

WALTHAUSEN FOCUSED SMALL CAP VALUE FUND

INSTITUTIONAL CLASS TICKER WSVIX

For Investors Seeking Long-Term Capital Appreciation

ANNUAL REPORT

January 31, 2021

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.

Walthausen Focused Small Cap Value Fund
Annual Report
January 31, 2021

Dear Shareholders:

A year ago, I wrote of the myriad of issues that the market had to deal with and how investors' odious view of small cap value continued. Well that changed quickly. By the end of March there was only one concern, the pandemic. While no one knew what to expect, everyone agreed it would be bad. The only question was, how bad. The news through the spring was horrific, though the public buckled down and flattened the curve through the summer. Market participants were starting to get a grip as to how the economy was playing out. Housing, ecommerce, and recreation products experienced very strong business trends. The hospitality, travel and physical retail businesses were decimated. As the weather started to cool, vaccines became the topic of the day. Originally thought to be at least an 18-month time line to get a vaccine to the public, discussion of availability by the holidays became more frequent. And then it happened. By the end of October, the market moved to accept that a vaccine would soon be available and the focus pivoted to positioning for a post-vaccine world.

The old adage, "Be careful of what you wish for" was apropos. We had long been discussing how the markets affinity for large cap investing and growth investing had gone too far. We discussed how despite the disparity in valuation to small cap value, investors' funds continued to flow away from us. We concluded that eventually the market would recognize the opportunity in small cap value and they would come our way. The challenge is that at inflection points, the market rarely acts in a measured and rational manner. When the market collectively determined it needed to position itself for a post-vaccine world, it also determined that small cap and value is where it needed to be. And in the final three months of the year, everything and anything that was small cap or value was being gobbled up. The problem is that when everyone moves at once, trading is often indiscriminate. Buy the discarded value names; buy the penny stocks; buy the highly leveraged stocks. And in three months, the Russell 2000 Value index rose over 35%, posting the largest three month return ever.

While happy that the market was once again interested in our universe, as discerning investors we were swamped by the market's wave to buy anything that fit a label of "small" or "value". This is not new to us as we have experienced market pivots previously. The severity of this market inflection was, however, a new, and quite painful experience. Despite the Fund gaining 22.7% in the last quarter of the year, we trailed our benchmark by 12.9%. This final quarter result put us back in the black for the year with a 2.7% return, but it was a hollow victory when the benchmark finished with a 16.4% return. As stated previously, managing through an inflection point is not new, and experience teaches us that over time the market sorts through what it owns, ridding itself of the questionable business and buying more of the quality businesses that we search out. But for right now, this initial step stings.

The consumer discretionary sector was the benchmark's second strongest sector for the last quarter, the strongest for the year, and the segment where we lost the most ground. Homebuilding, recreational equipment and home goods were all strong industries for the first three quarters of the year strongly supporting sectors results. The Fund was able to keep pace during this period with our ownership of MDC Holdings (MDC), a homebuilder and LCI Industries (LCII), a manufacturer of parts and components for the RV and boating industries. In the second half of the year, we added Tapestry, Inc. (TPR), the designer of higher-end handbags, seeing the valuation as overly discounted and believing that their Coach and Kate Spade brand names are enduring. Despite the strong returns of all three of these investments, our underweight position to a sector that gained nearly 60% in the last quarter was simply too much of a hill to climb, setting us back for the quarter and the year.

Our next largest challenge for the year was within the information technology sector. At the beginning of the year, we owned NCR Corp. (NCR), a provider of ATMs, tellerless banking software and restaurant operating systems. When the pandemic began our initial thoughts were that the banks could be in for some sizable credit challenges and that the restaurants were doomed. Both of these scenarios were bad for NCR and we determined to sell out the position. Unfortunately, we did not come to this conclusion fast enough and the damage was done. The two holdings that we held through the year, Maximus, Inc., (MMS), a business process outsource provider for government services, and Onto Innovation, Inc., (ONTO), a developer of wafer fabrication equipment for the semiconductor industry, had respectable results and stock performance but it just wasn't enough to keep pace with the underperformance of the balance of the sector, much of which was powered by software companies sporting valuations that are too high for us to stomach and more risky than most of their supporters are willing to let on.

During the end of the summer, we began to differ from the markets belief that the banks were in grave danger. By this time, we had a clearer view of how the pandemic was affecting the economy, recognizing that we could get a pretty clear view as to what percentage of each banks loan portfolio was at risk. The market, however, was in no mood to discern and was pricing nearly every bank at valuations similar to where they traded during the Great Financial Crisis (GFC) in 2007-2009. Given that we felt that we had a handle on the extent of the credit challenge, and that the banks were in a significantly stronger capital position today than the GFC period, we saw an opportunity. The portfolio went into the year owning four banks, sold one, CVB Financial Corp (CVBF), and bought four new positions, Hancock Whitney Corp (HWC), Independent Bancorp (INDB), WSFS Financial Corp (WSFS) and Webster Financial Corp (WBS). We currently have the highest financial sector weighting that we can remember and are quite excited about this opportunity.

Small cap investment cycles can last for several years and we believe that we have just marked the beginning of the next one. Trailing the benchmark as we did is unacceptable and we are working harder than ever to construct a winning portfolio. As mentioned previously, we have been through inflection points before and there is a messy period followed by a longer more constructive and rational investing environment. It's during this period when the market becomes more discerning and begins to seek the quality companies that we pride ourselves in owning. This is when we expect to differentiate ourselves. We are satisfied with how the Fund is positioned. The portfolio sports valuations consistent with its benchmark while having profitability return metrics that are superior, all the while employing less leverage. The future looks to be both stimulating and challenging. We are excited for the challenge. We thank you for the trust you are displaying by investing with us. Rest assured that we are working hard for you every day.

Sincerely,

John B. Walthausen CFA

Gerard S. E. Heffernan, Jr. CFA

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 1-888-925-8428.

The 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. To obtain a copy of the Fund's prospectus, please visit our website at www.walthausenfunds.com or call 1-888-925-8428 and a copy will be sent to you free of charge. Distributed by Rafferty Capital Markets, LLC – Garden City, NY 11530.

WALTHAUSEN FOCUSED SMALL CAP VALUE FUND (Unaudited)

PERFORMANCE INFORMATION

1/31/2021 Institutional Class NAV \$11.77

AVERAGE ANNUAL RATE OF RETURN (%) FOR THE PERIODS ENDED JANUARY 31, 2021

	<u>1 Year^(A)</u>	<u>3 Years^(A)</u>	<u>5 Years^(A)</u>	<u>10 Years^(A)</u>
Walthausen Focused Small Cap Value Fund	2.67%	2.60%	9.77%	8.98%
Russell 2000® Value Index ^(B)	16.42%	5.08%	12.34%	9.21%
Russell 2500® Value Index ^(C)	11.25%	4.66%	11.31%	9.40%

Annual Fund Operating Expense Ratios (from 10/15/2020 Prospectus): Gross 1.05%, Net 0.85%

Effective May 15, 2020, Retail Class and R6 Class of the Fund were converted to Institutional Class Shares.

The Advisor reimbursed and/or waived certain expenses of the Fund's Institutional Class. Absent these arrangements, the performance of the Class would have been lower.

The Fund's expense ratio for the fiscal year ended January 31, 2021 can be found in the financial highlights included in this report.

The Annual Fund Operating Expense Ratios reported above may not correlate to the expense ratios in the Fund's financial highlights because the financial highlights (a) include only the direct operating expenses incurred by the Fund, not the indirect costs of investing in acquired funds and (b) the Annual Fund Operating Expense Ratios reflect the contractual changes to the management and service fees, as well as waiver, which became effective October 15, 2020 (See Note 4).

^(A)1 Year, 3 Years, 5 Years and 10 Years returns include changes in share prices and in each case includes reinvestment of any dividends and capital gain distributions. The inception date of the Walthausen Focused Small Cap Value Fund was December 27, 2010.

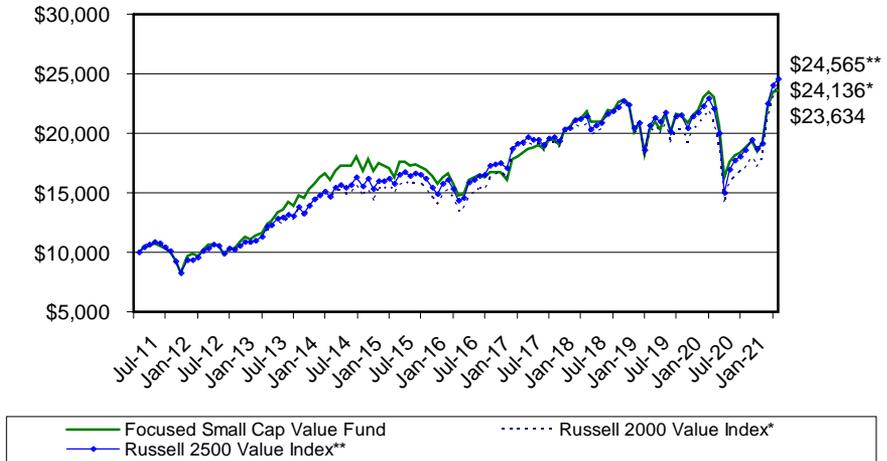
^(B)The Russell 2000® Value Index (whose composition is different from that of the Fund) is an unmanaged index of small-capitalization stocks with lower price-to-book ratios and lower forecasted growth values than the total population of small-capitalization stocks. Investors cannot directly invest in an index.

^(C)The Russell 2500® Value Index (whose composition is different from that of the Fund) measures the performance of the small to mid-cap value segment of the U.S. equity universe. It includes those Russell 2500 companies with lower price-to-book ratios and lower forecasted growth values. The Index is constructed to provide a comprehensive and unbiased barometer of the small to mid-cap value market. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small to mid-cap opportunity set and that the represented companies continue to reflect value characteristics. Investors cannot directly invest in an index.

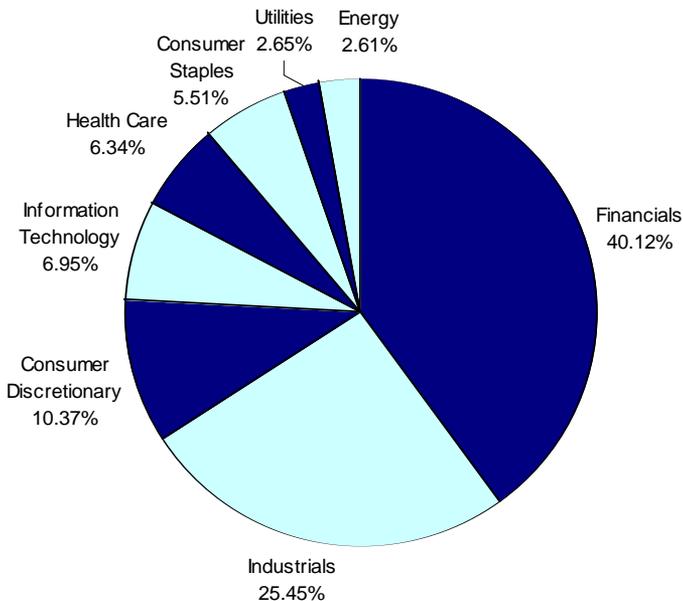
PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. INVESTMENT RETURN AND PRINCIPAL VALUE WILL FLUCTUATE SO THAT SHARES, WHEN REDEEMED, MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST. RETURNS DO NOT REFLECT THE DEDUCTION OF TAXES THAT A SHAREHOLDER WOULD PAY ON FUND DISTRIBUTIONS OR THE REDEMPTION 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 1-888-925-8428. THE FUND'S DISTRIBUTOR IS RAFFERTY CAPITAL MARKETS, LLC.

WALTHAUSEN FOCUSED SMALL CAP VALUE FUND (Unaudited)

The Value of a \$10,000 Investment in Walthausen Focused Small Cap Value Fund from February 1, 2011 to January 31, 2021 as Compared to the Russell 2000 Value Index and the Russell 2500 Value Index



WALTHAUSEN FOCUSED SMALL CAP VALUE FUND by Sectors as of January 31, 2021 (as a percentage of Common Stocks)



EXPENSE EXAMPLE
(Unaudited)

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs such as IRA maintenance fees, and (2) ongoing costs, including management fees, service fees and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. The Example is based on an investment of \$1,000 invested in the Fund on August 1, 2020 and held through January 31, 2021.

Actual Expenses

The first line of each table below provides information about actual account values and actual expenses. Additionally, although the Fund charges no sales load, you will be assessed fees for outgoing wire transfers, returned checks and stop payment orders at prevailing rates charged by Ultimus Fund Solutions, LLC, the Fund's transfer agent. You will be charged an annual maintenance fee of \$15 for each tax deferred account you have with the Fund ("IRA maintenance fees"). To the extent the Fund invests in shares of other investment companies as part of its investment strategy, you will indirectly bear your proportionate share of any fees and expenses charged by the underlying funds in which the Fund invests in addition to the expenses of the Fund. Actual expenses of the underlying funds are expected to vary among the various underlying funds. These expenses are not included in the example. The example includes management fees, service fees and other Fund expenses. However, the example does not include portfolio trading commissions and related expenses and other extraordinary expenses as determined under generally accepted accounting principles. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The second line of each table 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 you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

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 IRA maintenance fees described above or expenses of 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>August 1, 2020</u>	Ending Account Value <u>January 31, 2021</u>	Expenses Paid During the Period* August 1, 2020 <u>January 31, 2021</u>
Actual	\$1,000.00	\$1,258.75	\$5.34
Hypothetical (5% annual return before expenses)	\$1,000.00	\$1,020.41	\$4.77

* Expenses are equal to the Fund's annualized expense ratio of 0.94%, multiplied by the average account value over the period, multiplied by 184/366 (to reflect the one-half year period).

Walthausen Focused Small Cap Value Fund

Schedule of Investments January 31, 2021

Shares	Fair Value	% of Net Assets
COMMON STOCKS		
Arrangement of Transportation of Freight & Cargo		
6,180 Hub Group, Inc. - Class A *	\$ 325,253	2.86%
Electric & Other Services Combined		
5,070 NorthWestern Corporation	276,163	2.43%
Electrical Work		
4,340 EMCOR Group, Inc.	383,222	3.37%
Fire, Marine & Casualty Insurance		
7,240 AXIS Capital Holdings Limited (Bermuda)	332,316	
2,320 The Hanover Insurance Group, Inc.	260,930	
	593,246	5.21%
Leather & Leather Products		
11,940 Tapestry, Inc.	377,543	3.32%
Life Insurance		
1,960 Primerica, Inc.	273,048	2.40%
Measuring & Controlling Devices, NEC		
7,630 Onto Innovation Inc. *	412,402	3.63%
Miscellaneous General Merchandise Stores		
1,510 Casey's General Stores, Inc.	283,095	2.49%
Miscellaneous Industrial & Commercial Machinery & Equipment		
3,905 Moog Inc. - Class A	288,462	2.54%
Mobile Homes		
1,410 Cavco Industries, Inc. *	266,011	2.34%
Motor Vehicle Parts & Accessories		
2,200 LCI Industries	284,636	2.50%
Motor Vehicles & Passenger Car Bodies		
1,800 Oshkosh Corporation	164,862	1.45%
National Commercial Banks		
11,030 PacWest Bancorp	332,996	
19,790 Sterling Bancorp	365,323	
7,660 Webster Financial Corporation	358,105	
10,050 WesBanco, Inc.	291,450	
10,070 WSFS Financial Corporation	432,708	
	1,780,582	15.65%
Operative Builders		
2,872 M.D.C. Holdings, Inc.	149,401	1.31%
Poultry Slaughtering and Processing		
2,128 Sanderson Farms, Inc.	289,812	2.55%
Pumps & Pumping Equipment		
4,680 ITT Inc.	349,643	3.07%
Rolling Drawing & Extruding of Nonferrous Metals		
9,200 Mueller Industries, Inc.	314,180	2.76%
Services - Business Services, NEC		
4,140 MAXIMUS, Inc.	310,748	2.73%
Services - Equipment Rental & Leasing, NEC		
4,990 McGrath RentCorp	348,252	
7,570 Triton International Limited	350,794	
	699,046	6.15%
Services - Hospitals		
4,690 Encompass Health Corporation	377,076	3.31%
State Commercial Banks		
8,940 Columbia Banking System, Inc.	344,369	
10,790 Hancock Whitney Corporation	368,371	
4,830 Independent Bank Corp.	362,636	
	1,075,376	9.45%

* Non-Income Producing Securities.

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

Walthausen Focused Small Cap Value Fund

Schedule of Investments January 31, 2021

Shares	Fair Value	% of Net Assets
COMMON STOCKS		
Surety Insurance		
5,960 Essent Group Ltd. (Bermuda)	\$ 249,307	2.19%
Surgical & Medical Instruments & Apparatus		
5,230 Merit Medical Systems, Inc. *	283,205	2.49%
Title Insurance		
3,890 First American Financial Corporation	203,408	1.79%
Transportation Services		
1,330 GATX Corporation	123,424	1.09%
Wholesale - Petroleum & Petroleum Products (No Bulk Stations)		
8,890 World Fuel Services Corporation	271,945	2.39%
Total for Common Stocks (Cost \$8,025,975)	10,405,096	91.47%
REAL ESTATE INVESTMENT TRUSTS		
14,750 Industrial Logistics Properties Trust (Cost \$309,784)	312,848	2.75%
MONEY MARKET FUNDS		
657,146 Fidelity Investments Money Market Government Portfolio - Class I 0.01% ** (Cost \$657,146)	657,146	5.78%
Total Investment Securities (Cost \$8,992,905)	11,375,090	100.00%
Other Assets in Excess of Liabilities	149	0.00%
Net Assets	\$ 11,375,239	100.00%

* Non-Income Producing Securities.

** The rate shown represents the 7-day yield at January 31, 2021.

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

Walthausen Focused Small Cap Value Fund

Statement of Assets and Liabilities

January 31, 2021

Assets:	
Investment Securities at Fair Value	\$ 11,375,090
(Cost \$8,992,905)	
Receivable for Dividends	6,083
Receivable for Shareholder Subscriptions	1,744
Total Assets	<u>11,382,917</u>
Liabilities:	
Payable for Shareholder Redemptions	32
Payable to Advisor for Management Fees (Note 4)	7,646
Total Liabilities	<u>7,678</u>
Net Assets	<u>\$ 11,375,239</u>
Net Assets Consist of:	
Paid In Capital	\$ 8,712,185
Total Distributable Earnings	2,663,054
Net Assets	<u>\$ 11,375,239</u>
Institutional Class	
Net Assets	\$ 11,375,239
Shares Outstanding	
(Unlimited shares authorized)	966,706
Net Asset Value, Offering Price and Redemption Price Per Share	<u>\$ 11.77</u>

Statement of Operations

For the fiscal year ended January 31, 2021

Investment Income:	
Dividends (Net of foreign withholding tax of \$0)	\$ 205,125
Total Investment Income	<u>205,125</u>
Expenses:	
Management Fees (Note 4)	88,013
Service Fees (Note 4)	36,772
Total Expenses	<u>124,785</u>
Less: Waived Service Fees (Note 4)	(21,724)
Net Expenses	<u>103,061</u>
Net Investment Income (Loss)	102,064
Realized and Unrealized Gain (Loss) on Investments:	
Net Realized Gain (Loss) on Investments	421,587
Net Change In Unrealized Appreciation (Depreciation) on Investments	(362,130)
Net Realized and Unrealized Gain (Loss) on Investments	<u>59,457</u>
Net Increase (Decrease) in Net Assets from Operations	<u>\$ 161,521</u>

Walthausen Focused Small Cap Value Fund

Statements of Changes in Net Assets

	2/1/2020 to 1/31/2021	2/1/2019 to 1/31/2020
From Operations:		
Net Investment Income (Loss)	\$ 102,064	\$ 94,911
Net Realized Gain (Loss) on Investments	421,587	1,211,975
Net Change in Unrealized Appreciation (Depreciation) on Investments	<u>(362,130)</u>	<u>239,842</u>
Increase (Decrease) in Net Assets from Operations	161,521	1,546,728
From Distributions to Shareholders:		
Institutional Class	(303,549)	(477,944)
Retail Class (a)	-	(124,961)
R6 Class (b)	-	(14,860)
Change in Net Assets from Distributions	<u>(303,549)</u>	<u>(617,765)</u>
From Capital Share Transactions:		
Proceeds From Sale of Shares		
Institutional Class	5,970,440 (c) (d)	1,938,489
Retail Class (a)	67,731	216,505
R6 Class (b)	5,027	77,033
Proceeds From Redemption Fees (Note 2)		
Institutional Class	19	-
Retail Class (a)	330	1,642
R6 Class (b)	-	-
Shares Issued on Reinvestment of Dividends		
Institutional Class	301,597	476,140
Retail Class (a)	-	121,847
R6 Class (b)	-	14,860
Cost of Shares Redeemed		
Institutional Class	(4,281,397)	(4,915,183)
Retail Class (a)	(2,125,536) (c)	(2,024,908)
R6 Class (b)	(218,191) (d)	(489,012)
Net Increase (Decrease) from Shareholder Activity	<u>(279,980)</u>	<u>(4,582,587)</u>
Net Increase (Decrease) in Net Assets	(422,008)	(3,653,624)
Net Assets at Beginning of Period	<u>11,797,247</u>	<u>15,450,871</u>
Net Assets at End of Period	<u>\$ 11,375,239</u>	<u>\$ 11,797,247</u>
Share Transactions:		
Issued		
Institutional Class	622,158 (c) (d)	163,497
Retail Class (a)	7,562	18,816
R6 Class (b)	534	6,790
Reinvested		
Institutional Class	25,955	39,481
Retail Class (a)	-	10,239
R6 Class (b)	-	1,216
Redeemed		
Institutional Class	(406,372)	(431,392)
Retail Class (a)	(261,604) (c)	(178,042)
R6 Class (b)	(26,678) (d)	(42,454)
Net Increase (Decrease) in Shares	<u>(38,445)</u>	<u>(411,849)</u>

(a) Retail Class closed on May 15, 2020. Retail Class shares of record as of May 15, 2020, were exchanged for Institutional Class shares effective May 15, 2020.

(b) R6 Class closed on May 15, 2020. R6 Class shares of record as of May 15, 2020, were exchanged for Institutional Class shares effective May 15, 2020.

(c) Includes automatic conversion of Retail Class shares (\$1,884,889 representing 234,329 shares) to Institutional Class shares (\$1,884,889 representing 231,160 shares).

(d) Includes automatic conversion of R6 Class shares (\$181,806 representing 21,981 shares) to Institutional Class shares (\$181,806 representing 22,297 shares).

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

Walthausen Focused Small Cap Value Fund

Financial Highlights - Institutional Class

Selected data for a share outstanding throughout the period:

	2/1/2020 to 1/31/2021	2/1/2019 to 1/31/2020	2/1/2018 to 1/31/2019	2/1/2017 to 1/31/2018	2/1/2016 to 1/31/2017
Net Asset Value -					
Beginning of Period	\$ 11.77	\$ 10.97	\$ 19.22	\$ 16.26	\$ 13.19
Net Investment Income (Loss) ^(a)	0.11	0.10	0.04	0.10	0.06
Net Gain (Loss) on Investments (Realized and Unrealized) ^(b)	0.20	1.36	(2.17)	3.02	3.08
Total from Investment Operations	0.31	1.46	(2.13)	3.12	3.14
Distributions (From Net Investment Income)	(0.06)	(0.22)	-	(0.11)	(0.07)
Distributions (From Capital Gains)	(0.25)	(0.44)	(6.12)	(0.05)	-
Total Distributions	(0.31)	(0.66)	(6.12)	(0.16)	(0.07)
Proceeds from Redemption Fee (Note 2)	- +	-	- +	- +	- +
Net Asset Value -					
End of Period	\$ 11.77	\$ 11.77	\$ 10.97	\$ 19.22	\$ 16.26
Total Return ^(c)	2.67%	13.19%	(7.07)%	19.23%	23.78%
Ratios/Supplemental Data					
Net Assets - End of Period (Thousands)	\$ 11,375	\$ 8,534	\$10,463	\$68,955	\$35,158
Before Reimbursement					
Ratio of Expenses to Average Net Assets	1.25%	1.35%	1.35%	1.35%	1.42%
Ratio of Net Investment Income (Loss) to Average Net Assets	0.80%	0.62%	-0.03%	0.33%	0.19%
After Reimbursement					
Ratio of Expenses to Average Net Assets	1.01%	1.10%	1.10%	1.10%	1.17%
Ratio of Net Investment Income (Loss) to Average Net Assets	1.04%	0.87%	0.22%	0.58%	0.44%
Portfolio Turnover Rate	72.53%	49.95%	39.38%	63.12%	62.38%

+ Amount less than \$0.005 per share.

(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.

NOTES TO FINANCIAL STATEMENTS

WALTHAUSEN FOCUSED SMALL CAP VALUE FUND

January 31, 2021

1.) ORGANIZATION

Walthausen Focused Small Cap Value Fund (the "Fund") was organized as a diversified series of the Walthausen Funds (the "Trust") on December 1, 2010. The Trust is registered as an open-end investment company under the Investment Company Act of 1940, as amended (the "1940 Act"). The Trust was organized in Ohio as a business trust on October 10, 2007 and 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. Prior to October 15, 2020 the Fund was named Walthausen Select Value Fund. As of January 31, 2021, there are two series authorized by the Trust. The Fund currently offers Institutional Class shares. Retail Class shares were offered from December 27, 2010 through May 15, 2020. Retail Class shares of record as of May 15, 2020, were exchanged for Institutional Class shares effective May 15, 2020. R6 Class shares were offered from November 1, 2016 through May 15, 2020. R6 Class shares of record as of May 15, 2020, were exchanged for Institutional Class shares effective May 15, 2020. The Fund may offer Retail Class and R6 Class shares in the future with approval from the Board of Trustees (the "Trustees" or the "Board") and notification to shareholders. The Institutional Class commenced operations on December 27, 2010. Prior to January 30, 2013 the Institutional Class was named the Investor Class. The Fund's investment objective is to seek long-term capital appreciation. The investment advisor to the Fund is Walthausen & Co., LLC (the "Advisor").

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.

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 the open tax years. The Fund identifies its major tax jurisdictions as U.S. Federal and State 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 fiscal year ended January 31, 2021, the Fund did not incur any interest or penalties.

SHARE VALUATION

The net asset value ("NAV") per share of the Fund is calculated daily by dividing the total value of the Fund's assets, less liabilities, by the number of shares outstanding, rounded to the nearest cent. The offering and redemption price per share is equal to the NAV per share. Prior to October 15, 2020, shares of the Fund were subject to a redemption fee of 2% if redeemed after holding them for 90 days or less. During the fiscal year ended January 31, 2021, proceeds from redemption fees amounted to \$19, \$330 and \$0 for Institutional Class shares, Retail Class shares and R6 Class shares, respectively.

DISTRIBUTIONS TO SHAREHOLDERS

Distributions to shareholders, which are determined in accordance with income tax regulations, are recorded on the ex-dividend date. The Fund may utilize earnings and profits distributed to share-

Notes to Financial Statements - continued

holders on redemptions of shares as part of the dividends paid deduction. The treatment for financial reporting purposes of distributions made to shareholders during the year 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 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 NAV per share of the Fund. For the fiscal year ended January 31, 2021, the following adjustments were recorded and primarily related to the use of equalization for tax purposes.

Paid In Capital	\$98,810
Total Distributable Earnings	(\$98,810)

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 the trade date for financial reporting purposes. Dividend income is recognized on the ex-dividend date. 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. 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. The Fund may invest in real estate investment trusts ("REITs") that pay distributions to their shareholders based on available funds from operations. It is common for these distributions to exceed the REITs taxable earnings and profits resulting in the excess portion of such distribution to be designated as return of capital. Distributions received from REITs are generally recorded as dividend income and, if necessary, are reclassified annually in accordance with tax information provided by the underlying REITs.

EXPENSES

Expenses incurred by the Trust that do not relate to a specific fund of the Trust are allocated to the individual funds based on each fund's relative net assets or an appropriate basis.

Class specific expenses are borne by each specific class. Income, non-class specific expenses, and realized and unrealized gains/losses are allocated to the respective classes based on the basis of relative net assets.

3.) SECURITIES VALUATIONS

The Fund utilizes various methods to measure the fair value 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 - 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.

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 as level 3.

Notes to Financial Statements - continued

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 including real estate investment trusts). 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 Advisor 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 price, it is generally categorized as a level 2 security. When market quotations are not readily available, when the Advisor 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 Advisor, subject to review of the Board and are categorized in level 2 or level 3, when appropriate.

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

In accordance with the Trust's good faith pricing guidelines, the Advisor 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 procedure 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 Advisor would appear to be the amount that 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 January 31, 2021:

<u>Valuation Inputs of Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$10,405,096	\$0	\$0	\$10,405,096
Real Estate Investment Trusts	312,848	0	0	312,848
Money Market Funds	<u>657,146</u>	<u>0</u>	<u>0</u>	<u>657,146</u>
Total	\$11,375,090	\$0	\$0	\$11,375,090

Refer to the Fund's Schedule of Investments for a listing of securities by industry. The Fund did not hold any level 3 assets during the fiscal year ended January 31, 2021.

The Fund did not invest in any derivative instruments during the fiscal year ended January 31, 2021.

4.) INVESTMENT ADVISORY AGREEMENT AND RELATED PARTY TRANSACTIONS

The Trust, on behalf of the Fund, has entered into an investment advisory agreement ("Management Agreement") with the Advisor. The Advisor manages the investment portfolio of the Fund, subject to policies adopted by the Trust's Board of Trustees, and, 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 Fund. For its services, the Advisor receives an investment management fee equal to 0.85% of the average daily net assets of the Fund. Prior to October 15, 2020, the Advisor received an investment management fee equal to 0.90% of the average daily net assets of the Fund. For the fiscal year ended January 31, 2021, the Advisor earned management fees totaling \$88,013, of which \$7,646 was due to the Advisor at January 31, 2021.

Under the terms of the Services Agreement between the Trust, on behalf of the Fund, and the Advisor (the "Services Agreement"), the Advisor renders administrative and supervisory services to

Notes to Financial Statements - continued

the Fund, provides the services of a chief compliance officer and assumes and pays all ordinary expenses of the Fund, excluding management fees, any 12b-1 fees, brokerage fees and commissions, taxes, borrowing costs (such as (a) interest and (b) dividend expenses on securities sold short), fees and expenses of acquired funds, extraordinary or non-recurring expenses as may arise, including litigation to which the Fund may be a party and indemnification of the Trust's Trustees and officers. For its services, the Advisor receives service fees equal to an annual rate of 0.20% of the Fund's average daily net assets. Prior to October 15, 2020, the Advisor received service fees equal to an annual rate of 0.45% of the Fund's average daily net assets up to \$100 million, 0.25% of the Fund's average daily net assets between \$100 million and \$500 million, and 0.15% of such assets in excess of \$500 million. The Advisor has contractually agreed to waive Services Agreement fees to the extent necessary to maintain total annual operating expenses of the Institutional Class Shares, excluding brokerage fees and commissions, taxes, borrowing costs (such as (a) interest and (b) dividend expenses on securities sold short), the cost of acquired funds and extraordinary expenses at 0.85% of its average daily net assets through October 31, 2025. The Advisor may not terminate the fee waiver before October 31, 2025. There is no recoupment provision for the waiver. Prior to October 15, 2020, the Advisor waived Services Agreement fees to the extent necessary to maintain total annual operating expenses of the Institutional Class Shares, excluding brokerage fees and commissions, taxes, borrowing costs (such as (a) interest and (b) dividend expenses on securities sold short), the cost of acquired funds and extraordinary expenses at 1.10% of its average daily net assets. Prior to June 1, 2017 the Advisor had contractually agreed to waive, for the Institutional Class shares, 0.25% of the applicable Services Agreement fees for the class' average daily net assets up to \$100 million. Also, the Advisor contractually agreed to waive Services Agreement fees to the extent necessary to maintain total annual operating expenses of the R6 Class Shares, excluding brokerage fees and commissions, taxes, borrowing costs (such as (a) interest and (b) dividend expenses on securities sold short), the cost of acquired funds and extraordinary expenses at 0.98% of its average daily net assets through May 15, 2020, the date outstanding shares were exchanged for Institutional Class shares.

For the fiscal year ended January 31, 2021, the Advisor earned service fees of \$36,772, of which \$0 was due to the Advisor at January 31, 2021. Service fees in the amount of \$21,724 were waived with no recapture provision for the fiscal year ended January 31, 2021, of which \$21,470 related to the Institutional Class and \$254 related to the R6 Class.

Certain officers and a shareholder of the Advisor are also officers and/or a Trustee of the Trust. These individuals may receive benefits from the Advisor resulting from management and services fees paid to the Advisor by the Fund.

The Trustees who are not interested persons of the Fund were each paid \$4,000, for a total of \$12,000, in Trustees' fees plus any travel and related expenses for the fiscal year ended January 31, 2021 for their services to the Fund. The Advisor pays these fees pursuant to the Services Agreement.

5.) DISTRIBUTION AND SHAREHOLDER SERVICING PLAN

The Fund has adopted a Distribution Plan in accordance with Rule 12b-1 under the 1940 Act. Pursuant to the Distribution Plan, the Fund compensates the Advisor for services rendered and expenses borne in connection with brokerage platform fees. This Distribution Plan provides that the Fund may pay the annual rate of up to 0.25% of the average daily net assets of the Fund's Retail Class shares. These activities include reimbursement to entities for providing distribution and shareholder servicing with respect to the Fund's shares. Effective May 15, 2020 Retail Class closed and its shares were exchanged for Institutional Class shares. Also as of June 1, 2013, the Fund does not currently pay or accrue any distribution fees; however, if the Fund resumes the offering of Retail Class, it reserves the right to pay or accrue such fees in the future upon notice to shareholders.

6.) PURCHASES AND SALES OF SECURITIES

For the fiscal year ended January 31, 2021, purchases and sales of investment securities other than U.S. Government obligations and short-term investments aggregated \$7,162,205 and \$8,208,796, respectively. Purchases and sales of U.S. Government obligations aggregated \$0 and \$0, respectively.

7.) CONTROL OWNERSHIP

The beneficial ownership, either directly or indirectly, of more than 25% of the voting securities of a fund creates a presumption of control of a fund under Section 2(a)(9) of the 1940 Act. As of January 31, 2021, NFS, LLC, located in New York, New York, for the benefit of its clients, held, in aggregate, 56.21% of the Fund shares, and therefore may be deemed to control the Fund.

Notes to Financial Statements - continued

8.) TAX MATTERS

For Federal income tax purposes, the cost of investments owned at January 31, 2021 was \$9,096,143. At January 31, 2021, the composition of unrealized appreciation (the excess of value over tax cost) and depreciation (the excess of tax cost over value) was as follows:

<u>Appreciation</u>	<u>(Depreciation)</u>	<u>Net Appreciation (Depreciation)</u>
\$2,527,015	(\$248,068)	\$2,278,947

The tax character of distributions from Institutional Class was as follows:

	<u>Fiscal Year Ended</u> <u>January 31, 2021</u>	<u>Fiscal Year Ended</u> <u>January 31, 2020</u>
Ordinary Income	\$ 60,906	\$ 174,768
Long-Term Capital Gain	<u>242,643</u>	<u>303,176</u>
	\$ 303,549	\$ 477,944

The tax character of distributions from Retail Class was as follows:

	<u>Fiscal Year Ended</u> <u>January 31, 2021</u>	<u>Fiscal Year Ended</u> <u>January 31, 2020</u>
Ordinary Income	\$ -	\$ 18,592
Long-Term Capital Gain	<u>-</u>	<u>106,369</u>
	\$ -	\$ 124,961

The tax character of distributions from R6 Class was as follows:

	<u>Fiscal Year Ended</u> <u>January 31, 2021</u>	<u>Fiscal Year Ended</u> <u>January 31, 2020</u>
Ordinary Income	\$ -	\$ 4,637
Long-Term Capital Gain	<u>-</u>	<u>10,223</u>
	\$ -	\$ 14,860

As of January 31, 2021, the components of distributable earnings on a tax basis were as follows:

Undistributed ordinary income	\$ 48,254
Undistributed long-term capital gains	335,853
Unrealized appreciation on investments – net	<u>2,278,947</u>
	\$ 2,663,054

The differences between book basis and tax basis unrealized appreciation were primarily attributable to the tax deferral of wash sales.

9.) CONCENTRATION OF SECTOR RISK

If the Fund has significant investments in the securities of issuers in industries within a particular sector, any development affecting that sector will have a greater impact on the value of the net assets of the Fund than would be the case if the Fund did not have significant investments in that sector. In addition, this may increase the risk of loss of an investment in the Fund and increase the volatility of the Fund's NAV per share. From time to time, circumstances may affect a particular sector and the companies within such sector. For instance, economic or market factors, regulation or deregulation, and technological or other developments may negatively impact all companies in a particular sector and therefore the value of the Fund's portfolio will be adversely affected. As of January 31, 2021, the Fund had 36.70% of the value of its net assets invested in stocks within the Financials sector.

10.) COVID-19 RISKS

Unexpected local, regional or global events, such as war; acts of terrorism; financial, political or social disruptions; natural, environmental or man-made disasters; the spread of infectious illnesses or other public health issues; and recessions and depressions could have a significant impact on the Fund and its investments and may impair market liquidity. Such events can cause investor fear, which can adversely affect the economies of nations, regions and the market in general, in ways that cannot necessarily be foreseen. An outbreak of infectious respiratory illness known as COVID-19, which is caused by a novel coronavirus (SARS-CoV-2), was first detected in China in December 2019 and subsequently spread globally. This coronavirus has resulted in, among other things, 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 quaran-

Notes to Financial Statements - continued

tines, significant disruptions to business operations, market closures, cancellations and restrictions, supply chain disruptions, lower consumer demand, and significant volatility and declines in global financial markets, as well as general concern and uncertainty. The impact of COVID-19 has adversely affected, and other infectious illness outbreaks that may arise in the future could adversely affect, the economies of many nations and the entire global economy, individual issuers and capital markets in ways that cannot necessarily be foreseen. 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.

11.) 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 and Board of Trustees of
Walthausen Funds

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Walthausen Focused Small Cap Value Fund (the "Fund"), a series of Walthausen Funds as of January 31, 2021, the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the related notes, and the financial highlights for each of the five years in the period then ended (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 January 31, 2021, the results of its operations for the year then ended, the changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, 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 audits. 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 audits 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 audits 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 January 31, 2021, by correspondence with the custodian. Our audits 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 audits provide a reasonable basis for our opinion.

We have served as the auditor for the Walthausen Funds since 2008.



COHEN & COMPANY, LTD.
Cleveland, Ohio
March 24, 2021

ADDITIONAL INFORMATION

January 31, 2021

(UNAUDITED)

1.) APPROVAL OF INVESTMENT ADVISORY AGREEMENT

On January 20, 2021, the Board of Trustees (the "Trustees" or the "Board") considered the renewal of the Management Agreement (the "Agreement") between the Trust and the Advisor (or "Management"), on behalf of the Walthausen Focused Small Cap Value Fund ("Focused" or the "Fund"). Legal Counsel reviewed the memorandum provided by them and explained that, in consideration of the continuance of the Agreement, the Board should review all information as is reasonably necessary to evaluate the terms of the contract and determine whether it is fair to the Fund and its shareholders. The Advisor had provided information to the Trustees it believed to be sufficient for evaluation of continuance of the Agreement.

In reviewing the Agreement, the Board of Trustees received materials from the Advisor addressing the following factors: (i) the investment performance of the Fund and the Advisor; (ii) the nature, extent and quality of the services provided by the Advisor to the Fund; (iii) the cost of the services provided and the profits realized by the Advisor and its affiliates from the relationship with the Fund; (iv) the extent to which economies of scale will be realized as the Fund grows; and (v) whether the fee levels reflect these economies of scale to the benefit of shareholders.

As to the performance of Focused, the materials included information regarding the Fund's performance compared to a peer group of similar funds as well as the overall Morningstar Small Value category and the Russell 2500® Value Index. The Trustees noted that the data showed that the Fund underperformed its peer group, category and its index for the 1-year period ended December 31, 2020. They also considered that the Fund lagged the index, but outperformed its peer group and category for the 5-year period ended December 31, 2020. They also noted that the Fund lagged the index, but outperformed its peer group and category for the 10-year period ended December 31, 2020. The Trustees discussed that the Institutional Class underperformed the index since inception through December 31, 2020. The Board discussed the Advisor's observations that it consistently delivered a value oriented portfolio consistent with the Fund's stated investment strategy and that in the long-term, the value strategy could outperform growth. The Board considered the Fund's performance along with the Advisor's overall track record. After further discussion, the Independent Trustees concluded that overall they were pleased with the performance of the Fund based on the value strategy.

As to the nature, extent and quality of the services provided by the Advisor, the Board discussed each portfolio manager's background and investment management experience, observing that the many years of experience of each portfolio manager was a positive attribute. The Board reviewed the background of the other key professionals servicing the Fund. The Board expressed their satisfaction with the Advisor's rigorous and disciplined stock selection process. The representatives of the Advisor reviewed and discussed with the Board the Advisor's ADV and the Rule 17j-1 Code of Ethics certifications. The Board discussed the quality of the Advisor's compliance efforts and the compliance resources of the firm. The Board noted that the Advisor had not experienced any material operational challenges as a result of the pandemic. The Board also reviewed the Advisor's financial condition. The Board concluded that the nature and extent of the services provided by the Advisor were consistent with their expectations and of high quality.

As to the cost of the services provided and the profits realized by the Advisor and its affiliates from the relationship with the Fund, the Trustees considered all the services provided, including the Trust officer services, shareholder service support and office space. They discussed that the Advisor was paying substantially all ordinary operating expenses of the Fund pursuant to the Services Agreement. The Board noted that effective October 15, 2020, the Service Agreement fee was reduced to 0.20% of the average daily net assets of the Fund. A representative of the Advisor reviewed the revenue and expenses related to the Services Agreement noting that there had been a loss to the Advisor during the previous year. The Board concluded that the Advisor's profitability was not unreasonable, particularly in light of the extent and quality of the services being provided to the Fund.

Turning to the level of expenses, the Board reviewed comparative data of advisory fees and expense ratios based on publicly available data that was drawn from its peer group, as well as Morningstar data. The Trustees considered that effective October 15, 2020, the Advisor contractually agreed to reduce its management fee to 0.85% of average daily net assets of the Fund. They discussed that Institutional Class' net expense ratio was below the average net expense ratio for the

Additional Information (Unaudited) - continued

peer group and the Morningstar category average. Additionally, the Trustee noted that the management fee was the same as the peer group average and above the Morningstar category average, but within the range of the Morningstar category. They considered the impact of fund size on expenses. The Trustees reviewed information regarding fees charged by the Advisor for other client relationships, which ranged from greater than to lower than the fees charged to the Fund based on a breakpoint structure for the other accounts. The Trustees discussed the soft dollar benefits that the Advisor received from Fund trades. A representative of the Advisor represented that the expense waivers would be continued through October 31, 2025. The Trustees concluded that when viewed in terms of the overall quality of services provided, the fees were not unreasonable.

As for potential economies of scale, the Board discussed and considered information regarding whether economies of scale had been realized with respect to the management of Focused, whether the Fund had appropriately benefited from any economies of scale, and whether there is potential for realization of any further economies of scale. The Trustees considered that effective October 15, 2020, the Advisor contractually agreed to reduce its fees and implemented a waiver which would be continued through October 31, 2025. They concluded that breakpoints in the advisory fee were not necessary at this time.

The Independent Trustees met in executive session to discuss the continuation of the Agreement. The officers of the Trust were excused during this discussion.

Upon reconvening the meeting, the Independent Trustees reported that after further consideration, they were pleased to renew the Agreement. It was the consensus of the Trustees, including the Independent Trustees, that renewal of the Agreement would be in the best interests of the Fund and its shareholders.

2.) AVAILABILITY OF QUARTERLY SCHEDULE OF INVESTMENTS

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-PORT. The Fund's Form N-PORT is available on the SEC's website at <http://www.sec.gov>.

3.) PROXY VOTING GUIDELINES

The Advisor, 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 Advisor in fulfilling this responsibility is available without charge on the Fund's website at www.walthausenfunds.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 12-month period ended June 30th, is available without charge, upon request, by calling our toll free number (1-888-925-8428). This information is also available on the SEC's website at <http://www.sec.gov>.

3.) LIQUIDITY RISK MANAGEMENT PROGRAM

The Fund has adopted and implemented a written liquidity risk management program as required by Rule 22e-4 (the "Liquidity Rule") under the 1940 Act. The program is reasonably designed to assess and manage the Fund's liquidity risk, taking into consideration, among other factors, the Fund's investment strategies and the liquidity of its portfolio investments during normal and reasonably foreseeable stressed conditions; its short and long-term cash flow projections; and its cash holdings and access to other funding sources.

During the fiscal year ended January 31, 2021, the Board and the Trust's Liquidity Program Administrator reviewed a report from the Liquidity Program Administrator and the Fund's investments; they determined that the Fund held adequate levels of cash and highly liquid investments to meet shareholder redemption activities in accordance with applicable requirements. Accordingly, the Board and Committee concluded that (i) the Fund's liquidity risk management program is reasonably designed to prevent violations of the Liquidity Rule and (ii) the Fund's liquidity risk management program has been effectively implemented.

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. Each Trustee serves until the Trustee sooner dies, resigns, retires or is removed. Officers hold office for one year and until their respective successors are chosen and qualified.

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

Interested Trustees and Officers

Name, Address ⁽¹⁾ , and Year of Birth	Position with the Trust	Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios Overseen By Trustee	Other Directorships Held By Trustee
John B. Walthausen ⁽²⁾ Year of Birth: 1945	President and Trustee	Since 2007	Managing Director and Chief Investment Officer, Walthausen & Co., LLC (9/1/07 to Present).	2	None
Mark L. Hodge Year of Birth: 1958	Secretary and Chief Compliance Officer	Since 2008	Chief Compliance Officer (2007 to Present) and Managing Director (2013 to Present), Walthausen & Co., LLC.	N/A	N/A
Stanley M. Westhoff Jr. Year of Birth: 1969	Treasurer	Since 2011	Equity Analyst (2007 to Present) and Managing Director (2013 to Present), Walthausen & Co., LLC.	N/A	N/A

(1) The address of each Trustee and Officer is c/o Walthausen Funds, 2691 Route 9, Suite 102, Malta, NY 12020.

(2) John B. Walthausen is considered an "interested person" as defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended, by virtue of his affiliation with the Advisor.

Independent Trustees

Name, Address ⁽¹⁾ , and Year of Birth	Position with the Trust	Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios Overseen By Trustee	Other Directorships Held By Trustee
Edward A. LaVarnway Year of Birth: 1951	Independent Trustee	Since 2008	Retired as of 5/10/13. Executive Director, Fredric Remington Art Museum (8/15/05 to 5/10/13).	2	None
John P. Mastriani Year of Birth: 1952	Independent Trustee	Since July 2014	Executive Vice President of The Ayco Company, L.P. ("Ayco") a Goldman Sachs Company that provides financial consulting and education services, May 2012-March 2014. Senior Vice President of Ayco, December 2003-May 2012.	2	None
Hany A. Shawky Year of Birth: 1947	Independent Trustee	Since 2009	Professor of Finance at the University at Albany, N.Y. (Oct. 2007 to Present).	2	None

(1) The address of each Trustee is c/o Walthausen Funds, 2691 Route 9, Suite 102, Malta, NY 12020.

The Statement of Additional Information contains additional and more detailed information about the Trustees and is available without charge by calling the transfer agent at 1-888-925-8428.

Board of Trustees

Edward A. LaVarnway
John P. Mastriani
Hany A. Shawky
John B. Walthausen

Investment Advisor and Administrator

Walthausen & Co., LLC

Legal Counsel

Thompson Hine LLP

Custodian

US Bank, N.A.

**Dividend Paying Agent,
Shareholders' Servicing Agent,
Transfer Agent**

Ultimus Fund Solutions, LLC

Sub-Administrator

Premier Fund Solutions, Inc.

Independent Registered Public Accounting Firm

Cohen & Company, Ltd.

Distributor

Rafferty Capital Markets, LLC

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

WALTHAUSEN FOCUSED SMALL CAP VALUE FUND

2691 Route 9, Suite 102
Malta, NY 12020