



Meritage Yield-Focus Equity Fund

3Q 2017

MPYEX/MPYIX

OBJECTIVE

The Fund seeks long-term growth of capital with an emphasis on high current income.

INVESTOR / INSTITUTIONAL
SHARE CLASSES

Inception

12/20/2013 / 12/20/2013

Minimum Initial Investment

\$2,500 / \$100,000

Subsequent Investments

\$100 / \$1,000

CUSIP

14064D600 / 14064D501

Fund Assets

\$27.2 Million

Total Strategy Assets

\$239.3 Million

Holdings

59

Annual Turnover

61.9%

30-day SEC Yield Subsidized³

3.58% / 3.83%

30-day SEC Yield Unsubsidized³

3.07% / 3.32%

³ Computed under an SEC standardized formula based on the maximum offer price per share as of 9/30/17. Subsidized yields reflect fee waivers in effect. Without such waivers, yields would be reduced. Unsubsidized yields do not reflect fee waivers in effect.

Broker Dealer / Registered
Representative Support

888.901.1114

913.345.7000

www.meritageportfoliofunds.com

7500 College Blvd., Suite 1212
Overland Park, KS 66210

Strategy

The Fund is structured to provide equity returns with significantly above average income as the key driver, and it takes a comprehensive approach in searching for attractive equity income opportunities. In addition to investing in high yielding common stocks, it also invests in master limited partnerships, real estate investment trusts, business development companies, convertible preferred stocks and non-convertible preferred stocks. The Fund managers seek to add value by both bottom-up security selection and active allocation among the six different categories of equities.

Annualized Return (%)

As of 9/30/2017	SHARE CLASS	QTR	YTD	1-YR	3-YR	SINCE INCEPTION
	Meritage Yield-Focus Equity Fund/Investor	4.20	8.83	11.06	3.44	4.79
	Meritage Yield-Focus Equity Fund/Institutional	4.21	8.56	10.96	3.57	4.95
	Russell 3000 Value Index	3.26	7.72	15.53	8.79	9.33
	Zacks Multi-Asset Income Index	4.84	11.56	17.63	1.87	2.64

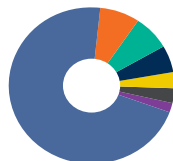
Expense ratio¹: Investor Shares Gross 1.89%; Net: 1.40%. Institutional Shares Gross 1.64%; Net: 1.15%.

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. Current performance of the Fund may be lower or higher than the performance quoted. For most recent month-end performance figures, visit www.meritageportfoliofunds.com or call Shareholder Services at 855-261-0104.

Fund performance information shown includes the reinvestment of dividend and capital gain distributions, but does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund Shares.

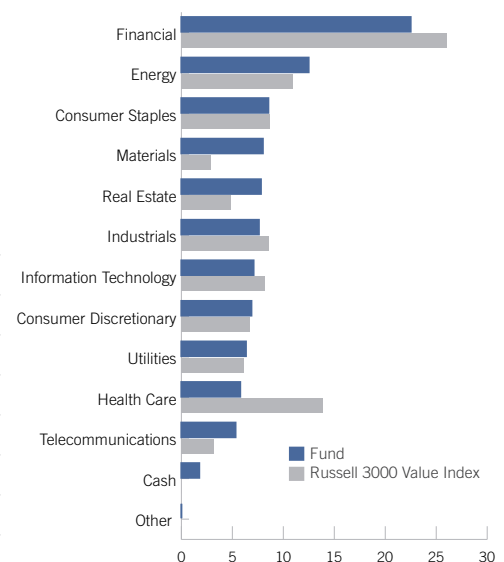
¹ The Adviser has contractually agreed to limit expenses at least until December 31, 2017. Although the Fund is no-load, investment management fees and other expenses still apply.

Diversification by Security Type % of assets



Common Stocks	71.3%
REITs	7.8%
MLPs/Other Ltd. Partnerships	7.3%
Convertible Preferred Stocks	5.5%
Ltd. Partnerships - Non-Energy	3.4%
Business Development Companies	3.0%
Cash	1.8%
ETFs	0.0%
Straight Preferred Stocks	0.0%

Sector Diversification % of assets



Top 10 Holdings

	% of assets		% of assets
AT&T Inc	2.4%	Public Service Enterprise Grp	2.3%
Medical Properties Trust Inc.	2.4%	Altria Group Inc.	2.2%
Philip Morris International	2.3%	Target Corp	2.2%
Garmin LTD ADR	2.3%	Intl Business Machines	2.2%
Invesco Ltd Shs	2.3%	Rio Tinto PLC Sponsored ADR	2.2%

MPYEX/MPYIX

Fund Highlights

Searches for attractive yield franchises on a global basis. Up to 40% of the Fund's assets may be invested in companies outside the U.S.

Seeks to provide significant participation in up markets, enhanced downside protection in down markets, and outperformance over full market cycles.

Emphasis on cash distributions helps manage risk over full market cycles.

Actively-managed, non-traditional equity asset classes provide valuable diversification.

The Meritage investment team has been using this specific strategy to manage assets for institutions and individuals in separately managed accounts for over 10 years. Total firm AUM as of 9/30/2017 is \$1.6 billion.

¹The Fund's adviser (the "Adviser") has contractually agreed to waive its management fee and/or reimburse expenses so that total annual operating expenses (excluding (i) interest; (ii) taxes; (iii) brokerage fees and commissions; (iv) other extraordinary expenses not incurred in the ordinary course of the Fund's business; (v) dividend expenses on short sales; (vi) indirect expenses such as acquired fund fees and expenses; and (vii) expenses incurred under a Rule 12b-1 plan of distribution) do not exceed 1.00% of the Fund's average daily net assets through December 31, 2017. During any fiscal year that the Investment Advisory Agreement between the Adviser and Capitol Series Trust is in effect, the Adviser may recoup the sum of all fees previously waived or expenses reimbursed during any of the previous three (3) fiscal years, less any reimbursement previously paid, if such recoupment can be achieved within the foregoing expense limits. To the extent that any fees previously waived or expenses reimbursed are still recoverable under the expense cap agreement more than three (3) years after the date of the applicable fee waiver or expense reimbursement, the amount of such outstanding potential recoupment shall be booked as a liability of the Fund. This expense cap agreement may be terminated by the Board of Trustees (the "Board") at any time.

Past performance is no guarantee of future results. The investment return and principal value of an investment in the Funds will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.

Investors should carefully consider the investment objectives, risks, charges and expenses of the Meritage Mutual Funds. This and other important information about the Funds is contained in the Prospectus, which can be obtained by calling Shareholder Services at 855.261.0104. The Prospectus should be read carefully before investing.

The Fund may invest in **smaller companies**, which involves additional risks such as limited liquidity and greater volatility. Investments in emerging markets involve greater risks. **Foreign investments**, including **ADRs**, are subject to sovereign risk and may be adversely affected by changes in currency exchange rates, future political and economic developments, and the possible imposition of exchange controls or other foreign governmental laws or restrictions. A **BDC** may invest in the equity and debt securities of smaller and developing companies as well as companies that are experiencing financial crises ("Portfolio Companies"). Investments in smaller and developing Portfolio Companies involve a greater risk of loss due to their youth and limited track records and are more susceptible to competition and economic and market changes due to limited products and market shares. **MLPs** are subject to certain risks inherent in the structure of MLPs, including complex tax structure risks, limited ability for election or removal of management, limited voting rights, potential dependence on parent companies or sponsors for revenues to satisfy obligations, and potential conflicts of interest between partners, members and affiliates. Investors should be aware of the risks involved with investing in **REITs** and real estate securities, such as declines in the value of real estate and increased susceptibility to adverse economic or regulatory developments. MLPs, also known as publicly traded partnerships, predominately operate, or directly or indirectly own, energy-related assets. REITs are companies that pool investor funds to invest primarily in income producing real estate or real estate related loans or interests. BDCs are publicly-traded closed-end funds that seek capital appreciation and income by investing in smaller companies during their initial stages of development. With respect to investments in BDCs, the Fund plans to invest only in publicly traded BDCs.

The Russell 3000 Value Index is a market-cap weighted index and measures the performance of the broad value segment of the U.S. equity universe.

The Zacks Multi-Asset Income Index is comprised of approximately 125 to 150 securities selected, based on investment and other criteria, from a universe of domestic and international companies. The universe of securities within the Index includes U.S. listed common stocks and ADRs paying dividends, real estate investment trusts, MLPs, CEFs, Canadian royalty trusts and traditional preferred stocks.

Given the significant differences between separately managed accounts and mutual funds, investors should consider the differences in expenses, tax implications and the overall objectives between separately managed accounts and mutual funds before investing. Past performance of the strategy/separately managed account is not indicative of future performance of the fund.

Asset allocation and diversification do not ensure a profit or guarantee against loss.

Distributed by Unified Financial Securities, LLC.

Management Team

Clint W. Anderson, CFA[®]

- » Portfolio Manager of the Adviser since February 2011
- » Investment professional with the Adviser since 2006
- » B.A., Finance, University of Iowa, 1998

Mark E. Eveans, CFA[®] President & CIO

- » Principal and a Director of the Adviser since firm was founded, 1991
- » B.A., Finance, Wichita State University, 1968
- » M.S., Finance, Wichita State University, 1970

Sharon L. Divine, CFA[®]

- » Director of Quantitative Research and Senior Portfolio Manager
- » Investment professional since 1988 and with the Adviser since 1993
- » Principal of the Adviser since 2008
- » B.B.A., Computer Based Information Systems, University of Missouri-Kansas City, 1988
- » M.B.A., Finance, University of Missouri-Kansas City, 1989

John M. Wallis, CFA[®]

- » Director of Qualitative Research
- » Investment professional with the Adviser since 2012
- » B.S., Justice Studies from Arizona State University, 1985
- » M.B.A., Avila College, 1990

Manager Commentary

- » The Yield-Focus Equity Fund had a solid quarter and exceeded the return of the broad value market, notwithstanding a period where high dividend and value-oriented strategies have lagged the broad market.
- » The Fund had strong security selection in Materials and Industrials, while security selection in Consumer Staples held back results slightly.
- » The strongest performing sectors were Materials, Industrials and Energy while the weakest performing sectors were Consumer Staples, Health Care and Real Estate.
- » Recent stock purchases included DSW, Inc. (retail footwear) Shell Midstream Partners LP (oil pipeline transportation), Norbord Inc. (wood-based board and panel manufacturing), CBL & Associates Properties Inc. (shopping center REIT) and Valley National Bancorp (a regional bank holding company).
- » On the sale side, holdings of Staples and Reynolds American were both long term gain liquidations resulting from corporate buyout transactions. Other recent sales include BHP Billiton ADR to harvest a short term gain, Teva Pharmaceutical ADS because of a cut in their dividend distribution, and Western Union on reduced future earnings expectations.