

WALTHAUSEN SMALL CAP VALUE FUND

INSTITUTIONAL CLASS TICKER WFICX

INVESTOR CLASS TICKER WSCVX

For Investors Seeking Long-Term Capital Appreciation

ANNUAL REPORT

January 31, 2022

Walthausen Small Cap Value Fund
Annual Report
January 31, 2022
(Unaudited)

Dear Fellow Shareholders,

In 2021 we lived through the post pandemic return to normalcy. We were pleased to see the effectiveness of vaccines and fewer restrictions on activities as the year progressed. After a period of massive fiscal and monetary response on a global scale, we started to see our portfolio companies operating on a more normal basis. Generally speaking our companies performed well, as our focus on companies that provide real goods and services and generate positive free cash flow were rewarded as the economic outlook improved. We were pleased to see that money losing companies and hope based business models were no longer being rewarded.

Inflation remains a discussion topic with all of our companies. We are finding that the better managed companies with strong customer relationships are in the best position to pass through rising material, wage, and shipping costs. We are also hearing anecdotal situations of share gains despite higher prices due to availability of product when competitors are lacking. These share gains are going to be difficult for competitors to claw back. Given continued increases in commodity prices entering 2022, we believe, these same management teams should be able to put through additional price increases.

Discussing our view on interest rates has not been exciting. With rates so low for so long we felt that rising inflation and a strong economic outlook would finally be the catalyst for the Fed to raise interest rates. We now see Russian military actions clouding the rate outlook as its effect on commodity prices brings the US and world GDP expectations into question. We still see the opportunity for rising rates to bolster the earnings of our financial holdings but the realization of the improvement may be shifting further out.

Further to the rate discussion, most of our holdings sport strong balance sheets and we do not see a significant restraint on their ability to deploy capital. We do not want to own companies that stop business development because interest rates increase by a 100 basis points. If the "yes" or "no" of an investment decision was critically tied to interest rates, the company should not have been thinking about the investment in the first place.

With these strong balance sheets, we saw several holdings close acquisitions in the second half of 2021. In many instances these deals are bolt on acquisitions that should easily integrate into their current business model and be accretive to earnings. Management teams are also increasing organic capital deployment which we believe is a good sign for business demand in 2022. Share repurchases remain a lever that management teams are utilizing as well. Market volatility due to macro events has allowed prepared companies to take advantage of share price weakness in the short term that will benefit shareholders in the long term.

Supply chain issues that many companies faced in 2021 are still not remedied entering 2022 and may not be normalized in 2022. We have heard from several management teams that they are playing 'whack-a-mole' with their supply chain, as soon as they remedy one problem a new one pops up. The biggest pain point we are hearing from management remains semiconductors. The chip issue that was first characterized as a temporary supply issue appears to now be defined as a structural supply and demand imbalance. The situation is exacerbated by the large global chip exposure to Taiwan. There now appears to be a light bulb moment occurring around the world that too much supply is being made in one place. The response will be a massive capital expenditure on chip fabrication facilities to geographically diversify the production of semiconductors. This will take time, and companies likely do not have the safety stock they would like. Within our portfolio we are exposed to companies that make the equipment that will populate these new fabrication facilities needed to meet the growing global demand for semiconductors.

Our performance in the fiscal year was encouraging with the Fund outperforming the Russell 2000® Value Index with a return of 23.66% for the Investor Class compared to the benchmark return of 14.75%. Reviewing attribution reports, we see all of our outperformance coming from stock selection. It was also satisfying to see that stock selection was meaningfully additive in Consumer Discretionary, Industrials, Information Technology, Materials, and Real Estate. The biggest drag on performance was the Energy sector, where we were underweight and our names underperformed a very strong sector.

As we look to the remainder of the year, we feel the portfolio is well positioned to take advantage of the current environment. If you have additional questions regarding Walthausen & Co. please feel free to contact Gerry directly at 518-348-7221 or DeForest directly 518-348-7216.

Sincerely,

Gerard S.E. Heffernan CFA
DeForest R. Hinman

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

1/31/2022 Investor Class NAV \$18.23

1/31/2022 Institutional Class NAV \$18.22

AVERAGE ANNUAL RATE OF RETURN (%) FOR THE PERIODS ENDED JANUARY 31, 2022

	<u>1 Year</u> ^(A)	<u>3 Years</u> ^(A)	<u>5 Years</u> ^(A)	<u>10 Years</u> ^(A)
Walthausen Small Cap Value Fund- Investor Class	23.66%	11.75%	7.23%	10.62%
Russell 2000® Value Index ^(B)	14.75%	11.72%	7.92%	10.64%

		<u>1 Year</u> ^(A)	<u>3 Years</u> ^(A)	<u>Since Inception</u> ^(A)
Walthausen Small Cap Value Fund - Institutional Class		23.92%	12.01%	15.81%
Russell 2000® Value Index ^(B)		14.75%	11.72%	15.19%

Annual Fund Operating Expense Ratios (from 6/1/2021 Prospectus):

Investor Class - Gross 1.35%, Net 1.21%

Institutional Class - Gross 1.35%, Net 0.98%

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

Each Class's expense ratios for the fiscal year ended January 31, 2022, can be found in the financial highlights included in this report. Prior to June 1, 2021, both share classes had 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 waivers and breakpoints in expenses charged and the application of waivers as described in Note 4.

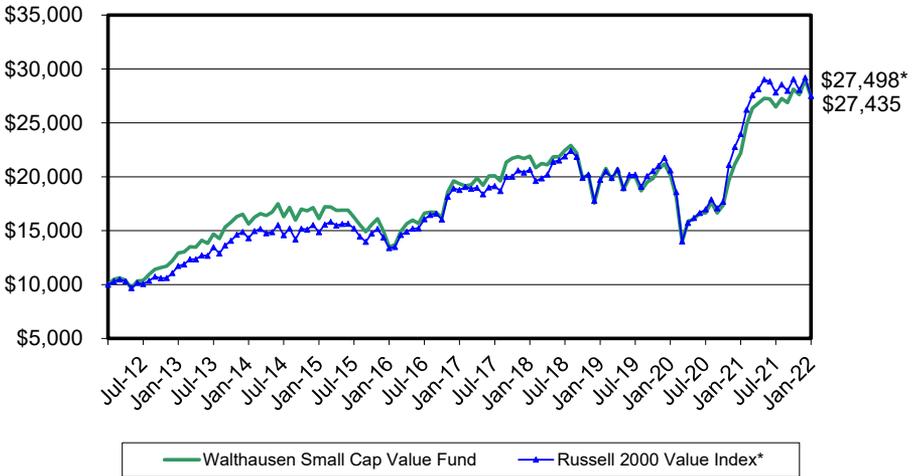
^(A)1 Year, 3 Years, 5 Years, 10 Years and Since Inception returns include change in share prices and in each case includes reinvestment of any dividends and capital gain distributions. The inception date of the Investor Class was February 1, 2008. Institutional Class commenced operations on December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

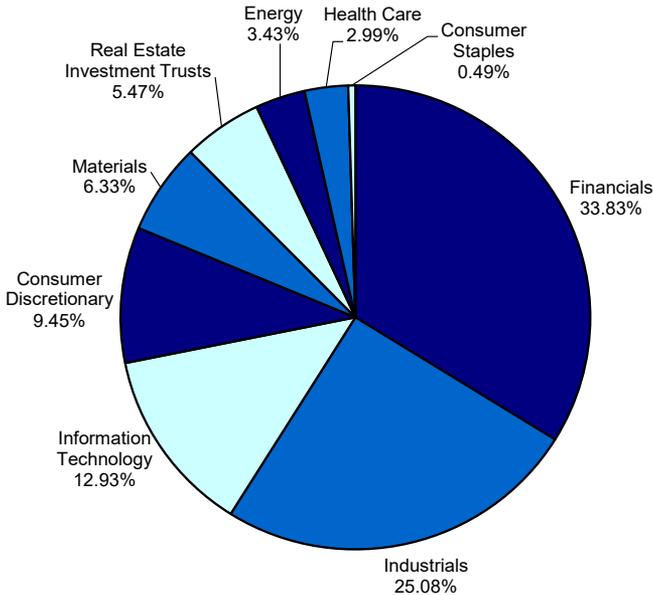
PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. INVESTMENT RETURN AND PRINCIPAL VALUE WILL FLUCTUATE SO THAT SHARES, WHEN REDEEMED, MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST. RETURNS DO NOT REFLECT THE DEDUCTION OF TAXES THAT A SHAREHOLDER WOULD PAY ON FUND DISTRIBUTIONS OR THE REDEMPTION 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)

The Value of a \$10,000 Investment in Walthausen Small Cap Value Fund Investor Class from February 1, 2012 to January 31, 2022 as Compared to the Russell 2000 Value Index



WALTHAUSEN SMALL CAP VALUE FUND
by Sectors as of January 31, 2022
(as a percentage of Common Stocks and Real Estate Investment Trusts)



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, 2021, and held through January 31, 2022.

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 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 <u>August 1, 2021</u>	Ending Account Value <u>January 31, 2022</u>	Expenses Paid During the Period* August 1, 2021 to <u>January 31, 2022</u>
Actual	\$1,000.00	\$1,035.85	\$6.21
Hypothetical (5% annual return before expenses)	\$1,000.00	\$1,019.11	\$6.16

* Expenses are equal to the Fund's annualized expense ratio of 1.21%, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period).

Institutional Class

	<u>Beginning Account Value August 1, 2021</u>	<u>Ending Account Value January 31, 2022</u>	<u>Expenses Paid During the Period* August 1, 2021 to January 31, 2022</u>
Actual	\$1,000.00	\$1,036.68	\$5.03
Hypothetical (5% annual return before expenses)	\$1,000.00	\$1,020.27	\$4.99

* Expenses are equal to the Fund's annualized expense ratio of 0.98%, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period).

Walthausen Small Cap Value Fund

Schedule of Investments January 31, 2022

Shares	Fair Value	% of Net Assets
COMMON STOCKS		
Crude Petroleum & Natural Gas		
22,425 Gulfport Energy Corporation *	\$ 1,467,716	1.47%
Electric Lighting & Wiring Equipment		
29,730 AZZ Inc.	1,414,553	
200,275 LSI Industries Inc.	1,490,046	
	<u>2,904,599</u>	2.90%
Electrical Industrial Apparatus		
102,245 Thermon Group Holdings, Inc. *	<u>1,753,502</u>	1.75%
Electrical Work		
16,730 Comfort Systems USA, Inc.	<u>1,502,019</u>	1.50%
Electronic Components & Accessories		
54,220 Vishay Precision Group, Inc. *	<u>1,736,667</u>	1.74%
Electronic Connectors		
41,485 Methode Electronics, Inc.	<u>1,826,585</u>	1.83%
Farm Machinery & Equipment		
11,000 Alamo Group Inc.	<u>1,549,350</u>	1.55%
Federal & Federally-Sponsored Credit Agencies		
13,290 Federal Agricultural Mortgage Corporation - Class C	<u>1,618,722</u>	1.62%
Finance Services		
41,125 Green Dot Corporation - Class A *	<u>1,304,074</u>	1.30%
Heavy Construction Other Than Building Construction - Contractors		
84,501 Great Lakes Dredge & Dock Corporation *	<u>1,156,819</u>	1.16%
Household Audio & Video Equipment		
63,885 Knowles Corporation *	<u>1,355,001</u>	1.35%
Instruments for Measuring & Testing of Electricity & Electric Signals		
45,500 Allied Motion Technologies Inc.	1,631,175	
45,825 Cohu, Inc. *	1,511,308	
	<u>3,142,483</u>	3.14%
Metal Forgings & Stampings		
21,515 Materion Corporation	1,782,518	
45,940 TriMas Corporation	1,596,874	
	<u>3,379,392</u>	3.38%
Miscellaneous Chemical Products		
58,390 Orion Engineered Carbons S.A. (Luxembourg)	<u>998,469</u>	1.00%
Mobile Homes		
61,465 Legacy Housing Corporation *	1,521,873	
29,000 Skyline Champion Corporation *	1,952,860	
	<u>3,474,733</u>	3.47%
Motor Vehicles Parts & Accessories		
123,595 Holley Inc. *	1,463,365	
20,500 Patrick Industries, Inc.	1,320,200	
	<u>2,783,565</u>	2.78%
National Commercial Banks		
39,596 Camden National Corporation	1,966,337	
24,598 City Holding Company	1,973,006	
54,210 NBT Bancorp Inc.	2,096,843	
5,524 Pinnacle Financial Partners, Inc.	534,226	
	<u>6,570,412</u>	6.57%
Oil & Gas Field Services, NEC		
186,420 ProPetro Holding Corp. *	<u>1,959,274</u>	1.96%
Operative Builders		
24,484 M/I Homes, Inc. *	<u>1,297,407</u>	1.30%

* Non-Income Producing Securities.

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

Walthausen Small Cap Value Fund

Schedule of Investments January 31, 2022

Shares	Fair Value	% of Net Assets
COMMON STOCKS		
Pharmaceutical Preparations		
38,770 ANI Pharmaceuticals, Inc. *	\$ 1,567,083	1.57%
Printed Circuit Boards		
71,400 Kimball Electronics, Inc. *	1,413,006	1.41%
Pulp Mills		
160,845 Mercer International Inc. (Canada)	1,954,267	1.95%
Refrigeration & Service Industry Machinery		
24,600 Tennant Company	1,898,382	1.90%
Retail - Jewelry Stores		
21,455 Signet Jewelers Limited (Bermuda)	1,847,919	1.85%
Retail - Retail Stores, NEC		
56,475 Titan Machinery Inc. *	1,739,430	1.74%
Sanitary Services		
70,106 Heritage-Crystal Clean, Inc. *	2,005,733	2.01%
Savings Institution, Federally Chartered		
83,495 OceanFirst Financial Corp.	1,895,337	1.90%
Semiconductors & Related Devices		
18,620 Kulicke and Soffa Industries, Inc. (Singapore)	1,018,328	
16,770 OSI Systems, Inc. *	1,390,904	
	2,409,232	2.41%
Services - Amusement & Recreation Services		
6,190 Bowlero Corp. - Class A *	51,191	0.05%
Services - Automotive Repair, Services & Parking		
34,650 Monro, Inc.	1,723,145	1.72%
Services - Engineering Services		
32,925 VSE Corporation	1,698,271	1.70%
Services - Equipment Rental & Leasing, NEC		
66,653 Textainer Group Holdings Limited (Bermuda)	2,451,497	2.45%
Services - Management Consulting Services		
68,042 The Hackett Group, Inc.	1,302,324	1.30%
Services - To Dwellings & Other Buildings		
25,638 ABM Industries Incorporated	1,068,848	1.07%
Special Industry Machinery, NEC		
22,020 Axcelis Technologies, Inc. *	1,378,672	1.38%
State Commercial Banks		
45,380 First Bancorp	1,992,636	
46,460 First Financial Corporation	2,085,589	
28,225 Great Southern Bancorp, Inc.	1,674,871	
41,030 Heartland Financial USA, Inc.	2,134,791	
89,930 Horizon Bancorp, Inc.	1,918,207	
16,465 Lakeland Financial Corporation	1,316,047	
60,945 Seacoast Banking Corporation of Florida	2,224,493	
17,375 Stock Yards Bancorp, Inc.	1,035,203	
40,760 TriCo Bancshares	1,771,837	
14,020 Triumph Bancorp, Inc. *	1,226,470	
37,125 Washington Trust Bancorp, Inc.	2,119,095	
	19,499,239	19.50%
Steel Works, Blast Furnaces Rolling Mills (Coke Ovens)		
60,040 Commercial Metals Company	2,007,738	2.01%
Surety Insurance		
52,607 NMI Holdings, Inc. - Class A *	1,301,497	1.30%
Surgical & Medical Instruments & Apparatus		
27,325 NuVasive, Inc. *	1,421,173	1.42%

* Non-Income Producing Securities.

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

Walthausen Small Cap Value Fund

Schedule of Investments January 31, 2022

Shares	Fair Value	% of Net Assets
COMMON STOCKS		
Title Insurance		
23,770 Stewart Information Services Corporation	\$ 1,697,891	1.70%
Wholesale - Industrial Machinery & Equipment		
14,088 Global Industrial Company	492,516	0.49%
Total for Common Stocks (Cost \$70,016,860)	94,605,180	94.59%
REAL ESTATE INVESTMENT TRUSTS		
33,060 EPR Properties	1,453,648	
107,827 Global Medical REIT Inc.	1,823,355	
92,915 UMH Properties, Inc.	2,192,794	
Total for Real Estate Investment Trusts (Cost \$3,348,320)	5,469,797	5.47%
MONEY MARKET FUNDS		
1,592,407 Fidelity Investments Money Market Government Portfolio - Class I 0.01% **	\$ 1,592,407	1.59%
(Cost \$1,592,407)		
Total Investment Securities	101,667,384	101.65%
(Cost \$74,957,587)		
Liabilities in Excess of Other Assets	(1,654,591)	-1.65%
Net Assets	\$ 100,012,793	100.00%

** The rate shown represents the 7-day yield at January 31, 2022.

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

Walthausen Small Cap Value Fund

Statement of Assets and Liabilities

January 31, 2022

Assets:	
Investment Securities at Fair Value	\$ 101,667,384
(Cost \$74,957,587)	
Receivable for Dividends	43,311
Receivable for Shareholder Subscriptions	<u>1,305</u>
Total Assets	<u>101,712,000</u>
Liabilities:	
Payable for Securities Purchased	49,613
Payable for Shareholder Redemptions	1,547,617
Payable to Advisor for Management Fees (Note 4)	90,906
Payable to Advisor for Service Fees (Note 4)	<u>11,071</u>
Total Liabilities	<u>1,699,207</u>
Net Assets	<u>\$ 100,012,793</u>
Net Assets Consist of:	
Paid In Capital	\$ 65,264,062
Total Distributable Earnings	<u>34,748,731</u>
Net Assets	<u>\$ 100,012,793</u>
Investor Class	
Net Assets	\$ 64,007,453
Shares Outstanding	
(Unlimited shares authorized)	3,510,499
Net Asset Value, Offering Price and Redemption Price Per Share	<u>\$ 18.23</u>
Institutional Class	
Net Assets	\$ 36,005,340
Shares Outstanding	
(Unlimited shares authorized)	1,976,547
Net Asset Value, Offering Price and Redemption Price Per Share	<u>\$ 18.22</u>

Statement of Operations

For the fiscal year ended January 31, 2022

Investment Income:	
Dividends (Net of foreign withholding tax of \$0)	\$ 1,844,621
Total Investment Income	<u>1,844,621</u>
Expenses:	
Management Fees (Note 4)	1,545,977
Service Fees (Note 4)	<u>585,921</u>
Total Expenses	2,131,898
Less: Waived Management and Service Fees (Note 4)	<u>(439,538)</u>
Net Expenses	<u>1,692,360</u>
Net Investment Income (Loss)	152,261
Net Realized and Unrealized Gain (Loss) on Investments:	
Net Realized Gain (Loss) on Investments	57,932,242
Net Change In Unrealized Appreciation (Depreciation) on Investments	<u>(18,301,675)</u>
Net Realized and Unrealized Gain (Loss) on Investments	<u>39,630,567</u>
Net Increase (Decrease) in Net Assets from Operations	<u>\$ 39,782,828</u>

Walthausen Small Cap Value Fund

Statements of Changes in Net Assets

	2/1/2021 to 1/31/2022	2/1/2020 to 1/31/2021
From Operations:		
Net Investment Income (Loss)	\$ 152,261	\$ 805,349
Net Realized Gain (Loss) on Investments	57,932,242	15,425,531
Net Change in Unrealized Appreciation (Depreciation) on Investments	<u>(18,301,675)</u>	<u>(26,922,763)</u>
Increase (Decrease) in Net Assets from Operations	39,782,828	(10,691,883)
From Distributions to Shareholders:		
Investor Class	(21,103,053)	(714,630)
Institutional Class	<u>(13,785,955)</u>	<u>(1,019,665)</u>
Change in Net Assets from Distributions	(34,889,008)	(1,734,295)
From Capital Share Transactions:		
Proceeds From Sale of Shares		
Investor Class	8,892,366	10,314,289
Institutional Class	19,153,536 ^(a)	44,157,560 ^(b)
Proceeds From Redemption Fees (Note 2) ^(e)		
Investor Class	622	5,255
Institutional Class	8,825	13,563
Shares Issued on Reinvestment of Dividends		
Investor Class	20,716,589	704,612
Institutional Class	13,719,057	1,013,566
Cost of Shares Redeemed		
Investor Class	(33,422,442) ^(a)	(101,165,845) ^(b)
Institutional Class	<u>(102,596,647)</u>	<u>(83,803,643)</u>
Net Increase (Decrease) from Shareholder Activity	<u>(73,528,094)</u>	<u>(128,760,643)</u>
Net Increase (Decrease) in Net Assets	(68,634,274)	(141,186,821)
Net Assets at Beginning of Period	168,647,067	309,833,888
Net Assets at End of Period	<u>\$100,012,793</u>	<u>\$168,647,067</u>
Share Transactions:		
Issued		
Investor Class	374,706	690,760
Institutional Class	786,617 ^(c)	2,749,455 ^(d)
Reinvested		
Investor Class	1,094,379	36,227
Institutional Class	725,109	52,004
Redeemed		
Investor Class	(1,462,219) ^(c)	(6,671,712) ^(d)
Institutional Class	<u>(4,253,373)</u>	<u>(5,103,938)</u>
Net Increase (Decrease) in Shares	<u>(2,734,781)</u>	<u>(8,247,204)</u>

(a) Includes \$407,992 of exchanges from Investor Class to Institutional Class.

(b) Includes \$6,101,893 of exchanges from Investor Class to Institutional Class.

(c) Includes the exchange of 16,909 shares from Investor Class to 16,867 shares of Institutional Class.

(d) Includes the exchange of 394,918 shares from Investor Class to 393,630 shares of Institutional Class.

(e) Prior to June 1, 2021, shares were subject to a redemption fee of 2% if redeemed after holding them for 90 days or less.

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

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Walthausen Small Cap Value Fund

Financial Highlights - Investor Class

Selected data for a share outstanding throughout the period:	2/1/2021 to 1/31/2022	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
Net Asset Value - Beginning of Period	\$ 20.49	\$ 18.80	\$ 18.71	\$ 23.87	\$ 22.12
Net Investment Income (Loss) ^(a)	(0.00) +	0.05	0.07	(0.02)	(0.07)
Net Gain (Loss) on Investments (Realized and Unrealized) ^(b)	5.12	1.83	0.43	(2.74)	2.99
Total from Investment Operations	5.12	1.88	0.50	(2.76)	2.92
Distributions (From Net Investment Income)	- +	(0.19)	(0.02)	-	-
Distributions (From Capital Gains)	(7.38)	-	(0.39)	(2.40)	(1.17)
Total Distributions	(7.38)	(0.19)	(0.41)	(2.40)	(1.17)
Proceeds from Redemption Fee (Note 2) ^(e)	- +	- +	- +	- +	- +
Net Asset Value - End of Period	\$ 18.23	\$ 20.49	\$ 18.80	\$ 18.71	\$ 23.87
Total Return ^(c)	23.66%	10.04%	2.55%	(10.27)%	13.22%
Ratios/Supplemental Data					
Net Assets - End of Period (Thousands)	\$ 64,007	\$ 71,784	\$177,627	\$422,206	\$621,122
Before Reimbursement					
Ratio of Expenses to Average Net Assets	1.38%	1.35%	1.30%	1.27%	1.26%
Ratio of Net Investment Income (Loss) to Average Net Assets	-0.17%	0.16%	0.27%	-0.09%	-0.32%
After Reimbursement ^(d)					
Ratio of Expenses to Average Net Assets	1.21%	1.21%	1.21%	1.27%	1.26%
Ratio of Net Investment Income (Loss) to Average Net Assets	-0.00% +	0.30%	0.36%	-0.09%	-0.32%
Portfolio Turnover Rate	71.40%	65.91%	56.71%	45.51%	45.20%

+ Amount calculated is less than +/- \$0.005/0.005%.

(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).

(e) Prior to June 1, 2021, shares were subject to a redemption fee of 2% if redeemed after holding them for 90 days or less.

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:	2/1/2021 to 1/31/2022	2/1/2020 to 1/31/2021	2/1/2019 to 1/31/2020	12/31/2018* to 1/31/2019
Net Asset Value - Beginning of Period	\$ 20.53	\$ 18.83	\$ 18.70	\$ 16.71
Net Investment Income (Loss) ^(a)	0.05	0.09	0.11	- +
Net Gain (Loss) on Investments (Realized and Unrealized) ^(b)	5.14	1.84	0.43	1.99
Total from Investment Operations	5.19	1.93	0.54	1.99
Distributions (From Net Investment Income)	(0.12)	(0.23)	(0.02)	-
Distributions (From Capital Gains)	(7.38)	-	(0.39)	-
Total Distributions	(7.50)	(0.23)	(0.41)	-
Proceeds from Redemption Fee (Note 2) ^(e)	- +	- +	- +	-
Net Asset Value - End of Period	\$ 18.22	\$ 20.53	\$ 18.83	\$ 18.70
Total Return ^(c)	23.92%	10.33%	2.80%	11.91% **
Ratios/Supplemental Data				
Net Assets - End of Period (Thousands)	\$ 36,005	\$ 96,863	\$132,207	\$ 7,741
Before Reimbursement				
Ratio of Expenses to Average Net Assets	1.38%	1.35%	1.30%	1.37% ***
Ratio of Net Investment Income (Loss) to Average Net Assets	-0.20%	0.15%	0.23%	-0.23% ***
After Reimbursement ^(d)				
Ratio of Expenses to Average Net Assets	0.98%	0.98%	0.98%	0.98% ***
Ratio of Net Investment Income (Loss) to Average Net Assets	0.20%	0.52%	0.55%	0.16% ***
Portfolio Turnover Rate	71.40%	65.91%	56.71%	45.51% **

* Commencement of Class.

** Not Annualized.

*** Annualized.

+ Amount calculated is less than \$0.005/0.005%.

(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).

(e) Prior to June 1, 2021, shares were subject to a redemption fee of 2% if redeemed after holding them for 90 days or less.

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

NOTES TO FINANCIAL STATEMENTS

WALTHAUSEN SMALL CAP VALUE FUND

January 31, 2022

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 January 31, 2022, 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 fiscal year ended January 31, 2022, 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. Shares purchased prior to June 1, 2021, 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, 2022, proceeds from redemption fees amounted to \$622 and \$8,825, respectively, for Investor Class and Institutional Class.

Notes to Financial Statements - 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. For the fiscal year ended January 31, 2022, the following adjustments were recorded and primarily related to the use of equalization for tax purposes.

Paid In Capital	\$15,700,879
Total Distributable Earnings	(\$15,700,879)

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

Notes to Financial Statements - continued

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.

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 and 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 of Trustees (the "Trustees" or 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, 2022:

Valuation Inputs of Assets	Level 1	Level 2	Level 3	Total
Common Stocks	\$ 94,605,180	\$0	\$0	\$ 94,605,180
Real Estate Investment Trusts	5,469,797	0	0	5,469,797
Money Market Funds	<u>1,592,407</u>	<u>0</u>	<u>0</u>	<u>1,592,407</u>
Total	\$101,667,384	\$0	\$0	\$101,667,384

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, 2022.

The Fund did not invest in any derivative instruments during the fiscal year ended January 31, 2022.

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

Notes to Financial Statements - continued

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. During the 2022 fiscal year, there was a change in control at the Advisor, and therefore an "assignment" under the 1940 Act of the Fund's previous investment advisory agreement which resulted in its automatic termination. A new investment advisory agreement with substantially the same terms as the previous agreement was approved by the Trust's Board of Trustees at a meeting held on August 27, 2021, and was approved by the Fund's shareholders on November 10, 2021.

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.

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, 2022. The Advisor may not terminate the fee waiver before May 31, 2022.

For the fiscal year ended January 31, 2022, the Advisor earned management fees totaling \$1,545,977, of which \$90,906 was due to the Advisor at January 31, 2022. For the same period, the Advisor earned service fees of \$585,921, of which \$11,071 was due to the Advisor at January 31, 2022. Service and management fees in the amounts of \$135,919 and \$303,619 were waived with no recapture provision for the fiscal year ended January 31, 2022, for the Investor and Institutional Classes, respectively.

Certain officers and a shareholder of the Advisor are also officers 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 \$5,000, for a total of \$15,000, in Trustees' fees plus travel and related expenses for the fiscal year ended January 31, 2022, for their services to the Fund. The Advisor pays these fees pursuant to the Services Agreement.

5.) PURCHASES AND SALES OF SECURITIES

For the fiscal year ended January 31, 2022, purchases and sales of investment securities other than U.S. Government obligations and short-term investments aggregated \$107,197,296 and \$210,237,313, 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 January 31, 2022, NFS, LLC and Charles Schwab & Co. Inc., both for the benefit of their clients, held, in aggregate, 57.94% and 31.03% of the shares of the Fund, respectively, and therefore each may be deemed to control the Fund.

7.) TAX MATTERS

For Federal income tax purposes, the cost of investments owned at January 31, 2022, was \$75,491,962. At January 31, 2022, 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>
\$28,287,219	(\$2,111,797)	\$26,175,422

Notes to Financial Statements - continued

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

	Fiscal Year Ended <u>January 31, 2022</u>	Fiscal Year Ended <u>January 31, 2021</u>
Ordinary Income	\$ 8,914,016	\$ 714,630
Long-Term Capital Gain	<u>12,189,037</u>	<u>—</u>
	\$ 21,103,053	\$ 714,630

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

	Fiscal Year Ended <u>January 31, 2022</u>	Fiscal Year Ended <u>January 31, 2021</u>
Ordinary Income	\$ 5,948,141	\$ 1,019,665
Long-Term Capital Gain	<u>7,837,814</u>	<u>—</u>
	\$ 13,785,955	\$ 1,019,665

As of January 31, 2022, the components of distributable earnings (accumulated losses) on a tax basis were as follows:

Undistributed Ordinary Income	\$ 3,275,265
Undistributed Long-Term Capital Gains	5,298,044
Unrealized Appreciation on Investments – Net	<u>26,175,422</u>
	\$34,748,731

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

8.) 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, 2022, the Fund had 33.88% and 25.09% of the value of its net assets invested in stocks within the Financials and Industrials sectors, respectively.

9.) 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 quarantines, 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.

10.) 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 Small Cap Value Fund (the "Fund"), a series of Walthausen Funds as of January 31, 2022, 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, 2022, 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, 2022, by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. 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, 2022

ADDITIONAL INFORMATION

January 31, 2022

(UNAUDITED)

1.) PROXY VOTING RESULTS

On November 10, 2021, a special meeting of the shareholders of the Fund was held at the offices of the Trust's counsel, Thompson Hine LLP, 41 South High Street, Suite 1700, Columbus, Ohio 43215 for the following purpose:

1. To approve a new management agreement between Walthausen Funds and Walthausen & Co., LLC, the current investment adviser to the Funds, for each Fund. (Shareholders of each Fund, voting separately, must approve this proposal with respect to that Fund.) No investment advisory fee increase is proposed.

Below are the voting results from the special meeting:

1. Approval of investment advisory agreement: For	2,601,943
Against	13,154
Abstain	41,414

2.) APPROVAL OF INVESTMENT ADVISORY AGREEMENT

On August 27, 2021, the Board of Trustees (the "Trustees" or the "Board") considered the approval of the new Management Agreement (the "Agreement") between the Trust and the Advisor, on behalf of the Walthausen Small Cap Value Fund ("Small Cap" or the "Fund"). Legal counsel reviewed the memorandum provided by them and explained that, in consideration of the approval of the Agreement, the Board should review all information as is reasonably necessary to evaluate the terms of the contract to 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 approval of the Agreement.

In reviewing the Agreement, the Board received materials including information from the Advisor addressing the following factors: (1) 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 nature, extent and quality of services provided by the Advisor, the Trustees noted that after the completion of the Transaction, the Advisor would continue to use a management committee that will make decisions on behalf of the Advisor. The Trustees acknowledged that the value driven investment philosophy utilized by the Advisor remained unchanged and would continue to serve as the investment philosophy that guided the Fund's investment strategy. The Trustees reviewed the background information of the Advisor's key investment personnel, taking into consideration their education and the team's diverse financial industry experience, which covers research and analysis, investment due diligence, and asset allocation. They noted that, other than the departure of Mr. Walthausen (the "Transaction") in August 2021, each Fund's portfolio managers remained unchanged. The Trustees acknowledged that the Transaction would not alter the Fund's practices for monitoring compliance with the Fund's investment limitations. They considered that the Advisor was not contemplating any changes in service level due to the Transaction. The Trustees acknowledged the Advisor's experienced staff, product expertise and the continuous research required to execute the strategies and that the Advisor would continue to have the same level of resources available. After further discussion, the Trustees concluded that the Advisor was expected to continue to provide the same level of quality service to the Fund for the benefit of shareholders.

Turning to the performance of the Small Cap, the Trustees noted the Fund's objective of long-term capital appreciation and acknowledged the Fund's strong overall performance for all comparison periods, including posting returns of 64% for the one year ended June 30, 2021. They acknowledged the Fund slightly underperformed its benchmark and peer group average over the one-year and five-year periods. They noted that the Advisor attributed the Fund's underperformance when compared to its benchmark to the benchmark's inclusion of companies that are desired by many investors despite their unprofitable financial results. The Trustees considered that the benchmark's inclusion of such companies attributed to the

Additional Information (Unaudited) - continued

benchmark's strong performance over the one-year period. They concluded that the Fund was accomplishing its objective and that the Advisor was implementing the value strategy as expected.

As to the level of expenses, the Trustees reviewed the management fee charged to the Fund, noting that the Advisor charged 1.00% for Small Cap. They compared the Fund's management fee and net expense ratio to the Fund's Morningstar category and peer group, noting that the Fund's management fee was higher than the comparable groups. They noted the Fund's management fee was generally in line with the fees charged by the Advisor for separate accounts with similar strategies where the Advisor serves as investment adviser. They considered the Advisor's fees with respect to sub-advised accounts. The Trustees further noted that the Fund's net expense ratio was lower or equal to the Fund's comparison group. The Trustees acknowledged the amount of resources and due diligence the Advisor provided to the Fund was significant. The Trustees concluded that the management fee for the Fund was not unreasonable.

As for potential economies of scale, the Trustees noted the Fund's fees and considered the size of the Fund. They also considered the Advisor's assertion that breakpoints would, therefore, be unreasonable in the near term. They noted, however, the Advisor's willingness to discuss the matter of economies as the Fund's size materially increased. After further discussion, it was the consensus of the Trustees that based on the existing management fee and the Fund's current asset level, material economies of scale had likely not yet been reached by the Advisor and the absence of breakpoints was reasonable. The Trustees agreed to monitor this issue and revisit this discussion as the Fund's size increased significantly.

Having requested and received such information from the Advisor as the Trustees believed to be reasonably necessary to evaluate the terms of the new Management Agreement, and as assisted by the advice of independent counsel, the Trustees concluded that approval of the new Management Agreement was in the best interests of the shareholders of the Fund.

3.) AVAILABILITY OF QUARTERLY SCHEDULE OF INVESTMENTS

The Fund publicly 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>.

4.) 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>.

Form N-PX provides information regarding how the Fund voted proxies with regards to portfolio securities held during the most recent 12-month period ended June 30th and is available without charge, upon request, by calling 1-888-925-8428. This information is also available on the SEC's website at <http://www.sec.gov>.

5.) LIQUIDITY RISK MANAGEMENT PROGRAM

During the fiscal year ended January 31, 2022, the Board reviewed the Fund's liquidity risk management program, adopted pursuant to Rule 22e-4 under the Investment Company Act. The program is overseen by the Advisor, who has delegated certain responsibilities for managing the program to a liquidity program administrator (the "LPA"). The LPA reported that it had assessed, managed and reviewed the program for the Fund taking into consideration several factors including the liquidity of each Fund's portfolio investments and the market, trading or investment specific considerations that may reasonably affect a security's classification as a liquid investment. The LPA certified that the program was adequate, effectively implemented and needed no changes at that time.

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
Gerard S. E. Heffernan Year of Birth: 1963	President	Since 2021	Managing Director of Walthausen & Co., LLC (2019 to Present). Funds Manager, Walthausen & Co., LLC (2018 to Present). Investment Consultant, Linde Hansen & Co. (2013 to 2018).	N/A	N/A
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.

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	Retired as of 3/1/14 from serving as Executive Vice President of The Ayco Company, L.P. ("Ayco"), a Goldman Sachs Company affiliate. Board Member and Chair of the Investment Committee of the Goldman Sachs Philanthropic Fund (11/2020 to Present) & The Ayco Charitable Foundation (4/2014 to Present).	2	None
Hany A. Shawky Year of Birth: 1947	Independent Trustee	Since 2009	Professor of Finance at the University at Albany, N.Y. (10/2007 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

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