

A SHARE CLASS - **SVFAX**
 I1 SHARE CLASS - **SVFFX**
 INVESTOR SHARE CLASS - **SMVLX**
 C SHARE CLASS - **SVFCX**



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1ST QUARTER 2021 (3/31/21)

Performance

Average Annualized Total Returns as of March 31, 2021

	ONE MONTH	QTR	YTD	ONE YEAR	THREE YEAR	FIVE YEAR	TEN YEAR	ANNUALIZED SINCE INCEPTION 1/2/2008
SVFFX	5.98%	20.29%	20.29%	80.28%	15.56%	14.74%	14.78%	9.99%
SVFAX (w/ load)	-0.12%	13.32%	13.32%	69.47%	13.03%	13.12%	13.74%	9.15%
SVFAX (w/o load)	5.98%	20.24%	20.24%	79.83%	15.28%	14.47%	14.42%	9.64%
SMVLX	5.98%	20.22%	20.22%	79.86%	15.26%	14.43%	14.49%	9.75%
SVFCX	5.93%	20.08%	20.08%	79.55%	15.20%	14.39%	14.47%	9.74%
RUSSELL 1000 VALUE	5.88%	11.26%	11.26%	56.09%	10.96%	11.74%	10.99%	7.59%
S&P 500 TR INDEX	4.38%	6.18%	6.18%	56.35%	16.78%	16.29%	13.91%	10.09%

Investor Shares Gross Expense Ratio 1.26%
 A Shares Gross Expense Ratio 1.26%

I1 Shares Gross Expense Ratio 0.99%
 C Shares Gross Expense Ratio 1.85%

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 877-807-4122. Performance for SVFAX (w/load) reflects maximum sales charge of 5.75%. Performance for SVFAX does not reflect maximum sales charge of 5.75%. If reflected, the load would reduce the performance amount quoted. SVFAX imposes a 1.00% redemption fee on purchases of \$1,000,000 or more that are redeemed within 18 months of purchases. Performance data does not reflect the redemption fee. If it had, returns would be reduced.

Investor Class shares of the Fund commenced operations on January 2, 2008. I1 Class shares of the Fund commenced operations on December 18, 2009. Performance shown for I1 Class shares prior to its inception reflects the performance of Investor Class shares. Class A shares of the Fund commenced operations on January 24, 2014. Performance shown for Class A shares prior to its inception reflects the performance of Investor Class shares, adjusted to reflect Class A expenses.

Dear Shareholder

Our theories about how stocks would react to the reopening of the U.S. economy in the aftermath of COVID-19 were rewarded and dominated our results in the Smead Value Fund (SMVLX). The Fund returned 20.22% for the quarter versus a return of 6.18% for the S&P 500 Index and a return of 11.26% for the Russell 1000 Value Index. It was the second biggest gain we've ever had in one quarter among 52 full quarters of existence. As we think back to conversations we had with many of you a year ago, who would have thought that we would have had two quarters of above 20% return in a single year! Order came out of chaos.

We have argued that significant mean reversion should happen between value and growth strategies as well as well-selected active strategies versus passive ones. If history is any guide, these phases last five to ten years at a time. We can hear Karen Carpenter singing, "We've only just begun to live!"

Our best performing stocks came among our most undervalued at the beginning of the year, Discovery Inc. (DISCA), Continental Resources (CLR) and Lennar (LEN). Discovery started the year at a microscopic price to free cash flow and was going to do well on starting their streaming service. It got caught in the short squeeze

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trading and we reduced our position markedly during the quarter.

Continental Resources enjoyed oil’s massing repricing, which we anticipated, as the new presidential administration sought to limit the finding and drilling of oil. We believe Lennar is about to solve what we think is America’s biggest economic need by building tens of thousands of new single-family residences. This is to satisfy demand from 90 million millennials forming households as they break out of their extended adolescence!

The downside was led by a pullback in Qualcomm (QCOM), which had been a big winner for us in 2020. It corrected with Apple (AAPL) during the quarter. We received shares of Viatrix (VTRS) as a distribution from Pfizer (PFE) and added to it before we sold it to do other things which seemed more compelling. Lastly, Merck (MRK) went nowhere while stocks went up and looks very attractive from a historical perspective.

We believe we are early in the market’s process of moving money from the impatient to the patient. However, we are very conscious of the fact that every phase has its ups and downs.

Winning the Peace

Even before the war is over, the winning side needs to consider how to “win the peace” which will follow. The world has been fighting a war against the COVID-19 pandemic and as nearly universal vaccination approaches, investors need to think about how to win the peace. What does history tell us?

World War I

In the aftermath of World War I, the Allies punished Germany for its role as the main antagonist. Huge reparations were levied, and those financial claims put a big damper on the German population and its economy. This gave rise to Adolf Hitler and the Nazi Party in the 1920s and 1930s. In turn, the Allies ended up fighting another War in the 1940s, because they lost the peace.

World War II

The Allies learned their lesson from WWI. When Japan and Germany surrendered, the U.S. led an effort to shower grace on the German and Japanese people. To understand this, see a movie called *Unbroken*. When the Japanese waved the white flag, the U.S. dropped supplies into their enemy’s hands immediately. Also, the U.S. and its European allies developed the Marshall Plan. This helped the German and Japanese economy to thrive, and they became leading 20th Century economic powerhouses. We won the peace!

COVID-19 Pandemic

Since the War against COVID-19 isn’t won yet, investors are hesitant to think about “winning the peace.” The fight against the virus is affecting certain East Coast and Midwestern states much more than it is in states which have more heavily vaccinated and/or have seen a larger part of their population test positive for COVID-19.

State	COVID Infections				COVID Vaccinations				Combined % Population Infected or Vaccinated
	Population	Total Cases	Residents Infected	ESTIMATED % Population Infected	# People with 1+ Doses	% Population with 1+ Doses	# People with 2 Doses	% Population with 2 Doses	
South Dakota	884,950	115,261	53,171	6%	534,446	37.8%	220,992	25.0%	91%
North Dakota	762,062	101,824	53,466	53%	283,618	34.6%	175,389	24.5%	88%
Rhode Island	1,059,361	138,504	52,972	52%	380,555	35.9%	259,292	24.5%	88%
Arizona	7,278,717	844,302	463,994	46%	2,338,969	32.1%	1,392,647	19.1%	79%
New Mexico	2,096,829	192,152	398,557	37%	863,155	41.2%	546,244	26.2%	78%
Oklahoma	3,956,971	459,149	443,924	44%	1,315,073	33.2%	810,376	20.5%	77%
Utah	3,205,958	387,341	483,276	48%	916,927	28.6%	436,033	13.6%	77%
Nebraska	1,894,408	211,812	437,988	44%	644,910	33.2%	402,325	20.8%	77%
Kansas	2,913,214	301,073	413,375	41%	988,149	33.9%	559,863	19.2%	75%
Wisconsin	5,822,434	579,877	398,374	40%	2,054,787	35.3%	1,242,164	21.3%	75%
Tennessee	6,820,174	813,614	476,552	48%	1,869,985	27.4%	1,064,206	15.6%	75%
Massachusetts	6,892,505	651,896	378,316	38%	2,628,913	38.1%	1,487,084	21.6%	76%
Illinois	12,671,821	1,256,634	396,670	40%	4,370,024	34.5%	2,346,230	18.5%	74%
Delaware	973,764	96,432	396,121	40%	338,164	34.7%	178,050	18.3%	74%
Connecticut	3,565,287	313,226	351,417	35%	1,385,278	38.9%	839,506	23.5%	74%
Montana	1,068,778	105,142	393,504	39%	354,742	33.2%	231,002	21.6%	72%
South Carolina	5,148,714	553,274	431,388	43%	1,500,827	29.1%	861,023	16.7%	72%
Kentucky	4,467,673	426,393	381,758	38%	1,494,867	33.5%	903,711	20.2%	72%
California	39,512,223	3,578,351	362,253	36%	#####	34.2%	7,166,145	18.1%	70%
Iowa	3,155,070	292,463	370,785	37%	1,065,589	33.8%	683,527	21.7%	71%
Minnesota	5,639,632	523,376	372,631	37%	1,959,487	34.7%	1,224,072	21.7%	72%
New Jersey	8,985,190	815,007	367,030	37%	3,266,042	36.8%	1,910,700	21.5%	73%
New York	19,453,561	1,890,420	388,704	39%	6,691,660	34.4%	4,091,857	21.0%	73%
Nevada	3,080,156	305,176	396,312	40%	924,577	30.0%	559,150	18.2%	70%
Indiana	6,732,219	689,355	409,930	41%	1,863,295	27.7%	1,250,217	18.6%	69%
Idaho	1,787,065	181,181	405,539	41%	504,808	28.2%	326,038	18.3%	69%
Wyoming	578,759	56,447	390,124	39%	168,177	29.1%	119,075	20.6%	68%
Florida	21,477,737	2,077,857	386,979	39%	6,554,477	30.5%	3,854,492	17.9%	69%
Alaska	731,545	60,918	333,092	33%	258,378	35.3%	178,886	24.5%	69%
Mississippi	2,976,149	306,088	411,368	41%	771,190	25.9%	500,607	16.8%	67%
Alabama	4,903,185	507,647	414,137	41%	1,248,029	25.5%	711,596	14.5%	67%
Ohio	11,689,100	1,011,011	345,987	39%	3,757,736	32.1%	2,231,979	19.1%	67%
Pennsylvania	12,801,989	1,042,882	325,788	33%	4,505,442	35.2%	2,424,161	18.9%	68%
Louisiana	4,948,794	440,125	378,700	38%	1,294,498	27.8%	855,263	18.4%	66%
New Hampshire	1,359,711	85,846	252,542	25%	569,871	41.9%	270,185	19.9%	67%
North Carolina	10,488,084	903,684	344,632	34%	3,262,431	31.1%	1,908,886	18.2%	66%
Colorado	5,758,736	466,121	325,155	33%	1,908,869	33.1%	1,118,667	19.4%	66%
Virginia	8,535,819	825,148	392,863	29%	2,975,428	34.9%	1,666,877	19.5%	64%
Arkansas	3,017,804	259,351	343,761	34%	861,082	28.5%	487,363	16.1%	63%
West Virginia	1,792,147	143,456	320,188	32%	569,655	31.8%	379,705	21.2%	64%
Missouri	6,137,426	492,337	320,875	32%	1,750,110	28.5%	1,077,912	17.6%	61%
Maryland	6,245,680	417,239	276,107	29%	2,260,048	34.1%	1,196,359	19.2%	62%
Texas	28,995,981	2,266,561	312,674	31%	8,251,415	28.5%	4,670,842	16.1%	59%
Georgia	10,617,423	855,839	322,428	32%	2,791,236	26.3%	1,415,768	13.3%	59%
Michigan	9,986,857	692,206	277,247	28%	3,139,123	31.4%	1,937,375	19.4%	59%
District of Columbia	705,749	45,037	253,258	29%	216,518	30.7%	111,553	15.8%	56%
Maine	1,344,212	51,763	154,032	14%	518,694	38.6%	318,678	23.7%	51%
Washington	7,614,893	344,326	180,870	18%	2,510,100	33.0%	1,575,763	20.7%	51%
Vermont	623,989	20,149	129,163	13%	232,419	37.2%	138,468	22.2%	50%
Oregon	4,217,737	166,882	158,207	16%	1,315,090	31.2%	800,917	18.9%	47%
Hawaii	1,415,872	30,135	85,135	9%	480,013	33.9%	299,014	21.1%	42%

Source: Fundstrat, CDC, World in Data and COVID-19 Tracking Project. Data as of 2/1/2021.

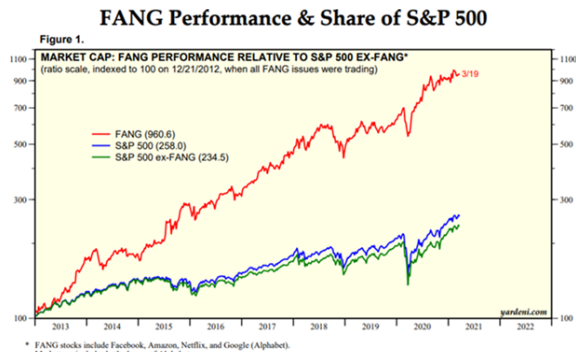


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Therefore, it seems like a strategy for winning the peace makes more sense at the end of the first quarter of 2021, instead of trying to make any more money from fighting the war on the pandemic.

Who Won in the Pandemic?

FAANGs



Source: S&P, Yardeni Research Inc. Data for the time period 1/1/2013 - 2/2//2021.

Work from Home

Security	Trailing Price/Sales Ratio
DOCUSIGN INC	26.0x
ZOOM VIDEO COMMUNICATIONS-A	34.9x
PELOTON INTERACTIVE INC-A	11.0x
TELADOC HEALTH INC	15.1x
SHOPIFY INC - CLASS A	45.4x
Average	26.5x

Source: Bloomberg.

Insane Speculation-SPACtacular



Source: Bloomberg. Data for the time period 1/1/1990 - 3/31/2021.

The biggest gains of 2020 came in companies which benefitted from the quarantines. This came through amazing moves in “disruptive” companies and a rush to capitalize on impatience by issuers of new Special Purpose Acquisition Vehicles (SPACs).

Animal Spirits



Source: Flow of Funds and JPMorgan. Data for the time period 1/1/1952 - 12/31/2020.

To say that the public and institutional investors have embraced common stocks would be a massive understatement.

Fleas and Lice



Source: Bloomberg. Data for the time period 3/31/2019 - 3/31/2021.

Charlie Munger was asked recently to compare Bitcoin to Tesla (TSLA). He said it “was like comparing a flea to a louse!”



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Winning the Peace

Figure: Total US Population divided by age groups 2017. Data provided by the DESA UN Data sets.

Generation...	Years of birth	Average age	At peak (year)	
Greatest Generation	1910 1927	92.9	43.2	1930
Silent Generation	1928 1945	78.5	44.1	1974
Baby Boomers	1946 1964	61.3	79.5	1999
GenX	1965 1980	44.5	65.8	2018
Millennials	1981 2000	26.5	95.8	2038
Generation Z	2001 2018	8.3	96.2	2060

Source: Fundstrat. Peak population figures above include immigration. **Reduced immigration will lead to a smaller overall size of GenZ.
 Source: Fundstrat. Data as of 12/31/2017.

Too much money and too many people are chasing too few goods. This is the classic definition of inflation.

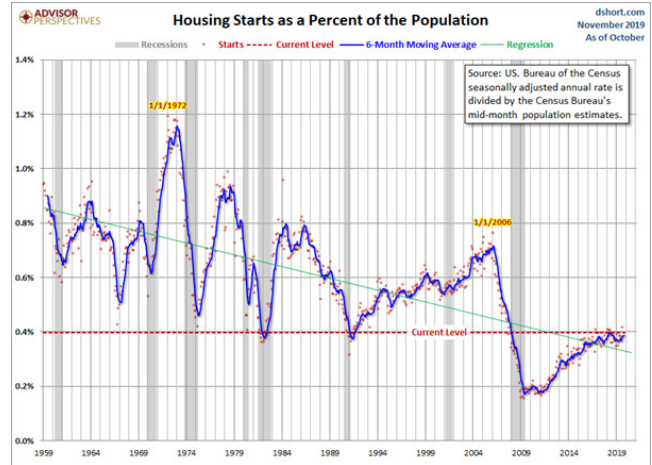
Figure: Industries where Millennial will transform sectors as their spending dwarfs that of the Boomers 2018-2026

Category	Millennials	Boomers	Total	Millennial share of Growth
Mortgage interest and charges	163.4%	(32.4%)	43.9%	93%
Kids Apparel	110.9%	(27.3%)	47.3%	87%
Other apparel products and services	155.4%	(18.2%)	46.2%	86%
Footwear	148.2%	(18.6%)	46.2%	85%
Apparel and services	130.7%	(16.5%)	46.5%	77%
Vehicle finance charges	103.3%	(28.6%)	44.9%	68%
Other entertainment supplies, equipment, and services	124.6%	(34.7%)	42.8%	67%
Furniture	116.4%	(16.6%)	46.2%	67%
Toys, hobbies, and playground equipment	98.0%	(4.7%)	48.3%	60%
Cellular phone service	106.2%	(18.9%)	46.1%	63%
Gasoline and motor oil	107.6%	(9.0%)	47.9%	59%
Household furnishings and equipment	126.9%	(3.9%)	48.2%	59%
Tobacco products and smoking supplies	102.1%	(21.1%)	45.3%	58%
Vehicle purchases (net outlay)	95.4%	(12.6%)	46.9%	56%
Vehicle rental, leases, and other charges	102.5%	(12.0%)	46.9%	55%
Maintenance and repairs	115.5%	(7.8%)	47.3%	55%
Pets	125.4%	(9.8%)	47.3%	54%
Alcoholic beverages	98.6%	(8.0%)	47.6%	52%
Vehicle insurance	118.7%	(11.7%)	47.0%	51%
Small appliances, miscellaneous housewares	101.3%	(12.7%)	47.1%	50%

Source: Fundstrat. Data as of 12/31/2017.

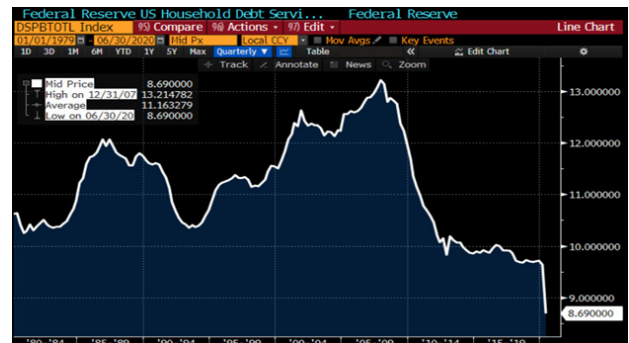
We believe fortunes could be made satisfying these economic needs.

Main Street Economic Activity



Source: US Bureau of the Census. Data for the time period 1/1/1959 - 11/30/2019.

U.S. households have never been in better shape to borrow money.



Source: Bloomberg. Data for the time period 1/1/1979 - 6/30/2020.



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Our eight criteria for stock selection and our vision of the next five to ten years of economic activity make us bullish on the homebuilders like Lennar (LEN), DR Horton (DHI) and NVR (NVR). We like Class A Mall REITs like Simon Property Group (SPG) and Macerich (MAC). The banks look compelling due to enhanced borrowing from millennial customers at American Express (AXP), JPMorgan (JPM), and Bank of America (BAC). American Express is heavily tied to business and pleasure travel and could have huge leverage going forward.

Oil stocks offer opportunity as the body politic restricts supply and attempts to make alternate energy sources more competitive. Drug/biotech blue chips are historically cheap in relation to the passive indexes. In January, Amgen reported that their most popular medicine, Prolia,

had seen a 20% decline in new prescriptions from Q4 2019 to Q4 2020. It is not rocket science since Prolia is the most effective osteoporosis drug in the world and there are more baby boomers in that age group. This is the group that is most likely to get hit by osteoporosis than at any time in history. Therefore, they appear to be a bit of a reopening trade, because folks over 50 have been visiting the doctor less often and are being prescribed fewer new medicines. Vaccination should be solving this problem for these high-yielding blue-chip stocks.

Our portfolio has survived the war and is built to win in "the peace." Thank you for trusting us as we attempt to avoid stock market failure in these relatively uncharted waters following a pandemic war. 🦋



William Smead
Portfolio Manager



Tony Scherrer, CFA
Co-Portfolio Manager



Cole Smead, CFA
Co-Portfolio Manager

The recent growth in the stock market has helped to produce short-term returns for some asset classes that are not typical and may not continue in the future. Margin of safety is the difference between the intrinsic value of a stock and its market price. The price-earnings ratio (P/E Ratio or P/E Multiple) measures a company's current share price relative to its per-share earnings. Alpha is a measure of performance on a risk-adjusted basis. Beta is a measure of the volatility of a security or a portfolio in comparison to the market. FAANG is an acronym for the market's five most popular and best-performing tech stocks, namely Facebook, Apple, Amazon, Netflix and Alphabet's Google. Growth investing is focused on the growth of an investor's capital. Leverage is using borrowed money to increase the potential return of an investment. Momentum is the rate of acceleration of a security's price or volume. The earnings yield refers to the earnings per share for the most recent 12-month period divided by the current market price per share. Profit margin is calculated by dividing net profits by net sales. Quality is assessed based on soft (e.g. management credibility) and hard criteria (e.g. balance sheet stability). Value is an investment tactic where stocks are selected which appear to trade for less than their intrinsic values. The dividend yield is the ratio of a company's annual dividend compared to its share price.

The information contained herein represents the opinion of Smead Capital Management and is not intended to be a forecast of future events, a guarantee of future results, nor investment advice.

The Smead Value Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectuses contain this and other important information about the investment company, and it may be obtained by calling 877-807-4122, or visiting www.smeadfund.com. Read it carefully before investing.





Mutual fund investing involves risk. Principal loss is possible.

The following were the top ten holdings in the Fund as of 3/31/2021: Lennar Corp. 6.21%, American Express Co. 5.64%, Target Corp. 5.58%, NVR Inc. 5.28%, Amgen Inc. 4.92%, Merck & Co. Inc. 4.89%, Continental Resources Inc. 4.66%, JPMorgan Chase & Co. 4.56%, Bank of America Corp. 4.27% and eBay Inc. 4.11%. Fund holdings are subject to change at any time and should not be considered recommendations to buy or sell any security. Current and future portfolio holdings are subject to risk.

The S&P 500 Index is a market-value weighted index consisting of 500 stocks chosen for market size, liquidity, and industry group representation. The Russell 1000 Value Index is an index of approximately 1,000 of the largest companies in the US equity markets; the Russell 1000 is a subset of the Russell 3000 Index. The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values. The Russell 1000 Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. Information is provided for information purposes only and should not be considered tax advice. Please consult your tax advisor for further assistance.

Small- and Medium-capitalization companies tend to have limited liquidity and greater price volatility than large-capitalization companies.

Active investing generally has higher management fees because of the manager's increased level of involvement while passive investing generally has lower management and operating fees. Investing in both actively and passively managed funds involves risk, and principal loss is possible. Both actively and passively managed funds generally have daily liquidity. There are no guarantees regarding the performance of actively and passively managed funds. Actively managed mutual funds may have higher portfolio turnover than passively managed funds. Excessive turnover can limit returns and can incur capital gains.

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