



YORKTOWN FUNDS

Capital Income Overview

April
2021

David D. Basten, CIO & Portfolio Manager

David M. Basten, Managing Director & Portfolio Manager

Brentz East, Portfolio Manager

Quarterly Review

We have officially passed the one year anniversary of the initial onset of the COVID-19 pandemic during the first quarter of 2021. We all recognize in some ways the world will never be the same. From the beginning of time, a new normal has always replaced the old, leading us to adjust to new realities; the stock and bond markets have reflected that change. Our Growth and Capital Income Funds security selection process however remains steadfast, starting with companies showing increased cash flow, price-to-book value, earnings and revenue growth. Following that, we focus on disruptive changes and the drivers, enablers, and beneficiaries of major innovations.

We saw the pandemic accelerate the adoption of technological and behavioral changes over the course of 2020 that were already strong before the crisis. Virtual shopping, digital wallet, streaming entertainment, business meetings, gaming, cloud data storage, virtualization, and security software were all developed and made ready to fill voids left by the widespread economic shutdowns.

The pandemic also accelerated the reduction of the footprint of brick-and-mortar retailers, making the very competitive restaurant industry even tougher to survive in. We witnessed a further increase in the divide between economies, as well as within them.

The U.S. stock markets reflected optimism over the developing recovery with the Dow Jones Industrial Average, the S&P 500 and NASDAQ, all showing single digit returns for the first quarter and over 50% returns over the past twelve months. As the focus of investors turned to cyclical recovery plays, the growth stocks that served us well last year took a breather.

We believe that while it may be uneven and not universal, the worldwide recovery from the pandemic-induced economic shutdown will continue for the rest of 2021. It is estimated that five percent of all home mortgages are in forbearance programs; this speaks to the unevenness of the recovery. Some companies, countries, and people will come back stronger than ever while some will have a very difficult time dealing with deficiencies, debt levels and structural problems that became more exposed during the crisis.

We are still focusing on long-term winners and believe this has the potential to continue benefiting our shareholders as the year progresses.

To view standardized performance and holdings:

[Download Fact Sheet](#)

David D. Basten, Yorktown Management & Research

Portfolio Manager, Principal & CIO

David D. Basten, Portfolio Manager, is the CIO of Yorktown Funds and is responsible for the Capital Income Fund Strategy.

Dave M. Basten, Yorktown Management & Research

Portfolio Manager, Principal & Managing Director for the Yorktown Funds

Dave Basten, Portfolio Manager, is the Managing Director for Yorktown Funds and is responsible for the Capital Income Fund Strategy.

Brentz East, Yorktown Management & Research

Portfolio Manager

Brentz East, Portfolio Manager, is responsible in part for the Capital Income Fund Strategy.

The performance quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 1-800-544-6060.

Per the most recent prospectus, (1) Fund total Operating expense ratios are (1) Class A 1.76%; Class L 2.51%; Institutional 1.51% and (2) Fund net annual operating expense ratios are: Class A 1.28%; Class L 2.03% Institutional 1.03%. In the interest of limiting expenses of the Fund, the Adviser has entered into a contractual expense limitation agreement with the Trust, effective March 31, 2021, so that the Fund's ratio of total annual operating expenses is limited to 1.24% for Class A Shares, 1.99% for Class L Shares, and 0.99% for Institutional Class Shares excluding acquired fund fees and expenses until at least May 31, 2022.

Investing involves risk, including loss of principal. Small cap investing involves greater risk not associated with investing in more established companies, such as greater price volatility, business risk, less liquidity, and increased competitive threat.

You should carefully consider the investment objectives, potential risks, management fees, charges and expenses of the fund before investing.

The fund's prospectus contains this and other information about the fund and should be read carefully before investing. You may obtain a current copy of the fund's prospectus by calling 800-544-6060.