

**Pinnacle Value Fund Semi-Annual Report**

**June 30, 2021**

Dear Fellow Shareholders,

<b><u>Total Return</u></b>	<b><u>YTD</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Pinnacle Value Fund	18.2%	3.4%	10.7%	(11.8)%	(0.1)%
Russell 2000	17.5	20.0	25.5	(11.0)	14.6
S&P 500	15.2%	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.)

**Performance Update**

As you can see from the above box scores, US equities had a strong first half with the R2000 up 17.5% while the S&P 500 rose 15.2%. The Pinnacle Value Fund rose 18.2%, slightly better than the R2000 with performance driven by several of our larger positions.

As shown on the next page contributors to performance outweighed detractors which might be expected in a robust market. Williams Industries, an industrial services provider, continues to execute well in building backlog and developing new revenue sources. Williams operates in a tough, competitive industry but management is first rate and continues to grow the business profitably. Young adult retailer Buckle survived the pandemic and continues to grow online sales at a respectable rate. Their executive team is top notch and we are hopeful that robust profits will fund another special dividend at year end. Freightcar America moved all of their railcar manufacturing to low cost Mexico and is now well positioned to take advantage of any upturn in railcar demand as the economy continues to improve.

Detractors from performance include our two precious metals ETFs which mirrored the fall in precious metal prices during the first half. We continue to believe inflation may be more severe than most expect as wages, raw material and freight costs continue to rise. Our top detractor was Costar Technologies which makes security hardware (cameras, recorders, monitors, etc.) for commercial, industrial and government customers. While the business was hard hit by the pandemic, we think demand will rebound as public safety concerns continue to grow.

Portfolio activity was skewed towards selling as we took advantage of the up market to pare back positions we felt were approaching overvaluation. The only major position we added was Patriot Transportation based in Jacksonville, Florida. Patriot is one of the few remaining public tank truck operators and is well positioned to benefit from the economic recovery and higher demand for fuel. They are also selling their portfolio of Florida properties with proceeds earmarked for special dividends, new business initiatives and acquisitions.

**Current Positioning & Outlook**

The markets remain volatile with the indices continuing to rally on a strong vaccine rollout, continuing fiscal and monetary stimulus and the return of the individual investor. Many equity buyers are driven by the twin themes of Fear of Missing Out (FOMO) and There Is No Alternative (TINA) to equities. However, many citizens remain unemployed, new strains of Covid-19 are appearing and fears of inflation and higher interest rates are growing. Higher interest rates are rarely good for the market since they often compress both EPS and PE ratios resulting in a double whammy on the downside. Corporate taxes may be headed higher which may also hurt corporate earnings. Finally, we remain concerned about the high valuations of most asset classes resulting from near zero interest rates and easy credit terms. In short, there are clouds on the horizon but for now investors see only sunshine-will it continue?

The overall philosophy that underlies our decision making is that securities and markets occasionally become mispriced. We hope to add value by first identifying these mispriced opportunities and then exploiting them in a systematic and disciplined way. It may take weeks, months or years for such opportunities to surface. Presently, most investors are minimizing the potential risks outlined above by buying aggressively, especially on any dips. In our opinion, there is lots of optimism embedded in today's market and the margin of safety remains slim. Given current valuations we'll stay conservative and wait for any pockets of opportunity that may develop should market expectations be disrupted.

Please be advised that we will make a distribution of realized capital gains in late December most of which we expect to be long-term. While we're reluctant to harvest capital gains for tax reasons, sometimes Mr. Market bids silly prices which we're compelled to take advantage of. We also think capital gain tax rates may go up. We'll have an estimate in late November which we'll post on the website. For those who own shares in taxable accounts, you might delay any Fund additions until after the distribution to avoid any unwanted tax consequences.

By now you should have received your quarter end 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 when opportunities become available and are searching diligently for such opportunities.

**John E. Deysher**  
**President & Portfolio Manager**  
**212-605-7100**

**Pinnacle Value Fund**  
**745 Fifth Ave- 2400**  
**New York, NY 10151**

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**TOP 10 POSITIONS**

	<b>% net assets</b>
1. Bristow Group- helicopter services	8.9%
2. Dorian LPG- fleet of liquid petroleum gas tankers	7.5
3. Williams Industries- industrial staffing & services	5.9
4. Gulf Island Fabrication- engineering/ design/ fabrication	4.5
5. Weyco Group- wholesale & retail shoes	2.7
6. Friedman Industries- steel service center	2.6
7. Buckle- young adult retailer	2.3
8. Powell Industries- electrical equipment & services	2.2
9. Freightcar America- railcar manufacturing	2.1
10. Patriot Transportation- tank truck operator	<u>2.0</u>
<b>Total</b>	<b>40.7%</b>

**YTD TOP 5 Contributors (includes dividends)**

1. Williams Industries	4.27%
2. Buckle	1.83
3. Freightcar America	1.75
4. Friedman Industries	1.58
5. Dorian LPG	1.38%

**YTD TOP 5 Detractors (includes dividends)**

1. Costar Technologies	(0.23)%
2. Sprott junior gold miners ETF	(0.18)
3. Bristow Group	(0.17)
4. Sprott gold miners ETF	(0.09)
5. Graham Corp	(0.03)%

**SECURITY CLASSIFICATIONS**

Government Money Market Funds	40.1%
Energy	17.4
Construction & Fabrication	10.8
Industrial Goods & Services	9.1
Consumer Goods & Services	7.4
Transportation	4.5
Insurance	3.8
Closed end & Exchange Traded Funds	2.7
Banks & Thrifts	1.7
Real Estate	1.4
Technology	<u>1.1</u>
<b>Total</b>	<b>100.0%</b>

Schedule of Investments  
June 30, 2021 (Unaudited)

Shares/Principal Amount		Basis	Market Value	% of Net Assets
<b>COMMON STOCKS</b>				
<b>Apparel &amp; Textile</b>				
38,183	Crown Crafts, Inc.	\$ 173,883	\$ 283,700	
13,900	Culp, Inc.	99,854	226,570	
		<u>273,737</u>	<u>510,270</u>	1.51%
<b>Banks &amp; Thrifts</b>				
12,507	Hope Bancorp, Inc.	45,240	177,349	
18,612	OP Bancorp	130,001	187,237	
13,600	PCB Bancorp	137,015	218,960	
		<u>312,256</u>	<u>583,546</u>	1.72%
<b>Construction &amp; Fabrication</b>				
339,894	Gulf Island Fabrication, Inc. *	1,926,976	1,536,321	
1,850	Preformed Line Products Co.	71,233	137,270	
342,193	Williams Industrial Service Group, Inc. *	492,281	1,994,985	
		<u>2,490,490</u>	<u>3,668,576</u>	10.83%
<b>Energy</b>				
117,878	Bristow Group, Inc. *	2,082,030	3,018,856	
179,256	Dorian LPG Ltd. *	1,209,569	2,531,095	
2,093	Sabine Royalty Trust	52,145	84,390	
51,553	Seacor Marine Holdings, Inc. *	306,881	227,349	
		<u>3,650,625</u>	<u>5,861,690</u>	17.30%
<b>Furniture &amp; Fixtures</b>				
8,353	Ethan Allen Interiors, Inc.	87,365	230,543	
8,385	Flexsteel Industries, Inc.	80,408	338,670	
4,720	Hooker Furniture Corp.	63,065	163,501	
		<u>230,838</u>	<u>732,714</u>	2.16%
<b>Industrial Metals</b>				
66,379	Friedman Industries, Inc.	368,504	889,479	
1,000	Haynes International, Inc.	15,611	35,380	
14,772	Universal Stainless & Alloy Products, Inc. *	115,631	149,493	
		<u>499,746</u>	<u>1,074,352</u>	3.17%
<b>Insurance</b>				
110,111	First Acceptance Corp.	90,907	210,312	
30,000	Genworth Financial, Inc. Class A *	87,875	117,000	
10,192	Independence Holding Co.	50,650	472,093	
5,533	Kansas City Life Insurance Co.	212,098	246,218	
3,130	Mercury General Corp.	111,501	203,293	
3,041	National Security Group, Inc. (a)	23,326	32,265	
		<u>576,357</u>	<u>1,281,181</u>	3.78%
<b>Power Equipment</b>				
10,400	AstroNova, Inc. *	90,203	144,768	
8,114	Graham Corp.	96,647	111,649	
4,900	Hurco Cos., Inc.	125,778	171,500	
4,157	LSI Industries, Inc.	11,327	33,297	
24,420	Powell Industries, Inc.	525,077	755,799	
		<u>849,032</u>	<u>1,217,013</u>	3.59%
<b>Real Estate</b>				
3,000	FRP Holdings, Inc. *	97,731	167,040	
6,207	Getty Realty Corp.	78,209	193,348	
1,900	Podtatch Deltic Corp.	44,970	100,985	
3,255	Regency Affiliates, Inc.	12,760	21,060	
		<u>233,670</u>	<u>482,433</u>	1.42%

The accompanying notes are an integral part of the financial statements.

Schedule of Investments (Continued)  
June 30, 2021 (Unaudited)

Shares/Principal Amount		Basis	Market Value	% of Net Assets
<b>Retail</b>				
100	Aaron's Co., Inc.	2,206	3,199	
1,500	Haverty Furniture Cos., Inc.	15,586	64,140	
1,000	Shoe Carnival, Inc.	14,439	71,590	
15,729	The Buckle, Inc.	216,889	782,518	
41,066	Weyco Group, Inc.	934,208	918,646	
		<u>1,183,328</u>	<u>1,840,093</u>	5.43%
<b>Security Services</b>				
52,259	Costar Technologies, Inc. (a) *	360,313	188,132	0.56%
<b>Technology</b>				
7,000	Benchmark Electronic, Inc.	143,774	199,220	
8,521	Kimball Electronics, Inc. *	92,000	185,246	
		<u>235,774</u>	<u>384,466</u>	1.13%
<b>Transportation</b>				
121,418	FreightCar America, Inc. *	252,760	720,009	
2,500	Kirby Corp. *	103,712	151,600	
58,887	Patriot Transportation Holdings, Inc. *	622,666	665,971	
		<u>979,138</u>	<u>1,537,580</u>	4.54%
<b>Total for Common Stock</b>		<u>\$11,875,304</u>	<u>\$ 19,362,046</u>	<u>57.14%</u>
<b>Closed-End &amp; Exchange Traded Funds</b>				
4,378	Barings Participation Investor	56,770	60,066	
13,400	Sprott Gold Miners ETF *	243,136	378,952	
11,022	Sprott Junior Gold Miners ETF *	245,496	486,180	
<b>Total for Closed-End &amp; Exchange Traded Funds</b>		<u>\$ 545,402</u>	<u>\$ 925,198</u>	<u>2.73%</u>
<b>SHORT TERM INVESTMENTS</b>				
<b>Money Market Fund</b>				
1,000,000	Invesco Government & Agency Portfolio Institutional Class 0.03% **	1,000,000	1,000,000	
12,746,483	First American Government Obligation Fund Class Z 0.02% **	12,746,483	12,746,483	
<b>Total for Short Term Investments</b>		<u>\$13,746,483</u>	<u>\$ 13,746,483</u>	<u>40.57%</u>
<b>Total Investments</b>		<u>\$26,167,189</u>	<u>\$ 34,033,727</u>	<u>100.44%</u>
Liabilities in excess of other assets			<u>(150,390)</u>	<u>(0.44)%</u>
<b>Net Assets</b>			<u>\$ 33,883,337</u>	<u>100.00%</u>

(a) Level 2 Security

\* Non-Income producing securities.

\*\* Variable rate security; the money market rate shown represents the yield at June 30, 2021.

The accompanying notes are an integral part of the financial statements.

**Statement of Assets and Liabilities**  
**June 30, 2021 (Unaudited)**

## Assets:

Investment Securities at Market Value (Identified Cost \$26,167,189)	\$ 34,033,727
Cash	1,000
Receivables:	
Dividends and Interest	11,669
Prepaid Expenses	14,121
Total Assets	<u>34,060,517</u>

## Liabilities:

Payable to Advisor	166,230
Accrued Expenses	<u>10,950</u>
Total Liabilities	<u>177,180</u>

## Net Assets

<u>\$ 33,883,337</u>
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## Net Assets Consist of:

Paid-In Capital	\$ 24,943,906
Distributable Earnings	<u>8,939,431</u>

## Net Assets

<u>\$ 33,883,337</u>
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## Net Asset Value and Redemption Price

Per Share (\$33,883,337/1,964,308 shares outstanding), no par value, unlimited shares authorized	<u>\$ 17.25</u>
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**Statement of Operations**

**For the six months ended June 30, 2021 (Unaudited)**

Investment Income:

Dividends	\$ 137,041
Interest	1,627
Total Investment Income	<u>138,668</u>

Expenses:

Investment Advisor Fees (Note 3)	202,812
Transfer Agent & Fund Accounting Fees	18,901
Insurance Fees	7,945
Custodial Fees	5,457
Audit Fees	7,636
Registration Fees	1,862
Trustee Fees	4,959
Legal Fees	992
Miscellaneous Fees	2,283
Printing & Mailing Fees	794
Total Expenses	<u>253,641</u>
Advisory Fees Waived by Advisor	<u>(52,453)</u>
Net Expenses	<u>201,188</u>

Net Investment Income (62,520)

Realized and Unrealized Gain on Investments:

Net Realized Gain on Investments	1,850,951
Change in Unrealized Appreciation on Investments	3,531,594
Net Realized and Unrealized Gain on Investments	<u>5,382,545</u>

Net Increase in Net Assets from Operations \$ 5,320,025

<b>Statements of Changes in Net Assets</b>	(Unaudited) Six Months Ended <u>6/30/2021</u>	Year Ended <u>12/31/2020</u>
From Operations:		
Net Investment Income (Loss)	\$ (62,520)	\$ 208,443
Net Realized Gain (Loss) on Investments	1,850,951	102,459
Capital Gain Distributions from Regulated Investment Companies	-	523
Net Change In Unrealized Appreciation (Depreciation)	<u>3,531,594</u>	<u>493,801</u>
Net Increase (Decrease) in Net Assets from Operations	<u>5,320,025</u>	<u>805,226</u>
From Distributions to Shareholders:		
Distributions	<u>(358,885)</u>	-
Total Distributions to Shareholders	<u>(358,885)</u>	-
From Capital Share Transactions:		
Proceeds From Sale of Shares	351,138	805,478
Shares issued in Reinvestment of Dividends	330,141	-
Cost of Shares Redeemed (a)	<u>(1,076,293)</u>	<u>(3,179,724)</u>
Net Decrease from Shareholder Activity	<u>(395,014)</u>	<u>(2,374,246)</u>
Net Increase (Decrease) in Net Assets	<u>4,566,126</u>	<u>(1,569,020)</u>
Net Assets at Beginning of Year/Period	<u>29,317,211</u>	<u>30,886,231</u>
Net Assets at End of Year/Period	<u>\$33,883,337</u>	<u>\$29,317,211</u>
Share Transactions:		
Issued	20,161	73,768
Reinvested	20,724	-
Redeemed	<u>(63,034)</u>	<u>(252,104)</u>
Net decrease in shares	<u>(22,149)</u>	<u>(178,336)</u>
Shares outstanding beginning of Year/Period	<u>1,986,457</u>	<u>2,164,793</u>
Shares outstanding end of Year/Period	<u>1,964,308</u>	<u>1,986,457</u>

<sup>(a)</sup> Net of Redemption Fees of \$23 for the six months ended June 30, 2021, and \$83 for the year ended December 31, 2020.  
The accompanying notes are an integral part of the financial statements.

**Financial Highlights**

Selected data for a share outstanding throughout the year/period.

	(Unaudited) Six Months Ended 6/30/2021	Year Ended 12/31/2020	Year Ended 12/31/2019	Year Ended 12/31/2018	Year Ended 12/31/2017	Year Ended 12/31/2016
Net Asset Value -						
Beginning of Year/Period	\$ 14.76	\$ 14.27	\$ 13.21	\$ 15.63	\$ 16.12	\$ 14.79
Net Investment Income (Loss) *	(0.03)	0.10	0.06	0.05	(0.01)	(0.09)
Net Gains or Losses on Securities (realized and unrealized)	2.70	0.39	1.34	(1.88)	(0.01)	2.53
Total from Investment Operations	2.67	0.49	1.40	(1.83)	(0.02)	2.44
Distributions from Net Investment Income	(0.18)	-	-( <sup>a</sup> )	(0.06)	-	-
Distributions from Capital Gains	-	-	(0.34)	(0.53)	(0.47)	(1.11)
Total Distributions	(0.18)	-	(0.34)	(0.59)	(0.47)	(1.11)
Paid-in Capital from Redemption Fees (Note 2) ( <sup>a</sup> )	-	-	-	-	-	-
Net Asset Value -						
End of Year/Period	\$ 17.25	\$ 14.76	\$ 14.27	\$ 13.21	\$ 15.63	\$ 16.12
Total Return	18.20% <sup>(c)</sup>	3.43%	10.66%	(11.75)%	(0.06)%	16.51%
<b>Ratios/Supplemental Data</b>						
Net Assets - End of Year/Period (Thousands)	\$ 33,883	\$ 29,317	\$ 30,886	\$ 36,034	\$ 60,571	\$ 67,978
Before Reimbursement/Recapture						
Ratio of Expenses to Average Net Assets	1.57% <sup>(b)</sup>	1.66%	1.60%	1.50%	1.44%	1.45%
Ratio of Net Income (Loss) to Average Net Assets	(0.71)% <sup>(b)</sup>	0.37%	0.09%	0.15%	(0.07)%	(0.56)%
After Reimbursement/Recapture						
Ratio of Expenses to Average Net Assets	1.24% <sup>(b)</sup>	1.24%	1.24%	1.33%	1.44%	1.45%
Ratio of Net Income (Loss) to Average Net Assets	(0.39)% <sup>(b)</sup>	0.79%	0.45%	0.32%	(0.07)%	(0.56)%
Portfolio Turnover Rate	1.44% <sup>(c)</sup>	48.23%	19.50%	31.51%	23.37%	43.04%

\* Per share net investment Income (loss) determined on average shares outstanding during year.

<sup>(a)</sup> Less than \$0.01 per share.

<sup>(b)</sup> Annualized.

<sup>(c)</sup> Not annualized.

*The accompanying notes are an integral part of the financial statements.*

**1.) ORGANIZATION:**

Pinnacle Value Fund ("Fund") is registered under the Investment Company Act of 1940 as an open-end investment management company and is the only series of the Bertolet Capital Trust, a Delaware business trust organized on January 1, 2003 ("Trust"). The Trust's Declaration of Trust authorizes the Board of Trustees to issue an unlimited number of Fund shares. Each share of the Fund has equal voting, dividend, distribution, and liquidation rights. The Fund's investment objective is long term capital appreciation with income as a secondary objective.

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."

**2.) SIGNIFICANT ACCOUNTING POLICIES****SECURITY VALUATION:**

The Fund will primarily invest in equities and convertible securities. Investments in securities are carried at market value. Securities traded on any exchange or on the NASDAQ over-the-counter market are valued at the last quoted sale price on that day. Lacking a last sale price, a security is valued at its last bid price on that day, except when, in the Adviser's opinion, the last bid price does not accurately reflect the current value of the security. When market quotations are not readily available, when Adviser determines the last bid price does not accurately reflect the current value or when restricted securities are being valued, such securities are valued as determined in good faith by Adviser, in conformity with guidelines adopted by and subject to review of the Board of Trustees.

Fixed income securities are valued by using market quotations, but may be valued on the basis of prices furnished by a pricing service when Adviser believes such prices accurately reflect the fair market value. A pricing service uses electronic data processing techniques based on yield spreads relating to securities with similar characteristics to determine prices for normal institutional-size trading lots of debt securities without regard to sale or bid prices. When prices are not readily available from a pricing service, or when restricted or illiquid securities are being valued, securities are valued at fair value determined in good faith by Adviser, subject to review of the Board of Trustees. Short term investments in fixed income securities with maturities of less than 60 days when acquired, or which are within 60 days of maturity, are valued by using the amortized cost method.

The Trust has performed an analysis of all existing investments to determine the significance and character of all inputs to their fair value determination. Various inputs are used in determining the value of each investment which are summarized in the following three broad levels:

Level 1 – quoted prices in active markets for identical securities

Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, yield curves & similar data.)

Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining fair value which may require a high degree of judgement)

The availability of observable inputs may vary by security and is affected by a wide variety of factors including type of security, liquidity and other characteristics unique to the security. If valuation is based on models or inputs that are less observable or unobservable in the market, determination of fair value requires more judgment. Thus, the degree of judgment exercised in determining fair value is greatest for Level 3 investments. Inputs used in valuing securities are not indicative of associated risks. Transfers between levels are recognized at the end of a reporting period. Transfer from Level 1 to Level 2 results when a security priced previously with an official close price (Level 1) has no official close price so the bid price is used. The below table summarizes the inputs used at June 30, 2021:

	Level 1	Level 2	Level 3	Total
Equity (a)	\$ 19,141,649	\$ 220,397	-	\$ 19,362,046
Closed-end & Exchange Traded Funds	925,198	-	-	925,198
Money Market Funds	13,746,483	-	-	13,746,483
Investments at Market	\$ 33,813,330	\$ 220,397	-	\$ 34,033,727

(a) See Schedule of Investments for industry breakout.

There were no transfers between levels at period end. The Fund did not hold any Level 3 assets (those valued using significant unobservable inputs) at any time during the six months ended June 30, 2021. Therefore a reconciliation of assets in which significant unobservable inputs were used in determining fair value is not applicable.

The Fund has adopted the financial accounting reporting rules required by the Derivatives and Hedging Topic of FASB Accounting Standards Codification (FASB ASC). Fund is required to include enhanced disclosure that enables investors to understand how and why a fund uses derivatives, how they are accounted for and how they affect a fund's results. For the six months ended June 30, 2021, the Fund held no derivative instruments.

#### **SHORT TERM INVESTMENTS:**

The Fund may invest in money market funds and short term high quality debt securities such as commercial paper, repurchase agreements and certificates of deposit. Money market funds typically invest in short term instruments and attempt to maintain a stable net asset value. While the risk is low, these funds may lose value. At June 30, 2021 the Fund held approximately 41% of net assets in money market funds. These include the First American Government Obligations Fund which normally invests in government and agency securities with an objective of maximum current income consistent with capital preservation and maintaining liquidity and the Invesco Government & Agency Fund.

As of June 30, 2021 the Fund had approximately 38% of its assets in First American Government Obligation Fund - Class Z (Ticker: FGZXX). The investment in this fund is approximately 0.04% of the fund's net assets which was approximately \$35.1 billion dollars at June 30, 2021. If the Adviser determines that it is in the best interest of Fund shareholders, the Adviser may redeem this investment. Further information on these funds is available at [www.sec.gov](http://www.sec.gov).

#### **SECURITY TRANSACTIONS AND INVESTMENT INCOME:**

The Fund records security transactions based on a trade date. Dividend income is recognized on the ex-dividend date, and interest income is recognized on an accrual basis. Discounts and premiums on securities purchased are amortized over the lives of the respective securities.

#### **INCOME TAXES:**

*Federal income taxes.* The Fund's policy is to continue to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all its taxable income to its shareholders. Therefore, no federal income tax provision is required.

*Distribution to shareholders.* Distributions to shareholders, which are determined in accordance with income tax regulations, are recorded on the ex-dividend date. All short term capital gain distributions are ordinary income distributions for tax purposes.

The Fund recognizes the tax benefits of uncertain tax positions only when the position is "more-likely-than-not" to be sustained upon examination by tax authority. Management has analyzed the Fund's tax positions and concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on the prior three year returns or expected to be taken on the Fund's 2021 tax return. The Fund is not aware of any tax position for which it is reasonably possible that the total amount or unrecognized tax benefits will change materially in the next 12 months.

#### **ESTIMATES:**

Preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the financial statement date and reported revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Fund imposes a redemption fee of 1.00% on shares redeemed within one year of purchase. The fee is assessed on an amount equal to the Net Asset Value of the shares at the time of redemption and is deducted from proceeds otherwise payable to the shareholder. For the six months ended June 30, 2021, \$23 of early redemption fees were returned to the Fund through shareholder redemptions. There were \$83 in early redemption fees for the year ended December 31, 2020.

### **3.) INVESTMENT ADVISORY AGREEMENT**

The Fund has entered into an Investment Advisory Agreement with Bertolet Capital LLC (Adviser). Under the Agreement, Adviser receives a fee equal to the annual rate of 1.25% of the Fund's average daily net assets up to \$300 million, and an annual rate of 1% of the Fund's average daily net assets thereafter. For the six months ended June 30, 2021, Adviser earned \$202,812 in fees which are paid yearly. For the six months ended June 30, 2021, the Adviser waived \$52,453 in advisory fees.

A Fund officer and trustee is also an officer and trustee of the Adviser. Advisory Agreement provides for expense reimbursement and fee waivers by Adviser, if Fund Annual Total Expenses exceed 1.24%, of average daily net assets through April 30, 2022.

Adviser will be entitled to reimbursement of fees waived or reimbursed by Adviser to the Fund. Fees waived or expenses reimbursed during a given year may be paid to Adviser during the following three year period if payment of such expenses does not cause the Fund to exceed the expense limitation. Adviser is entitled to recoup \$87,199 through Dec. 31, 2021, \$121,198 through Dec. 31, 2022, and \$111,277 through Dec. 31, 2023.

**4.) PURCHASES AND SALES OF SECURITIES**

For six months ended June 30, 2021, purchases and sales of investment securities other than U.S. Government obligations/short-term investments totaled \$287,388 and \$4,281,543, respectively.

**5.) FEDERAL TAX INFORMATION**

Net Investment income/(loss) and net realized gains/(losses) differ for financial statement and tax purposes due to differing treatments of wash sale losses deferred and losses realized after October 31, 2020. Differences between book basis and tax basis unrealized appreciation/(depreciation) are attributable to tax deferral of losses.

No distributions were paid during the year ended December 31, 2020.

For the six months ended June 30, 2021 the Fund paid an ordinary income distribution of \$0.1815 per share.

The tax nature of distributions paid during the year ended December 31, 2020, and the six months ended June 30, 2021 were as follows:

	<u>2021</u>	<u>2020</u>
Ordinary Income	\$358,885	\$ -
Long Term Capital Gain	\$ -	\$ -
	\$358,885	\$ -

At December 31, 2020, the components of accumulated earnings/(losses) on a tax basis were as follows:

Costs of investments for federal income tax purposes	\$ 25,409,439
Gross tax unrealized appreciation	\$ 6,324,151
Gross tax unrealized depreciation	<u>(2,043,765)</u>
Net tax unrealized appreciation	4,280,386
Undistributed ordinary income	358,884
Accumulated capital and other gains - net	<u>(660,979)</u>
Total Distributable Earnings	\$ 3,978,291

At December 31, 2020, the Fund had non-expiring capital loss carryforwards as follows: \$156,990 short-term and \$503,989 long-term. The Fund had no post-October losses.

**6.) COMMITMENTS AND CONTINGENCIES**

In the normal course of business, the Fund may enter into contracts that may contain a variety of representations and warranties and provide general indemnifications. The Fund's maximum exposure under these arrangements is dependent on future claims that may be made against the Fund and, therefore, cannot be estimated; however, management considers the risk of loss from such claims to be remote.

**7.) SUBSEQUENT EVENTS**

Management has evaluated Fund related events and transactions occurring subsequent to year end. There were no events or transactions that occurred during this period that materially impacted the Fund's financial statements.

**PROXY VOTING (Unaudited)**

A description of the policies and procedures the Fund uses to determine how to vote proxies relating to portfolio securities and information regarding how the Fund voted those proxies during the most recent 12 month period ended June 30, are available without charge upon request by calling 877-369-3705 or visiting [www.pinnaclevaluefund.com](http://www.pinnaclevaluefund.com) or [www.sec.gov](http://www.sec.gov).

**QUARTERLY PORTFOLIO HOLDINGS (unaudited)**

Fund files a complete schedule of investments with the SEC for the first and third quarter of each fiscal year on Form N-PORT. Fund's first and third fiscal quarters end on March 31 and Sept. 30. Form N-PORT filing must be made within 60 days of the end of the quarter, and Fund's first Form N-PORT was filed with the SEC on Nov. 29, 2004. Fund Form N-PORTs are available at [www.sec.gov](http://www.sec.gov) or may be reviewed and copied at the SEC's Public Reference Room in Washington, DC (call 1-800-732-0330 for information on the operation of the Public Reference Room). You may also obtain copies by calling the Fund at 1-877-369-3705.

**SUPPLEMENTAL INFORMATION**

*Illiquid Securities*

Pursuant to Rule 22e-4 under the 1940 Act, the Fund has adopted a Liquidity Risk Management Program ("LRMP") that requires, among other things, that the Fund limits its illiquid investments that are assets to no more than 15% of net assets. An illiquid investment is any security which may not reasonably be expected to be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment. If the Advisor, at any time, determines that the value of illiquid securities held by the Fund exceeds 15% of its net asset value, the Advisor will take such steps as it considers appropriate to reduce them as soon as reasonably practicable in accordance with the Fund's written LRMP.

The following table provides biographical information with respect to each Trustee.

<b>Name, Age</b>	<b>Position with Fund</b>	<b>Term of Office Length of Time Served</b>	<b>Principal Occupation During Past 5 years</b>	<b>Other Directorships</b>
<b>Interested Trustee</b>				
John E. Deysher, CFA (66)	Trustee	Unlimited Since Inception	President, Secretary, Treasurer Pinnacle Value Fund	None
<b>Independent Trustees</b>				
Edward P. Breau, CFA (88)	Trustee	Unlimited Since Inception	Private Investor	None
Richard M. Connelly (65)	Trustee	Unlimited Since Inception	Counsel, CCO JG Wentworth (finance)	None
James W. Denney (56)	Trustee	Unlimited Since Inception	President, Mohawk Asset Management	None

**TRUSTEES AND SERVICE PROVIDERS**

Trustees: Edward P. Breau, Richard M. Connelly, James W. Denney, John E. Deysher

Transfer Agent: Mutual Shareholder Services, 8000 Town Centre Dr- 400, Broadview Heights, OH 44147

Custodian: US Bank, 425 Walnut St., Cincinnati OH 45202

Independent Registered Public Accounting Firm: Tait, Weller & Baker LLP, 50 S.16<sup>th</sup> Street - 2900, Philadelphia PA 19102

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## BOARD APPROVAL OF INVESTMENT ADVISORY AGREEMENT

The investment advisory agreement (“Agreement”) between the Trust and Bertolet Capital LLC (“Adviser”) was last renewed by the Board at a meeting in February, 2021. On that date the Board considered factors material to the Agreement renewal including:

Nature, Extent & Quality of Services. The Board considered the Adviser’s quality value investment strategy/philosophy and substantial experience in small and micro-cap research and portfolio management. The Board reviewed Adviser’s Form ADV (policies/operations), staffing levels, research capability and overall reputation. The Board noted that Adviser has no plans to alter the way it manages the Fund and would continue to have the expertise and resources needed to provide advisory and administrative services to the Fund. The Board considered the Adviser’s compliance policies/procedures and noted that it had complied with the Trust’s Code of Ethics. The Board concluded it was satisfied with the nature, extent and quality of services provided by the Adviser.

Investment Performance. The Fund’s performance was compared to a peer group of mutual funds and the R2000 index. The Board noted the Fund’s 2020 performance exceeded the peer group average but lagged the R2000. For the most recent 10 year period, Fund performance lagged the peer group average and the R2000. The Board noted the Fund’s 10 yr. Sharpe ratio approximated the peer group average. The Board reiterated that Fund cash levels should be lowered opportunistically in an attempt to improve Fund performance. The board noted the Adviser owns 8.5% of Fund shares.

Reasonableness of Fees. The Board compared the Fund’s expense ratio and advisory fee to a peer group. The Board noted the Fund’s expense ratio approximated the peer group average and that most peers had a much higher assets under management (AUM). The board noted that Adviser continues to cap expenses at 1.24% of average net assets. The Board compared the advisory fee charged to Fund with advisory fees charged by peer group which it deemed reasonable given the many administrative, compliance and other services provided to the Fund. Based on these factors and the labor intensive nature of small/micro-cap research, the Board concluded the advisory fee charged to the Fund is fair and reasonable.

Profitability & Other Benefits to Adviser. The Board considered the Fund’s income and expenses and the profitability of the Fund to Adviser. The Board reviewed the Adviser’s 2020 financial statement and concluded that the Adviser’s profitability was reasonable in relation to the nature and quality of services provided to the Fund.

Economies of Scale. The Board considered data regarding economies of scale and whether existing fees might require adjustment in light of any economies of scale. The Board determined that no modification of fees was necessary given the Fund’s small size, the fact that the Fund is not part of a large Fund complex and that the Fund’s expense ratio approximates the peer group average.

The Board concluded that the terms of the advisory contract were reasonable and fair and in the best interest of shareholders. As a result, the entire Board, with the Independent Trustees voting separately, approved the Agreement’s renewal.

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**Expense Example (Unaudited)**

As a shareholder of the Pinnacle Value Fund, you incur ongoing costs which typically include management fees and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period, January 1, 2021 through June 30, 2021.

**Actual Expenses**

The first line of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During the Period" to estimate the expenses you paid on your account during this period.

**Hypothetical Example for Comparison Purposes**

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratios and an assumed rate of return of 5% per year before expenses, which are not the Fund's actual returns. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in this Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

**Pinnacle Value Fund**

	<b>Beginning Account Value</b>	<b>Ending Account Value</b>	<b>Expenses Paid During the Period*</b>
	<u>January 1, 2021</u>	<u>June 30, 2021</u>	<u>January 1, 2021 to June 30, 2021</u>
Actual	\$1,000.00	\$1,182.01	\$6.71
Hypothetical (5% Annual Return before expenses)	\$1,000.00	\$1,018.65	\$6.21

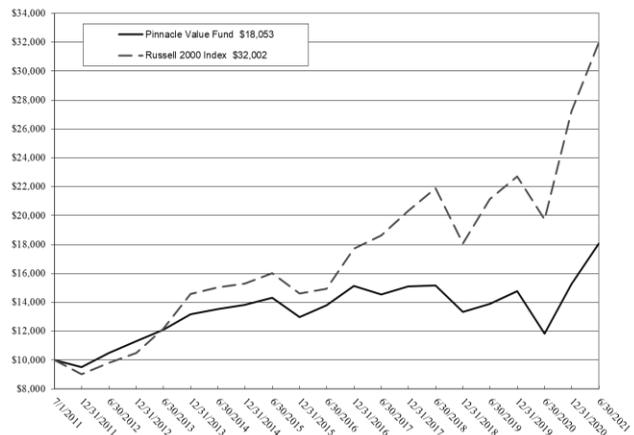
\* Expenses are equal to the Fund's annualized expense ratio of 1.24%, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

**AVERAGE ANNUAL RATE OF RETURN (%) FOR PERIOD ENDED JUNE 30, 2021**

	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
Pinnacle Value Fund	52.77%	6.02%	5.56%	6.09%
Russell 2000 Index	62.03%	13.52%	16.47%	12.34%

Chart assumes an initial investment of \$10,000 made on 7/1/2011. Total return is based on the net change in NAV and assuming reinvestment of all dividends and other distributions. Performance figures represent past performance which is not predictive of future performance. Investment return and principal value will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost. All returns reflect reinvested dividends but do not reflect the impact of taxes.

Throughout the period shown, the investment adviser has voluntarily waived and reimbursed certain expenses of the Fund. Without such waivers and reimbursements returns would be lower.





**PINNACLE VALUE FUND®**  
**A SERIES OF THE**  
**BERTOLET CAPITAL TRUST**

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Fund's shareholder reports like this one will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Fund's website [www.pinnaclevaluefund.com](http://www.pinnaclevaluefund.com), and you will be notified by mail each time a report is posted and provided with a website link to access the report.

**SEMI-ANNUAL**  
**REPORT**  
**(UNAUDITED)**

**JUNE 30, 2021**

[www.pinnaclevaluefund.com](http://www.pinnaclevaluefund.com)

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