

# Cargile Fund

## ANNUAL REPORT

June 30, 2019

TICKER CFNDX

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**IMPORTANT NOTE:** Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Fund's shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports from the Fund or from your financial intermediary, such as a broker-dealer or bank. Instead, the reports will be made available on a website, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Fund or your financial intermediary electronically by calling or sending an email request.

You may elect to receive all future reports in paper free of charge. You can inform the Fund or your financial intermediary that you wish to continue receiving paper copies of your shareholder reports by calling or sending an email request. Your election to receive reports in paper will apply to all funds held with the fund complex/your financial intermediary.

**Cargile Fund  
Annual Report  
June 30, 2019**

The Cargile Fund (the "Fund") lost 1.00% (total return -1.0%) for the Fund's first fiscal period beginning July 9, 2018 (i.e. commencement of operations) and ending June 30, 2019. For comparative purposes, the S&P 500 Index (the "Index") increased 7.74% during the same period.

The Fund focuses on minimizing principal drawdowns that erode investor confidence in investing. The market experienced two drawdowns during the Fund's fiscal period. From September 20, 2018 through January 2, 2019, the Index declined 16%, and from April 30, 2019 through June 3, 2019 the Index declined 6.6%. During the same periods, the Fund declined 4.9% and 0.9%, respectively.

Following the low on January 2, 2019, the Index rallied strongly into April 30, 2019 gaining 21%. The Fund remained defensive during the period due to high risks measured by the investment model used to manage the Fund's assets.

Management considers that the first 11 months of the Fund's operation were negatively impacted by the small sample of time. We remain committed to the Fund's approach which seeks to mitigate drawdowns to produce a result that is preferred by moderate investors. During these periods of high stock valuations, we prefer to execute a systematic approach that evaluates risk of principal decline. When invested, the Fund typically holds 50% equities and 50% bonds. The comparison to the 100% equity index should be considered by investors.

Sincerely,

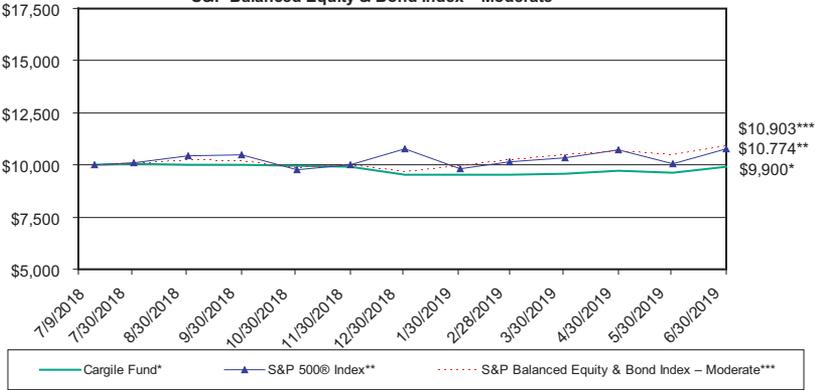
Mickey Cargile, CFP  
*Cargile Investment Management, Inc.*

*Past performance does not guarantee future results. The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance data quoted. Performance data current to the most recent month end are available by calling 1-888-204-1128.*

*The Cargile Fund's prospectus contains important information about the Fund's investment objectives, potential risks, management fees, charges and expenses, and other information and should be read and considered carefully before investing. You may obtain a current copy of the Fund's prospectus by calling 1-888-204-1128. Distributed by Rafferty Capital Markets, LLC-Garden City, NY 11530.*

# Cargile Fund (Unaudited)

The Value of a \$10,000 Investment in the Cargile Fund  
from July 9, 2018 to June 30, 2019 as  
Compared to the S&P 500® Index and the  
S&P Balanced Equity & Bond Index – Moderate



## PERFORMANCE INFORMATION

June 30, 2019 NAV \$9.90

### TOTAL RETURNS AS OF JUNE 30, 2019

	Since Inception <sup>(A)</sup>
<b>Cargile Fund</b>	<b>-1.00%</b>
<b>S&amp;P 500® Index <sup>(B)</sup></b>	<b>7.74%</b>
<b>S&amp;P 500® Balanced Equity &amp; Bond Index - Moderate <sup>(C)</sup></b>	<b>9.03%</b>

### Annual Fund Operating Expense Ratio (from 7/9/2018 Prospectus): 1.78%

The Fund's expense ratio for the period ended June 30, 2019 can be found in the financial highlights included within this report. The Annual Fund Operating Expense Ratio reported above may not correlate to the expense ratio in the Fund's financial highlights because (a) the financial highlights include only the direct operating expenses incurred by the Fund, not the indirect costs of investing in acquired funds, and (b) the gross expense ratio may fluctuate due to changes in net assets and the application of breakpoints discussed in Note 4.

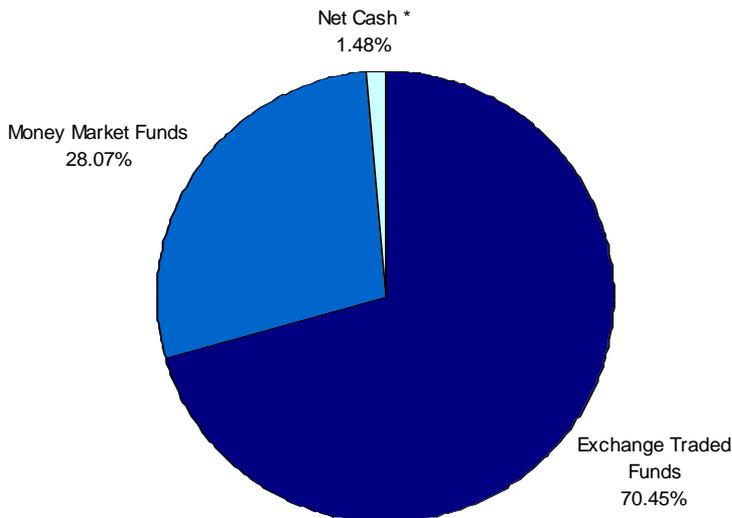
<sup>(A)</sup>Since Inception returns include change in share prices and in each case includes reinvestment of any dividends and capital gain distributions. The Cargile Fund commenced operations on July 9, 2018.

<sup>(B)</sup>The S&P 500® Index is a widely recognized unmanaged index of equity prices and is representative of a broader market and range of securities than is found in the Fund's portfolio. The Index is an unmanaged benchmark that assumes reinvestment of all distributions and excludes the effect of taxes and fees. Individuals cannot invest directly in this Index; however, an individual can invest in exchange traded funds or other investment vehicles that attempt to track the performance of a benchmark index.

<sup>(C)</sup>The S&P 500® Balanced Equity & Bond Index - Moderate combines investable S&P indices for core equity and fixed income to provide a regularly rebalanced multi-asset measure for moderate risk-reward profiles. The construction of the index consists of a position in the S&P 500 Total Return Index with 50% weight, and a position in the S&P U.S. Treasury Bond 7-10 Year Index with 50% weight.

**PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. INVESTMENT RETURN AND PRINCIPAL VALUE WILL FLUCTUATE SO THAT SHARES, WHEN REDEEMED, MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST. RETURNS DO NOT REFLECT THE DEDUCTION OF TAXES THAT A SHAREHOLDER WOULD PAY ON FUND DISTRIBUTIONS OR THE REDEMPTION OF FUND SHARES. CURRENT PERFORMANCE MAY BE LOWER OR HIGHER THAN THE PERFORMANCE DATA QUOTED. TO OBTAIN PERFORMANCE DATA CURRENT TO THE MOST RECENT MONTH END, PLEASE CALL 1-888-204-1128. AN INVESTMENT IN THE FUND IS SUBJECT TO INVESTMENT RISKS, INCLUDING THE POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED. THE FUND'S DISTRIBUTOR IS RAFFERTY CAPITAL MARKETS, LLC.**

**Cargile Fund  
by Sectors (as a percentage of Net Assets)  
June 30, 2019  
(Unaudited)**



\* Net Cash represents other assets in excess of liabilities.

**Availability of Quarterly Schedule of Investments  
(Unaudited)**

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-Q. The Fund's Form N-Q is available on the SEC's website at <http://www.sec.gov>. The Fund's Form N-Q may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

**Proxy Voting Guidelines  
(Unaudited)**

Cargile Investment Management, Inc., the Fund's investment adviser ("Adviser"), is responsible for exercising the voting rights associated with the securities held by the Fund. A description of the policies and procedures used by the Adviser in fulfilling this responsibility is available without charge on the Fund's website at [www.cargilefund.com](http://www.cargilefund.com). It is also included in the Fund's Statement of Additional Information, which is available on the SEC's website at <http://www.sec.gov>.

Information regarding how the Fund voted proxies, Form N-PX, relating to portfolio securities during the most recent period ended June 30th, will be available without charge, upon request, by calling our toll free number (1-888-204-1128). This information is also available on the SEC's website at <http://www.sec.gov>.

## Disclosure of Expenses (Unaudited)

Shareholders of this Fund incur ongoing costs consisting of management and service fees. Although the Fund charges no sales loads or transaction fees, you will be assessed fees for outgoing wire transfers, returned checks and stop payment orders at prevailing rates charged by Mutual Shareholder Services, LLC, the Fund's transfer agent. IRA accounts will be charged an \$8.00 annual maintenance fee. If shares are redeemed within 90 days of purchase from the Fund, the shares are subject to a 2% redemption fee. Additionally, your account will be indirectly subject to the expenses of any underlying funds. The following example is intended to help you understand your ongoing costs of investing in the Fund and to compare these costs with similar costs of investing in other mutual funds. The example is based on an investment of \$1,000 invested in the Fund on January 1, 2019 and held through June 30, 2019.

### Actual Expenses

The first line of the table below provides information about actual account values and actual expenses. In order to estimate the expenses a shareholder paid during the period covered by this report, shareholders can divide their account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6) and then multiply the result by the number in the first line under the heading entitled "Expenses Paid During the Period."

### Hypothetical Example for Comparison Purposes

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses paid by a shareholder for the period. Shareholders may use this information to compare the ongoing costs of investing in this Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in other funds' shareholder reports.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as redemption fees or the charges assessed by Mutual Shareholder Services, LLC as described above and expenses of any underlying funds. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Beginning Account Value <u>January 1, 2019</u>	Ending Account Value <u>June 30, 2019</u>	Expenses Paid During the Period* January 1, 2019 <u>to June 30, 2019</u>
Actual	\$1,000.00	\$1,039.92	\$8.35
Hypothetical (5% annual return before expenses)	\$1,000.00	\$1,016.61	\$8.25

\* Expenses are equal to the Fund's annualized expense ratio of 1.65%, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

# Cargile Fund

## Schedule of Investments

June 30, 2019

Shares		Fair Value	% of Net Assets
<b>EXCHANGE TRADED FUNDS</b>			
21,357	ProShares Ultra S&P500® *	\$ 2,691,195	
46,506	SPDR® Bloomberg Barclays High Yield Bond ETF **	5,066,364	
<b>Total for Exchange Traded Funds (Cost - \$7,458,962)</b>		7,757,559	70.45%
<b>MONEY MARKET FUNDS</b>			
3,090,724	Fidelity® Investments Money Market Government Portfolio - Class I 2.26% *** *****	3,090,724	
<b>Total for Money Market Funds (Cost - \$3,090,724)</b>		3,090,724	28.07%
<b>Total Investments (Cost - \$10,549,686)</b>		10,848,283	98.52%
<b>Other Assets in Excess of Liabilities</b>		162,556	1.48%
<b>Net Assets</b>		\$ 11,010,839	100.00%

\* Additional Information, including current Prospectus and Annual Reports, is available at [https://www.proshares.com/funds/sso\\_related\\_materials.html](https://www.proshares.com/funds/sso_related_materials.html).

\*\* Additional Information, including current Prospectus and Annual Reports, is available at <https://us.spdrs.com/en/etf/spdr-bloomberg-barclays-high-yield-bond-etf-JNK>.

\*\*\* The rate shown represents the 7-day yield at June 30, 2019.

\*\*\*\* Additional Information, including current Prospectus and Annual Reports, is available at <https://www.fidelity.com/fund-screener/research.shtml>.

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

# Cargile Fund

## Statement of Assets and Liabilities

June 30, 2019

Assets:	
Investments at Fair Value	\$ 10,848,283
(Cost - \$10,549,686)	
Dividends Receivable	13,068
Receivable for Shareholder Purchases	163,576
Total Assets	<u>11,024,927</u>
Liabilities:	
Management Fees Payable	8,538
Service Fees Payable	5,550
Total Liabilities	<u>14,088</u>
Net Assets	<u>\$ 11,010,839</u>
Net Assets Consist of:	
Paid In Capital	\$ 10,916,695
Total Distributable Earnings	94,144
Net Assets, for 1,112,332 Shares Outstanding (Unlimited shares authorized)	<u>\$ 11,010,839</u>
Net Asset Value and Offering Price Per Share (\$11,010,839/1,112,332 shares)	<u>\$ 9.90</u>
Redemption Price * (\$9.90 x 0.98) (Note 2)	<u>\$ 9.70</u>

## Statement of Operations

For the period July 9, 2018\*\* through June 30, 2019

Investment Income:	
Dividends	\$ 132,091
Total Investment Income	132,091
Expenses:	
Management Fees (Note 4)	58,455
Service Fees (Note 4)	37,996
Total Expenses	<u>96,451</u>
Net Investment Income/(Loss)	35,640
Realized and Unrealized Gain/(Loss) on Investments	
Realized Gain/(Loss) on Investments	(240,221)
Net Change in Unrealized Appreciation/(Depreciation) on Investments	<u>298,597</u>
Net Realized and Unrealized Gain/(Loss) on Investments	58,376
Net Increase/(Decrease) in Net Assets from Operations	<u>\$ 94,016</u>

\* Reflects a 2% redemption fee if shares are redeemed within 90 days of purchase.

\*\* Commencement of Operations.

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

# Cargile Fund

## Statement of Changes in Net Assets

	7/9/2018*	to	6/30/2019
From Operations:			
Net Investment Income/(Loss)	\$		35,640
Net Realized Gain/(Loss) on Investments			(240,221)
Change in Net Unrealized Appreciation/(Depreciation)			298,597
Increase/(Decrease) in Net Assets from Operations			<u>94,016</u>
From Distributions to Shareholders:			-
From Capital Share Transactions:			
Proceeds From Sale of Shares			11,722,057
Proceeds From Redemption Fees (Note 2)			-
Shares Issued on Reinvestment of Dividends			-
Cost of Shares Redeemed			(805,234)
Net Increase/(Decrease) from Shareholder Activity			<u>10,916,823</u>
Net Increase/(Decrease) in Net Assets			11,010,839
Net Assets at Beginning of Period			-
Net Assets at End of Period			<u>\$ 11,010,839</u>
Share Transactions:			
Issued			1,196,069
Reinvested			-
Redeemed			(83,737)
Net Increase/(Decrease) in Shares			<u>1,112,332</u>
Shares Outstanding Beginning of Period			-
Shares Outstanding End of Period			<u>1,112,332</u>

## Financial Highlights

Selected data for a share outstanding throughout the period:	7/9/2018*	to	6/30/2019
Net Asset Value -			
Beginning of Period	\$		10.00
Net Investment Income/(Loss) <sup>(a) (e)</sup>			0.06
Net Gain/(Loss) on Securities <sup>(b)</sup>			(0.16)
(Realized and Unrealized)			<u>(0.10)</u>
Total from Investment Operations			(0.10)
Distributions (From Net Investment Income)			-
Distributions (From Realized Capital Gains)			-
Total Distributions			<u>-</u>
Proceeds from Redemption Fee (Note 2)			<u>-</u>
Net Asset Value -			
End of Period	\$		<u>9.90</u>
Total Return <sup>(c)</sup>			(1.00)% **
Ratios/Supplemental Data			
Net Assets - End of Period (Thousands)	\$		11,011
Ratio of Expenses to Average Net Assets <sup>(d)</sup>			1.65% ***
Ratio of Net Investment Income/(Loss) to Average Net Assets <sup>(d) (e)</sup>			0.61% ***
Portfolio Turnover Rate			1,142.12 % **

\* Commencement of Operations.

\*\* Not Annualized.

\*\*\* Annualized.

(a) Per share amounts were calculated using the average shares method.

(b) Realized and unrealized gains and losses per share in this caption are balancing amounts necessary to reconcile the change in net asset value for the period, and may not reconcile with the aggregate gains and losses in the Statement of Operations due to share transactions for the period.

(c) Total return represents the rate that the investor would have earned or lost on an investment in the Fund assuming reinvestment of dividends and distributions, if any.

(d) These ratios exclude the impact of expenses of the underlying investment security holdings listed in the Schedule of Investments.

(e) Recognition of the net investment income/(loss) by the Fund is affected by the timing of the declaration of dividends by the underlying investment security holdings listed on the Schedule of Investments.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**CARGILE FUND**  
**June 30, 2019**

**1.) ORGANIZATION**

Cargile Fund (the "Fund") was organized as a non-diversified series of the PFS Funds (the "Trust") on June 21, 2018. The Trust was established under the laws of Massachusetts by an Agreement and Declaration of Trust dated January 13, 2000, which was amended and restated January 20, 2011. The Trust is registered as an open-end investment company under the Investment Company Act of 1940, as amended (the "1940 Act"). The Trust may offer an unlimited number of shares of beneficial interest in a number of separate series, each series representing a distinct fund with its own investment objectives and policies. As of June 30, 2019, there were eight series authorized by the Trust. The Fund commenced operations on July 9, 2018. The Fund's investment objective is to seek long-term capital appreciation. The Fund pursues its investment objective by investing primarily in exchange traded funds and/or cash and cash equivalents. The Investment Adviser to the Fund is Cargile Investment Management, Inc. (the "Adviser"). Significant accounting policies of the Fund are presented below.

**2.) SIGNIFICANT ACCOUNTING POLICIES**

The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 946 *Financial Services - Investment Companies*. The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The Fund follows the significant accounting policies described in this section.

**SECURITY VALUATION:**

All investments in securities are recorded at their estimated fair value, as described in Note 3.

**SHARE VALUATION:**

The NAV is generally calculated as of the close of trading on the New York Stock Exchange (the "Exchange") (normally 4:00 p.m. Eastern time) every day the Exchange is open. The NAV is calculated by taking the total value of the Fund's assets, subtracting its liabilities, and then dividing by the total number of shares outstanding, rounded to the nearest cent. The offering price and redemption price per share is equal to the net asset value per share, except that shares of the Fund are subject to a redemption fee of 2% if redeemed within 90 days or less of purchase. During the period July 9, 2018 through June 30, 2019, proceeds from redemption fees were \$0.

**FEDERAL INCOME TAXES:**

The Fund's policy is to continue to comply with the requirements of the Internal Revenue Code that are applicable to regulated investment companies and to distribute all of its taxable income to shareholders. Therefore, no federal income tax provision is required. It is the Fund's policy to distribute annually, prior to the end of the calendar year, dividends sufficient to satisfy excise tax requirements of the Internal Revenue Code. This Internal Revenue Code requirement may cause an excess of distributions over the book year-end accumulated income. In addition, it is the Fund's policy to distribute annually, after the end of the fiscal year, any remaining net investment income and net realized capital gains.

The Fund recognizes the tax benefits of certain tax positions only where the position is "more likely than not" to be sustained assuming examination by tax authorities. Management has analyzed the Fund's tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for open tax years. The Fund identifies its major tax jurisdictions as U.S. Federal tax authorities; however, the Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next twelve months. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations. During the period July 9, 2018 through June 30, 2019, the Fund did not incur any interest or penalties.

**DISTRIBUTIONS TO SHAREHOLDERS:**

Distributions to shareholders, which are determined in accordance with income tax regulations, are recorded on the ex-dividend date.

The treatment for financial reporting purposes of distributions made to shareholders during the period from net investment income or net realized capital gains may differ from their ultimate treatment for federal income tax purposes. These differences are caused primarily by differences

## Notes to the Financial Statements - continued

in the timing of the recognition of certain components of income, expense, or realized capital gain for federal income tax purposes. Where such differences are permanent in nature, they are reclassified in the components of the net assets based on their ultimate characterization for federal income tax purposes. Any such reclassifications will have no effect on net assets, results of operations, or net asset value per share of the Fund. As of the fiscal period ended June 30, 2019, the following adjustment was recorded:

Paid In Capital	(\$128)
Total Distributable Earnings	128

### *USE OF ESTIMATES:*

The financial statements are prepared in accordance with GAAP, which 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 and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

### *OTHER:*

The Fund records security transactions based on a trade date for financial statement reporting purposes. Dividend income is recognized on the ex-dividend date, and interest income, if any, is recognized on an accrual basis. The Fund uses the specific identification method in computing gain or loss on the sale of investment securities. Long-term capital gain distributions are recorded as capital gain distributions from investment companies, and short-term capital gain distributions are recorded as dividend income. Withholding taxes on foreign dividends have been provided for in accordance with the Fund's understanding of the applicable country's tax rules and rates.

### *ORGANIZATIONAL & OFFERING EXPENSES:*

All costs incurred by the Fund in connection with the organization, offering and initial registration of the Fund, principally professional fees, were paid on behalf of the Fund by the Adviser and will not be borne by the Fund and are not recoupable in the future.

### *EXPENSES:*

Expenses incurred by the Trust that don't relate to a specific fund of the Trust are allocated pro-rata to the funds based on the total number of funds in the Trust at the time the expense was incurred or by another appropriate method.

### 3.) SECURITIES VALUATIONS

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 methods. The three levels of inputs are:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.

Level 2 - 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.

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

## Notes to the Financial Statements - continued

### 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 (including exchange traded funds).* Equity securities generally are valued by using market quotations, but may be valued on the basis of prices furnished by a pricing service when the Adviser believes such prices accurately reflect the fair value of such securities. Securities that are traded on any stock exchange or on the NASDAQ over-the-counter market are generally valued by the pricing service at the last quoted sale price. Lacking a last sale price, an equity security is generally valued by the pricing service at its last bid price. Generally, if the security is traded in an active market and is valued at the last sale price, the security is categorized as a level 1 security, and if an equity security is valued by the pricing service at its last bid, it is generally categorized as a level 2 security. When market quotations are not readily available, when the Adviser determines that the market quotation or the price provided by the pricing service does not accurately reflect the current fair value, or when restricted securities are being valued, such securities are valued as determined in good faith by the Adviser, subject to review of the Board of Trustees (the "Trustees" or the "Board") and are categorized in level 2 or level 3, when appropriate.

*Money market funds.* Money market funds are valued at net asset value provided by the funds and are classified in level 1 of the fair value hierarchy.

In accordance with the Trust's good faith pricing guidelines, the Adviser is required to consider all appropriate factors relevant to the value of securities for which it has determined other pricing sources are not available or reliable as described above. There is no single standard for determining fair value, since fair value depends upon the circumstances of each individual case. As a general principle, the current fair value of an issue of securities being valued by the Adviser would appear to be the amount which the owner might reasonably expect to receive for them upon their current sale. Methods which are in accordance with this principle may, for example, be based on (i) a multiple of earnings; (ii) a discount from market of a similar freely traded security (including a derivative security or a basket of securities traded on other markets, exchanges or among dealers); or (iii) yield to maturity with respect to debt issues, or a combination of these and other methods.

The following table summarizes the inputs used to value the Fund's assets measured at fair value as of June 30, 2019:

Valuation Inputs of Assets	Level 1	Level 2	Level 3	Total
Exchange Traded Funds	\$ 7,757,559	\$0	\$0	\$ 7,757,559
Money Market Funds	3,090,724	0	0	3,090,724
Total	\$10,848,283	\$0	\$0	\$10,848,283

The Fund did not hold any Level 3 assets during the period July 9, 2018 through June 30, 2019. The Fund did not invest in derivative instruments during the period July 9, 2018 through June 30, 2019.

#### 4.) INVESTMENT ADVISORY AGREEMENT AND SERVICES AGREEMENT

The Fund has entered into an investment advisory agreement ("Management Agreement") with the Adviser. The Adviser manages the investment portfolio of the Fund, subject to the policies adopted by the Trust's Board of Trustees. Under the Management Agreement, the Adviser, at its own expense and without reimbursement from the Trust, furnishes office space and all necessary office facilities, equipment and executive personnel necessary for managing the assets of the Fund. The Adviser receives an investment management fee equal to 1.00% of the Fund's average daily net assets.

For the period July 9, 2018 through June 30, 2019, the Adviser earned management fees totaling \$58,455. At June 30, 2019, the Fund owed \$8,538 to the Adviser.

Additionally, the Fund has a Services Agreement with the Adviser (the "Services Agreement"). Under the Services Agreement the Adviser receives an additional fee of 0.65% of the Fund's average daily net assets up to \$25 million, 0.35% of the Fund's average daily net assets from \$25 million to \$100 million, and 0.25% of such assets in excess of \$100 million and is obligated to pay the operating expenses of the Fund excluding management fees, brokerage fees and commissions, 12b-1 fees (if any), taxes, borrowing costs (such as (a) interest and (b) dividend expenses on securities sold short), ADR fees, the cost of acquired funds and extraordinary expenses. Additionally, under the Services Agreement the Adviser supervises the Fund's business affairs.

## Notes to the Financial Statements - continued

The Adviser coordinates for the provision of the services of a Chief Compliance Officer for the Trust with respect to the Fund, executive and administrative services including, but are not limited to, the coordination of all third parties furnishing services to the Fund, review of the books and records of the Fund maintained by such third parties, and such other actions with respect to the Fund as may be necessary in the opinion of the Adviser to perform its duties under the Services Agreement.

For the period July 9, 2018 through June 30, 2019, the Adviser earned services fees of \$37,996. At June 30, 2019, the Fund owed the Adviser services fees of \$5,550.

### 5.) RELATED PARTY TRANSACTIONS

Jeffrey R. Provence of Premier Fund Solutions, Inc. (the "Administrator") also serves as a trustee/officer of the Fund. This individual receives benefits from the Administrator resulting from administration fees paid to the Administrator by the Adviser.

The Trustees who are not interested persons of the Fund were paid \$1,000 each, for a total of \$3,000, in Trustees' fees for the period July 9, 2018 through June 30, 2019 by the Adviser.

### 6.) INVESTMENT TRANSACTIONS

For the period July 9, 2018 through June 30, 2019, purchases and sales of investment securities other than U.S. Government obligations and short-term investments aggregated \$23,038,565 and \$15,339,381, respectively. Purchases and sales of U.S. Government obligations aggregated \$0 and \$0, respectively.

### 7.) TAX MATTERS

For Federal income tax purposes, the cost of securities owned at June 30, 2019 was \$10,557,809.

At June 30, 2019, the composition of gross unrealized appreciation (the excess of value over tax cost) and depreciation (the excess of tax cost over value) of investments on a tax basis was as follows:

<u>Appreciation</u>	<u>(Depreciation)</u>	<u>Net Appreciation (Depreciation)</u>
\$290,474	\$0	\$290,474

The tax character of distributions was as follows:

	July 9, 2018 through <u>June 30, 2019</u>
Ordinary Income	\$ 0
Long-term Capital Gain	0
	<u>\$ 0</u>

As of June 30, 2019, the components of distributable earnings (accumulated losses) on a tax basis were as follows:

Undistributed ordinary income	\$ 35,768
Other accumulated gains (accumulated losses)	(220,612)
Undistributed capital gains (accumulated losses)	(11,486)
Unrealized appreciation (depreciation) – net	<u>290,474</u>
	\$ 94,144

Book to tax differences are primarily attributable to the tax deferral of losses on wash sales. As of June 30, 2019, the Fund deferred post-October losses of \$220,612, which is included in other accumulated gains (accumulated losses).

As of June 30, 2019, the Fund had available for federal tax purposes unused capital loss carryforward of \$11,486, of which the entire amount is short-term with no expiration.

### 8.) SUBSEQUENT EVENTS

Subsequent events after the date of the Statement of Assets and Liabilities have been evaluated through the date the financial statements were issued. Management has concluded that there is no impact requiring adjustment to or disclosure in the financial statements.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of Cargile Fund and  
Board of Trustees of PFS Funds

### Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Cargile Fund (the "Fund"), a series of PFS Funds, as of June 30, 2019, and the related statements of operations and changes in net assets, including the related notes, and the financial highlights for the period July 9, 2018 (commencement of operations) through June 30, 2019 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of June 30, 2019, the results of its operations, the changes in its net assets, and the financial highlights for the period July 9, 2018 (commencement of operations) through June 30, 2019, in conformity with accounting principles generally accepted in the United States of America.

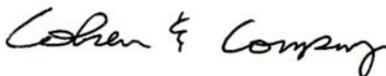
### Basis for Opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of June 30, 2019, by correspondence with the custodian. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

We have served as the Fund's auditor since 2019.



COHEN & COMPANY, LTD.  
Cleveland, Ohio  
August 23, 2019

## Trustees and Officers (Unaudited)

The Board of Trustees supervises the business activities of the Trust. The names of the Trustees and executive officers of the Trust are shown below. For more information regarding the Trustees, please refer to the Statement of Additional Information, which is available upon request by calling 1-888-204-1128. Each Trustee serves until the Trustee sooner dies, resigns, retires, or is removed.

The Trustees and Officers of the Trust and their principal business activities during the past five years are:

### Interested Trustees and Officers

Name, Address <sup>(1)</sup> , and Year of Birth	Position(s) Held With the Trust	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios In Fund Complex Overseen By Trustee	Other Directorships Held By Trustee
Ross C. Provence, Year of Birth: 1938	President	Indefinite Term; Since 2000	General Partner and Portfolio Manager for Value Trend Capital Management, LP (1995 to current). Estate planning attorney (1963 to current).	N/A	N/A
Jeffrey R. Provence <sup>(2)</sup> , Year of Birth: 1969	Trustee, Secretary and Treasurer	Indefinite Term; Since 2000	CEO, Premier Fund Solutions, Inc. (2001 to current). General Partner and Portfolio Manager for Value Trend Capital Management, LP (1995 to current).	8	Blue Chip Investor Funds, Meeder Funds
Julian G. Winters, Year of Birth: 1968	Chief Compliance Officer	Indefinite Term; Since 2010	Managing Member, Watermark Solutions LLC (investment compliance and consulting) (2007 to current).	N/A	N/A

<sup>(1)</sup> The address of each trustee and officer is c/o PFS Funds, 1939 Friendship Drive, Suite C, El Cajon, California 92020.

<sup>(2)</sup> Jeffrey R. Provence is considered an "interested person" as defined in Section 2(a)(19) of the Investment Company Act of 1940 by virtue of his position with the Trust.

### Independent Trustees

Name, Address <sup>(1)</sup> , and Year of Birth	Position Held With the Trust	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios In Fund Complex Overseen By Trustee	Other Directorships Held By Trustee
Thomas H. Addis III, Year of Birth: 1945	Independent Trustee	Indefinite Term; Since 2000	Executive Director/CEO, Southern California PGA (2006 to current).	8	None
Allen C. Brown, Year of Birth: 1943	Independent Trustee	Indefinite Term; Since 2010	Law Office of Allen C. Brown, estate planning and business attorney (1970 to current).	8	Blue Chip Investor Funds
George Cossolias, CPA, Year of Birth: 1935	Independent Trustee	Indefinite Term; Since 2000	Partner of CWDL, CPAs (February 1, 2014 to current). Owner of George Cossolias & Company, CPAs (1972 to January 31, 2014). President of LubricationSpecialists, Inc. (1996 to current).	8	Blue Chip Investor Funds

<sup>(1)</sup> The address of each trustee and officer is c/o PFS Funds, 1939 Friendship Drive, Suite C, El Cajon, California 92020.

**Investment Adviser**  
Cargile Investment Management, Inc.

**Legal Counsel**  
Practus, LLP

**Custodian**  
US Bank, N.A.

**Distributor**  
Rafferty Capital Markets, LLC

**Dividend Paying Agent,  
Shareholders' Servicing Agent,  
Transfer Agent**  
Mutual Shareholder Services, LLC

**Fund Administrator**  
Premier Fund Solutions, Inc.

**Independent Registered Public Accounting Firm**  
Cohen & Company, Ltd.

This report is provided for the general information of the shareholders of the Cargile Fund. This report is not intended for distribution to prospective investors in the Fund, unless preceded or accompanied by an effective prospectus.

**Cargile Fund**  
[www.cargilefund.com](http://www.cargilefund.com)  
1-888-204-1128