

**THE BERKSHIRE FUNDS
SEMI-ANNUAL REPORT**

June 30, 2017

**Berkshire
Funds**

BERKSHIRE FOCUS FUND (BFOCX)

This report is provided for the general information of the Berkshire Funds shareholders. It is not authorized for distribution unless preceded or accompanied by an effective Prospectus, which contains more complete information about the Berkshire Funds. Please read it carefully before you invest.

In recent years, returns have sustained significant gains and losses due to market volatility in the technology sector. Due to market volatility, current performance may be lower than the figures shown. Call **877.526.0707** or visit **www.berkshirefunds.com** for more current performance information. Past performance is no guarantee of future results and investment results and principal value will fluctuate so that 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 the redemption of Fund shares. Total return includes reinvestment of dividends and capital gain distributions.

The Dow Jones Industrial Average is a measurement of general market price movement for 30 widely-held stocks primarily listed on the New York Stock Exchange. The S&P 500® Index is a registered trademark of Standard & Poor's Corporation and is a market-weighted index of common stock prices for 500 large U.S. companies. The Nasdaq Composite Index is a capitalization-weighted index of over 5,000 common stocks listed on the Nasdaq Stock Market. Each index represents an unmanaged, broad-based basket of stocks. These indices are typically used as benchmarks for overall market performance.

Portfolio composition is subject to change at any time and references to specific securities, industries and sectors are not recommendations to purchase or sell any particular security.

FUND OVERVIEW

JUNE 30, 2017 (UNAUDITED)

PERFORMANCE COMPARISON (AVERAGE ANNUAL TOTAL RETURNS AS OF 6/30/17)

	YTD ⁽¹⁾	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION ⁽²⁾
BERKSHIRE FOCUS FUND	22.14%	35.72%	9.57%	13.95%	12.51%	5.60%
S&P 500® INDEX	9.34%	17.90%	9.61%	14.63%	7.18%	7.15%
DOW JONES INDUSTRIAL AVERAGE	9.35%	22.12%	11.01%	13.45%	7.57%	7.70%
NASDAQ COMPOSITE INDEX	14.71%	28.30%	13.02%	17.36%	10.15%	8.48%

NET ASSETS

6/30/17 **\$62.1 MILLION**

NET ASSET VALUE

NET ASSET VALUE PER SHARE **\$22.12**

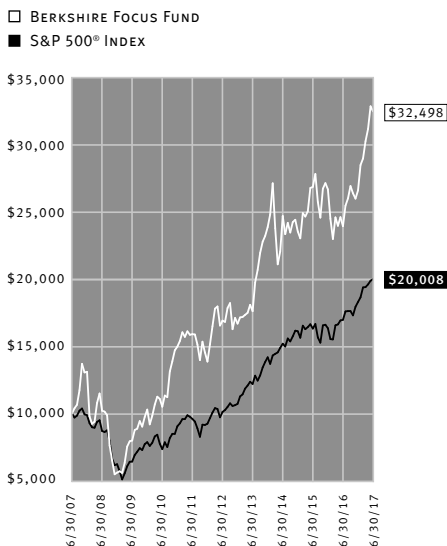
TOP TEN STOCK HOLDINGS ⁽³⁾

ALIBABA GROUP HOLDING LTD. - ADR	12.91%
AMAZON.COM, INC.	9.97%
FACEBOOK, INC. (CLASS A)	7.01%
NVIDIA CORP.	6.88%
BROADCOM LTD.	6.88%
TESLA MOTORS, INC.	5.98%
SALESFORCE.COM, INC.	4.97%
ARISTA NETWORKS, INC.	4.96%
SERVICENOW, INC.	4.96%
ADOBE SYSTEMS, INC.	4.94%

TOP SECTORS ⁽⁵⁾

INTERNET SOFTWARE & SERVICES	31.92%
BUSINESS SOFTWARE & SERVICES	24.14%
SEMICONDUCTOR	17.68%
INTERNET SOCIAL MEDIA	7.29%
AUTOMOBILE MANUFACTURERS	5.98%
NETWORKING EQUIPMENT	4.96%
COMPUTER HARDWARE	4.88%
EXCHANGE TRADED FUNDS	2.52%

GROWTH OF \$10,000 ⁽⁴⁾



(1) NOT ANNUALIZED FOR PERIODS OF LESS THAN ONE FULL YEAR.

(2) THE FUND'S INCEPTION DATE WAS JULY 1, 1997.

(3) STATED AS A PERCENTAGE OF TOTAL NET ASSETS AS OF 6/30/17. THE HOLDINGS INFORMATION PROVIDED SHOULD NOT BE CONSTRUED AS A RECOMMENDATION TO PURCHASE OR SELL A PARTICULAR SECURITY AND MAY NOT BE REPRESENTATIVE OF THE FUND'S CURRENT OR FUTURE INVESTMENTS.

(4) THIS CHART ASSUMES AN INITIAL INVESTMENT OF \$10,000 MADE ON 6/30/07. PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. INVESTMENT RETURN AND PRINCIPAL VALUE WILL FLUCTUATE SO THAT SHARES, WHEN REDEEMED, MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST. ALL RETURNS REFLECT REINVESTED DIVIDENDS BUT DO NOT REFLECT THE IMPACT OF TAXES.

(5) STATED AS A PERCENTAGE OF TOTAL NET ASSETS AS OF 6/30/17. THE HOLDINGS BY SECTOR ARE PRESENTED TO ILLUSTRATE EXAMPLES OF THE SECTORS IN WHICH THE FUND HAS BOUGHT SECURITIES AND MAY NOT BE REPRESENTATIVE OF THE FUND'S CURRENT OR FUTURE INVESTMENTS.

THIS FUND CONCENTRATES ITS INVESTMENTS IN THE TECHNOLOGY INDUSTRY. AS A RESULT, THE FUND IS SUBJECT TO GREATER RISK THAN MORE DIVERSIFIED FUNDS BECAUSE OF ITS CONCENTRATION OF INVESTMENTS IN FEWER COMPANIES AND CERTAIN SEGMENTS OF A SINGLE INDUSTRY.

■

BERKSHIRE FOCUS FUND
PERFORMANCE AND PORTFOLIO DISCUSSION
6/30/2017

■

LETTER TO THE SHAREHOLDERS



Dear Fellow Shareholders,

For the six-month period ended June 30, 2017, the Berkshire Focus Fund outperformed its primary benchmark index. The Fund generated a total return of +22.14% while the S&P 500® Index – which we consider to be the Fund's primary benchmark index – produced a total return of +9.34% over the same period. For comparative purposes, the Dow Jones Industrial Average posted a return of +9.35% and the Nasdaq Composite Index generated a return of +14.71% during the first half of the year. A \$10,000 investment in our Fund for 10 years starting on June 30, 2007 grew to **\$32,498**. This was a **+12.51%** average annual compounded return. A \$10,000 investment in the S&P 500® Index over the same period grew to **\$20,008**. This was a **+7.18%** average annual compounded return. While we won the sprint in the first six-months of 2017, we are confident that we will continue to win the marathon as reflected in our long-term record of outperformance over the past 10 years.

U.S. equity markets extended their upward trajectory at the beginning of the first quarter on continued post-election optimism that regulatory rollbacks, income tax reform, corporate tax cuts, increased infrastructure spending and tough renegotiations of trade deals would translate into stronger economic growth and topline revenue for businesses under the Trump administration. Stocks continued their climb into March, with several indices eventually hitting record highs. Positive economic data helped drive stock market returns led by steady gains in U.S. employment, growing consumer confidence and strong corporate earnings growth. Such signs of economic growth compelled the Federal Reserve to raise its benchmark interest rate by 25 basis points on March 15. While stocks recorded respectable positive gains for the quarter, they were volatile toward the end of the period, prompted by a failed vote in Congress to repeal and replace the Affordable Care Act – casting doubt about the viability of the President's broader reform agenda.

Stocks added upon their solid year-to-date gains in the second quarter, and more notably, all of the major U.S. equity markets' established new record all-time highs during the period. Underpinning these positive trends was an acceleration of U.S. gross domestic product, the broadest measure of goods and services produced in the economy, which grew at an annualized pace of 3.0% between April and June. Strong corporate revenue and earnings growth, decelerating inflation, a weaker dollar and the continued synchronized expansion of the global economy also appeared to be major factors driving the markets gains. Deepening controversy over Russia's intervention in the 2016 presidential election weighed heavily on U.S. equity markets in May – on news that President Trump had fired FBI Director James Comey. The market declines proved short-lived however, with U.S. equity benchmarks regaining their losses within days and then advancing even higher into the end of the quarter.

Looking at the portfolio, our investments in Amazon.com (AMZN), Alibaba (BABA), Apple (AAPL), Broadcom (AVGO), Facebook (FB), Lam Research (LRCX), NVIDIA (NVDA) and Tesla (TSLA) – were all significant contributors to our performance. Some of our investments struggled however, which marginally hindered our performance during the period. These included Twitter (TWTR), Snap (SNAP) and Yelp (YELP). New significant additions to the portfolio in the first six months of the year were Arista Networks (ANET), Oracle (ORCL), Salesforce.com (CRM), ServiceNow (NOW) and Workday (WDAY).

Thank you for your confidence and continued investment in the Berkshire Focus Fund.

A handwritten signature in blue ink, appearing to read 'M. Fobes III', written in a cursive style.

Malcolm R. Fobes III
Chairman and Chief Investment Officer

■

FINANCIAL STATEMENTS
(UNAUDITED)
6/30/2017

■

■

PORTFOLIO OF INVESTMENTS

JUNE 30, 2017 (UNAUDITED)

SHARES		VALUE
	COMMON STOCKS – 96.85%	\$ 60,107,062
	(Cost \$47,029,966)	
	AUTOMOBILE MANUFACTURERS – 5.98%	3,710,119
10,260	TESLA, INC.*	3,710,119
	BUSINESS SOFTWARE & SERVICES – 24.14%	14,979,116
21,680	ADOBE SYSTEMS, INC.*	3,066,419
6,760	MICROSOFT CORP.	465,967
59,700	ORACLE CORP.	2,993,358
35,630	SALESFORCE.COM, INC.*	3,085,558
29,050	SERVICENOW, INC.*	3,079,300
5	SPLUNK, INC.*	284
23,590	WORKDAY, INC. (CLASS A)*	2,288,230
	COMPUTER HARDWARE – 4.88%	3,030,181
21,040	APPLE, INC.	3,030,181
	INTERNET SOCIAL MEDIA – 7.29%	4,523,963
28,820	FACEBOOK, INC. (CLASS A)*	4,351,243
830	SNAP, INC. (CLASS A)*	14,749
8,840	TWITTER, INC.*	157,971
	INTERNET SOFTWARE & SERVICES – 31.92%	19,807,710
56,850	ALIBABA GROUP HOLDING LTD. – ADR*	8,010,165
2,390	ALPHABET, INC. (CLASS A)*	2,221,935
6,390	AMAZON.COM, INC.*	6,185,520
19,560	NETFLIX, INC.*	2,922,460
250	THE PRICELINE GROUP, INC.*	467,630
	NETWORKING EQUIPMENT – 4.96%	3,079,682
20,560	ARISTA NETWORKS, INC.*	3,079,682
	SEMICONDUCTOR – 17.68%	10,976,291
10	ADVANCED MICRO DEVICES, INC.*	125
5	APPLIED MATERIALS, INC.	207
18,320	BROADCOM LTD.	4,269,476
5	KLA-TENCOR, CORP.	457
17,220	LAM RESEARCH CORP.	2,435,425
10	MICRON TECHNOLOGY, INC.*	299
29,540	NVIDIA CORP.	4,270,302

*NON-INCOME PRODUCING

(SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS)

■

PORTFOLIO OF INVESTMENTS (CONTINUED)
 JUNE 30, 2017 (UNAUDITED)

SHARES	VALUE
11,330	EXCHANGE TRADED FUNDS – 2.52% (COST \$1,570,919)
5	POWERSHARES QQQ PROSHARES ULTRA QQQ
	1,560,038 1,559,461 577
	TOTAL INVESTMENT SECURITIES – 99.37% (COST \$48,600,885)
	61,667,100
	OTHER ASSETS IN EXCESS OF LIABILITIES – 0.63%
	392,159
	NET ASSETS – 100.00%
	\$ 62,059,259
	EQUIVALENT TO \$22.12 PER SHARE

*NON-INCOME PRODUCING

(SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS)

STATEMENT OF ASSETS AND LIABILITIES

JUNE 30, 2017 (UNAUDITED)

ASSETS	
INVESTMENT SECURITIES:	
AT COST	\$ 48,600,885
AT VALUE	\$ 61,667,100
CASH	304,332
RECEIVABLE FOR DIVIDENDS	2
RECEIVABLE FOR SECURITIES SOLD	2,863,633
RECEIVABLE FOR CAPITAL SHARES SOLD	27,123
TOTAL ASSETS	64,862,190
LIABILITIES	
PAYABLE FOR SECURITIES PURCHASED	
	2,655,559
PAYABLE FOR CAPITAL SHARES REDEEMED	
	43,541
PAYABLE TO AFFILIATE (NOTE 5)	
	103,831
TOTAL LIABILITIES	2,802,931
NET ASSETS	\$ 62,059,259
NET ASSETS CONSIST OF:	
PAYD-IN CAPITAL	\$ 43,224,312
ACCUMULATED NET INVESTMENT LOSS	(443,106)
ACCUMULATED UNDISTRIBUTED NET REALIZED GAIN FROM SECURITY TRANSACTIONS	6,211,838
NET UNREALIZED APPRECIATION ON INVESTMENTS	13,066,215
NET ASSETS	\$ 62,059,259
SHARES OF BENEFICIAL INTEREST ISSUED AND OUTSTANDING	
(UNLIMITED NUMBER OF SHARES AUTHORIZED, WITHOUT PAR VALUE)	2,806,017
NET ASSET VALUE AND OFFERING PRICE PER SHARE	\$ 22.12
MINIMUM REDEMPTION PRICE PER SHARE*	\$ 21.68

*THE FUND WILL IMPOSE A 2.00% REDEMPTION FEE ON SHARES REDEEMED WITHIN 90 CALENDAR DAYS OF PURCHASE.

(SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS)

■

STATEMENT OF OPERATIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2017 (UNAUDITED)

INVESTMENT INCOME	
DIVIDENDS (NET ADR FEES OF \$917)	\$ 148,853
TOTAL INVESTMENT INCOME	148,853
EXPENSES	
INVESTMENT ADVISORY FEES (NOTE 5)	431,537
ADMINISTRATION FEES (NOTE 5)	141,858
FEDERAL EXCISE TAX	18,170
INTEREST EXPENSE	394
TOTAL EXPENSES	591,959
NET INVESTMENT LOSS	(443,106)
REALIZED AND UNREALIZED GAINS ON INVESTMENTS	
NET REALIZED GAIN FROM SECURITY TRANSACTIONS	6,211,244
CHANGE IN NET UNREALIZED APPRECIATION ON INVESTMENTS	5,518,105
NET REALIZED AND UNREALIZED GAINS ON INVESTMENTS	11,729,349
NET INCREASE IN NET ASSETS FROM OPERATIONS	\$ 11,286,243

(SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS)

STATEMENTS OF CHANGES IN NET ASSETS

FOR THE PERIODS ENDED JUNE 30, 2017 (UNAUDITED) AND DECEMBER 31, 2016

	SIX MONTHS ENDED 6/30/17 (UNAUDITED)	YEAR ENDED 12/31/16
FROM OPERATIONS:		
NET INVESTMENT LOSS	\$ (443,106)	\$ (790,221)
NET REALIZED GAINS FROM SECURITY TRANSACTIONS	6,211,244	1,164,901
NET CHANGE IN UNREALIZED APPRECIATION/ DEPRECIATION ON INVESTMENTS	5,518,105	(1,548,041)
NET INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	11,286,243	(1,173,361)
FROM DISTRIBUTIONS:		
NET REALIZED GAIN FROM SECURITY TRANSACTIONS	-	(71,349)
NET DECREASE IN NET ASSETS RESULTING FROM DISTRIBUTIONS PAID	-	(71,349)
FROM CAPITAL SHARE TRANSACTIONS:		
PROCEEDS FROM SHARES SOLD	4,241,360	5,313,111
PROCEEDS FROM REINVESTED DISTRIBUTIONS	-	70,579
PROCEEDS FROM REDEMPTION FEES (NOTE 6)	1,408	21,802
PAYMENTS FOR SHARES REDEEMED	(5,848,298)	(20,727,343)
NET DECREASE IN NET ASSETS FROM CAPITAL SHARE TRANSACTIONS	(1,605,530)	(15,321,851)
TOTAL INCREASE (DECREASE) IN NET ASSETS	9,680,713	(16,566,561)
NET ASSETS:		
BEGINNING OF PERIOD	52,378,546	68,945,107
END OF PERIOD ^(A)	\$ 62,059,259	\$ 52,378,546
CAPITAL SHARE ACTIVITY:		
SHARES SOLD	201,557	319,895
SHARES REINVESTED	-	3,853
SHARES REDEEMED	(288,424)	(1,221,660)
NET DECREASE IN SHARES OUTSTANDING	(86,867)	(897,912)
SHARES OUTSTANDING, BEGINNING OF PERIOD	2,892,884	3,790,796
SHARES OUTSTANDING, END OF PERIOD	2,806,017	2,892,884

(A) ACCUMULATED UNDISTRIBUTED NET INVESTMENT (LOSS) IS (\$443,106) FOR THE SIX MONTHS ENDED JUNE 30, 2017 AND \$0 FOR THE YEAR ENDED DECEMBER 31, 2016.

(SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS)

FINANCIAL HIGHLIGHTS

SELECTED PER SHARE DATA AND RATIOS FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD

	SIX MONTHS ENDED 6/30/17 (UNAUDITED)	YEAR ENDED 12/31/16	YEAR ENDED 12/31/15	YEAR ENDED 12/31/14	YEAR ENDED 12/31/13	YEAR ENDED 12/31/12
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 18.11	\$ 18.19	\$ 17.58	\$ 17.83	\$ 14.05	\$ 11.67
INCOME FROM INVESTMENT OPERATIONS:						
NET INVESTMENT LOSS	(0.16) ^(b)	(0.23) ^(b)	(0.36) ^(b)	(0.35) ^(b)	(0.22) ^(a)	(0.22) ^(a)
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS	4.17	0.16	2.69	0.08 ^(c)	6.26	2.59
TOTAL FROM INVESTMENT OPERATIONS	4.01	(0.07)	2.33	(0.27)	6.04	2.37
PROCEEDS FROM REDEMPTION FEES	0.00 ⁽ⁱ⁾	0.01	0.01	0.03	0.01	0.01
LESS DISTRIBUTIONS:						
DISTRIBUTIONS FROM NET REALIZED GAINS	0.00	(0.02)	(1.73)	(0.01)	(2.27)	0.00
TOTAL DISRIBUTIONS	0.00	(0.02)	(1.73)	(0.01)	(2.27)	0.00
NET ASSET VALUE, END OF PERIOD	\$ 22.12	\$ 18.11	\$ 18.19	\$ 17.58	\$ 17.83	\$ 14.05
TOTAL RETURN^(b)	22.14% ^(h)	(0.31)%	13.32%	(1.36)%	43.09%	20.39%
SUPPLEMENTAL DATA AND RATIOS:						
NET ASSETS AT END OF PERIOD (THOUSANDS)	\$ 62,059	\$ 52,379	\$ 68,945	\$ 63,787	\$ 71,484	\$ 53,903
RATIO OF EXPENSES TO AVERAGE NET ASSETS ^(e)	2.06% ^(g)	2.01%	1.99%	1.99%	2.00%	2.00%
RATIO OF NET INVESTMENT LOSS TO AVERAGE NET ASSETS	(1.54)% ^(e)	(1.37)%	(1.88)%	(1.95)%	(1.60)%	(1.64)%
PORTFOLIO TURNOVER RATE ^(f)	202.0% ^(h)	422.8%	455.6%	533.7%	464.1%	613.8%

(A) NET INVESTMENT LOSS PER SHARE IS CALCULATED USING ENDING BALANCES PRIOR TO CONSIDERATION OR ADJUSTMENT FOR PERMANENT BOOK AND TAX DIFFERENCES.

(B) NET INVESTMENT LOSS WAS CALCULATED USING THE AVERAGE SHARES OUTSTANDING METHOD.

(C) NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS PER SHARE IS A BALANCING AMOUNT NECESSARY TO RECONCILE THE CHANGE IN NET ASSET VALUE PER SHARE FOR THE PERIOD, AND MAY NOT RECONCILE WITH THE NET REALIZED AND UNREALIZED LOSS ON INVESTMENTS IN THE STATEMENT OF OPERATIONS.

(D) TOTAL RETURN REPRESENTS THE RATE THAT THE INVESTOR WOULD HAVE EARNED OR (LOST) ON AN INVESTMENT IN THE FUND ASSUMING REINVESTMENT OF DIVIDENDS.

(E) THE RATIO OF EXPENSES TO AVERAGE NET ASSETS INCLUDES FEDERAL EXCISE TAX AND INTEREST EXPENSE. THE RATIOS EXCLUDING FEDERAL EXCISE TAX AND INTEREST EXPENSE WOULD BE 1.99%, 2.00%, 1.99%, 1.98%, 1.99% AND 2.00%, RESPECTIVELY.

(F) PORTFOLIO TURNOVER IS GREATER THAN MOST FUNDS DUE TO THE INVESTMENT STYLE OF THE FUND.

(G) ANNUALIZED FOR PERIODS OF LESS THAN ONE FULL YEAR.

(H) NOT ANNUALIZED FOR PERIODS OF LESS THAN ONE FULL YEAR.

(I) LESS THAN \$0.005 PER SHARE.

(SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS)

■

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017 (UNAUDITED)

1. Organization

The Berkshire Focus Fund (the “Fund”) is a non-diversified series of The Berkshire Funds (the “Trust”), an open-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”). The Trust was organized as a Delaware business trust on November 25, 1996. The Fund commenced operations on July 1, 1997. The Fund’s investment objective is to seek long-term growth of capital primarily through investments in equity securities.

2. Significant Accounting Policies

The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 946 Financial Services – Investment Companies. The financial statements are prepared in conformity with accounting principles generally accepted in the United States (“GAAP”).

The following is a summary of the Trust’s significant accounting policies:

Securities valuation — The Fund’s portfolio securities are valued as of the close of the regular session of trading on the New York Stock Exchange (the “NYSE”), normally 4:00 p.m., Eastern time. Securities which are traded on stock exchanges or are quoted by Nasdaq are valued at the last reported sale price as of the close of the regular session of trading on the NYSE, or, if not traded, at the most recent bid price. Securities which are traded in the over-the-counter market, and which are not quoted by Nasdaq, are valued at the most recent bid price, as obtained from one or more of the major market makers for such securities. Securities for which market quotations are not readily available are valued at their fair value as determined in good faith in accordance with consistently applied procedures established by and under the general supervision of the Board of Trustees.

The Trust has adopted accounting standards which establish an authoritative definition of fair value and set out a hierarchy for measuring fair value. These standards require additional disclosures about the various inputs and valuation techniques used to develop the measurements of fair value and a discussion of changes in valuation techniques and related inputs during the period. These standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy is organized into three levels based upon the assumptions (referred to as “inputs”) used in pricing the asset or liability. These standards state that “observable inputs” reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from independent sources and “unobservable

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017 (UNAUDITED)

inputs” reflect an entity’s own assumptions about the assumptions market participants would use in pricing the asset or liability. These inputs are summarized in the three broad levels listed below:

Level 1 – Quoted prices in active markets for identical securities.

Level 2 – Other significant observable inputs (including 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 the fair value of investments).

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used to value the Fund’s investments as of June 30, 2017:

	Level 1	Level 2	Level 3	Total
<i>Common Stocks</i>				
Internet Software & Services	\$ 19,807,710	–	–	\$ 19,807,710
Business Software & Services	14,979,116	–	–	14,979,116
Semiconductor	10,976,291	–	–	10,976,291
Internet Social Media	4,523,963	–	–	4,523,963
Automobile Manufacturers	3,710,119	–	–	3,710,119
Networking Equipment	3,079,682	–	–	3,079,682
Computer Hardware	3,030,181	–	–	3,030,181
Total Common Stocks	60,107,062	–	–	60,107,062
Exchange Traded Funds	1,560,038	–	–	1,560,038
Total Investments	\$ 61,667,100	–	–	\$ 61,667,100

There were no transfers into or out of Level 1, Level 2 or Level 3 fair value measurements during the reporting period, as compared to their classification from the most recent annual report. It is the Fund’s policy to consider transfers into or out of Level 1, Level 2 or Level 3 as of the end of the reporting period. The Fund did not hold any derivative instruments during the reporting period.

Investment income — Dividend income is recorded on the ex-dividend date. Interest income is accrued as earned.

Distributions to shareholders — Distributions to shareholders arising from net investment income and net realized capital gains, if any, are distributed at least once each year. Distributions to shareholders are recorded on the ex-dividend date. Dividends from net investment income and capital gain distributions are determined in accordance with income tax regulations, which may differ from GAAP.

■

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017 (UNAUDITED)

Security transactions — Security transactions are accounted for on the trade date. Securities sold are determined on a specific identification basis.

Estimates — The financial statements are prepared in accordance with GAAP, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

Federal income tax — The Fund intends to comply with the requirements of Subchapter M of the Internal Revenue Code (the “Code”) necessary to qualify as a regulated investment company. As provided therein, in any fiscal year in which the Fund so qualifies and distributes at least 90% of its taxable net income, the Fund (but not the shareholders) will be relieved of federal income tax on the income distributed. Accordingly, no provision for income taxes has been made.

As of and during the year ended December 31, 2016, 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 other expense on the statement of operations. During the year, the Fund did not incur any tax-related interest or penalties.

In order to avoid imposition of the excise tax applicable to regulated investment companies, it is also the Fund’s intention to declare as dividends in each calendar year at least 98% of its net investment income and 98.2% of its net realized capital gains plus undistributed amounts from prior years. However, during the six months ended June 30, 2017, the Fund recognized \$18,170 of Federal excise tax, which is reflected on the Statement of Operations.

Other — The treatment for financial reporting purposes of distributions made to shareholders during the year from net investment income or net realized capital gains may differ from their ultimate treatment for federal income tax purposes. These differences are caused primarily by differences in the timing of the recognition of certain components of income, expense or realized capital gain for federal income tax purposes. Where such differences are permanent in nature, they are reclassified in the components of the net assets based on their ultimate characterization for federal income tax purposes. Any such reclassifications will have no effect on net assets, results of operations or net asset value per share of the Fund. For the year ended December 31, 2016, the Fund reclassified the net investment loss of \$790,221 to paid-in capital.

3. Investment Transactions

Purchases and sales of investment securities (excluding short-term instruments) for the six months ended June 30, 2017 were \$116,299,048 and \$118,617,728, respectively. There were no purchases or sales of U.S. Government securities for the Fund.

■

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017 (UNAUDITED)

4. Tax Information

As of December 31, 2016, the components of accumulated earnings (deficit) on a tax basis were as follows:

Federal income tax cost	\$ 45,170,331
Gross unrealized appreciation	\$ 8,085,388
Gross unrealized depreciation	(999,289)
Net unrealized appreciation	7,086,099
Undistributed ordinary income	-
Undistributed long term gains	462,605
Accumulated losses	-
Total accumulated gains	\$ 7,548,704

The cost basis of investments for tax and financial reporting purposes differs primarily due to the deferral of capital losses from wash sales.

There was no distribution paid during the six months ended June 30, 2017. There was a long-term capital gains distribution paid in the amount of \$71,349 during the year ended December 31, 2016.

At December 31, 2016, the Fund had no accumulated net realized capital loss carryforwards. During the year ended December 31, 2016, the Fund had no capital loss carryforward to utilize.

5. Related Party Transactions, Investment Advisory and Administrative Fees

Certain Officers and Trustees of the Trust are also Officers and Directors of Berkshire Capital Holdings, Inc. ("Berkshire Capital"). The non-interested Trustees of the Fund were not paid any Trustee fees and expenses directly by Berkshire Capital during the six months ended June 30, 2017.

The Fund has an Investment Advisory Agreement (the "Advisory Agreement") and a separate Administration Agreement with Berkshire Capital. Under the Advisory Agreement, Berkshire Capital will determine what securities will be purchased, retained or sold by the Fund on the basis of a continuous review of the portfolio. For the services it provides under the Advisory Agreement, Berkshire Capital receives a fee accrued each calendar day (including weekends and holidays) at a rate of 1.50% per annum of the daily net assets of the Fund. Under the Administration Agreement, Berkshire Capital renders all administrative and supervisory services of the Fund, as well as facilities furnished and expenses assumed. For these services, Berkshire Capital receives a fee at the annual rate of 0.50% of the Fund's average daily net assets up to \$50 million, 0.45% of average net assets from \$50 million to \$200 million, 0.40% of average net assets from \$200 million to \$500 million, 0.35% of average net assets from \$500 million to \$1 billion and 0.30% of average net assets in excess of \$1 billion. Such fee is computed as a percentage of the Fund's

■

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017 (UNAUDITED)

daily net assets and is accrued each calendar day (including weekends and holidays). For the six months ended June 30, 2017, Berkshire Capital was paid an investment advisory fee of \$431,537 and an administration fee of \$141,858 from the Fund. The amount due to Berkshire Capital for these fees at June 30, 2017 totaled \$103,831.

6. Redemption Fee

The Fund may impose a redemption fee of 2.00% on shares held for 90 days or less. For the six months ended June 30, 2017, proceeds from redemption fees were \$1,408.

7. Beneficial Ownership

The beneficial ownership, either directly or indirectly, of more than 25% of the voting securities of a fund creates a presumption of control of the Fund, under Section 2(a)(9) of the Investment Company Act of 1940. At June 30, 2017, National Financial Services Corp. and Charles Schwab & Co. beneficially owned, in aggregate, 39.56% and 28.52% of the Fund, respectively.

8. Subsequent Events

In preparing these financial statements, management has performed an evaluation of subsequent events after June 30, 2017 and determined that there were no significant subsequent events that would require adjustment to or additional disclosure in the financial statements.

■

ADDITIONAL INFORMATION
(UNAUDITED)

EXPENSE EXAMPLE

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, and (2) ongoing costs, including advisory fees, administrative fees and interest expense. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. The Example is based on an investment of \$1,000 invested in the Fund on January 1, 2017 and held through June 30, 2017.

Actual Expenses

The first line of the table on the following page provides information about actual account values and actual expenses. Although the Fund charges no sales load or transaction fees, you will be assessed fees for outgoing wire transfers, returned checks and stop payment orders at prevailing rates charged by Mutual Shareholder Services, LLC, the Fund's transfer agent. If you request that a redemption be made by wire transfer, currently a \$20.00 fee is charged by the Fund's transfer agent. IRA accounts will be charged an \$8.00 annual maintenance fee. To the extent the Fund invests in shares of other investment companies as part of its investment strategy, you will indirectly bear your proportionate share of any fees and expenses charged by the underlying funds in which the Fund invests in addition to the expenses of the Fund. Actual expenses of the underlying funds are expected to vary among the various underlying funds. These expenses are not included in the example. The example includes advisory fees, administrative fees and interest expense. However, the example does not include portfolio trading commissions and related expenses and other extraordinary expenses as determined under generally accepted accounting principles. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

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

■

ADDITIONAL INFORMATION
(UNAUDITED)

hypothetical examples that appear in the shareholder reports of the other funds. Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Beginning Account Value <u>January 1, 2017</u>	Ending Account Value <u>June 30, 2017</u>	Expenses Paid During the Period* January 1, 2017 to <u>June 30, 2017</u>
Actual	\$1,000.00	\$1,221.42	\$11.35
Hypothetical (5% annual return before expenses)	\$1,000.00	\$1,014.58	\$10.29

*Expenses are equal to the Fund's annualized expense ratio of 2.00%, multiplied by the average account value over the period, multiplied by 181/365 to reflect the one-half year period.

OTHER INFORMATION

Proxy Voting Guidelines

Berkshire Capital Holdings, Inc., the Fund's Adviser, is responsible for exercising the voting rights associated with the securities held by the Fund. A description of the policies and procedures used by the Adviser in fulfilling this responsibility and a record of the Fund's proxy votes for the most recent twelve month period ended June 30, are available without charge, upon request, by calling toll free 1-877-526-0707. They are also available on the Securities and Exchange Commission's ("SEC") website at <http://www.sec.gov>.

Quarterly Filing of Portfolio Holdings

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the SEC's website at <http://www.sec.gov>. The Fund's Forms N-Q may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-202-551-8090 (direct) or 1-800-SEC-0330 (general SEC number).

Tax Information

The percentage of taxable ordinary income distributions that are designated as short-term capital gain distributions under Internal Revenue Service Section 871(k)(2)(c) for the Fund was 0%.

The Berkshire Funds

475 Milan Drive
Suite #103
San Jose, CA 95134
(Toll-Free) 1-877-526-0707

Board of Trustees

Malcolm R. Fobes III, Chairman
Leland F. Smith
Andrew W. Broer

Investment Adviser

Berkshire Capital Holdings, Inc.
475 Milan Drive
Suite #103
San Jose, CA 95134

Counsel

Thompson Hine LLP
312 Walnut Street
14th Floor
Cincinnati, OH 45202

**Independent Registered
Public Accounting Firm**

Cohen & Company, Ltd.
1350 Euclid Avenue
Suite #800
Cleveland, OH 44115

Transfer Agent

Mutual Shareholder Services, LLC
8000 Town Centre Drive
Suite #400
Broadview Heights, OH 44147

Custodian

Huntington National Bank
41 South High Street
Columbus, OH 43287

Website

www.berkshirefunds.com