

## Akre Focus Fund Commentary First Quarter 2020

As you know, the COVID-19 pandemic has resulted in a significant market disruption over recent weeks. As the world navigates the uncertainty caused by the virus, we want to let you know that Akre Capital is fully committed to our clients, employees, and partners, and we are taking the necessary steps to ensure the highest level of business continuity during this time.

On March 15, 2020, we implemented a Work-From-Home program. We will continue to monitor COVID-19 and market volatility closely and implement additional operational changes as conditions require or permit. Our team is very well-equipped to work outside of the standard office environment for as long as needed. Because of the processes and procedures we put in place to ensure business continuity, we believe there will be little impact on our operations.

The Akre Focus Fund's first quarter 2020 performance for the Institutional share class was (11.14)% compared with S&P 500 Total Return at (19.60)%. Performance for the trailing 12 month period ending March 31, 2020, for the Institutional share class was +0.78% as compared with (6.98)% for the S&P 500 Total Return.

You know that we have made no secret of the Fund's growing cash position. That growing cash position stemmed from our view that valuations for both existing and potential new holdings were simply not conducive to above-average returns looking forward. We had no view on the timing of any market downturn that would change that situation. We did not see the coronavirus coming. But then, we spend little time trying to anticipate shocks like global pandemics or oil price wars. Instead of shocks, we think about "shock absorbers." And the three best we know of are:

- 1) owning exceptional businesses,
- 2) paying reasonable valuations for them, and
- 3) building cash when paying reasonable valuations proves elusive.

Performance	Total Annualized Returns % as of 03/31/20						
Net Assets	QTD	YTD	1 YR	3 YR	5 YR	10 YR	Since Inception 8/31/09
Retail Share Class (AKREX)	-11.20	-11.20	0.50	15.83	12.28	15.21	15.00
Institutional Share Class (AKRIX)	-11.14	-11.14	0.78	16.14	12.59	15.51	15.31
S&P 500 TR	-19.60	-19.60	-6.98	5.10	6.73	10.53	11.47

*Performance data quoted represents past performance and 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. Fund performance current to the most recent month-end may be lower or higher than the performance quoted and can be obtained by calling 1-877-862-9556. The Fund's annual operating expense (gross) for the Retail Class shares is 1.32% and 1.05% for the Institutional Class shares. The Fund imposes a 1.00% redemption fee on shares held less than 30 days. Performance data does not reflect the redemption fee, and if reflected, total returns would be reduced.*

*Mutual fund investing involves risk. Principal loss is possible. The Fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the Fund is more exposed to individual stock volatility than a diversified fund. The Fund invests in small- and medium- capitalization companies, which involve additional risks such as limited liquidity and greater volatility than larger capitalization companies.*

We believe all three “shock absorbers” were firmly in place when the coronavirus hit the market’s collective consciousness. In absolutely no way does that mean our Fund has been or will be immune to the downturn. We will take our lumps. But, we hope that our three “shock absorbers” enable our portfolio to decline less than the broad market, recover faster, and allow us to capitalize by putting substantial cash to work at advantageous valuations.

The pandemic’s impact on the market has supplied buying opportunities in both existing and several long-coveted names. Accordingly, our cash weighting declined from 17% at year-end to just over 10% as of March 31st. Since neither we nor anyone else knows where or when stocks will see their bottom, we have spooned rather than shoveled cash into select positions, mindful of the extremes to which price and value can become decoupled in times like this.

There were only two positions that were positive contributors to performance during the quarter. The largest five detractors from performance this quarter were: CarMax, Mastercard, O’Reilly, Visa, and Moody’s.

We are deeply aware of the all-too-real economic and humanitarian toll this crisis stands to take. But as long-term investors, we cannot help but be optimists. We believe that nations will be better prepared to deal with future pandemics as a result of our collective experience with the coronavirus; that supply chains will be fortified; and that people will eventually return to work and to spending and to congregating, perhaps with even more joy and gratitude than before.

Thank you for your continued support. Be safe and be well.

Chuck, John, & Chris

**Top Ten Holdings as of 03/31/20**

Name	% of net assets
American Tower Corp.	12.1%
Mastercard, Inc.	10.7%
Moody's Corp.	10.0%
Visa, Inc.	7.6%
SBA Communications Corp.	6.0%
Constellation Software, Inc.	4.6%
Roper Technologies, Inc.	4.4%
O'Reilly Automotive, Inc.	4.2%
CarMax, Inc.	3.8%
Markel Corp.	3.6%

**Sector Weightings as of 03/31/20**

Type	% of net assets
Information Technology	27.6%
Financials	19.4%
Real Estate	18.1%
Consumer Discretionary	10.7%
Industrials	9.8%
Communication Services	2.2%
Health Care	2.1%
Cash & Equivalents	10.1%

*The composition of the sector weightings and fund holdings are subject to change and are not recommendations to buy or sell any securities. Cash and Equivalents include asset backed bonds, corporate bonds, municipal bonds, investment purchased with cash proceeds for securities lending, and other assets in excess of liabilities.*

*The S&P 500 TR is a broad based unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general. It is not possible to invest directly in an index.*

***The Fund’s investment objectives, risks, charges, and expenses must be considered carefully before investing. The summary and statutory prospectus contains this and other important information about the investment company and it may be obtained by calling (877) 862-9556 or visiting [www.akrefund.com](http://www.akrefund.com). Read it carefully before investing.***

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