Pinnacle Value Fund Annual Report **December 31, 2021**

Dear Fellow Shareholders,

Total Return	2021	2020	2019	2018	2017
Pinnacle Value Fund	14.3%	3.4%	10.7%	(11.8)%	(0.1)%
Russell 2000	14.8	20.0	25.5	(11.0)	14.6
S&P 500	28.7%	18.4%	31.5%	(4.4)%	21.8%

(all returns include dividend reinvestment. Past returns do not predict future results. Results do not reflect taxes payable on distributions or redemptions of shares held in taxable accounts).

Fund Performance

Our Fund's NAV rose 14.3% in 2021, slightly behind the benchmark Russell 2000 which rose 14.8%. While we feel our stock selection was acceptable, we had very few opportunities to put our cash to work causing us to lag the market. The portfolio remains conservatively positioned and we have cash to take advantage of any market dislocation. We continue to search for undervalued equities with strong fundamentals and reasonable valuations that provide a margin of safety to help mitigate the possibility of capital loss.

Overall the markets had a decent year with a strong first half followed by a weaker second half. A strong first half was driven by a robust vaccine rollout, continued fiscal and monetary stimulus, and the return of the individual investor (remember the meme stocks?). A weaker second half unfolded as investors grew fearful of rising inflation, the prospect of higher interest rates and late in the year, the Omicron variant which created economic uncertainty. Still, unemployment remains low and corporate earnings came in largely as expected (so far).

Contributors to and Detractors from Performance

As you can see from the following page, there were several contributors to performance led by the Buckle, a teen retailer headquartered in Kearney, Nebraska with about 440 stores in 42 states. Through astute inventory management and a relentless focus on costs, the Buckle survived the pandemic and delivered record sales driven by robust in-store and on-line sales. Our next best performer was Williams Industries, a provider of staffing and other services to industrial America. After several difficult years in turnaround mode, WLMS finally gained traction this year delivering higher sales and earnings as their underlying customer base rebounded from the pandemic. Finally, Friedman Industries, a Texas steel service center, saw margins improve because of record high hot rolled steel coil prices from supply shortages. Friedman is building a new plant near Corpus Christi, TX which should open additional markets to them.

Detractors from performance include our two precious metals ETFs, the Sprott Junior Gold Miners ETF and the Sprott Gold Miners ETF. Precious metals prices generally declined this year on fears of higher interest rates and robust crypto-currency markets which many investors view as a substitute for precious metals. However, we believe that investors will eventually view precious metals as an inflation hedge which should bode well for our ETFs. Our other major detractor was Culp Inc. a supplier of fabric to the furniture and bedding/mattress industries. Culp suffered from supply chain disruptions, inflationary pressures , a challenging labor market and significant manufacturing/sourcing in China where US- Sino relations are growing frostier.

Outlook & Portfolio Positioning

We expect the market to remain volatile as investor sentiment shifts between optimism (a sustained economic recovery) and pessimism (higher inflation and interest rates). While our crystal ball is no clearer than others we see a few trends that make us cautious. First, after years of robust corporate profits, labor is growing stronger and demanding a larger piece of the pie. Strikes are becoming more common, the minimum wage is rising and major firms like Amazon are facing the possibility of unionization. This will almost certainly dent margins.

Next, debt levels are up across the board- government, corporate and individual. Low interest rates have spurred borrowing which becomes more difficult to repay should interest rates rise. Expanding credit was a large driver of the most recent expansion and a slowing economy or rising interest rates could spell trouble for overleveraged firms. Finally, this remains a "no fear" market driven by 3 themes: FOMO (fear of missing out), TINA (there is no alternative) and BTD (buy the dip). Most stock indices trade near record levels with lots of optimism embedded in today's market. Any type of negative surprise could have significant consequences.

So, we'll stay conservative, let valuations be our guide and try to keep risk to a minimum. We'll continue to take profits on fully valued positions and try to keep gains long term to minimize taxes. Given current valuations, we feel there is no room for error in today's market.

By now you should have received your yearend 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 become available and are searching diligently for such opportunities. Your portfolio manager remains a major Fund shareholder and buys shares opportunistically.

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TOP 10 POSITIONS	% net assets
1. Bristow Group- helicopter services	7.9%
2. Dorian LPG- fleet of liquid petroleum gas tankers	7.1
3. Gulf Island Fabrication- marine goods & services	6.3
4. Williams Industrial Services- engineering/design/construction	3.2
5. Weyco Group- wholesale & retail shoes	3.1
6. Powell Industries- electrical equipment & services	2.0
7. Patriot Transport- tank truck operator	1.8
8. Buckle- young adult retailer	1.8
9. Independence Holding- specialty insurer	1.8
10. Sprott Junior Gold Miners ETF	1.4
Total	**36.4%**

YTD TOP 5 Contributors (includes dividends)	
1. Buckle	1.8 %
2. Williams Industries	1.2
3. Friedman Industries	1.2
4. Weyco Group	1.1
5. Freightcar America	1.0%

YTD TOP 5 Detractors (includes dividends)	
1. Sprott junior gold miners ETF	-0.3 %
2. Culp	-0.3
3. Sprott gold miners ETF	-0.1
4. Graham Corp	-0.1
5. Hooker Furniture	-0.1%

SECURITY CLASSIFICATIONS	
Government Money Market Funds	46.6%
Energy	16.1
Construction & Fabrication	9.8
Consumer Goods & Services	8.2
Industrial Goods & Services	5.3
Insurance	4.3
Transportation	2.9
Closed End & Exchange Traded Funds	2.8
Banks & Thrifts	2.2
Technology	1.5
Real Estate	1.3
Total	**100.0%**