

WALTHAUSEN SMALL CAP VALUE FUND

INSTITUTIONAL CLASS TICKER WFICX

INVESTOR CLASS TICKER WSCVX

For Investors Seeking Long-Term Capital Appreciation

SEMI-ANNUAL REPORT

July 31, 2019

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 Small Cap Value Fund
Semi-Annual Report
July 31, 2019

Dear Fellow Shareholders:

In my year end letter to shareholders, I commented that large cap growth continued to dominate the US stock market, proving that a trend in motion may remain in motion for an extraordinarily long time. The success of large growth stocks has been self-reinforcing, perhaps assisted by the growth of specialty ETFs and index funds. From time to time a major trend will develop. A perception will turn into a seemingly unstoppable trend and commentators will sagely declare **"This Time it is Different"**. We won't go back and hammer at you with all the examples that I have seen but let's be clear, value works! In value investing as we practice it, management knows the value of cash flow. They recognize that operating profitably and using internally generated resources to grow the business is the way to compound shareholders' wealth.

The past five years has seen investors, believing that inexpensive money will always be available, be ultra-concerned with growth even if it is growth based on periodic trips to the well for a new round of financing. Money is still cheap and interest rates have fallen and the music is still playing. The six months through July 31, 2019 were devastating for value investors. The large cap growth stocks thrashed small cap value with the Russell 1000 Growth up 13.99% while the Russell 2000 Value index returned only 2.44%.

Perhaps the rush of venture capital backed "unicorns" to go public, opening up the door for backers to monetize their gains, suggests to me that these sophisticated investors are leaving the dance floor even though the music is still playing.

All investors need to be concerned by a slackening in the rate of world economic growth. The diminishing growth is encouraging Central Banks, including ours, to reduce interest rates. We can't argue with that but we do wonder how we can fund our trillion dollar plus deficit if the dollar weakens. If you, like me, have a hard time visualizing a trillion dollars, remember that the combined annual revenues of Walmart and Amazon is less than a trillion.

In this difficult environment, with a return of 1.82% (Investor Class), we lagged slightly versus our benchmark which had a return of 2.44% during the six months ended July 31, 2019. Our analysis shows that the market rewarded the yield stocks — Financials, REITs and, particularly Utilities. The Information Technology sector also did well. We had below benchmark weighting in all of those sectors. Though we did well with a strong representation and successful selections in Industrials, that was not sufficient to offset the penalty for being underweight in the favored sectors.

Our stock selections were successful with two of our holdings, Global Brass and Copper and Electronics for Imagining both agreeing to be acquired. We also did well with several long term holdings, particularly Great Lakes Dredge & Dock, M/I Homes and McGrath RentCorp. In each of these cases, our long study of the enterprises helped us to understand these companies' strengths.

We suffered with our energy holdings. Gulfport Energy, SilverBow Resources, QEP Resources and SM Energy were all meaningful detractors. These companies operated

well, bringing on increasingly productive wells as the horizontal reach of the drill bit continued to grow, and the operators squeezed more productivity out of the drill rigs. However, concern that ample supply of oil and natural gas will continue to depress energy prices outweighed the benefit of successful drilling programs.

While recent periods have been painful for this value investor, as I review the portfolio I am happy with the quality of the companies in the portfolio.

Thank you for investing with us.

John B. Walthausen CFA
Chief Investment Officer, Portfolio Manager

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 SMALL CAP VALUE FUND (Unaudited)

PERFORMANCE INFORMATION

7/31/19 Investor Class NAV \$19.05

7/31/19 Institutional Class NAV \$19.06

AVERAGE ANNUAL RATE OF RETURN (%) FOR THE PERIODS ENDED JULY 31, 2019

	<u>1 Year^(A)</u>	<u>3 Years^(A)</u>	<u>5 Years^(A)</u>	<u>10 Years^(A)</u>
Walthausen Small Cap Value Fund- Investor Class	-10.84%	6.41%	4.20%	13.63%
Russell 2000® Value Index^(B)	-7.71%	7.96%	6.74%	11.19%

	<u>Since Inception^(A)</u>
Walthausen Small Cap Value Fund - Institutional Class	14.06%
Russell 2000® Value Index^(B)	13.65%

Annual Fund Operating Expense Ratios (from 6/1/19 Prospectus): **Institutional Class - Gross 1.37%, Net 0.98%** **Investor Class - Gross 1.27%, Net 1.21%**

The Advisor reimbursed and/or waived certain expenses of the Fund's Institutional and Investor Classes. Absent that arrangement, the performance of the Classes would have been lower.

Each Class's expense ratios for the six month period ended July 31, 2019 can be found in the financial highlights included in this report. Both share classes have a 2.00% redemption fee on shares redeemed within 90 days of purchase or less.

The Annual Fund Operating Expense Ratios reported above may not correlate to the expense ratios 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 impact of breakpoints in expenses charged and the application of waivers as described in Note 4.

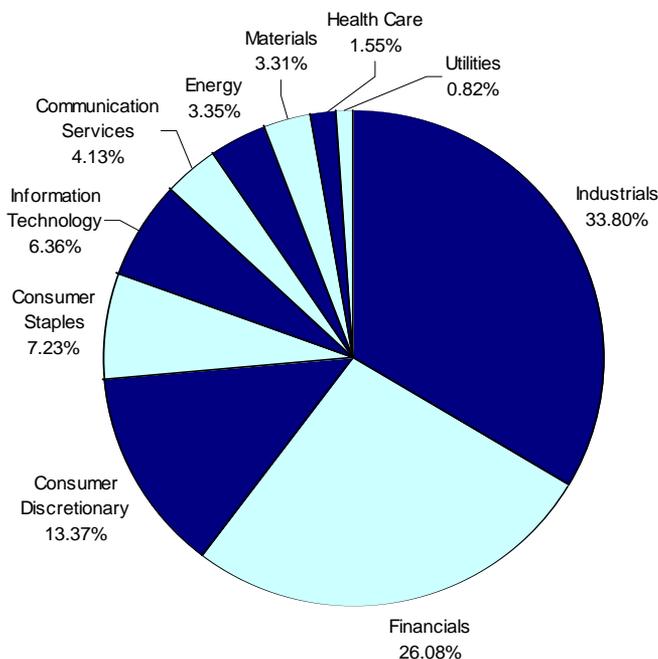
^(A)1 Year, 3 Years, 5 Years, 10 Years and Since Inception returns include changes in share prices and in each case includes reinvestment of any dividends and capital gain distributions. The inception date of the Walthausen Small Cap Value Fund Investor Class was February 1, 2008. Institutional Class commenced operations on December 31, 2018.

^(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.

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 SMALL CAP VALUE FUND (Unaudited)

WALTHAUSEN SMALL CAP VALUE FUND by Sectors as of July 31, 2019 (as a percentage of Total Common Stocks)



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>.

PROXY VOTING GUIDELINES (Unaudited)

Walthausen & Co., LLC, the Fund's investment advisor ("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>.

EXPENSE EXAMPLE (Unaudited)

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs such as redemption fees and 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 February 1, 2019 and held through July 31, 2019.

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. If shares are redeemed within 90 days of purchase from the Fund, the shares are subject to a 2% redemption fee. 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 redemption fees, IRA maintenance fees described above or expenses of underlying funds. Therefore, the second line of each 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.

Investor Class

	Beginning Account Value February 1, 2019	Ending Account Value July 31, 2019	Expenses Paid During the Period* February 1, 2019 to July 31, 2019
Actual	\$1,000.00	\$1,018.17	\$6.05
Hypothetical (5% annual return before expenses)	\$1,000.00	\$1,018.79	\$6.06

* Expenses are equal to the Fund's annualized expense ratio of 1.21%, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

Institutional Class

	<u>Beginning Account Value February 1, 2019</u>	<u>Ending Account Value July 31, 2019</u>	<u>Expenses Paid During the Period* February 1, 2019 to July 31, 2019</u>
Actual	\$1,000.00	\$1,019.25	\$4.91
Hypothetical (5% annual return before expenses)	\$1,000.00	\$1,019.93	\$4.91

* Expenses are equal to the Fund's annualized expense ratio of 0.98%, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

Walthausen Small Cap Value Fund

Schedule of Investments July 31, 2019 (Unaudited)

Shares	Fair Value	% of Net Assets
COMMON STOCKS		
Aircraft & Parts		
112,390 AAR CORP.	\$ 4,704,645	1.21%
Apparel & Other Finished Products of Fabrics & Similar Materials		
134,050 G-III Apparel Group, Ltd. *	3,841,873	0.99%
Books: Publishing or Publishing & Printing		
134,100 John Wiley & Sons, Inc. - Class A	6,102,891	1.57%
Canned, Fruits, Vegetables, Preserves, Jams & Jellies		
854,970 Landec Corporation *	9,550,015	2.46%
Commercial Printing		
488,823 Quad/Graphics, Inc.	5,528,588	1.42%
Construction Machinery & Equipment		
221,333 Columbus McKinnon Corporation	8,508,041	2.19%
Crude Petroleum & Natural Gas		
537,320 Gulfport Energy Corporation *	2,031,070	
108,980 Penn Virginia Corporation *	3,731,475	
714,180 QEP Resources, Inc. *	3,535,191	
104,159 SilverBow Resources, Inc. *	1,082,212	
226,250 SM Energy Company	2,255,712	
	12,635,660	3.25%
Electronic Components & Accessories		
405,319 Vishay Intertechnology Inc.	6,890,423	1.77%
Electric, Gas & Sanitary Services		
1,292,410 Atlantic Power Corporation *	3,088,860	0.79%
Fabricated Plate Work (Boiler Shops)		
200,730 Mobile Mini, Inc.	6,816,791	1.75%
Farm Machinery & Equipment		
71,320 Alamo Group Inc.	6,981,515	1.80%
Fats & Oils		
331,020 Darling Ingredients Inc. *	6,729,637	1.73%
General Industrial Machinery & Equipment		
151,857 Twin Disc, Incorporated *	1,832,914	0.47%
Greeting Cards		
239,483 CSS Industries Inc.	1,228,548	0.32%
Heavy Construction Other Than Building Construction - Contractors		
873,626 Great Lakes Dredge & Dock Corporation *	9,374,007	
450,000 Williams Industrial Services Group Inc. *	985,500	
	10,359,507	2.66%
Household Audio & Video Equipment		
117,970 Universal Electronics Inc. *	5,051,475	1.30%
Household Furniture		
160,983 Kimball International, Inc. - Class B	2,791,445	0.72%
Instruments for Measuring & Testing of Electricity & Electric Signals		
179,337 Allied Motion Technologies, Inc.	7,108,919	1.83%
Life Insurance		
80,779 Primerica, Inc.	9,910,776	2.55%
Measuring & Controlling Devices, NEC		
108,720 MTS Systems Corporation	6,264,446	1.61%
Metal Cans		
67,070 Silgan Holdings Inc.	2,016,124	0.52%
Miscellaneous Electrical Machinery, Equipment & Supplies		
187,987 Atkore International Group Inc. *	5,130,165	1.32%

* Non-Income Producing Securities.

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

Walthausen Small Cap Value Fund

Schedule of Investments July 31, 2019 (Unaudited)

Shares		Fair Value	% of Net Assets
COMMON STOCKS			
Motor Vehicle Parts & Accessories			
272,950	Delphi Technologies PLC (United Kingdom)	\$ 5,115,083	
206,620	Lydall, Inc. *	4,876,232	
267,250	Stoneridge, Inc. *	8,704,332	
		<u>18,695,647</u>	4.81%
Motors & Generators			
74,110	Regal Beloit Corporation	5,900,638	1.52%
National Commercial Banks			
120,291	Camden National Corporation	5,378,211	
87,638	City Holding Company	6,787,563	
85,880	Community Bank System Inc.	5,667,221	
216,740	First Financial Bancorp	5,524,703	
165,860	NBT Bancorp Inc.	6,418,782	
45,224	Pinnacle Financial Partners, Inc.	2,746,906	
		<u>32,523,386</u>	8.37%
Operative Builders			
298,379	M/I Homes, Inc. *	10,553,665	2.71%
Periodicals: Publishing or Publishing & Printing			
172,640	Meredith Corporation	9,471,030	2.44%
Printed Circuit Boards			
210,299	Kimball Electronics, Inc. *	3,343,754	0.86%
Pulp Mills			
253,501	Mercer International Inc. (Canada)	3,303,118	0.85%
Railroad Equipment			
329,430	Freightcar America, Inc.	1,801,982	0.46%
Retail - Eating Places			
153,550	Dave & Buster's Entertainment, Inc.	6,241,808	1.61%
Retail - Lumber & Other Building Materials Dealers			
333,030	BMC Stock Holdings, Inc.*	7,043,584	1.81%
Sanitary Services			
281,396	Heritage-Crystal Clean, Inc. *	7,893,158	2.03%
Savings Institution, Federally Chartered			
235,533	OceanFirst Financial Corp.	5,747,005	1.48%
Semiconductors & Related Devices			
329,570	Kulicic and Soffa Industries, Inc. (Singapore)	7,458,169	1.92%
Services - Computer Integrated Systems Design			
566,980	Allscripts Healthcare Solutions, Inc. *	5,839,894	1.50%
Services - Equipment Rental & Leasing, NEC			
138,000	McGrath RentCorp	9,399,180	2.42%
Services - Help Supply Services			
276,730	Kelly Services, Inc. - Class A	7,701,396	1.98%
Services - Miscellaneous Amusement & Recreation			
314,900	SeaWorld Entertainment, Inc. *	9,626,493	2.48%
Services - To Dwellings & Other Buildings			
216,303	ABM Industries Incorporated	9,104,193	2.34%
Soap, Detergents, Cleaning Preparations, Perfumes, Cosmetics			
41,673	Stepan Company	4,131,878	1.06%

* Non-Income Producing Securities.

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

Walthausen Small Cap Value Fund

Schedule of Investments July 31, 2019 (Unaudited)

Shares	Fair Value	% of Net Assets
COMMON STOCKS		
State Commercial Banks		
93,720 Bryn Mawr Bank Corp.	\$ 3,475,138	
150,010 First Bancorp	5,541,369	
146,339 First Financial Corporation	6,352,576	
95,080 Great Southern Bancorp, Inc.	5,700,997	
76,239 Heartland Financial USA, Inc.	3,666,334	
91,285 Lakeland Financial Corporation	4,198,197	
167,740 Stock Yards Bancorp, Inc.	6,416,055	
100,090 TriCo Bancshares	3,778,398	
	<u>39,129,064</u>	10.07%
Steel Works, Blast Furnaces & Rolling & Finishing Mills		
101,260 Haynes International, Inc.	3,013,498	0.78%
Surety Insurance		
173,822 NMI Holdings, Inc. *	4,324,691	1.11%
Title Insurance		
176,240 Stewart Information Services Corporation	6,667,159	1.71%
Truck & Bus Bodies		
194,151 Miller Industries, Inc.	6,061,394	1.56%
Wholesale - Beer, Wine & Distilled Alcoholic Beverages		
144,284 MGP Ingredients, Inc.	7,212,757	1.86%
Water, Sewer, Pipeline, Comm & Power Line Construction		
116,860 Dycom Industries, Inc. *	6,445,998	1.66%
Wholesale - Electrical Apparatus & Equipment, Wiring Supplies		
330,120 Houston Wire & Cable Company	1,535,058	0.39%
Wholesale - Farm Product Raw Materials		
141,237 The Andersons, Inc.	3,792,213	0.98%
Total for Common Stocks (Cost \$315,641,831)	<u>377,035,068</u>	<u>97.00%</u>
MONEY MARKET FUNDS		
11,251,313 Fidelity Investments Money Market Government Portfolio - Class I 2.19% **	11,251,313	2.89%
(Cost \$11,251,313)		
Total Investment Securities	388,286,381	99.89%
(Cost \$326,893,144)		
Other Assets in Excess of Liabilities	418,088	0.11%
Net Assets	<u>\$ 388,704,469</u>	<u>100.00%</u>

* Non-Income Producing Securities.

** The rate shown represents the 7-day yield at July 31, 2019.

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

Walthausen Small Cap Value Fund

Statement of Assets and Liabilities (Unaudited)

July 31, 2019

Assets:	
Investment Securities at Fair Value	\$ 388,286,381
(Cost \$326,893,144)	
Receivable for Dividends	109,638
Receivable for Securities Sold	719,465
Receivable for Shareholder Subscriptions	400,337
Total Assets	<u>389,515,821</u>
Liabilities:	
Payable for Shareholder Redemptions	430,001
Payable to Advisor for Management Fees (Note 4)	329,441
Payable to Advisor for Service Fees (Note 4)	51,910
Total Liabilities	<u>811,352</u>
Net Assets	<u>\$ 388,704,469</u>
Net Assets Consist of:	
Paid In Capital	\$ 326,782,369
Total Distributable Earnings	61,922,100
Net Assets	<u>\$ 388,704,469</u>
Investor Class	
Net Assets	\$ 286,890,380
Shares Outstanding	
(Unlimited shares authorized)	15,060,162
Net Asset Value and Offering Price Per Share	<u>\$ 19.05</u>
Redemption Price Per Share (\$19.05 x 0.98) (Note 2)	<u>\$ 18.67</u>
Institutional Class	
Net Assets	\$ 101,814,089
Shares Outstanding	
(Unlimited shares authorized)	5,340,803
Net Asset Value and Offering Price Per Share	<u>\$ 19.06</u>
Redemption Price Per Share (\$19.06 x 0.98) (Note 2)	<u>\$ 18.68</u>

Statement of Operations (Unaudited)

For the six month period ended July 31, 2019

Investment Income:	
Dividends (Net of foreign withholding tax of \$0)	\$ 3,219,842
Total Investment Income	3,219,842
Expenses:	
Management Fees (Note 4)	2,029,423
Service Fees (Note 4)	606,533
Total Expenses	<u>2,635,956</u>
Less: Waived Management and Service Fees (Note 4)	<u>(262,500)</u>
Net Expenses	<u>2,373,456</u>
Net Investment Income (Loss)	846,386
Realized and Unrealized Gain (Loss) on Investments:	
Net Realized Gain (Loss) on Investments	2,354,450
Net Change In Unrealized Appreciation (Depreciation) on Investments	4,629,708
Net Realized and Unrealized Gain (Loss) on Investments	<u>6,984,158</u>
Net Increase (Decrease) in Net Assets from Operations	<u>\$ 7,830,544</u>

Walthausen Small Cap Value Fund

Statements of Changes in Net Assets	(Unaudited)	
	2/1/2019 to 7/31/2019	2/1/2018 to 1/31/2019
From Operations:		
Net Investment Income (Loss)	\$ 846,386	\$ (502,939)
Net Realized Gain (Loss) on Investments	2,354,450	51,713,894
Net Change in Unrealized Appreciation (Depreciation) on Investments	4,629,708	(119,105,436)
Increase (Decrease) in Net Assets from Operations	7,830,544	(67,894,481)
From Distributions to Shareholders:		
Investor Class	-	(54,779,694)
Institutional Class *	-	-
Change in Net Assets from Distributions	-	(54,779,694)
From Capital Share Transactions:		
Proceeds From Sale of Shares		
Investor Class	21,885,932	91,033,171
Institutional Class *	100,245,973 (a)	7,408,283 (b)
Proceeds From Redemption Fees (Note 2)		
Investor Class	2,418	13,910
Institutional Class *	1,266	-
Shares Issued on Reinvestment of Dividends		
Investor Class	-	50,651,192
Institutional Class *	-	-
Cost of Shares Redeemed		
Investor Class	(164,532,848) (a)	(217,607,494) (b)
Institutional Class *	(6,675,526)	-
Net Increase (Decrease) from Shareholder Activity	(49,072,785)	(68,500,938)
Net Increase (Decrease) in Net Assets	(41,242,241)	(191,175,113)
Net Assets at Beginning of Period	429,946,710	621,121,823
Net Assets at End of Period	\$ 388,704,469	\$ 429,946,710
Share Transactions:		
Issued		
Investor Class	1,148,129	4,065,851
Institutional Class *	5,280,866 (c)	413,961 (d)
Reinvested		
Investor Class	-	3,053,116
Institutional Class *	-	-
Redeemed		
Investor Class	(8,659,738) (c)	(10,566,296) (d)
Institutional Class *	(354,024)	-
Net Increase (Decrease) in Shares	(2,584,767)	(3,033,368)

* Institutional Class commenced operations on December 31, 2018.

(a) Includes \$56,568,547 of exchanges from Investor Class to Institutional Class.

(b) Includes \$4,777,605 of exchanges from Investor Class to Institutional Class.

(c) Includes the exchange of 2,970,162 shares from Investor Class to 2,970,519 shares in Institutional Class.

(d) Includes the exchange of 271,764 shares from Investor Class to 271,918 shares in Institutional Class.

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

Walthausen Small Cap Value Fund

Financial Highlights - Investor Class

	(Unaudited)					
Selected data for a share outstanding throughout the period:	2/1/2019 to 7/31/2019	2/1/2018 to 1/31/2019	2/1/2017 to 1/31/2018	2/1/2016 to 1/31/2017	2/1/2015 to 1/31/2016	2/1/2014 to 1/31/2015
Net Asset Value -						
Beginning of Period	\$ 18.71	\$ 23.87	\$ 22.12	\$ 15.87	\$ 20.88	\$ 23.08
Net Investment Income (Loss) ^(a)	0.04	(0.02)	(0.07)	(0.01)	0.06	(0.02)
Net Gain (Loss) on Investments (Realized and Unrealized) ^(b)	0.30	(2.74)	2.99	6.90	(3.25)	0.93
Total from Investment Operations	0.34	(2.76)	2.92	6.89	(3.19)	0.91
Distributions (From Net Investment Income)	-	-	-	(0.01)	(0.05)	-
Distributions (From Capital Gains)	-	(2.40)	(1.17)	(0.63)	(1.77)	(3.11)
Total Distributions	-	(2.40)	(1.17)	(0.64)	(1.82)	(3.11)
Proceeds from Redemption Fee (Note 2)	- +	- +	- +	- +	- +	- +
Net Asset Value -						
End of Period	\$ 19.05	\$ 18.71	\$ 23.87	\$ 22.12	\$ 15.87	\$ 20.88
Total Return ^(c)	1.82% *	(10.27)%	13.22%	43.33%	(16.27)%	3.23%
Ratios/Supplemental Data						
Net Assets - End of Period (Thousands)	\$286,890	\$422,206	\$621,122	\$605,575	\$494,712	\$827,771
Before Reimbursement						
Ratio of Expenses to Average Net Assets	1.30% **	1.27%	1.26%	1.27%	1.25%	1.23%
Ratio of Net Investment Income (Loss) to Average Net Assets	0.30% **	-0.09%	-0.32%	-0.05%	0.27%	-0.09%
After Reimbursement ^(d)						
Ratio of Expenses to Average Net Assets	1.21% **	1.27%	1.26%	1.27%	1.25%	1.23%
Ratio of Net Investment Income (Loss) to Average Net Assets	0.39% **	-0.09%	-0.32%	-0.05%	0.27%	-0.09%
Portfolio Turnover Rate	29.32% *	45.51%	45.20%	39.17%	53.20%	69.42%

* Not Annualized.

** Annualized.

+ 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.

(d) Effective December 31, 2018, the Advisor has agreed to waive a portion of its service fees and management fees (See Note 4).

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

Walthausen Small Cap Value Fund

Financial Highlights - Institutional Class

Selected data for a share outstanding throughout the period:	(Unaudited)	
	2/1/2019 to 7/31/2019	12/31/2018* to 1/31/2019
Net Asset Value -		
Beginning of Period	\$ 18.70	\$ 16.71
Net Investment Income (Loss) ^(a)	0.05	- +
Net Gain (Loss) on Investments (Realized and Unrealized) ^(b)	0.31	1.99
Total from Investment Operations	0.36	1.99
Distributions (From Net Investment Income)	-	-
Distributions (From Capital Gains)	-	-
Total Distributions	-	-
Proceeds from Redemption Fee (Note 2)	- +	-
Net Asset Value -		
End of Period	\$ 19.06	\$ 18.70
Total Return ^(c)	1.93% **	11.91% **
Ratios/Supplemental Data		
Net Assets - End of Period (Thousands)	\$ 101,814	\$ 7,741
Before Reimbursement		
Ratio of Expenses to Average Net Assets	1.30% ***	1.37% ***
Ratio of Net Investment Income (Loss) to Average Net Assets	0.22% ***	-0.23% ***
After Reimbursement		
Ratio of Expenses to Average Net Assets	0.98% ***	0.98% ***
Ratio of Net Investment Income (Loss) to Average Net Assets	0.54% ***	0.16% ***
Portfolio Turnover Rate	29.32% **	45.51% **

* Commencement of Class.

** Not Annualized.

*** Annualized.

+ 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.

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

NOTES TO FINANCIAL STATEMENTS

WALTHAUSEN SMALL CAP VALUE FUND

July 31, 2019
(UNAUDITED)

1.) ORGANIZATION

Walthausen Small Cap Value Fund (the "Fund") was organized as a diversified series of the Walthausen Funds (the "Trust") on January 14, 2008. 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. The Fund currently offers Investor Class shares and Institutional Class shares. The Fund's Investor Class shares commenced operations on February 1, 2008 and Institutional Class shares commenced operations on December 31, 2018. As of July 31, 2019, there are two series authorized by the Trust. All classes of shares have identical rights to earnings, assets and voting privileges, except for class specific expenses and exclusive rights to vote on matters affecting only individual classes. The classes differ principally in their respective distribution expenses and arrangements. 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 six month period ended July 31, 2019, the Fund did not incur any interest or penalties.

SHARE VALUATION

The net asset value 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 net asset value per share, except that shares of the Fund are subject to a redemption fee of 2% if redeemed after holding them for 90 days or less. During the six month period ended July 31, 2019, proceeds from redemption fees amounted to \$2,418 and \$1,266, respectively, for Investor Class and Institutional Class.

Notes to Financial Statements (Unaudited) - continued

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 shareholders on redemptions of shares as part of the dividends paid deductions. 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 net asset value per share of the Fund.

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 hold investments in master limited partnerships ("MLPs"). It is common for distributions from MLPs to exceed taxable earnings and profits resulting in the excess portion of such dividends to be designated as return of capital. Annually, income or loss from MLPs is reclassified upon receipt of the MLPs tax reporting document. For financial reporting purposes, management does not estimate the tax character of MLP distributions for which actual information has not been reported.

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

Notes to Financial Statements (Unaudited) - continued

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.

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). 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 July 31, 2019:

Valuation Inputs of Assets	Level 1	Level 2	Level 3	Total
Common Stocks	\$377,035,068	\$0	\$0	\$377,035,068
Money Market Funds	11,251,313	0	0	11,251,313
Total	\$388,286,381	\$0	\$0	\$388,286,381

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 six month period ended July 31, 2019.

The Fund did not invest in any derivative instruments during the six month period ended July 31, 2019.

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 Board, 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 1.00% of the average daily net assets of the Fund.

Notes to Financial Statements (Unaudited) - continued

Under the terms of the Services Agreement between the Trust, on behalf of the Fund, and the Advisor (the "Services Agreement"), the Advisor is obligated to pay the operating 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 0.45% 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.

Effective December 31, 2018, the Advisor has contractually agreed to waive Services Agreement fees and Management fees to the extent necessary to maintain total annual operating expenses of the Investor Class Shares and 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 1.21% and 0.98% respectively, of its average daily net assets through May 31, 2020. The Advisor may not terminate the fee waiver before May 31, 2020.

For the six month period ended July 31, 2019, the Advisor earned management fees totaling \$2,029,423, of which \$329,441 was due to the Advisor at July 31, 2019. For the same period, the Advisor earned service fees of \$606,533, of which \$51,910 was due to the Advisor at July 31, 2019. Service and management fees in the amounts of \$148,490 and \$114,010 were waived with no recapture provision for the six month period ended July 31, 2019 for the Investor and Institutional Classes, respectively.

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 \$2,000, for a total of \$6,000, in Trustees' fees plus travel and related expenses for the six month period ended July 31, 2019 for their services to the Fund. The Advisor pays these fees pursuant to the Services Agreement.

5.) PURCHASES AND SALES OF SECURITIES

For the six month period ended July 31, 2019, purchases and sales of investment securities other than U.S. Government obligations and short-term investments aggregated \$117,117,345 and \$167,841,459, respectively. Purchases and sales of U.S. Government obligations aggregated \$0 and \$0, respectively.

6.) 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 July 31, 2019, NFS, LLC located in New York, New York, for the benefit of its clients, held, in aggregate, 55.28% of the shares of the Fund, and therefore may be deemed to control the Fund.

7.) TAX MATTERS

For Federal income tax purposes, the cost of investments owned at July 31, 2019 was \$326,893,144. At July 31, 2019, 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>
\$93,205,463	(\$31,812,226)	\$61,393,237

The tax character of distributions for Investor Class was as follows:

	Six Months Ended <u>July 31, 2019</u>	Fiscal Year Ended <u>January 31, 2019</u>
Ordinary Income	\$ —	\$ —
Long-Term Capital Gain	—	54,779,694
	\$ —	\$ 54,779,694

Notes to Financial Statements (Unaudited) - continued

The Institutional Class did not have any distributions for the six month period ended July 31, 2019 or during the period December 31, 2018 (commencement of operations) through January 31, 2019.

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.

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 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 SMALL CAP VALUE FUND

2691 Route 9, Suite 102
Malta, NY 12020