

Quarterly Report  
December 31, 2013

**Provident Trust Strategy Fund**  
(PROVX)

**A NO-LOAD MUTUAL FUND**

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**Provident Trust Strategy Fund  
Letter to Shareholders**

January 2, 2014

Dear Fellow Provident Trust Strategy Fund Shareholders,

Provident Trust Strategy Fund (PROVX) gained +10.99% for the quarter ended December 31, 2013 vs. the S&P 500's 10.51% advance. For calendar year 2013, PROVX advanced +26.80% compared to the S&P 500's +32.39% gain. Our 2013 return was hindered by an average 19% liquidity position but aided by above-market equity only performance, with Google, Helmerich & Payne and TJX each gaining greater than 50%. Apache and Fastenal were our worst 2013 investment performers. Our growth at a reasonable valuation strategy allows us to be patient with negative interim investment returns as long as the business fundamentals remain intact. We contend the underlying business trends for Apache and Fastenal remain positive and note Cognizant, our worst 6 months to June performer, gained almost 60% in the second-half of 2013. Since September 9, 2002, when Provident Trust Company was named portfolio manager, PROVX gained 178.52% cumulatively vs. 157.66% for the S&P 500.

We manage PROVX to serve as the core, or sole, investment for investors seeking growth of inflation-adjusted purchasing power over successive investment cycles, which we define as a 5-7 year period including a greater than 20% stock market decline and a greater than 30% stock market advance. PROVX is actively allocated, with stocks representing 30-95% of fund assets during our tenure as portfolio manager. PROVX is also a concentrated portfolio with the top ten equity holdings representing 67.0% of total Fund assets.

Our 2014 outlook is positive. We are increasing our 2014 10-year Treasury yield forecast to 2-4%, reflecting the improved pace of economic growth. A 2-4% 10-year Treasury yield remains well below the projected 6.2% S&P 500 2014 earnings yield. We forecast an acceleration in GDP to 3%+ in 2014, continued modest inflation of 1-2%, \$115 in S&P 500 earnings, typical intra-year stock market volatility, and a target P/E ratio of 16-20X for a 1900-2300 year-end 2014 S&P 500 range (vs. 1848 12-31-13 level).

2013 was another successful year for investors able to ignore the incessant drumbeat of impending financial disaster ("taper", sequester, government shutdown, etc.). Consumer Net Worth surged over 20% to a record \$80T (over 4X the Federal debt). Investors remain cautious; despite improving 2013 equity mutual fund cash flow, over the past 70 months (ended 10/01/13) equity fund withdrawals were -\$250B vs. +\$1.2T cumulative bond mutual fund purchases (ISI). **We contend the "bond fever" has broken** and cash flow trends now favor equities; out of industry assets of \$14.6T, equity funds represent 51%, well below the 70%+ allocation at previous stock market peaks. Investors seeking yield and growth of income should consider stocks. The S&P 500 dividend payout ratio of 33% is well below the 45% average annual payout ratio since 1988; we forecast a \$42 2014 S&P 500 dividend for a 2.3% yield.

During the December quarter we initiated positions in eBay and Southwest Airlines and added to our Fastenal position.

On December 20, 2013, our Board of Directors declared a distribution of \$0.1549 per share from long-term capital gains, payable December 20, 2013 to shareholders of record on December 19, 2013.

Thank you for your investment in and support of the Provident Trust Strategy Fund.



J. Scott Harkness, CFA  
President

**The Fund's 1-year and annualized 5-year and 10-year returns through December 31, 2013 were: 26.80%, 14.23% and 8.66%, respectively.**

**The S&P 500, the Fund's benchmark index, 1-year and annualized 5-year and 10-year returns through December 31, 2013 were: 32.39%, 17.94% and 7.41%, respectively.**

*The returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance since the above time period may be higher or lower than the performance quoted. Performance data current to the most recent month end may be obtained by visiting [www.provtrust.com](http://www.provtrust.com).*

As of the Fund's Prospectus dated January 31, 2013, the Fund's annual operating expense ratio is 0.95%.

**Mutual fund investing involves risk. Principal loss is possible. The Fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the Fund is more exposed to individual stock volatility than a diversified fund. The Fund may invest in smaller and medium sized companies, which involve additional risk such as more limited liquidity and greater volatility.**

**Fund holdings are subject to change and are not recommendations to buy or sell any security.**

P/E ratio: The weighted average of the price/earnings ratios of the stocks in the index based on earnings per share.

Earnings per Share (EPS): The portion of a company's profit allocated to each outstanding share of common stock.

The S&P 500 Index consists of 500 selected common stocks, most of which are listed on the New York Stock Exchange. The Standard & Poor's Ratings Group designates the stocks to be included in the Index on a statistical basis. A particular stock's weighting in the Index is based on its relative total market value (i.e., its market price per share times the number of shares outstanding). Stocks may be added or deleted from the Index from time to time. It is not possible to invest directly into an index.

ISI: International Strategy & Investment

**Earnings growth is not a measure of the fund's future performance.**

**Opinions expressed are subject to change, are not guaranteed and should not be considered investment advice or recommendations to buy or sell any security.**

*You may obtain a hardcopy of the prospectus and the most recent performance data by calling (855) 739-9950 (also available at [www.provtrust.com/mutualfund](http://www.provtrust.com/mutualfund)). Please read the statutory and summary prospectus carefully to consider the investment objectives, risks, charges and expenses before investing or sending money. The prospectus contains this and more information. Please read the prospectus carefully before investing.*

**Provident Trust Strategy Fund**  
**Statement of Net Assets**  
**December 31, 2013 (Unaudited)**

| <u>Shares</u>   | <u>Value (b)</u>   |
|---|--------------------|
| <b>LONG-TERM INVESTMENTS – 91.4% (a)</b>                      |                    |
| <b>COMMON STOCKS – 87.9% (a)</b>                              |                    |
| <b>Airlines – 2.7%</b>  |                    |
| 271,600 Southwest Airlines Co.                                | \$ 5,116,944       |
| <b>Computer Services – 14.7%</b>                              |                    |
| 106,000 Accenture PLC   | 8,715,320          |
| 189,980 Cognizant Technology Solutions Corp.                  | 19,184,180         |
|   | <u>27,899,500</u>  |
| <b>Distribution/Wholesale – 3.2%</b>                          |                    |
| 130,000 Fastenal Co.  | 6,176,300          |
| <b>E-Commerce/Products – 4.6%</b>                             |                    |
| 160,000 eBay, Inc.  | 8,782,400          |
| <b>Engineering/Research &amp; Development Services – 5.8%</b> |                    |
| 175,000 Jacobs Engineering Group, Inc.                        | 11,023,250         |
| <b>Finance, Credit Card – 8.0%</b>                            |                    |
| 68,160 Visa Inc.  | 15,177,869         |
| <b>Investment Management/Advisory Services – 5.1%</b>         |                    |
| 169,980 Franklin Resources, Inc.                              | 9,812,945          |
| <b>Medical, Health Maintenance Organization – 2.6%</b>        |                    |
| 65,000 UnitedHealth Group Inc.                                | 4,894,500          |
| <b>Oil &amp; Gas Drilling – 6.8%</b>                          |                    |
| 154,000 Helmerich & Payne, Inc.                               | 12,948,320         |
| <b>Oil Companies, Exploration &amp; Production – 5.0%</b>     |                    |
| 110,000 Apache Corporation                                    | 9,453,400          |
| <b>Pharmacy Services – 6.8%</b>                               |                    |
| 185,000 Express Scripts Holding Company                       | 12,994,400         |
| <b>Retail – Pet Food &amp; Supplies – 3.2%</b>                |                    |
| 82,680 Petsmart, Inc.   | 6,014,970          |
| <b>Retail, Major Department Stores – 5.4%</b>                 |                    |
| 160,850 The TJX Companies, Inc.                               | 10,250,971         |
| <b>Super-Regional Banks – United States – 6.1%</b>            |                    |
| 150,000 PNC Financial Services Group, Inc.                    | 11,637,000         |
| <b>Web Portals/Internet Service Providers – 7.9%</b>          |                    |
| 13,400 Google Inc.  | 15,017,514         |
| Total common stocks   | <u>167,200,283</u> |

**Provident Trust Strategy Fund**  
**Statement of Net Assets (Continued)**  
**December 31, 2013 (Unaudited)**

| <u>Shares or<br/>Principal<br/>Amount</u>            | <u>Value (b)</u>  |
|--|---|
| <b>LONG-TERM INVESTMENTS – 91.4% (a) (Continued)</b> |   |
| <b>CORPORATE BONDS – 3.5%(a)</b>                     |   |
|  | <b>Investment Banking and Securities Dealing – 3.5%</b>   |
| \$ 6,664,000   | The Goldman Sachs Group, Inc.,<br>2.90%, due 07/19/18   |
|  | \$ 6,781,780  |
|  | Total corporate bonds   |
|  | <u>6,781,780</u>  |
|  | Total long-term investments   |
|  | <u>173,982,063</u>  |
| <br><b>SHORT-TERM INVESTMENTS – 8.8%(a)</b>          |   |
|  | <b>Money Market Fund – 8.8%</b>   |
| 16,655,949   | Invesco Treasury Portfolio<br>0.02%^  |
|  | <u>16,655,949</u>   |
|  | Total short-term investments  |
|  | <u>16,655,949</u>   |
|  | Total investments – 100.2%  |
|  | 190,638,012   |
|  | Other assets, less liabilities – (0.2%) (a)   |
|  | <u>(350,112)</u>  |
|  | <b>TOTAL NET ASSETS – 100.0%</b>  |
|  | <u><u>\$190,287,900</u></u>   |
|  | Net Asset Value Per Share (\$0.01 par value, 300,000,000 shares authorized),<br>offering and redemption price (\$190,287,900 ÷ 16,801,998 shares outstanding) |
|  | <u><u>\$ 11.33</u></u>  |

^ The rate quoted is the annualized 7 day yield as of June 30, 2013.

(a) Percentages for the various classifications relate to net assets.

(b) Each security, excluding short-term investments, is valued at the last sale price reported by the principal security exchange on which the issue is traded. Securities that are traded on Nasdaq Markets are valued at the Nasdaq Official Closing Price, or if no sale is reported, the latest bid price. Short-term investments with maturities of 60 days or less are valued at amortized cost which approximates value.

PLC – Public Limited Company

# **Provident Trust Strategy Fund**

N16 W23217 Stone Ridge Drive, Suite 310  
Waukesha, Wisconsin 53188

## ***BOARD OF DIRECTORS***

JOHN F. HENSLER  
DOUGLAS C. MALMQUIST  
ROBERT H. MANEGOLD  
THOMAS N. TUTTLE, JR.

## ***INVESTMENT ADVISER***

PROVIDENT TRUST COMPANY  
N16 W23217 Stone Ridge Drive, Suite 310  
Waukesha, Wisconsin 53188

## ***ADMINISTRATOR, ACCOUNTANT, TRANSFER AGENT AND DIVIDEND DISBURSING AGENT***

U.S. BANCORP FUND SERVICES, LLC  
615 East Michigan Street  
Milwaukee, Wisconsin 53202  
800-811-5311 or 414-765-4124

## ***CUSTODIAN***

U.S. BANK, N.A.  
1555 North RiverCenter Drive, Suite 302  
Milwaukee, Wisconsin 53212

## ***DISTRIBUTOR***

QUASAR DISTRIBUTORS, LLC  
615 East Michigan Street  
Milwaukee, Wisconsin 53202

## ***INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM***

COHEN FUND AUDIT SERVICES, LTD.  
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Cleveland, Ohio 44115

## ***LEGAL COUNSEL***

GODFREY & KAHN, S.C.  
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