

Kirr, Marbach Partners Value Fund

"Indeed, who has ever benefited during the past 238 years by betting against America? My parents could not have dreamed in 1930 of the world their son would see. Though the preachers of pessimism prattle endlessly about America's problems, I've never seen one who wishes to emigrate (though I can think of a few for whom I would happily buy a one-way ticket). The dynamism embedded in our market economy will continue to work its magic. Gains won't come in a smooth or uninterrupted manner; they never have. But most assuredly, America's best days lie ahead."--Warren Buffett (Berkshire Hathaway Inc.

2014 Shareholder Letter—February 28, 2015)

April 14, 2015

Dear Fellow Shareholders:

Volatility returned with a vengeance in the first quarter of 2015, as investors grappled with increasing uncertainty associated with Federal Reserve ("Fed") policy, signs the U.S. economy has hit a soft patch and lowered expectations for corporate earnings. The S&P 500 dropped 3.1% in January, rose 5.5% in February and fell 1.7% in March. The S&P 500 experienced nine swings of 3.5% or more during the quarter. From mid-February to late-March, the S&P 500 failed to put together back-to-back gains for 28 consecutive trading days. This rare circumstance happened only twice since World War II—in May 1970 and April 1994.

That said, we kept a steady hand on the tiller and Value Fund outperformed its S&P 500 and Russell 3000 benchmarks by a comfortable margin in the first quarter. We don't pay much attention to performance over short-periods (Value Fund's underperformance by an uncomfortable margin in 2014 is still fresh in our minds), but were pleased smaller-capitalization stocks performed better than larger-capitalization stocks in the first quarter.

To repeat a refrain, we like what we own and remain fairly fully invested. Stocks aren't cheap on an absolute, historical basis, but we think still remain attractive relative to bonds. As we've also said, given the U.S. economy has been recovering for several years since the depths of the "Great Recession," we don't see any reason to fear the gradual lifting of the emergency measures implemented by the Fed. We also think the recent weakness in economic readings is indicative of a temporary soft patch, not the start of a trend. Corporate earnings remain a wild card, but we think expectations have been lowered to the point surprises could be to the upside.

The Stock Market

The U.S. economy encountered significant challenges in the first quarter, leading to weaker-than-expected manufacturing activity and employment. Falling oil prices have had an

Periods ending March 31, 2015 (4)

	Value Fund (1) Total Return	Russell 3000 (2) Index	S&P 500 (3) Index
3-months	3.35%	1.80%	0.95%
One-year	2.77%	12.37%	12.73%
Two-years	12.86%	17.38%	17.21%
Three-years	14.63%	16.43%	16.11%
Five-years	16.32%	14.71%	14.47%
Ten-years	7.70%	8.38%	8.01%
Since Inception (December 31, 1998)	8.05%	5.78%	5.20%

The Fund's Gross Expense Ratio was 1.45%, according to the Prospectus dated January 28, 2015. Investment performance reflects previous fee 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.

immediate negative impact on earnings, capital spending and employment in the energy sector. Strategas Research Partners estimates if oil remains at its first quarter average of \$48/barrel for the rest of 2015 (vs. \$93/barrel in 2014), this will translate to **\$200 billion in savings** for consumers. We think this could be a boon to the economy, but the boost to consumer spending has been slower to materialize than expected.

Our economy was also negatively impacted by the brutal winter in the Midwest and Northeast and the massive West Coast dock strike, all of which could be seasonal/transitory. In January, the European Central Bank (ECB) finally decided to act on its pledge to start its own brand of quantitative easing to jumpstart the European economy. Combined with the Fed indicating its intention to raise rates at some point, the U.S. Dollar surged in value vs. the Euro. Last May, 1 Euro cost about \$1.39. Today, 1 Euro costs about \$1.07. While this is fantastic news for Americans visiting Europe, this has made it tough for American companies doing business in Europe. The rise in the dollar makes American goods more expensive vs. those from European competitors. Similarly, an American multi-national corporation translating its earnings from Euros to dollars also takes a hit.

On the positive side, the European economy finally appears to be emerging from the doldrums. The ECB was far less aggressive than the Fed in taking extreme, emergency measures to shore-up the European economy. As a result, "green shoots" of economic recovery began appearing in the U.S. much sooner than in Europe. Recent economic data from Europe as well as signs of increased lending activity look similar to our green shoots of a few years ago. If these are indications of a European recovery, that could be a nice bonus most investors are not anticipating.

One of the primary reasons active managers struggled in 2014 was the wide divergence in performance between the largest-capitalization and smaller-capitalization stocks. Our primary performance benchmark is the Russell 3000 Index, a capitalization-weighted index comprised of the 3000 largest-capitalization U.S. stocks (representing about 98% of the investible U.S. equity market). The Russell 3000 Index can be divided into the Russell 1000 Index (largest 1000 market capitalizations) and Russell 2000 Index (smallest 2000). Because the Russell 3000 is capitalization-weighted, the performance of the stocks in the Russell 1000 has a significantly greater impact on the performance of the Russell 3000 than the performance of the stocks in the Russell 2000. In fact, the stocks in the Russell 1000 (1/3 of the stocks) comprise 92% of the weight of the Russell 3000, while the stocks in the Russell 2000 (2/3 of the stocks) comprise only 8%.

Recall in 2014, the **Russell 2000 Index underperformed the Russell 1000 Index by 8.35%, an enormous performance gap**. As shown in the table below, this reversed somewhat in the first quarter of 2015, with the Russell 2000 outperforming the Russell 1000 by 2.73%. We were happy to get some relief from the stiff performance headwinds we've been fighting, but for the 12-months ending 3/31/15, the Russell 1000 is still on top of the Russell 2000 by a significant (though narrower) margin.

Periods ending March 31, 2015

	Russell 3000 Index	Russell 1000 Index	Russell 2000 Index	Performance Gap (R2000 vs. R1000)
3-months	1.80%	1.59%	4.32%	+2.73%
12-months	12.37%	12.73%	8.21%	-4.52%

Percent Change in Top Ten Holdings from Book Cost (as of 3/31/2015)

1. Alliance Data Systems Corp.	+270.6%
2. WABCO Holdings Inc.	+396.4%
3. Cognizant Technology Solutions	+489.5%
4. NewMarket Corporation	+163.2%
5. PRA Group Inc.	+168.0%
6. Canadian Pacific Railway LTD	+439.5%
7. LyondellBasell Industries NV	+288.9%
8. Tessera Technologies, Inc.	+111.3%
9. Alere, Inc.	+66.9%
10. Actavis PLC.	+10.8%

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

Alere, Inc. (ALR) rose 28.7% during the first quarter after reporting better-than-expected results for Q4-2014. ALR's new CEO has made progress implementing his turnaround plan, including divesting assets, paying down debt, lowering costs and increasing revenues from new products. ALR also hosted its first meeting for analysts in five years, which included expectations for robust earnings growth from management.

Cognizant Technology Solutions Corp. (CTSH) was up 18.5% during the first quarter after also reporting better-than-expected results for Q4-2014. Management expects very strong revenue growth in 2015. It is difficult to find this level of growth, especially at a reasonable valuation.

NewMarket Corp. (NEU) rose 18.4% during the first quarter because it is a significant beneficiary of falling oil prices. Base oil is the main ingredient in lube and fuel additives and its price has fallen along with crude oil prices. NEU generated a lot of cash in 2014, a good portion of which management returned to shareholders through dividends and share repurchases. **WABCO Holdings Inc. (WBC)** rose 17.3% during the first quarter after hosting its first analyst meeting ever. Management stated three goals, including 1) outperforming the commercial vehicle market by 8% to 10% over a five-year period by increasing content on trucks, buses and trailers, 2) maintaining high profit margins and 3) converting 80% to 90% of its operating income into cash. Management also committed to returning more than \$800 million of cash to shareholders through 2017.

Ascent Capital Group LLC (ASCMA) fell 24.8% during the first quarter, continuing the decline experienced during Q4-2014. Keeping customer attrition low is key for success in any subscription business. Unfortunately, increasing attrition

continues to be an issue. Management continues to believe this increase in attrition is transitory and will improve during the 2nd half of 2015. **MasTec, Inc. (MTZ)** fell 14.6% during the first quarter, also continuing a decline experienced during Q4-2014. MTZ generates 38% of revenue from the oil and gas sector and 18% from AT&T (which has lowered its plan for capital spending). These issues have combined to cause the stock to decline to a level we believe is very attractive. We also remain believers in MTZ's ability to create value over the long-term. **Yahoo! Inc. (YHOO)** declined 12.0% during the first quarter, mainly because Alibaba's (BABA) stock price declined 20% during the quarter. Management plans to spin-off its remaining stake in BABA in 2015, leaving what we believe is a very inexpensive stub piece consisting of core Yahoo! and its Yahoo! Japan investment. **NeuStar, Inc. (NSR)** fell 11.4% during the first quarter after the Federal Communications Commission (FCC) switched a telephone-numbers management contract to Ericsson's Telcordia unit. This news was not unexpected, given an earlier FCC staff recommendation, but the stock sold off on the news anyway. We believe the remaining business at NSR is solid.

We uncovered two new investment opportunities during the first quarter. **Actavis PLC (ACT)** is a global, integrated specialty pharmaceutical company focused on developing, manufacturing and distributing generic, brand and biosimilar products. The company has been a consolidator in the pharmaceutical industry, acquiring Forest Laboratories and Furiex Pharmaceuticals in July 2014. ACT followed those acquisitions with the \$70.5 billion acquisition of Allergan (AGN). With these acquisitions, ACT is now one of the world's top 10 pharmaceutical companies, by revenue. In addition, ACT is one of the fastest growing, most dynamic pharmaceutical companies in global healthcare. ACT could continue making acquisitions, while growing its existing business. ACT spends \$1.7 billion annually on research and development, focused on areas with significant unmet medical needs. With an innovative product development portfolio exceeding 20 near-term projects and a world-class generics pipeline, we think the company is uniquely positioned.

We purchased **Visteon Corp. (VC)** after analyzing what we believe was a "transformational" asset sale. Historically, VC was a global supplier of climate, electronics and interiors systems, modules and components to the automotive original equipment manufacturers. In July 2014, VC acquired the electronic business of Johnson Controls. The deal that intrigued us was the sale by VC of a majority stake in Halla Visteon Climate Control (HVCC) to Hankook Tire Company and its investment partner for \$3.6 billion, which allowed VC to focus on connected-vehicle solutions and cockpit electronics. VC plans to return the majority of the cash received to shareholders through share repurchases and a special dividend. After the deal closes in mid-2015, VC will be a pure-play auto electronics supplier. In-vehicle technology is the top selling point for 39 percent of car buyers, according to an Accenture study. VC is streamlining and rationalizing its remaining businesses and operating in a growth industry. We think VC's stock price could move higher if investors award it a growth company valuation, rather than its current valuation as an auto supplier.

We sold **Knowles Corp. (KN)** because we determined its MEMS microphone business was not as impenetrable as we originally assessed and feared its leading market share position could erode over time. We sold **FNFV Group (FNFV)** after the board of Fidelity National Financial (FNF) approved the repurchase of up to \$185 million of FNFV in a modified "Dutch Auction" at a tender offer price between \$14.30 and \$15.40 per share. We sold the stock when it moved higher in the days leading up to the tender offer.

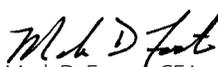
Summary

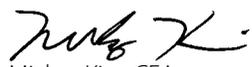
With uncertainty surrounding Fed policy, the strength of the economy and corporate earnings likely to persist, we expect the stock and bond markets to remain "choppy" and volatile. It's always important to keep focus on the long-term, never more so than in times like these.

KM's 40th Anniversary

On May 1, 2015, Kirr, Marbach & Company will celebrate its 40th Anniversary in business. It hardly seems possible it's been this long. It would **not** have been possible without the trust and confidence you've placed in us each day and the hard work and dedication of our employees. This is a milestone very few firms in our business reach and we cannot thank you enough!

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 Russell 1000 Index is an unmanaged, capitalization-weighted index generally representative of the U.S. market for large-capitalization stocks. It is a subset of the Russell 3000 Index. This Index cannot be invested in directly.

The Russell 2000 Index is an unmanaged, capitalization-weighted index general representative of the U.S. market for small-capitalization stocks. It is a subset of the Russell 3000 Index. This Index cannot be invested in directly.

A company's forecasted, or estimated, earnings made by analysts or by the company itself. Forward earnings differ from trailing earnings (which is the figure that is quoted more often) in that they are a projection and not a fact. Earnings growth is not a measure of the Fund's future performance.

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.

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 47201.

KIRR, MARBACH PARTNERS
VALUE FUND

SCHEDULE OF INVESTMENTS
March 31, 2015 (UNAUDITED)

Number of Shares		Value
COMMON STOCKS - 96.8%		
Basic Materials - 10.5%		
48,600	Innospec, Inc.	\$ 2,254,554
32,397	LyondellBasell Industries NV - Class A	2,844,457
6,500	NewMarket Corp.	3,105,700
		8,204,711
Communications - 19.0%		
13,500	Alliance Data Systems Corp. *	3,999,375
81,630	ARRIS Group, Inc. *	2,358,699
4,075	Liberty Broadband Corp. - Class A *	230,156
10,835	Liberty Broadband Corp. - Class C *	613,261
16,700	Liberty Media Corp. - Class A *	643,785
33,600	Liberty Media Corp. - Class C *	1,283,520
33,650	NeuStar, Inc. - Class A *	828,463
96,260	News Corporation- Class A *	1,541,123
12,520	Time Warner Cable, Inc. - Class A	1,876,498
25,630	Tribune Co.	1,558,560
		14,933,440
Consumer Cyclical - 11.5%		
46,825	American Airlines Group, Inc.	2,471,423
2,885	AutoZone, Inc. *	1,968,032
27,795	Dollar Tree, Inc. *	2,255,425
28,905	Motorcar Parts of America, Inc. *	803,270
15,360	Visteon Corp. *	1,480,704
		8,978,854
Consumer Non Cyclical - 8.4%		
8,515	Actavis *	2,534,234
56,480	Alere, Inc. *	2,761,872
32,100	Ascent Capital Group, Inc. - Class A *	1,277,901
		6,574,007
Financial - 11.5%		
39,925	American International Group, Inc.	2,187,491
1,976	Markel Corp. *	1,519,465
55,550	PRA Group, Inc. *	3,017,476
54,020	Voya Financial, Inc.	2,328,802
		9,053,234
Industrial - 17.1%		
16,163	Canadian Pacific Railway Ltd.	2,952,980
33,460	EMCOR Group, Inc.	1,554,886
29,186	EnerSys	1,874,909
33,335	KLX, Inc. *	1,284,731
57,630	MasTec, Inc. *	1,112,259
20,091	Tyco International	865,118
30,653	WABCO Holdings, Inc. *	3,766,641
		13,411,524
Technology - 18.8%		
50,000	Cognizant Technology Solutions Corp. - Class A *	\$ 3,119,500
28,647	eBay, Inc. *	1,652,359
81,064	NCR Corp. *	2,392,198
37,720	Open Text Corp.	1,995,011
33,380	Oracle Corp.	1,440,347
69,190	Tessera Technologies, Inc.	2,786,973
30,535	Yahoo! Inc. *	1,356,823
		14,743,211
	TOTAL COMMON STOCKS (Cost \$36,970,128)	75,898,981
SHORT-TERM INVESTMENT - 3.0%		
	Fidelity Institutional Money Market Portfolio, Class I, 0.10%**	
2,367,499	(Cost \$2,367,499)	2,367,499
	Total Investments (Cost \$39,337,627) - 99.9%	78,266,480
	Other Assets and Liabilities, Net - 0.2%	114,008
	TOTAL NET ASSETS - 100.0%	78,380,488

* Non-income producing security.

** Rate in effect as of March 31, 2015.