

STATEMENT OF ADDITIONAL INFORMATION

THE RELATIVE VALUE FUND

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|----------------------|--------------|
| Advisor Class | VFLAX |
| CIA Class | VFLEX |

Dated March 9, 2019

c/o UMB Fund Services, Inc.
235 West Galena Street
Milwaukee, WI 53212
(877) 779-1999

This Statement of Additional Information (“SAI”) is not a prospectus. This SAI relates to and should be read in conjunction with the prospectus (the “Prospectus”) of The Relative Value Fund (the “Fund”) dated March 9, 2019 as it may be further amended or supplemented from time to time. A copy of the Prospectus may be obtained without charge by contacting the Fund at the telephone number or address set forth above.

This SAI is not an offer to sell shares of beneficial interest (“Shares”) of the Fund and is not soliciting an offer to buy Shares in any state where the offer or sale is not permitted.

Capitalized terms not otherwise defined herein have the same meaning set forth in the Prospectus.

Shares are distributed by Foreside Fund Services, LLC (“Distributor”) to institutions and financial intermediaries who may distribute Shares to clients and customers (including affiliates and correspondents) of the Fund’s investment adviser, and to clients and customers of other organizations. The Fund’s Prospectus, which is dated March 9, 2019 provides basic information investors should know before investing. This SAI is intended to provide additional information regarding the activities and operations of the Fund and should be read in conjunction with the Prospectus.

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INVESTMENT POLICIES AND PRACTICES

The investment objective of the Fund, as well as the principal investment strategies of the Fund and the principal risks associated with such investment strategies, are set forth in the Prospectus. Certain additional information regarding the investment program of the Fund is set forth below.

FUNDAMENTAL POLICIES

The Fund's fundamental policies, which are listed below, may only be changed by the affirmative vote of a majority of the outstanding voting securities of the Fund. At the present time the Shares are the only outstanding voting securities of the Fund. As defined by the Investment Company Act of 1940, as amended (the "Investment Company Act"), the vote of a "majority of the outstanding voting securities of the Fund" means the vote, at an annual or special meeting of the Shareholders of the Fund, duly called, (i) of 67% or more of the Shares represented at such meeting, if the holders of more than 50% of the outstanding Shares are present in person or represented by proxy or (ii) of more than 50% of the outstanding Shares, whichever is less. No other policy is a fundamental policy of the Fund, except as expressly stated. Within the limits of the fundamental policies of the Fund, the management of the Fund has reserved freedom of action. The Fund may not:

- (1) Issue any senior security, except to the extent permitted by Section 18 of the Investment Company Act, as interpreted, modified, or otherwise permitted by the Securities and Exchange Commission (the "SEC") or any other applicable authority.
- (2) Borrow money, except to the extent permitted by Section 18 of the Investment Company Act, as interpreted, modified, or otherwise permitted by the SEC or any other applicable authority. This investment restriction does not apply to borrowings from affiliated investment companies or other affiliated persons of the Fund to the extent permitted by the Investment Company Act, the SEC or any other applicable authority.
- (3) Underwrite securities of other issuers, except insofar as the Fund may be deemed to be an underwriter under the Securities Act of 1933, as amended, in connection with the disposition of its portfolio securities.
- (4) Make loans, except through purchasing fixed-income securities, lending portfolio securities, or entering into repurchase agreements in a manner consistent with the investment policies of the Fund, or as otherwise permitted under the Investment Company Act. This investment restriction does not apply to loans to affiliated investment companies or other affiliated persons of the Fund to the extent permitted by the Investment Company Act, the SEC or any other applicable authority.
- (5) Purchase, hold or deal in real estate, except that the Fund may invest in securities that are secured by real estate, including, without limitation, mortgage-related securities, or that are issued by companies or partnerships that invest or deal in real estate or real estate investment trusts, and may hold and dispose of real estate acquired by the Fund as a result of the ownership of securities or other permitted investments.
- (6) Invest in commodities and commodity contracts, except that the Fund (i) may purchase and sell non-U.S. currencies, options, swaps, futures and forward contracts, including those related to indexes, options and options on indexes, as well as other financial instruments and contracts that are commodities or commodity contracts, (ii) may also purchase or sell commodities if acquired as a result of ownership of securities or other instruments, (iii) may invest in commodity pools and other entities that purchase and sell commodities and commodity contracts, and (iv) may make such investments as otherwise permitted by the Investment Company Act.
- (7) Invest 25% or more of the value of its total assets in the securities of issuers that the Fund's investment advisor determines are engaged in any single industry, except that U.S. government securities and repurchase agreements collateralized by U.S. government securities may be purchased without limitation.

With respect to these investment restrictions and other policies described in this SAI or the Prospectus, if a percentage restriction is adhered to at the time of an investment or transaction, a later change in percentage resulting from a change in the values of investments or the value of the Fund's total assets, unless otherwise stated, will not constitute a violation of such restriction or policy.

In addition to the above, the Fund has adopted a fundamental policy that it will make quarterly repurchase offers for no less than for 5% of the shares outstanding at per-class net asset value ("NAV") per share less any repurchase fee, unless suspended or postponed in accordance with regulatory requirements, and each repurchase pricing shall occur no later than the close of business on the 14th day after the Repurchase Request Deadline, or the next business day if the 14th is not a business day.

THE FUND MAY CHANGE ITS INVESTMENT OBJECTIVE, POLICIES, RESTRICTIONS, STRATEGIES, AND TECHNIQUES.

Except as otherwise indicated, the Fund may change its investment objectives and any of its policies, restrictions, strategies, and techniques without Shareholder approval. The investment objective of the Fund is not a fundamental policy of the Fund and may be changed by the Board of Trustees of the Fund (the "Board") without the vote of a majority (as defined by the Investment Company Act) of the Fund's outstanding Shares.

ADDITIONAL INFORMATION ON INVESTMENT TECHNIQUES OF THE FUND AND RELATED RISKS

As discussed in the Prospectus, the Fund pursues its investment objective by pursuing positive absolute returns across market cycles. In pursuing its objective, the Fund uses a "multi-manager" approach whereby the Fund's assets are allocated to one or more sub-advisers (each a "Sub-Adviser" and together, the "Sub-Advisers"), in percentages determined at the discretion of the Adviser. This section provides additional information about various types of investments and investment techniques that may be employed by the Fund directly or indirectly through its investment in closed-end and open-end registered investment companies, private investment funds and other investment vehicles, that invest or trade in the following investments (collectively, "Investment Funds") and their related risks. Any decision to invest in the Fund should take into account that the Fund's investments will be subject to related risks, which can be substantial.

Real Estate Investment Trusts

The Fund may invest in publicly and privately traded real estate investment trusts ("REITs"). REITs are pooled investment vehicles that invest primarily in real estate or real estate related loans. REITs are generally classified as equity REITs, mortgage REITs or a combination of equity and mortgage REITs. Because investments in mortgage-related securities are interest sensitive, the ability of the issuer to reinvest or to reinvest favorably in underlying mortgages may be limited by government regulation or tax policy. For example, action by the Board of Governors of the Federal Reserve System to limit the growth of the nation's money supply may cause interest rates to rise and thereby reduce the volume of new residential mortgages. Additionally, although mortgages and mortgage-related securities are generally supported by some form of government or private guarantees and/or insurance, there is no assurance that private guarantors or insurers will be able to meet their obligation. REITs (especially mortgage REITs) are also subject to interest rate risks. When interest rates decline, the value of a REIT's investment in fixed rate obligations can be expected to rise. Conversely, when interest rates rise, the value of a REIT's investment in fixed rate obligations can be expected to decline. In contrast, as interest rates on adjustable rate mortgage loans are reset periodically, yields on a REIT's investments in such loans will gradually align themselves to reflect changes in market interest rates, causing the value of such investments to fluctuate less dramatically in response to interest rate fluctuations than would investments in fixed rate obligations.

The REIT investments of the Fund may often not provide complete tax information to the Fund until after the calendar year-end. Consequently, because of the delay, it may be necessary for the Fund to request permission to extend the deadline for issuance of Forms 1099-DIV beyond January 31. Also, under current provisions of the Internal Revenue Code, as amended, distributions attributable to operating income of REITs in which the Fund invests are not eligible for favorable tax treatment as long-term capital gains and will be taxable to you as ordinary income.

Equity Securities

The investment portfolio of the Fund will include long and short positions in common stocks, preferred stocks and convertible securities of U.S. and foreign issuers. The value of equity securities depends on business, economic and other factors affecting those issuers. Equity securities fluctuate in value, often based on factors unrelated to the value of the issuer of the securities, and such fluctuations can be pronounced.

The Fund may invest in equity securities without restriction. These investments may include securities of companies with small- to medium-sized market capitalizations, including micro-cap companies and growth stage companies. The securities of certain companies, particularly smaller-capitalization companies, involve higher risks in some respects than do investments in securities of larger companies. For example, prices of small-capitalization and even medium-capitalization stocks are often more volatile than prices of large-capitalization stocks, and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than for larger, “blue-chip” companies. In addition, due to thin trading in the securities of some small-capitalization companies, an investment in those companies may be deemed illiquid.

Fixed-Income Securities

The Fund may invest in fixed-income securities. The Fund will invest in these securities when their yield and potential for capital appreciation are considered sufficiently attractive, and also may invest in these securities for defensive purposes and to maintain liquidity. Fixed-income securities include bonds, notes and debentures issued by U.S. and foreign corporations and governments. These securities may pay fixed, variable or floating rates of interest, and may include zero coupon obligations. Fixed-income securities are subject to the risk of the issuer’s inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to the risk of price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness or financial condition of the issuer and general market liquidity (i.e., market risk). Certain portfolio securities, such as those with interest rates that fluctuate directly or indirectly based on multiples of a stated index, are designed to be highly sensitive to changes in interest rates and can subject the holders thereof to significant reductions of yield and possible loss of principal.

The Fund may invest in both investment grade and non-investment grade debt securities (commonly referred to as “junk bonds”). Investment grade debt securities are securities that have received a rating from at least one nationally recognized statistical rating organization (a “Rating Agency”) in one of the four highest rating categories or, if not rated by any Rating Agency, have been determined by the Investment Manager or a Sub-Adviser to be of comparable quality.

Non-investment grade debt securities, including convertible debt securities, are considered by the Rating Agencies to be predominantly speculative with respect to the issuer’s capacity to pay interest and repay principal. Non-investment grade securities in the lowest rating categories may involve a substantial risk of default or may be in default. Adverse changes in economic conditions or developments regarding the individual issuer are more likely to cause price volatility and weaken the capacity of the issuers of non-investment grade securities to make principal and interest payments than is the case for higher grade securities. In addition, the market for lower grade securities may be thinner and less liquid than the market for higher grade securities.

Non-U.S. Securities

The Fund may invest in equity and fixed-income securities of non-U.S. issuers and in depository receipts, such as American Depositary Receipts (“ADRs”), that represent indirect interests in securities of non-U.S. issuers. Non-U.S. securities in which the Fund may invest may be listed on non-U.S. securities exchanges or traded in non-U.S. over-the-counter markets or may be purchased in private placements and not be publicly traded. Investments in non-U.S. securities are affected by risk factors generally not thought to be present in the U.S.

The Fund is not required to hedge against non-U.S. currency risks, including the risk of changing currency exchange rates, which could reduce the value of non-U.S. currency denominated portfolio securities irrespective of the underlying investment. However, from time to time, the Fund may enter into

forward currency exchange contracts (“forward contracts”) for hedging purposes and non-hedging purposes to pursue its investment objective. Forward contracts are transactions involving the Fund’s obligation to purchase or sell a specific currency at a future date at a specified price. Forward contracts may be used by the Fund for hedging purposes to protect against uncertainty in the level of future non-U.S. currency exchange rates, such as when the Fund anticipates purchasing or selling a non-U.S. security. This technique would allow the Fund to “lock in” the U.S. dollar price of the security. Forward contracts also may be used to attempt to protect the value of the Fund’s existing holdings of non-U.S. securities. There may be, however, imperfect correlation between the Fund’s non-U.S. securities holdings and the forward contracts entered into with respect to such holdings. Forward contracts also may be used for non-hedging purposes to pursue the Fund’s investment objective, such as when the Investment Manager or a Sub-Adviser anticipates that particular non-U.S. currencies will appreciate or depreciate in value, even though securities denominated in such currencies are not then held in the Fund’s investment portfolio.

ADRs involve substantially the same risks as investing directly in securities of non-U.S. issuers, as discussed above. ADRs are receipts typically issued by a U.S. bank or trust company that show evidence of underlying securities issued by a non-U.S. corporation. Issuers of unsponsored depositary receipts are not obligated to disclose material information in the United States, and therefore, there may be less information available regarding such issuers.

Money Market Instruments

The Fund may invest during periods of adverse market or economic conditions for defensive purposes some or all of their assets in high quality money market instruments and other short-term obligations, money market mutual funds or repurchase agreements with banks or broker-dealers or may hold cash or cash equivalents in such amounts as the Investment Manager or a Sub-Adviser deems appropriate under the circumstances. The Fund also may invest in these instruments for liquidity purposes pending allocation of their respective offering proceeds and other circumstances. Money market instruments are high quality, short-term fixed-income obligations, which generally have remaining maturities of one year or less, and may include U.S. government securities, commercial paper, certificates of deposit and bankers’ acceptances issued by domestic branches of United States banks that are members of the Federal Deposit Insurance Corporation and repurchase agreements.

Special Investment Techniques

The Fund may use a variety of special investment techniques as more fully discussed below to hedge a portion of the Fund’s investment portfolio against various risks or other factors that generally affect the values of securities. The Fund may also use these techniques for non-hedging purposes in pursuing its investment objective. These techniques may involve the use of derivative transactions. The techniques the Fund may employ may change over time as new instruments and techniques are introduced or as a result of regulatory developments. Certain of the special investment techniques that the Fund may use are speculative and involve a high degree of risk, particularly when used for non-hedging purposes. It is possible that any hedging transaction may not perform as anticipated and that the Fund may suffer losses as a result of its hedging activities.

Derivatives

Derivatives are securities and other instruments the value or return of which is based on the performance of an underlying asset, index, interest rate or other investment. Derivatives may be volatile and involve various risks, depending upon the derivative and its function in a portfolio. Special risks may apply to instruments that are invested in by the Fund in the future that cannot be determined at this time or until such instruments are developed or invested in by the Fund. Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, and the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty, legal risk and operations risk.

Options and Futures

The Investment Manager or a Sub-Adviser may utilize options and futures contracts. Such transactions may be effected on securities exchanges, in the over-the-counter market, or negotiated directly

with counterparties. When such transactions are purchased over-the-counter or negotiated directly with counterparties, the Fund bears the risk that the counterparty will be unable or unwilling to perform its obligations under the contract. Such transactions may also be illiquid and, in such cases, the Fund may have difficulty closing out its position. Over-the-counter options purchased and sold by the Fund may include options on baskets of specific securities. The Fund may utilize European-style or American-style options. European-style options are only exercisable at their expiration. American-style options are exercisable at any time prior to the expiration date of the option.

The Investment Manager or a Sub-Adviser may purchase call and put options on specific securities, on indices, on currencies or on futures, and may write and sell covered or uncovered call and put options for hedging purposes and non-hedging purposes to pursue their investment objectives. A put option gives the purchaser of the option the right to sell, and obligates the writer to buy, the underlying security at a stated exercise price. Similarly, a call option gives the purchaser of the option the right to buy, and obligates the writer to sell, the underlying security at a stated exercise price. A covered call option is a call option with respect to which the Fund owns the underlying security. The sale of such an option exposes the Fund during the term of the option to possible loss of opportunity to realize appreciation in the market price of the underlying security or to possible continued holding of a security that might otherwise have been sold to protect against depreciation in the market price of the security. A covered put option is a put option with respect to which cash or liquid securities have been placed in a segregated account on the Fund's books. The sale of such an option exposes the seller during the term of the option to a continuing decline in price of the underlying security while also depriving the seller of the opportunity to invest the segregated assets.

The Fund may close out a position when writing options by purchasing an option on the same security with the same exercise price and expiration date as the option that it has previously written on the security. The Fund will realize a profit or loss if the amount paid to purchase an option is less or more, as the case may be, than the amount received from the sale thereof. To close out a position as a purchaser of an option, the Fund would ordinarily effect a similar "closing sale transaction," which involves liquidating a position by selling the option previously purchased, although the Fund could exercise the option should the Investment Manager or a Sub-Adviser deem it advantageous to do so.

The Fund may enter into futures contracts in U.S. domestic markets or on exchanges located outside the United States. Foreign markets may offer advantages such as trading opportunities or arbitrage possibilities not available in the United States. Foreign markets, however, may have greater risk potential than domestic markets. For example, some foreign exchanges are principal markets so that no common clearing facility exists and an investor may look only to the broker for performance of the contract. In addition, any profits that might be realized in trading could be eliminated by adverse changes in the exchange rate, or a loss could be incurred as a result of those changes. Transactions on foreign exchanges may include both commodities which are traded on domestic exchanges and those which are not. Unlike trading on domestic commodity exchanges, trading on foreign commodity exchanges is not regulated by the Commodity Futures Trading Commission.

Engaging in these transactions involves risk of loss, which could adversely affect the value of the Fund's net assets. No assurance can be given that a liquid market will exist for any particular futures contract at any particular time. Many futures exchanges and boards of trade limit the amount of fluctuation permitted in futures contract prices during a single trading day. Once the daily limit has been reached in a particular contract, no trades may be made that day at a price beyond that limit or trading may be suspended for specified periods during the trading day. Futures contract prices could move to the limit for several consecutive trading days with little or no trading, thereby preventing prompt liquidation of futures positions and potentially subjecting the Fund to substantial losses.

Successful use of futures also is subject to the Investment Manager's and Sub-Advisers' ability to correctly predict movements in the direction of the relevant market, and, to the extent the transaction is entered into for hedging purposes, to ascertain the appropriate correlation between the transaction being hedged and the price movements of the futures contract.

The Fund may purchase and sell stock index futures contracts. A stock index future obligates the Fund to pay or receive an amount of cash equal to a fixed dollar amount specified in the futures contract multiplied by the difference between the settlement price of the contract on the contract's last trading day and the value of the index based on the stock prices of the securities that comprise it at the opening of trading in those securities on the next business day.

The Fund may purchase and sell interest rate futures contracts. A contract for interest rate futures represents an obligation to purchase or sell an amount of a specific debt security at a future date at a specific price.

The Fund may purchase and sell currency futures. A currency future creates an obligation to purchase or sell an amount of a specific currency at a future date at a specific price.

The Fund currently intends to limit investments in commodity futures, commodity options contracts and swaps to below the de minimis thresholds adopted by the Commodity Futures Trading Commission ("CFTC") in its 2012 amendments to Rule 4.5 (see below for a description of these thresholds). For this reason, the Investment Manager and Sub-Advisers are not required to register as "commodity pool operators" ("CPO") under the Commodity Exchange Act with respect to the Fund at this time.

With respect to investments in swap transactions, commodity futures, commodity options or certain other derivatives used for purposes other than bona fide hedging purposes, an investment company must meet one of the following tests under the amended regulations to claim an exemption from being considered a "commodity pool" and having the investment adviser register as a CPO: (i) the aggregate initial margin and premiums required to establish an investment company's positions in such investments may not exceed five percent (5%) of the liquidation value of the investment company's portfolio (after accounting for unrealized profits and unrealized losses on any such investments); or (ii), the aggregate net notional value of such instruments, determined at the time of the most recent position established, may not exceed one hundred percent (100%) of the liquidation value of the investment company's portfolio (after accounting for unrealized profits and unrealized losses on any such positions). In addition to meeting one of the foregoing trading limitations, the investment company may not market itself as a commodity pool or otherwise as a vehicle for trading in the commodity futures, commodity options or swaps and derivatives markets. In the event that the Investment Manager or a Sub-Adviser is required to register as a CPO with respect to the Fund, the disclosure and operations of the Fund must comply with all applicable CFTC regulations.

Options on Securities Indexes

The Fund may purchase and sell call and put options on stock indexes listed on national securities exchanges or traded in the over-the-counter market for hedging purposes and non-hedging purposes to pursue its investment objective. A stock index fluctuates with changes in the market values of the stocks included in the index. Accordingly, successful use by the Fund of options on stock indexes will be subject to the Investment Manager's and Sub-Advisers' ability to predict correctly movements in the direction of the stock market generally or of a particular industry or market segment. This requires different skills and techniques than predicting changes in the price of individual stocks.

Warrants and Rights

Warrants are derivative instruments that permit, but do not obligate, the holder to subscribe for other securities or commodities. Rights are similar to warrants, but normally have a shorter duration and are offered or distributed to shareholders of a company. Warrants and rights do not carry with them the right to dividends or voting rights with respect to the securities that they entitle the holder to purchase, and they do not represent any rights in the assets of the issuer. In addition, the values of warrants and rights do not necessarily change with the values of the underlying securities or commodities and these instruments cease to have value if they are not exercised prior to their expiration dates. As a result, warrants and rights may be considered more speculative than certain other types of equity-like securities.

Swap Agreements

The Fund may enter into equity, interest rate, index, total return and currency rate swap agreements. These transactions are entered into in an attempt to obtain a particular return when it is considered

desirable to do so, possibly at a lower cost than if an investment was made directly in the asset that yielded the desired return. Swap agreements are two-party contracts entered into primarily by institutional investors for periods ranging from a few weeks to more than a year. In a standard swap transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realized on particular predetermined investments or instruments, which may be adjusted for an interest factor. The gross returns to be exchanged or “swapped” between the parties are generally calculated with respect to a “notional amount,” i.e., the return on or increase in value of a particular dollar amount invested at a particular interest rate, in a particular foreign currency, or in a “basket” of securities representing a particular index. Forms of swap agreements include interest rate caps, under which, in return for a premium, one party agrees to make payments to the other to the extent interest rates exceed a specified rate or “cap”; interest rate floors, under which, in return for a premium, one party agrees to make payments to the other to the extent interest rates fall below a specified level or “floor”; and interest rate collars, under which a party sells a cap and purchases a floor or vice versa in an attempt to protect itself against interest rate movements exceeding given minimum or maximum levels.

Most swap agreements entered into by the Fund would require the calculation of the obligations of the parties to the agreements on a “net basis.” Consequently, the Fund’s current obligations (or rights) under a swap agreement generally will be equal only to the net amount to be paid or received under the agreement based on the relative values of the positions held by each party to the agreement (the “net amount”). The risk of loss with respect to swaps is limited to the net amount of interest payments that a party is contractually obligated to make. If the other party to a swap defaults, the Fund’s risk of loss consists of the net amount of payments that it contractually is entitled to receive.

The Fund may enter into swap agreements under which the Fund may agree, on a net basis, to pay a return based on a floating interest rate, such as LIBOR, and to receive the total return of the reference investment vehicle over a stated time period. The Fund may seek to achieve the same investment result through the use of other derivatives in similar circumstances. The U.S. federal income tax treatment of swap agreements and other derivatives used in the above manner is unclear. The Fund does not currently intend to use swaps or other derivatives in this manner.

When-Issued, Delayed Delivery and Forward Commitment Securities

To reduce the risk of changes in securities prices and interest rates, the Fund may purchase securities on a forward commitment, when-issued or delayed delivery basis, which means delivery and payment take place a number of days after the date of the commitment to purchase. The payment obligation and the interest rate receivable with respect to such purchases are fixed when the Fund enters into the commitment, but the Fund does not make payment until it receives delivery from the counterparty. After the Fund commits to purchase such securities, but before delivery and settlement, it may sell the securities if it is deemed advisable.

Securities purchased on a forward commitment or when-issued or delayed delivery basis are subject to changes in value, generally changing in the same way, i.e., appreciating when interest rates decline and depreciating when interest rates rise, based upon the public’s perception of the creditworthiness of the issuer and changes, real or anticipated, in the level of interest rates. Securities so purchased may expose the Fund to risks because they may experience such fluctuations prior to their actual delivery. Purchasing securities on a when-issued or delayed delivery basis can involve the additional risk that the yield available in the market when the delivery takes place actually may be higher than that obtained in the transaction itself. Purchasing securities on a forward commitment, when-issued or delayed delivery basis when the Fund is fully or almost fully invested results in a form of leverage and may result in greater potential fluctuation in the value of the net assets of the Fund. In addition, there is a risk that securities purchased on a when-issued or delayed delivery basis may not be delivered and that the purchaser of securities sold by the Fund on a forward basis will not honor its purchase obligation. In such cases, the Fund may incur a loss.

Hedging Transactions

The Fund may utilize a variety of financial instruments, such as derivatives, options, interest rate swaps, caps and floors, futures and forward contracts to seek to hedge against declines in the values of its portfolio positions as a result of changes in currency exchange rates, certain changes in the equity markets

and market interest rates and other events. Hedging transactions may also limit the opportunity for gain if the value of the hedged portfolio positions should increase. It may not be possible for the Fund to hedge against a change or event at a price sufficient to protect its assets from the decline in value of the portfolio positions anticipated as a result of such change. In addition, it may not be possible to hedge against certain changes or events at all. While the Fund may enter into such transactions to seek to reduce currency exchange rate and interest rate risks, or the risks of a decline in the equity markets generally or one or more sectors of the equity markets in particular, or the risks posed by the occurrence of certain other events, unanticipated changes in currency or interest rates or increases or smaller than expected decreases in the equity markets or sectors being hedged or the nonoccurrence of other events being hedged against may result in a poorer overall performance for the Fund than if the Fund had not engaged in any such hedging transaction. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary. Moreover, for a variety of reasons, the Investment Manager or a Sub-Adviser may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the Fund from achieving the intended hedge or expose the Fund to additional risk of loss.

Leverage

The Fund may leverage the Fund through (i) borrowings, (ii) swap agreements, options or other derivative instruments, (iii) use of short sales, or (iv) a combination of these methods. The financing entity or counterparty on any swap, option or other derivative instrument may be any entity or institution which the Investment Manager or a Sub-Adviser determines to be creditworthy.

As a result of this leverage, a relatively small movement in the spread relationship between the securities and commodities interests the Fund indirectly owns and those which it has indirectly sold short may result in substantial losses.

Short Selling

The Fund will engage in short selling. Short selling involves selling securities that are not owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows an investor to profit from declines in market prices to the extent such declines exceed the transaction costs and the costs of borrowing the securities. A short sale creates the risk of an unlimited loss, as the price of the underlying security could theoretically increase without limit, thus increasing the cost of buying those securities to cover the short position. There can be no assurance that the securities necessary to cover a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. For these reasons, short selling is considered a speculative investment practice.

The Fund may also effect short sales “against the box.” These transactions involve selling short securities that are owned (or that the Fund has the right to obtain). When the Fund enters into a short sale against the box, it will set aside securities equivalent in kind and amount to the securities sold short (or securities convertible or exchangeable into such securities) and will hold such securities while the short sale is outstanding. The Fund will incur transaction costs, including interest expenses, in connection with opening, maintaining and closing short sales against the box.

OTHER POTENTIAL RISKS AND ADDITIONAL INVESTMENT INFORMATION

Dependence on the Investment Manager

The success of the Fund depends upon the ability of the Investment Manager and Sub-Advisers to develop and implement investment strategies that achieve the investment objective of the Fund. Additionally, the success of the Fund, in part, depends on the ability of investment advisers to the Investment Funds (the “Underlying Managers”) to develop and implement strategies that achieve their own investment objectives. Shareholders will have no right or power to participate in the management or control of the Fund or the Investment Funds and will not have an opportunity to evaluate the specific investments made by the Investment Funds or the Underlying Managers.

Business and Regulatory Risks

Legal, tax and regulatory developments that may adversely affect the Fund, the Investment Manager or a Sub-Adviser could occur during the term of the Fund. Securities and futures markets are subject to comprehensive statutes, regulations and margin requirements enforced by the SEC, other regulators and self-regulatory organizations and exchanges authorized to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial actions. It is impossible to predict what, if any, changes in regulations may occur, but any regulations which restrict the ability of the Fund to trade in securities or the ability of the Fund to employ, or brokers and other counterparties to extend, credit in its trading (as well as other regulatory changes that result) could have a material adverse impact on the Fund's portfolio.

Reliance on Key Personnel

The Fund's ability to identify and invest in attractive opportunities is dependent upon the Investment Manager and Sub-Advisers. If one or more key individuals leaves the Investment Manager or a Sub-Adviser, the Investment Manager or Sub-Adviser, as applicable, may not be able to hire qualified replacements, or may require an extended time to do so. This could prevent the Fund from achieving its investment objective.

Multi-Manager Risk

Fund performance is dependent upon the success of the Investment Manager and the Sub-Advisers in implementing the Fund's investment strategies in pursuit of its investment objective. To a significant extent, the Fund's performance will depend on the success of the Investment Manager's methodology in allocating the Fund's assets to the Sub-Advisers and its oversight of the Sub-Advisers. The Sub-Advisers may underperform the market generally or other sub-advisers that could have been selected for the Fund. The Sub-Advisers' investment styles may not always be complementary, which could adversely affect the performance of the Fund. Because each Sub-Adviser makes investment decisions independently, it is possible that one or more Sub-Advisers may, at any time, take positions that may be opposite of positions taken by other Sub-Advisers or the Investment Manager. In such cases, the Fund will incur brokerage and other transaction costs with little to no net investment results. The Sub-Advisers also may be competing with one another for similar positions at the same time, which could have the result of increasing a security's cost. The multi-manager approach could increase the Fund's portfolio turnover rates, which may result in higher levels of realized capital gains or losses with respect to the Fund's portfolio securities, and higher broker commissions and other transaction costs. The trading costs and tax consequences associated with portfolio turnover may adversely affect the Fund's performance.

Compensation Arrangements with the Underlying Managers

Underlying Managers of private Investment Funds may receive compensation based on the performance of their investments. Such compensation arrangements may create an incentive to make investments that are riskier or more speculative than would be the case if such arrangements were not in effect. In addition, because performance-based compensation is calculated on a basis that includes unrealized appreciation of a private Investment Fund's assets, such performance-based compensation may be greater than if such compensation were based solely on realized gains.

Financial Failure of Intermediaries

There is always the possibility that the institutions, including brokerage firms and banks, with which the Fund does business, or to which securities have been entrusted for custodial purposes, will encounter financial difficulties that may impair their operational capabilities or result in losses to the Fund.

Control Positions

Investment Funds, especially private Investment Funds, may take control positions in companies. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise and other types of liability related to business operations. In addition, the act of

taking a control position, or seeking to take such a position, may itself subject an Investment Fund to litigation by parties interested in blocking it from taking that position. If those liabilities were to arise, or such litigation were to be resolved in a manner adverse to the Investment Funds, the Investment Funds likely would suffer losses on their investments. Additionally, should an Investment Fund obtain such a position, such entity may be required to make filings concerning its holdings with the SEC and it may become subject to other regulatory restrictions that could limit the ability of such Investment Fund to dispose of its holdings at a preferable time and in a preferable manner. Violations of these regulatory requirements could subject the Investment Fund to significant liabilities.

Suspensions of Trading

Each exchange typically has the right to suspend or limit trading in all securities that it lists. Such a suspension could render it impossible for the Fund to liquidate its positions and thereby expose it to losses. In addition, there is no guarantee that non-exchange markets will remain liquid enough for the Fund to close out positions.

Cyber Security Risk

The Fund and its service providers may be prone to operational and information security risks resulting from breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause the Fund to lose proprietary information, suffer data corruption, or lose operational capacity. Breaches in cyber security include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information or various other forms of cyber-attacks. Cyber security breaches affecting the Fund, the Investment Manager, Sub-Advisers, financial intermediaries and other third-party service providers may adversely impact the Fund. For instance, cyber security breaches may interfere with the processing of Shareholder transactions, impact the Fund's ability to calculate its net asset value, cause the release of private Shareholder information or confidential business information, impede investment activities, subject the Fund to regulatory fines or financial losses and/or cause reputational damage. The Fund may also incur additional costs for cyber security risk management purposes.

BOARD OF TRUSTEES AND OFFICERS

The business operations of the Fund are managed and supervised under the direction of the Board, subject to the laws of the State of Delaware and the Fund's Agreement and Declaration of Trust. The Board has overall responsibility for the management and supervision of the business affairs of the Fund on behalf of its Shareholders, including the authority to establish policies regarding the management, conduct and operation of its business. The Board exercises the same powers, authority and responsibilities on behalf of the Fund as are customarily exercised by the board of directors of a registered investment company organized as a corporation. The officers of the Fund conduct and supervise the daily business operations of the Fund.

The members of the Board (each, a "Trustee") are not required to contribute to the capital of the Fund or to hold Shares. A majority of Trustees of the Board are not "interested persons" (as defined in the Investment Company Act) of the Fund (collectively, the "Independent Trustees"). Any Trustee who is not an Independent Trustee is an interested trustee ("Interested Trustee"). In December 2018, the Board voted to appoint Gary E. Shugrue as an advisory board member. As an advisory board member, Mr. Shugrue attends meetings of the Board and acts as a non-voting participant.

The identity of Trustees of the Board, the advisory board member and officers of the Fund, and their brief biographical information, including their addresses, their year of birth and descriptions of their principal occupations during the past five years is set forth below.

The Trustees serve on the Board for terms of indefinite duration. A Trustee's position in that capacity will terminate if the Trustee is removed or resigns or, among other events, upon the Trustee's death, incapacity, retirement or bankruptcy. A Trustee may resign upon written notice to the other Trustees of the Fund, and may be removed either by (i) the vote of at least two-thirds of the Trustees of the Fund not subject to the removal vote or (ii) the vote of Shareholders of the Fund holding not less than two-thirds of

the total number of votes eligible to be cast by all Shareholders of the Fund. In the event of any vacancy in the position of a Trustee, the remaining Trustees of the Fund may appoint an individual to serve as a Trustee so long as immediately after the appointment at least two-thirds of the Trustees of the Fund then serving have been elected by the Shareholders of the Fund. The Board may call a meeting of the Fund's Shareholders to fill any vacancy in the position of a Trustee of the Fund, and must do so if the Trustees who were elected by the Shareholders of the Fund cease to constitute a majority of the Trustees then serving on the Board.

INDEPENDENT TRUSTEES AND ADVISORY BOARD MEMBER

| <u>Name, Address and Year of Birth</u> | <u>Position(s) Held with the Fund</u> | <u>Length of Time Served</u> | <u>Principal Occupation(s) During Past 5 Years and Other Directorships Held by Trustee</u> | <u>Number of Portfolios in Fund Complex Overseen by Trustee</u> |
|---|---------------------------------------|------------------------------|--|---|
| David G. Lee Year of Birth: 1952 c/o UMB Fund Services, Inc. 235 W. Galena St. Milwaukee, WI 53212 | Trustee | Since Inception | President and Director, Client Opinions, Inc. (2003 – 2011); Chief Operating Officer, Brandywine Global Investment Management (1998 – 2002). | 6 |
| Robert Seyferth Year of Birth: 1952 c/o UMB Fund Services, Inc. 235 W. Galena St. Milwaukee, WI 53212 | Trustee | Since Inception | Chief Procurement Officer/ Senior Managing Director, Bear Stearns/JP Morgan Chase (1993 – 2009). | 6 |
| Gary E. Shugrue Year of Birth: 1954 c/o UMB Fund Services, Inc. 235 W. Galena St. Milwaukee, WI 53212 | Advisory Board Member | Since December 2018 | Managing Director, Veritable LP (2016-Present); Founder/ President, Ascendant Capital Partners, LP (2001 – 2015), Trustee, Quaker Investment Trust | 6 |

INTERESTED TRUSTEE AND OFFICERS

| <u>Name, Address and Year of Birth</u> | <u>Position(s) Held with the Fund</u> | <u>Length of Time Served</u> | <u>Principal Occupation(s) During Past 5 Years and Other Directorships Held by Trustee or Officer</u> | <u>Number of Portfolios in Fund Complex Overseen by Trustee or Officer</u> |
|--|---------------------------------------|------------------------------|--|--|
| Anthony Fischer* Year of Birth: 1959 c/o UMB Fund Services, Inc. 235 W. Galena St. Milwaukee, WI 53212 | Chairman and Trustee | Since Inception | Executive Director — National Sales of UMB Bank for Institutional Banking and Asset Servicing (2018); President of UMB Fund Services (2014 – 2018); Executive Vice President in charge of Business Development, UMB Fund Services (2013 – 2014); Senior Vice President in Business Development, UMB Fund Services (2008 – 2013). | 6 |

| <u>Name, Address and Year of Birth</u> | <u>Position(s) Held with the Fund</u> | <u>Length of Time Served</u> | <u>Principal Occupation(s) During Past 5 Years and Other Directorships Held by Trustee or Officer</u> | <u>Number of Portfolios in Fund Complex Overseen by Trustee or Officer</u> |
|---|---------------------------------------|------------------------------|---|--|
| Michael Peck Year of Birth: 1980 c/o UMB Fund Services, Inc. 235 W. Galena St. Milwaukee, WI 53212 | President | Since Inception | President, Co-Chief Investment Officer, and Portfolio Manager, Vivaldi Capital Management, LLC (2012 – present); Portfolio Manager, Coe Capital Management (2010 – 2011). | N/A |
| Chad Eisenberg Year of Birth: 1982 c/o UMB Fund Services, Inc. 235 W. Galena St. Milwaukee, WI 53212 | Treasurer | Since Inception | Chief Operating Officer, Vivaldi Capital Management LLC (2012 – present); Director, Coe Capital Management LLC (2010 – 2011). | N/A |
| Perpetua Seidenburg Year of Birth: 1990 c/o UMB Fund Services, Inc. 235 W. Galena St. Milwaukee, WI 53212 | Chief Compliance Officer | Since June 5, 2018 | Compliance Director, Vigilant Compliance, LLC (an investment management services company) from March 2014 – Present; Auditor, PricewaterhouseCoopers from September 2012 – March 2014. | N/A |
| Ann Maurer Year of Birth: 1972 c/o UMB Fund Services, Inc. 235 W. Galena St. Milwaukee, WI 53212 | Secretary | Since September 5, 2018 | Senior Vice President, Client Services (September 2017 – Present); Vice President, Senior Client Service Manager (January 2013 – September 2017), Assistant Vice President, Client Relations Manager (2002 – January 2013); UMB Fund Services, Inc. | N/A |

* Mr. Fischer is deemed an interested person of the Fund because of his prior affiliation with an affiliate of the Fund's Administrator.

The Board believes that each of the Trustees' experience, qualifications, attributes and skills on an individual basis and in combination with those of the other Trustees lead to the conclusion that each Trustee should serve in such capacity. Among the attributes common to all Trustees is the ability to review critically, evaluate, question and discuss information provided to them, to interact effectively with the other Trustees, the Investment Manager, the Sub-Advisers, the Fund's other service providers, counsel and the independent registered public accounting firm, and to exercise effective business judgment in the performance of their duties as Trustees. A Trustee's ability to perform his or her duties effectively may have been attained through the Trustee's business, consulting, and public service; experience as a board member of non-profit entities or other organizations; education or professional training; and/or other life experiences. In addition to these shared characteristics, set forth below is a brief discussion of the specific experience, qualifications, attributes or skills of each Trustee.

Anthony Fischer. Mr. Fischer has been a Trustee since the Fund's inception. Mr. Fischer has more than 25 years of experience in the financial services industry.

David G. Lee. Mr. Lee has been a Trustee since the Fund's inception. He has more than 25 years of experience in the financial services industry.

Robert Seyferth. Mr. Seyferth has been a Trustee since the Fund's inception. Mr. Seyferth has more than 30 years of business and accounting experience.

Specific details regarding each Trustee's principal occupations during the past five years are included in the table above.

The Board determined that Mr. Shugrue should serve as an advisory board member because he has more than 30 years of experience in the financial services industry.

Leadership Structure and Oversight Responsibilities

Overall responsibility for oversight of the Fund rests with the Board. The Fund has engaged the Investment Manager to manage the Fund on a day-to-day basis. The Board is responsible for overseeing the Investment Manager, Sub-Advisers and other service providers in the operations of the Fund in accordance with the provisions of the Investment Company Act, applicable provisions of state and other laws and the Fund's Agreement and Declaration of Trust. The Board is currently composed of three members, two of whom are Independent Trustees. The Board will meet in-person at regularly scheduled meetings four times each year. In addition, the Board may hold special in-person or telephonic meetings or informal conference calls to discuss specific matters that may arise or require action between regular meetings. The Independent Trustees have also engaged independent legal counsel to assist them in performing their oversight responsibility. The Independent Trustees will meet with their independent legal counsel in person prior to and during each quarterly in-person board meeting. As described below, the Board has established a Valuation Committee, an Audit Committee and a Nominating Committee, and may establish ad hoc committees or working groups from time to time to assist the Board in fulfilling its oversight responsibilities.

The Board has appointed Anthony Fischer, an Interested Trustee, to serve in the role of Chairman. The Chairman's role is to preside at all meetings of the Board and to act as liaison with the Investment Manager, Sub-Advisers, other service providers, counsel and other Trustees generally between meetings. The Chairman serves as a key point person for dealings between management and the Trustees. The Chairman may also perform such other functions as may be delegated by the Board from time to time. The Board has not appointed a lead independent trustee. The Board has determined that the Board's leadership structure is appropriate because it allows the Board to exercise informed and independent judgment over matters under its purview and it allocates areas of responsibility among committees of Trustees and the full Board in a manner that enhances effective oversight.

The Fund is subject to a number of risks, including investment, compliance, operational and valuation risks, among others. Risk oversight forms part of the Board's general oversight of the Fund and will be addressed as part of various Board and committee activities. Day-to-day risk management functions are subsumed within the responsibilities of the Investment Manager, Sub-Advisers and other service providers (depending on the nature of the risk), which carry out the Fund's investment management and business affairs. The Investment Manager, Sub-Advisers and other service providers employ a variety of processes, procedures and controls to identify various events or circumstances that give rise to risks, to lessen the probability of their occurrence and/or to mitigate the effects of such events or circumstances if they do occur. Each of the Investment Manager, the Sub-Advisers and other service providers has its own independent interests in risk management, and their policies and methods of risk management will depend on their functions and business models. The Board recognizes that it is not possible to identify all of the risks that may affect the Fund or to develop processes and controls to eliminate or mitigate their occurrence or effects. The Board will require senior officers of the Fund, including the President, Treasurer and Chief Compliance Officer ("CCO") and the Investment Manager, to report to the full Board on a variety of matters at regular and special meetings of the Board, including matters relating to risk management. The Board and the Audit Committee will receive regular reports from the Fund's independent registered public accounting firm on internal control and financial reporting matters. The Board will also receive reports from certain of the Fund's other primary service providers on a periodic or regular basis, including the Sub-Advisers and the Fund's custodian, distributor and administrator. The Board may, at any time and in its discretion, change the manner in which it conducts risk oversight.

Committees of the Board of Trustees

Audit Committee

The Board has formed an Audit Committee that is responsible for overseeing the Fund's accounting and financial reporting policies and practices, its internal controls, and, as appropriate, the internal controls of certain service providers; overseeing the quality and objectivity of the Fund's financial statements and

the independent audit of those financial statements; and acting as a liaison between the Fund's independent auditors and the full Board. In performing its responsibilities, the Audit Committee will select and recommend annually to the entire Board a firm of independent certified public accountants to audit the books and records of the Fund for the ensuing year, and will review with the firm the scope and results of each audit. The Audit Committee currently consists of each of the Fund's Independent Trustees. The Audit Committee held one meeting during the fiscal period ended March 31, 2018.

Nominating Committee

The Board has formed a Nominating Committee that is responsible for selecting and nominating persons to serve as Trustees of the Fund. The Nominating Committee is responsible for both nominating candidates to be appointed by the Board to fill vacancies and for nominating candidates to be presented to Shareholders for election. In performing its responsibilities, the Nominating Committee will consider candidates recommended by management of the Fund and by Shareholders and evaluate them both in a similar manner, as long as the recommendation submitted by a Shareholder includes at a minimum: the name, address and telephone number of the recommending Shareholder and information concerning the Shareholder's interests in the Fund in sufficient detail to establish that the Shareholder held Shares on the relevant record date; and the name, address and telephone number of the recommended nominee and information concerning the recommended nominee's education, professional experience, and other information that might assist the Nominating Committee in evaluating the recommended nominee's qualifications to serve as a trustee. The Nominating Committee may solicit candidates to serve as trustees from any source it deems appropriate. With the Board's prior approval, the Nominating Committee may employ and compensate counsel, consultants or advisers to assist it in discharging its responsibilities. The Nominating Committee currently consists of each of the Fund's Independent Trustees. The Nominating Committee did not hold any meetings during the fiscal period ended March 31, 2018.

Valuation Committee

The Board has formed a Valuation Committee that is responsible for reviewing fair valuations of securities held by the Fund in instances as required by the valuation procedures adopted by the Board and is responsible for carrying out the provisions of its charter. The Valuation Committee currently consists of each of the Fund's Trustees. The Valuation Committee did not hold any meetings during the fiscal period ended March 31, 2018.

Trustee Ownership of Securities

As of March 31, 2018, none of the Trustees owned Shares of the Fund.

Independent Trustee Ownership of Securities

As of March 31, 2018, none of the Independent Trustees (or their immediate family members) owned securities of the Investment Manager or any Sub-Adviser, or of an entity (other than a registered investment company) controlling, controlled by or under common control with the Investment Manager or any Sub-Adviser.

Trustee Compensation

In consideration of the services rendered by the Independent Trustees, the Fund will pay each Independent Trustee a retainer of \$10,000 per year. Trustees that are interested persons will be compensated by the Fund's administrator and/or its affiliates and will not be separately compensated by the Fund. Mr. Shugrue does not receive any compensation from the Fund for his services as an advisory board member.

CODES OF ETHICS

The Fund, the Investment Manager and the Sub-Advisers have each adopted a code of ethics pursuant to Rule 17j-1 of the Investment Company Act, which is designed to prevent affiliated persons of the Fund, the Investment Manager and the Sub-Advisers from engaging in deceptive, manipulative, or fraudulent

activities in connection with securities held or to be acquired by the Fund. The codes of ethics permit persons subject to them to invest in securities, including securities that may be held or purchased by the Fund, subject to a number of restrictions and controls. Compliance with the codes of ethics is carefully monitored and enforced.

The codes of ethics are included as exhibits to the Fund's registration statement filed with the SEC and can be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-202-551-8090. The codes of ethics are available on the EDGAR database on the SEC's Internet site at <https://www.sec.gov>, and may also be obtained after paying a duplicating fee, by electronic request at the following E-mail address: publicinfo@sec.gov, or by writing the SEC's Public Reference Section, Washington, DC 20549-0102.

INVESTMENT MANAGEMENT AND OTHER SERVICES

The Investment Manager

Vivaldi Asset Management, LLC (the "Investment Manager"), serves as the investment advisor to the Fund. The Investment Manager is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended. Subject to the general supervision of the Board, and in accordance with the investment objective, policies, and restrictions of the Fund, the Investment Manager is responsible for the management and operation of the Fund and the investment of the Fund's assets. The Investment Manager provides such services to the Fund pursuant to the Amended and Restated Investment Management Agreement (the "Investment Management Agreement").

The Investment Management Agreement became effective as of March 9, 2019 and will continue in effect for an initial two-year term. Thereafter, the Investment Management Agreement will continue in effect from year to year provided such continuance is specifically approved at least annually by (i) the vote of a majority of the outstanding voting securities of the Fund or a majority of the Board, and (ii) the vote of a majority of the Independent Trustees of the Fund, cast in person at a meeting called for the purpose of voting on such approval. A discussion regarding the basis for the Board's approval of the Investment Management Agreement will be available in the Fund's March 31, 2019 annual report to Shareholders.

Pursuant to the Investment Management Agreement, the Fund pays the Investment Manager a monthly Investment Management Fee equal to 0.50% on an annualized basis of the Fund's NAV as of each month-end, subject to certain adjustments. The Investment Management Fee will be paid to the Investment Manager before giving effect to any repurchase of Shares in the Fund effective as of that date, and will decrease the net profits or increase the net losses of the Fund that are credited to its Shareholders. NAV means the total value of all assets of the Fund, less an amount equal to all accrued debts, liabilities and obligations of the Fund; provided that for purposes of determining the Investment Management Fee payable to the Investment Manager for any month, NAV will be calculated prior to any reduction for any fees and expenses of the Fund for that month, including, without limitation, the Investment Management Fee payable to the Investment Manager for that month. The Investment Management Fee will be computed as of the last day of each month, and will be due and payable in arrears within thirty-five (35) business days after the end of the month.

The Investment Manager has entered into an amended and restated expense limitation and reimbursement agreement (the "Expense Limitation and Reimbursement Agreement") with the Fund, whereby the Investment Manager has agreed to waive fees that it would otherwise have been paid, and/or to assume expenses of the Fund (a "Waiver"), if required to ensure the Total Annual Expenses (excluding any taxes, leverage interest, brokerage commissions, dividend and interest expenses on short sales, acquired fund fees and expenses (as determined in accordance with SEC Form N-2), expenses incurred in connection with any merger or reorganization, and extraordinary expenses, such as litigation expenses) do not exceed 1.95% and 0.95% of the average daily net assets of Advisor Class Shares and CIA Class Shares, respectively (the "Expense Limit"). Because taxes, leverage interest, brokerage commissions, dividend and interest expenses on short sales, acquired fund fees and expenses, expenses incurred in connection with any merger or reorganization, and extraordinary expenses are excluded from the Expense Limit, Total Annual Expenses (after fee waivers and expense reimbursements) are expected to exceed 1.95% and 0.95% for the Advisor Class Shares and CIA Class Shares, respectively. For a period not to exceed three years from the date on

which a Waiver is made, the Investment Manager may recoup amounts waived or assumed, provided it is able to effect such recoupment and remain in compliance with the Expense Limit. The Expense Limitation and Reimbursement Agreement has a term which ends on August 1, 2020. The Expense Limitation and Reimbursement Agreement will automatically renew for consecutive one-year terms thereafter. After August 1, 2020, either the Fund or the Investment Manager may terminate the Expense Limitation and Reimbursement Agreement upon 30 days' written notice.

The Sub-Advisers

Each Sub-Adviser selected by the Investment Manager, subject to Shareholder approval, will be primarily responsible for its investment strategy and the day-to-day management of the Fund's assets allocated to it by the Investment Manager. Founded in 2000, RiverNorth Capital Management, LLC ("RiverNorth") is located at 325 N. LaSalle Street, Suite 645, Chicago, Illinois 60654. RiverNorth is registered with the SEC as an investment adviser and manages, as of May 31, 2018, approximately \$3.47 billion for individuals and institutions, including limited partnerships, mutual funds and employee benefit plans. Founded in 2009, Angel Oak Capital Advisors, LLC ("Angel Oak") is located at 3060 Peachtree Road NW, Suite 500, Atlanta, Georgia 30305. Angel Oak is registered with the SEC as an investment adviser and manages, as of May 31, 2018, approximately \$8.9 billion for individuals, banking or thrift institutions, investment companies, pooled investment vehicles and charitable organizations.

Pursuant to separate sub-advisory agreements among the Fund, the Investment Manager and each of RiverNorth and Angel Oak, (each, a "Sub-Advisory Agreement"), the Investment Manager will pay RiverNorth a monthly advisory fee with respect to the portion of the Fund's assets managed by RiverNorth equal to 1.00% of such sub-advised assets' average daily net assets, and the Investment Manager will pay Angel Oak a monthly advisory fee with respect to the portion of the Fund's assets managed by Angel Oak equal to 0.80% of such sub-advised assets' average daily net assets. The Sub-Adviser's fee is paid by the Investment Manager out of the Investment Manager's management fee. Each Sub-Advisory Agreement may be terminated without the payment of any penalty by the Investment Manager, the Board, or a majority of the outstanding voting securities of the Fund (as defined in the 1940 Act), upon sixty (60) days' written notice to the Sub-Adviser.

All fees and expenses are accrued daily and deducted before payment of dividends to investors. Each Sub-Advisory Agreement has been approved by the Board, including a majority of the Independent Trustees, and the initial shareholder of the Fund. Information regarding the Board's approval of each Sub-Advisory Agreement will be available in the Fund's semi-annual report to shareholders for the fiscal period ended September 30, 2019.

For the fiscal period ended March 31, 2018, the Fund paid the Advisers management fees (after waivers and reimbursements) and the Advisers waived management fees and reimbursed expenses, as follows:

| | <u>Management Fees</u> | <u>Waivers</u> | <u>Reimbursements</u> | <u>Management Fees Paid (After Waivers and Reimbursements)</u> |
|------------------------------|------------------------|----------------|-----------------------|--|
| Investment Manager | 99,340 | 375,201 | None | (275,861) |
| Sub-Adviser | 27,176 | N/A | N/A | 27,176 |

The Portfolio Managers

The personnel of the Investment Manager and the Sub-Advisers who will initially have primary responsibility for the day-to-day management of the Fund's portfolio (the "Portfolio Managers") are Michael Peck, Scott Hergott, Brian Murphy, Kyle Mowery, Jeff O'Brien, Daniel Lancz, Patrick Galley, Stephen O'Neill, Sam Dunlap, Berkin Kologlu and Sreeni Prabhu.

Other Accounts Managed by the Portfolio Managers⁽¹⁾

| | <u>Type of Accounts</u> | <u>Total # of Accounts Managed</u> | <u>Total Assets</u> | <u># of Accounts Managed that Advisory Fee Based on Performance</u> | <u>Total Assets that Advisory Fee Based on Performance</u> |
|-----------------------------|-----------------------------------|--|---------------------|---|--|
| 1. Michael Peck | Registered Investment Companies: | 0 | \$ 0 | 2 | \$166,000,000 |
| | Other Pooled Investment Vehicles: | 0 | \$ 0 | 0 | \$ 0 |
| | Other Accounts: | 0 | \$ 0 | 0 | \$ 0 |
| 2. Scott Hergott | Registered Investment Companies: | 0 | \$ 0 | 2 | \$166,000,000 |
| | Other Pooled Investment Vehicles: | 0 | \$ 0 | 0 | \$ 0 |
| | Other Accounts: | 0 | \$ 0 | 0 | \$ 0 |
| 3. Brian Murphy | Registered Investment Companies: | 0 | \$ 0 | 2 | \$166,000,000 |
| | Other Pooled Investment Vehicles: | 0 | \$ 0 | 0 | \$ 0 |
| | Other Accounts: | 0 | \$ 0 | 0 | \$ 0 |
| 4. Kyle Mowery | Registered Investment Companies: | 0 | \$ 0 | 3 | \$212,576,000 |
| | Other Pooled Investment Vehicles: | 1 | \$ 77,500,000 | 0 | \$ 0 |
| | Other Accounts: | 0 | \$ 0 | 0 | \$ 0 |
| 5. Jeff O'Brien | Registered Investment Companies: | 0 | \$ 0 | 3 | \$622,000,000 |
| | Other Pooled Investment Vehicles: | 2 | \$ 18,000,000 | 0 | \$ 0 |
| | Other Accounts: | 0 | \$ 0 | 0 | \$ 0 |
| 6. Daniel Lancz | Registered Investment Companies: | 0 | \$ 0 | 3 | \$622,000,000 |
| | Other Pooled Investment Vehicles: | 2 | \$ 18,000,000 | 0 | \$ 0 |
| | Other Accounts: | 0 | \$ 0 | 0 | \$ 0 |
| 7. Patrick Galley | Registered Investment Companies: | 9 | \$ 3.1096 | 0 | \$ 0 |
| | Other Pooled Investment Vehicles: | 0 | \$ 0 | 3 | \$320,000,000 |
| | Other Accounts: | 0 | \$ 0 | 2 | \$ 36,000,000 |

| | Type of Accounts | Total # of Accounts Managed | Total Assets | # of Accounts Managed that Advisory Fee Based on Performance | Total Assets that Advisory Fee Based on Performance |
|------------------------------|-----------------------------------|--------------------------------------|-----------------|---|--|
| 8. Stephen O'Neill | Registered Investment Companies: | 8 | \$ 2.7866 | 0 | \$ 0 |
| | Other Pooled Investment Vehicles: | 0 | \$ 0 | 2 | \$287,000,000 |
| | Other Accounts: | 0 | \$ 0 | 2 | \$ 36,000,000 |
| 9. Sam Dunlap | Registered Investment Companies: | 2 | \$6,801,632,838 | 0 | \$ 0 |
| | Other Pooled Investment Vehicles: | 2 | \$1,004,098,971 | 1 | \$135,935,497 |
| | Other Accounts: | 7 | \$ 378,506,861 | 0 | \$ 0 |
| 10. Berkin Kologlu | Registered Investment Companies: | 5 | \$6,878,885,482 | 0 | \$ 0 |
| | Other Pooled Investment Vehicles: | 2 | \$1,004,098,971 | 1 | \$135,935,497 |
| | Other Accounts: | 5 | \$ 373,126,301 | 0 | \$ 0 |
| 11. Sreeni Prabhu | Registered Investment Companies: | 7 | \$7,066,366,830 | 0 | \$ 0 |
| | Other Pooled Investment Vehicles: | 3 | \$1,321,655,238 | 2 | \$453,491,764 |
| | Other Accounts: | 0 | \$ 0 | 0 | \$ 0 |

(1) As of May 31, 2018.

Conflicts of Interest

The Investment Manager, Sub-Advisers and Portfolio Managers may manage multiple funds and/or other accounts, and as a result may be presented with one or more of the following actual or potential conflicts:

The management of multiple funds and/or other accounts may result in the Investment Manager, a Sub-Adviser or Portfolio Manager devoting unequal time and attention to the management of each fund and/or other account. The Investment Manager seeks to manage such competing interests for the time and attention of a Portfolio Manager by having the Portfolio Manager focus on a particular investment discipline. Most other accounts managed by a Portfolio Manager are managed using the same investment models that are used in connection with the management of the Fund.

If the Investment Manager, a Sub-Adviser or Portfolio Manager identifies a limited investment opportunity which may be suitable for more than one fund or other account, a fund may not be able to take full advantage of that opportunity due to an allocation of filled purchase or sale orders across all eligible funds and other accounts. To deal with these situations, the Investment Manager and Sub-Advisers have adopted procedures for allocating portfolio transactions across multiple accounts.

The Investment Manager and Sub-Advisers have adopted certain compliance procedures which are designed to address these types of conflicts. However, there is no guarantee that such procedures will detect each and every situation in which a conflict arises.

Compensation of the Portfolio Managers

Total compensation paid to Messrs. Peck, Hergott, Murphy, Mowery, O'Brien and Lancz includes a base salary fixed from year to year and a variable performance bonus consisting of cash incentives.

The amounts paid to the Portfolio Managers are based on a percentage of the fees earned by the Investment Manager from managing the Fund and other investment accounts. The performance bonus reflects individual performance and the performance of the Investment Manager's business as a whole. These individuals will also participate in a 401K program and receive medical/dental insurance benefits on the same basis as other employees of the Investment Manager.

Mr. Galley's and Mr. O'Neill's total compensation includes a base salary fixed from year to year and a variable performance bonus consisting of cash incentives. The amounts paid to Mr. Galley and Mr. O'Neill are based on a percentage of the fees earned by RiverNorth from sub-advising the Fund and managing other investment accounts. The performance bonus reflects individual performance of the funds managed by the portfolio managers and the performance of RiverNorth's business as a whole. Mr. Galley and Mr. O'Neill also participate in a 401K program on the same basis as other officers of RiverNorth.

A competitive base salary and a performance-based bonus (paid in April each year) structure are in place for all asset management team members of Angel Oak. Portfolio managers, analysts, and other associates are paid a competitive base salary and discretionary bonus based on their fiduciary investment responsibilities, performance of the individual and firm. The discretionary bonus structure gives Angel Oak the ability to remain competitive under current market conditions affecting compensation across the industry.

The compensation structure of key investment professionals is structured to incent long-term client retention and client service. Employees are permitted to invest in Angel Oak funds and have the ability to invest in the private funds at NAV without management fees or incentive fees.

Portfolio Managers' Ownership of Shares

| <u>Name of Portfolio Manager:</u> | <u>Dollar Range of Shares Beneficially Owned by Portfolio Manager⁽¹⁾:</u> |
|-----------------------------------|--|
| Michael Peck | None |
| Scott Hergott | \$10,001 – \$50,000 |
| Brian Murphy | \$1 – \$10,000 |
| Kyle Mowery | None |
| Jeff O'Brien | None |
| Daniel Lancz | None |
| Patrick Galley | None |
| Stephen O'Neill | None |
| Sam Dunlap | None |
| Berkin Kologlu | None |
| Sreeni Prabhu | None |

(1) As of November 30, 2018.

BROKERAGE

The Fund does not expect to use one particular broker or dealer. It is the Fund's policy to obtain the best results in connection with effecting its portfolio transactions, taking into account factors such as price, size of order, difficulty of execution and operational facilities of a brokerage firm and the firm's risk in positioning a block of securities. Generally, equity securities are bought and sold through brokerage transactions for which commissions are payable. Purchases from underwriters will include the underwriting commission or concession, and purchases from dealers serving as market makers will include a dealer's mark-up or reflect a dealer's mark-down. Money market securities and other debt securities are usually bought and sold directly from the issuer or an underwriter or market maker for the securities. Generally, the Fund will not pay brokerage commissions for such purchases. When a debt security is bought from an underwriter, the purchase price will usually include an underwriting commission or concession. The

purchase price for securities bought from dealers serving as market makers will similarly include the dealer's mark up or reflect a dealer's mark down. When the Fund executes transactions in the over-the-counter market, it will generally deal with primary market makers unless prices that are more favorable are otherwise obtainable.

In addition, the Investment Manager or a Sub-Adviser may place a combined order for two or more accounts it manages, including the Fund, that are engaged in the purchase or sale of the same security if, in its judgment, joint execution is in the best interest of each participant and will result in best price and execution. Transactions involving commingled orders are allocated in a manner deemed equitable to each account or fund. Although it is recognized that, in some cases, the joint execution of orders could adversely affect the price or volume of the security that a particular account or the Fund may obtain, it is the opinion of the Investment Manager that the advantages of combined orders outweigh the possible disadvantages of separate transactions. The Investment Manager believes that the ability of the Fund to participate in higher volume transactions will generally be beneficial to the Fund.

The Investment Manager or a Sub-Adviser may pay a higher commission than otherwise obtainable from other brokers in return for brokerage or research services only if a good faith determination is made that the commission is reasonable in relation to the services provided.

While it is the Fund's general policy to seek to obtain the most favorable price and execution available in selecting a broker-dealer to execute portfolio transactions for the Fund, weight is also given to the ability of a broker-dealer to furnish brokerage and research services as defined in Section 28(e) of the Securities Exchange Act of 1934, as amended, to the Fund or to the Investment Manager or a Sub-Adviser, even if the specific services are not directly useful to the Fund and may be useful to the Investment Manager or the Sub-Adviser in advising other clients. When one or more brokers is believed capable of providing the best combination of price and execution, the Investment Manager or a Sub-Adviser may select a broker based upon brokerage or research services provided to the Investment Manager or the Sub-Adviser. In negotiating commissions with a broker or evaluating the spread to be paid to a dealer, the Fund may therefore pay a higher commission or spread than would be the case if no weight were given to the furnishing of these supplemental services, provided that the amount of such commission or spread has been determined in good faith by the Investment Manager or a Sub-Adviser to be reasonable in relation to the value of the brokerage and/or research services provided by such broker-dealer. The standard of reasonableness is to be measured in light of the Investment Manager's or a Sub-Adviser's overall responsibilities to the Fund.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM; LEGAL COUNSEL

Grant Thornton LLP of 171 N. Clark Street, Suite 200, Chicago, Illinois 60601-3370, has been selected as the independent registered public accountant for the Fund and in such capacity will audit the Fund's annual financial statements and financial highlights.

Drinker Biddle & Reath LLP, One Logan Square, Suite 2000, Philadelphia, PA 19103-6996, serves as counsel to the Fund and the Independent Trustees.

CUSTODIAN

UMB Bank, N.A. (the "Custodian"), serves as the primary custodian of the assets of the Fund, and may maintain custody of such assets with U.S. and non-U.S. subcustodians (which may be banks, trust companies, securities depositories and clearing agencies) in accordance with the requirements of Section 17(f) of the Investment Company Act. Assets of the Fund are not held by the Investment Manager or the Sub-Advisers, or commingled with the assets of other accounts other than to the extent that securities are held in the name of the Custodian or U.S. or non-U.S. subcustodians in a securities depository, clearing agency or omnibus customer account of such custodian. The Custodian's principal business address is 1010 Grand Blvd., Kansas City, MO 64106. The Custodian is an affiliate of UMB Fund Services, Inc., which serves as the Fund's administrator.

DISTRIBUTOR

Foreside Fund Services, LLC, (the "Distributor") is the distributor of Shares and is located at Three Canal Plaza, Suite 100, Portland, Maine 04101. The Distributor is a registered broker-dealer and is a member of the Financial Industry Regulatory Authority, Inc. Pursuant to the Distribution Agreement, the

Distributor acts as the agent of the Fund in connection with the continuous offering of Shares of the Fund. The Distributor continually distributes Shares of the Fund on a best efforts basis. The Distributor has no obligation to sell any specific quantity of Shares. The Distributor and its officers have no role in determining the investment policies of the Fund.

PROXY VOTING POLICIES AND PROCEDURES

The Board has delegated responsibility for decisions regarding proxy voting for securities held by the Fund to the Investment Manager and the Sub-Advisers. The Investment Manager and Sub-Advisers will each vote such proxies in accordance with its respective proxy policies and procedures. Copies of the Investment Manager's, RiverNorth's and Angel Oak's proxy policies and procedures are included as Appendix A to this SAI. The Board will periodically review the Fund's proxy voting record.

The Fund will be required to file Form N-PX, with its complete proxy voting record for the twelve months ended June 30, no later than August 31 of each year. The Fund's Form N-PX filing will be available: (i) without charge, upon request, by calling the Fund at 1.877.779.1999 or (ii) by visiting the SEC's website at www.sec.gov.

The majority of securities traded by Angel Oak do not involve proxy voting. In the event a proxy is received, Angel Oak will vote all proxies in the best interests of advisory clients and has established procedures to identify and resolve any conflicts of interest of the adviser and client. Unless instructed differently by the client, Angel Oak will generally vote in favor of routine corporate proposals such as election of directors or selection of auditors. Angel Oak will generally vote against proposals such as those that cause board members to become entrenched or cause unequal voting rights. In reviewing proposals, Angel Oak will consider the opinion of management and the effect on shareholder value and the issuer's business practices. If a material conflict of interest exists, Angel Oak will disclose the conflict to the affected client to give the client an opportunity to vote the proxies themselves, or to vote through other objective means such as voting in a manner consistent with an independent third party voting recommendation.

CONTROL PERSONS AND PRINCIPAL SHAREHOLDERS

As of May 31, 2018, there were no record or beneficial owners of 5% or more of the Fund or any Share class.

FINANCIAL STATEMENTS

Appendix B to this SAI provides financial information regarding the Fund. The Fund's financial statements for the fiscal year ended March 31, 2018 have been audited by Grant Thornton LLP. The financial statements for the semi-annual period ended September 30, 2018 have not been audited.

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APPENDIX A — PROXY VOTING POLICIES AND PROCEDURES

VIVALDI ASSET MANAGEMENT, LLC PROXY POLICY AND PROCEDURE JANUARY 2018

INTRODUCTION

Vivaldi Asset Management, LLC (“Vivaldi”) acts as either the advisor or sub-advisor to a number of registered investment companies (the “Funds”). In accord with Rule 206(4)-6 of the Investment Advisers Act of 1940, as amended, Vivaldi has adopted the following policies and procedures to provide information on Vivaldi’s proxy policy generally as well as on procedures for each of the Funds specifically (the “Proxy Policy and Procedure”). These policies and procedures apply only to Vivaldi. Investment managers engaged as sub-advisors for one of the Funds are required to vote proxies in accord with their own policies and procedures and any applicable management agreements.

GENERAL GUIDELINES

Vivaldi’s Proxy Policy and Procedure is designed to ensure that proxies are voted in a manner (i) reasonably believed to be in the best interests of the Funds and their shareholders¹ and (ii) not affected by any material conflict of interest. Vivaldi considers shareholders’ best economic interests over the long term (i.e. addresses the common interest of all shareholders over time). Although shareholders may have differing political or social interests or values, their economic interest is generally uniform.

Vivaldi has adopted voting guidelines to assist in making voting decisions on common issues. The guidelines are designed to address those securities in which the Funds generally invest and may be revised in Vivaldi’s discretion. Any non-routine matters not addressed by the proxy voting guidelines are addressed on a case-by-case basis, taking into account all relevant facts and circumstances at the time of the vote, particularly where such matters have a potential for major economic impact on the issuer’s structure or operations. In making voting determinations, Vivaldi typically will rely on the individual portfolio managers who invest in and track particular companies as they are the most knowledgeable about, and best suited to make decisions regarding, particular proxy matters. In addition, Vivaldi may conduct research internally and/or use the resources of an independent research consultant. Vivaldi may also consider other materials such as studies of corporate governance and/or analyses of shareholder and management proposals by a certain sector of companies and may engage in dialogue with an issuer’s management.

Vivaldi acknowledges its responsibility to identify material conflicts of interest related to voting proxies. Vivaldi’s employees are required to disclose to the Chief Compliance Officer any personal conflicts, such as officer or director positions held by them, their spouses or close relatives, in any publicly traded company. Conflicts based on business relationships with Vivaldi, any affiliate or any person associated with Vivaldi will be considered only to the extent that Vivaldi has actual knowledge of such relationships. Vivaldi then takes appropriate steps to address identified conflicts. Typically, in those instances when a proxy vote may present a conflict between the interests of the Fund, on the one hand, and Vivaldi’s interests or the interests of a person affiliated with Vivaldi on the other, Vivaldi will abstain from making a voting decision and will document the decision and reasoning for doing so.

In some cases, the cost of voting a proxy may outweigh the expected benefits. For example, casting a vote on a foreign security may involve additional costs such as hiring a translator or traveling to the foreign country to vote the security in person. Vivaldi may abstain from voting a proxy if the effect on shareholders’ economic interests or the value of the portfolio holding is indeterminable or insignificant.

In certain cases, securities on loan as part of a securities lending program may not be voted. Nothing in the proxy voting policies shall obligate Vivaldi to exercise voting rights with respect to a portfolio security if it is prohibited by the terms of the security or by applicable law or otherwise.

¹ Actions taken in accord with the best interests of the Funds and their shareholders are those which align most closely with the Funds’ stated investment objectives and strategies.

Vivaldi will not discuss with members of the public how they intend to vote on any particular proxy proposal.

SPECIAL CONSIDERATIONS

The Funds are subject to the restrictions of Sections 12(d)(1)(A) and (B) of the Investment Company Act of 1940. Generally, these provisions require that any fund and any entity controlled by that fund (including ETFs that are registered investment companies), in the aggregate, (i) may not own more than three percent (3%) of the total outstanding voting securities of any registered open-end or closed-end investment company, including money market funds; (ii) may not own an amount greater than 5% of the fund's total assets in the securities of any investment company; and (iii) may invest more than 10% of its total assets in the securities of other investment companies.² Section 12(d)(1)(F) of the Act provides that the Section 12(d)(1) limitations do not apply to the securities acquired by a fund if (i) immediately after the purchase or acquisition of not more than 3% of the total outstanding stock of such registered investment company is owned by the fund and all affiliated persons of the fund, and (ii) the fund is not proposing to offer or sell any security issued by it through a principal underwriter or otherwise at a public or offering price which includes a sales load of more than one and a half percent (1.5%). In the event that one of Funds relies upon Section 12(d)(1)(F), VAM, acting on behalf of the Fund, will, when voting with respect to any investment company owned by the Fund, comply with either of the following voting restrictions:

Seek instruction from the Fund's shareholders with regard to the voting of all proxies and vote in accordance with such instructions, or

Vote the shares held by the Fund in the same proportion as the vote of all other holders of such security.

ISS PROXYEDGE

Vivaldi has entered into a contractual relationship with Institutional Shareholder Services Inc. ("ISS") through which ISS provides certain proxy management services to Vivaldi's portfolio management teams. Specifically, ISS (i) provides access to the ISS ProxyExchange web-based voting and research platform to access vote recommendations, research reports, execute vote instructions and run reports relevant to Subscriber's proxy voting environment; (ii) implements and maps Vivaldi's designated proxy voting policies to applicable accounts and generates vote recommendations based on the application of such policies; and (iii) monitors Vivaldi's incoming ballots, performs ballot-to-account reconciliations with Vivaldi and its third party providers to help ensure that ISS is receiving all ballots for which Vivaldi has voting rights.

ISS provides two options for how proxy ballots are executed:

1. Implied Consent: ISS executes ballots on Vivaldi's behalf based on policy guidelines chosen at the time Vivaldi entered into the relationship with ISS.
2. Mandatory Signoff: ISS is not permitted to mark or process any ballot on Vivaldi's behalf without first receiving Vivaldi's specific voting instructions via ProxyExchange.

Vivaldi has opted for Option 1. Implied Consent and in so doing has chosen to allow ISS to vote proxies on its behalf "with management's recommendations." Vivaldi has the option however to change its vote from the "with management's recommendations" default at any point prior to the voting deadline if the portfolio managers following the subject company determine it is in the best interests of the Funds and their shareholders to do so. In those instances when the subject company's management has not provided a voting recommendation, Vivaldi will either vote based on its own determination of what would align most closely with the best interests of the Funds and their shareholders or will opt to allow ISS to submit an "abstain" vote on its behalf. In addition, in those limited instances when share blocking³ may apply, Vivaldi has instructed ISS not to cast a vote on Vivaldi's behalf unless Vivaldi provides specific instructions via ProxyExchange.

² The three percent (3%) limit is measured at the time of investment.

³ Proxy voting in certain countries requires share blocking. Shareholders wishing to vote their proxies must deposit their shares shortly before the meeting date with a designated depository. During this blocking period, any shares held by the designated depository cannot be sold until the meeting has taken place and the shares have been returned to Vivaldi's custodian banks. Vivaldi generally opts not to participate in share blocking proxies given these restrictions on their ability to trade.

FUND-SPECIFIC POLICIES AND PROCEDURES

Infinity Core Alternative Fund (“ICAF”)

ICAF is a “fund of funds” that invests primarily in general or limited partnerships, funds, corporations, trusts or other investment vehicles (collectively, “Investment Funds”). While it is unlikely that ICAF will receive notices or proxies from Investment Funds (or in connection with any other portfolio securities), to the extent that ICAF does receive such notices or proxies and ICAF has voting interests in such Investment Funds, the responsibility for decisions regarding proxy voting for securities held by ICAF lies with Vivaldi as ICAF’s advisor. Vivaldi will vote such proxies in accordance with the proxy policies and procedures noted above.

ICAF will be required to file Form N-PX with its complete proxy voting record for the twelve months ended June 30th, no later than August 31st of each year. The Fund’s Form N PX filing will be available: (i) without charge, upon request, by calling 1.877.779.1999 or (ii) by visiting the SEC’s website at www.sec.gov.

All Other Funds

With the exception of the Vivaldi Merger Arbitrage Fund, the Funds for which Vivaldi is presently either an advisor or a sub-advisor are managed by multiple internal and external portfolio management teams. As is noted above, the policies and procedures outlined within this Proxy Policy and Procedure apply to those securities being held in that portion of the Funds’ portfolios managed by a Vivaldi portfolio manager only.

Each Fund will be required to file Form N-PX annually, with its complete proxy voting record for the twelve months immediately prior to the Fund’s year-end, no later than sixty (60) days following the Fund’s year-end. The Fund’s Form N-PX filing will be available: (i) without charge, upon request, from the Fund’s administrator or (ii) by visiting the SEC’s website at www.sec.gov.

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APPENDIX B — FINANCIAL STATEMENTS

THE RELATIVE VALUE FUND

(A Delaware Statutory Trust)

Financial Statements

For the period from June 12, 2017 (commencement of operations) to March 31, 2018

THE RELATIVE VALUE FUND

(A Delaware Statutory Trust)

For the period from June 12, 2017 (commencement of operations) to March 31, 2018

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Trustees and Shareholders
The Relative Value Fund

Opinion on the financial statements

We have audited the accompanying statement of assets and liabilities of The Relative Value Fund (the Fund), including the schedule of investments, as of March 31, 2018, the related statements of operations, changes in net assets, cash flows, and financial highlights for the period from June 12, 2017 (commencement of operations) to March 31, 2018, 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 Fund as of March 31, 2018, and the results of its operations, its cash flows and its financial highlights for the period from June 12, 2017 (commencement of operations) to March 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

Basis for opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audit. 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 Fund 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 audit 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 Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit 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 Fund's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit 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 supporting the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of March 31, 2018, by correspondence with the custodians and brokers, or by other appropriate auditing procedures where replies from brokers were not received. We believe that our audit provides a reasonable basis for our opinion.

/s/ GRANT THORNTON LLP

We have served as the Fund's auditor since 2017.

Chicago, Illinois
May 30, 2018

The Relative Value Fund

SCHEDULE OF INVESTMENTS

As of March 31, 2018

| Number of Shares | | Value |
|---------------------------------|---|----------|
| CLOSED-END FUNDS – 25.3% | | |
| 254 | Aberdeen Chile Fund, Inc. | \$ 2,295 |
| 204 | Aberdeen Indonesia Fund, Inc. | 1,487 |
| 3,520 | Advent Claymore Convertible Securities and Income Fund ¹ | 53,082 |
| 4,804 | Advent Claymore Enhanced Growth & Income Fund ¹ | 38,048 |
| 8,479 | AllianzGI Convertible & Income 2024 Target | 78,261 |
| 5,126 | AllianzGI NFJ Dividend Interest & Premium Strategy Fund | 65,100 |
| 19,735 | Alpine Total Dynamic Dividend Fund ¹ | 176,431 |
| 3,318 | American Capital Senior Floating Ltd. | 36,996 |
| 6,352 | BrandyWineGLOBAL Global Income Opportunities Fund, Inc. | 81,877 |
| 2,960 | Clough Global Equity Fund ¹ | 38,924 |
| 18,330 | Clough Global Opportunities Fund ¹ | 196,131 |
| 14 | Cornerstone Strategic Value Fund, Inc. | 211 |
| 1,169 | Corporate Capital Trust, Inc. | 19,756 |
| 11,728 | Delaware Enhanced Global Dividend & Income Fund ¹ | 135,693 |
| 8,386 | Delaware Investments Dividend & Income Fund, Inc. | 88,472 |
| 5,747 | Eagle Growth & Income Opportunities Fund | 86,262 |
| 1,830 | Eaton Vance Floating-Rate 2022 Target Term Trust | 17,056 |
| 10,338 | First Trust Senior Floating Rate 2022 Target Term Fund | 96,764 |
| 1,502 | FS Investment Corp. | 10,889 |
| 2,710 | Gabelli Equity Trust, Inc. | 16,585 |
| 13,013 | Garrison Capital, Inc. ¹ | 105,665 |
| 11,039 | Highland Floating Rate Opportunities Fund ¹ | 176,514 |
| 9,187 | Invesco High Income Trust II | 127,424 |
| 14,290 | Invesco Senior Income Trust | 62,876 |
| 5,464 | Kayne Anderson MLP Investment Co. | 89,992 |
| 2,890 | Lazard World Dividend & Income Fund, Inc. | 33,235 |
| 3,538 | Liberty All Star Equity Fund ¹ | 21,688 |
| 8,507 | Madison Covered Call & Equity Strategy Fund | 61,761 |
| 603 | Madison Strategic Sector Premium Fund | 6,778 |
| 11,694 | Managed Duration Investment Grade Municipal Fund ¹ | 159,038 |
| 7,059 | Morgan Stanley Emerging Markets Debt Fund, Inc. | 66,284 |
| 3,545 | Morgan Stanley Emerging Markets Fund, Inc. | 64,023 |
| 266 | Morgan Stanley Income Securities, Inc. | 5,009 |
| 3,830 | NexPoint Strategic Opportunities Fund ¹ | 88,013 |
| 4,888 | Nuveen Credit Strategies Income Fund | 38,811 |
| 2,543 | Nuveen Emerging Markets Debt 2022 Target Term Fund | 22,862 |
| 1,512 | Nuveen Intermediate Duration Quality Municipal Term Fund | 18,991 |
| 1,112 | Nuveen Mortgage Opportunity Term Fund | 26,410 |
| 5,662 | Nuveen Mortgage Opportunity Term Fund 2 ¹ | 127,678 |
| 3,037 | PIMCO High Income Fund ¹ | 23,020 |
| 13,338 | Prudential Global Short Duration High Yield Fund, Inc. ¹ | 185,131 |

The Relative Value Fund

SCHEDULE OF INVESTMENTS — Continued

As of March 31, 2018

| Number of Shares | | Value |
|--------------------------------------|---|------------------|
| CLOSED-END FUNDS (Continued) | | |
| 1,118 | Prudential Short Duration High Yield Fund, Inc. | \$ 15,797 |
| 2,652 | Reaves Utility Income Fund | 74,866 |
| 1,605 | Special Opportunities Fund, Inc. | 23,738 |
| 13,476 | Templeton Emerging Markets Income Fund ¹ | 152,279 |
| 227 | Tortoise Energy Infrastructure Corp. | 5,682 |
| 8,096 | Virtus Total Return Fund, Inc. | 90,837 |
| 4,760 | Voya Prime Rate Trust | 24,800 |
| 2,256 | Western Asset Global High Income Fund, Inc. ¹ | 21,229 |
| 2,484 | Western Asset/Claymore Inflation-Linked Opportunities & Income Fund | 28,119 |
| TOTAL CLOSED-END FUNDS | | |
| | (Cost \$3,231,889) | 3,188,870 |
| COMMON STOCKS – 61.9% | | |
| COMMUNICATIONS – 6.9% | | |
| 29,587 | Houghton Mifflin Harcourt Co.* ¹ | 205,630 |
| 10,885 | IMAX Corp.* ^{1,2} | 208,992 |
| 8,225 | Liberty Latin America Ltd.* ^{1,2} | 159,976 |
| 2,812 | Nexstar Media Group, Inc. - Class A ¹ | 186,998 |
| 1,000 | Walt Disney Co. | 100,440 |
| | | 862,036 |
| CONSUMER DISCRETIONARY – 4.9% | | |
| 7,571 | BlueLinx Holdings, Inc.* ¹ | 246,739 |
| 14,625 | Potbelly Corp.* ¹ | 176,231 |
| 53,640 | Restaurant Group PLC | 190,991 |
| | | 613,961 |
| CONSUMER STAPLES – 7.8% | | |
| 10,151 | Blue Buffalo Pet Products, Inc.* | 404,111 |
| 11,481 | Darling Ingredients, Inc.* ¹ | 198,621 |
| 1,712 | Dr. Pepper Snapple Group, Inc. ¹ | 202,667 |
| 15,136 | Primo Water Corp.* | 177,243 |
| | | 982,642 |
| ENERGY – 1.7% | | |
| 98 | Archrock Partners LP | 1,198 |
| 7,173 | Green Plains, Inc. | 120,506 |
| 2,082 | RSP Permian, Inc.* | 97,604 |
| | | 219,308 |
| FINANCIALS – 13.2% | | |
| 2,273 | American International Group, Inc. ¹ | 123,697 |
| 500 | Atlantic Acquisition Corp.* | 4,960 |
| 3,185 | Atlantic Coast Financial Corp.* ¹ | 32,805 |

The Relative Value Fund

SCHEDULE OF INVESTMENTS — Continued

As of March 31, 2018

| Number of Shares | | Value |
|----------------------------------|--|-------------------------|
| COMMON STOCKS (Continued) | | |
| FINANCIALS (Continued) | | |
| 1,070 | Berkshire Hathaway, Inc.* ¹ | \$ 213,444 |
| 1,246 | Big Rock Partners Acquisition Corp.* | 12,871 |
| 849 | Black Ridge Acquisition Corp.* | 8,227 |
| 6,604 | Blackhawk Network Holdings, Inc. - Class A* ¹ | 295,199 |
| 1,386 | CM Seven Star Acquisition Corp.* ² | 13,500 |
| 265 | Constellation Alpha Capital Corp.* ² | 2,615 |
| 462 | Draper Oakwood Technology Acquisition, Inc. - Class A* | 4,569 |
| 2,044 | Haymaker Acquisition Corp.* | 20,338 |
| 500 | Hennessy Capital Acquisition Corp. III* | 4,950 |
| 490 | Industrea Acquisition Corp. - Class A* | 4,807 |
| 1,038 | Legacy Acquisition Corp.* | 10,328 |
| 2,375 | Leisure Acquisition Corp.* | 23,441 |
| 7,788 | Luther Burbank Corp. | 93,534 |
| 3,004 | One Madison Corp.* ² | 30,040 |
| 572 | Osprey Energy Acquisition Corp. - Class A* | 5,503 |
| 1,142 | Pensare Acquisition Corp.* | 11,100 |
| 17,976 | Resource Capital Corp. ¹ | 170,952 |
| 1,902 | Royce Micro-Cap Trust, Inc. | 17,803 |
| 3,428 | Validus Holdings Ltd. ^{1,2} | 231,218 |
| 5,983 | XL Group Ltd. ^{1,2} | 330,620 |
| | | <u>1,666,521</u> |
| INDUSTRIALS – 3.3% | | |
| 4,468 | General Cable Corp. ¹ | 132,253 |
| 3,501 | Houston Wire & Cable Co.* | 25,645 |
| 1,059 | Layne Christensen Co.* ¹ | 15,800 |
| 13,244 | Luxfer Holdings PLC ^{1,2} | 169,523 |
| 518 | Orbital ATK, Inc. ¹ | 68,692 |
| | | <u>411,913</u> |
| MATERIALS – 0.7% | | |
| 2,471 | KapStone Paper and Packaging Corp. ¹ | <u>84,780</u> |
| TECHNOLOGY – 22.9% | | |
| 5,951 | Callidus Software, Inc.* ¹ | 213,938 |
| 757 | Cavium, Inc.* | 60,091 |
| 9,386 | CSRA, Inc. ¹ | 386,985 |
| 13,887 | Donnelley Financial Solutions, Inc.* ¹ | 238,440 |
| 1,901 | DST Systems, Inc. ¹ | 159,018 |
| 4,933 | Microsemi Corp.* ¹ | 319,264 |
| 1,298 | MicroStrategy, Inc. - Class A* ¹ | 167,429 |
| 6,690 | MuleSoft, Inc. - Class A* | 294,226 |

The Relative Value Fund

SCHEDULE OF INVESTMENTS — Continued

As of March 31, 2018

| Number of Shares | | Value |
|----------------------------------|--|------------------|
| COMMON STOCKS (Continued) | | |
| TECHNOLOGY (Continued) | | |
| 7,374 | NXP Semiconductors N.V.* ^{1,2} | \$ 862,758 |
| 3,418 | Super Micro Computer, Inc.* | 58,106 |
| 23,437 | Telenav, Inc.* | 126,560 |
| | | <u>2,886,815</u> |
| UTILITIES – 0.5% | | |
| 35,338 | Maxim Power Corp.* | <u>67,473</u> |
| TOTAL COMMON STOCKS | | |
| | (Cost \$7,925,623) | <u>7,795,449</u> |
| PREFERRED STOCKS – 2.5% | | |
| FINANCIALS – 2.5% | | |
| 2,000 | B. Riley Financial, Inc. 7.250%, 12/31/2027 ³ | 50,000 |
| 1,338 | B. Riley Financial, Inc. 7.500%, 10/31/2021 ³ | 34,467 |
| 1,000 | B. Riley Financial, Inc. 7.500%, 5/31/2027 ³ | 25,400 |
| 1,144 | Capital Southwest Corp. 5.950%, 12/15/2022 ³ | 29,058 |
| 953 | KCAP Financial, Inc. 6.125%, 9/30/2022 ³ | 23,977 |
| 802 | MVC Capital, Inc. 6.250%, 11/30/2022 ³ | 20,226 |
| 1,554 | Oxford Square Capital Corp. 6.500%, 3/30/2024 ³ | 39,938 |
| 433 | Stellus Capital Investment Corp. 5.750%, 9/15/2022 ³ | 10,890 |
| 143 | THL Credit, Inc. 6.750%, 11/15/2021 ³ | 3,606 |
| 635 | THL Credit, Inc. 6.750%, 12/30/2022 ³ | 16,193 |
| 224 | Triangle Capital Corp. 6.375%, 3/15/2022 ³ | 5,638 |
| 1,798 | Triangle Capital Corp. 6.375%, 12/15/2022 ³ | 45,256 |
| 396 | TriplePoint Venture Growth BDC Corp. 5.750%, 7/15/2022 ³ | 9,908 |
| | | <u>314,557</u> |
| TOTAL PREFERRED STOCKS | | |
| | (Cost \$313,368) | <u>314,557</u> |

The Relative Value Fund

SCHEDULE OF INVESTMENTS — Continued

As of March 31, 2018

| Number of Contracts | | Value |
|------------------------|--|---------------|
| | PURCHASED OPTIONS CONTRACTS – 0.5% | |
| | CALL OPTIONS – 0.3% | |
| | NXP Semiconductors N.V. | |
| 12 | Exercise Price: \$120.00, Notional Amount: \$144,000, Expiration Date: April 20, 2018 | \$ 3,480 |
| 30 | Exercise Price: \$120.00, Notional Amount: \$360,000, Expiration Date: July 20, 2018 | 16,200 |
| | Time Warner, Inc. | |
| 40 | Exercise Price: \$95.00, Notional Amount: \$380,000, Expiration Date: July 20, 2018 | 17,400 |
| | TOTAL CALL OPTIONS | |
| | (Cost \$47,998) | 37,080 |
| | PUT OPTIONS – 0.2% | |
| | Houghton Mifflin Harcourt Co. | |
| 100 | Exercise Price: \$10.00, Notional Amount: \$100,000, Expiration Date: April 20, 2018 | 31,000 |
| | Time Warner, Inc. | |
| 21 | Exercise Price: \$65.00, Notional Amount: \$136,500, Expiration Date: June 15, 2018 | 462 |
| | TOTAL PUT OPTIONS | |
| | (Cost \$28,224) | 31,462 |
| | TOTAL PURCHASED OPTIONS CONTRACTS | |
| | (Cost \$76,222) | 68,542 |
| Number of Shares | | |
| | RIGHTS – 0.0% | |
| 500 | Atlantic Acquisition Corp., Expiration Date: August 8, 2019* | 247 |
| 425 | Black Ridge Acquisition Corp., Expiration Date: July 3, 2019* | 128 |
| 1,386 | CM Seven Star Acquisition Corp., Expiration Date: April 25, 2019* ² | 444 |
| 265 | Constellation Alpha Capital Corp., Expiration Date: March 18, 2019* ² | 95 |
| 462 | Draper Oakwood Technology Acquisition, Inc., Expiration Date: March 13, 2019* | 263 |
| 1,142 | Pensare Acquisition Corp., Expiration Date: January 26, 2019* | 514 |
| | TOTAL RIGHTS | |
| | (Cost \$0) | 1,691 |
| | WARRANTS – 0.0% | |
| 1,386 | Black Ridge Acquisition Corp., Expiration Date: October 25, 2022* | 485 |
| 693 | CM Seven Star Acquisition Corp., Expiration Date: November 16, 2018* ² | 243 |
| 265 | Constellation Alpha Capital Corp., Expiration Date: March 23, 2024* ² | 64 |
| 231 | Draper Oakwood Technology Acquisition, Inc., Expiration Date: September 30, 2024* | 196 |

The Relative Value Fund

SCHEDULE OF INVESTMENTS — Continued

As of March 31, 2018

| Number of Shares | | Value |
|---------------------|---|----------------------------|
| | WARRANTS (Continued) | |
| 375 | Hennessy Capital Acquisition Corp. III, Expiration Date: June 15, 2024* | \$ 311 |
| 501 | I-AM Capital Acquisition Co., Expiration Date: October 9, 2022* | 200 |
| 490 | Industrea Acquisition Corp., Expiration Date: August 1, 2024* | 270 |
| 286 | Osprey Energy Acquisition Corp., Expiration Date: August 15, 2022* | 217 |
| 571 | Pensare Acquisition Corp., Expiration Date: August 8, 2022* | 285 |
| | TOTAL WARRANTS | |
| | (Cost \$0) | <u>2,271</u> |
| | SHORT-TERM INVESTMENTS – 16.3% | |
| 2,046,657 | Morgan Stanley Institutional Liquidity Fund – Government Portfolio – Institutional Class, 1.56% ¹ | <u>2,046,657</u> |
| | TOTAL SHORT-TERM INVESTMENTS | |
| | (Cost \$2,046,657) | <u>2,046,657</u> |
| | TOTAL INVESTMENTS – 106.5% | |
| | (Cost \$13,593,759) | <u>13,418,037</u> |
| | Liabilities in Excess of Other Assets – (6.5)% | (823,479) |
| | TOTAL NET ASSETS – 100.0% | <u><u>\$12,594,558</u></u> |
| | SECURITIES SOLD SHORT – (18.5)% | |
| | COMMON STOCKS – (17.4)% | |
| | COMMUNICATIONS – (1.4)% | |
| (3,300) | Blucora, Inc.* | (81,180) |
| (1,300) | Tribune Media Co. | (52,663) |
| (805) | Tucows, Inc.* | (45,080) |
| | | <u>(178,923)</u> |
| | CONSUMER DISCRETIONARY – (5.2)% | |
| (611) | Boot Barn Holdings, Inc.* | (10,833) |
| (940) | Canada Goose Holdings, Inc.* ² | (31,415) |
| (326) | Domino’s Pizza, Inc. | (76,140) |
| (3,046) | Freshpet, Inc.* | (50,107) |
| (758) | Healthcare Services Group, Inc. | (32,958) |
| (100) | Kohl’s Corp. | (6,551) |
| (1,700) | MarineMax, Inc.* | (33,065) |
| (1,168) | Matthews International Corp. | (59,101) |
| (761) | Oxford Industries, Inc. | (56,740) |
| (398) | PetIQ, Inc. - Class A* | (10,587) |
| (810) | Restaurant Brands International, Inc. ² | (46,105) |
| (240) | RH* | (22,867) |
| (441) | Royal Caribbean Cruises Ltd. ² | (51,923) |
| (438) | Ruth’s Hospitality Group, Inc. | (10,709) |
| (155) | Tesla Motors, Inc.* | (41,250) |

The Relative Value Fund

SCHEDULE OF INVESTMENTS — Continued

As of March 31, 2018

| Number of Shares | | Value |
|---------------------|---|------------------|
| | SECURITIES SOLD SHORT (Continued) | |
| | COMMON STOCKS (Continued) | |
| | CONSUMER DISCRETIONARY (Continued) | |
| (429) | Wayfair, Inc.* | \$ (28,970) |
| (956) | Wingstop, Inc. | (45,152) |
| (1,300) | Wolverine World Wide, Inc. | (37,570) |
| | | <u>(652,043)</u> |
| | CONSUMER STAPLES – (0.1)% | |
| (300) | United Natural Foods, Inc.* | <u>(12,882)</u> |
| | ENERGY – (0.8)% | |
| (137) | Archrock, Inc. | (1,199) |
| (664) | Concho Resources, Inc.* | (99,819) |
| | | <u>(101,018)</u> |
| | FINANCIALS – (3.1)% | |
| (542) | Ameris Bancorp | (28,672) |
| (1,300) | Bank of the Ozarks, Inc. | (62,751) |
| (996) | BofI Holding, Inc.* | (40,368) |
| (200) | Canadian Imperial Bank of Commerce ² | (17,656) |
| (1,100) | Canadian Western Bank | (28,217) |
| (743) | Cohen & Steers, Inc. | (30,210) |
| (1,800) | CubeSmart | (50,760) |
| (1,507) | Live Oak Bancshares, Inc. | (41,895) |
| (1,805) | Omega Healthcare Investors, Inc. | (48,807) |
| (1,465) | Trupanion, Inc.* | (43,789) |
| | | <u>(393,125)</u> |
| | HEALTH CARE – (2.7)% | |
| (887) | AAC Holdings, Inc.* | (10,183) |
| (700) | Diplomat Pharmacy, Inc.* | (14,105) |
| (366) | Heska Corp.* | (28,940) |
| (671) | iRhythm Technologies, Inc.* | (42,239) |
| (1,900) | Tactile Systems Technology, Inc.* | (60,420) |
| (2,400) | Teladoc, Inc.* | (96,720) |
| (1,049) | USANA Health Sciences, Inc.* | (90,109) |
| | | <u>(342,716)</u> |
| | INDUSTRIALS – (1.2)% | |
| (2,023) | AAON, Inc. | (78,897) |
| (760) | Axon Enterprise, Inc.* | (29,876) |
| (286) | Granite Construction, Inc. | (15,976) |
| (149) | Mesa Laboratories, Inc. | (22,117) |
| | | <u>(146,866)</u> |

The Relative Value Fund

SCHEDULE OF INVESTMENTS — Continued

As of March 31, 2018

| Number of Shares | | Value |
|------------------------|--|-----------------------|
| | SECURITIES SOLD SHORT (Continued) | |
| | COMMON STOCKS (Continued) | |
| | MATERIALS – (0.2)% | |
| (3,302) | AgroFresh Solutions, Inc.* | <u>\$ (24,270)</u> |
| | TECHNOLOGY – (2.5)% | |
| (921) | Axcelis Technologies, Inc.* | (22,657) |
| (100) | HubSpot, Inc.* | (10,830) |
| (200) | Lumentum Holdings, Inc.* | (12,760) |
| (2,064) | Marvell Technology Group Ltd. ² | (43,344) |
| (700) | Motorola Solutions, Inc. | (73,710) |
| (2,958) | Presidio, Inc.* | (46,263) |
| (473) | salesforce.com, Inc.* | (55,010) |
| (1,200) | Tabula Rasa HealthCare, Inc.* | (46,560) |
| | | <u>(311,134)</u> |
| | UTILITIES – (0.2)% | |
| (2,055) | Spark Energy, Inc. - Class A | <u>(24,352)</u> |
| | TOTAL COMMON STOCKS | |
| | (Proceeds \$2,127,635) | <u>(2,187,329)</u> |
| | EXCHANGE-TRADED FUNDS – (1.1)% | |
| (1,400) | SPDR Bloomberg Barclays High Yield Bond ETF | (50,190) |
| (317) | SPDR S&P500 ETF Trust | <u>(83,418)</u> |
| | TOTAL EXCHANGE-TRADED FUNDS | |
| | (Proceeds \$136,284) | <u>(133,608)</u> |
| | TOTAL SECURITIES SOLD SHORT | |
| | (Proceeds \$2,263,919) | <u>\$ (2,320,937)</u> |
| Number of Contracts | | |
| | WRITTEN OPTIONS CONTRACTS – (0.3)% | |
| | CALL OPTIONS – (0.1)% | |
| | Blackhawk Network Holdings, Inc. – Class A | |
| (1) | Exercise Price: \$45.00, Notional Amount: \$(4,500), Expiration Date: June 15, 2018 | (25) |
| | NXP Semiconductors N.V. | |
| (12) | Exercise Price: \$125.00, Notional Amount: \$(150,000), Expiration Date: April 20, 2018 | (960) |
| (30) | Exercise Price: \$125.00, Notional Amount: \$(375,000), Expiration Date: July 20, 2018 | (9,000) |
| | Time Warner, Inc. | |
| (40) | Exercise Price: \$105.00, Notional Amount: \$(420,000), Expiration Date: July 20, 2018 | <u>(4,080)</u> |
| | TOTAL CALL OPTIONS | |
| | (Proceeds \$14,957) | <u>(14,065)</u> |

The Relative Value Fund
SCHEDULE OF INVESTMENTS — Continued
As of March 31, 2018

| Number of Contracts | | Value |
|------------------------|--|--------------------|
| | WRITTEN OPTIONS CONTRACTS (Continued) | |
| | PUT OPTIONS – (0.2)% | |
| | Darling Ingredients, Inc. | |
| (50) | Exercise Price: \$18.00, Notional Amount: \$(90,000), Expiration Date: April 20, 2018 | \$ (4,500) |
| | NXP Semiconductors N.V. | |
| (12) | Exercise Price: \$105.00, Notional Amount: \$(126,000), Expiration Date: April 20, 2018 | (1,980) |
| (30) | Exercise Price: \$110.00, Notional Amount: \$(330,000), Expiration Date: July 20, 2018 | (16,500) |
| | Time Warner, Inc. | |
| (21) | Exercise Price: \$75.00, Notional Amount: \$(157,500), Expiration Date: July 20, 2018 | (525) |
| (19) | Exercise Price: \$87.50, Notional Amount: \$(166,250), Expiration Date: July 20, 2018 | (4,228) |
| | TOTAL PUT OPTIONS | |
| | (Proceeds \$17,446) | (27,733) |
| | TOTAL WRITTEN OPTIONS CONTRACTS | |
| | (Proceeds \$32,403) | \$ (41,798) |

ETF – Exchange-Traded Fund

LP – Limited Partnership

PLC – Public Limited Company

* Non-income producing security.

¹ All or a portion of this security is segregated as collateral for securities sold short. Aggregate value of segregated securities is \$3,658,514.

² Foreign security denominated in U.S. Dollars.

³ Callable.

See accompanying Notes to Financial Statements.

The Relative Value Fund
SUMMARY OF INVESTMENTS
As of March 31, 2018

| Security Type/Sector | Percent of Total Net Assets |
|--|--------------------------------|
| Closed-End Funds | 25.3% |
| Common Stocks | |
| Technology | 22.9% |
| Financials | 13.2% |
| Consumer Staples | 7.8% |
| Communications | 6.9% |
| Consumer Discretionary | 4.9% |
| Industrials | 3.3% |
| Energy | 1.7% |
| Materials | 0.7% |
| Utilities | 0.5% |
| Total Common Stocks | 61.9% |
| Preferred Stocks | |
| Financials | 2.5% |
| Total Preferred Stocks | 2.5% |
| Purchased Options Contracts | |
| Call Options | 0.3% |
| Put Options | 0.2% |
| Total Purchased Options Contracts | 0.5% |
| Rights | 0.0% |
| Warrants | 0.0% |
| Short-Term Investments | 16.3% |
| Total Investments | 106.5% |
| Liabilities in Excess of Other Assets | (6.5)% |
| Total Net Assets | <u>100.0%</u> |

See accompanying Notes to Financial Statements.

THE RELATIVE VALUE FUND

Statement of Assets and Liabilities

As of March 31, 2018

Assets:

| | |
|--|-------------------|
| Investments, at fair value (cost \$13,517,537) | \$13,349,495 |
| Purchased options contracts, at fair value (cost \$76,222) | 68,542 |
| Foreign currency, at fair value (cost \$23,678) | 24,985 |
| Cash | 3,105 |
| Cash deposited with brokers for securities sold short | 2,394,488 |
| Receivables: | |
| Investment securities sold | 274,096 |
| Dividends and interest | 17,304 |
| Due from Advisor | 50,214 |
| Prepaid expenses | 14,108 |
| Prepaid organization and offering costs | 29,656 |
| Total assets | <u>16,225,993</u> |

Liabilities:

| | |
|---|------------------|
| Securities sold short, at fair value (proceeds \$2,263,919) | 2,320,937 |
| Written options contracts, at fair value (proceeds \$32,403) | 41,798 |
| Foreign currency due to custodian, at fair value (proceeds \$223,093) | 223,473 |
| Payables: | |
| Investment securities purchased | 152,557 |
| Fund shares redeemed | 828,349 |
| Auditing fees | 43,000 |
| Transfer agent fees and expenses | 6,259 |
| Custody fees | 3,820 |
| Dividends and interest on securities sold short | 3,037 |
| Fund administration fees | 1,969 |
| Fund accounting fees | 1,693 |
| Accrued other expenses | 4,543 |
| Total liabilities | <u>3,631,435</u> |

Net Assets \$12,594,558

See accompanying Notes to Financial Statements.

THE RELATIVE VALUE FUND

Statement of Assets and Liabilities — Continued

As of March 31, 2018

Components of Net Assets:

| | |
|--|---------------------|
| Paid-in capital (par value of \$0.01 per share with an unlimited number of shares authorized) | \$12,811,941 |
| Accumulated net investment loss | (2,643) |
| Accumulated net realized gain on investments, purchased options, securities sold short, written option contracts and foreign currency transactions | 26,475 |
| Net unrealized appreciation (depreciation) on: | |
| Investments | (168,042) |
| Purchased option contracts | (7,680) |
| Securities sold short | (57,018) |
| Written option contracts | (9,394) |
| Foreign currency translations | 919 |
| Net Assets | <u>\$12,594,558</u> |

Offering Price per Share:

CIA Class Shares:

| | |
|---|-----------------|
| Net assets applicable to shares outstanding | \$12,594,558 |
| Shares of common stock issued and outstanding | 508,550 |
| Net asset value per share | <u>\$ 24.77</u> |

See accompanying Notes to Financial Statements.

THE RELATIVE VALUE FUND

Statement of Operations

For the Period June 12, 2017* Through March 31, 2018

| | |
|---|---------------------------|
| Investment Income: | |
| Dividends (net of withholding tax of \$172) | \$ 205,031 |
| Interest | 34,459 |
| Total investment income | <u>239,490</u> |
| Expenses: | |
| Advisory fees | 126,516 |
| Offering costs | 117,784 |
| Auditing fees | 43,000 |
| Organization costs | 42,416 |
| Legal fees | 39,932 |
| Transfer agent fees and expenses | 31,402 |
| Dividends on securities sold short | 30,117 |
| Trustees' fees and expenses | 29,000 |
| Custody fees | 24,094 |
| Fund administration fees | 18,396 |
| Fund accounting fees | 15,692 |
| Insurance fees | 14,993 |
| Shareholder reporting fees | 11,775 |
| Interest on securities sold short | 11,647 |
| Chief Compliance Officer fees | 7,959 |
| Registration fees | 5,664 |
| Miscellaneous | 11,049 |
| Total expenses | <u>581,436</u> |
| Advisory fees waived and other expenses absorbed | <u>(375,201)</u> |
| Net expenses | <u>206,235</u> |
| Net investment income | <u>33,255</u> |
| Realized and Unrealized Gain (Loss) on Investments, Purchased Options Contracts, Securities Sold Short, Written Options Contracts and Foreign Currency | |
| Net realized gain (loss) on: | |
| Investments | 52,864 |
| Purchased options contracts | (15,333) |
| Securities sold short | 1,802 |
| Written options contracts | 6,947 |
| Foreign currency transactions | (230) |
| Net realized gain | <u>46,050</u> |
| Net change in unrealized appreciation/depreciation on: | |
| Investments | (168,042) |
| Purchased options contracts | (7,680) |
| Securities sold short | (57,018) |
| Written options contracts | (9,394) |
| Foreign currency translations | 919 |
| Net change in unrealized appreciation/depreciation | <u>(241,215)</u> |
| Net realized and unrealized loss on investments and securities sold short | <u>(195,165)</u> |
| Net Decrease in Net Assets from Operations | <u>\$(161,910)</u> |

* Commencement of Operations

See accompanying Notes to Financial Statements.

THE RELATIVE VALUE FUND

Statement of Changes in Net Assets

| | <u>For the Period June 12, 2017* Through March 31, 2018</u> |
|---|---|
| Increase (Decrease) in Net Assets from: | |
| Operations: | |
| Net investment income | \$ 33,255 |
| Net realized gain (loss) on investments, purchased options contracts, securities sold short, written options contracts, and foreign currency | 46,050 |
| Net change in unrealized appreciation/depreciation on investments, purchased option contracts, securities sold short, and foreign currency | <u>(241,215)</u> |
| Net decrease in net assets resulting from operations | <u>(161,910)</u> |
| Distributions to Shareholders: | |
| From net investment income: | |
| CIA Class | <u>(28,307)</u> |
| Total from net investment income | <u>(28,307)</u> |
| From net realized gains: | |
| CIA Class | <u>(29,528)</u> |
| Total from net realized gains | <u>(29,528)</u> |
| Total distributions to shareholders | <u>(57,835)</u> |
| Capital Transactions: | |
| Net proceeds from shares sold: | |
| CIA Class | 15,073,953 |
| Reinvestment of distributions: | |
| CIA Class | 41,642 |
| Cost of shares redeemed: | |
| CIA Class | <u>(2,301,292)</u> |
| Net increase in net assets from capital transactions | <u>12,814,303</u> |
| Total increase in net assets | <u>12,594,558</u> |
| Net Assets: | |
| Beginning of period | <u>—</u> |
| End of period | <u><u>\$12,594,558</u></u> |
| Accumulated net investment loss | \$ (2,643) |
| Capital Share Transactions: | |
| Shares sold: | |
| CIA Class | 597,986 |
| Shares reinvested: | |
| CIA Class | 1,627 |
| Shares redeemed: | |
| CIA Class | <u>(91,063)</u> |
| Net increase in capital share transactions | <u><u>508,550</u></u> |

* Commencement of Operations

THE RELATIVE VALUE FUND

Statement of Cash Flows

For the Period June 12, 2017* Through March 31, 2018

Increase (Decrease) in Cash:

| | |
|--|--------------|
| Cash flows provided by (used for) operating activities: | |
| Net decrease in net assets resulting from operations | \$ (161,910) |
| Adjustments to reconcile net decrease in net assets from operations to net cash used for operating activities: | |
| Purchases of long-term portfolio investments | (32,835,545) |
| Sales of long-term portfolio investments | 21,225,995 |
| Proceeds from securities sold short | 7,015,532 |
| Cover short securities | (4,831,024) |
| Proceeds from written options | 41,114 |
| Closed written options | (1,096) |
| Purchases of short-term investments, net | (2,046,657) |
| Return of capital dividend received | 58,986 |
| Increase in foreign currency | (24,985) |
| Increase in cash deposited with broker for securities sold short | (2,394,488) |
| Increase in dividends and interest receivable | (17,304) |
| Increase in due from Advisor | (50,214) |
| Increase in prepaid expenses | (14,108) |
| Increase in prepaid organization and offering costs | (29,656) |
| Increase in foreign currency due to custodian | 223,473 |
| Increase in dividends and interest on securities sold short | 3,037 |
| Increase in accrued expenses | 61,284 |
| Net realized gain | (46,280) |
| Net change in unrealized appreciation/depreciation | 242,134 |
| Net cash used for operating activities | (13,581,712) |
| Cash flows provided by (used for) financing activities: | |
| Proceeds from shares sold | 15,073,953 |
| Cost of shares redeemed | (1,472,943) |
| Dividends paid to shareholders, net of reinvestments | (16,193) |
| Net cash provided by financing activities | 13,584,817 |
| Net increase in cash | 3,105 |
| Cash: | |
| Beginning of period | — |
| End of period | \$ 3,105 |

* Commencement of Operations

Non cash financing activities not included herein consist of \$41,642 of reinvested dividends.

Cash paid for interest on securities sold short \$11,647.

See accompanying Notes to Financial Statements.

The Relative Value Fund
FINANCIAL HIGHLIGHTS
CIA Class

Per share operating performance.
For a capital share outstanding throughout the period.

| | For the Period June 12, 2017* Through March 31, 2018 |
|---|---|
| Net asset value, beginning of period | \$ 25.00 |
| Income from Investment Operations: | |
| Net investment income ¹ | 0.08 |
| Net realized and unrealized gain (loss) on investments | (0.20) |
| Total from investment operations | <u>(0.12)</u> |
| Less Distributions: | |
| From net investment income | (0.05) |
| From net realized gains | <u>(0.06)</u> |
| Total distributions | <u>(0.11)</u> |
| Redemption fee proceeds¹ | — |
| Net asset value, end of period | <u>\$ 24.77</u> |
| Total return | (0.50)% ² |
| Ratios and Supplemental Data: | |
| Net assets, end of period (in thousands) | \$ 12,595 |
| Ratio of expenses to average net assets: (including interest expense and interest on securities sold short) | |
| Before fees waived | 6.89% ^{3,4} |
| After fees waived | 2.45% ^{3,4} |
| Ratio of net investment income to average net assets: (including interest expense and interest on securities sold short) | |
| Before fees waived | (4.05)% ³ |
| After fees waived | 0.39% ³ |
| Portfolio turnover rate | 264% ² |

* Commencement of operations.

¹ Based on average shares outstanding for the period.

² Not annualized.

³ Annualized.

⁴ If interest expense and dividends on securities sold short had been excluded, the expense ratios would have been lowered by 0.50% for the period ended March 31, 2018.

See accompanying Notes to Financial Statements.

THE RELATIVE VALUE FUND

Notes to Financial Statements

March 31, 2018

Note 1 — Organization

The Relative Value Fund (the “Fund”) is a Delaware statutory trust registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”), as a non-diversified, closed-end management investment company. The Fund operates as an interval fund. The Fund operates under an Agreement and Declaration of Trust (“Declaration of Trust”) dated November 23, 2016 (the “Declaration of Trust”). The Fund seeks to achieve long-term capital appreciation by pursuing positive absolute returns across market cycles. In pursuing its objective, the Fund seeks to generate attractive long-term returns with low sensitivity to traditional equity and fixed-income indices. The Fund commenced investment operations on June 12, 2017.

The SEC granted the Fund an exemptive order on November 21, 2017 permitting the Fund to offer multiple classes of shares. The Fund’s Registration Statement allows it to offer two classes of shares, Advisor Class Shares and CIA Class Shares. Only the CIA Class of shares is operational as of March 31, 2018.

The shares of each class represent an interest in the same portfolio of investments of the Fund and have equal rights as to voting, redemptions, dividends and liquidation, subject to the approval of the Trustees. Income, expenses (other than expenses attributable to a specific class), and realized and unrealized gains and losses on investments are allocated to each class of shares in proportion to their relative shares outstanding. Shareholders of a class that bears distribution and service expenses under the terms of a distribution plan have exclusive voting rights to that distribution plan.

The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standard Codification Topic 946 “Financial Services — Investment Companies.”

Note 2 — Accounting Policies

The following is a summary of the significant accounting policies consistently followed by the Fund in the preparation of its financial statements. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from these estimates.

(a) Valuation of Investments

The Fund’s Valuation Committee will oversee the valuation of the Fund’s investments on behalf of the Fund. The Board of Trustees of the Fund (the “Board”) has approved valuation procedures for the Fund (the “Valuation Procedures”). Securities traded on one or more of the U.S. national securities exchanges, the Nasdaq Stock Market or any foreign stock exchange will be valued at the last sale price or the official closing price on the exchange or system where such securities are principally traded for the business day as of the relevant determination date. If no sale or official closing price of particular securities are reported on a particular day, the securities will be valued at the closing bid price for securities held long, or the closing ask price for securities held short, or if a closing bid or ask price, as applicable, is not available, at either the exchange or system-defined closing price on the exchange or system in which such securities are principally traded. Over-the-counter securities not quoted on the Nasdaq Stock Market will be valued at the last sale price on the relevant determination date or, if no sale occurs, at the last bid price, in the case of securities held long, or the last ask price, in the case of securities held short, at the time net asset value is determined. Equity securities for which no prices are obtained under the foregoing procedures, including those for which a pricing service supplies no exchange quotation or a quotation that is believed by Vivaldi Asset Management, LLC (the “Investment Manager”) or a Sub-Adviser (as defined in Note 3) not to reflect the market value, will be valued at the bid price, in the case of securities held long, or the ask price, in the case

THE RELATIVE VALUE FUND

Notes to Financial Statements — Continued

March 31, 2018

of securities held short, supplied by one or more dealers making a market in those securities or one or more brokers, in accordance with the Valuation Procedures. Futures index options will be valued at the mid-point between the last bid price and the last ask price on the relevant determination date at the time net asset value is determined. The mid-point of the last bid and the last ask is also known as the ‘mark’. Investments in open-end investment companies are valued at the daily closing net asset value of the respective investment company.

Fixed-income securities with a remaining maturity of sixty (60) days or more for which accurate market quotations are readily available will normally be valued according to dealer-supplied bid quotations or bid quotations from a recognized pricing service. Fixed-income securities for which market quotations are not readily available or are believed by the Investment Manager or a Sub-Adviser not to reflect market value will be valued based upon broker-supplied quotations in accordance with the Valuation Procedures, provided that if such quotations are unavailable or are believed by the Investment Manager or a Sub-Adviser not to reflect market value, such fixed-income securities will be valued at fair value in accordance with the Valuation Procedures, which may include the utilization of valuation models that take into account spread and daily yield changes on government securities in the appropriate market (e.g., matrix pricing). High quality investment grade debt securities (e.g., treasuries, commercial paper, etc.) with a remaining maturity of sixty (60) days or less are valued by the Investment Manager or a Sub-Adviser at amortized cost, which the Board has determined to approximate fair value. All other instruments held by the Fund will be valued in accordance with the Valuation Procedures.

If no price is obtained for a security in accordance with the foregoing, because either an external price is not readily available or such external price is believed by the Investment Manager or a Sub-Adviser not to reflect the market value, the Valuation Committee will make a determination in good faith of the fair value of the security in accordance with the Valuation Procedures. In general, fair value represents a good faith approximation of the current value of an asset and will be used when there is no public market or possibly no market at all for the asset. The fair values of one or more assets may not be the prices at which those assets are ultimately sold and the differences may be significant.

(b) Foreign Currency Translation

The Fund’s records are maintained in U.S. dollars. The value of securities, currencies and other assets and liabilities denominated in currencies other than U.S. dollars are translated into U.S. dollars based upon foreign exchange rates prevailing at the end of the reporting period. The currencies are translated into U.S. dollars by using the exchange rates quoted as of 4:00 PM Eastern Standard Time. Purchases and sales of investment securities, income and expenses are translated on the respective dates of such transactions.

The Fund does not isolate that portion of its net realized and unrealized gains and losses on investments resulting from changes in foreign exchange rates from the impact arising from changes in market prices. Such fluctuations are included with net realized and unrealized gain or loss from investments and foreign currency.

Net realized foreign currency transaction gains and losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, and the differences between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund’s books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign currency translation gains and losses arise from changes in the value of assets and liabilities, other than investments in securities, resulting from changes in the exchange rates.

(c) Short Sales

Short sales are transactions under which the Fund sells a security it does not own in anticipation of a decline in the value of that security. To complete such a transaction, the Fund must borrow the security to make delivery to the buyer. The Fund then is obligated to replace the security borrowed by purchasing the

THE RELATIVE VALUE FUND

Notes to Financial Statements — Continued

March 31, 2018

security at market price at the time of replacement. The price at such time may be more or less than the price at which the security was sold by the Fund. When a security is sold short, a decrease in the value of the security will be recognized as a gain and an increase in the value of the security will be recognized as a loss, which is potentially limitless. Until the security is replaced, the Fund is required to pay the lender amounts equal to dividend or interest that accrue during the period of the loan which is recorded as an expense. To borrow the security, the Fund also may be required to pay a premium or an interest fee, which are recorded as interest expense. Cash or securities are segregated for the broker to meet the necessary margin requirements. To the extent the Fund sells securities short, it will provide collateral to the broker-dealer and/or will maintain additional asset coverage in the form of cash, U.S. government securities or other liquid securities with its custodian in a segregated account as required by each respective broker-dealer. The Fund is subject to the risk that it may not always be able to close out a short position at a particular time or at an acceptable price.

(d) Options

The Fund may write or purchase options contracts primarily to enhance the Fund's returns or reduce volatility. In addition, the Fund may utilize options in an attempt to generate gains from option premiums or to reduce overall portfolio risk. When the Fund writes or purchases an option, an amount equal to the premium received or paid by the Fund is recorded as an asset or a liability and is subsequently adjusted to the current market value of the option written or purchased. Premiums received or paid from writing or purchasing options which expire unexercised are treated by the Fund on the expiration date as realized gains or losses. The difference between the premium and the amount paid or received on effecting a closing purchase or sale transaction, including brokerage commissions, is also treated as a realized gain or loss. If an option is exercised, the premium paid or received is added to the cost of the purchase or proceeds from the sale in determining whether the Fund has realized a gain or a loss on investment transactions. The Fund, as a writer of an option, may have no control over whether the underlying securities may be sold (call) or purchased (put) and as a result bears the market risk of an unfavorable change in the price of the security underlying the written option.

(e) Exchange Traded Funds ("ETFs")

ETFs typically trade on securities exchanges and their shares may, at times, trade at a premium or discount to their net asset values. In addition, an ETF may not replicate exactly the performance of the benchmark index it seeks to track for a number of reasons, including transaction costs incurred by the ETF, the temporary unavailability of certain index securities in the secondary market or discrepancies between the ETF and the index with respect to the weighting of securities or the number of securities held. Investing in ETFs, which are investment companies, may involve duplication of advisory fees and certain other expenses. As a result, Fund shareholders indirectly bear their proportionate share of these acquired expenses. Therefore, the cost of investing in the Fund will be higher than the cost of investing directly in ETFs and may be higher than other funds that invest directly in securities.

Each ETF in which the Fund invests are subject to specific risks, depending on the nature of the ETF. Each ETF is subject to the risks associated with direct ownership of the securities comprising the index on which the ETF is based. These risks could include liquidity risk, sector risk, and risks associated with fixed-income securities.

(f) Closed-end Funds ("CEFs")

The Fund may invest in shares of CEFs. A CEF is a pooled investment vehicle that is registered under the Investment Company Act and whose shares are listed and traded on U.S. national securities exchanges. Investments in CEFs are subject to various risks, including reliance on management's ability to meet a CEF's investment objective and to manage a CEF's portfolio, and fluctuation in the market value of a

THE RELATIVE VALUE FUND

Notes to Financial Statements — Continued

March 31, 2018

CEF's shares compared to the changes in the value of the underlying securities that the CEF owns. In addition, the Fund bears a pro rata share of the management fees and expenses of each underlying CEF in addition to the Fund's management fees and expenses, which results in the Fund's shareholders being subject to higher expenses than if they invested directly in the CEFs.

(g) Short-Term Investments

The Fund invests a significant amount (16.3% as of March 31, 2018) in the Morgan Stanley Institutional Liquidity Fund — Government Portfolio (“MVRXX”). MVRXX invests exclusively in a portfolio of short-term U.S. Treasury securities, as well as repurchase agreements collateralized fully by U.S. Treasury securities. The Fund may also hold cash.

MVRXX files complete Semi-Annual and Annual Reports with the U.S. Securities and Exchange Commission for semi-annual and annual periods of each fiscal year on Form N-CSR. The Forms N-CSR are available on the website of the U.S. Securities and Exchange Commission at www.sec.gov, and may also be viewed and copied at the Commission's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The net expense ratio per October 31, 2017 Annual report of Morgan Stanley Institutional Liquidity Fund — Government Portfolio was 0.18%.

(h) Investment Transactions, Investment Income and Expenses

Investment transactions are accounted for on the trade date. Realized gains and losses on investments are determined on the identified cost basis. Dividend income and expense is recorded net of applicable withholding taxes on the ex-dividend date and interest income and expense is recorded on an accrual basis. Withholding taxes on foreign dividends, if applicable, are paid (a portion of which may be reclaimable) or provided for in accordance with the applicable country's tax rules and rates and are disclosed in the Statement of Operations. Withholding tax reclaims are filed in certain countries to recover a portion of the amounts previously withheld. The Fund records a reclaim receivable based on a number of factors, including a jurisdiction's legal obligation to pay reclaims as well as payment history and market convention. Discounts or premiums on debt securities are accreted or amortized to interest income over the lives of the respective securities using the effective interest method.

The Fund incurred offering costs of approximately \$147,230, which have been amortized over a one-year period from June 12, 2017.

(i) Federal Income Taxes

The Fund intends to comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its net investment income and any net realized gains to its shareholders. Therefore, no provision is made for federal income or excise taxes. Due to the timing of dividend distributions and the differences in accounting for income and realized gains and losses for financial statement and federal income tax purposes, the fiscal year in which amounts are distributed may differ from the year in which the income and realized gains and losses are recorded by the Fund.

Accounting for Uncertainty in Income Taxes (the “Income Tax Statement”) requires an evaluation of tax positions taken (or expected to be taken) in the course of preparing a Fund's tax returns to determine whether these positions meet a “more-likely-than-not” standard that, based on the technical merits, have a more than fifty percent likelihood of being sustained by a taxing authority upon examination. A tax position that meets the “more-likely-than-not” recognition threshold is measured to determine the amount of benefit to recognize in the financial statements. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations.

THE RELATIVE VALUE FUND

Notes to Financial Statements — Continued

March 31, 2018

The Income Tax Statement requires management of the Fund to analyze tax positions taken in the prior three open tax years, if any, and tax positions expected to be taken in the Fund's current tax year, as defined by the IRS statute of limitations for all major jurisdictions, including federal tax authorities and certain state tax authorities. As of and from the commencement of operations on June 12, 2017 through March 31, 2018, the Fund did not have a liability for any unrecognized tax benefits. The Fund has no examination in progress and is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

(j) Distributions to Shareholders

The Fund will make distributions of net investment income and capital gains, if any, at least annually. Distributions to shareholders are recorded on the ex-dividend date. The amount and timing of distributions are determined in accordance with federal income tax regulations, which may differ from GAAP.

The character of distributions made during the year from net investment income or net realized gains may differ from the characterization for federal income tax purposes due to differences in the recognition of income expense and gain (loss) items for financial statement and tax purposes.

Note 3 — Investment Advisory and Other Agreements

The Fund entered into an Investment Advisory Agreement (the "Agreement") with the Investment Manager. Under the terms of the Agreement, the Fund pays a monthly investment advisory fee to the Investment Manager at the annual rate of 0.50% of the Fund's average daily net assets. The Investment Manager has contractually agreed to waive its fees and/or pay for operating expenses of the Fund to ensure that total annual operating expenses (excluding any taxes, leverage interest, brokerage commissions, dividend and interest expenses on short sales, acquired fund fees and expenses (as determined in accordance with Form N-1A), expenses incurred in connection with any merger or reorganization, and extraordinary expenses such as litigation) do not exceed 1.95% of the Fund's average daily net assets for CIA Class Shares until May 1, 2019. This agreement to waive fees and/or pay for operating expenses may be terminated before that date by the Fund or the Investment Manager upon 30 days' written notice.

The Fund uses a "multi-manager" approach whereby the Fund's assets are allocated amongst the Investment Manager and one or more sub-advisers in percentages determined at the discretion of the Investment Manager. Currently, the Investment Manager has engaged RiverNorth Capital Management, LLC and Angel Oak Capital Advisors, LLC, (each, a "Sub-Adviser" and together, the "Sub-Advisers") to manage the assets of the Fund and pays the Sub-Advisers from its advisory fees. Pursuant to separate sub-advisory agreements, the Investment Manager (and not the Fund) has agreed to pay RiverNorth Capital Management, LLC and Angel Oak Capital Advisors, LLC a sub-advisory fee payable on a monthly basis at the annual rate of 1.00% and 0.80%, respectively, of their portion of the Fund's average daily net assets for the services they provide.

For the period ended March 31, 2018, the Investment Manager waived its fees and absorbed other expenses totaling \$375,201. For a period not to exceed three years from the date on which advisory fees are waived or Fund expenses absorbed by the Investment Manager, the Investment Manager may recoup amounts waived or absorbed, provided it is able to effect such recoupment and remain in compliance with (a) the limitation on Fund expenses in effect at the time of the relevant reduction in advisory fees or payment of the Fund's expenses, and (b) the limitation on Fund expenses at the time of the recoupment. At March 31, 2018, the amount of these potentially recoverable expenses was \$375,201. The Adviser may recapture all or a portion of this amount no later than March 31st of the year stated below:

| | |
|-----------------|-----------|
| 2021 | \$375,201 |
| Total | \$375,201 |

THE RELATIVE VALUE FUND

Notes to Financial Statements — Continued

March 31, 2018

Foreside Fund Services, LLC serves as the Fund’s distributor; UMB Fund Services, Inc. (“UMBFS”) serves as the Fund’s fund accountant, transfer agent and administrator; UMB Bank, n.a., an affiliate of UMBFS, serves as the Fund’s custodian.

Certain trustees and officers of the Fund are employees of UMBFS. The Fund does not compensate trustees and officers affiliated with the Fund’s administrator. For the period ended March 31, 2018, the Fund’s allocated fees incurred for trustees who are not affiliated with the Fund’s administrator are reported on the Statement of Operations.

Vigilant Compliance, LLC provides Chief Compliance Officer (“CCO”) services to the Fund. The Fund’s allocated fees incurred for CCO services for the period ended March 31, 2018, are reported on the Statement of Operations.

Note 4 — Federal Income Taxes

At March 31, 2018, gross unrealized appreciation and depreciation on investments based on cost for federal income tax purposes were as follows:

| | |
|--|---------------------|
| Cost of investments | <u>\$11,300,817</u> |
| Gross unrealized appreciation | \$ 250,756 |
| Gross unrealized depreciation | <u>(496,271)</u> |
| Net unrealized depreciation on investments | <u>\$ (245,515)</u> |

The difference between cost amounts for financial statement and federal income tax purposes is due primarily to timing differences in recognizing certain gains and losses in security transactions.

GAAP requires that certain components of net assets be reclassified between financial and tax reporting. These reclassifications have no effect on net assets or net asset value per share. For the period ended December 31, 2017, permanent differences in book and tax accounting have been reclassified to paid-in capital, accumulated net investment income/loss and accumulated net realized gain/loss as follows:

| <u>Fund</u> | <u>Increase (Decrease)</u> | | |
|-----------------------------------|----------------------------|---|---|
| | <u>Paid-in Capital</u> | <u>Accumulated Net Investment Income/Loss</u> | <u>Accumulated Net Realized Gain/Loss</u> |
| The Relative Value Fund | \$(2,362) | \$(7,591) | \$9,953 |

As of December 31, 2017, the components of accumulated earnings (deficit) on a tax basis were as follows:

| | |
|---|--------------------|
| Undistributed ordinary income | \$ 60,007 |
| Undistributed long-term capital gains | <u>10,823</u> |
| Accumulated earnings | 70,830 |
| Accumulated capital and other losses | — |
| Unrealized depreciation on investments | (245,515) |
| Unrealized depreciation on foreign currency | — |
| Total accumulated deficit | <u>\$(174,685)</u> |

THE RELATIVE VALUE FUND

Notes to Financial Statements — Continued

March 31, 2018

The tax character of distributions paid during the period ended December 31, 2017 was as follows:

| | <u>2017</u> |
|---------------------------------------|-----------------|
| Distribution paid from: | |
| Ordinary income | \$53,633 |
| Net long-term capital gains | <u>4,201</u> |
| Total taxable distributions | <u>\$57,834</u> |

Note 5 — Investment Transactions

For the period ended March 31, 2018, purchases and sales of investments, excluding short-term investments, were \$32,823,002 and \$21,363,008, respectively. Proceeds from securities sold short and cover short securities were \$7,135,268 and \$4,869,547, respectively, for the same period.

Note 6 — Indemnifications

In the normal course of business, the Fund enters into contracts that contain a variety of representations which provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. However, the Fund expects the risk of loss to be remote.

Note 7 — Repurchase of Shares

The Fund intends to provide a limited degree of liquidity to the Shareholders by conducting repurchase offers quarterly with a valuation date on or about March 31, June 30, September 30 and December 31 of each year. In each repurchase offer, the Fund may offer to repurchase its shares at their net asset value as determined as of approximately March 31, June 30, September 30 and December 31, of each year, as applicable (each such date, a "Valuation Date"). Each repurchase offer will be for an amount between 5% and 10% of the shares outstanding, but if the value of shares tendered for repurchase exceeds the value the Fund intended to repurchase, the Fund may determine to repurchase less than the full number of shares tendered. In such event, Shareholders will have their shares repurchased on a pro rata basis, and tendering Shareholders will not have all of their tendered shares repurchased by the Fund. Shareholders tendering shares for repurchase will be asked to give written notice of their intent to do so by the date specified in the notice describing the terms of the applicable repurchase offer, which date will be approximately 14 days prior to the Valuation Date.

Note 8 — Fair Value Measurements and Disclosure

Fair Value Measurements and Disclosures defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and expands disclosure about fair value measurements. It also provides guidance on determining when there has been a significant decrease in the volume and level of activity for an asset or a liability, when a transaction is not orderly, and how that information must be incorporated into a fair value measurement.

Under *Fair Value Measurements and Disclosures*, various inputs are used in determining the value of the Fund's investments. These inputs are summarized into three broad levels as described below:

- Level 1 — Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.
- Level 2 — Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

THE RELATIVE VALUE FUND

Notes to Financial Statements — Continued

March 31, 2018

- Level 3 — Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

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.

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities. The following is a summary of the inputs used, as of March 31, 2018, in valuing the Fund's assets carried at fair value:

| | Level 1 | Level 2 | Level 3** | Total |
|---------------------------------------|----------------------------|------------------------|--------------------|----------------------------|
| Assets | | | | |
| Investments | | | | |
| Closed-End Funds | \$ 3,188,870 | \$ — | \$ — | \$ 3,188,870 |
| Common Stocks* | 7,795,449 | — | — | 7,795,449 |
| Preferred Stocks | 314,557 | — | — | 314,557 |
| Purchased Options Contracts | 37,080 | 31,462 | — | 68,542 |
| Rights | 1,691 | — | — | 1,691 |
| Warrants | 2,271 | — | — | 2,271 |
| Short-Term Investments | 2,046,657 | — | — | 2,046,657 |
| Total Assets | <u>\$13,386,575</u> | <u>\$31,462</u> | <u>\$ —</u> | <u>\$13,418,037</u> |
| Liabilities | | | | |
| Securities Sold Short | | | | |
| Common Stocks* | \$ 2,187,329 | \$ — | \$ — | \$ 2,187,329 |
| Exchange-Traded Funds | 133,608 | — | — | 133,608 |
| Written Options Contracts | 33,045 | 8,753 | — | 41,798 |
| Total Liabilities | <u>\$ 2,353,982</u> | <u>\$ 8,753</u> | <u>\$ —</u> | <u>\$ 2,362,735</u> |

* All common stocks held in the Fund are Level 1 securities. For a detailed break-out of common stocks by major industry classification, please refer to the Schedule of Investments.

** The Fund did not hold any Level 3 securities at period end.

Transfers between Levels 1, 2 or 3 are recognized at the end of the reporting period. There were no transfers between Levels at period end.

Note 9 — Derivative and Hedging Disclosure

The Fund has adopted the disclosure provisions of FASB Accounting Standard Codification 815, *Derivatives and Hedging*. *Derivatives and Hedging* requires enhanced disclosures about the Fund's derivative and hedging activities, including how such activities are accounted for and their effects on the Fund's financial position, performance and cash flows. The Fund invested in options contracts during the period ended March 31, 2018.

THE RELATIVE VALUE FUND

Notes to Financial Statements — Continued

March 31, 2018

The effects of these derivative instruments on the Fund's financial position and financial performance as reflected in the Statement of Assets and Liabilities and Statement of Operations are presented in the tables below. The fair values of derivative instruments as of March 31, 2018 by risk category are as follows:

| Derivatives not designated as hedging instruments | Asset Derivatives | | Liability Derivatives | |
|---|---|-----------------|---|-----------------|
| | Statement of Asset and Liabilities Location | Value | Statement of Asset and Liabilities Location | Value |
| Equity Price Risk | Purchased options contracts, at value | \$68,542 | Written options contracts, at value | \$41,798 |
| Total | | <u>\$68,542</u> | | <u>\$41,798</u> |

The effects of derivative instruments on the Statement of Operations for the period ended March 31, 2018 are as follows:

| Amount of Realized Gain or (Loss) on Derivatives Recognized in Income | | | |
|---|-----------------------------|---------------------------|-------------------|
| Derivatives not designated as hedging instruments | Purchased Options Contracts | Written Options Contracts | Futures Contracts |
| Equity Price Risk | \$(15,333) | \$6,947 | \$ — |
| Total | <u>\$(15,333)</u> | <u>\$6,947</u> | <u>\$ —</u> |

| Change in Unrealized Appreciation/Depreciation on Derivatives Recognized in Income | | | | |
|--|-------------------|-----------------------------|---------------------------|-------------------|
| Derivatives not designated as hedging instruments | Futures Contracts | Purchased Options Contracts | Written Options Contracts | Total |
| Equity Price Risk | \$ — | \$(7,680) | \$(9,394) | \$(17,074) |
| Total | <u>\$ —</u> | <u>\$(7,680)</u> | <u>\$(9,394)</u> | <u>\$(17,074)</u> |

The number of contracts are included on the Schedule of Investments. The quarterly average volumes of derivative instruments as of March 31, 2018 are as follows:

| Derivative | Quarterly Average | Amount |
|---|------------------------|-----------|
| Options Contracts — Purchased | Average Notional Value | 402,090 |
| Options Contracts — Written | Average Notional Value | (439,450) |

Note 10 — Events Subsequent to the Fiscal Period End

The Fund has adopted financial reporting rules regarding subsequent events which require an entity to recognize in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet. Management has evaluated the Fund's related events and transactions that occurred through the date of issuance of the Fund's financial statements. There were no events or transactions that occurred during this period that materially impacted the amounts or disclosures in the Fund's financial statements.

APPENDIX B1 — FINANCIAL STATEMENTS

THE RELATIVE VALUE FUND

(A Delaware Statutory Trust)

Financial Statements

For the Six Months Ended September 30, 2018

(Unaudited)

THE RELATIVE VALUE FUND

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This report and the financial statements contained herein are provided for the general information of the shareholders of The Relative Value Fund. This report is not authorized for distribution to prospective investors in the Fund unless preceded or accompanied by an effective prospectus.

The Relative Value Fund

SCHEDULE OF INVESTMENTS

As of September 30, 2018 (Unaudited)

| Principal Amount | | Value |
|---------------------------------------|---|----------------|
| ASSET-BACKED SECURITIES – 6.4% | | |
| \$ 209,329 | DSLA Mortgage Loan Trust Series 2006-AR2, Class 1A1A, 2.472% (LIBOR 1 Month+19 basis points) 10/19/2036 ^{1,2} | \$ 185,518 |
| 250,000 | Magnetite XVI Ltd. Series 2015-16A, Class F, 8.833% (LIBOR 3 Month+650 basis points), 1/18/2028 ^{1,2,3} | 242,516 |
| 229,160 | RBSSP Resecuritization Trust Series 2009-10, Class 2A2, 2.000%, 1/26/2037 ^{2,3,4} | 153,881 |
| 100,000 | WFRBS Commercial Mortgage Trust Series 2014-C24, Class C, 4.290%, 11/15/2047 ^{2,4} | 94,836 |
| | TOTAL ASSET-BACKED SECURITIES | 676,751 |
| | (Cost \$673,378) | |
| CLOSED-END FUNDS – 21.0% | | |
| 2,441 | Aberdeen Emerging Markets Equity Income Fund, Inc. | 16,745 |
| 12,376 | Aberdeen Total Dynamic Dividend Fund ⁵ | 108,661 |
| 1,578 | Advent Claymore Convertible Securities and Income Fund ⁵ | 24,727 |
| 5,917 | AllianzGI Convertible & Income 2024 Target ⁵ | 54,436 |
| 3,771 | AllianzGI NFJ Dividend Interest & Premium Strategy Fund ⁵ | 49,400 |
| 307 | BlackRock Municipal 2030 Target Term Trust | 6,358 |
| 4,594 | BrandywineGLOBAL Global Income Opportunities Fund, Inc. ⁵ | 49,983 |
| 8,107 | Clough Global Opportunities Fund ⁵ | 87,880 |
| 4,932 | Cornerstone Strategic Value Fund, Inc. ⁵ | 69,048 |
| 1,860 | Cornerstone Total Return Fund, Inc. ⁵ | 25,817 |
| 13,652 | Delaware Enhanced Global Dividend & Income Fund ⁵ | 152,902 |
| 3,976 | Eagle Growth & Income Opportunities Fund ⁵ | 60,550 |
| 244 | Eaton Vance Limited Duration Income Fund ⁵ | 3,094 |
| 3 | Franklin Ltd. Duration Income Trust | 31 |
| 3 | Gabelli Convertible and Income Securities Fund, Inc. ⁵ | 17 |
| 10,135 | Garrison Capital, Inc. ⁵ | 83,918 |
| 1,973 | High Income Securities Fund | 18,704 |
| 6,462 | Highland Floating Rate Opportunities Fund ⁵ | 99,644 |
| 8,591 | Invesco High Income Trust II ⁵ | 117,783 |
| 11,035 | Invesco Senior Income Trust ⁵ | 47,450 |
| 3,414 | Kayne Anderson MLP/Midstream Investment Co. ⁵ | 60,940 |
| 3,922 | Lazard World Dividend & Income Fund, Inc. ⁵ | 40,946 |
| 5,543 | Madison Covered Call & Equity Strategy Fund ⁵ | 42,626 |
| 15,500 | Managed Duration Investment Grade Municipal Fund ⁵ | 47,275 |
| 5,972 | Morgan Stanley Emerging Markets Debt Fund, Inc. ⁵ | 51,777 |
| 3,987 | Morgan Stanley Emerging Markets Fund, Inc. ⁵ | 62,197 |
| 3,227 | NexPoint Strategic Opportunities Fund ⁵ | 72,285 |

The Relative Value Fund

SCHEDULE OF INVESTMENTS — Continued

As of September 30, 2018 (Unaudited)

| Number of Shares | | Value |
|--|--|-------------------------|
| CLOSED-END FUNDS (Continued) | | |
| 2,792 | Nuveen Credit Strategies Income Fund ⁵ | \$ 22,252 |
| 1,882 | Nuveen Emerging Markets Debt 2022 Target Term Fund ⁵ | 15,395 |
| 1,812 | Nuveen Intermediate Duration Quality Municipal Term Fund ⁵ | 22,306 |
| 2,027 | Nuveen Mortgage Opportunity Term Fund ⁵ | 48,648 |
| 6,106 | Nuveen Mortgage Opportunity Term Fund 2 ⁵ | 140,438 |
| 9,121 | PGIM Global Short Duration High Yield Fund, Inc. ⁵ | 126,508 |
| 697 | PGIM Short Duration High Yield Fund, Inc. ⁵ | 9,856 |
| 1,312 | Special Opportunities Fund, Inc. ⁵ | 19,706 |
| 4,605 | Sprott Focus Trust, Inc. ⁵ | 33,985 |
| 7,869 | Templeton Emerging Markets Income Fund ⁵ | 78,690 |
| 9,486 | Templeton Global Income Fund ⁵ | 58,054 |
| 624 | The China Fund, Inc. ⁵ | 12,230 |
| 1,060 | The India Fund, Inc. ⁵ | 23,458 |
| 4,584 | Tortoise MLP Fund, Inc. ⁵ | 73,711 |
| 3,165 | Virtus Total Return Fund, Inc. | 33,296 |
| 5,311 | Voya Prime Rate Trust ⁵ | 26,449 |
| 1,543 | Western Asset Global High Income Fund, Inc. ⁵ | 14,057 |
| | TOTAL CLOSED-END FUNDS | |
| | (Cost \$2,261,351) | <u>2,214,233</u> |
| Principal Amount | | |
| COLLATERALIZED MORTGAGE OBLIGATIONS – 11.7% | | |
| \$1,464,381 | CHL Mortgage Pass-Through Trust Series 2004-29, Class 1X, 0.935%, 2/25/2035 ^{2,4} | 21,572 |
| 131,000 | COMM Mortgage Trust Series 2017-PANW, Class E, 4.127%, 10/10/2029 ^{3,4} | 121,226 |
| 150,000 | Fannie Mae Connecticut Avenue Securities Series 2018-C02, Class 2M2, 4.416% (LIBOR 1 Month+220 basis points), 8/25/2030 ^{1,2} | 151,935 |
| 100,000 | Series 2018-C03, Class 1M2, 4.366% (LIBOR 1 Month+215 basis points), 10/25/2030 ^{1,2} | 101,288 |
| 200,000 | GS Mortgage Securities Trust Series 2014-GC22, Class C, 4.846%, 6/10/2047 ^{2,4} | 199,120 |
| 100,000 | Home Partners of America Trust Series 2018-1, Class F, 4.508% (LIBOR 1 Month+235 basis points), 7/17/2037 ^{1,3} | 100,700 |
| 257,774 | Morgan Stanley Mortgage Loan Trust Series 2006-13AX, Class A2, 2.556% (LIBOR 1 Month+34 basis points), 10/25/2036 ^{1,2} | 133,396 |
| 383,516 | Series 2007-7AX, Class 2A1, 2.336% (LIBOR 1 Month+12 basis points), 4/25/2037 ^{1,2} | 188,595 |

The Relative Value Fund

SCHEDULE OF INVESTMENTS — Continued

As of September 30, 2018 (Unaudited)

| Principal Amount | | Value |
|-----------------------------|--|------------------|
| | COLLATERALIZED MORTGAGE OBLIGATIONS (Continued) | |
| \$100,000 | STACR Trust | |
| | Series 2018-DNA2, Class M2, 4.366% (LIBOR 1 Month+215 basis points), 12/25/2030 ^{1,2,3} | \$ 100,904 |
| 115,000 | UBS Commercial Mortgage Trust | |
| | Series 2018-C8, Class C, 4.862%, 2/15/2051 ^{2,4} | 115,095 |
| | TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS | |
| | (Cost \$1,237,509) | 1,233,831 |
| Number of Shares | | |
| | COMMON STOCKS – 37.5% | |
| | COMMUNICATIONS – 1.8% | |
| 3,668 | Twenty-First Century Fox, Inc. - Class A ⁵ | 169,938 |
| 540 | Twenty-First Century Fox, Inc. - Class B ⁵ | 24,743 |
| | | 194,681 |
| | CONSUMER DISCRETIONARY – 2.7% | |
| 3,561 | Pinnacle Entertainment, Inc. ^{*,5} | 119,970 |
| 1,131 | SodaStream International Ltd. ^{*,5,6} | 161,824 |
| | | 281,794 |
| | CONSUMER STAPLES – 2.3% | |
| 3,808 | Pinnacle Foods, Inc. ⁵ | 246,796 |
| | ENERGY – 8.7% | |
| 3,504 | Andeavor ⁵ | 537,864 |
| 119 | Dominion Energy Midstream Partners LP | 2,130 |
| 1,617 | Energen Corp. [*] | 139,337 |
| 1,008 | Ocean Rig UDW, Inc. - Class A ^{*,6} | 34,897 |
| 5,667 | Spectra Energy Partners LP ⁵ | 202,369 |
| | | 916,597 |
| | FINANCIALS – 6.8% | |
| 9,888 | Barings BDC, Inc. ⁵ | 98,979 |
| 1,246 | Big Rock Partners Acquisition Corp. ^{*,5} | 12,460 |
| 849 | Black Ridge Acquisition Corp. ^{*,5} | 8,278 |
| 1,554 | BlackRock Resources & Commodities Strategy Trust ⁵ | 14,095 |
| 1,386 | CM Seven Star Acquisition Corp. ^{*,5,6} | 13,943 |
| 2,511 | CoBiz Financial, Inc. ⁵ | 55,593 |
| 265 | Constellation Alpha Capital Corp. ^{*,5,6} | 2,682 |
| 462 | Draper Oakwood Technology Acquisition, Inc. - Class A ^{*,5} | 4,338 |
| 1,359 | Far Point Acquisition Corp. - Class A ^{*,5} | 13,060 |
| 427 | Fifth Third Bancorp | 11,922 |
| 5,278 | Forest City Realty Trust, Inc. - REIT ⁵ | 132,425 |
| 3,918 | Gramercy Property Trust - REIT ⁵ | 107,510 |
| 2,044 | Haymaker Acquisition Corp. ^{*,5} | 19,949 |

The Relative Value Fund

SCHEDULE OF INVESTMENTS — Continued

As of September 30, 2018 (Unaudited)

| Number of Shares | | Value |
|---|--|------------------|
| COMMON STOCKS (Continued) | | |
| FINANCIALS (Continued) | | |
| 500 | Hennessy Capital Acquisition Corp. III ^{*,5} | \$ 5,095 |
| 490 | Industrea Acquisition Corp. - Class A ^{*,5} | 4,998 |
| 3,535 | LaSalle Hotel Properties - REIT ⁵ | 122,276 |
| 1,038 | Legacy Acquisition Corp. ^{*,5} | 10,100 |
| 2,374 | Leisure Acquisition Corp. ^{*,5} | 23,004 |
| 3,004 | One Madison Corp. ^{*,5,6} | 29,199 |
| 1,142 | Pensare Acquisition Corp. ^{*,5} | 11,374 |
| 754 | Pure Acquisition Corp. ^{*,5} | 7,318 |
| 276 | Select Income REIT ⁵ | 6,055 |
| | | <u>714,653</u> |
| HEALTH CARE – 5.7% | | |
| 2,332 | Aetna, Inc. ⁵ | 473,046 |
| 505 | Express Scripts Holding Co. ^{*,5} | 47,980 |
| 2,755 | K2M Group Holdings, Inc. ^{*,5} | 75,405 |
| | | <u>596,431</u> |
| INDUSTRIALS – 5.0% | | |
| 3,750 | Rockwell Collins, Inc. ⁵ | <u>526,763</u> |
| MATERIALS – 0.1% | | |
| 183 | KMG Chemicals, Inc. | <u>13,827</u> |
| TECHNOLOGY – 3.7% | | |
| 2,930 | CA, Inc. ⁵ | 129,359 |
| 2,971 | Convergys Corp. ⁵ | 70,532 |
| 537 | Dell Technologies, Inc. - Class V ^{*,5} | 52,153 |
| 431 | Dun & Bradstreet Corp. ⁵ | 61,422 |
| 1,132 | Engility Holdings, Inc. ^{*,5} | 40,741 |
| 1,468 | Reis, Inc. ⁵ | 33,764 |
| | | <u>387,971</u> |
| UTILITIES – 0.7% | | |
| 968 | Vectren Corp. ⁵ | <u>69,202</u> |
| TOTAL COMMON STOCKS | | |
| | (Cost \$3,842,622) | <u>3,948,715</u> |
| EXCHANGE-TRADED DEBT SECURITIES – 1.5% | | |
| FINANCIALS 1.5% | | |
| 1,144 | Capital Southwest Corp. 5.950%, 12/15/2022 ² | 29,172 |
| 791 | KCAP Financial, Inc. 6.125%, 9/30/2022 ² | 19,933 |
| 894 | Monroe Capital Corp. 5.750%, 10/31/2023 ² | 22,279 |

The Relative Value Fund

SCHEDULE OF INVESTMENTS — Continued

As of September 30, 2018 (Unaudited)

| Number of Shares | | Value |
|---------------------|---|----------------|
| | EXCHANGE-TRADED DEBT SECURITIES (Continued) | |
| | FINANCIALS (Continued) | |
| 1,554 | Oxford Square Capital Corp. 6.500%, 3/30/2024 ² | \$ 38,998 |
| 433 | Stellus Capital Investment Corp. 5.750%, 9/15/2022 ² | 10,868 |
| 1,145 | THL Credit, Inc. 6.750%, 12/30/2022 ² | 28,854 |
| 396 | TriplePoint Venture Growth BDC Corp. 5.750%, 7/15/2022 ² | 9,904 |
| | | 160,008 |
| | TOTAL EXCHANGE-TRADED DEBT SECURITIES (Cost \$160,092) | 160,008 |
| | PURCHASED OPTIONS CONTRACTS – 0.0% | |
| | PUT OPTIONS – 0.0% | |
| | Aetna, Inc. | |
| 2 | Exercise Price: \$180.00, Notional Amount: \$36,000, Expiration Date: January 18, 2019* | 154 |
| 11 | Exercise Price: \$180.00, Notional Amount: \$198,000, Expiration Date: October 19, 2018* | 797 |
| | Rockwell Collins, Inc. | |
| 11 | Exercise Price: \$130.00, Notional Amount: \$143,000, Expiration Date: October 19, 2018 | 880 |
| | TOTAL PUT OPTIONS (Cost \$2,112) | 1,831 |
| | TOTAL PURCHASED OPTIONS CONTRACTS (Cost \$2,112) | 1,831 |
| | RIGHTS – 0.0% | |
| 1,246 | Big Rock Partners Acquisition Corp., Expiration Date: July 3, 2019* ⁵ | 511 |
| 425 | Black Ridge Acquisition Corp., Expiration Date: July 3, 2019* ⁵ | 137 |
| 1,386 | CM Seven Star Acquisition Corp., Expiration Date: April 25, 2019* ^{5,6} | 693 |
| 265 | Constellation Alpha Capital Corp., Expiration Date: March 18, 2019* ^{5,6} | 106 |
| 462 | Draper Oakwood Technology Acquisition, Inc., Expiration Date: March 13, 2019* ⁵ | 226 |
| 3 | Franklin Ltd. Duration Income Trust, Expiration Date: October 18, 2018* ⁸ | — |
| 3 | Liberty All-Star Growth Fund, Inc., Expiration Date: October 23, 2018* ⁸ | — |

The Relative Value Fund

SCHEDULE OF INVESTMENTS — Continued

As of September 30, 2018 (Unaudited)

| Number of Shares | | Value |
|---------------------|---|----------------|
| | RIGHTS (Continued) | |
| 1,142 | Pensare Acquisition Corp., Expiration Date: January 26, 2019* ^{.5} | \$ 514 |
| | TOTAL RIGHTS (Cost \$0) | 2,187 |
| | UNITS – 0.0% | |
| 1 | Far Point Acquisition Corp.* ^{.5} | 10 |
| 1 | Leisure Acquisition Corp.* ^{.5} | 10 |
| | TOTAL UNITS (Cost \$20) | 20 |
| | U.S. TREASURY NOTES – 2.2% | |
| \$ 235,000 | United States Treasury Note 0.750%, 10/31/2018 ⁵ | 234,750 |
| | TOTAL U.S. TREASURY NOTES (Cost \$234,767) | 234,750 |
| | WARRANTS – 0.1% | |
| 623 | Big Rock Partners Acquisition Corp., Expiration Date: November 30, 2022* ^{.5} | 194 |
| 1,386 | Black Ridge Acquisition Corp., Expiration Date: October 25, 2022* ^{.5} | 596 |
| 693 | CM Seven Star Acquisition Corp., Expiration Date: November 5, 2018* ^{.5,6} | 326 |
| 265 | Constellation Alpha Capital Corp., Expiration Date: March 22, 2024* ^{.5,6} | 58 |
| 231 | Draper Oakwood Technology Acquisition, Inc., Expiration Date: September 29, 2024* ^{.5} | 136 |
| 286 | Falcon Minerals Corp., Expiration Date: August 15, 2022* ^{.5} | 492 |
| 453 | Far Point Acquisition Corp., Expiration Date: May 31, 2025* ^{.5} | 747 |
| 3 | Gabelli Convertible and Income Securities Fund, Inc., Expiration Date: October 16, 2018* ^{.5} | — |
| 1,022 | Haymaker Acquisition Corp., Expiration Date: November 15, 2022* ^{.5} | 1,226 |
| 375 | Hennessy Capital Acquisition Corp. III, Expiration Date: June 15, 2024* | 563 |
| 501 | I-AM Capital Acquisition Co., Expiration Date: October 8, 2022* ^{.5} | 175 |
| 490 | Industrea Acquisition Corp., Expiration Date: July 31, 2024* ^{.5} | 485 |
| 1,038 | Legacy Acquisition Corp., Expiration Date: November 29, 2022* ^{.5} | 426 |
| 1,187 | Leisure Acquisition Corp., Expiration Date: December 27, 2022* ^{.5} | 1,128 |
| 1,502 | One Madison Corp., Expiration Date: February 21, 2023* ^{.5,6} | 1,667 |
| 571 | Pensare Acquisition Corp., Expiration Date: August 8, 2022* ^{.5} | 263 |

The Relative Value Fund

SCHEDULE OF INVESTMENTS — Continued

As of September 30, 2018 (Unaudited)

| Number of Shares | | Value |
|---------------------|---|----------------------------|
| | WARRANTS (Continued) | |
| 377 | Pure Acquisition Corp., Expiration Date: April 16, 2023 ^{*,5} | \$ 509 |
| | TOTAL WARRANTS | |
| | (Cost \$0) | <u>8,991</u> |
| | SHORT-TERM INVESTMENTS – 20.7% | |
| 2,181,044 | Morgan Stanley Institutional Liquidity Fund – Government Portfolio – Institutional Class, 1.86% ^{5,7} | 2,181,044 |
| | TOTAL SHORT-TERM INVESTMENTS | |
| | (Cost \$2,181,044) | <u>2,181,044</u> |
| | TOTAL INVESTMENTS – 101.1% | |
| | (Cost \$10,592,895) | <u>10,662,361</u> |
| | Liabilities in Excess of Other Assets – (1.1)% | (113,766) |
| | TOTAL NET ASSETS – 100.0% | <u><u>\$10,548,595</u></u> |
| | SECURITIES SOLD SHORT – (15.9)% | |
| | COMMON STOCKS – (14.9)% | |
| | CONSUMER DISCRETIONARY – (0.8)% | |
| (1,494) | Penn National Gaming, Inc.* | (49,182) |
| (2,314) | Rent-A-Center, Inc.* | (33,275) |
| | | <u>(82,457)</u> |
| | CONSUMER STAPLES – (0.8)% | |
| (2,474) | Conagra Brands, Inc. | <u>(84,042)</u> |
| | ENERGY (7.8)% | |
| (1,042) | Diamondback Energy, Inc. | (140,868) |
| (6,295) | Enbridge, Inc. ⁶ | (203,266) |
| (5,722) | Marathon Petroleum Corp. | (457,588) |
| (1,628) | Transocean Ltd. ^{*,6} | (22,711) |
| | | <u>(824,433)</u> |
| | FINANCIALS – (1.3)% | |
| (427) | BOK Financial Corp. | (41,539) |
| (287) | Government Properties Income Trust – REIT | (3,240) |
| (128) | Industrial Logistics Properties Trust – REIT | (2,945) |
| (294) | MB Financial, Inc. | (13,556) |
| (2,172) | Pebblebrook Hotel Trust – REIT | (78,996) |
| | | <u>(140,276)</u> |
| | HEALTH CARE – (1.7)% | |
| (123) | Cigna Corp. | (25,615) |
| (1,954) | CVS Health Corp. | (153,819) |
| | | <u>(179,434)</u> |
| | INDUSTRIALS – (1.9)% | |
| (1,407) | United Technologies Corp. | <u>(196,713)</u> |

The Relative Value Fund

SCHEDULE OF INVESTMENTS — Continued

As of September 30, 2018 (Unaudited)

| Number of Shares | | Value |
|--------------------------------|---|-----------------------|
| | SECURITIES SOLD SHORT (Continued) | |
| | COMMON STOCKS (Continued) | |
| | TECHNOLOGY – (0.6)% | |
| (37) | Cabot Microelectronics Corp. | \$ (3,817) |
| (128) | Science Applications International Corp. | (10,317) |
| (287) | SYNNEX Corp. | (24,309) |
| (163) | VMware, Inc. – Class A* | (25,438) |
| | | (63,881) |
| | UTILITIES – 0.0% | |
| (29) | Dominion Energy, Inc. | (2,038) |
| | TOTAL COMMON STOCKS | |
| | (Proceeds \$1,544,356) | (1,573,274) |
| | EXCHANGE-TRADED FUNDS – (1.0)% | |
| (4,546) | Alerian MLP ETF | (48,551) |
| (1,400) | SPDR Bloomberg Barclays High Yield Bond ETF | (50,470) |
| | TOTAL EXCHANGE-TRADED FUNDS | |
| | (Proceeds \$99,316) | (99,021) |
| | TOTAL SECURITIES SOLD SHORT | |
| | (Proceeds \$1,643,672) | \$ (1,672,295) |
| Number of Contracts | | |
| | WRITTEN OPTIONS CONTRACTS – 0.0% | |
| | CALL OPTIONS – 0.0% | |
| | Twenty-First Century Fox, Inc. – Class A | |
| (1) | Exercise Price: \$45.00, Notional Amount: \$(4,500), Expiration Date: October 12, 2018* | (220) |
| (9) | Exercise Price: \$45.00, Notional Amount: \$(40,500), Expiration Date: October 19, 2018* | (1,305) |
| (1) | Exercise Price: \$55.00, Notional Amount: \$(5,500), Expiration Date: October 19, 2018* | (3) |
| | TOTAL CALL OPTIONS | |
| | (Proceeds \$739) | (1,528) |
| | PUT OPTIONS – 0.0% | |
| | Twenty-First Century Fox, Inc. – Class A | |
| (1) | Exercise Price: \$47.00, Notional Amount: \$(4,700), Expiration Date: October 19, 2018 | (120) |
| | TOTAL PUT OPTIONS | |
| | (Proceeds \$100) | (120) |
| | TOTAL WRITTEN OPTIONS CONTRACTS | |
| | (Proceeds \$839) | \$ (1,648) |

ETF – Exchange-Traded Fund

LP – Limited Partnership

The Relative Value Fund

SCHEDULE OF INVESTMENTS — Continued

As of September 30, 2018 (Unaudited)

PLC – Public Limited Company

REIT – Real Estate Investment Trust

* Non-income producing security.

¹ Variable or floating rate security, which interest rate adjusts periodically based on changes in current interest rates and prepayments on the underlying pool of assets. Rate shown is the rate in effect as of period end.

² Callable.

³ Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities are restricted and may be resold in transactions exempt from registration normally to qualified institutional buyers. The total value of these securities is \$719,227 which represents 6.8% of Net Assets.

⁴ Variable rate security. Rate shown is the rate in effect as of period end.

⁵ All or a portion of this security is segregated as collateral for securities sold short and swap contracts. Aggregate value of segregated securities were \$5,272,918.

⁶ Foreign security denominated in U.S. Dollars.

⁷ The rate is the annualized seven-day yield at period end.

⁸ Level 3 security fair valued under procedures established by the Board of Trustees, represents 0.0% of Net Assets. The total value of this security is \$0.

See accompanying Notes to Financial Statements.

The Relative Value Fund
SUMMARY OF INVESTMENTS
As of September 30, 2018 (Unaudited)

| Security Type/Sector | Percent of Total Net Assets |
|--|--|
| Asset-Backed Securities | 6.4% |
| Closed-End Funds | 21.0% |
| Collateralized Mortgage Obligations | 11.7% |
| Common Stocks | |
| Energy | 8.7% |
| Financials | 6.8% |
| Health Care | 5.7% |
| Industrials | 5.0% |
| Technology | 3.7% |
| Consumer Discretionary | 2.7% |
| Consumer Staples | 2.3% |
| Communications | 1.8% |
| Utilities | 0.7% |
| Materials | 0.1% |
| Total Common Stocks | 37.5% |
| Exchange-Traded Debt Securities | 1.5% |
| Purchased Options Contracts | |
| Put Options | 0.0% |
| Total Purchased Options Contracts | 0.0% |
| Rights | 0.0% |
| Units | 0.0% |
| U.S. Treasury Notes | 2.2% |
| Warrants | 0.1% |
| Short-Term Investments | 20.7% |
| Total Investments | 101.1% |
| Other Assets in Excess of Liabilities | (1.1)% |
| Total Net Assets | 100.0% |

See accompanying Notes to Financial Statements.

THE RELATIVE VALUE FUND

Statement of Assets and Liabilities

As of September 30, 2018 (Unaudited)

Assets:

| | |
|---|-------------------|
| Investments, at value (cost \$10,590,783) | \$10,660,530 |
| Purchased options contracts, at value (cost \$2,112) | 1,831 |
| Cash deposited with brokers for securities sold short | 155,377 |
| Receivables: | |
| Investment securities sold | 198,189 |
| Dividends and interest | 23,881 |
| Investments purchased in advance | 1,625,000 |
| Due from Investment Manager | 112,153 |
| Prepaid expenses | 29,175 |
| Prepaid organization and offering costs | 210 |
| Total assets | <u>12,806,346</u> |

Liabilities:

| | |
|--|------------------|
| Securities sold short, at value (proceeds \$1,643,672) | 1,672,295 |
| Written options contracts, at value (proceeds \$839) | 1,648 |
| Payables: | |
| Investment securities purchased | 211,586 |
| Fund shares redeemed | 335,848 |
| Auditing fees | 26,825 |
| Transfer agent fees and expenses | 7,102 |
| Dividends and interest on securities sold short | 854 |
| Fund administration fees | 573 |
| Fund accounting fees | 500 |
| Chief Compliance Officer fees | 180 |
| Trustees' fees and expenses | 141 |
| Accrued other expenses | 199 |
| Total liabilities | <u>2,257,751</u> |

| | |
|-----------------------------|----------------------------|
| Net Assets | <u><u>\$10,548,595</u></u> |
|-----------------------------|----------------------------|

See accompanying Notes to Financial Statements.

THE RELATIVE VALUE FUND

Statement of Assets and Liabilities — Continued

As of September 30, 2018 (Unaudited)

Components of Net Assets:

| | |
|---|----------------------------|
| Paid-in capital (par value of \$0.01 per share with an unlimited number of shares authorized) | \$10,497,418 |
| Total distributable earnings | <u>51,177</u> |
| Net Assets | <u><u>\$10,548,595</u></u> |

Maximum Offering Price per Share:

CIA Class Shares:

| | |
|---|------------------------|
| Net assets applicable to shares outstanding | \$10,548,595 |
| Shares of common stock issued and outstanding | <u>416,756</u> |
| Net asset value per share | <u><u>\$ 25.31</u></u> |

See accompanying Notes to Financial Statements.

THE RELATIVE VALUE FUND

Statement of Operations

For the Six Months Ended September 30, 2018 (Unaudited)

| | |
|---|--------------------------|
| Investment Income: | |
| Dividends (net of withholding tax of \$272) | \$ 566,459 |
| Interest | 44,214 |
| Total investment income | <u>610,673</u> |
| Expenses: | |
| Advisory fees | 89,008 |
| Offering costs | 29,446 |
| Dividends on securities sold short | 22,617 |
| Auditing fees | 18,476 |
| Custody fees | 16,080 |
| Interest on securities sold short | 15,339 |
| Trustees' fees and expenses | 15,141 |
| Legal fees | 14,981 |
| Registration fees | 14,799 |
| Transfer agent fees and expenses | 14,187 |
| Miscellaneous | 11,136 |
| Chief Compliance Officer fees | 7,594 |
| Insurance fees | 7,186 |
| Broker expenses | 5,587 |
| Shareholder reporting fees | 5,185 |
| Fund administration fees | 4,021 |
| Fund accounting fees | 3,565 |
| Total expenses | <u>294,348</u> |
| Advisory fees waived and other expenses absorbed | <u>(134,847)</u> |
| Net expenses | <u>159,501</u> |
| Net investment income | <u><u>451,172</u></u> |
| Realized and Unrealized Gain (Loss) on Investments, Purchased Options Contracts, Securities Sold Short, Warrants, Written Options Contracts and Foreign Currency | |
| Net realized gain (loss) on: | |
| Investments | (65,342) |
| Purchased options contracts | (39,075) |
| Securities sold short | (354,607) |
| Written options contracts | (21,780) |
| Foreign currency transactions | 16,943 |
| Net realized loss | <u>(463,861)</u> |
| Net change in unrealized appreciation/depreciation on: | |
| Investments | 237,789 |
| Purchased options contracts | 7,399 |
| Securities sold short | 28,395 |
| Written options contracts | 8,585 |
| Foreign currency translations | (919) |
| Net change in unrealized appreciation/depreciation | <u>281,249</u> |
| Net realized and unrealized loss on investments and securities sold short | <u><u>182,612</u></u> |
| Net Increase in Net Assets from Operations | <u><u>\$ 268,560</u></u> |

See accompanying Notes to Financial Statements.

THE RELATIVE VALUE FUND

Statement of Changes in Net Assets

| | For the Six Months Ended September 30, 2018 (Unaudited) | For the Period June 12, 2017 Through March 31, 2018* |
|---|--|---|
| Increase (Decrease) in Net Assets from: | | |
| Operations: | | |
| Net investment income | \$ 451,172 | \$ 33,255 |
| Net realized gain (loss) on investments, purchased options contracts, securities sold short, written options contracts, and foreign currency | (463,861) | 46,050 |
| Net change in unrealized appreciation/depreciation on investments, purchased option contracts, securities sold short, written options contracts, and foreign currency | <u>281,249</u> | <u>(241,215)</u> |
| Net increase in net assets resulting from operations | <u>268,560</u> | <u>(161,910)</u> |
| Distributions to Shareholders: | | |
| Distributions: ¹ | | |
| CIA Class | — | |
| Total | <u>—</u> | |
| From net investment income: | | |
| CIA Class | | <u>(28,307)</u> |
| Total | | <u>(28,307)</u> |
| From net realized gains: | | |
| CIA Class | | <u>(29,528)</u> |
| Total | | <u>(29,528)</u> |
| Capital Transactions: | | |
| Net proceeds from shares sold: | | |
| CIA Class | 168,728 | 15,073,953 |
| Reinvestment of distributions: | | |
| CIA Class | — | 41,642 |
| Cost of shares redeemed: | | |
| CIA Class | <u>(2,483,251)</u> | <u>(2,301,292)</u> |
| Net increase (decrease) in net assets from capital transactions | <u>(2,314,523)</u> | <u>12,814,303</u> |
| Total increase (decrease) in net assets | <u>(2,045,963)</u> | <u>12,594,558</u> |
| Net Assets: | | |
| Beginning of period | <u>12,594,558</u> | — |
| End of period ² | <u>\$10,548,595</u> | <u>\$12,594,558</u> |
| Capital Share Transactions: | | |
| Shares sold: | | |
| CIA Class | 6,723 | 597,986 |
| Shares reinvested: | | |
| CIA Class | — | 1,627 |
| Shares redeemed: | | |
| CIA Class | <u>(98,517)</u> | <u>(91,063)</u> |
| Net increase (decrease) in capital share transactions | <u>(91,794)</u> | <u>508,550</u> |

* Commencement of Operations

¹ The SEC eliminated the requirement to disclose components of distributions paid to shareholders in September 2018.

² For the period ended March 31, 2018, net assets included accumulated undistributed net investment income of \$(2,643). The SEC eliminated the requirement to disclose undistributed net investment income in September 2018.

THE RELATIVE VALUE FUND

Statement of Cash Flows

For the Six Months Ended September 30, 2018 (Unaudited)

Increase (Decrease) in Cash:

| | |
|--|--------------------|
| Cash flows provided by (used for) operating activities: | |
| Net increase in net assets resulting from operations | \$ 268,560 |
| Adjustments to reconcile net increase in net assets from operations to net cash used for operating activities: | |
| Purchases of long-term portfolio investments | (22,957,222) |
| Sales of long-term portfolio investments | 24,204,207 |
| Proceeds from securities sold short | 6,766,857 |
| Cover short securities | (7,672,499) |
| Proceeds from written options | 65,058 |
| Closed written options | (114,701) |
| Purchases of short-term investments, net | (134,387) |
| Return of capital dividends received | 225,509 |
| Decrease in foreign currency | 24,985 |
| Decrease in cash deposited with broker for securities sold short | 2,239,111 |
| Increase in dividends and interest receivable | (6,577) |
| Increase in due from Investment Manager | (61,939) |
| Increase in prepaid expenses | (15,067) |
| Decrease in prepaid organization and offering costs | 29,446 |
| Decrease in foreign currency due to custodian | (223,473) |
| Decrease in dividends and interest on securities sold short | (2,183) |
| Decrease in accrued expenses | (25,764) |
| Net amortization on investments | (2,267) |
| Net realized loss | 478,433 |
| Net change in unrealized appreciation/depreciation | 282,168 |
| Net cash provided by operating activities | <u>2,803,919</u> |
| Cash flows provided by (used for) financing activities: | |
| Proceeds from shares sold | 168,728 |
| Cost of shares redeemed | (2,975,752) |
| Dividends paid to shareholders, net of reinvestments | — |
| Net cash provided by financing activities | <u>(2,807,024)</u> |
| Net decrease in cash | (3,105) |
| Cash: | |
| Beginning of period | <u>3,105</u> |
| End of period | <u><u>\$ —</u></u> |

See accompanying Notes to Financial Statements.

THE RELATIVE VALUE FUND

Financial Highlights

CIA Class

Per share operating performance.

For a capital share outstanding throughout each period.

| | <u>For the Six Months Ended September 30, 2018 (Unaudited)</u> | <u>For the Period June 12, 2017* Through March 31, 2018</u> |
|---|--|---|
| Net asset value, beginning of period | \$ 24.77 | \$ 25.00 |
| Income from Investment Operations: | | |
| Net investment income ¹ | 0.96 | 0.08 |
| Net realized and unrealized gain (loss) on investments | (0.42) | (0.20) |
| Total from investment operations | <u>0.54</u> | <u>(0.12)</u> |
| Less Distributions: | | |
| From net investment income | — | (0.05) |
| From net realized gains | — | (0.06) |
| Total distributions | <u>—</u> | <u>(0.11)</u> |
| Redemption fee proceeds¹ | — | — |
| Net asset value, end of period | <u>\$ 25.31</u> | <u>\$ 24.77</u> |
| Total return | 2.18% ² | (0.50)% ² |
| Ratios and Supplemental Data: | | |
| Net assets, end of period (in thousands) | \$10,549 | \$ 12,595 |
| Ratio of expenses to average net assets: (including interest expense and interest on securities sold short) | | |
| Before fees waived | 4.96% ^{3,4} | 6.89% ^{3,4} |
| After fees waived | 2.69% ^{3,4} | 2.45% ^{3,4} |
| Ratio of net investment income to average net assets: (including interest expense and interest on securities sold short) | | |
| Before fees waived | 5.33% ³ | (4.05)% ³ |
| After fees waived | 7.60% ³ | 0.39% ³ |
| Portfolio turnover rate | 217% ² | 264% ² |

* Commencement of operations.

¹ Based on average shares outstanding for the period.

² Not annualized.

³ Annualized.

⁴ If interest expense and dividends on securities sold short had been excluded, the expense ratios would have been lowered by 0.64% for the six months ended September 30, 2018, 0.50% for the period ended March 31, 2018 respectively.

See accompanying Notes to Financial Statements.

THE RELATIVE VALUE FUND

Notes to Financial Statements September 30, 2018 (Unaudited)

Note 1 — Organization

The Relative Value Fund (the “Fund”) is a Delaware statutory trust registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”), as a non-diversified, closed-end management investment company. The Fund operates as an interval fund. The Fund operates under an Agreement and Declaration of Trust (“Declaration of Trust”) dated November 23, 2016 (the “Declaration of Trust”). The Fund seeks to achieve long-term capital appreciation by pursuing positive absolute returns across market cycles. In pursuing its objective, the Fund seeks to generate attractive long-term returns with low sensitivity to traditional equity and fixed-income indices. The Fund commenced investment operations on June 12, 2017.

The SEC granted the Fund an exemptive order on November 21, 2017 permitting the Fund to offer multiple classes of shares. The Fund’s Registration Statement allows it to offer two classes of shares, Advisor Class Shares and CIA Class Shares. Only the CIA Class of shares is operational as of September 30, 2018.

The shares of each class represent an interest in the same portfolio of investments of the Fund and have equal rights as to voting, redemptions, dividends and liquidation, subject to the approval of the Trustees. Income, expenses (other than expenses attributable to a specific class), and realized and unrealized gains and losses on investments are allocated to each class of shares in proportion to their relative shares outstanding. Shareholders of a class that bears distribution and service expenses under the terms of a distribution plan have exclusive voting rights to that distribution plan.

The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standard Codification Topic 946 “Financial Services — Investment Companies.”

Note 2 — Accounting Policies

The following is a summary of the significant accounting policies consistently followed by the Fund in the preparation of its financial statements. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from these estimates.

(a) Valuation of Investments

The Fund’s Valuation Committee will oversee the valuation of the Fund’s investments on behalf of the Fund. The Board of Trustees of the Fund (the “Board”) has approved valuation procedures for the Fund (the “Valuation Procedures”). Securities traded on one or more of the U.S. national securities exchanges, the Nasdaq Stock Market or any foreign stock exchange will be valued at the last sale price or the official closing price on the exchange or system where such securities are principally traded for the business day as of the relevant determination date. If no sale or official closing price of particular securities are reported on a particular day, the securities will be valued at the closing bid price for securities held long, or the closing ask price for securities held short, or if a closing bid or ask price, as applicable, is not available, at either the exchange or system-defined closing price on the exchange or system in which such securities are principally traded. Over-the-counter securities not quoted on the Nasdaq Stock Market will be valued at the last sale price on the relevant determination date or, if no sale occurs, at the last bid price, in the case of securities held long, or the last ask price, in the case of securities held short, at the time net asset value is determined. Equity securities for which no prices are obtained under the foregoing procedures, including those for which a pricing service supplies no exchange quotation or a quotation that is believed by Vivaldi Asset Management, LLC (the “Investment Manager”) or a Sub-Adviser (as defined in Note 3) not to reflect the market value, will be valued at the bid price, in the case of securities held long, or the ask price, in the case of securities held short, supplied by one or more dealers making a market in those securities or one or more

THE RELATIVE VALUE FUND

Notes to Financial Statements — Continued September 30, 2018 (Unaudited)

brokers, in accordance with the Valuation Procedures. Futures index options will be valued at the mid-point between the last bid price and the last ask price on the relevant determination date at the time net asset value is determined. The mid-point of the last bid and the last ask is also known as the 'mark'. Investments in open-end investment companies are valued at the daily closing net asset value of the respective investment company.

Fixed-income securities with a remaining maturity of sixty (60) days or more for which accurate market quotations are readily available will normally be valued according to dealer-supplied bid quotations or bid quotations from a recognized pricing service. Fixed-income securities for which market quotations are not readily available or are believed by the Investment Manager or a Sub-Adviser not to reflect market value will be valued based upon broker-supplied quotations in accordance with the Valuation Procedures, provided that if such quotations are unavailable or are believed by the Investment Manager or a Sub-Adviser not to reflect market value, such fixed-income securities will be valued at fair value in accordance with the Valuation Procedures, which may include the utilization of valuation models that take into account spread and daily yield changes on government securities in the appropriate market (e.g., matrix pricing). High quality investment grade debt securities (e.g., treasuries, commercial paper, etc.) with a remaining maturity of sixty (60) days or less are valued by the Investment Manager or a Sub-Adviser at amortized cost, which the Board has determined to approximate fair value. All other instruments held by the Fund will be valued in accordance with the Valuation Procedures.

If no price is obtained for a security in accordance with the foregoing, because either an external price is not readily available or such external price is believed by the Investment Manager or a Sub-Adviser not to reflect the market value, the Valuation Committee will make a determination in good faith of the fair value of the security in accordance with the Valuation Procedures. In general, fair value represents a good faith approximation of the current value of an asset and will be used when there is no public market or possibly no market at all for the asset. The fair values of one or more assets may not be the prices at which those assets are ultimately sold and the differences may be significant.

(b) Foreign Currency Translation

The Fund's records are maintained in U.S. dollars. The value of securities, currencies and other assets and liabilities denominated in currencies other than U.S. dollars are translated into U.S. dollars based upon foreign exchange rates prevailing at the end of the reporting period. The currencies are translated into U.S. dollars by using the exchange rates quoted as of 4:00 PM Eastern Standard Time. Purchases and sales of investment securities, income and expenses are translated on the respective dates of such transactions.

The Fund does not isolate that portion of its net realized and unrealized gains and losses on investments resulting from changes in foreign exchange rates from the impact arising from changes in market prices. Such fluctuations are included with net realized and unrealized gain or loss from investments and foreign currency.

Net realized foreign currency transaction gains and losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, and the differences between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign currency translation gains and losses arise from changes in the value of assets and liabilities, other than investments in securities, resulting from changes in the exchange rates.

(c) Short Sales

Short sales are transactions under which the Fund sells a security it does not own in anticipation of a decline in the value of that security. To complete such a transaction, the Fund must borrow the security to make delivery to the buyer. The Fund then is obligated to replace the security borrowed by purchasing the security at market price at the time of replacement. The price at such time may be more or less than the

THE RELATIVE VALUE FUND

Notes to Financial Statements — Continued September 30, 2018 (Unaudited)

price at which the security was sold by the Fund. When a security is sold short, a decrease in the value of the security will be recognized as a gain and an increase in the value of the security will be recognized as a loss, which is potentially limitless. Until the security is replaced, the Fund is required to pay the lender amounts equal to dividend or interest that accrue during the period of the loan which is recorded as an expense. To borrow the security, the Fund also may be required to pay a premium or an interest fee, which are recorded as interest expense. Cash or securities are segregated for the broker to meet the necessary margin requirements. To the extent the Fund sells securities short, it will provide collateral to the broker-dealer and/or will maintain additional asset coverage in the form of cash, U.S. government securities or other liquid securities with its custodian in a segregated account as required by each respective broker-dealer. The Fund is subject to the risk that it may not always be able to close out a short position at a particular time or at an acceptable price.

(d) Options

The Fund may write or purchase options contracts primarily to enhance the Fund's returns or reduce volatility. In addition, the Fund may utilize options in an attempt to generate gains from option premiums or to reduce overall portfolio risk. When the Fund writes or purchases an option, an amount equal to the premium received or paid by the Fund is recorded as an asset or a liability and is subsequently adjusted to the current market value of the option written or purchased. Premiums received or paid from writing or purchasing options which expire unexercised are treated by the Fund on the expiration date as realized gains or losses. The difference between the premium and the amount paid or received on effecting a closing purchase or sale transaction, including brokerage commissions, is also treated as a realized gain or loss. If an option is exercised, the premium paid or received is added to the cost of the purchase or proceeds from the sale in determining whether the Fund has realized a gain or a loss on investment transactions. The Fund, as a writer of an option, may have no control over whether the underlying securities may be sold (call) or purchased (put) and as a result bears the market risk of an unfavorable change in the price of the security underlying the written option.

(e) Exchange Traded Funds ("ETFs")

ETFs typically trade on securities exchanges and their shares may, at times, trade at a premium or discount to their net asset values. In addition, an ETF may not replicate exactly the performance of the benchmark index it seeks to track for a number of reasons, including transaction costs incurred by the ETF, the temporary unavailability of certain index securities in the secondary market or discrepancies between the ETF and the index with respect to the weighting of securities or the number of securities held. Investing in ETFs, which are investment companies, may involve duplication of advisory fees and certain other expenses. As a result, Fund shareholders indirectly bear their proportionate share of these acquired expenses. Therefore, the cost of investing in the Fund will be higher than the cost of investing directly in ETFs and may be higher than other funds that invest directly in securities.

Each ETF in which the Fund invests is subject to specific risks, depending on the nature of the ETF. Each ETF is subject to the risks associated with direct ownership of the securities comprising the index on which the ETF is based. These risks could include liquidity risk, sector risk, and risks associated with fixed-income securities.

(f) Closed-end Funds ("CEFs")

The Fund may invest in shares of CEFs. A CEF is a pooled investment vehicle that is registered under the Investment Company Act and whose shares are listed and traded on U.S. national securities exchanges. Investments in CEFs are subject to various risks, including reliance on management's ability to meet a CEF's investment objective and to manage a CEF's portfolio, and fluctuation in the market value of a CEF's shares compared to the changes in the value of the underlying securities that the CEF owns.

THE RELATIVE VALUE FUND

Notes to Financial Statements — Continued September 30, 2018 (Unaudited)

In addition, the Fund bears a pro rata share of the management fees and expenses of each underlying CEF in addition to the Fund's management fees and expenses, which results in the Fund's shareholders being subject to higher expenses than if they invested directly in the CEFs.

(g) Short-Term Investments

The Fund invests a significant amount (20.7% as of September 30, 2018) in the Morgan Stanley Institutional Liquidity Fund — Government Portfolio (“MVRXX”). MVRXX invests exclusively in a portfolio of short-term U.S. Treasury securities, as well as repurchase agreements collateralized fully by U.S. Treasury securities. The Fund may also hold cash.

MVRXX files complete Semi-Annual and Annual Reports with the U.S. Securities and Exchange Commission for semi-annual and annual periods of each fiscal year on Form N-CSR. The Forms N-CSR are available on the website of the U.S. Securities and Exchange Commission at www.sec.gov, and may also be viewed and copied at the Commission's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The net expense ratio per April 30, 2018 Semi-Annual report of Morgan Stanley Institutional Liquidity Fund — Government Portfolio was 0.17%.

(h) Investment Transactions, Investment Income and Expenses

Investment transactions are accounted for on the trade date. Realized gains and losses on investments are determined on the identified cost basis. Dividend income and expense is recorded net of applicable withholding taxes on the ex-dividend date and interest income and expense is recorded on an accrual basis. Withholding taxes on foreign dividends, if applicable, are paid (a portion of which may be reclaimable) or provided for in accordance with the applicable country's tax rules and rates and are disclosed in the Statement of Operations. Withholding tax reclaims are filed in certain countries to recover a portion of the amounts previously withheld. The Fund records a reclaim receivable based on a number of factors, including a jurisdiction's legal obligation to pay reclaims as well as payment history and market convention. Discounts or premiums on debt securities are accreted or amortized to interest income over the lives of the respective securities using the effective interest method.

(i) Federal Income Taxes

The Fund intends to comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its net investment income and any net realized gains to its shareholders. Therefore, no provision is made for federal income or excise taxes. Due to the timing of dividend distributions and the differences in accounting for income and realized gains and losses for financial statement and federal income tax purposes, the fiscal year in which amounts are distributed may differ from the year in which the income and realized gains and losses are recorded by the Fund.

Accounting for Uncertainty in Income Taxes (the “Income Tax Statement”) requires an evaluation of tax positions taken (or expected to be taken) in the course of preparing a Fund's tax returns to determine whether these positions meet a “more-likely-than-not” standard that, based on the technical merits, have a more than fifty percent likelihood of being sustained by a taxing authority upon examination. A tax position that meets the “more-likely-than-not” recognition threshold is measured to determine the amount of benefit to recognize in the financial statements. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations.

The Income Tax Statement requires management of the Fund to analyze tax positions taken in the prior three open tax years, if any, and tax positions expected to be taken in the Fund's current tax year, as defined by the IRS statute of limitations for all major jurisdictions, including federal tax authorities and certain state tax authorities. As of September 30, 2018 and from the commencement of operations on

THE RELATIVE VALUE FUND

Notes to Financial Statements — Continued September 30, 2018 (Unaudited)

June 12, 2017, the Fund did not have a liability for any unrecognized tax benefits. The Fund has no examination in progress and is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

(j) Distributions to Shareholders

The Fund will make distributions of net investment income and capital gains, if any, at least annually. Distributions to shareholders are recorded on the ex-dividend date. The amount and timing of distributions are determined in accordance with federal income tax regulations, which may differ from GAAP.

The character of distributions made during the year from net investment income or net realized gains may differ from the characterization for federal income tax purposes due to differences in the recognition of income expense and gain (loss) items for financial statement and tax purposes.

Note 3 — Investment Advisory and Other Agreements

The Fund entered into an Investment Advisory Agreement (the “Agreement”) with the Investment Manager. Under the terms of the Agreement, the Fund pays a monthly investment advisory fee to the Investment Manager at the annual rate of 1.50% of the Fund’s average daily net assets. The Investment Manager has contractually agreed to waive its fees and/or pay for operating expenses of the Fund to ensure that total annual operating expenses (excluding any taxes, leverage interest, brokerage commissions, dividend and interest expenses on short sales, acquired fund fees and expenses (as determined in accordance with Form N-2), expenses incurred in connection with any merger or reorganization, and extraordinary expenses such as litigation) do not exceed 2.95% and 1.95% of the Fund’s average daily net assets for the Advisor Class Shares and CIA Class Shares, respectively, until August 1, 2019 (the “Expense Limitation and Reimbursement Agreement”). The Expense Limitation and Reimbursement Agreement will automatically renew for consecutive one-year terms thereafter. Neither the Fund nor the Investment Manager may terminate the Expense Limitation and Reimbursement Agreement during the initial term. After August 1, 2019, either the Fund or the Investment Manager may terminate the Expense Limitation and Reimbursement Agreement upon 30 days’ written notice.

The Fund uses a “multi-manager” approach whereby the Fund’s assets are allocated amongst the Investment Manager and one or more sub-advisers in percentages determined at the discretion of the Investment Manager. Currently, the Investment Manager has engaged RiverNorth Capital Management, LLC and Angel Oak Capital Advisors, LLC (each, a “Sub-Adviser” and together, the “Sub-Advisers”) to manage the assets of the Fund and pays the Sub-Advisers from its advisory fees. Pursuant to separate sub-advisory agreements, the Investment Manager (and not the Fund) has agreed to pay RiverNorth Capital Management, LLC and Angel Oak Capital Advisors, LLC a sub-advisory fee payable on a monthly basis at the annual rate of 1.00% and 0.80%, respectively, of their portion of the Fund’s average daily net assets for the services they provide.

For the six months ended September 30, 2018, the Investment Manager waived its fees and absorbed other expenses totaling \$134,847. For a period not to exceed three years from the date on which advisory fees are waived or Fund expenses absorbed by the Investment Manager, the Investment Manager may recoup amounts waived or absorbed, provided it is able to effect such recoupment and remain in compliance with (a) the limitation on Fund expenses in effect at the time of the relevant reduction in advisory fees or payment of the Fund’s expenses, and (b) the limitation on Fund expenses at the time of the recoupment. At September 30, 2018, the amount of these potentially recoverable expenses was \$510,048. The Adviser may recapture all or a portion of this amount no later than March 31st of the year stated below:

| | |
|-------------|------------------|
| 2021 | \$375,201 |
| 2022 | \$134,847 |
| Total | <u>\$510,048</u> |

THE RELATIVE VALUE FUND

Notes to Financial Statements — Continued September 30, 2018 (Unaudited)

Foreside Fund Services, LLC serves as the Fund’s distributor; UMB Fund Services, Inc. (“UMBFS”) serves as the Fund’s fund accountant, transfer agent and administrator; UMB Bank, n.a., an affiliate of UMBFS, serves as the Fund’s custodian.

Certain trustees and officers of the Fund are employees of UMBFS. The Fund does not compensate trustees and officers affiliated with the Fund’s administrator. For the six months ended September 30, 2018, the Fund’s allocated fees incurred for trustees who are not affiliated with the Fund’s administrator are reported on the Statement of Operations.

Vigilant Compliance, LLC provides Chief Compliance Officer (“CCO”) services to the Fund. The Fund’s allocated fees incurred for CCO services for the six months ended September 30, 2018, are reported on the Statement of Operations.

Note 4 — Federal Income Taxes

At September 30, 2018, gross unrealized appreciation and depreciation on investments based on cost for federal income tax purposes were as follows:

| | |
|--|------------------|
| Cost of investments | \$8,951,560 |
| Gross unrealized appreciation | \$ 217,440 |
| Gross unrealized depreciation | (180,582) |
| Net unrealized appreciation on investments | <u>\$ 36,858</u> |

The difference between cost amounts for financial statement and federal income tax purposes is due primarily to timing differences in recognizing certain gains and losses in security transactions.

As of December 31, 2017, the components of accumulated earnings (deficit) on a tax basis were as follows:

| | |
|---|--------------------|
| Undistributed ordinary income | \$ 60,007 |
| Undistributed long-term capital gains | <u>10,823</u> |
| Accumulated earnings | 70,830 |
| Accumulated capital and other losses | — |
| Unrealized depreciation on investments | (245,515) |
| Unrealized depreciation on foreign currency | — |
| Total accumulated deficit | <u>\$(174,685)</u> |

The tax character of distributions paid during the period ended December 31, 2017 was as follows:

| | |
|---------------------------------------|-----------------|
| | <u>2017</u> |
| Distribution paid from: | |
| Ordinary income | \$53,633 |
| Net long-term capital gains | <u>4,201</u> |
| Total taxable distributions | <u>\$57,834</u> |

Note 5 — Investment Transactions

For the six months ended September 30, 2018, purchases and sales of investments, excluding short-term investments, were \$21,283,954 and \$24,094,484, respectively. Proceeds from securities sold short and cover short securities were \$6,662,662 and \$7,637,516, respectively, for the same period.

THE RELATIVE VALUE FUND

Notes to Financial Statements — Continued September 30, 2018 (Unaudited)

Note 6 — Indemnifications

In the normal course of business, the Fund enters into contracts that contain a variety of representations which provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. However, the Fund expects the risk of loss to be remote.

Note 7 — Repurchase of Shares

The Fund has adopted a fundamental policy to make repurchase offers quarterly with a valuation date on or about March 31, June 30, September 30 and December 31 of each year. In each repurchase offer, the Fund may offer to repurchase its shares at their net asset value as determined as of approximately March 31, June 30, September 30 and December 31, of each year, as applicable (each such date, a "Valuation Date"). Each repurchase offer will be for an amount between 5% and 25% of the shares outstanding, but if the value of shares tendered for repurchase exceeds the value the Fund intended to repurchase, the Fund may determine to repurchase less than the full number of shares tendered. In such event, Shareholders will have their shares repurchased on a pro rata basis, and tendering Shareholders will not have all of their tendered shares repurchased by the Fund. Shareholders tendering shares for repurchase will be asked to give written notice of their intent to do so by the date specified in the notice describing the terms of the applicable repurchase offer, which date will be approximately 14 days prior to the Valuation Date.

Note 8 — Fair Value Measurements and Disclosure

Fair Value Measurements and Disclosures defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and expands disclosure about fair value measurements. It also provides guidance on determining when there has been a significant decrease in the volume and level of activity for an asset or a liability, when a transaction is not orderly, and how that information must be incorporated into a fair value measurement.

Under *Fair Value Measurements and Disclosures*, various inputs are used in determining the value of the Fund's investments. These inputs are summarized into three broad levels as described below:

- Level 1 — Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.
- Level 2 — Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.
- Level 3 — Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

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.

THE RELATIVE VALUE FUND

Notes to Financial Statements — Continued September 30, 2018 (Unaudited)

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities. The following is a summary of the inputs used, as of September 30, 2018, in valuing the Fund's assets carried at fair value:

| | Level 1 | Level 2 | Level 3 | Total |
|---|--------------------|--------------------|------------|---------------------|
| Assets | | | | |
| Investments | | | | |
| Asset-Backed Securities | \$ — | \$ 676,751 | \$— | \$ 676,751 |
| Closed-End Funds | 2,166,958 | 47,275 | — | 2,214,233 |
| Collateralized Mortgage Obligations | — | 1,233,831 | — | 1,233,831 |
| Common Stocks* | 3,948,715 | — | — | 3,948,715 |
| Exchange-Traded Debt Securities* | 160,008 | — | — | 160,008 |
| Purchased Options Contracts | 154 | 1,677 | — | 1,831 |
| Rights | 2,187 | — | — | 2,187 |
| Units | 20 | — | — | 20 |
| U.S. Treasury Notes | — | 234,750 | — | 234,750 |
| Warrants | 8,991 | — | — | 8,991 |
| Short-Term Investments | 2,181,044 | — | — | 2,181,044 |
| Total Investments | <u>\$8,468,077</u> | <u>\$2,194,284</u> | <u>\$—</u> | <u>\$10,662,361</u> |
| Liabilities | | | | |
| Securities Sold Short | | | | |
| Common Stocks* | \$1,573,274 | \$ — | \$— | \$ 1,573,274 |
| Exchange-Traded Funds | 99,021 | — | — | 99,021 |
| Written Options Contracts | 1,305 | 343 | — | 1,648 |
| Total Investments | <u>\$1,673,600</u> | <u>\$ 343</u> | <u>\$—</u> | <u>\$ 1,673,943</u> |

* All common stocks and Exchange-Traded Debt Securities held in the Fund are Level 1 securities. For a detailed break-out of common stocks and Exchange-Traded Debt Securities by major industry classification, please refer to the Schedule of Investments.

Transfers between Levels 1, 2 or 3 are recognized at the end of the reporting period. The following is a reconciliation of transfers between Levels for the Fund from March 31, 2018 to September 30, 2018, represented by recognizing the September 30, 2018 market value of securities:

| | |
|---|-------------------|
| Transfers into Level 1 | \$ — |
| Transfers out of Level 1 | (47,275) |
| Net transfers in (out) of Level 1 | <u>\$(47,275)</u> |
| | |
| Transfers into Level 2 | \$ 47,275 |
| Transfers out of Level 2 | — |
| Net transfers in (out) of Level 2 | <u>\$ 47,275</u> |

Note 9 — Derivative and Hedging Disclosure

The Fund has adopted the disclosure provisions of FASB Accounting Standard Codification 815, Derivatives and Hedging. *Derivatives and Hedging* requires enhanced disclosures about the Fund's derivative and hedging activities, including how such activities are accounted for and their effects on the Fund's financial position, performance and cash flows. The Fund invested in options contracts during the six months ended September 30, 2018.

THE RELATIVE VALUE FUND

Notes to Financial Statements — Continued
September 30, 2018 (Unaudited)

The effects of these derivative instruments on the Fund's financial position and financial performance as reflected in the Statement of Assets and Liabilities and Statement of Operations are presented in the tables below. The fair values of derivative instruments as of September 30, 2018 by risk category are as follows:

| Derivatives not designated as hedging instruments | Asset Derivatives | | Liability Derivatives | |
|---|---|----------------|---|----------------|
| | Statement of Asset and Liabilities Location | Value | Statement of Asset and Liabilities Location | Value |
| Equity Price Risk | Purchased options contracts, at value | \$1,831 | Written options contracts, at value | \$1,648 |
| Total | | <u>\$1,831</u> | | <u>\$1,648</u> |

The effects of derivative instruments on the Statement of Operations for the period ended September 30, 2018 are as follows:

| Amount of Realized Gain or (Loss) on Derivatives Recognized in Income | | | | |
|---|-----------------------------|---------------------------|-------------------|--|
| Derivatives not designated as hedging instruments | Purchased Options Contracts | Written Options Contracts | Futures Contracts | |
| Equity Price Risk | \$(39,075) | \$(21,780) | \$ — | |
| Total | <u>\$(39,075)</u> | <u>\$(21,780)</u> | <u>\$ —</u> | |

| Change in Unrealized Appreciation/Depreciation on Derivatives Recognized in Income | | | | |
|--|-------------------|-----------------------------|---------------------------|-----------------|
| Derivatives not designated as hedging instruments | Futures Contracts | Purchased Options Contracts | Written Options Contracts | Total |
| Equity Price Risk | \$ — | \$7,399 | \$8,585 | \$15,984 |
| Total | <u>\$ —</u> | <u>\$7,399</u> | <u>\$8,585</u> | <u>\$15,984</u> |

The number of contracts are included on the Schedule of Investments. The quarterly average volumes of derivative instruments as of September 30, 2018 are as follows:

| Derivative | Quarterly Average | Amount |
|-------------------------------|------------------------|-----------|
| Options Contracts — Purchased | Average Notional Value | 684,567 |
| Options Contracts — Written | Average Notional Value | (745,983) |

Note 10 — Events Subsequent to the Fiscal Period End

The Fund has adopted financial reporting rules regarding subsequent events which require an entity to recognize in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet. Management has evaluated the Fund's related events and transactions that occurred through the date of issuance of the Fund's financial statements. There were no events or transactions that occurred during this period that materially impacted the amounts or disclosures in the Fund's financial statements.

