Pinnacle Value Fund Semi-Annual Report **June 30, 2026**

Dear Fellow Shareholders,

Total Return	YTD	2025	2024	2023	2022
Pinnacle Value Fund	11.2%	6.0%	10.7%	25.4%	1.1%
Russell 2000	22.6	12.8	11.5	16.9	-20.5
S&P 500	10.2%	15.5%	25.0%	26.3%	-18.1%

(All returns include dividend reinvestment. Past returns do no predict future results. Results do not reflect taxes payable on distributions or redemptions of shares held in taxable accounts.)

Fund Performance

As you can see from the above box scores, US equities had a strong first half with the small cap R2000 up 22.6% while the large cap S&P 500 rose 10.2%. The Pinnacle Value Fund rose 11.2%, well behind the benchmark R2000. While our stock selections did well, our performance was impacted by the absence of momentum, AI or tech stocks that led the market to new highs. We were also limited by our large cash balance which is earning 3.5% in a government money market fund. Adjusted for cash, our performance was closer to the R2000 benchmark. We are optimistic that our portfolio is well positioned for the future.

As shown on the next page, contributors to performance outweighed detractors. Our results were helped significantly by machine tool maker Hurco which showed much improved results and a growing order book. Electronic component maker Diodes also showed strong results benefitting from automotive, industrial and server related applications. Unifi's cost reduction efforts are finally paying off leading to diminished losses and hopefully higher profits. Ingles Markets saw the election of an activist shareholder to its board which may help unlock shareholder value. Heartland Express results benefitted from higher trucking freight rates and debt paydown.

Major detractors to performance include San Juan Basin Royalty Trust and PetMed Express. San Juan is a New Mexico based oil & gas royalty trust where results were hurt by low natural gas prices due to limited pipeline capacity. New pipeline capacity is currently being built. PetMed Express is a struggling online pet pharmacy where poor operating fundamentals overshadow an asset rich balance sheet including real estate holdings in Delray Beach, Florida.

As the market rose, we did more selling than buying. We trimmed Bristow, Diodes, Dorian LPG, Seaboard and Weyco on valuations, all were sold at long term capital gains. Gulf Island Fabrication was acquired in January by a strategic buyer at $12/sh. cash (average cost $3.88). In May, Tri Point Homes was acquired by a strategic buyer for $47/sh. cash (average cost $15.24). Much of the proceeds went to cash but we took advantage of lower prices to add to PetMed Express, San Juan Royalty and Shoe Station, a family shoe retail chain.

Outlook & Current Positioning

US equities remain near all-time highs, risk premiums are minimal and strong corporate earnings are supporting (for now) robust equity valuations. AI-fueled exuberance continued through most of the first half and will likely lead to mega IPOs of Anthropic and Open AI. There appears to be no fear in today’s market as evidenced by margin debt at record levels, aggressive equity trades (often in meme stocks), esoteric ETFs and robust option and prediction market trading. The Iran conflict has had minimal impact on the markets but the ultimate impact is unclear.

All this has led to an increasingly frothy market where complacency runs high on the belief that markets go only one way, up. Market sentiment is dominated by FOMO (fear of missing out), BTD (buy the dip) and YOLO (you only live once). Rarely heard are the terms “margin of safety” or “capital preservation” or “risk minimization”.

Against this backdrop we are concerned about persistent high inflation, massive deficits driving up US debt and consumer sentiment near record lows. Higher gasoline and grocery prices are leaving consumers stretched while rising credit card and auto loan delinquency rates indicate trouble in credit land. The new Fed Chairman is an inflation hawk and may be less likely to cut interest rates soon. To add more uncertainty, November’s midterm elections could see the republicans lose control of Congress which may stall their pro-market agenda.

While our crystal ball is no better than others, we believe inflation and interest rates will remain higher for longer than people think. We feel most optimistic scenarios are already priced into the market with no room for error. So, we’ll stay conservative, let valuations be our guide and be attentive to any market dislocations. We continue to seek targets with strong balance sheets, viable business models and capable management selling at reasonable valuations.

Please be advised that we will most likely make a distribution of net realized capital gains in December most of which we expect to be long-term. We’ll have an estimate in late November that we’ll post on our website for your tax planning.

By now you should have received your June statement. Should you have any questions about your account or the Fund, don’t hesitate to call or write. We are positioned to invest our cash as opportunities appear and are searching diligently for situations where good things are happening below the surface. Your portfolio manager remains a major Fund shareholder.

John E. Deysher
President & Portfolio Manager
212-725-0805

Pinnacle Value Fund
745 Fifth Ave.- 500
New York, NY 10151

TOP 10 POSITIONS	% net assets
1.Hurco Cos.- machine tool maker with worldwide distribution	6.3
2. Ingles Markets- regional supermarket chain	4.3
3. Unifi- texturized nylon/polyester yarn used to produce fabrics	4.1
4. First Acceptance- nonstandard auto insurer	3.2
5. Weyco Group- wholesale & retail shoes	2.9
6. Culp- fabrics for furniture & mattress coverings	2.9
7. Seacor Marine- offshore supply vessels	2.8
8. Shoe Station- retail shoe store	2.7
9. Aersale- aviation services	2.2
10. San Juan Royalty Trust- oil & gas royalty trust	2.1
Total	33.5%

YTD TOP 5 Contributors (includes dividends)	
1 .Hurco	2.1%
2. Diodes	1.2
3. Unifi	1.2
4. Ingles Markets	1.0
5. Heartland Express .	0.8%

YTD TOP 5 Detractors (includes dividends)	
1.San Juan Royalty Trust	-1.1%
2.PetMed Express	-0.8
3 Culp	-0.4
4.Shoe Station	-0.3
5.Aersale	-0.3%

SECURITY CLASSIFICATIONS	
Government Money Market Funds	44.4%
Consumer Goods & Services	13.9
Industrial Goods & Services	9.7
Energy	9.1
Transportation	7.5
Apparel & Textiles	7.4
Banks & Thrifts	3.8
Insurance	3.2
Technology	1.0
Total	**100.0%**