
Nysa Fund
Statement of Assets and Liabilities
March 31, 2020 (Unaudited)

Assets:	
Investments in Securities, at Value (Cost \$1,230,098)	\$ 1,357,971
Cash	500
Receivables:	
Interest and Dividends	658
Prepaid Expenses	<u>2,049</u>
Total Assets	<u>1,361,178</u>
Liabilities:	
Payables:	
Due to Adviser	4,276
Trustee Fees	359
Service Fees	49
Other Accrued Expenses	<u>9,636</u>
Total Liabilities	<u>14,320</u>
Net Assets	<u><u>\$ 1,346,858</u></u>
Net Assets Consist of:	
Paid In Capital	\$ 2,845,283
Distributable Earnings/(Deficit)	<u>(1,498,425)</u>
Net Assets, for 349,719 Shares Outstanding	<u><u>\$ 1,346,858</u></u>
Net Asset Value and Redemption Price Per Share	<u><u>\$ 3.85</u></u>
Maximum Offering Price Per Share (\$3.85/97.5%)	<u><u>\$ 3.95</u></u>

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

Nysa Fund
Statement of Operations
For the year ended March 31, 2020 (Unaudited)

Investment Income:	
Dividends	\$ 9,200
Interest	<u>11,826</u>
Total Investment Income	<u>21,026</u>
Expenses:	
Advisory Fees	16,124
Transfer Agent Fees	17,291
Audit Fees	14,420
Legal Fees	42,417
Service Fees	4,031
Custodial Fees	3,946
Compliance Fees	6,024
Trustee Fees	4,750
Registration Fees	7,246
Miscellaneous Fees	6,483
Printing and Mailing	<u>1,147</u>
Total Expenses	123,879
Advisory Fees Waived	<u>(16,124)</u>
Net Expenses	<u>107,755</u>
Net Investment Loss	<u>(86,729)</u>
Realized and Unrealized Gain (Loss) on Investments and Options:	
Realized Gain on Investments	415,141
Realized Gain on Options Written	4,301
Net Change in Unrealized Depreciation on Investments	<u>(633,476)</u>
Realized and Unrealized Loss on Investments and Options	<u>(214,034)</u>
Net Decrease in Net Assets Resulting from Operations	<u>\$ (300,763)</u>

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

Nysa Fund
Statements of Changes in Net Assets

	(Unaudited) Year Ended <u>3/31/2020</u>	Year Ended <u>3/31/2019</u>
Increase (Decrease) in Net Assets From Operations:		
Net Investment Loss	\$ (86,729)	\$ (73,163)
Net Realized Gain on Securities and Options Written	419,442	25,537
Unrealized Depreciation on Securities and Options Written	(633,476)	(205,935)
Net Decrease in Net Assets Resulting from Operations	<u>(300,763)</u>	<u>(253,561)</u>
 Capital Share Transactions	 <u>(238,826)</u>	 <u>140,051</u>
 Total Decrease in Net Assets	 (539,589)	 (113,510)
 Net Assets:		
Beginning of Year	 <u>1,886,447</u>	 <u>1,999,957</u>
 End of Year	 <u>\$ 1,346,858</u>	 <u>\$ 1,886,447</u>

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

Nysa Fund

Financial Highlights

Selected data for a share outstanding throughout the year.

	(Unaudited)				
	Year Ended	Years Ended			
	3/31/2020	3/31/2019	3/31/2018	3/31/2017	3/31/2016
Net Asset Value, at Beginning of Year	\$ 4.69	\$ 5.08	\$ 4.18	\$ 4.28	\$ 4.92
Income (Loss) From Investment Operations:					
Net Investment Loss*	(0.24)	(0.18)	(0.21)	(0.19)	(0.20)
Net Gain (Loss) on Securities (Realized and Unrealized)	(0.60)	(0.21)	1.11	0.09	(0.44)
Total Income (Loss) from Investment Operations	(0.84)	(0.39)	0.90	(0.10)	(0.64)
Net Asset Value, at End of Year	\$ 3.85	\$ 4.69	\$ 5.08	\$ 4.18	\$ 4.28
Total Return (**) (***)	(17.91)%	(7.68)%	21.53%	(2.34)%	(13.01)%
Ratios/Supplemental Data:					
Net Assets at End of Year (Thousands)	\$ 1,347	\$ 1,886	\$ 2,000	\$ 1,761	\$ 1,845
Before Waiver					
Ratio of Expenses to Average Net Assets	7.71%	5.01%	6.27%	6.38%	6.09%
After Waiver					
Ratio of Expenses to Average Net Assets	6.71%	4.01%	5.27%	5.38%	5.09%
Ratio of Net Investment Loss to Average Net Assets	(5.40)%	(3.17)%	(4.72)%	(4.40)%	(4.48)%
Portfolio Turnover	79%	46%	44%	42%	28%

* Per share net investment loss has been determined on the basis of average shares outstanding during the year.

** Assumes reinvestment of dividends.

*** Total return is calculated assuming shares are purchased and redeemed at the Fund's net asset value and excludes the effect of sales charges. A maximum sales charge of up to 2.50% is applicable to purchases of Fund shares, unless waived or reduced in accordance with the Fund's prospectus.

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

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NOTES TO FINANCIAL STATEMENTS

March 31, 2020 (Unaudited)

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nysa Fund (“Fund”) is a non-diversified series of Nysa Series Trust (“Trust”), an open-end management investment company registered under the Investment Company Act of 1940, as amended (“1940 Act”). The Trust was organized as a Massachusetts business trust on November 20, 1996. The Fund was capitalized on February 18, 1997, when affiliates of Pinnacle Advisors LLC (“Adviser”) purchased the initial shares of the Fund at \$10 per share. The Fund began the public offering of shares on May 12, 1997. The investment objective of the Fund is to provide long-term capital growth.

The Fund follows the accounting and reporting guidance in FASB Accounting Standards Codification 946.

Security Valuation – All investments in securities are recorded at their estimated fair value, as described in Note 2.

Option Writing - When the Fund writes an option, an amount equal to the premium received by the Fund is recorded as a liability and is subsequently adjusted to the current fair value of the option written. Premiums received from writing options that expire unexercised are treated by the Fund on the expiration date as realized gains from investments. The difference between the premium and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or, if the premium is less than the amount paid for the closing purchase transaction, as a realized loss. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security or currency in determining whether a Fund has realized a gain or loss. If a put option is exercised, the premium reduces the cost basis of the securities purchased by the Fund. The Fund as writer of an option bears the market risk of an unfavorable change in the price of the security underlying the written option. See Note 5 for additional disclosure on the Fund's option transactions during the Fund's year ended March 31, 2020.

Investment Income – Dividend income is recorded on the ex-dividend date. Interest income is accrued as earned.

Security Transactions – Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on a specific identification basis.

Distributions to Shareholders – Dividends to shareholders from net investment income or capital gains, if any, are paid annually as required to comply with federal excise tax requirements. Distributions to shareholders are determined in accordance with income tax regulations and recorded on the ex-dividend date.

Use of Estimates – The preparation of financial statements in conformity with GAAP 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 date of the financial statements

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

March 31, 2020 (UNAUDITED)

and the reported amounts of increases and decreases in net assets from operations during the period. Actual results could differ from those estimates.

Subsequent Events – Management has evaluated the impact of all subsequent events on the Fund through the issuance of these financial statements except as noted in footnote 12, no other subsequent events were noted requiring disclosure.

Federal Income Taxes - The Fund has qualified, except as described below, and intends to qualify as a regulated investment company (“RIC”) and to comply with the applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and to distribute substantially all of its taxable income to their shareholders. Therefore, no federal income or excise tax provisions is required. During the year ended March 31, 2020, the Fund did not qualify as a RIC under Subchapter M of the Code because it did not meet certain asset diversification requirements. Accordingly, the Fund will file as a “C” corporation for the year ended March 31, 2020. As a “C” corporation, the Fund is subject to federal income taxes on any taxable income for that period.

However, the Fund had a net loss for that period and consequently did not incur any tax liability. The Code contains procedures to allow a Fund that does not meet the requirements to be taxed as a RIC to re-establish its status as a RIC if it meets certain criteria. As of March 31, 2020, the Fund was in compliance with the asset diversification requirements of the Code.

2. SECURITIES VALUATIONS

Processes and Structure

The Fund’s Board of Trustees has adopted policies and procedures for valuing securities, including the valuation of portfolio securities for which market quotations are not readily available, and has delegated the responsibility for determining fair value prices to the Valuation Committee, subject to review and oversight by the Board of Trustees.

Hierarchy of Fair Value Inputs

The Fund utilizes various methods to measure the fair value of most of its investments on a recurring basis. GAAP establishes a hierarchy that prioritizes inputs to valuation techniques used to measure fair value. The three levels of inputs are as follows:

- Level 1. Unadjusted quoted prices in active markets for identical assets or liabilities that the company has the ability to access.
- Level 2. Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates, and similar data.

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- Level 3. Unobservable inputs for the asset or liability to the extent that relevant observable inputs are not available, representing the company's own assumptions about the assumptions that a market participant would use in valuing the asset or liability, and that would be based on the best information available.

The availability of observable inputs can vary from security to security, and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair Value Measurements

A description of the valuation techniques applied to the Fund's major categories of assets and liabilities measured at fair value on a recurring basis follows.

Equity Securities (common stocks, limited partnerships and real estate investment trusts) - Securities traded on a national securities exchange (or reported on the NASDAQ national market) are stated (1) at the last quoted sales price (with securities traded on the NASDAQ NMS and Small Cap Markets valued at the NASDAQ Official Closing Price) or, in the absence of a sale, (2) at the last bid. To the extent these securities are actively traded, and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy.

Short Term Investments - Short term investments are valued using amortized cost, which approximates fair value. These securities will be categorized in Level 1 of the fair value hierarchy.

Derivative Instruments (equity options) – Listed derivatives that are actively traded, and valuations adjustments are not applied, are valued based on quoted prices from the exchange and categorized in Level 1 of the fair value hierarchy.

Restricted Securities – Restricted securities are generally acquired directly or indirectly from an issuer in a nonpublic offering. Because restricted securities are generally subject to restrictions on transfer, market quotations for such securities are generally not readily available, and they are considered to be illiquid securities. The Board of Trustees ("Board") has adopted Portfolio Securities Valuation Procedures that, among other things, provide guidelines for the valuation of portfolio securities for which market quotations are not readily available ("Valuation Procedures"). The Valuation Procedures delegate the responsibility for determining the fair value

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of securities for which market quotations are not readily available to a Valuation Committee, subject to review and oversight by the Board of Trustees (“Board”). Under circumstances where the Adviser determines that the market quotation or the price provided by a pricing service does not accurately reflect the current market value, such securities are also valued as determined in good faith by the Valuation Committee, subject to review and oversight by Board of Trustees. Restricted securities are categorized in Level 3 of the fair value hierarchy.

The following table summarizes the inputs used to value the Fund’s assets and liabilities measured at fair value as of March 31, 2020:

<i>Investments in Securities</i> (Assets)	Financial Instruments—Assets			
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Fair Value</i>
Common Stocks	\$766,351	\$ -	\$ 400,577	\$1,166,928
Limited Partnership	46,000	-	-	46,000
Real Estate Investment Trust	10,250	-	-	10,250
Money Market Fund	134,793	-	-	134,793
	\$957,394	\$ -	\$ 400,577	\$1,357,971

* Refer to the Fund’s Schedule of Investments for a listing of securities by security type and industry.

The following table sets forth a summary of the changes in the fair value of the Fund’s Level 3 investments for the year ended March 31, 2020:

	<u>Common Stocks</u>
Balance Beginning at April 1, 2019	\$ 425,577
Net Realized Gain/(Loss) on Sale of Investments	-
Net Unrealized Depreciation on Investments	(25,000)
Net Purchases and Sales	-
Balance End at March 31, 2020	\$ 400,577

The following information about significant unobservable inputs (Level 3) for the Fund as of March 31, 2020:

<u>Asset Categories</u>	<u>Fair Value</u>	<u>Valuation techniques</u>	<u>Unobservable Input</u>	<u>Input Values</u>
Common Stock	\$400,577	Vendor Pricing	Broker Quotes	85%

The total change in unrealized depreciation included in the statement of operations attributable to level 3 investments still held at March 31, 2020 was \$25,000.

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There were no significant transfers into or out of Level 1, Level 2, or Level 3 during the period. It is the Fund's policy to recognize transfers into and out of Level 1, Level 2, or Level 3 at the end of the reporting period.

3. INVESTMENT TRANSACTIONS

Cost of purchases and proceeds from sales and maturities of investment securities, other than short-term investments, amounted to \$1,153,750 and \$1,577,304, respectively, for the year ended March 31, 2020. The purchases of options written were \$7,585, while the sales were \$9,228, respectively for the year ended March 31, 2020.

4. TRANSACTIONS WITH AFFILIATES

Advisory Agreement - Under the terms of the Investment Advisory Agreement between the Fund and the Adviser ("Agreement"), the Fund has agreed to pay the Adviser a fee, which is computed and accrued daily and payable monthly, at an annual rate of 1.00% of its average daily net assets up to \$100 million; 0.95% of such assets from \$100 million to \$200 million; and 0.85% of such assets in excess of \$200 million. The Adviser has contractually agreed to waive its advisory fee pursuant to a contractual fee waiver arrangement will remain in effect until at least July 31, 2020.

Portfolio Transactions - Commissions paid by the Fund are based on the per transaction commission charge then in effect for the execution of a transaction for the Fund by the investment adviser. Commissions paid to Pinnacle Investments, LLC, an affiliate of the Adviser, amounted to \$2,155, during the year ended March 31, 2020. The Fund has adopted policies and procedures which, subject to its duty of best execution and compliance with Rule 17e-1 under the Investment Company Act of 1940, permits the Adviser to execute portfolio transactions on behalf of the Fund through Pinnacle Investments, LLC.

Implementation of a Service Fee Plan - The Fund has adopted a Service Fee Plan, pursuant to which the Fund is permitted to incur expenses of up to 0.25% per year of the Fund's average daily net assets. Under the Service Fee Plan, the Fund is permitted to reimburse Pinnacle Investments, LLC, the Underwriter, for a portion of its expenses incurred in servicing shareholder accounts, and Pinnacle Investments, LLC is authorized to pay certain "recipients" as defined therein, for rendering services and for the maintenance of accounts. For the year ended March 31, 2020, \$4,031 was earned by the Underwriter for reimbursement of expenses in connection with shareholder accounts. At March 31, 2020, \$49 in Service Fees was due to underwriter.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

March 31, 2020 (UNAUDITED)

5. DERIVATIVE TRANSACTIONS

For the year ended March 31, 2020, financial derivative instruments had the following effect on the Statement of Operations:

Net realized gain on:	Equity Contracts	Total
Call Options Written	\$ 4,301	\$ 4,301
	\$ 4,301	\$ 4,301

The selling of written call options may tend to reduce the volatility of the Fund because the premiums received from selling the options will reduce any losses on the underlying securities, but only by the amount of the premiums. However, selling the options may also limit the Fund's gain on the underlying securities. Written call options expose the Fund to minimal counterparty risk since they are exchange-traded and the exchange's clearing house guarantees the options against default.

The Fund engages in option transactions involving individual securities and stock indexes. An option involves either: (a) the right or the obligation to buy or sell a specific instrument at a specific price until the expiration date of the option; or (b) the right to receive payments or the obligation to make payments representing the difference between the closing price of a stock index and the exercise price of the option expressed in dollars times a specified multiple until the expiration date of the option. The Fund may purchase and write options. Options are sold (written) on securities and stock indexes. The purchaser of an option on a security pays the seller (the writer) a premium for the right granted but is not obligated to buy or sell the underlying security. The purchaser of an option on a stock index pays the seller a premium for the right granted, and in return the seller of such an option is obligated to make the payment. A writer of an option may terminate the obligation prior to expiration of the option by making an offsetting purchase of an identical option. To cover the potential obligations involved in writing options, the Fund will either: (a) own the underlying security, or in the case of an option on a market index, will hold a portfolio of stocks substantially replicating the movement of the index; or (b) the Fund will segregate, with the custodian, high grade liquid assets sufficient to purchase the underlying security or equal to the market value of the stock index option, marked to market daily.

The purchase of options limits the Fund's potential loss to the amount of the premium paid and can afford the Fund the opportunity to profit from favorable movements in the price of an underlying security to a greater extent than if transactions were effected in the security directly. However, the purchase of an option could result in the Fund losing a greater percentage of its investment than if the transaction were effected directly. When the Fund writes a call option, it will receive a premium, but it will give up the opportunity to profit from a price increase in the underlying security above the exercise price as long as its obligation as a writer continues, and it will retain the risk of loss should the price of the security decline. When the Fund writes a put option, it will assume the risk that the price of the underlying security or instrument will fall below the exercise price, in which case the Fund may be required to purchase the security or instrument at a higher price than the market price of the security or instrument. In addition, there

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can be no assurance that the Fund can affect a closing transaction on a particular option it has written. Further, the total premium paid for any option may be lost if the Fund does not exercise the option.

The Fund engages in option transactions involving securities and stock indices in order to gain exposure to particular securities or markets or to try to enhance returns. Options require additional skills and techniques beyond normal portfolio management. The Fund's use of options involves risk that such instruments may not work as intended due to unanticipated developments, especially in abnormal market conditions, or if the Advisor makes an error in judgment, or other causes. The use of options may magnify the increase or decrease in the performance of the Fund, and may also subject the Fund to higher price volatility.

The premiums paid for the options represent the cost of the investment and the options are valued daily at their closing price. The Fund recognizes a realized gain or loss when the option is sold or expired. Option holdings within the Fund, which may include put options and call options, are subject to loss of value with the passage of time, and may experience a total loss of value upon expiration. With options, there is minimal counterparty risk to the Fund since they are exchange traded.

The options outstanding as of September 30, 2019, as disclosed in the Schedule of Written Options and the amounts of realized and changes in unrealized gains and losses on the options during the period, as disclosed in the Statement of Operations, serve as indicators of the volume of option activity.

6. CONTROL OWNERSHIP

The beneficial ownership, either directly or indirectly, of more than 25% of the voting securities shares of a fund creates a presumption of control of the fund, under Section 2(a)(9) of the Investment Company Act of 1940. As of March 31, 2020, First Clearing LLC, for the benefit of others, in aggregate owned approximately 70.54% shares of the Fund.

7. RESTRICTED SECURITIES

Restricted Securities – On four different occasions (September 14, 2007 34,000 shares, April 8, 2008 17,000 shares, July 24, 2008 16,666 shares, and June 8, 2009 16,666 shares), the Fund purchased 84,332 shares of Transluminal Technologies, LLC in offerings that were exempt from registration under the Securities Act of 1933, as amended. As such, these shares are subject to restrictions such as transferability and market quotations that are not readily available for the purpose of valuing this portfolio holding. As of September 30, 2019, the Board valued the shares of Transluminal Technologies, LLC at \$4.75 per share, having taken into consideration certain pertinent factors, including the results of operations and any recent offerings of Transluminal Technologies, LLC. Because there are no market quotations for this security, it is possible that the valuation assigned by the Board may differ significantly from the amount that might be ultimately realized in near term and the difference could be material.

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On April 22, 2014, the Fund also purchased a security from Central New York Raceway Park, Inc. in an offering exempt from the registration requirements of the Securities Act of 1933, as amended, originally in the amount of \$50,000. As such, the shares are subject to restrictions such as transferability and market quotations that are not readily available for the purpose of valuing this portfolio holding. As of September 30, 2019, the Board valued the shares of Central New York Raceway Park, Inc. at \$0.00 per share, having taken into consideration certain pertinent factors, including the results of operations and any recent offerings of Central New York Raceway Park, Inc. Because there are no market quotations for this security, it is possible that the valuation assigned by the Board may differ significantly from the amount that might be ultimately realized in near term and the difference could be material.

In June 2019, Fund management (Management) obtained additional information relevant to the valuation of the Fund's Central New York Raceway Park (CNYRP) investment. Management was advised on outstanding, overdue obligations and unsatisfied creditor liens/claims on the property on which CNYRP intends to develop. Management also became privy that a significant New York State grant funding the project is likely no longer available. Management was made aware that the project has stalled with no agreement on moving forward and no construction activity at the project site.

As a result, on June 14, 2019, Management recommended to the Fund's Board of Trustees that the Fund's investment in CNYRP be written down to zero. The recommendation was adopted by the Fund's Board of Trustees.

As of March 31, 2020, the percentage of the Fund's total net assets represented by illiquid securities was 29.74%. The Fund may not invest more than 15% of its net assets in illiquid securities. However, as noted in the Fund's prospectus dated as of July 29, 2019, the 15% limitation is not violated unless the excess results immediately and directly from the acquisition of any security, and the Fund's investments in illiquid securities may, from time to time, exceed 15% of its net assets. The Fund's percentage of total assets represented by illiquid securities as of March 31, 2020: (i) did not result from the acquisition of any security; and (ii) was the result of changes in the fair value of securities held by the Fund.

8. INCOME TAXES

Income and long-term capital gain distributions are determined in accordance with Federal income tax regulations, which may differ from accounting principles generally accepted in the United States. The Fund's tax basis capital gains and losses and undistributed ordinary income are determined only at the end of each fiscal year. As of March 31, 2020 the Fund's most recent fiscal year-end, components of distributable earnings on a tax basis were as follows:

Net investment loss	\$ (105,043)
Capital loss	(1,521,255)
Net Unrealized Appreciation	<u>127,873</u>
Total Distributable Earnings	<u>\$ (1,498,425)</u>

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March 31, 2020 (UNAUDITED)

The undistributed ordinary income (loss) and capital gains (losses) shown may differ from corresponding accumulated net investment income (loss) and accumulated net realized gain (loss) reported on the statement of assets and liabilities. The accumulated net realized losses reported on the statement of assets and liabilities differ from the above due to the deferral of late year losses.

As of March 31, 2020, the tax basis components of unrealized appreciation (depreciation) and cost of investment securities were as follows:

Gross unrealized appreciation on investment securities	\$ 339,934
Gross unrealized depreciation on investment securities	<u>(212,061)</u>
Net unrealized appreciation on investment securities	<u>\$ 127,873</u>

Tax cost of investment securities, including short-term investments and written options	<u>\$ 1,230,098</u>
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+ The capital loss carryforward will be used to offset any capital gains realized by the Fund in future years through the expiration date. The Fund will not make distributions from capital gains while a capital loss carryforward remains.

9. CAPITAL SHARE TRANSACTIONS

The Fund is authorized to issue an unlimited number of no par value shares of separate series. The total paid-in-capital was \$2,845,283, as of March 31, 2020. Transactions in capital for the years ended March 31, 2020 and 2019 were as follows:

	Year Ended March 31, 2020		Year Ended March 31, 2019	
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>
Shares sold	23,175	\$ 99,635	115,940	\$ 739,929
Shares redeemed	<u>(75,351)</u>	<u>(338,461)</u>	<u>(107,440)</u>	<u>(599,878)</u>
Net increase (decrease)	<u>(52,176)</u>	<u>\$(238,826)</u>	<u>8,500</u>	<u>\$ 140,051</u>

10. 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 be made against the Fund and, therefore, cannot be estimated; however, management considers the risk of loss from such claims to be remote.

11. MARKET RISK

Overall market risks may also affect the value of the Fund. Factors such as domestic economic growth and market conditions, interest rate levels and political events affect the securities

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markets. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issue, recessions and depressions, or other events could have a significant impact on the Fund and its investments and could result in increased premiums or discounts to the Fund's net asset value, and may impair market liquidity, thereby increasing liquidity risk. The Fund could lose money over short periods due to short-term market movements and over longer periods during more prolonged market downturns. During a general market downturn, multiple asset classes may be negatively affected. Changes in market conditions and interest rates can have the same impact on all types of securities and instruments.

An outbreak of infectious respiratory illness caused by a novel coronavirus known as COVID-19 was first detected in China in December 2019 and has now been detected globally. This coronavirus has resulted in travel restrictions, closed international borders, enhanced health screenings at ports of entry and elsewhere, disruption of and delays in healthcare service preparation and delivery, prolonged quarantines, cancellations, supply chain disruptions, and lower consumer demand, as well as general concern and uncertainty. The impact of COVID-19, and other infectious illness outbreaks that may arise in the future, could adversely affect the economies of many nations or the entire global economy, individual issuers and capital markets in ways that cannot necessarily be foreseen. In addition, the impact of infectious illnesses in emerging market countries may be greater due to generally less established healthcare systems. Public health crises caused by the COVID-19 outbreak may exacerbate other pre-existing political, social and economic risks in certain countries or globally. The duration of the COVID-19 outbreak and its effects cannot be determined with certainty.

12. NEW ACCOUNTING PRONOUNCEMENT

In August 2018, FASB issued ASU 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement (“ASU 2018-13”). The primary focus of ASU 2018-13 is to improve the effectiveness of the disclosure requirements for fair value measurements. The changes affect all companies that are required to include fair value measurement disclosures. In general, the amendments in ASU 2018-13 are effective for all entities for fiscal years and interim periods within those fiscal years, beginning after December 15, 2019. An entity is permitted to early adopt the removed or modified disclosures upon the issuance of ASU 2018-13 and may delay adoption of the additional disclosures, which are required for public companies only, until their effective date. Management is currently evaluating the impact these changes will have on the Fund's financial statements and disclosures.