,030</u>	<u>3,224,056</u>
<b>Net Assets</b>	<u>\$ 30,707,947</u>	<u>\$ 18,145,408</u>	<u>\$ 29,329,440</u>
<b>Net Assets: Institutional Class</b>	<u>\$ 30,388,047</u>	<u>\$ 18,145,408</u>	<u>\$ 28,669,672</u>
Shares outstanding (unlimited number of shares authorized, no par value)	<u>1,820,785</u>	<u>1,323,956</u>	<u>2,538,651</u>
Net asset value, offering and redemption price per share	<u>\$ 16.69</u>	<u>\$ 13.71</u>	<u>\$ 11.29</u>
<b>Net Assets: Investor Class</b>	<u>\$ 319,900</u>		<u>\$ 659,768</u>
Shares outstanding (unlimited number of shares authorized, no par value)	<u>19,348</u>		<u>57,854</u>
Net asset value, offering and redemption price per share	<u>\$ 16.53</u>		<u>\$ 11.40</u>

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

**MERITAGE FUNDS**  
**STATEMENTS OF OPERATIONS**  
For the year ended August 31, 2018

	<u>Meritage Growth Equity Fund</u>	<u>Meritage Value Equity Fund</u>	<u>Meritage Yield- Focus Equity Fund</u>
<b>Investment Income</b>			
Dividend income (net of foreign taxes withheld of \$1,295, \$8,521 and \$30,731)	\$ 229,606	\$ 281,570	\$ 1,177,802
<b>Total investment income</b>	<u>229,606</u>	<u>281,570</u>	<u>1,177,802</u>
<b>Expenses</b>			
Investment Adviser	200,685	128,548	209,119
Administration	42,255	26,847	43,591
Fund accounting	28,042	17,995	29,060
Audit and tax preparation	22,840	22,840	23,100
Transfer agent	22,433	14,318	23,442
Registration	13,487	12,935	31,105
Legal	12,666	12,666	15,966
Report printing	7,104	4,750	7,207
Trustee	6,600	6,600	6,600
Custodian	4,287	3,750	4,455
Insurance	3,898	3,701	4,584
Pricing	2,202	2,260	2,695
12b-1 fees- Investor class	733	—	1,675
Other	15,805	12,435	18,705
<b>Total expenses</b>	<u>383,037</u>	<u>269,645</u>	<u>421,304</u>
Fees contractually waived by Adviser	<u>(114,614)</u>	<u>(98,202)</u>	<u>(140,740)</u>
<b>Net operating expenses</b>	<u>268,423</u>	<u>171,443</u>	<u>280,564</u>
<b>Net investment income (loss)</b>	<u>(38,817)</u>	<u>110,127</u>	<u>897,238</u>
<b>Net Realized and Change in Unrealized Gain (Loss) on Investments</b>			
Net realized gain on investment securities transactions	1,955,602	1,227,815	2,208,744
Net realized gain (loss) on foreign currency translations	—	(139)	495
Net change in unrealized appreciation of investment securities	3,925,755	395,681	155,018
Net realized and change in unrealized gain on investments	<u>5,881,357</u>	<u>1,623,357</u>	<u>2,364,257</u>
<b>Net increase in net assets resulting from operations</b>	<u>\$ 5,842,540</u>	<u>\$ 1,733,484</u>	<u>\$ 3,261,495</u>

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

**MERITAGE GROWTH EQUITY FUND**  
**STATEMENTS OF CHANGES IN NET ASSETS**

	<u>For the Year Ended</u> <u>August 31, 2018</u>	<u>For the Year Ended</u> <u>August 31, 2017</u>
<b>Increase (Decrease) in Net Assets due to:</b>		
<b>Operations</b>		
Net investment income (loss)	\$ (38,817)	\$ 23,986
Net realized gain on investment securities transactions	1,955,602	1,852,658
Net change in unrealized appreciation (depreciation) of investment securities	<u>3,925,755</u>	<u>1,792,047</u>
Net increase in net assets resulting from operations	<u>5,842,540</u>	<u>3,668,691</u>
<b>Distributions From:</b>		
Net investment income - Institutional Class	(10,776)	(44,491)
Net realized gains - Institutional Class	(1,718,576)	(171,541)
Net realized gains - Investor Class	<u>(18,215)</u>	<u>(1,047)</u>
Total distributions	<u>(1,747,567)</u>	<u>(217,079)</u>
<b>Capital Transactions - Institutional Class</b>		
Proceeds from shares sold	3,425,215	4,352,696
Reinvestment of distributions	1,671,004	208,934
Amount paid for shares redeemed	<u>(2,296,869)</u>	<u>(1,928,779)</u>
Total Institutional Class	<u>2,799,350</u>	<u>2,632,851</u>
<b>Capital Transactions - Investor Class</b>		
Proceeds from shares sold	78,167	211,276
Reinvestment of distributions	17,846	1,047
Amount paid for shares redeemed	<u>(96,358)</u>	<u>(328,967)</u>
Total Investor Class	<u>(345)</u>	<u>(116,644)</u>
<b>Net increase in net assets resulting from capital transactions</b>	<u>2,799,005</u>	<u>2,516,207</u>
<b>Total Increase in Net Assets</b>	<u>6,893,978</u>	<u>5,967,819</u>
<b>Net Assets</b>		
Beginning of year	<u>23,813,969</u>	<u>17,846,150</u>
End of year	<u>\$ 30,707,947</u>	<u>\$ 23,813,969</u>
Accumulated undistributed net investment income (loss)	<u>\$ —</u>	<u>\$ 10,347</u>
<b>Share Transactions - Institutional Class</b>		
Shares sold	223,405	327,228
Shares issued in reinvestment of distributions	114,374	16,822
Shares redeemed	<u>(152,438)</u>	<u>(152,144)</u>
Total Institutional Class	<u>185,341</u>	<u>191,906</u>
<b>Share Transactions - Investor Class</b>		
Shares sold	5,158	15,392
Shares issued in reinvestment of distributions	1,231	85
Shares redeemed	<u>(6,382)</u>	<u>(26,638)</u>
Total Investor Class	<u>7</u>	<u>(11,161)</u>
Net increase in shares outstanding	<u>185,348</u>	<u>180,745</u>

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



**MERITAGE VALUE EQUITY FUND**  
**STATEMENTS OF CHANGES IN NET ASSETS**

	<u>For the Year Ended</u> <u>August 31, 2018</u>	<u>For the Year Ended</u> <u>August 31, 2017</u>
<b>Increase (Decrease) in Net Assets due to:</b>		
<b>Operations</b>		
Net investment income	\$ 110,127	\$ 92,024
Net realized gain on investment securities transactions and foreign currency translations	1,227,676	140,802
Net change in unrealized appreciation (depreciation) of investment securities	<u>395,681</u>	<u>1,534,876</u>
Net increase in net assets resulting from operations	<u>1,733,484</u>	<u>1,767,702</u>
<b>Distributions From:</b>		
Net investment income - Institutional Class	(90,492)	(115,272)
Net investment income - Investor Class <sup>(a)</sup>	<u>—</u>	<u>(67)</u>
Total distributions	<u>(90,492)</u>	<u>(115,339)</u>
<b>Capital Transactions - Institutional Class</b>		
Proceeds from shares sold	2,010,899	2,914,903
Reinvestment of distributions	88,422	113,051
Amount paid for shares redeemed	<u>(1,613,843)</u>	<u>(2,517,719)</u>
Total Institutional Class	<u>485,478</u>	<u>510,235</u>
<b>Capital Transactions - Investor Class<sup>(a)</sup></b>		
Proceeds from shares sold	—	922
Reinvestment of distributions	—	67
Amount paid for shares redeemed	<u>—</u>	<u>(11,012)</u>
Total Investor Class	<u>—</u>	<u>(10,023)</u>
<b>Net increase in net assets resulting from capital transactions</b>	<u>485,478</u>	<u>500,212</u>
<b>Total Increase in Net Assets</b>	<u>2,128,470</u>	<u>2,152,575</u>
<b>Net Assets</b>		
Beginning of year	<u>16,016,938</u>	<u>13,864,363</u>
End of year	<u>\$ 18,145,408</u>	<u>\$ 16,016,938</u>
Accumulated undistributed net investment income	<u>\$ 106,308</u>	<u>\$ 90,491</u>
<b>Share Transactions - Institutional Class</b>		
Shares sold	152,256	247,653
Shares issued in reinvestment of distributions	6,594	9,729
Shares redeemed	<u>(121,701)</u>	<u>(222,567)</u>
Total Institutional Class	<u>37,149</u>	<u>34,815</u>
<b>Share Transactions - Investor Class<sup>(a)</sup></b>		
Shares issued in reinvestment of distributions	—	6
Shares redeemed	<u>—</u>	<u>(946)</u>
Total Investor Class	<u>—</u>	<u>(940)</u>
Net increase in shares outstanding	<u>37,149</u>	<u>33,875</u>

(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**

	<u>For the Year Ended</u> <u>August 31, 2018</u>	<u>For the Year Ended</u> <u>August 31, 2017</u>
<b>Increase (Decrease) in Net Assets due to:</b>		
<b>Operations</b>		
Net investment income	\$ 897,238	\$ 1,113,120
Net realized gain on investment securities transactions and foreign currency translations	2,209,239	1,746,129
Net change in unrealized appreciation (depreciation) of investment securities	<u>155,018</u>	<u>(239,221)</u>
Net increase in net assets resulting from operations	<u>3,261,495</u>	<u>2,620,028</u>
<b>Distributions From:</b>		
Net investment income - Institutional Class	(960,330)	(925,897)
Net investment income - Investor Class	<u>(22,119)</u>	<u>(141,974)</u>
Total distributions	<u>(982,449)</u>	<u>(1,067,871)</u>
<b>Capital Transactions - Institutional Class</b>		
Proceeds from shares sold	2,137,663	2,700,387
Reinvestment of distributions	922,386	877,453
Amount paid for shares redeemed	<u>(2,717,314)</u>	<u>(7,887,178)</u>
Total Institutional Class	<u>342,735</u>	<u>(4,309,338)</u>
<b>Capital Transactions - Investor Class</b>		
Proceeds from shares sold	93,361	565,477
Reinvestment of distributions	20,316	136,022
Amount paid for shares redeemed	<u>(153,647)</u>	<u>(11,250,540)</u>
Total Investor Class	<u>(39,970)</u>	<u>(10,549,041)</u>
<b>Net increase (decrease) in net assets resulting from capital transactions</b>	<u>302,765</u>	<u>(14,858,379)</u>
<b>Total Increase (Decrease) in Net Assets</b>	<u>2,581,811</u>	<u>(13,306,222)</u>
<b>Net Assets</b>		
Beginning of year	<u>26,747,629</u>	<u>40,053,851</u>
End of year	<u>\$ 29,329,440</u>	<u>\$ 26,747,629</u>
Accumulated undistributed net investment income	<u>\$ 93,498</u>	<u>\$ 82,891</u>
<b>Share Transactions - Institutional Class</b>		
Shares sold	196,426	264,568
Shares issued in reinvestment of distributions	85,974	86,151
Shares redeemed	<u>(251,925)</u>	<u>(775,089)</u>
Total Institutional Class	<u>30,475</u>	<u>(424,370)</u>
<b>Share Transactions - Investor Class</b>		
Shares sold	8,525	56,078
Shares issued in reinvestment of distributions	1,873	13,555
Shares redeemed	<u>(13,904)</u>	<u>(1,081,302)</u>
Total Investor Class	<u>(3,506)</u>	<u>(1,011,669)</u>
Net increase (decrease) in shares outstanding	<u>26,969</u>	<u>(1,436,039)</u>

*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 Year Ended August 31, 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 <sup>(a)</sup>
<b>Selected Per Share Data:</b>					
Net asset value, beginning of period	\$ 14.39	\$ 12.11	\$ 11.20	\$ 10.95	\$ 10.00
Investment operations:					
Net investment income (loss)	(0.02)	0.02	0.03	0.01	0.01
Net realized and unrealized gain on investments	3.36	2.41	1.12	0.36	0.94
Total from investment operations	3.34	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	\$ 16.69	\$ 14.39	\$ 12.11	\$ 11.20	\$ 10.95
<b>Total Return</b> <sup>(b)</sup>	24.18%	20.27%	10.41%	3.38%	9.50% <sup>(c)</sup>
<b>Ratios and Supplemental Data:</b>					
Net assets, end of period (000 omitted)	\$ 30,388	\$ 23,537	\$ 17,479	\$ 13,331	\$ 10,642
Ratio of net expenses to average net assets	1.00%	1.00%	1.00%	1.00%	1.00% <sup>(d)</sup>
Ratio of expenses to average net assets before waiver	1.43%	1.55%	1.60%	1.66%	3.49% <sup>(d)</sup>
Ratio of net investment income (loss) to average net assets	(0.14)%	0.12%	0.24%	0.08%	0.22% <sup>(d)</sup>
Portfolio turnover rate <sup>(e)</sup>	74%	82%	73%	84%	94% <sup>(c)</sup>

(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 Year Ended August 31, 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 <sup>(a)</sup>
<b>Selected Per Share Data:</b>					
Net asset value, beginning of period	\$ 14.30	\$ 12.03	\$ 11.15	\$ 10.92	\$ 10.00
Investment operations:					
Net investment income (loss)	(0.06)	— <sup>(b)</sup>	— <sup>(b)</sup>	(0.02)	— <sup>(b)</sup>
Net realized and unrealized gain on investments	<u>3.32</u>	<u>2.39</u>	<u>1.11</u>	<u>0.37</u>	<u>0.92</u>
Total from investment operations	<u>3.26</u>	<u>2.39</u>	<u>1.11</u>	<u>0.35</u>	<u>0.92</u>
Less distributions to shareholders:					
From net investment income	—	—	—	(0.01)	—
From net realized gains	<u>(1.03)</u>	<u>(0.12)</u>	<u>(0.23)</u>	<u>(0.11)</u>	<u>—</u>
Total distributions	<u>(1.03)</u>	<u>(0.12)</u>	<u>(0.23)</u>	<u>(0.12)</u>	<u>—</u>
Net asset value, end of period	<u>\$ 16.53</u>	<u>\$ 14.30</u>	<u>\$ 12.03</u>	<u>\$ 11.15</u>	<u>\$ 10.92</u>
<b>Total Return</b> <sup>(c)</sup>	23.78%	20.02%	10.13%	3.17%	9.20% <sup>(d)</sup>
<b>Ratios and Supplemental Data:</b>					
Net assets, end of period (000 omitted)	\$ 320	\$ 276	\$ 367	\$ 164	\$ 136
Ratio of net expenses to average net assets	1.25%	1.25%	1.25%	1.25%	1.25% <sup>(e)</sup>
Ratio of expenses to average net assets before waiver	1.68%	1.80%	1.85%	1.91%	3.32% <sup>(e)</sup>
Ratio of net investment income (loss) to average net assets	(0.39)%	(0.10)%	(0.01)%	(0.17)%	0.01% <sup>(e)</sup>
Portfolio turnover rate <sup>(f)</sup>	74%	82%	73%	84%	94% <sup>(d)</sup>

(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)

	For the Year Ended August 31, 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 <sup>(a)</sup>
<b>Selected Per Share Data:</b>					
Net asset value, beginning of period	\$ 12.45	\$ 11.07	\$ 11.00	\$ 11.00	\$ 10.00
Investment operations:					
Net investment income	0.08	0.07	0.08	0.10	0.04
Net realized and unrealized gain on investments	1.25	1.41	0.12	0.01 <sup>(b)</sup>	0.96
Total from investment operations	1.33	1.48	0.20	0.11	1.00
Less distributions to shareholders:					
From net investment income	(0.07)	(0.10)	(0.09)	(0.04)	—
From net realized gains	—	—	(0.04)	(0.07)	—
Total distributions	(0.07)	(0.10)	(0.13)	(0.11)	—
Net asset value, end of period	\$ 13.71	\$ 12.45	\$ 11.07	\$ 11.00	\$ 11.00
<b>Total Return</b> <sup>(c)</sup>	10.70%	13.41%	1.85%	0.94%	10.00% <sup>(d)</sup>
<b>Ratios and Supplemental Data:</b>					
Net assets, end of period (000 omitted)	\$ 18,145	\$ 16,017	\$ 13,854	\$ 11,321	\$ 9,673
Ratio of net expenses to average net assets	1.00%	1.00%	1.00%	1.00%	1.00% <sup>(e)</sup>
Ratio of expenses to average net assets before waiver	1.57%	1.69%	1.67%	1.66%	3.58% <sup>(e)</sup>
Ratio of net investment income to average net assets	0.64%	0.60%	0.89%	0.96%	0.86% <sup>(e)</sup>
Portfolio turnover rate <sup>(f)</sup>	88%	81%	67%	62%	50% <sup>(d)</sup>

(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 Year Ended August 31, 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 <sup>(a)</sup>
<b>Selected Per Share Data:</b>					
Net asset value, beginning of period	\$ 10.41	\$ 10.00	\$ 9.44	\$ 11.27	\$ 10.00
Investment operations:					
Net investment income	0.35	0.37	0.32	0.33	0.10
Net realized and unrealized gain (loss) on investments	0.92	0.40	0.56	(1.71)	1.17
Total from investment operations	1.27	0.77	0.88	(1.38)	1.27
Less distributions to shareholders:					
From net investment income	(0.39)	(0.36)	(0.32)	(0.41)	—
From net realized gains	—	—	—	(0.03)	—
From return of capital	—	—	—	(0.01)	—
Total distributions	(0.39)	(0.36)	(0.32)	(0.45)	—
Net asset value, end of period	\$ 11.29	\$ 10.41	\$ 10.00	\$ 9.44	\$ 11.27
<b>Total Return</b> <sup>(b)</sup>	12.40%	7.79%	9.58%	(12.56)%	12.70% <sup>(c)</sup>
<b>Ratios and Supplemental Data:</b>					
Net assets, end of period (000 omitted)	\$ 28,670	\$ 26,103	\$ 29,340	\$ 28,316	\$ 26,436
Ratio of net expenses to average net assets	1.00%	1.00%	1.00%	1.00%	1.00% <sup>(d)</sup>
Ratio of expenses to average net assets before waiver	1.50%	1.48%	1.49%	1.44%	2.62% <sup>(d)</sup>
Ratio of net investment income to average net assets	3.22%	3.49%	3.41%	3.17%	2.70% <sup>(d)</sup>
Portfolio turnover rate <sup>(e)</sup>	73%	60%	99%	86%	63% <sup>(e)</sup>

(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 Year Ended August 31, 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 <sup>(a)</sup>
<b>Selected Per Share Data:</b>					
Net asset value, beginning of period	\$ 10.51	\$ 9.98	\$ 9.42	\$ 11.25	\$ 10.00
Investment operations:					
Net investment income	0.33	0.32 <sup>(b)</sup>	0.32	0.29	0.01
Net realized and unrealized gain (loss) on investments	0.92	0.46	0.54	(1.70)	1.24
Total from investment operations	1.25	0.78	0.86	(1.41)	1.25
Less distributions to shareholders:					
From net investment income	(0.36)	(0.25)	(0.30)	(0.38)	—
From net realized gains	—	—	—	(0.03)	—
From return of capital	—	—	—	(0.01)	—
Total distributions	(0.36)	(0.25)	(0.30)	(0.42)	—
Net asset value, end of period	\$ 11.40	\$ 10.51	\$ 9.98	\$ 9.42	\$ 11.25
<b>Total Return <sup>(c)</sup></b>	12.09%	7.93%	9.35%	(12.85)%	12.50% <sup>(d)</sup>
<b>Ratios and Supplemental Data:</b>					
Net assets, end of period (000 omitted)	\$ 660	\$ 644	\$ 10,714	\$ 10,708	\$ 2,627
Ratio of net expenses to average net assets	1.25%	1.25%	1.25%	1.25%	1.25% <sup>(e)</sup>
Ratio of expenses to average net assets before waiver	1.75%	1.73%	1.74%	1.69%	2.46% <sup>(e)</sup>
Ratio of net investment income to average net assets	2.97%	3.18%	3.17%	2.84%	2.26% <sup>(e)</sup>
Portfolio turnover rate <sup>(f)</sup>	73%	60%	99%	86%	63% <sup>(d)</sup>

(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***  
**August 31, 2018**

**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 discontinued the sale of its Investor Shares, and continues 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 Fund does 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 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.



***MERITAGE FUNDS***  
***NOTES TO THE FINANCIAL STATEMENTS – (continued)***  
**August 31, 2018**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES – continued**

The Funds may be subject to taxes imposed by countries in which it invests. Such taxes are generally based on income and/or capital gains earned or repatriated. Taxes are accrued and applied to net investment income, net realized gains and unrealized appreciation as such income and/or gains are earned.

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 Funds recognize interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations. During the year, 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)**  
**August 31, 2018**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES – continued**

For the year ended August 31, 2018, the Funds made the following reclassifications to increase (decrease) the components of net assets, which were due to return of capital distributions from underlying investments, dispositions of complex securities, net operating losses and nondeductible expenses:

	<u>Paid-In Capital</u>	<u>Accumulated Undistributed Net Investment Income (Loss)</u>	<u>Accumulated Net Realized Gain (Loss) from Investments</u>
Growth Equity Fund	\$ —	\$ 39,246	\$ (39,246)
Value Equity Fund	—	(3,818)	3,818
Yield-Focus Equity Fund	(8,077)	95,818	(87,741)

**NOTE 3. SECURITIES VALUATION AND FAIR VALUE MEASUREMENTS**

Fair value is defined as the price that a Fund 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 established 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 the Funds' 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.

**MERITAGE FUNDS**  
**NOTES TO THE FINANCIAL STATEMENTS – (continued)**  
**August 31, 2018**

**NOTE 3. SECURITIES VALUATION AND FAIR VALUE MEASUREMENTS – continued**

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 convertible preferred stocks, 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 Valuation Committee, based on recommendations from a pricing committee comprised of various officers of the Trust, various employees of the Fund’s 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 is 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 each 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 August 31, 2018:

	<b>Valuation Inputs</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Growth Equity Fund</b>				
Common Stocks	\$ 28,731,106	\$ —	\$ —	\$ 28,731,106
Exchange-Traded Funds	992,654	—	—	992,654
Money Market Funds	<u>767,467</u>	<u>—</u>	<u>—</u>	<u>767,467</u>
<b>Total</b>	<b>\$ 30,491,227</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 30,491,227</b>

**MERITAGE FUNDS**  
**NOTES TO THE FINANCIAL STATEMENTS – (continued)**  
**August 31, 2018**

**NOTE 3. SECURITIES VALUATION AND FAIR VALUE MEASUREMENTS – continued**

	Valuation Inputs			Total
	Level 1	Level 2	Level 3	
<b>Value Equity Fund</b>				
Common Stocks	\$ 16,446,996	\$ —	\$ —	\$ 16,446,996
Exchange-Traded Funds	1,447,859	—	—	1,447,859
Money Market Funds	<u>179,502</u>	<u>—</u>	<u>—</u>	<u>179,502</u>
Total	\$ 18,074,357	\$ —	\$ —	\$ 18,074,357
<b>Yield-Focus Equity Fund</b>				
Common Stocks	\$ 26,584,652	\$ 343,080	\$ —	\$ 26,927,732
Convertible Preferred Stocks	—	1,240,889	—	1,240,889
Money Market Funds	<u>1,000,382</u>	<u>—</u>	<u>—</u>	<u>1,000,382</u>
Total	\$ 27,585,034	\$ 1,583,969	\$ —	\$ 29,169,003

The Funds did not hold any investments at any time during 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. Transfers from Level 1 to Level 2 represent securities which were valued using unadjusted close prices at the beginning of the period but close prices were not available at August 31, 2018. The opposite holds true for transfers from Level 2 to Level 1. The following is a summary of the transfer between Level 1 and Level 2 of the fair value hierarchy as of August 31, 2018 based on input levels assigned at August 31, 2017 for Yield-Focus Equity Fund:

	Transfers from Level 1 to Level 2	Transfers from Level 2 to Level 1
Common Stocks	\$ 343,080	\$ —
Convertible Preferred Stocks	868,425	—

**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 approval 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 fiscal year ended August 31, 2018, the Adviser earned fees of \$200,685 from the Growth Equity Fund, \$128,548 from the Value Equity Fund and \$209,119 from the Yield-Focus Equity Fund before the waiver/reimbursement described below. At August 31, 2018, the Growth Equity Fund owed the Adviser \$6,229, the Value Equity Fund owed the Adviser \$1,253 and the Yield-Focus Fund owed the Adviser \$4,886.

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

***MERITAGE FUNDS***  
***NOTES TO THE FINANCIAL STATEMENTS – (continued)***  
**August 31, 2018**

**NOTE 4. FEES AND OTHER TRANSACTIONS WITH AFFILIATES – continued**

fees and expenses) do not exceed 1.00% of each Fund’s average daily net assets through December 31, 2019 (“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, less any reimbursement previously paid, provided that the Adviser is only permitted to recoup fees or expenses within 36 months from the date the fee waiver or expense reimbursement took effect and provided further that such recoupment can be achieved within the Expense Limitation Agreement currently in effect and the Expense Limitation Agreement in place when the waiver/reimbursement occurred. This Expense Limitation Agreement may be terminated by the Board at any time.

As of August 31, 2018, the Adviser may seek repayment of investment advisory fee waivers and expense reimbursements up to the amounts of \$319,175, \$285,604 and \$479,620 from the Growth Equity Fund, Value Equity Fund and Yield-Focus Equity Fund, respectively, no later than August 31, 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 year ended August 31, 2018, fees incurred for administration, fund accounting and transfer agent services, and the amounts due to the Administrator at August 31, 2018 were as follows:

	<b><u>Growth Equity Fund</u></b>	<b><u>Value Equity Fund</u></b>	<b><u>Yield-Focus Equity Fund</u></b>
Administration	\$ 42,255	\$ 26,847	\$ 43,591
Fund Accounting	28,042	17,995	29,060
Transfer Agent	22,433	14,318	23,442
Payable to Administrator	7,768	4,954	7,904

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 78 (which may be extended for up to two years in an emeritus non-voting capacity at the pleasure and request of the Board), or until he/she dies, resigns, or is removed, whichever is sooner. “Independent Trustees,” meaning those Trustees who are not “interested persons” as defined in the Investment Company Act of 1940 (“1940 Act”) of the Trust, each receives an annual retainer of \$500 per Fund and \$500 per Fund for each quarterly in-person Board meeting. In addition, the Trust reimburses Trustees for out-of-pocket expense incurred in conjunction with attendance at Board meetings.

Prior to July 1, 2018, each Trustee received \$20,000 annual compensation from the Trust. Prior to January 1, 2018, each Trustee received \$15,000 annual compensation from the Trust. Each Committee Chairperson received an additional annual compensation of \$1,000 from the Trust, and Independent Trustees also received \$1,000 for attending each special in-person meeting and up to \$1,000 for attending special telephonic meetings, depending on the length of the telephonic meeting.

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 Fund’s 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

**MERITAGE FUNDS**  
**NOTES TO THE FINANCIAL STATEMENTS – (continued)**  
**August 31, 2018**

**NOTE 4. FEES AND OTHER TRANSACTIONS WITH AFFILIATES – continued**

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 year ended August 31, 2018, Investor Shares 12b-1 expense incurred by the Growth Equity Fund was \$733 and \$1,675 for the Yield-Focus Equity Fund. At August 31, 2018, the Distributor was owed \$125 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 year ended August 31, 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	\$ 20,533,467	\$ 18,929,482
Value Equity Fund	15,141,702	14,574,428
Yield-Focus Equity Fund	19,773,076	19,994,217

There were no purchases or sales of long-term U.S. government obligations during the fiscal year ended August 31, 2018.

**NOTE 6. FEDERAL TAX INFORMATION**

At August 31, 2018, the net unrealized appreciation (depreciation) of investments for tax purposes was as follows:

	<u>Tax Cost of Securities</u>	<u>Unrealized Appreciation</u>	<u>Unrealized Depreciation</u>	<u>Net Unrealized Appreciation/ (Depreciation)</u>
Growth Equity Fund	\$ 22,342,789	\$ 8,339,942	\$ (191,504)	\$ 8,148,438
Value Equity Fund	14,794,618	3,374,994	(95,258)	3,279,736
Yield-Focus Equity Fund	26,086,198	3,657,986	(575,181)	3,082,805

The tax character of distributions paid during the year ended August 31, 2018 and 2017, were as follows:

**2018**

	<u>Ordinary Income</u>	<u>Net Long-Term Capital Gains</u>	<u>Return of Capital</u>	<u>Total Distributions Paid</u>
Growth Equity Fund	\$ 22,259	\$ 1,725,308	\$ —	\$ 1,747,567
Value Equity Fund	90,492	—	—	90,492
Yield-Focus Equity Fund	982,449	—	—	982,449

**MERITAGE FUNDS**  
**NOTES TO THE FINANCIAL STATEMENTS – (continued)**  
**August 31, 2018**

**NOTE 6. FEDERAL TAX INFORMATION – continued**

**2017**

	<u>Ordinary Income</u>	<u>Net Long-Term Capital Gains</u>	<u>Return of Capital</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, 2018, the components of distributable earnings (accumulated losses) on a tax basis were as follows:

**2018**

	<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	\$ 143,008	\$ 1,648,472	\$ —	\$ 8,148,438	\$ 9,939,918
Value Equity Fund	106,308	759,130	—	3,279,736	4,145,174
Yield-Focus Equity Fund	93,498	—	(2,649,508)	3,082,805	526,795

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, 2018, the Yield-Focus Equity Fund had available for tax purposes an unused capital loss carryforward of \$2,649,508 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. During the fiscal year ended August 31, 2018, the Value Equity Fund and Yield-Focus Equity Fund, respectively, utilized \$450,714 and \$4,735,987 in available capital loss carryforwards.

**NOTE 7. 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 8. SUBSEQUENT EVENTS**

Management has evaluated events or transactions from August 31, 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.

***MERITAGE FUNDS***  
***NOTES TO THE FINANCIAL STATEMENTS – (continued)***  
**August 31, 2018**

**NOTE 9. SHAREHOLDER MEETING RESULTS (Unaudited)**

On June 19, 2018, a special meeting of shareholders of the Trust was held for the purpose of voting on the election of four Trustees to serve on the Board of Trustees. Below are the voting results from the special meeting.

	<u>For</u>	<u>Withhold</u>	<u>% of Total Voted in Favor</u>
John C. Davis	35,759,555	385,270	98.93%
Janet S. Meeks	35,772,739	372,086	98.97%
Lori A. Kaiser	35,775,501	369,324	98.98%
Robert G. Dorsey	35,597,330	547,495	98.49%

The shareholders voted in favor of the proposal to approve four Trustees to serve on the Board of Trustees. Mr. Davis, Ms. Meeks and Ms. Kaiser were each elected as Independent Trustees and began their service to the Trust effective July 1, 2018. Mr. Dorsey was elected as Interested Trustee at the meeting.



## ***REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM***

To the Shareholders and the Board of Trustees of Meritage Growth Equity Fund, Meritage Value Equity Fund, and Meritage Yield-Focus Equity Fund

### **Opinion on the Financial Statements**

We have audited the accompanying statements of assets and liabilities of Meritage Growth Equity Fund, Meritage Value Equity Fund, and Meritage Yield-Focus Equity Fund (collectively referred to as the “Funds”) (three of the funds constituting Capitol Series Trust (the “Trust”)), including the schedules of investments, as of August 31, 2018, and the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the two years in the period then ended and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Funds (three of the funds constituting Capitol Series Trust) at August 31, 2018, the results of their operations for the year then ended, the changes in their net assets for each of the two years in the period then ended and their financial highlights for each of the two years in the period then ended, in conformity with U.S. generally accepted accounting principles.

The financial highlights for the period from December 23, 2013 (commencement of operations) to August 31, 2014, the year ended August 31, 2015 and the year ended August 31, 2016 were audited by other auditors whose report dated October 26, 2016, expressed an unqualified opinion on those financial highlights.

### **Basis for Opinion**

These financial statements are the responsibility of the Trust’s management. Our responsibility is to express an opinion on each of the Funds’ financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of Trust’s internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Trust’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of August 31, 2018, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

*Ernst + Young LLP*

We have served as the auditor of one or more Capitol Series Trust investment companies since 2017.

Grandview Heights, Ohio  
October 25, 2018

## ***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 March 1, 2018 to August 31, 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.

	<b>Beginning Account Value March 1, 2018</b>	<b>Ending Account Value August 31, 2018</b>	<b>Expenses Paid During Period*</b>	<b>Annualized Expense Ratio</b>
<b>Meritage Growth Equity Fund Institutional Class</b>				
Actual	\$ 1,000.00	\$ 1,108.20	\$ 5.31	1.00%
Hypothetical**	\$ 1,000.00	\$ 1,020.16	\$ 5.09	1.00%
<b>Investor Class</b>				
Actual	\$ 1,000.00	\$ 1,106.40	\$ 6.64	1.25%
Hypothetical**	\$ 1,000.00	\$ 1,018.90	\$ 6.36	1.25%
<b>Meritage Value Equity Fund Institutional Class</b>				
Actual	\$ 1,000.00	\$ 1,047.40	\$ 5.16	1.00%
Hypothetical**	\$ 1,000.00	\$ 1,020.16	\$ 5.09	1.00%
<b>Meritage Yield-Focus Equity Fund Institutional Class</b>				
Actual	\$ 1,000.00	\$ 1,079.40	\$ 5.24	1.00%
Hypothetical**	\$ 1,000.00	\$ 1,020.16	\$ 5.09	1.00%
<b>Investor Class</b>				
Actual	\$ 1,000.00	\$ 1,078.20	\$ 6.55	1.25%
Hypothetical**	\$ 1,000.00	\$ 1,018.90	\$ 6.36	1.25%

\* Expenses are equal to the Fund’s annualized expense ratio multiplied by the average account value over the period, multiplied by 184/365.

\*\* Assumes 5% return before expenses.

## *TRUSTEES AND OFFICERS – (Unaudited)*

The Board supervises the business activities of the Trust and is responsible for protecting the interests of shareholders. The Chairman of the Board is Walter B. Grimm, who is an Independent Trustee 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 78, death, resignation or removal. Officers are re-elected annually by the Board. The address of each Trustee and officer is 225 Pictoria Drive, Suite 450, Cincinnati, Ohio 45246.

As of the date of this report, the Trustees oversee the operations of 10 series.

**Interested Trustee Background.** The following table provides information regarding the Interested Trustee.

<b>Name, Address, (Age), Position with Trust, Term of Position with Trust</b>	<b>Principal Occupation During Past 5 Years and Other Directorships</b>
<p><b>Robert G. Dorsey*</b> Age: 61 TRUSTEE Began Serving: March 2017</p>	<p><b>Principal Occupation(s):</b> Managing Director and Co-Chief Executive Officer of Ultimus Fund Solutions, LLC and its subsidiaries, except as otherwise noted for the FINRA-regulated broker-dealer entities (1999 to present); Interested Trustee of Ultimus Managers Trust (February 2012 to present).</p> <p><b>Previous Position(s):</b> President of Ultimus Fund Distributors, LLC (1999 to 2018); President of Ultimus Managers Trust (February 2012 to October 2013).</p>

\* Mr. Dorsey is considered an “interested person” of the Trust within the meaning of Section 2(a)(19) of the 1940 Act because of his relationship with the Trust’s administrator, transfer agent, and distributors.

**Independent Trustee Background.** The following table provides information regarding the Independent Trustees.

<b>Name, Address, (Age), Position with Trust, Term of Position with Trust</b>	<b>Principal Occupation During Past 5 Years and Other Directorships</b>
<p><b>John C. Davis</b> Age: 66 TRUSTEE Began Serving: July 2018</p>	<p><b>Principal Occupations(s):</b> Consultant (government services) since May 2011. Consultant, Board of Trustees of Ultimus Managers Trust (since 2016).</p> <p><b>Previous Position(s):</b> Retired Partner of PricewaterhouseCoopers LLP (1974-2010); Former Trustee of Ultimus Managers Trust (2012-2016).</p>
<p><b>Walter B. Grimm</b> Age: 73 TRUSTEE AND CHAIR Began Serving: November 2013</p>	<p><b>Principal Occupations(s):</b> President, Leigh Management Group, LLC (consulting firm) (October 2005 to present); and President, Leigh Investments, Inc. (1988 to present); Board member, Boys &amp; Girls Club of Coachella Valley (April 2018 to present); Board member, Axxia Pharmaceutical (January 2015 to present).</p> <p><b>Previous Position(s):</b> Chief Financial Officer, East West Private, LLC (consulting firm) (2009 to 2013).</p>

**TRUSTEES AND OFFICERS – (Unaudited) (continued)**

<b>Name, Address, (Age), Position with Trust, Term of Position with Trust</b>	<b>Principal Occupation During Past 5 Years and Other Directorships</b>
<b>Lori Kaiser</b> Age: 55 TRUSTEE Began Serving: July 2018	<b>Principal Occupations(s):</b> Founder and CEO, Kaiser Consulting since 1992.
<b>Janet Smith Meeks</b> Age: 63 TRUSTEE Began Serving: July 2018	<b>Principal Occupations(s):</b> Co-Founder and CEO, Healthcare Alignment Advisors, LLC (consulting company) since August 2015.  <b>Previous Position(s):</b> President and Chief Operating Officer, Mount Carmel Health System (2004-2015).
<b>Mary M. Morrow</b> Age: 60 TRUSTEE Began Serving: November 2013	<b>Principal Occupations(s):</b> Chief Operating Officer, Dignity Health Managed Services Organization (October 2018 to present).  <b>Previous Position(s):</b> Independent Consultant (managed care services (April 2018 to October 2018); Chief Operating Officer, Pennsylvania Health and Wellness (fully owned subsidiary of Centene Corporation) (November 2016 to April 2018); Vice President, Strategic Initiatives, Gateway Health (January 2015 to November 2016); Consulting Practice Manager, DST Health Solutions (August 2010 to January 2015); Director, Service and Client Relations, EBDS (August 2008 – May 2009); Independent Consultant, Healthcare Servicing May 2009 – August 2010).

**TRUSTEES AND OFFICERS – (Unaudited) (continued)**

**Officers.** The following table provides information regarding the Officers.

<b>Name, Address, (Age), Position with Trust, Term of Position with Trust</b>	<b>Principal Occupation During Past 5 Years and Other Directorships</b>
<p><b>Matthew J. Miller</b> Age: 42 PRESIDENT and CHIEF EXECUTIVE OFFICER Began Serving: September 2013 (as VP); September 2018 (as President)</p>	<p><b>Principal Occupation(s):</b> Assistant Vice President, Relationship Management, Ultimus Fund Solutions, LLC (December 2015 to present); Vice President, Valued Advisers Trust (December 2011 to present).</p> <p><b>Previous Position(s):</b> Vice President, Capitol Series Trust (September 2013 to March 2017); Chief Executive Officer and President, Capitol Series Trust (March 2017 to March 2018); Secretary, Capitol Series Trust (March 2018 to September 2018); Vice President, Relationship Management, Huntington Asset Services, Inc. (n/k/a Ultimus Asset Services, LLC) (2008 to December 2015); Vice President, The Huntington Funds (February 2010 to April 2015); Vice President, Transfer Agency Operations, Huntington Asset Services, Inc. (2002 to 2008); Employed in various positions with Huntington Asset Services, Inc. (July 1998 to 2002).</p>
<p><b>Zachary P. Richmond</b> Age: 38 TREASURER AND CHIEF FINANCIAL OFFICER Began Serving: August 2014</p>	<p><b>Principal Occupation(s):</b> Assistant Vice President, Associate Director of Financial Administration, Ultimus Fund Solutions, LLC (December 2015 to present); Treasurer and Chief Financial Officer, Unified Series Trust (August 2014 to present); Treasurer and Chief Financial Officer, Commonwealth International Series Trust (September 2015 to present).</p> <p><b>Previous Position(s):</b> Assistant Vice President, Fund Administration, Huntington Asset Services, Inc. (n/k/a Ultimus Asset Services, LLC) (January 2011 to December 2015); and Assistant Treasurer, Unified Series Trust (2011 to August 2014).</p>
<p><b>Brandon Kipp</b> Age: 35 CHIEF COMPLIANCE OFFICER Began Serving: October 2017</p>	<p><b>Principal Occupation(s):</b> Senior Fund Compliance Officer, Ultimus Fund Solutions, LLC (since July 2017) and Chief Compliance Officer, Valued Advisers Trust (since October 2017).</p> <p><b>Previous Position(s):</b> Assistant Vice President and Compliance Manager, UMB Fund Services, Inc. (March 2014 to July 2017); Officer and Lead Fund Administrator, UMB Fund Services, Inc. (May 2012 to March 2014).</p>

***TRUSTEES AND OFFICERS – (Unaudited) (continued)***

<b>Name, Address, (Age), Position with Trust, Term of Position with Trust</b>	<b>Principal Occupation During Past 5 Years and Other Directorships</b>
<b>Matthew J. Beck</b> Age: 30 SECRETARY Began Serving: September 2018	<b>Principal Occupation(s):</b> Senior Attorney, Ultimus Fund Solutions, LLC (since May 2018) and Secretary, Ultimus Managers Trust (since July 2018).  <b>Previous Position(s):</b> Chief Compliance Officer, OBP Capital, LLC (May 2015 to May 2018); Secretary, Aspiration Funds (March 2015 to May 2018); Secretary, Starboard Investment Trust (September 2014 to May 2018); Secretary, Leeward Investment Trust (September 2014 to May 2018); Secretary, Hillman Capital Management Investment Trust (September 2014 to May 2018); Secretary, Spinnaker ETF Series (September 2014 to May 2018); Vice President and General Counsel, The Nottingham Company (July 2014 to May 2018).
<b>Stephen L. Preston</b> Age: 52 ANTI-MONEY LAUNDERING OFFICER Began Serving: December 2016	<b>Principal Occupation(s):</b> Chief Compliance Officer, Ultimus Fund Solutions, LLC and Ultimus Fund Distributors, LLC from June 2011 to present.

***OTHER INFORMATION (Unaudited)***

The Fund’s Statement of Additional Information (“SAI”) includes additional information about the trustees and is available without charge, upon request. You may call toll-free at (855) 261-0104 to request a copy of the SAI or to make shareholder inquiries.

**OTHER FEDERAL TAX INFORMATION – (Unaudited)**

The Form 1099-DIV you receive in January 2019 will show the tax status of all distributions paid to your account in calendar year 2018. Shareholders are advised to consult their own tax advisor with respect to the tax consequences of their investment in the Fund. As required by the Internal Revenue Code and/or regulations, shareholders must be notified regarding the status of qualified dividend income for individuals and the dividends received deduction for corporations.

For the year ended August 31, 2018, the following Funds paid qualified dividend income:

<b><u>Fund</u></b>	<b><u>Qualified Dividend Income</u></b>
Growth Equity Fund	100.00%
Value Equity Fund	100.00%
Yield-Focus Equity Fund	99.70%

For the taxable year ended August 31, 2018, the following percentage of ordinary income dividends paid by the Funds qualify for the dividends received deduction available to corporations:

<b><u>Fund</u></b>	<b><u>Dividends Received Deduction</u></b>
Growth Equity Fund	100.00%
Value Equity Fund	100.00%
Yield-Focus Equity Fund	79.86%

The Funds designate the following amounts as long-term capital gains distributions. The amounts designated may not agree with long term capital gains in the tax character of distribution table due to utilization of earnings and profits distributed to shareholders on redemption of shares.

<b><u>Fund</u></b>	<b><u>Long Term Capital Gains Paid Amount</u></b>
Growth Equity Fund	\$ 1,725,308

<b>FACTS</b>	<b>WHAT DOES CAPITOL SERIES TRUST DO WITH YOUR PERSONAL INFORMATION?</b>
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<b>Why?</b>	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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<b>What?</b>	<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"> <li>▪ Social Security number</li> <li>▪ account balances and account transactions</li> <li>▪ account transactions, transaction or loss history and purchase history</li> <li>▪ checking account information and wire transfer instructions</li> </ul> <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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<b>How?</b>	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?
<b>For our everyday business purposes—</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	<b>Yes</b>
<b>For our marketing purposes—</b> to offer our products and services to you	<b>Yes</b>
<b>For joint marketing with other financial companies</b>	<b>No</b>
<b>For our affiliates’ everyday business purposes—</b> information about your transactions and experiences	<b>No</b>
<b>For our affiliates’ everyday business purposes—</b> information about your creditworthiness	<b>No</b>
<b>For nonaffiliates to market to you</b>	<b>No</b>

<b>Questions?</b>	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"> <li>▪ open an account or deposit money</li> <li>▪ buy securities from us or sell securities to us</li> <li>▪ make deposits or withdrawals from your account provide account information</li> <li>▪ give us your account information</li> <li>▪ make a wire transfer</li> <li>▪ tell us who receives the money</li> <li>▪ tell us where to send the money</li> <li>▪ show your government-issued ID</li> <li>▪ show your driver's license</li> </ul>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>▪ sharing for affiliates' everyday business purposes — information about your creditworthiness</li> <li>▪ affiliates from using your information to market to you</li> <li>▪ sharing for nonaffiliates to market to you</li> </ul> <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"> <li>▪ <b>Capitol Series Trust does not share your personal information with nonaffiliates so they can market to you.</b></li> </ul>
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"> <li>▪ <b>Capitol Series Trust doesn't jointly market financial products or services to you.</b></li> </ul>

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## ***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](http://www.sec.gov).

### **TRUSTEES**

Walter B. Grimm, Chairman  
John C. Davis  
Robert G. Dorsey  
Lori Kaiser  
Janet Smith Meeks  
Mary M. Morrow

### **OFFICERS**

Matthew J. Miller, Chief Executive Officer and  
President  
Zachary P. Richmond, Treasurer and Chief Financial  
Officer  
Brandon R. Kipp, Chief Compliance Officer

### **INVESTMENT ADVISER**

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7500 College Boulevard, Suite 1212  
Overland Park, KS 66210

### **DISTRIBUTOR**

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9465 Counselors Row, Suite 200  
Indianapolis, IN 46240

### **INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

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Grandview Heights, OH 43212

### **LEGAL COUNSEL**

Bernstein Shur  
100 Middle Street, 6th Floor  
Portland, ME 04104

### **CUSTODIAN**

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41 South High Street  
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### **ADMINISTRATOR, TRANSFER AGENT AND FUND ACCOUNTANT**

Ultimus Asset Services, LLC  
225 Pictoria Drive, Suite 450  
Cincinnati, OH 45246

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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