Kirr, Marbach Partners Value Fund

"Games are won by players who focus on the playing field—not by those whose eyes are glued to the scoreboard. If you can enjoy Saturdays and Sundays without looking at stock prices, give it a try on weekdays."
– Warren Buffett (2013 Berkshire Hathaway Inc. Shareholder Letter– March 1, 2014)

April 14, 2014

Dear Fellow Shareholders:

Following a torrid 2013, the U.S. equity market took a breather in the first quarter of 2014. The major U.S. equity indices were up just slightly for the quarter, which was certainly modest performance relative to recent history. Still, we think it is good news stocks were able to withstand the beginning of the Federal Reserve's "tapering" of its emergency program of quantitative easing, some softer economic data early in the quarter and geopolitical upheaval abroad.

In addition, we made some good news of our own. ***For the second consecutive year***, we are proud to let you know Value Fund won a prestigious Best Fund Award from Lipper—a Thomson Reuters company, an independent mutual fund research and rating service. ***Value Fund won the 2014 Lipper Best Multi-Cap Core Fund Award out of 581 funds for the 5-year period ended November 30, 2013*** based on risk-adjusted performance. Value Fund previously won the 2013 Lipper Best Multi-Cap Core Fund Award out of 647 funds for the 3-year period ended November 30, 2012 based on risk-adjusted performance. We believe receiving a Lipper Best Fund Award for two years in a row validates we can compete on an investment performance basis with the biggest and best firms in our industry. Further, we are invested alongside you and glad our "slow and steady" approach won this "race" for our investors.

The Stock Market

Though stocks finished the first quarter about where they started, there were some harrowing moments in January and early February. As mentioned above, some data on the U.S.

Periods ending March 31, 2014 (4)

	Value Fund (1) Total Return	Russell 3000 (2) Index	S&P 500 (3) Index
3-months	2.53%	1.97%	1.81%
One-year	23.96%	22.61%	21.86%
Two-years	21.07%	18.52%	17.84%
Three-years	15.00%	14.61%	14.66%
Five-years	29.22%	21.93%	21.16%
Ten-years	8.37%	7.86%	7.42%
Since Inception (December 31, 1998)	8.40%	5.37%	4.72%

The Fund's Gross Expense Ratio and Net Expense Ratio were 1.54% and 1.45% respectively, according to the Prospectus dated January 28, 2014. Until February 15, 2015, the Adviser has contractually agreed to waive its management fee and/or reimburse the Fund's other expenses. Investment performance reflects waivers in effect. In the absence of such waivers, total return would be reduced.

Performance data quoted represents past performance; past performance is no guarantee of 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. Performance data current to the most recent month-end may be obtained by calling 1-800-870-8039. The fund imposes a 1.00% redemption fee on shares held less than 30 days. Performance data quoted does not reflect the redemption fee. If reflected, total returns would be reduced.

1. The performance data quoted assumes the reinvestment of capital gains and income distributions. The performance does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.
2. The Russell 3000 Index is an unmanaged, capitalization-weighted index generally representative of the overall U.S. stock market. This Index cannot be invested in directly.
3. The S&P 500 Index is an unmanaged, capitalization-weighted index generally representative of the U.S. market for large capitalization stocks. This Index cannot be invested in directly.
4. One-year, Two-years, Three-years, Five-years, Ten-years and Since Inception returns are Average Annualized Returns.

economy was softer than investors had expected, perhaps due in part to the severe winter weather. Similarly, concerns about Federal Reserve policy resurfaced as new Chair Janet Yellen took the reins from Ben Bernanke. It seems lately there is *always* an overseas crisis. Indeed, just as the Eurozone crisis faded into memory, Russia reminded us the world remains a dangerous place.

Similarly, the U.S. stock market reminded investors lulled by a strong 2012 and 2013 it can still quickly turn vicious. The Dow Jones Industrial Average plunged 326 points on February 3, which left it down 7.3% for the year-to-date. U.S. stocks had not suffered a correction (10% decline) since 2011, so many investors were shaken. As shown in the Crandall, Pierce graph, since 1944 stocks have endured a bear market (20% decline) or correction every 2 years, on average. Thus, a correction is neither a rare occurrence nor something to be overly fearful of. When the talking heads on TV and headlines have you feeling down, try Warren Buffett's suggestion!

Speaking of Buffett's 2013 Berkshire Hathaway shareholder letter, he told the tale of two investments he was able to make decades ago, at what turned out to be ridiculously low prices, in the wake of the bursting of the bubbles in farmland and commercial real estate. He said:

"There is one major difference between my two small investments and an investment in stocks. Stocks provide you minute-to-minute valuations for your holdings whereas I have yet to see a quotation for either my farm or the New York real estate.

"It should be an enormous advantage for investors in stocks to have those wildly fluctuating valuations placed on their holdings—and for some investors, it is. After all, if a moody fellow with a farm bordering my property yelled out a price every day to me at which he would either buy my farm or sell his—and those prices varied widely over short periods of time depending on his mental state—how in the world could I be other than benefited by his erratic behavior? If his daily shout-out was ridiculously low, and I had some spare cash, I would buy his farm. If the number he yelled was absurdly high, I could either sell to him or just go on farming.

"Owners of stocks, however, too often let the capricious and often irrational behavior of their fellow owners cause them to behave irrationally, as well. Because there is so much chatter about markets, the economy, interest rates, price behavior of stocks, etc., some investors believe it is important to listen to pundits—and, worse yet, important to consider acting upon their comments.

"Those people who can sit quietly for decades when they own a farm or apartment house often become frenetic when they are exposed to a stream of stock quotations and accompanying commentators delivering an implied message of 'Don't just sit there, *do* something.' For these investors, liquidity is transformed from the unqualified benefit it should be to a curse.

"A 'flash crash' or some other extreme market fluctuation can't hurt an investor any more than an erratic and mouthy neighbor can hurt my farm investment. Indeed, tumbling markets can be helpful to the true investor if he has cash available when prices get far out of line with values. A climate of fear is your *friend* when investing; a euphoric world is your enemy.

"During the extraordinary financial panic that occurred late in 2008, I never gave a thought to selling my farm or New York real estate, even though a severe recession was clearly brewing. And, if I had owned 100% of a solid business with good long-term prospects, it would have been foolish for me to even consider dumping it. So why would I have sold my stocks that were small participations in wonderful businesses? True, any one of them might eventually disappoint, but as a group they were certain to do well. Could anyone really believe the earth was going to swallow up the incredible productive assets and unlimited human ingenuity existing in America?"

We have stated our belief the overall recovery from the Great Recession has broadened to the point where it should be much more sustainable and less susceptible to shocks. Additionally, we concentrate on analyzing companies and finding stocks selling at a discount to intrinsic value. This type of ***micro-analysis*** is the basis of value investing. Thus, we don't spend a lot of time trying to forecast unknowable ***macro-factors***, such as Federal Reserve policy changes or military invasions. Speaking of Federal Reserve policy, many investors feared the eventual winding-down of its emergency program of "quantitative easing." These same investors wrongly believed stock prices had been propelled higher primarily due to Fed policy. We thought tapering would be a ***positive*** sign for the strength of the economy and ***good*** for stocks. In other words, investors should not "fear the taper." The Federal Reserve has begun to reduce its monthly purchases of bonds by about $10 billion/month, which the equity and fixed income markets and economy appear to have taken in stride.

Valuations are materially higher than at the once-in-a-lifetime levels of five years ago. Thus, in our opinion, the overall market can probably be characterized as "fairly valued" (but not overstretched). It is more difficult to find investment candidates with attractive risk/reward characteristics, but we continue to like what we own and remain fully invested.

Percent Change in Top Ten Holdings from Book Cost (as of 3/31/2014)

1.	Alliance Data Systems Corp.	+270.4%
2.	Portfolio Recovery Associates, Inc.	+207.2%
3.	WABCO Holdings, Inc.	+454.5%
4.	LyondellBasell Industries NV	+337.2%
5.	NCR Corporation	+136.4%
6.	NewMarket Corporation	+115.2%
7.	Cognizant Technoloy Solutions	+420.2%
8.	Ascent Capital Group LLC	+208.2%
9.	Canadian Pacific Railway LTD	+409.7%
10.	Rosetta Resources, Inc.	+172.4%

Performance quoted represents past performance and is no guarantee of future results.

Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any security.

Portfolio Comments

American Airways Group (AAL) was up 45.0% in the quarter after completing the merger with US Airways Group and reporting better-than-expected earnings for the fourth quarter. Management also provided an update on the synergies from the merger, which have also exceeded expectations. As stated in our most recent letter, we think the consolidation in the airline industry could substantially improve industry economics. **EPL Oil & Gas (EPL)** rose 35.4% during the quarter after Energy XXI (EXXI) agreed to acquire the company for $39/share. This bid represented a 34% premium to the closing price the day before the announcement and a nice return from our cost of below $12/share in October of 2010. We think CEO Gary Hanna and his team did a masterful job of taking EPL out of bankruptcy, fixing the operations and selling at an excellent price. **MasTec (MTZ)** rose 32.8% in the quarter after reporting operating results that exceeded expectations. Management also told of plans to double the wireline business over the next three-plus years and aggressively grow the pipeline business. **Tessera Technologies (TSRA)** rose 19.9% during the quarter as new CEO Thomas Lacey's turnaround strategy finally began to bear fruit. The turnaround has featured closing DigitalOptics, a money-losing business, and monetizing whatever value remains. We also think CEO Lacey is also doing an excellent job resolving the company's outstanding patent license disputes. Much of the rest of our portfolio performed well during the quarter, with **NewMarket (NEU)** up 16.9% and **ARRS Group (ARRS)** up 15.8%, both on solid execution of their respective business plans.

NeuStar (NSR) fell 34.8% during the quarter because the bidding process for a large government contract (accounting for 50% of NSR's revenue), which they have had for seventeen years, remains unresolved. We believe NSR will eventually be awarded the contract, which could alleviate the pressure on the stock. **Pier 1 Imports (PIR)** fell 18.2% during the quarter associated with the company missing revenue and earnings expectations. Management lowered its guidance on earnings due to harsh winter weather conditions and a couple of execution issues. CEO Alex Smith has indicated PIR's inventory is in good shape, with fresh spring merchandise that has been positively received by customers. We still believe PIR is positioned to continue growing earnings and decided to add to our position on the stock's weakness. **KBR (KBR)** fell 16.3% during the quarter after missing expectations for the fourth quarter. In addition, management also lowered its guidance for 2014 earnings, due to the delay of several large construction projects. We believe KBR remains cheap and are monitoring the pace of new and existing orders.

We purchased **AMC Entertainment Holdings (AMC)** after its underfollowed initial public offering (IPO). AMC provides theatrical exhibition services, with movie theaters in the United States, Canada, Europe and Asia. AMC is controlled by Chinese conglomerate Dalian Wanda Group, which acquired AMC in May 2012 for $2.6 billion and continues to own 80% of the company. The IPO price of $18/share implied a valuation of $1.75 billion, a reasonable discount to the price paid by Dalian Wanda. AMC is participating in the consolidation of the theater industry and is differentiating its theaters with reclining seats and other amenities. We also purchased **Taminco (TAM)** during the quarter after another underfollowed IPO. TAM produces alkylamines and alkylamine derivatives, which are used by manufacturers of everyday products primarily for the agriculture, water treatment, personal and home care, animal nutrition and oil and gas markets. TAM has also been acquisitive, which has enabled it to grow and increase the value of its business. We also purchased **Knowles (KN)** during the quarter after industrial conglomerate Dover (DOV) spun-off this high growth technology company. KN designs and manufactures advanced acoustic components, producing components for hearing aids and surface mount microphones for cell phones and consumer electronics. We believe KN operates in a high growth industry and could have plenty of opportunities to develop new products and make technology acquisitions. KN's management outlined a number of cost cutting initiatives to be completed by 2015. In addition, KN is introducing a number of new products in the second half of 2014 and is focusing on gaining more content per device.

We sold **Ensco (ESV)** during the quarter because we were concerned the company's current strong fundamentals would deteriorate over the next couple of years. The number of new drilling rigs coming on-line is rather large relative to history, which we think has the potential to negatively impact pricing for a number of years. We also sold **Dominion Diamond (DDC)** as some expected catalysts failed to materialize. In addition, DDC's management decided to dramatically alter its strategic plan, which invalidated an important part of our investment thesis.

Summary

We're pleased with our continuing national recognition, but at the same time truly humbled by the trust and confidence you place in us, each and every day, to allow us the privilege to manage your precious assets. Public recognition or not, we wouldn't have a business without our fellow shareholders. We will continue to strive to earn your business.

Regards,

Mark D. Foster, CFA
President

Mickey Kim, CFA
Vice-President,
Treasurer and Secretary

Value Fund invests in foreign securities, which involves greater volatility and political, economic and currency risks and differences in accounting methods. Value Fund may also invest in small- and medium-capitalization companies, which tend to have more limited liquidity and greater price volatility than large-capitalization companies.

Past performance is not a guarantee of future results.

Please refer to the Schedule of Investments for complete fund holdings information.

The Dow Jones Industrial Average ("DJIA") is an unmanaged index of common stocks comprised of thirty major industrial companies. You cannot invest directly in an index.

The information provided herein represents the opinion of Value Fund's investment adviser and is not intended to be a forecast of future events, a guarantee of future results, nor investment advice.

A Lipper Fund Award is awarded to one fund in each Lipper classification for achieving the strongest trend of consistent risk-adjusted performance against its classification peers over a three-, five- or ten-year period. Although Lipper makes reasonable efforts to ensure the accuracy and reliability of the data contained herein, the accuracy is not guaranteed by Lipper. Users acknowledge that they have not relied upon any warranty, condition, guarantee, or representation made by Lipper. Any use of the data for analyzing, managing, or trading financial instruments is at the user's own risk. This is not an offer to buy or sell securities. Lipper—a Thomson Reuters company is an independent mutual fund research and rating service.

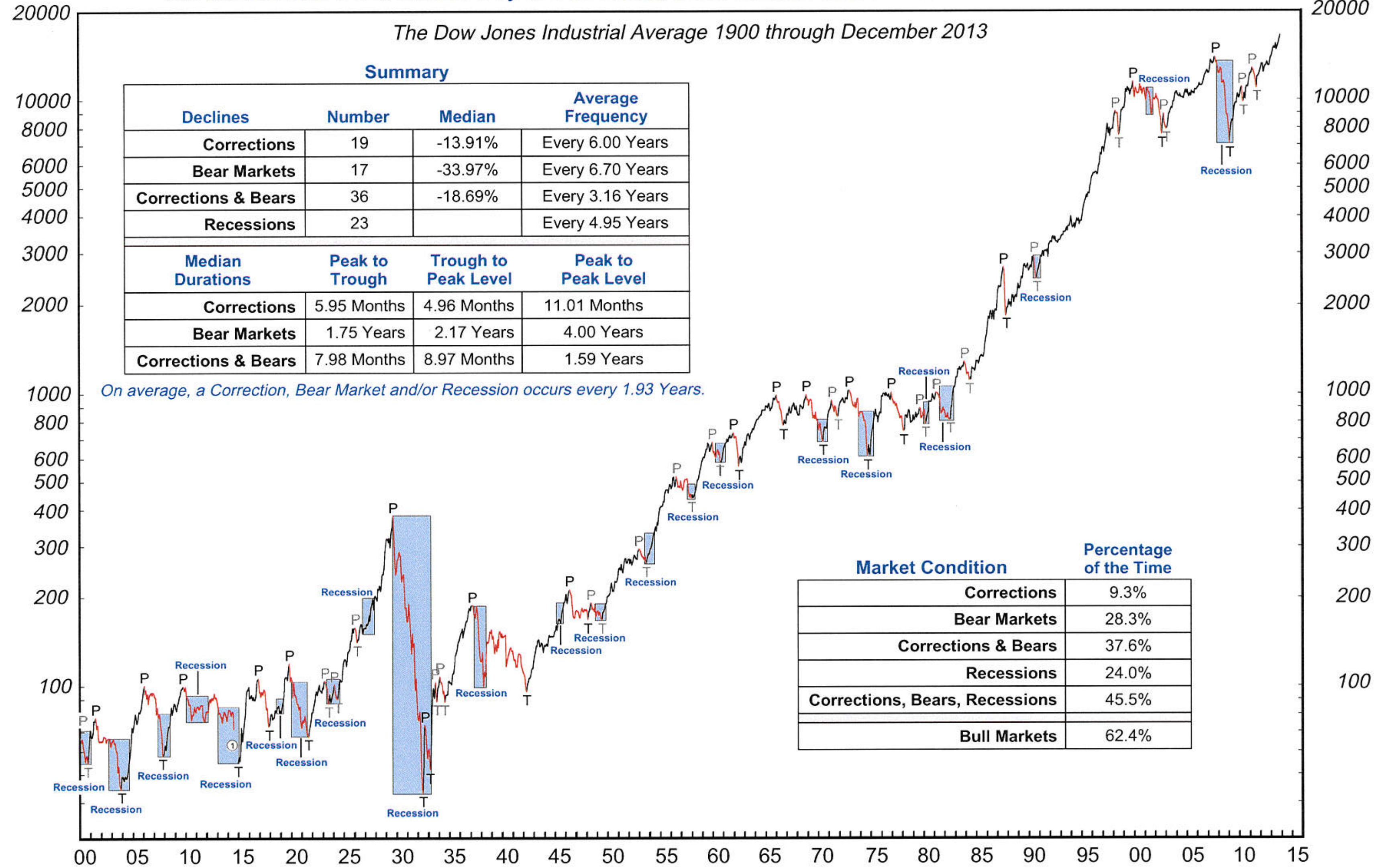
This material must be preceded or accompanied by a current Prospectus.

Quasar Distributors, LLC is the Distributor for Value Fund.

For further information about Value Fund and/or an account application, please call Matt Kirr at Value Fund at (812) 376-9444 or (800) 808-9444 or write to Value Fund at 621 Washington Street, Columbus, IN 47202-1729.

Why Have a Disciplined Investment Approach?

The Market has been affected by a Correction, Bear Market and/or Recession 45.5% of the time.



Summary

Declines	Number	Median	Average Frequency
Corrections	19	-13.91%	Every 6.00 Years
Bear Markets	17	-33.97%	Every 6.70 Years
Corrections & Bears	36	-18.69%	Every 3.16 Years
Recessions	23		Every 4.95 Years

Median Durations	Peak to Trough	Trough to Peak Level	Peak to Peak Level
Corrections	5.95 Months	4.96 Months	11.01 Months
Bear Markets	1.75 Years	2.17 Years	4.00 Years
Corrections & Bears	7.98 Months	8.97 Months	1.59 Years

On average, a Correction, Bear Market and/or Recession occurs every 1.93 Years.

Market Condition	Percentage of the Time
Corrections	9.3%
Bear Markets	28.3%
Corrections & Bears	37.6%
Recessions	24.0%
Corrections, Bears, Recessions	45.5%
Bull Markets	62.4%

Note: On average, the market's trough occurs 5.3 months prior to the end of a recession.

Red Line Segments: Corrections (P,T) - Minimum 10% decline but less than 20% & Bear Markets (P,T) - Minimum 20% decline. Data: Dow Jones Industrial Average (end of month)

Recessions are as defined by The National Bureau of Economic Research. ① The Stock Exchange was closed due to World War I.

Sources: Dow Jones & Company; National Bureau of Economic Research • Copyright © 2014 Crandall, Pierce & Company • All rights reserved.

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KIRR, MARBACH PARTNERS
VALUE FUND

SCHEDULE OF INVESTMENTS
March 31, 2014 (UNAUDITED)

Number of Shares		Value
	COMMON STOCKS - 97.8%	
	Basic Materials - 11.3%	
47,800	Innospec, Inc.	$ 2,161,994
31,397	LyondellBasell Industries NV - Class A	2,792,449
6,500	NewMarket Corp.	2,540,070
51,050	Taminco Corp. *	1,072,561
		8,567,074
	Communications - 14.4%	
79,430	ARRIS Group, Inc. *	2,238,337
38,085	Knowles Corp. *	1,202,343
16,300	Liberty Media Corp. - Class A *	2,130,899
16,625	NeuStar, Inc. - Class A *	540,479
80,900	News Corporation - Class A *	1,393,098
12,120	Time Warner Cable, Inc. - Class A	1,662,622
22,820	Tribune Co. *	1,817,613
		10,985,391
	Consumer Cyclical - 8.4%	
11,735	AMC Entertainment Holdings, Inc. - Class A *	284,574
46,225	American Airlines Group, Inc. *	1,691,835
2,800	AutoZone, Inc. *	1,503,880
25,695	Dollar Tree, Inc. *	1,340,765
83,950	Pier 1 Imports, Inc.	1,584,976
		6,406,030
	Consumer Non Cyclical - 12.1%	
55,280	Alere, Inc. *	1,898,868
13,100	Alliance Data Systems Corp. *	3,569,095
31,500	Ascent Capital Group, Inc. - Class A *	2,379,825
18,136	Covidien PLC	1,335,898
		9,183,686
	Energy - 4.2%	
22,565	EPL Oil & Gas, Inc. *	871,009
50,479	Rosetta Resources, Inc. *	2,351,312
		3,222,321
	Financial - 10.5%	
38,525	American International Group, Inc.	1,926,635
54,420	ING U.S., Inc.	1,973,813
1,676	Markel Corp. *	999,064
53,550	Portfolio Recovery Associates, Inc. *	3,098,403
		7,997,915
	Industrial - 18.6%	
15,763	Canadian Pacific Railway Ltd.	$ 2,371,228
33,060	EMCOR Group, Inc.	1,546,878
28,386	EnerSys	1,966,866
38,428	KBR, Inc.	1,025,259
54,030	MasTec, Inc. *	2,347,063
53,892	Titan International, Inc.	1,023,409
19,891	Tyco International Ltd.	843,378
28,353	WABCO Holdings, Inc. *	2,992,943
		14,117,024
	Technology - 18.3%	
49,000	Cognizant Technology Solutions Corp. - Class A *	2,479,890
21,007	eBay, Inc. *	1,160,426
28,990	Liquidity Services, Inc. *	755,190
76,064	NCR Corp. *	2,780,139
35,520	Open Text Corp. *	1,694,659
31,180	Oracle Corp.	1,275,574
67,390	Tessera Technologies, Inc.	1,592,426
59,940	Yahoo! Inc. *	2,151,846
		13,890,150
	TOTAL COMMON STOCKS (Cost $36,141,703)	74,369,591
	SHORT-TERM INVESTMENT - 2.3%	
1,740,447	Fidelity Institutional Money Market Portfolio, 0.05% **	1,740,447
	TOTAL SHORT-TERM INVESTMENT (Cost $1,740,447)	1,740,447
	Total Investments (Cost $37,882,150) - 100.1%	76,110,038
	Other Assets and Liabilities, Net (0.1)%	(50,050)
	TOTAL NET ASSETS - 100.0%	$ 76,059,988

* Non-income producing security.
** Rate in effect as of March 31, 2014.