

QUEENS ROAD FUNDS

SEMI-ANNUAL REPORT

Queens Road Value Fund **Queens Road Small Cap Value Fund**

*Each a series of
Bragg Capital Trust*

November 30, 2019
(Unaudited)

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Funds' shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Funds' website, www.queensroadfunds.com, 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 Funds' electronically by contacting your financial intermediary (such as broker-dealer or bank) or, if you are a direct investor, by following the instructions included with paper Funds documents that have been mailed to you. You may also elect to receive all future reports in paper free of charge.

QUEENS ROAD FUNDS

Table of Contents

Performance Illustration	2
Graphical Illustration	3
Schedules of Investments	
Queens Road Value Fund	4
Queens Road Small Cap Value Fund	6
Statements of Assets and Liabilities	8
Statements of Operations	9
Statements of Changes in Net Assets	10
Financial Highlights	11
Notes to Financial Statements	13
Expense Illustration	18
Additional Information	19

QUEENS ROAD FUNDS

PERFORMANCE ILLUSTRATION

November 30, 2019 (Unaudited)

Queens Road Value Fund

**Average Annual Total Return
For the Periods Ended November 30, 2019**

	<u>Queens Road Value Fund</u>	<u>S&P 500/Citigroup Value Index</u>
Six Month	10.81%	18.47%
1 Year	10.66%	15.83%
5 Year	8.78%	8.97%
10 Year	10.81%	12.01%

The performance data quoted is historical. Past performance is no guarantee of future results. Current performance may be higher or lower than the performance data quoted. The principal value and investment return of an investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost. The returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or on the redemptions of Fund shares. Returns greater than 1 year are annualized. The Fund's total annual operating expenses are 0.95% per its current Prospectus, dated October 1, 2019. This material must be preceded or accompanied by a Prospectus. Please read it carefully before investing. For performance information current to the most recent month-end, please call the Fund at 1-800-595-3088.

The S&P 500/Citigroup Value Index along with its counterpart the S&P 500/Citigroup Growth Index were introduced in December 2005. These Indices are created by dividing the S&P 500 Index based upon seven different factors, four to determine value characteristics and three to determine growth characteristics. The companies are allocated to each index according to their growth or value characteristics, with about one-third allocated to both the growth and value index. It is not possible to invest directly in the S&P 500/Citigroup Value Index. The S&P 500/Citigroup Growth Index and S&P 500/Citigroup Value Index are the exclusive property of Standard & Poors.

Queens Road Small Cap Value Fund

**Average Annual Total Return
For the Periods Ended November 30, 2019**

	<u>Queens Road Small Cap Value Fund</u>	<u>Russell 2000 Value Index</u>
Six Month	14.95%	10.86%
1 Year	9.46%	3.96%
5 Year	6.76%	6.83%
10 Year	9.15%	10.99%

The performance data quoted is historical. Past performance is no guarantee of future results. Current performance may be higher or lower than the performance data quoted. The principal value and investment return of an investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost. The returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or on the redemptions of Fund shares. Returns greater than 1 year are annualized. The Fund's total annual operating expenses are 1.18% per its current Prospectus, dated October 1, 2019. This material must be preceded or accompanied by a Prospectus. Please read it carefully before investing. For performance information current to the most recent month-end, please call the Fund at 1-800-595-3088.

The Russell 2000 Value Index is a subset of the Russell 2000 Index, which tracks the stocks of small domestic companies, based on total market capitalization. The Russell 2000 Value Index represents those stocks of the Russell 2000 with lower price-to-book ratios and lower relative forecasted growth rates. You cannot invest directly in these indices.

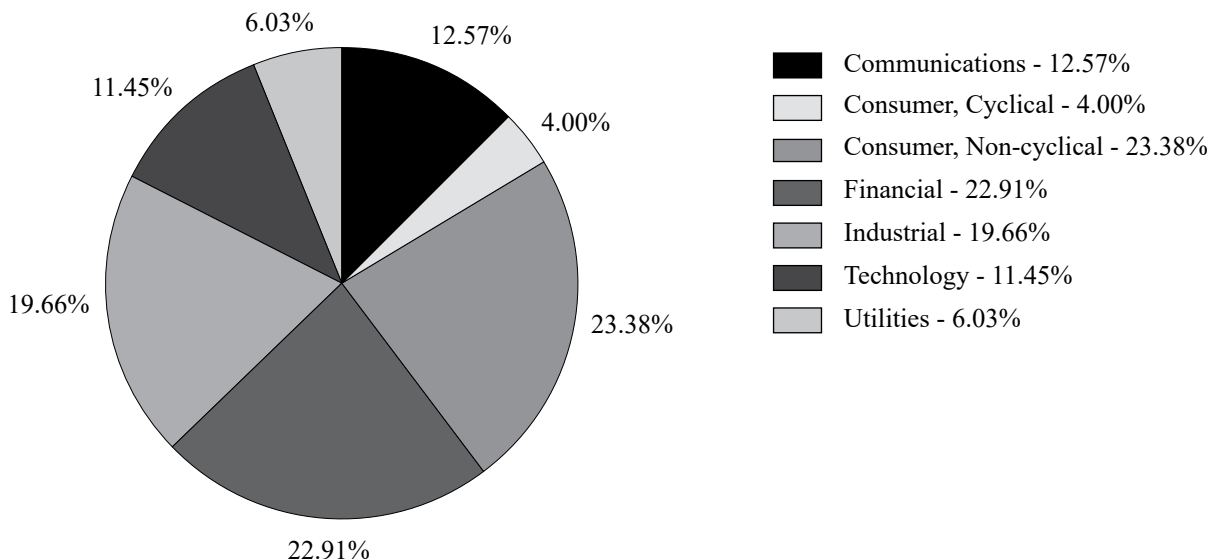
QUEENS ROAD FUNDS

GRAPHICAL ILLUSTRATION

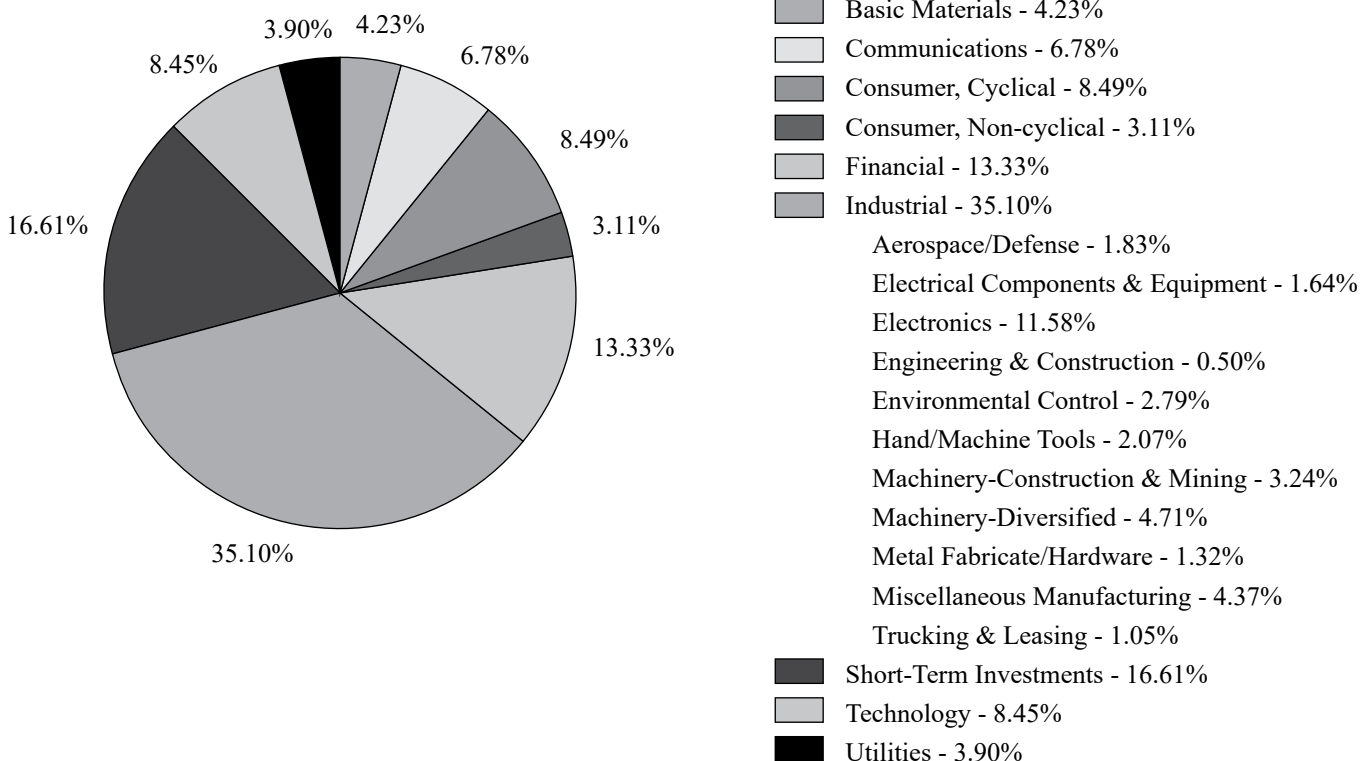
November 30, 2019 (Unaudited)

The following charts provide a visual breakdown of the Funds by the industry sectors that the underlying securities represent, as a percentage of the total investments held by each Fund, as of November 30, 2019. Please see the Schedules of Investments on the following pages for a detailed list of each Fund's holdings.

Queens Road Value Fund⁽¹⁾



Queens Road Small Cap Value Fund⁽¹⁾



(1) Sector weightings represent the percentage of a Fund's investments in certain general sectors. These sectors may include more than one industry. A Fund's portfolio composition is subject to change at any time.

QUEENS ROAD VALUE FUND

SCHEDULE OF INVESTMENTS

As of November 30, 2019 (Unaudited)

NUMBER OF SHARES	VALUE	NUMBER OF SHARES	VALUE
COMMON STOCKS — 98.6%		HEALTHCARE-PRODUCTS — 3.1%	
AEROSPACE/DEFENSE — 5.9%		6,300	Danaher Corp. \$ 919,674
8,000	General Dynamics Corp. \$ 1,453,920	3,022	Medtronic PLC 336,621
6,600	United Technologies Corp. 979,044		1,256,295
	2,432,964	HEALTHCARE-SERVICES — 5.1%	
APPAREL — 1.9%		7,300	Anthem, Inc. 2,107,218
1,214	Kontoor Brands, Inc. 43,522	HOUSEHOLD PRODUCTS/WARES — 3.4%	
8,500	VF Corp. 752,590	7,586	Clorox Co. 1,124,472
	796,112	1,717	Kimberly-Clark Corp. 234,096
BANKS — 6.6%		721	Spectrum Brands Holdings, Inc. 45,077
14,500	Bank of New York Mellon Corp. 710,065		1,403,645
9,000	JPMorgan Chase & Co. 1,185,840	INSURANCE — 4.7%	
11,000	State Street Corp. 826,100	3	Berkshire Hathaway, Inc., Class A ¹ 991,485
	2,722,005	10,000	Prudential Financial, Inc. 936,200
COMPUTERS — 1.8%			1,927,685
46,378	Hewlett Packard Enterprise Co. 734,164	INTERNET — 0.7%	
COSMETICS/PERSONAL CARE — 3.5%		12,000	NortonLifeLock, Inc. 298,800
3,800	Procter & Gamble Co. 463,828	MEDIA — 4.6%	
16,400	Unilever PLC ADR 975,636	10,166	Fox Corp., Class A 363,536
	1,439,464	10,151	Walt Disney Co. 1,538,689
DIVERSIFIED FINANCIAL SERVICES — 11.3%			1,902,225
18,000	American Express Co. 2,162,160	MISCELLANEOUS MANUFACTURING — 9.6%	
9,000	Ameriprise Financial, Inc. 1,474,830	3,600	3M Co. 611,172
7,900	T. Rowe Price Group, Inc. 976,124	18,000	Eaton Corp. PLC 1,665,000
	4,613,114	30,000	General Electric Co. 338,100
ELECTRIC — 6.0%		10,200	Ingersoll-Rand PLC 1,337,322
13,000	American Electric Power Co., Inc. 1,187,550		3,951,594
8,284	Duke Energy Corp. 730,400	PHARMACEUTICALS — 6.6%	
8,400	Southern Co. 520,716	5,000	Bristol-Myers Squibb Co. 284,700
	2,438,666	13,820	Merck & Co., Inc. 1,204,828
ELECTRONICS — 1.6%		31,000	Pfizer, Inc. 1,194,120
3,400	Allegion PLC 408,102		2,683,648
3,150	Fortive Corp. 227,335	RETAIL — 2.0%	
	635,437	4,225	McDonald's Corp. 821,678
ENVIRONMENTAL CONTROL — 1.0%		SEMICONDUCTORS — 3.7%	
9,076	Pentair PLC 402,521	26,000	Intel Corp. 1,509,300
FOOD — 1.4%		SOFTWARE — 5.8%	
3,000	Kraft Heinz Co. 91,500	6,500	Microsoft Corp. 983,970
9,000	Mondelez International, Inc., Class A 472,860	25,000	Oracle Corp. 1,403,500
	564,360		2,387,470

See accompanying Notes to Financial Statements.

QUEENS ROAD VALUE FUND

SCHEDULE OF INVESTMENTS (Continued)

As of November 30, 2019 (Unaudited)

<u>NUMBER OF SHARES</u>		<u>VALUE</u>
TELECOMMUNICATIONS — 7.0%		
37,500	Cisco Systems, Inc.	\$ 1,699,125
20,000	Corning, Inc.	580,800
10,000	Verizon Communications, Inc.	602,400
		<u>2,882,325</u>
TRANSPORTATION — 1.3%		
3,000	Union Pacific Corp.	527,970
TOTAL COMMON STOCKS		
	(Cost \$17,896,309)	<u>40,438,660</u>
TOTAL INVESTMENTS — 98.6%		
	(Cost \$17,896,309)	<u>40,438,660</u>
	Other Assets in Excess of Liabilities — 1.4%	<u>556,423</u>
	TOTAL NET ASSETS — 100.0%	<u>\$ 40,995,083</u>

ADR – American Depositary Receipt

PLC – Public Limited Company

¹ Non-income Producing.

See accompanying Notes to Financial Statements.

QUEENS ROAD SMALL CAP VALUE FUND

SCHEDULE OF INVESTMENTS

As of November 30, 2019 (Unaudited)

NUMBER OF SHARES	VALUE	NUMBER OF SHARES	VALUE
COMMON STOCKS — 83.3%		INSURANCE — 10.9%	
AEROSPACE/DEFENSE — 1.8%		45,266	American Equity Investment Life Holding Co. \$ 1,345,305
9,484	Astronics Corp. ¹ \$ 276,459	29,195	American National Insurance Co. 3,445,010
7,009	Astronics Corp., Class B ¹ 202,560	68,932	CNO Financial Group, Inc. 1,249,048
39,931	Ducommun, Inc. ¹ 1,951,827	26,226	Crawford & Co., Class B 265,145
	2,430,846	71,182	Horace Mann Educators Corp. 3,090,011
AGRICULTURE — 1.0%		56,217	RLI Corp. 5,136,547
57,879	Darling Ingredients, Inc. ¹ 1,377,520		14,531,066
APPAREL — 5.5%		MACHINERY-CONSTRUCTION & MINING — 3.2%	
32,912	Deckers Outdoor Corp. ¹ 5,535,140	47,942	Oshkosh Corp. 4,336,833
63,839	Delta Apparel, Inc. ¹ 1,786,215		
	7,321,355	MACHINERY-DIVERSIFIED — 4.7%	
DISTRIBUTION/WHOLESALE — 0.6%		51,381	CSW Industrials, Inc. 3,793,459
9,574	Anixter International, Inc. ¹ 821,832	51,678	Graco, Inc. 2,496,564
DIVERSIFIED FINANCIAL SERVICES — 0.9%			6,290,023
23,950	Deluxe Corp. 1,223,366	MEDIA — 5.0%	
ELECTRICAL COMPONENTS & EQUIPMENT — 1.6%		112,461	Meredith Corp. 3,940,633
17,600	Graham Corp. 373,824	74,712	Scholastic Corp. 2,774,057
10,000	Littelfuse, Inc. 1,814,100		6,714,690
	2,187,924	METAL FABRICATE/HARDWARE — 1.3%	
ELECTRONICS — 11.6%		93,220	LB Foster Co. ¹ 1,765,587
47,610	SYNNEX Corp. 5,846,984	MINING — 0.6%	
39,252	Tech Data Corp. ¹ 5,687,222	105,000	Livent Corp. ¹ 819,000
197,337	Vishay Intertechnology, Inc. 3,925,033	MISCELLANEOUS MANUFACTURING — 4.4%	
	15,459,239	3,900	Chase Corp. 458,835
ENGINEERING & CONSTRUCTION — 0.5%		89,029	Fabrinet ¹ 5,385,364
16,414	VSE Corp. 669,527		5,844,199
ENVIRONMENTAL CONTROL — 2.8%		PHARMACEUTICALS — 2.1%	
59,286	Stericycle, Inc. ¹ 3,724,347	60,000	Owens & Minor, Inc. 397,200
FOREST PRODUCTS & PAPER — 3.6%		61,967	Prestige Consumer Healthcare, Inc. ¹ 2,340,494
110,148	Schweitzer-Mauduit International, Inc. 4,831,091		2,737,694
GAS — 3.9%		SAVINGS & LOANS — 1.5%	
56,193	New Jersey Resources Corp. 2,390,450	69,730	Axos Financial, Inc. ¹ 2,053,549
90,241	South Jersey Industries, Inc. 2,819,129	SEMICONDUCTORS — 4.8%	
	5,209,579	113,026	Synaptics, Inc. ¹ 6,460,566
HAND/MACHINE TOOLS — 2.1%		SOFTWARE — 3.6%	
82,156	Colfax Corp. ¹ 2,768,657	84,414	CSG Systems International, Inc. 4,827,637
HOUSEHOLD PRODUCTS/WARES — 0.0%		TELECOMMUNICATIONS — 1.8%	
8,688	CSS Industries, Inc. 38,401	41,142	InterDigital, Inc. 2,336,866

See accompanying Notes to Financial Statements.

QUEENS ROAD SMALL CAP VALUE FUND

SCHEDULE OF INVESTMENTS (Continued)

As of November 30, 2019 (Unaudited)

<u>NUMBER OF SHARES</u>		<u>VALUE</u>
	TEXTILES — 2.4%	
15,529	UniFirst Corp.	\$ 3,202,856
	TRUCKING & LEASING — 1.1%	
49,877	Greenbrier Cos., Inc.	1,403,539
	TOTAL COMMON STOCKS	
	(Cost \$68,782,142)	<u>111,387,789</u>
<u>PRINCIPAL AMOUNT</u>		
	SHORT-TERM INVESTMENTS — 16.6%	
	DEMAND DEPOSIT — 16.6%	
\$22,179,036	U.S. Bank Money Market Deposit Account, 0.30% ²	<u>22,179,036</u>
	TOTAL SHORT-TERM INVESTMENTS	
	(Cost \$22,179,036)	<u>22,179,036</u>
	TOTAL INVESTMENTS — 99.9%	
	(Cost \$90,961,178)	133,566,825
	Other Assets in Excess of Liabilities — 0.1%	<u>116,461</u>
	TOTAL NET ASSETS — 100.0%	<u>\$133,683,286</u>

¹ Non-income Producing.

² The Money Market Deposit Account (the “MMDA”) is a short-term investment vehicle in which the Fund holds cash balances. The MMDA will bear interest at a variable rate that is determined based on market conditions and may change daily and by any amount. The rate shown is as of November 30, 2019.

QUEENS ROAD FUNDS

STATEMENTS OF ASSETS AND LIABILITIES

As of November 30, 2019 (Unaudited)

	<u>Value Fund</u>	<u>Small Cap Value Fund</u>
Assets:		
Investments, at Value (cost \$17,896,309, \$90,961,178)	\$ 40,438,660	\$ 133,566,825
Cash	500,761	—
Receivables:		
Shareholder Subscriptions	—	3,132
Dividends and Interest	87,689	242,602
Total Assets	<u>41,027,110</u>	<u>133,812,559</u>
Liabilities:		
Payables:		
Shareholder Redemptions	—	334
Accrued Advisory Fees (Note 3)	32,027	128,939
Total Liabilities	<u>32,027</u>	<u>129,273</u>
Net Assets	<u>\$ 40,995,083</u>	<u>\$ 133,683,286</u>
Components of Net Assets:		
Paid-in Capital (par value \$0.001 per share with an unlimited number of shares authorized)	\$ 17,058,256	\$ 89,157,007
Total Distributable Earnings	23,936,827	44,526,279
Net Assets	<u>\$ 40,995,083</u>	<u>\$ 133,683,286</u>
Shares of Beneficial Interest Issued and Outstanding	1,632,252	4,925,254
Net Asset Value, Offering and Redemption Price Per Share	<u>\$ 25.12</u>	<u>\$ 27.14</u>

See accompanying Notes to Financial Statements.

QUEENS ROAD FUNDS

STATEMENTS OF OPERATIONS

For the six months ended November 30, 2019 (Unaudited)

	<u>Value Fund</u>	<u>Small Cap Value Fund</u>
Investment Income:		
Dividends	\$ 527,318 ¹	\$ 777,654
Interest	<u>371</u>	<u>33,314</u>
Total Investment Income	<u>527,689</u>	<u>810,968</u>
Expenses:		
Advisory Fees (Note 3)	<u>193,094</u>	<u>732,841</u>
Total Expenses	<u>193,094</u>	<u>732,841</u>
Net Investment Income	<u>334,595</u>	<u>78,127</u>
Realized and Unrealized Gain on Investments:		
Net Realized Gain (Loss) on Investments	49,919	(2,897,656)
Net Change in Unrealized Appreciation on Investments	<u>3,770,726</u>	<u>20,396,404</u>
Net Realized and Unrealized Gain on Investments	<u>3,820,645</u>	<u>17,498,748</u>
Net Increase in Net Assets from Operations	<u>\$ 4,155,240</u>	<u>\$ 17,576,875</u>

¹ Includes paid-in-kind dividend of \$35,316.

See accompanying Notes to Financial Statements.

QUEENS ROAD FUNDS

STATEMENTS OF CHANGES IN NET ASSETS

	Value Fund		Small Cap Value Fund	
	For the six months ended November 30, 2019 (Unaudited)	For the year ended May 31, 2019	For the six months ended November 30, 2019 (Unaudited)	For the year ended May 31, 2019
Increase (Decrease) in Net Assets From:				
Operations:				
Net Investment Income	\$ 334,595	\$ 646,406	\$ 78,127	\$ 254,140
Net Realized Gain (Loss) on Investments	49,919	1,272,565	(2,897,656)	11,185,675
Net Change in Unrealized Appreciation/ (Depreciation) on Investments	3,770,726	547,493	20,396,404	(17,482,132)
Net Increase (Decrease) in Net Assets from Operations	4,155,240	2,466,464	17,576,875	(6,042,317)
Distributions to Shareholders:				
Distributions	—	(2,548,616)	—	(11,660,415)
Net Change in Net Assets from Distributions	—	(2,548,616)	—	(11,660,415)
Capital Transactions:				
Proceeds from Sale of Shares	349,385	1,406,759	6,874,418	18,362,211
Net Asset Value of Shares Issued on Reinvestment of Dividends	—	518,840	—	7,371,415
Cost of Shares Redeemed	(2,932,738)	(5,199,937)	(9,222,208)	(23,206,927)
Net Increase (Decrease) in Net Assets from Capital Transactions	(2,583,353)	(3,274,338)	(2,347,790)	2,526,699
Total Increase (Decrease) in Net Assets	1,571,887	(3,356,490)	15,229,085	(15,176,033)
Net Assets:				
Beginning of Period	39,423,196	42,779,686	118,454,201	133,630,234
End of Period	\$ 40,995,083	\$ 39,423,196	\$ 133,683,286	\$ 118,454,201
Capital Share Transactions:				
Shares Sold	14,413	60,117	275,750	711,549
Shares Issued on Reinvestment of Dividends	—	25,384	—	320,915
Shares Redeemed	(121,169)	(223,895)	(368,409)	(905,533)
Net Increase (Decrease) in Shares	(106,756)	(138,394)	(92,659)	126,931

See accompanying Notes to Financial Statements.

QUEENS ROAD VALUE FUND

FINANCIAL HIGHLIGHTS

Per share operating performance

For a capital share outstanding throughout each period

	Six Months Ended November 30, 2019 (Unaudited)	Year Ended May 31, 2019	Year Ended May 31, 2018	Year Ended May 31, 2017	Year Ended May 31, 2016	Year Ended May 31, 2015
Net Asset Value, Beginning of Period	\$ 22.67	\$ 22.79	\$ 21.69	\$ 19.83	\$ 20.10	\$ 19.65
Income from Investment Operations:						
Net Investment Income ¹	0.20	0.35	0.33	0.30	0.31	0.23
Net Realized and Unrealized Gain on Investments ..	2.25	0.94	1.70	2.66	0.00 ²	1.17
Total from Investment Operations	2.45	1.29	2.03	2.96	0.31	1.40
Less Distributions:						
Net Investment Income	—	(0.34)	(0.29)	(0.33)	(0.22)	(0.22)
Net Realized Gains	—	(1.07)	(0.64)	(0.77)	(0.36)	(0.73)
Total Distributions	—	(1.41)	(0.93)	(1.10)	(0.58)	(0.95)
Net Asset Value, End of Period	\$ 25.12	\$ 22.67	\$ 22.79	\$ 21.69	\$ 19.83	\$ 20.10
Total Return	10.81% ³	6.36%	9.25%	15.31%	1.74%	7.15%
Ratios and Supplemental Data:						
Net Assets, End of Period (in thousands)	\$ 40,995	\$ 39,423	\$ 42,780	\$ 42,820	\$ 39,249	\$ 38,185
Ratio of Expenses to Average Net Assets	0.95% ⁴	0.95%	0.95%	0.95%	0.95%	0.95%
Ratio of Net Investment Income to Average Net Assets	1.65% ⁴	1.52%	1.43%	1.44%	1.61%	1.14%
Portfolio Turnover Rate	0% ^{3,5}	1%	—%	8%	14%	4%

¹ Computed using average shares method.

² Amount is less than \$0.005 per share.

³ Not annualized.

⁴ Annualized.

⁵ Amount is less than 0.5%.

See accompanying Notes to Financial Statements.

QUEENS ROAD SMALL CAP VALUE FUND

FINANCIAL HIGHLIGHTS

Per share operating performance

For a capital share outstanding throughout each period

	Six Months Ended November 30, 2019 (Unaudited)	Year Ended May 31, 2019	Year Ended May 31, 2018	Year Ended May 31, 2017	Year Ended May 31, 2016	Year Ended May 31, 2015
Net Asset Value, Beginning of Period	\$ 23.61	\$ 27.32	\$ 25.93	\$ 25.26	\$ 24.52	\$ 23.27
Income from Investment Operations:						
Net Investment Income (Loss) ¹	0.02	0.05	0.02	(0.00) ²	(0.02)	0.01
Net Realized and Unrealized Gain (Loss) on Investments	3.51	(1.28)	1.94	2.01	0.84	1.90
Total from Investment Operations	3.53	(1.23)	1.96	2.01	0.82	1.91
Less Distributions:						
Net Investment Income	—	(0.03)	—	—	—	—
Net Realized Gains	—	(2.45)	(0.57)	(1.34)	(0.08)	(0.66)
Total Distributions	—	(2.48)	(0.57)	(1.34)	(0.08)	(0.66)
Net Asset Value, End of Period	\$ 27.14	\$ 23.61	\$ 27.32	\$ 25.93	\$ 25.26	\$ 24.52
Total Return	14.95% ³	(4.26)%	7.55%	7.87%	3.37%	8.33%
Ratios and Supplemental Data:						
Net Assets, End of Period (in thousands)	\$ 133,683	\$ 118,454	\$ 133,630	\$ 140,683	\$ 143,376	\$ 79,266
Ratio of Expenses to Average Net Assets	1.18% ⁴	1.18%	1.22%	1.24%	1.24%	1.24%
Ratio of Net Investment Income to Average Net Assets	0.13% ⁴	0.20%	0.08%	(0.02)%	(0.07)%	0.02%
Portfolio Turnover Rate	5% ³	27%	6%	27%	23%	2%

¹ Computed using average shares method.

² Amount is less than \$0.005 per share.

³ Not annualized.

⁴ Annualized.

See accompanying Notes to Financial Statements.

QUEENS ROAD FUNDS

NOTES TO FINANCIAL STATEMENTS

November 30, 2019 (Unaudited)

Note 1. Organization

The Queens Road Value Fund and the Queens Road Small Cap Value Fund (individually referred to as the “Value Fund” and “Small Cap Value Fund”, respectively, or collectively as the “Funds”), are diversified managed portfolios of Bragg Capital Trust (the “Trust”), which is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management company. Each Fund’s investment objective is to seek long-term capital growth. The Funds invest primarily in common stocks which are believed by Bragg Financial Advisors (the “Advisor”) to be undervalued and have good prospects for capital appreciation. Under normal circumstances, the Small Cap Value Fund invests at least 80% of its assets in equity securities of companies with small market capitalization. The Small Cap Value Fund defines a small capitalization (small cap) company as one whose market capitalization, at the time of purchase, is \$5 billion or less. The Funds’ registration statement was declared effective on June 13, 2002, and operations began on that date.

Note 2. Significant Accounting Policies

The following is a summary of accounting policies followed by the Funds in the preparation of their financial statements. The Funds are investment companies, as such, these financial statements have applied the guidance set forth in the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 946 “Financial Services – Investment Companies.”

Federal Income Taxes: Each Fund intends to continue to comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its net investment income and any net realized gains to its shareholders. Therefore, no provision is made for federal income or excise taxes.

Accounting for Uncertainty in Income Taxes (the “Income Tax Statement”) requires an evaluation of tax positions taken (or expected to be taken) in the course of preparing a Fund’s tax returns to determine whether these positions meet a “more-likely-than-not” standard that, based on the technical merits, have a more than fifty percent likelihood of being sustained by a taxing authority upon examination. A tax position that meets the “more-likely-than-not” recognition threshold is measured to determine the amount of benefit to recognize in the financial statements. The Funds recognize interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statements of Operations.

The Income Tax Statement requires management of the Funds to analyze all open tax years 2015 – 2018, as defined by IRS statute of limitations for all major jurisdictions, including federal tax authorities and certain state tax authorities. As of and during the year ended May 31, 2019, the Funds did not have a liability for any unrecognized tax benefits. The Funds have no examination in progress and are not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

Distributions to Shareholders: Distributions to shareholders, which are determined in accordance with income tax regulations, are recorded on the ex-dividend date. The character of distributions made during the year from net investment income or net realized gain may differ from the characterization for federal income tax purposes due to differences in the recognition of income, expense and gain/(loss) items for financial statement and tax purposes. Where appropriate, reclassifications between net asset accounts are made for such differences that are permanent in nature.

Use of Estimates: The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (“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 Funds follow industry practice and record security transactions on the trade date. The specific identification method is used for determining gains or losses for financial statement and income tax purposes. Dividend income is recorded on the ex-dividend date, except that certain dividends from foreign securities are recorded as soon as information is available to the Funds. Withholding taxes on foreign dividends have been provided for in accordance with the Funds’ understanding of the applicable country’s tax rules and regulations. Interest income is recorded on an accrual basis. Discounts and premiums on securities purchased are accreted and amortized over the life of the respective securities using the effective interest method.

QUEENS ROAD FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2019 (Unaudited)

Security Valuation: Securities, including common stocks and closed-end funds, which are traded on a national securities exchange are valued at the last quoted sales price, and are generally classified as a Level 1 investment. Investments in mutual funds, including money market funds, are valued at the ending net asset value provided by the Funds, and are generally classified as a Level 1 investment. If there are no sales reported, the Fund's portfolio securities will be valued using the last reported bid price. The Money Market Demand Account is priced at cost and is generally classified as a Level 1 investment. Debt securities are priced by an independent pricing service. The pricing service may use one or more pricing models. Securities for which market quotations are not readily available are valued at fair value as determined in good faith by and under the direction of the Trust's Board of Trustees, and are generally classified as a Level 3 investment.

In accordance with GAAP, fair value is defined as the price that the Funds would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP also establishes a framework for measuring fair value, and a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. The three-tier hierarchy of inputs is summarized below.

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the company has the ability to access. An active market for the security is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Common stocks, closed-end funds, demand deposits and mutual funds are generally categorized as Level 1.
- 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. Fixed income securities, repurchase agreements, and securities valued by an independent fair value pricing service are generally categorized as Level 2.
- Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the company's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

As of November 30, 2019, the Funds did not hold any Level 3 securities. There were no transfers into or out of Level 3 during the current period.

The following is a summary of the inputs used to value the Funds' securities by level within the fair value hierarchy as of November 30, 2019.

Value Fund

	Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Total
Common Stocks*	\$ 40,438,660	\$ —	\$ —	\$ 40,438,660
Total	<u>\$ 40,438,660</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 40,438,660</u>

QUEENS ROAD FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2019 (Unaudited)

Small Cap Value Fund

	Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Total
Common Stocks*	\$ 111,387,789	\$ —	\$ —	\$ 111,387,789
Short-Term Investments	22,179,036	—	—	22,179,036
Total	<u>\$ 133,566,825</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 133,566,825</u>

* All sub-categories within common stocks represent Level 1 investments. See Schedules of Investments for industry categories.

Note 3. Investment Advisory Fee and Other Transactions with Affiliates

The Funds retain Bragg Financial Advisors, Inc. as their investment advisor. Under the terms of the management agreement, the Advisor provides investment management and administrative services for the Funds. For its services as Advisor, the Value Fund and Small Cap Value Fund pay a fee, computed daily and payable monthly at the annual rate of 0.95% and 1.18% of each Fund's first \$250,000,000 of average daily net assets, 0.85% and 1.18% of each Fund's next \$250,000,000 of average daily net assets, and 0.80% and 1.15% of each Fund's average daily net assets over \$500,000,000, respectively. For the period ended November 30, 2019, the Advisor earned \$193,094 and \$732,841 from the Value Fund and Small Cap Value Fund, respectively. From these fees and its own resources, the Advisor is contractually obligated to pay other operating expenses of the Funds including transfer agent fees, fund accountant fees, administrator fees, registration fees, custodial fees, and other ordinary expenses of the Funds. However, the agreement does not require the Advisor to pay interest, taxes, brokerage commissions, and extraordinary expenses of the Funds. The amounts due to the Advisor at November 30, 2019, from the Value Fund and Small Cap Value Fund, were \$32,027 and \$128,939, respectively.

Certain employees and officers of the Advisor are also "interested persons" (as defined in the 1940 Act) of the Trust. Each "noninterested" Trustee is entitled to receive a fee of \$500 per Fund, for attendance at each Board of Trustees meeting and performing services relating to the Trust, which is paid by the Advisor.

Queens Road Securities, LLC ("QRS") acts as the principal underwriter in the continuous public offering of the Funds' shares. Certain officers of the Trust are also officers of QRS. QRS did not execute any purchases or sales of the Funds' portfolio investments, nor collect any brokerage fees during the period ended November 30, 2019.

Note 4. Investment Transactions

For the period ended November 30, 2019, the cost of purchases and the proceeds from sales of portfolio securities, other than short-term investments, amounted to \$35,316 and \$2,231,383, respectively, for the Value Fund, and \$5,588,746 and \$8,500,160, respectively, for the Small Cap Value Fund.

Note 5. Federal Income Taxes

At May 31, 2019, gross unrealized appreciation and depreciation of investments based on cost for federal income tax purposes were as follows:

	Value Fund	Small Cap Value Fund
Cost of investments	<u>\$ 20,440,368</u>	<u>\$ 96,245,454</u>
Gross unrealized appreciation	\$ 19,404,155	\$ 30,126,321
Gross unrealized depreciation	(475,431)	(7,931,282)
Net unrealized appreciation on investments	<u>\$ 18,928,724</u>	<u>\$ 22,195,039</u>

QUEENS ROAD FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2019 (Unaudited)

The difference between cost amounts for financial statement and federal income tax purposes is due primarily to wash sale loss deferrals and timing differences in recognizing certain gains and losses in security transactions.

GAAP requires that certain components of net assets be reclassified between financial and tax reporting. These reclassifications have no effect on net assets or net asset value per share. For the year ended May 31, 2019, there were no reclassifications.

As of May 31, 2019, the components of distributable earnings on a tax basis were as follows:

	Value Fund	Small Cap Value Fund
Undistributed ordinary income	\$ 268,104	\$ 60,119
Undistributed long-term capital gains	584,759	4,694,246
Accumulated capital and other losses	—	—
Net unrealized appreciation	18,928,724	22,195,039
Total distributable earnings	<u>\$ 19,781,587</u>	<u>\$ 26,949,404</u>

The tax character of distributions paid during the fiscal years ended, May 31, 2019 and May 31, 2018, were as follows:

	Value Fund		Small Cap Value Fund	
Distributions Paid from:	2019	2018	2019	2018
Ordinary Income	\$ 611,747	\$ 549,243	\$ 1,165,132	\$ —
Net Long Term Capital Gains ...	1,936,869	1,231,632	10,495,283	2,899,450
Total Taxable Distributions Paid ..	<u>\$ 2,548,616</u>	<u>\$ 1,780,875</u>	<u>\$ 11,660,415</u>	<u>\$ 2,899,450</u>

Note 6. Control

The beneficial ownership, either directly or indirectly, of more than 25% of the voting securities of a fund creates a presumption of control of the fund, under section 2 (a)(9) of the 1940 Act. As of November 30, 2019, Pershing, LLC, for the benefit of its customers, owned 95.16% and 45.27% of the Value Fund and Small Cap Value Fund, respectively. As a result, Pershing, LLC may be deemed to control each Fund. As of November 30, 2019, Charles Schwab & Co., Inc., for the benefit of its customers, owned 36.56% of the Small Cap Value Fund. As a result, Charles Schwab & Co., Inc. may be deemed to control the Small Cap Value Fund.

Note 7. Guarantees and Indemnifications

In the normal course of business, the Funds enter into contracts with service providers that contain general indemnification clauses. The Funds' maximum exposure under these arrangements is unknown as this would involve future claims that may be against the Funds that have not yet occurred. However, based on experience, the Funds expect the risk of loss to be remote.

QUEENS ROAD FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2019 (Unaudited)

Note 8. Recent Accounting Pronouncements

On August 28, 2018, the FASB issued Accounting Standards Update No. 2018-13 (“ASU 2018-13”), Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement, which changes the fair value measurement disclosure requirements of ASC Topic 820. ASU 2018-13’s amendments are effective for annual periods beginning after December 15, 2019. Early adoption is permitted. Management has adopted certain disclosures of ASU 2018-13 as permitted by the standard.

Note 9. Subsequent Event Disclosure

Within the financial statements, the Funds are required to recognize the effects of all subsequent events that provide additional evidence about conditions that existed as of the date of the Statements of Assets and Liabilities. For non-recognized subsequent events that must be disclosed to keep the financial statements from being misleading, the Funds are required to disclose the nature of the event as well as an estimate of its financial effect, or a statement that such an estimate cannot be made.

Income and capital gain distributions were made to the shareholders of the Funds after November 30, 2019, meeting the criteria of a subsequent event. The record date of the distribution was December 18, 2019, and the ex-date and payable date was December 19, 2019. The Funds’ distribution type and amount are listed as follows:

Fund Name	Distribution Type	Rate	Amount
Value Fund	Income	\$ 0.3683	\$ 602,127
Value Fund	Long-Term Cap Gain	\$ 0.4766	\$ 779,185
Small Cap Value Fund	Income	\$ 0.0123	\$ 60,313
Small Cap Value Fund	Long-Term Cap Gain	\$ 0.9574	\$ 4,694,599

There were no other events management was aware of after November 30, 2019 and through the date that the financial statements were filed that met the criteria of a subsequent event.

QUEENS ROAD FUNDS

EXPENSE ILLUSTRATION

November 30, 2019 (Unaudited)

ABOUT YOUR FUND'S EXPENSES

Expense Example

As a shareholder of the Funds, you incur ongoing costs which typically consist of management fees and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Funds 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 at the beginning of the period and held for the entire period, June 1, 2019 through November 30, 2019.

Actual Expenses

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

	Beginning Account Value June 1, 2019	Ending Account Value November 30, 2019	Expenses Paid During Period* June 1, 2019 to November 30, 2019
Value Fund			
Actual	\$1,000	\$1,108.10	\$5.01
Hypothetical (5% Annual Return before expenses)	\$1,000	\$1,020.20	\$4.80
Small Cap Value Fund			
Actual	\$1,000	\$1,149.50	\$6.34
Hypothetical (5% Annual Return before expenses)	\$1,000	\$1,019.10	\$5.96

* Expenses are equal to the Funds' annualized expense ratio of 0.95% and 1.18%, respectively, multiplied by the average account value over the period, multiplied by 183/366 (to reflect the one-half year period).

QUEENS ROAD FUNDS

ADDITIONAL INFORMATION

November 30, 2019 (Unaudited)

Proxy Voting – A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities and information regarding how the Funds voted proxies during the most recent 12 month period ended June 30, are available without charge upon request by (1) calling the Funds at 1-800-595-3088 and (2) from Fund documents filed with the Securities and Exchange Commission (“SEC”) on the SEC’s website at www.sec.gov.

Portfolio Holdings – The Funds file a complete schedule of investments with the SEC for the first and third quarter of each fiscal year on Form N-Q. The Funds’ first and third fiscal quarters end on August 31 and February 28. The Form N-Q filing must be made within 60 days of the end of the quarter, and the Funds’ first Form N-Q was filed with the SEC on October 8, 2004. The Funds’ Form N-Qs are available on the SEC’s website at www.sec.gov. You may also obtain copies by calling the Funds at 1-800-595-3088.

Advisory Agreement Renewal – At a Board meeting held on July 23, 2019, the Trustees unanimously approved the continuance of the Investment Advisory Agreement between Bragg Financial Advisors, Inc. (the “Advisor”) and Bragg Capital Trust on behalf of the Funds (the “Advisory Agreement”). The Trustees exercised their own business judgment including consideration of the following factors regarding whether to approve the continuance of the Advisory Agreement with respect to each Fund: (i) The nature, extent and quality of the services provided by the Advisor to the Funds; (ii) the investment performance of the Funds and the Advisor; (iii) the cost of the services provided and the profit to be realized by the Advisor and its affiliates from the relationship with the Fund; (iv) the potential for economies of scale to be shared by the Funds; and (v) whether the fee levels reflect these economies of scale to the benefit of shareholders. The conclusions reached by the Trustees were based on a comprehensive evaluation of all the information provided. Moreover, each Trustee may have afforded different weight to the various factors in reaching his conclusions with respect to the renewal of the Advisory Agreement.

The Trustees had an opportunity to review the Advisory Agreement between the Trust and the Advisor and the Advisor’s current Form ADV, which were provided in the Meeting Materials. The Trustees also reviewed and discussed the Renewal of Advisory Agreement memorandum completed by the Advisor for each of the Funds.

The Trustees considered the nature, extent and quality of services the Advisor has previously provided to the Funds based on a review of information provided by the Advisor. The Trustees considered the experience and knowledge of the Advisor’s personnel as well as information furnished by the Advisor throughout the year at regular Board meetings, which included reports on investment performance, shareholder services, regulatory compliance, and other services provided to the Funds. The Trustees concluded that they have a reasonable belief that the nature, extent and quality of services provided by the Advisor to the Funds are appropriate.

The Trustees discussed the performance of each Fund for the fiscal year ended May 31, 2019 as compared to each Fund’s peer group average and Morningstar category average. They noted that the Small Cap Value Fund outperformed its peer group over all time periods and was generally comparable to the performance of its Morningstar category for the same time periods. The Trustees then reviewed the performance of the Value Fund. They noted that it outperformed its peer group and Morningstar category averages for the 1-year period and was generally in line with the performance averages of the two comparable metrics for the other two time periods. After further discussion, the Trustees concluded that the performance of each Fund was not unreasonable.

Mr. Scruggs directed the Trustees to the disclosures made in the Form ADV and then discussed the Advisor’s solvency. He noted the Advisor provided a certification that it is profitable and has a clean balance sheet with no debt. The Trustees noted that the Advisor’s fee with respect to each Fund was higher than each respective peer group average but noted the Advisor’s unitary fee structure with respect to the Funds as opposed to that of the funds in each Fund’s respective peer group.

The Trustees also reviewed and discussed information provided by the Advisor comparing the expense ratio of each of the Funds with the expense ratios of the applicable Fund’s peers. They noted the source of the information provided by the Advisor was Morningstar Associates, LLC, an independent third party specializing in mutual fund data and analytics. They discussed the cost to the Advisor for providing the services under the terms of the Advisory Agreement with the Funds. The Trustees reviewed the estimated aggregate cost of the services provided as compared to the amount paid to the Advisor under the terms of the Advisory Agreement. Upon review and discussion of this information, the Trustees concluded that the cost of services provided and any expected profits to the Advisor were not unreasonable.

The Trustees examined the Advisor’s effort to achieve economies of scale for each Fund to the benefit of each Fund’s respective shareholders. The Trustees determined that as the Funds’ assets increase, economies of scale would be realized. The Trustees noted that the Advisory Agreement already contained breakpoints in the Advisor’s fee as certain asset levels of the Funds’ were achieved. The Trustees concluded that reasonable economies of scale could be realized under the terms of the Advisory Agreement.

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QUEENS ROAD FUNDS

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Shares of Queens Road Value Fund and Queens Road Small Cap Value Fund are distributed by Queens Road Securities, LLC, an affiliate of the Investment Advisor. This report has been prepared for the general information of the shareholders. It is not authorized for distribution to prospective investors unless preceded or accompanied by a current prospectus. The Funds' prospectus contains more complete information about the objectives, policies, expenses and risks of the Funds. The Funds are not bank deposits, not FDIC insured and may lose value. Please read the prospectus carefully before investing or sending money.

This report contains certain forward looking statements which are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Forward looking statements generally include words such as "believes", "expects", "anticipates" and other words of similar import. Such risks and uncertainties include, among other things, the Risk Factors noted in the Funds' filings with the Securities and Exchange Commission. The Funds undertake no obligation to update any forward looking statement.