



HEDEKER
MUTUAL FUND

HEDEKER STRATEGIC APPRECIATION FUND
Institutional Shares – SAFFX

Semi-Annual Report
February 28, 2017

Hedeker Wealth LLC
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Investment Results (Unaudited)

Total Return^(a) as of February 28, 2017

| | Since Inception (12/21/2016) |
|--|---|
| Hedeker Strategic Appreciation Fund Institutional Shares | 0.84% |
| Bloomberg Barclays Intermediate Government/Credit Index ^(b) | 1.22% |
| | Expense Ratio^(c) Institutional Shares |
| Net | 1.47% |

The performance quoted represents past performance, which 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. The returns shown do not reflect deduction of taxes that a shareholder would pay on the Hedeker Strategic Appreciation Fund (the "Fund") distributions or the redemption of Fund shares. Current performance of the Fund may be lower or higher than the performance quoted. The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. Performance data current to the most recent month end may be obtained by calling (800) 657-4450.

^(a) Return figures reflect any change in price per share and assume the reinvestment of all distributions. The Fund's returns reflect any fee waivers during the applicable period. If such waivers had not occurred, the quoted performance would have been lower.

^(b) The Bloomberg Barclays Intermediate Government/Credit Index ("Index") is a broad-based flagship benchmark that measures the non-securitized component of the US Aggregate Index. It includes investment grade, US dollar-denominated, fixed-rate Treasuries, government-related and corporate securities. The returns of the Index do not reflect the deduction of fees and expenses, whereas the Fund returns are shown net of fees. An individual cannot invest directly in an index.

^(c) The expense ratio is from the Fund's prospectus dated December 21, 2016. Hedeker Wealth LLC (the "Adviser"), the Fund's adviser, has contractually agreed, until December 31, 2018, to waive its management fee and/or reimburse expenses so that total annual operating expenses (excluding (i) interest; (ii) taxes; (iii) brokerage fees and commissions; (iv) other extraordinary expenses not incurred in the ordinary course of the Fund's business; (v) dividend expenses on short sales; and (vi) indirect expenses such as acquired fund fees and expenses) do not exceed 1.75% of the Fund's average daily net assets. This expense cap agreement may be terminated by the Board of Trustees at any time. Additional information pertaining to the Fund's expense ratios as of February 28, 2017, can be found in the financial highlights.

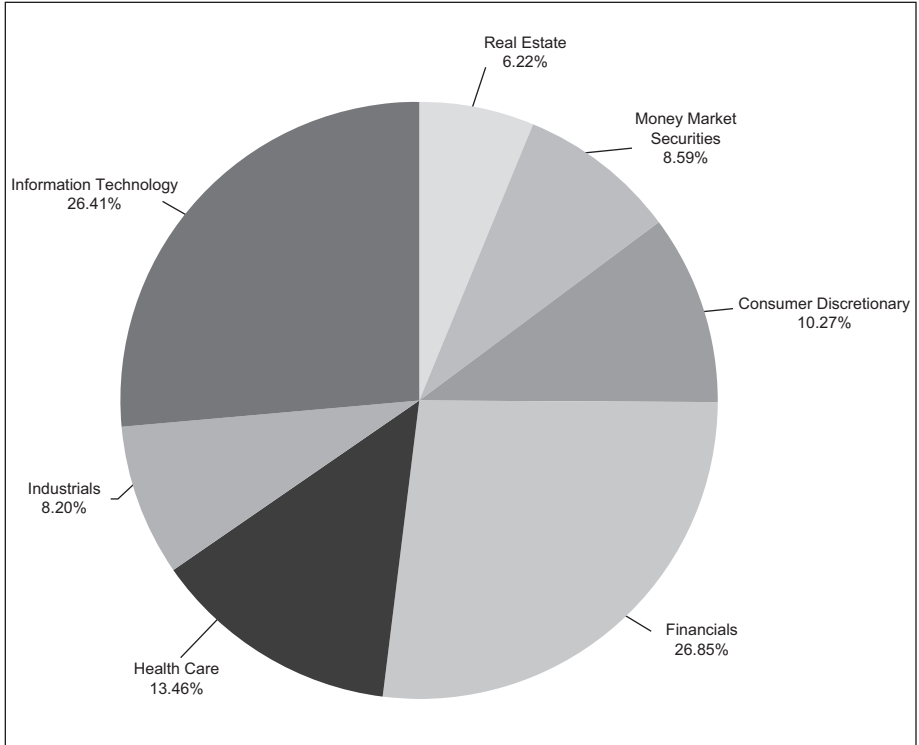
The Fund's investment objectives, strategies, risks, charges and expenses must be considered carefully before investing. The prospectus contains this and other important information about the Fund and may be obtained by calling the same number as above. Please read it carefully before investing.

The Fund is distributed by Ultimus Fund Distributors, LLC, member FINRA/SIPC.

Portfolio Illustration (Unaudited)

February 28, 2017

The following chart gives a visual breakdown of the Fund's holdings as a percentage of the fair value of portfolio investments.



Availability of Portfolio Schedule (Unaudited)

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarter of each fiscal year on Form N-Q. The Fund's Forms N-Q will be available at the SEC's website at www.sec.gov. The Fund's Forms N-Q may be reviewed and copied at the Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

Hedeker Strategic Appreciation Fund

Schedule of Investments (Unaudited)

February 28, 2017

| Principal Amount | | Fair Value |
|--|--|-------------------|
| CONVERTIBLE BONDS – 91.23% | | |
| Consumer Discretionary – 10.61% | | |
| \$ 325,000 | Global Eagle Entertainment, Inc., 2.75%, 2/15/2035 | \$ 196,625 |
| 1,000,000 | Live Nation Entertainment, Inc., 2.50%, 5/15/2019 | 1,073,125 |
| 900,000 | Meritage Homes Corp., 1.88%, 9/15/2032 | 901,687 |
| 1,250,000 | Priceline Group, Inc./The, 0.90%, 9/15/2021 | 1,403,125 |
| 1,200,000 | Shutterfly, Inc., 0.25%, 5/15/2018 | 1,194,000 |
| | | <u>4,768,562</u> |
| Financials – 24.56% | | |
| 1,350,000 | Apollo Commercial Real Estate Finance, Inc., 5.50%, 3/15/2019 | 1,447,882 |
| 1,600,000 | AmTrust Financial Services, Inc., 2.75%, 12/15/2044 | 1,288,000 |
| 888,000 | BlackRock Capital Investment Corp., 5.50%, 2/15/2018 | 915,750 |
| 1,100,000 | Blackstone Mortgage Trust, Inc., 5.25%, 12/1/2018 | 1,244,375 |
| 808,000 | GSV Capital Corp., 5.25%, 9/15/2018 | 798,910 |
| 1,000,000 | New Mountain Finance Corp., 5.00%, 6/15/2019 | 1,033,125 |
| 1,050,000 | Safeguard Scientifics, Inc., 5.25%, 5/15/2018 | 1,071,000 |
| 1,200,000 | Starwood Property Trust, Inc., 3.75%, 10/15/2017 | 1,227,750 |
| 1,200,000 | TCP Capital Corp., 5.25%, 12/15/2019 | 1,254,000 |
| 750,000 | Two Harbors Investment Corp., 6.25%, 1/15/2022 | 755,156 |
| | | <u>11,035,948</u> |
| Health Care – 13.90% | | |
| 1,243,000 | Aceto Corp., 2.00%, 11/1/2020 | 1,125,692 |
| 1,000,000 | Allscripts Healthcare Solutions, Inc., 1.25%, 7/1/2020 | 990,625 |
| 1,250,000 | Impax Laboratories, Inc., 2.00%, 6/15/2022 | 1,024,219 |
| 1,350,000 | Jazz Investments I Ltd., 1.88%, 8/15/2021 | 1,402,312 |
| 600,000 | Quidel Corp., 3.25%, 12/15/2020 | 606,000 |
| 1,000,000 | Teva Pharmaceutical Finance Co. LLC, Series C, 0.25%, 2/1/2026 | 1,098,750 |
| | | <u>6,247,598</u> |
| Industrials – 8.47% | | |
| 1,000,000 | 51job, Inc., 3.25%, 4/15/2019 | 1,075,000 |
| 1,217,000 | Echo Global Logistics, Inc., 2.50%, 5/1/2020 | 1,160,714 |
| 1,664,000 | Huron Consulting Group, Inc., 1.25%, 10/1/2019 | 1,569,360 |
| | | <u>3,805,074</u> |
| Information Technology – 27.27% | | |
| 1,000,000 | Akamai Technologies, Inc., 0.00%, 2/15/2019 ^(a) | 1,008,130 |
| 1,350,000 | Bottomline Technologies, Inc., 1.50%, 12/1/2017 | 1,403,156 |
| 1,153,000 | CalAmp Corp., 1.63%, 5/15/2020 | 1,143,632 |
| 850,000 | Cornerstone OnDemand, Inc., 1.50%, 7/1/2018 | 887,187 |
| 1,000,000 | Electronics For Imaging, Inc., 0.75%, 9/1/2019 | 1,058,125 |
| 1,200,000 | Infinera Corp., 1.75%, 6/1/2018 | 1,297,500 |

See accompanying notes which are an integral part of these financial statements.

Hedeker Strategic Appreciation Fund

Schedule of Investments (Unaudited) (continued)

February 28, 2017

| Principal Amount | | Fair Value |
|---|--|-------------------|
| CONVERTIBLE BONDS – (continued) | | |
| Information Technology – (continued) | | |
| \$ 1,039,000 | Nuance Communications, Inc., 2.75%, 11/1/2031 | \$ 1,045,494 |
| 1,000,000 | NXP Semiconductors NV, 1.00%, 12/1/2019 | 1,158,750 |
| 1,350,000 | Synchronoss Technologies, Inc., 0.75%, 8/15/2019 | 1,283,344 |
| 1,200,000 | Verint Systems, Inc., 1.50%, 6/1/2021 | 1,143,750 |
| 800,000 | Yahoo!, Inc., 0.00%, 12/1/2018 ^(a) | 829,000 |
| | | <u>12,258,068</u> |
| Real Estate – 6.42% | | |
| 824,000 | Colony NorthStar, Inc., 3.88%, 1/15/2021 | 844,600 |
| 350,000 | Resource Capital Corp., 8.00%, 1/15/2020 | 346,719 |
| 1,650,000 | Spirit Realty Capital, Inc., 2.88%, 5/15/2019 | 1,696,414 |
| | | <u>2,887,733</u> |
| | <i>Total Convertible Bonds (Cost \$41,113,330)</i> | <u>41,002,983</u> |

Shares

| | | |
|---|--|------------------|
| CONVERTIBLE PREFERRED STOCKS – 3.18% | | |
| Financials – 3.18% | | |
| 2,000 | KeyCorp, Series A, 7.75% | 270,000 |
| 23,000 | NY Community Capital Trust V, 6.00% | 1,160,350 |
| | <i>Total Convertible Preferred Stocks (Cost \$1,422,460)</i> | <u>1,430,350</u> |

MONEY MARKET SECURITIES – 8.88%

| | | |
|-----------|---|---------------------|
| 3,989,129 | Fidelity Investments Government Money Market Portfolio, Institutional Class, 0.49% ^(b) | <u>3,989,129</u> |
| | <i>Total Money Market Securities (Cost \$3,989,129)</i> | <u>3,989,129</u> |
| | <i>Total Investments – 103.29% (Cost \$46,524,919)</i> | <u>46,422,462</u> |
| | <i>Liabilities in Excess of Other Assets – (3.29)%</i> | <u>(1,476,487)</u> |
| | NET ASSETS – 100.00% | <u>\$44,945,975</u> |

(a) Zero coupon bond.

(b) Rate disclosed is the seven day effective yield as of February 28, 2017.

The sectors shown on the schedule of investments are based on Global Industry Classification Standard, or GICS® ("GICS"). The GICS was developed by and/or is the exclusive property of MSCI, Inc. and Standard & Poor's Financial Services LLC ("S&P"). GICS is a service mark of MSCI, Inc. and S&P and has been licensed for use by Ultimus Fund Solutions, LLC.

Hedeker Strategic Appreciation Fund

Statement of Assets and Liabilities (Unaudited)

February 28, 2017

Assets

| | |
|---|-------------------|
| Investments in securities at fair value (cost \$46,524,919) | \$46,422,462 |
| Receivable for fund shares sold | 325,000 |
| Dividends and interest receivable | 257,108 |
| Deferred offering costs | 7,372 |
| Prepaid expenses | 641 |
| Total Assets | 47,012,583 |

Liabilities

| | |
|--|------------------|
| Payable for investments purchased | 2,003,500 |
| Payable to Adviser | 35,107 |
| Payable to administrator, compliance, fund accountant and transfer agent | 8,811 |
| Payable to trustees | 716 |
| Other accrued expenses | 18,474 |
| Total Liabilities | 2,066,608 |

| | |
|-------------------|---------------------|
| Net Assets | \$44,945,975 |
|-------------------|---------------------|

Net Assets consist of:

| | |
|---|---------------------|
| Paid-in capital | \$44,812,996 |
| Accumulated undistributed net investment income | 7,636 |
| Accumulated undistributed net realized gain from investments | 227,800 |
| Net unrealized depreciation on investments | (102,457) |
| Net Assets | \$44,945,975 |
| Shares outstanding (unlimited number of shares authorized, no par value) | 1,782,538 |
| Net asset value ("NAV"), offering and redemption price per share | \$ 25.21 |

Hedeker Strategic Appreciation Fund

Statement of Operations (Unaudited)

For the period ended February 28, 2017^(a)

| Investment Income | |
|--|-------------------|
| Dividend income | \$ 25,073 |
| Interest income | 79,279 |
| Total investment income | 104,352 |
| Expenses | |
| Investment Adviser | 55,250 |
| Administration | 7,215 |
| Organizational | 6,136 |
| Audit | 5,591 |
| Fund accounting | 5,279 |
| Offering | 4,498 |
| Legal | 2,557 |
| Transfer agent | 2,278 |
| Printing | 2,209 |
| Compliance | 1,139 |
| Custodian | 1,036 |
| Trustee | 716 |
| Pricing | 696 |
| Registration | 192 |
| Miscellaneous | 4,520 |
| Total expenses | 99,312 |
| Fees contractually waived by Adviser | (2,596) |
| Net operating expenses | 96,716 |
| Net investment income | 7,636 |
| Net Realized and Unrealized Gain (Loss) on Investments | |
| Net realized gain on investment securities transactions | 227,800 |
| Net change in unrealized depreciation of investment securities | (102,457) |
| Net realized and unrealized gain on investments | 125,343 |
| Net increase in net assets resulting from operations | \$ 132,979 |

^(a) For the period December 21, 2016 (commencement of operations) to February 28, 2017.

Hedeker Strategic Appreciation Fund

Statement of Changes in Net Assets

For the Period
Ended
February 28, 2017^(a)
(Unaudited)

| | |
|---|---------------------|
| Increase (Decrease) in Net Assets due to: | |
| Operations | |
| Net investment income | \$ 7,636 |
| Net realized gain on investment securities transactions | 227,800 |
| Net change in unrealized depreciation of investment securities | (102,457) |
| Net increase in net assets resulting from operations | 132,979 |
| Capital Transactions | |
| Proceeds from shares sold | 47,309,047 |
| Amount paid for shares redeemed | (2,496,051) |
| Net increase in net assets resulting from capital transactions | 44,812,996 |
| Total Increase in Net Assets | 44,945,975 |
| Net Assets | |
| Beginning of period | — |
| End of period | \$44,945,975 |
| Accumulated undistributed net investment income included in net assets at end of period | \$ 7,636 |
| Share Transactions | |
| Shares sold | 1,881,274 |
| Shares redeemed | (98,736) |
| Net increase in shares outstanding | 1,782,538 |

^(a) For the period December 21, 2016 (commencement of operations) to February 28, 2017.

Hedeker Strategic Appreciation Fund – Institutional Shares

Financial Highlights

Selected data for a share outstanding throughout the period.

| | For the period ended February 28, 2017 ^(a) (Unaudited) |
|--|--|
| Net asset value, at beginning of period | <u>\$25.00</u> |
| Income from investment operations: | |
| Net investment income | _ ^(b) |
| Net realized and unrealized gain on investments | <u>0.21</u> |
| Total from investment operations | <u>0.21</u> |
| Net asset value, at end of period | <u>\$25.21</u> |
| Total Return ^(c) | 0.84% ^(d) |
| Ratios/Supplemental Data: | |
| Net assets at end of period (thousands) | \$44,946 |
| Before waiver: | |
| Ratio of expenses to average net assets | 1.80% ^(e) |
| After waiver: | |
| Ratio of expenses to average net assets | 1.75% ^(e) |
| Ratio of net investment income to average net assets | 0.14% ^(e) |
| Portfolio turnover | 30% ^(d) |

^(a) For the period December 21, 2016 (commencement of operations) through February 28, 2017.

^(b) Amount is less than \$0.005 per share.

^(c) Total return in the above table represents the rate that the investor would have earned or lost on an investment in the Fund, assuming reinvestment of distributions.

^(d) Not annualized.

^(e) Annualized.

Hedeker Strategic Appreciation Fund

Notes to the Financial Statements (Unaudited)

February 28, 2017

NOTE 1. ORGANIZATION

The Hedeker Strategic Appreciation Fund (the "Fund") was organized as a non-diversified series of Capitol Series Trust (the "Trust") on December 15, 2016. The Trust is an open-end investment company established under the laws of Ohio by an Agreement and Declaration of Trust dated September 18, 2013 (the "Trust Agreement"). The Trust Agreement permits the Board of Trustees of the Trust (the "Board") to issue an unlimited number of shares of beneficial interest of separate series without par value. The Fund is one of a series of funds currently authorized by the Board. The Fund's investment adviser is Hedeker Wealth LLC (the "Adviser"). The investment objective of the Fund is to seek superior risk-adjusted returns over a market cycle.

The Fund currently offers one class of shares, Institutional Shares. The Fund commenced operations on December 21, 2016. Each share represents an equal proportionate interest in the assets and liabilities belonging to the Fund and is entitled to such dividends and distributions out of income belonging to the Fund as are declared by the Board.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The Fund is an investment company and follows accounting and reporting guidance under Financial Accounting Standards Board Accounting Standards Codification ("ASC") Topic 946, "Financial Services-Investments Companies". The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements. These policies are in conformity with generally accepted accounting principles in the United States of America ("GAAP").

Estimates - The preparation of financial statements in conformity with GAAP 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.

Securities Valuation - All investments in securities are recorded at their estimated fair value as described in Note 3.

Federal Income Taxes - The Fund makes no provision for federal income tax or excise tax. The Fund intends to qualify each year as a regulated investment company ("RIC") under subchapter M of the Internal Revenue Code of 1986, as amended, by complying with the requirements applicable to RICs and by distributing substantially all of its taxable income. The Fund also intends to distribute sufficient net investment income and net capital gains, if any, so that it will not be subject to excise tax on undistributed income and gains. If the required amount of net investment income or gains is not distributed, the Fund could incur a tax expense.

As of, and during the period ended February 28, 2017, the Fund did not have a liability for any unrecognized tax benefits. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations. During the period, the Fund did not incur any interest or penalties.

Hedeker Strategic Appreciation Fund

Notes to the Financial Statements (Unaudited) (continued)

February 28, 2017

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 another appropriate basis (as determined by the Board).

Security Transactions and Related Income – Throughout the reporting period, security transactions are accounted for no later than one business day following the trade date. For financial reporting purposes, security transactions are accounted for on trade date on the last business day of the reporting period. The specific identification method is used for determining gains or losses for financial statements and income tax purposes. Dividend income is recorded on the ex-dividend date. Interest income is recorded on an accrual basis and includes, where applicable, the amortization of premium or accretion of discount.

Dividends and Distributions – The Fund intends to distribute substantially all of its net investment income, if any, as dividends to its shareholders on a quarterly basis. The Fund intends to distribute its net realized long-term capital gains and its net realized short-term capital gains, if any, to its shareholders at least once a year. Distributions to shareholders are recorded on the ex-dividend date. The amounts of dividends from net investment income and distributions from net realized gains are determined in accordance with federal income tax regulations, which may differ from GAAP. These differences are caused primarily by differences in the timing of the recognition of certain components of income, expense or realized capital gains for federal income tax purposes. Where such differences are permanent in nature, they are reclassified in the components of 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 values per share of the Fund.

NOTE 3. SECURITIES VALUATION AND FAIR VALUE MEASUREMENTS

Fair value is defined as the price that the Fund would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market of the investment. GAAP establishes a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes.

Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk (the risk inherent in a particular valuation technique used to measure fair value such as a pricing model and/or the risk inherent in the inputs to the valuation technique). Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Hedeker Strategic Appreciation Fund

Notes to the Financial Statements (Unaudited) (continued)

February 28, 2017

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the three broad levels listed below.

- Level 1 – unadjusted quoted prices in active markets for identical investments and/or registered investment companies where the value per share is determined and published and is the basis for current transactions for identical assets or liabilities at the valuation date
- Level 2 – other significant observable inputs (including, but not limited to, quoted prices for an identical security in an inactive market, quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining fair value of investments based on the best information available)

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.

In computing the net asset value ("NAV") of the Fund, fair value is based on market valuations with respect to portfolio securities for which market quotations are readily available. Pursuant to Board approved policies, the Fund relies on independent third-party pricing services to provide the current market value of securities. Those pricing services value equity securities traded on a securities exchange at the last reported sales price on the principal exchange. Equity securities quoted by NASDAQ are valued at the NASDAQ Official Closing Price. If there is no reported sale on the principal exchange, equity securities are valued at the mean between the most recent quoted bid and asked price. When using the market quotations or close prices provided by the pricing service and when the market is considered active, the security will be classified as a Level 1 security.

Sometimes, an equity security owned by the Fund will be valued by the pricing service with factors other than market quotations or when the market is considered inactive. When this happens, the security may be classified as a Level 2 security. When market quotations are not readily available, when the Fund determines that the market quotation or the price provided by the pricing service does not accurately reflect the current fair value, or when certain restricted or illiquid securities are being valued, such securities are valued as determined in good faith by the Adviser, in conformity with guidelines adopted by and subject to review by the Board. These securities are generally categorized as Level 3 securities.

Investments in open-end mutual funds, including money market mutual funds, are generally priced at the ending NAV provided by the service agent of the funds. These securities are categorized as Level 1 securities.

Debt securities are valued by using the mean between the closing bid and asked prices provided by a pricing service. If the closing bid and asked prices are not readily available, the pricing service may provide a price determined by a matrix pricing method. Matrix pricing is a mathematical technique used to value fixed income securities without relying exclusively on quoted prices. Matrix pricing takes into consideration recent transactions, yield, liquidity, risk, credit quality, coupon, maturity,

Hedeker Strategic Appreciation Fund

Notes to the Financial Statements (Unaudited) (continued)

February 28, 2017

type of issue and any other factors or market data the pricing service deems relevant for the actual security being priced and for other securities with similar characteristics. These securities will generally be categorized as Level 2 securities. If the Adviser decides that a price provided by the pricing service does not accurately reflect the fair value of the securities, when prices are not readily available from a pricing service, or when restricted or illiquid securities are being valued, securities are valued at fair value as determined in good faith by the Adviser, in conformity with guidelines adopted by and subject to review of the Board. These securities will generally be categorized as Level 3 securities.

In accordance with the Trust's valuation procedures, the Adviser 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. No single standard exists for determining fair value, because 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 Adviser would be the amount that the Fund 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 prices 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. Fair value pricing is permitted if, in the Adviser's opinion, the validity of market quotations appears to be questionable based on factors such as evidence of a thin market in the security based on a small number of quotations, a significant event occurs after the close of a market but before the Fund's NAV calculation that may affect a security's value, or the Adviser is aware of any other data that calls into question the reliability of market quotations. Fair value pricing may also be used in instances when the bonds the Fund invests in may default or otherwise cease to have market quotations readily available.

The following is a summary of the inputs used to value the Fund's investments as of February 28, 2017:

| Assets | Valuation Inputs | | | Total |
|------------------------------|--------------------|---------------------|-------------|---------------------|
| | Level 1 | Level 2 | Level 3 | |
| Convertible Bonds | \$ — | \$41,002,983 | \$ — | \$41,002,983 |
| Convertible Preferred Stocks | 1,430,350 | — | — | 1,430,350 |
| Money Market Securities | 3,989,129 | — | — | 3,989,129 |
| Total | \$5,419,479 | \$41,002,983 | \$ — | \$46,422,462 |

The Fund did not hold any investments at any time during the reporting period in which significant unobservable inputs (Level 3) were used in determining fair value; therefore, no reconciliation of Level 3 securities is included for this reporting period. The Fund did not hold any derivative instruments during the reporting period.

The Trust recognizes transfers between fair value hierarchy levels at the end of the reporting period. There were no transfers between any levels as of February 28, 2017 based on input levels assigned on December 21, 2016 (commencement of operations).

Hedeker Strategic Appreciation Fund

Notes to the Financial Statements (Unaudited) (continued)

February 28, 2017

NOTE 4. FEES AND OTHER TRANSACTIONS WITH AFFILIATES AND OTHER SERVICE PROVIDERS

Under the terms of the investment advisory agreement (the "Agreement"), the Adviser manages the Fund's investments subject to approval of the Board. As compensation for its management services, the Fund is obligated to pay the Adviser a fee computed and accrued daily and paid monthly at an annual rate of 1.00% of the Fund's average daily net assets. For the period ended February 28, 2017, the Adviser earned fees of \$55,250 from the Fund. At February 28, 2017, the Fund owed the Adviser \$35,107.

The Adviser has contractually agreed to waive its management fee and/or reimburse expenses so that total annual operating expenses (excluding (i) interest; (ii) taxes; (iii) brokerage fees and commissions; (iv) other extraordinary expenses not incurred in the ordinary course of the Fund's business; (v) dividend expenses on short sales; and (vi) indirect expenses such as acquired fund fees and expenses; do not exceed 1.75% of the Fund's average daily net assets through December 31, 2018. The waiver and/or reimbursement by the Adviser with respect to the Fund is subject to repayment by the Fund within three years following the date in which that particular waiver and/or reimbursement occurred, provided that the Fund is able to make the repayment without exceeding the expense limitation that was in effect at the time of the waiver or reimbursement. This expense cap agreement may be terminated by the Board at any time.

The amount subject to repayment by the Fund, pursuant to the aforementioned conditions, is \$2,596, which is recoverable through February 29, 2020.

The Trust retains Ultimus Fund Solutions, LLC ("Ultimus") to provide the Fund with administration, compliance, fund accounting and transfer agent services, including all regulatory reporting. For the period ended February 28, 2017, Ultimus earned fees of \$7,215 for administration services, \$1,139 for compliance services, \$5,279 for fund accounting services, and \$2,278 for transfer agent services. At February 28, 2017, the Fund owed Ultimus \$8,811 for such services.

The officers and one trustee of the Trust are employees of Ultimus. Ultimus Fund Distributors, LLC (the Distributor) acts as the principal distributor of the Fund's shares. The Distributor operates as wholly-owned subsidiary of Ultimus Fund Solutions, LLC.

NOTE 5. PURCHASES AND SALES OF SECURITIES

For the period ended February 28, 2017, purchases and sales of investment securities, other than short-term investments were as follows:

| | |
|-----------|--------------|
| Purchases | \$47,810,849 |
| Sales | \$ 8,089,028 |

There were no purchases or sales of long-term U.S. government obligations during the period ended February 28, 2017.

Hedeker Strategic Appreciation Fund

Notes to the Financial Statements (Unaudited) (continued)

February 28, 2017

NOTE 6. FEDERAL TAX INFORMATION

As of February 28, 2017, the net unrealized appreciation (depreciation) of investments for tax purposes was as follows:

| | |
|---|--------------------|
| Gross unrealized appreciation | \$ 353,544 |
| Gross unrealized depreciation | (456,001) |
| <u>Net unrealized appreciation (depreciation)</u> | <u>\$(102,457)</u> |

At February 28, 2017, the aggregate cost of securities for federal income tax purposes was \$46,524,919 for the Fund.

NOTE 7. BENEFICIAL OWNERSHIP

The beneficial ownership, either directly or indirectly, of 25% or more of the voting securities of a fund creates a presumption of control of a fund, under Section 2(a) (9) of the Investment Company Act of 1940. At February 28, 2017, TD Ameritrade, Inc., owned, as record shareholder, 100% of the outstanding shares of the Fund. It is not known whether TD Ameritrade, Inc. or any of the underlying beneficial owners owned or controlled 25% or more of the voting securities of the Fund.

NOTE 8. COMMITMENTS AND CONTINGENCIES

The Fund indemnifies its officers and trustees for certain liabilities that may arise from the performance of their duties to the Fund. Additionally, in the normal course of business, the Fund enters into contracts that contain a variety of representations and warranties which provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred.

NOTE 9. SUBSEQUENT EVENTS

Management of the Fund has evaluated the need for disclosures and/or adjustments resulting from subsequent events through the date these financial statements were issued. Management has determined there were no items requiring adjustment of the financial statements or additional disclosure.

Summary of Fund Expenses (Unaudited)

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs and (2) ongoing costs, including management fees, and other Fund expenses. These examples are 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 at the beginning of the period and held for the entire period from September 1, 2016 through February 28, 2017.

Actual Expenses

The first line of the table for each class provides information about actual account values and actual expenses. You may use the information in these lines, 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 = 8.60), then multiply the result by the number in the first line under the heading "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 for each class provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratios 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 balances 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.

Expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs such as the fee imposed on sales charges. Therefore, the second line of the table for each class is useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. In addition, if transaction costs were included, your costs would have been higher.

Summary of Fund Expenses (Unaudited) (continued)

| | | Beginning Account Value | Ending Account Value, February 28, 2017 | Expenses Paid During Period | Annualized Expense Ratio |
|--|-----------------------------|-------------------------------|---|--------------------------------------|--------------------------------|
| Hedeker Strategic Appreciation Fund | | | | | |
| Institutional Shares | Actual | \$1,000.00 | \$1,008.40 | \$3.32 ^(a) | 1.75% |
| | Hypothetical ^(b) | \$1,000.00 | \$1,016.12 | \$8.75 | 1.75% |

^(a) Expenses are equal to the Fund's annualized expense ratios, multiplied by the average account value over the period, multiplied by 69/365 (to reflect the period since commencement of operations on December 21, 2016). The annualized expense ratios reflect reimbursement of expenses by the Fund's Adviser for the period beginning December 21, 2016 to February 28, 2017. The "Financial Highlights" tables in the Fund's financial statements, included in the report, also show the gross expense ratios, without such reimbursements.

^(b) Assumes a 5% return before expenses. The hypothetical example is calculated based on a six month period from September 1, 2016 to February 28, 2017. Accordingly, expenses are equal to the Fund's annualized expense ratios, multiplied by the average account value over the six month period, multiplied by 181/365 (to reflect the one-half year period).

Approval of Investment Advisory Agreement (Unaudited)

At a quarterly meeting of the Board of Trustees of Capitol Series Trust ("Trust") on December 15, 2016, the Trust's Board of Trustees ("Board"), including all of the Trustees who are not "interested persons" of the Trust as that term is defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended ("Independent Trustees"), considered and approved the Investment Advisory Agreement between the Trust and Hedeker Wealth, LLC ("Hedeker") (the "Investment Advisory Agreement") regarding the Hedeker Strategic Appreciation Fund (the "Fund"). The Fund is a newly organized series of the Trust.

Prior to the meeting, the Trustees received and considered information from Hedeker and the Trust's administrator designed to provide the Trustees with the information necessary to evaluate the terms of the proposed Investment Advisory Agreement between the Trust and Hedeker, including, but not limited to, Hedeker's due diligence questionnaire, Hedeker's Code of Ethics, the operating expense limitation agreement between the Trust and Hedeker (the "Expense Limitation Agreement"), and certain Morningstar expense analysis data ("Support Materials"). Before voting to approve the proposed Investment Advisory Agreement, the Trustees reviewed the terms and the form of Investment Advisory Agreement and the Support Materials with Trust management and with counsel to the Independent Trustees and received a memorandum from such counsel discussing the legal standards for their consideration of the proposed Investment Advisory Agreement, which memorandum described the various factors that the U.S. Securities and Exchange Commission ("SEC") and U.S. Courts over the years have suggested would be appropriate for trustee consideration, including the factors outlined in the case of Gartenberg v. Merrill Lynch Asset Management Inc., 694 F.2d 923, 928 (2d Cir. 1982); cert. denied sub. nom. Andre v. Merrill Lynch Ready Assets Trust, Inc., 461 U.S. 906 (1983). Representatives from Hedeker also met with the Trustees and provided further information regarding its proposed services to the Fund, including but not limited to, information regarding its investment philosophy, experience and resources.

In determining whether to approve the Investment Advisory Agreement, the Trustees considered all factors they believed relevant with respect to the Fund, including the following: (1) the nature, extent, and quality of the services to be provided by Hedeker; (2) the cost of the services to be provided and the profits to be realized by Hedeker from services rendered to the Trust and the Fund; (3) comparative fee and expense data for the Fund and other investment companies with similar investment objectives, as well other accounts that Hedeker advises; (4) the extent to which economies of scale would be realized as the Fund grows and whether the proposed advisory fee for the Fund reflects these economies of scale for the Fund's benefit; and (5) other financial benefits to Hedeker resulting from services to be rendered to the Fund. In their deliberations, the Trustees did not identify any particular information that was all-important or controlling.

Based upon Hedeker's presentation and the Support Materials, the Board concluded that the overall arrangements between the Trust and Hedeker as will be set forth in the Investment Advisory Agreement as it relates to the Fund and the investment advisory fees that the Fund will pay, are fair and reasonable in light of the services that Hedeker will perform, as well as such other matters as the Trustees considered relevant in the exercise of their reasonable judgment. The material factors and conclusions that formed the basis of the Trustees' determination to approve the Investment Advisory Agreement are summarized below.

Nature, Extent and Quality of Services Provided. The Trustees considered the scope of services that Hedeker will provide under the Advisory Agreement with respect to the Fund, which include but are not limited to the following: (1) providing overall supervisory responsibility for the general

management and investment of the Fund's securities portfolio; (2) investing or overseeing the investment of the Fund's assets consistent with the Fund's investment objective and investment policies; (3) directly managing the Fund's assets and determining or overseeing the portfolio securities to be purchased, sold or otherwise disposed of and timing of such transaction; (4) voting or overseeing the voting of all proxies with respect to the Fund's portfolio securities; (5) maintaining or overseeing the maintenance of the required books and records for transactions effected by Hedeker on behalf of the Fund; and (6) selecting or overseeing the selection of broker-dealers to execute orders on behalf of the Fund. The Trustees considered Hedeker's own capitalization separately and its assets under management, as well as the commitment on the part of Hedeker to be adequately capitalized. The Trustees discussed the implications of a potential change of control of Hedeker as a result of changed ownership percentages among its existing members, should such an event occur in the future, as may be contemplated. The Trustees also considered the investment philosophy of Hedeker's portfolio management team and their investment industry experience. The Trustees concluded that they were satisfied with the nature, extent and quality of services that Hedeker proposes to provide to the Fund under the Advisory Agreement.

Cost of Advisory Services and Profitability. The Trustees considered the proposed annual management fee that the Fund will pay to Hedeker under the Advisory Agreement, as well as Hedeker's pro forma profitability analysis for services that Hedeker will render to the Fund. In this regard, the Trustees noted that Hedeker is agreeing to an operating expense limitation agreement. The Trustees emphasized that Hedeker had contractually agreed to reimburse the Fund for its operating expenses, and to reduce its management fees to the extent necessary to ensure that Total Annual Fund Operating Expenses, (excluding acquired fund fees and expenses, brokerage fees and commissions, dividend expense on short sales, interest, taxes, and extraordinary expenses), do not exceed the amount specified in the expense limitation agreement. The Trustees concluded that Hedeker's projected profitability with respect to its advisory relationship with the Fund is reasonable.

Comparative Fee and Expense Data. Hedeker discussed the advisory fee and contractual expenses of the Fund as compared to those of funds in its Morningstar peer group category. The Trustees noted that the Fund's management fee compared favorably to the average management fees reported for the Morningstar peer group. The Trustees also discussed the appropriateness of the Morningstar peer group category selected for the comparison. In addition, they considered that the total fund operating expenses of the Fund were less than the average total fund operating expenses reported for the Morningstar peer group. They noted that the projected total fund operating expenses net of waivers and expense reimbursements of the Fund were slightly higher than the average of the Morningstar peer group. They further considered the similar fees paid by Hedeker's separately managed accounts with a similar investment strategy to that of the Fund as compared to the gross management fee charged to the Fund, and noted the significant and distinct differences in the services that Hedeker would provide to the Fund, which would include greater regulatory, compliance and Board reporting responsibilities. While recognizing that it is difficult to compare management fees because the scope of advisory services provided may vary from one investment adviser to another or from one account to another, the Trustees concluded that Hedeker's proposed management fee is reasonable at this time.

Economies of Scale. The Trustees considered whether the Fund would benefit from any economies of scale, noting that the management fee for advisory services rendered on behalf of the Fund does not contain breakpoints. The Trustees noted that the Fund is newly organized and that an increase in assets would mostly likely not diminish the level of advisory services that Hedeker would need to

provide to the Fund in the foreseeable future. The Trustees concluded that it is not necessary to consider the implementation of fee breakpoints at this time, but stated that they would consider revisiting this issue in the future as circumstances change and asset levels of the Fund increase.

Other Benefits. The Trustees noted that Hedeker confirmed that the firm does not utilize soft dollar arrangements with respect to portfolio transactions and does not anticipate the use of affiliated brokers to execute the Fund's portfolio transactions. The Trustees concluded that Hedeker will not receive any other material financial benefits from services rendered to the Fund.

Other Considerations. The Trustees also considered potential conflicts of interest for Hedeker. Based on the assurances from representatives of Hedeker, the Trustees concluded that no material conflicts of interest currently exist that would adversely impact the Fund.

CAPITOL SERIES TRUST

PRIVACY POLICY

(Unaudited)

Capitol Series Trust (the "Trust") on behalf of each of its series (each a "Fund," collectively the "Funds") adopts the following privacy policy in order to safeguard the personal information of its consumers and customers that are individuals in accordance with Securities and Exchange Commission Regulation S-P, 17 CFR 284.30.

We collect only relevant information about a Fund's shareholders that the law allows or requires us to have in order to conduct our business and properly service you. We collect financial and personal information about you ("Personal Information") directly (e.g., information on account applications and other forms, such as your name, address, and social security number, and information provided to access account information or conduct account transactions online, such as password, account number, e-mail address, and alternate telephone number), and indirectly (e.g., information about your transactions with us, such as transaction amounts, account balance and account holdings).

The Trust does not disclose any non-public personal information about its shareholders or former shareholders other than for everyday business purposes such as to process a transaction, service an account, to respond to court orders and legal investigations or as otherwise permitted by law. Third parties that may receive this information include companies that provide transfer agency, technology and administrative services to a Fund, as well as the Fund's investment adviser who is an affiliate of the Fund. If you maintain a retirement/educational custodial account directly with a Fund, we may also disclose your Personal Information to the custodian for that account for shareholder servicing purposes. We limit access to your Personal Information provided to unaffiliated third parties to information necessary to carry out their assigned responsibilities to a Fund. All shareholder records will be disposed of in accordance with applicable law.

The Trust maintains physical, electronic and procedural safeguards to protect Personal Information and requires its third parties service providers with access to such information to treat the Personal Information with the same high degree of confidentiality.

In the event that a shareholder holds shares of a Fund through a financial intermediary, including, but not limited to, a broker-dealer, bank, credit union or trust company, the privacy policy of the shareholders' financial intermediary would govern how their non-public personal information would be shared with unaffiliated third parties.

PROXY VOTING (Unaudited)

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities and information regarding how the Fund voted those proxies during the most recent twelve month period ended June 30, is available without charge upon request by (1) calling the Fund at (800) 657-4450 and (2) from Fund documents filed with the Securities and Exchange Commission ("SEC") on the SEC's website at www.sec.gov.

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This report is intended only for the information of shareholders or those who have received the Fund's prospectus which contains information about the Fund's management fee and expenses. Please read the prospectus carefully before investing.

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