Poplar Forest Funds Quarterly Report

December 31, 2015

Poplar Forest Capital

About Poplar Forest

Formed in September 2007, Poplar Forest Capital provides investment management to select individual and institutional investors. We currently manage approximately $1.2 billion of assets using a focused, disciplined and long-term contrarian approach to investing. We offer access to our expertise through three mutual funds:

Poplar Forest Partners Fund: Established in 2009, our flagship fund is a U.S. focused, contrarian value fund designed to be a core portfolio holding. The Fund seeks long-term growth of capital by investing primarily in equity securities of underappreciated large and medium-sized companies and industries.

Poplar Forest Outliers Fund: Established in 2014, Outliers is a U.S. focused, contrarian value fund designed for long-term investors interested in the growth potential of underappreciated medium and small sized companies and industries. The Fund may be suitable for investors who seek capital growth and are comfortable with the increased volatility that can come with these kinds of investments.

Poplar Forest Cornerstone Fund: Established in 2014, our balanced fund of U.S. focused equity and debt securities is designed to be a core portfolio holding. The Fund may be suitable for long-term investors who seek a combination of both capital growth and preservation with less volatility than would generally be inherent in an all equity account.

Our Mission and Values

Our mission is to achieve superior risk adjusted returns, net of fees and taxes, over full market cycles by investing in underappreciated companies and industries. We strive to be successful and live by these values:

- Stewardship
  - We put our client-partners first, our associates second, and the company third.
  - We believe in remaining small, so that size won't impede investment results.
  - We continually strive to exemplify the highest ethical standards.
- Partnership
  - We personally invest alongside our client-partners.
  - We share the benefits of scale with our stakeholders.
  - We treat our associates equitably.
- Passion with Humility
  - We aim for nothing less than market beating, long-term returns.
  - Even in our convictions, we remember that the other guy may be right.
  - We recognize that mistakes are inherent in investing. We try to admit mistakes early while striving to learn from them.

Dear Partner,

Years ago, a love of good food led me into the kitchen. In 1996, I started trying to perfect North Carolina style, hickory-smoked barbeque here in Southern California. One of my newer culinary endeavors is baking bread. I've been pursuing better bread for three years now and I'm generally pleased with the results, though it still isn't as sour as I'd like it to be. I think that as my starter ages, it will take on more character and that will yield an even tastier loaf.

I find it quite satisfying to get up on a Saturday morning and mix together the ingredients: sour dough starter, flour, water, eggs, salt, butter, honey and a little yeast. I can read the paper while the dough rises. While there is a bit of variability in the rising process, once the loaves are ready for the oven, they get 10 minutes at 450 degrees and another 19 minutes at 400. This process produces two golden loaves of fresh bread every time.

If only investing were as predictable as baking. I know of no investment "recipe" that produces a winning result every year. This challenge is compounded by the reality that while people say they want to buy low and sell high, they often do the opposite. Funds with great short-term records generally have a much easier time attracting clients than do funds with weak records. In my experience, the best time to invest is often when short-term results are at their worst. Investing is cyclical, and historically, great results often follow weak periods. Baking isn't cyclical, but as my not-yet-sour-enough starter reminds me, it still requires patience. To get that perfectly sour loaf, I may need to wait months or years for my starter to mature.

2015 – A Year of Fear

While there are eight ingredients in my bread recipe, there are three key forward-looking variables in investing: inflation, uncertainty and growth. **Given the difficulty of forecasting the future, it is no surprise that people most often start by extrapolating the past. Thus, the economic environment of low and uneven economic growth that we've lived with for several years now is projected to continue into the future.** If anything, investors appear to be worried that the lackluster economy will get worse, not better, as the Fed starts to normalize interest rates. Given this outlook, inflation isn't a major worry while certainty and growth are highly valued.

At its core, investing is about deferring consumption today in the hopes of having more to consume in the future. Our expectations of future prices figure prominently in this calculation. The more prices are expected to rise, the more an investor needs to be compensated for the potential loss of future purchasing power. Government bonds are the investment most closely tied to inflation expectations given that they are perceived as being risk free. Current Treasury bond yields suggest investors are not overly concerned that inflation will rear its head any time soon. For example, someone buying a 10 year Treasury bond at current prices is effectively saying they are comfortable getting paid approximately 2.25% per year for ten years. If inflation averages more than 2.25% per year over the next decade, the bond holder will be able to buy less with their money in the future than they can today.

While the current prices of long term government bonds don't appear to offer much value to me, there are plenty of people who are willing to buy them. I think this is due to the second key variable in investing: uncertainty. Given that the Federal Government owns printing presses, the chance of not being paid back when Treasury bonds mature is deemed to be close to zero. In other words, Treasury bonds are often viewed as the safest place to invest: "The yield may be low, but I'm confident I'll get my money back at maturity." Corporate bonds are a little less predictable, hence the need for companies to offer higher yields relative to Treasury bonds of similar maturity. In recent weeks, the yields of high yield "junk" bonds have increased; investors have grown more worried that their principal won't be paid back in full due to economic growth that may be disappointing.

Finally, stock prices are driven by the earnings and free cash flows generated by the businesses they represent. Those financial streams are far less predictable than the contractual payments that come with fixed income investments. As a result, stocks prices typically reflect a so called "equity risk premium" as compensation for that uncertainty. In the years since the 2008 market crash, the equity risk premium has remained at historically high levels. This is yet another indicator of either expected slower than normal growth or higher than normal uncertainty. In short, there are multiple indications that investors are not confident in the future.

I believe this fear of the future can best be summed up as fear of the Fed. After seven years of EASY money, the U.S. Federal Reserve's Open Market Committee recently decided to increase interest rates by 0.25%. In my opinion, a 0.25% increase in short-term interest rates is apt to be as impactful as a butter knife trying to slice a loaf of bread. If the U.S. economy is so weak that 0.25% will make a difference, then we have much bigger problems than anyone currently imagines. I disagree with those commentators who have scared investors into believing that increases in interest rates will lead to recession in the short term. I would not be surprised to see short-term interest rates of 1% or more a year from now given the strength in employment and what appear to be nascent increases in wage pressure. From my perspective, this is good news; rising interest rates can be viewed as an indicator that the economy is stronger than it has been in many years.

Even if short rates were set at 1% in an economy with roughly 2% inflation, monetary policy would still look stimulative, just less so. The Fed is simply starting the process of normalizing rates; they aren't trying to slow an over-heated economy. While there will come a time to worry about interest rates, it's too early to worry. In the last cycle, the Fed first raised rates in June of 2004. They continued to raise rates by 0.25% at each of the next 17 meetings before holding firm in June of 2006. In the three years starting June 30, 2004, the S&P 500 grew from a level of 1141 to 1503 – a gain of over 30% excluding dividends despite an increase in short-term interest rates from 1.00% to 5.25%.

While I'm not worried that the Fed's actions will tip us over into recession, I recognize investor nervousness given that short-term interest rates have basically been at 0.00% for seven years. As we move forward, I believe investors will grow more confident the Fed won't spoil the party, but until then, they may continue to worry about disappointing economic growth.

In an uncertain, low growth environment, companies with seemingly rock solid growth are in even greater demand than normal. Basically, if the value of an investment is determined by the amount of cash it produces in the future, then a company growing its cash flow faster than average should be accorded an above average (or premium) valuation. The challenge for investors is to determine the appropriate premium to pay given the uncertainty of future growth. Today, the premium being accorded the market's darlings looks too high.

Good Companies Don't Always Make Good Investments

From time to time, a small handful of stocks is accorded special status. Today, one such group is FANG: Facebook, Amazon, Netflix and Google (aka Alphabet). I am a satisfied customer of all four of these companies and they have been able to grow rapidly because they are meeting consumers' needs for, among other things, information, entertainment and the ability to shop from home. These companies are all well managed and they appear to have a bright future. That said, consumers can be fickle and lofty growth expectations sometimes lead to disappointment.

In a year when the S&P 500 fell 1%, owners of FANG stocks were quite happy as those stocks enjoyed a roaring bull market. While these are great businesses, at current prices the stocks do not look attractive to me.

In addition to being drawn to the rapidly growing FANG companies, investors have looked to the biggest companies in the market for security. Of the ten largest companies in the S&P 500, only Exxon Mobil and Apple dramatically underperformed this year. These stocks, given they are the largest holdings in S&P index funds, have also benefitted from the incremental demand created by investors shifting from actively managed mutual funds into passive index and exchange traded funds.

	Market Cap (Billion)	Stock Price 12/31/14	Stock Price 12/13/15	Price Change	P/E Ratio 2015E
FANG Stocks:					
Facebook	$296	$78.02	$104.66	+34%	48x
Amazon	317	310.35	675.89	+118%	358x
Netflix	49	48.80	114.38	+134%	545x
Google (Alphabet)	535	530.66	778.01	+47%	27x
Remaining S&P Top 10:					
Apple	$539	$110.38	$105.26	-5%	11x
Microsoft	443	46.45	55.48	+19%	20x
Exxon Mobil	325	92.45	77.95	-16%	20x
General Electric	294	25.27	31.15	+23%	24x
Johnson & Johnson	284	104.57	102.72	-2%	17x
Wells Fargo	278	54.82	54.36	-1%	13x
JPMorgan Chase	243	62.58	66.03	+6%	11x
S&P 500		2058.90	2043.94	-1%	18x

Source: Capital IQ and Poplar Forest calculations

Outside of the current market favorites, results have been far less rewarding. Over half the stocks in the S&P 500 declined in price during 2015 and 120 stocks fell by 20% or more. Many of the stocks that suffered most last year either participate in or are indirectly connected to the cyclical energy and materials sector.

The aforementioned tendency of people to extrapolate the recent past when projecting into the future has, more often than not, created opportunity for patient and long-term value investors to exploit. This is Poplar Forest's sweet spot. Value investors buy stock in companies whose future is not currently deemed to be bright while avoiding the currently fashionable parts of the market, for example the FANG companies. Over long periods of time, value investing has been shown to produce results that beat market averages like the S&P 500, but this approach can have periods of underperformance. We appear to be living through one such period right now.

Our Recipe For Investment Success

When I look at today's economic environment, I'm not surprised that many investors feel most comfortable with Treasury bonds and growth stocks. Provided nothing changes, the prevailing wisdom will continue to look smart. However, it is my belief that change is inevitable; Poplar Forest's investment philosophy is predicated on other investors incorrectly extrapolating the recent past too far into the future.

I don't know how long this particular market phase will last, but I believe that this is a particularly attractive time for investing with the strategies employed at Poplar Forest. We use great ingredients and a recipe that focuses on the price we pay relative to normalized earnings and free cash flow. The ingredients: high quality companies that are, in our opinion, undeservedly out-of-favor. We invest primarily in companies that have an investment grade balance sheet as we believe this should minimize downside in a recession. We seek out businesses that consistently generate free cash flow, even at the bottom of their respective cycles, as additional downside protection. We prefer dividend paying companies. The combining high quality with low prices has generally been a rewarding recipe for investment success and we believe it will be going forward.

I recently read a report comparing the returns provided by stocks with the lowest ratio of price to earnings (the P/E ratio) to those with the highest P/E ratios. The low P/E bunch soundly out-performed the high P/E group when looked at over many years. This particular study examined rolling five-year phases starting in 1968. While low P/E stocks did better in over 80% of the periods examined, they produced disappointing results several times: 1986-1991 (which included the '87 Crash and the first Gulf War), 1995-2000 (the inflating of the tech bubble) and 2010-2014 (the weak recovery from the Great Recession). The '86-'91 and '95-'00 underperformance episodes saw back-to-back five year periods of growth success. History suggests the pendulum may be set to swing our way in 2016 given that 2015 likely produced the second sequential five year run of disappointing value strategy performance. (Please see Appendix for more information.)

The most difficult time to be an investment professional is when their strategy isn't working. I was a portfolio manager in the '95-'00 period and it was exceedingly painful. I know how the pressure to perform can get to investors, and those who didn't have the confidence of their conviction got sucked into what, in hindsight, was a dangerously inflated technology and super large cap stock bubble. The situation today isn't as extreme as the late '90s, but there are certainly parallels. I think it is as imperative today as it was then to stick to time-tested, contrarian value strategies because I believe they ultimately offer market-beating, long-term returns for those who are willing to live through the weak periods.

As we look at the investment landscape today, the areas that appear most out of favor are energy and materials. We understand that demand growth from China has slowed, but we believe the price decline for many commodities has been more extreme than is warranted by fundamental changes to supply and demand. While we understand that prices may fall further in the short term, we believe current values are unsustainably low and that they will recover. You can read more about the results of our three funds in the pages that follow.

Evidence of Our Confidence

The business of managing other peoples' money is challenging. When the opportunity to "buy low" may be most available, a manager's weak short-term results may make prospective clients nervous to invest and may lead existing clients to start to worry that they've made a mistake. We've seen this industry-wide this year: according to Morningstar, in the twelve months ending September 30, 2015, investors redeemed a net $150 billion from their actively managed equity mutual funds. Value funds were among the areas witnessing particularly high redemption rates. Will these redemptions prove prescient or ill-timed? We'll only be able to answer that question with the benefit of hindsight, but from my vantage point, now is the time to be buying actively managed funds, not selling – particularly funds with a value bias.

Investor redemptions put pressure on the revenue of active investment management firms. For many, these revenue challenges have been reason to pull back and/or to be restrained in their spending. At Poplar Forest, we are taking a different tack. In addition to being invested alongside you in our funds, we are investing in the business given our confidence that the Poplar Forest investment recipe could produce market-beating returns for our client partners. We've added to our marketing and operations team and we're looking to hire two new analysts in order to expand the depth and breadth of our research efforts. I had hoped this letter would include information about a new member of our investment group, but given that we're as picky about our people as we are about the stocks in which we invest, that announcement will have to wait. With all the new hiring, we needed more space and we've recently completed an expansion of our office. If you are ever in Pasadena, please stop by to check out the new space and to say hello.

We appreciate the patience of our client partners who understand that even great investment processes don't beat the market every year. We will continue to do what we've done from the beginning: invest alongside you in our funds with the goal of generating market-beating, long-term returns by building portfolios of high conviction investments that we believe are only temporarily unloved or underappreciated. Thank you for your continued confidence in Poplar Forest.

Dale

J. Dale Harvey
January 1, 2016

Appendix

S&P 500 Lowest vs. Highest P/E Stocks (1968-2014)				
Rolling 5-Year Periods	Top 20% by P/E (Growth)	Bottom 20% by P/E (Value)	Value Outperforms	Growth Outperforms
1968 – 1972	6.03%	9.66%	3.62%	
1969 – 1973	0.29%	0.00%	--- flat* ---	
1970 – 1974	-4.31%	1.11%	5.42%	
1971 – 1975	2.71%	12.44%	9.73%	
1972 – 1976	2.44%	17.81%	15.38%	
1973 – 1977	-3.27%	17.02%	20.29%	
1974 – 1978	1.35%	24.71%	23.35%	
1975 – 1979	14.38%	34.30%	19.91%	
1976 – 1980	15.37%	24.67%	9.31%	
1977 – 1981	9.93%	18.20%	8.27%	
1978 – 1982	18.87%	22.18%	3.31%	
1979 – 1983	22.54%	24.53%	1.99%	
1980 – 1984	15.30%	26.07%	10.77%	
1981 – 1985	12.43%	26.46%	14.03%	
1982 – 1986	17.23%	27.63%	10.40%	
1983 – 1987	12.20%	18.92%	6.72%	
1984 – 1988	9.77%	18.22%	8.45%	
1985 – 1989	16.75%	16.29%	--- flat* ---	
1986 – 1990	8.57%	6.14%		2.44%
1987 – 1991	11.67%	10.53%		1.14%
1988 – 1992	11.90%	15.37%	3.47%	
1989 – 1993	12.34%	14.54%	2.20%	
1990 – 1994	7.09%	10.10%	3.00%	
1991 – 1995	14.98%	23.17%	8.20%	
1992 – 1996	12.46%	17.92%	5.47%	
1993 – 1997	14.35%	22.01%	7.66%	
1994 – 1998	16.19%	17.79%	1.60%	
1995 – 1999	21.84%	18.23%		3.61%
1996 – 2000	16.42%	13.91%		2.51%
1997 – 2001	8.73%	13.27%	4.54%	
1998 – 2002	-0.27%	4.74%	5.01%	
1999 – 2003	2.61%	12.15%	9.53%	
2000 – 2004	1.52%	16.02%	14.49%	
2001 – 2005	2.99%	15.38%	12.39%	
2002 – 2006	9.25%	15.97%	6.73%	
2003 – 2007	16.35%	17.29%	0.94%	
2004 – 2008	-5.01%	-2.31%	2.70%	
2005 – 2009	-2.07%	1.98%	4.05%	
2006 – 2010	0.96%	2.10%	1.14%	
2007 – 2011	-5.51%	-1.51%	4.00%	
2008 – 2012	-0.17%	1.99%	2.15%	
2009 – 2013	19.61%	24.67%	5.05%	
2010 – 2014	15.80%	14.45%		1.35%
	ANNUALIZED RETURNS		AVERAGE OUTPERFORMANCE	
(47 Years) 1968 - 2014	**8.68%**	**14.80%**	**7.65%**	**2.21%**

Flat = less that 1% difference

Source: S&P Corp/ FactSet Research/ Schafer Cullen Capital Management

Average Annual Total Returns as of December 31, 2015					
Partners Fund	**4Q 2015**	**1 Year**	**3 Years**	**5 years**	**Since Inception *12/31/2009***
I Shares	5.80%	-6.82%	14.45%	10.87%	11.58%
A Shares No Load	5.73%	-7.05%	14.15%	10.58%	11.30%
A Shares With Load	0.44%	-11.70%	12.22%	9.45%	10.35%
S&P 500® Index	7.04%	1.38%	15.13%	12.57%	12.98%
Outliers Fund					***12/31/2011***
I Shares	1.30%	-12.15%	13.70%	-	14.58%
Russell Midcap® Index	3.62%	-2.44%	14.18%	-	14.95%
					12/31/2014
A Shares No Load	1.25%	-12.35%	-	-	-12.35%
A Shares With Load	-3.81%	-16.75%	-	-	-16.75%
Russell Midcap® Index	3.62%	-2.44%	-	-	-2.44%
Cornerstone Fund					***12/31/2014***
I Shares	3.18%	-4.21%	-	-	-4.21%
A Shares No Load	3.12%	-4.43%	-	-	-4.43%
A Shares With Load	-2.04%	-9.22%	-	-	-9.22%
S&P 500® Index	7.04%	1.38%	-	-	1.38%
Barclays Aggregate Bond Index	-0.57%	0.55%	-	-	0.55%

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 877-522-8860. Performance for Class A Shares with load reflects a maximum 5.00% sales charge. Class A shares without load do not take into account any sales charges which would reduce performance. Expense Ratio Net of fee waiver reflects contractual fee waiver in effect through at least 1/27/2016. The Partners Fund expense ratio is 1.26% net and 1.40%gross for the A Shares and 1.01% net and 1.15% gross for the I Shares. The Outliers Fund expense ratio is 1.36% net, 2.56% gross for the A Shares and 1.11% net, 2.31% gross for the I Shares. The Cornerstone Fund expense ratio is 1.17% net, 2.39% gross for the A Shares and 0.92% net and 2.14% gross for the I Shares. Short term performance, in particular, is not a good indication of the fund's future performance, and an investment should not be made based solely on returns.

The Outliers performance shown prior to December 31, 2014 is that of the Predecessor Partnership and includes expenses of the Predecessor Partnership. Simultaneous with the commencement of the Fund's investment operations on December 31, 2014, the Predecessor Partnership converted into the Institutional Class of the Fund. The Predecessor Partnership maintained an investment objective and investment policies that were, in all material respects, equivalent to those of the Fund. The performance returns of the Predecessor Partnership are unaudited and are calculated by the Adviser on a total return basis. The Predecessor Partnership was not a registered mutual fund and was not subject to the same investment and tax restrictions as the Fund, which, if applicable, may have adversely affected its performance.

POPLAR FOREST PARTNERS FUND

Portfolio Manager: J. Dale Harvey

Average Annual Total Returns as of December 31, 2015					
	4Q 2015	1 Year	3 Years	5 Years	Since Inception (12/31/09)
Poplar Forest Partners Fund:					
I Shares	5.80%	-6.82%	14.45%	10.87%	11.58%
A Shares No Load	5.73%	-7.05%	14.15%	10.58%	11.30%
A Shares With Load	0.44%	-11.70%	12.22%	9.45%	10.35%
S&P 500® Index	7.04%	1.38%	15.13%	12.57%	12.98%

Commentary from J. Dale Harvey, Portfolio Manager:

Our 2015 results were disappointing on both an absolute and relative basis. Being a disciplined value investor can be frustrating when that approach is out of sync with the market as has been the case this year. As I explained in my last report to you, strength of the U.S. dollar relative to other currencies and the collapse of oil and other commodity prices dramatically impacted our portfolio. While those macroeconomic trends continued in the fourth quarter, we appear to be moving into a phase where at least some stock prices have stopped tracking movements in commodity prices.

For example, we made an investment in Chevron in late August at a price that we simply found too hard to resist. Since then, the stock has moved steadily higher and it produced a 15% return in the fourth quarter, despite oil prices falling further to levels last seen in late 2008/early 2009 in the midst of the Great Recession. Likewise, Rowan Companies, an offshore oil driller, rose in price in the fourth quarter. These bright sports were offset by falling prices for WPX Energy and Baker Hughes. Unlike Chevron and Rowan, WPX continued to closely track the decline in oil prices. In the case of Baker Hughes, the stock declined on worries that the Department of Justice will prevent Halliburton from completing its planned acquisition of the company. We remain positive on the combination but recognize that we are living in an era of stringent scrutiny of mergers. At current prices, we'd be happy to own Baker Hughes even if the merger does not get consummated.

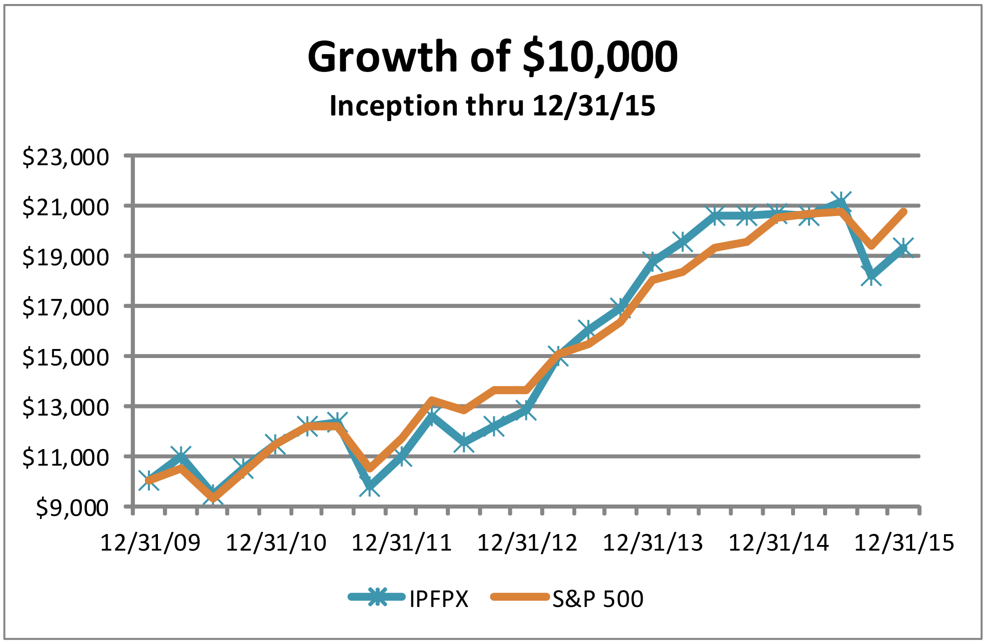
Avon is another investment that appears to have changed course. While the stock has remained one of our biggest disappointments this year, it rebounded in the fourth quarter. A new management team installed three years ago hasn't yet been able to demonstrate a lasting turnaround in the company's operations and this has been compounded by the strengthening U.S. dollar, which dramatically cut the value of Avon's profits, all of which are earned overseas. We continued to see great potential in Avon, but had waited to see some fundamental progress before adding to our position. In mid-December, two different investment groups began agitating for change. The company ultimately agreed to sell its money-losing North American operations to Ceberus Capital Management, a successful private investment firm. Ceberus also made a substantial investment in Avon and has pushed to have half the board changed as part of their deal. I believe Ceberus's influence will have a very positive impact on the company. As a result of these changes, Avon's stock price increased by almost 25% in the fourth quarter and it was one of the biggest positive contributors to our results.

More than offsetting the 4Q gain in Avon was a continued decline in Freeport-McMoRan, a producer of copper, gold, oil, natural gas and other commodities. Freeport has been in the cross hairs of investors who believe that slowing growth in China and other developed markets has resulted in a permanent reduction in prices of the key commodities produced by Freeport. In recent months, the company has taken steps to improve its balance sheet and cash generating ability as it works through the challenges of the current macro environment. We continue to believe Freeport will produce solid future investment gains when this cyclical decline in commodity prices reverses.

Periods of weak results are frustrating, but I believe they provide opportunity. I'm particularly excited about the value I see in the portfolio today. The companies in which we've invested offer proportionate free cash flow equaling more than 7% of their market value (excluding energy & materials), they trade at a more than 30% discount to our appraisal of fair value, and at close to a 50% discount to the S&P 500 on our assessment of normalized earnings. We believe that investing in financially strong companies when they are out of favor, and thus trading at heavily discounted prices, can offer very compelling prospective returns – particularly in the current low yield investment environment.

Given our focus on long-term investing, we pay most attention to our long-term results – specifically on the Fund's Institutional Class shares (IPFPX). The recent performance of the Fund has resulted in cumulative results that have not kept pace with the S&P 500. While we are disappointed in current comparisons, this has happened before and we believe that by sticking to our investment discipline, we hope to deliver on our goal of market-beating returns over full market cycles.

The chart below is a hypothetical representation of how $10,000 would have grown had it been invested in either the Institutional Class shares of the Fund (to $19,298) or in the S&P 500 (to $20,797). If we are successful, the gap between the lines on the chart will widen over time.



Past performance does not guarantee future results. This chart illustrates the performance of a hypothetical $10,000 investment made in the Fund since the Fund's inception on 12/31/2009. It assumes reinvestment of dividends and capital gains, but does not reflect the effect of any applicable sales charge or redemption fees.

POPLAR FOREST OUTLIERS FUND

Portfolio Manager: Steve Burlingame, CFA

Average Annual Total Returns as of December 31, 2015					
	4Q 2015	1 Year	3 Years	Since Inception (12/31/11)	Since Inception (12/31/14)
Poplar Forest Outliers Fund:					
I Shares	1.30%	-12.15%	13.70%	14.58%	-
A Shares No Load	1.25%	-12.35%	-	-	-12.35%
A Shares With Load	-3.81%	-16.75%	-	-	-16.75%
Russell Midcap® Index	3.62%	-2.44%	14.18%	14.95%	-2.44%

Commentary from Steve Burlingame, Portfolio Manager:

Dear Partner,

The Outliers Fund had a disappointing year. During periods like this, we remind ourselves that to beat the market over the long run we must, by definition, be different from it. Being different means, at times, being out of sync. While we are certainly frustrated with our recent performance, we have high conviction in our current investment portfolio and the process that drives it. While some mistakes were made (and corrected) in 2015, we believe the portfolio is only temporarily out of favor and offers investors an attractive risk vs. reward profile at its current valuation of approximately 11 times our estimate of normalized earnings power. With the valuations of stocks no longer below historical averages and the U.S. economy expanding at a moderate pace, I don't view the stock market as being obviously undervalued or overvalued and would characterize the current investment landscape as balanced. Relative to other asset classes such as bonds, stocks still appear attractive on a multi-year basis. As the pool of extraordinary long-term investment opportunities shrinks, I believe investors with the ability to limit their portfolios to only their 25-35 best ideas may have an advantage over funds that choose to own significantly more securities. We have spent most of this year high grading the quality of companies in the portfolio and are increasingly avoiding companies that look cheap only so long as the sun is shining. While we aren't expecting an imminent slowdown in economic activity, after six years of economic expansion, we do believe it is prudent to systematically think through the portfolio implications of cloudy skies and a decline in economic growth sometime in the next two to four years. As Benjamin Franklin aptly observed, "By failing to prepare, you are preparing to fail."

Many Californians are also contemplating cloudy skies as meteorologists forecast a rainy winter in response to a record setting El Nino. El Nino is a warming of the ocean surface in the central and eastern tropical Pacific Ocean. According to Bill Patzert, a climatologist with NASA's Jet Propulsion Lab, this year's El Nino has resulted in a massive pool of warm water west of Peru that is two and a half times the size of the continental United States[i]. This overheated section of the ocean is evaporating immense amounts of water into the atmosphere and is expected to cause increased rainfall in California and the southern United States. What's unique about this year's El Nino is that the water temperatures being registered are higher than they were during the El Nino of 1997, which led to record rainfalls in California and wreaked havoc on the unprepared. While the weather, like the economy, is inherently unpredictable, our family, neighbors, and even a number of municipal governments have all begun clearing drains. Within our portfolio, a similar process is underway.

Investment Results:

During 4Q'15, the fund's Institutional Class shares generated a positive return of 1.30% which was lower than the Russell Midcap Index® return of 3.62%. Our goal is not to outperform every quarter or even every year but rather to generate market-beating annualized returns over a full market cycle. Since inception on December 31, 2011, the fund has generated an annualized return of 14.58% which compares to a 14.95% return for the Russell Midcap Index®. **The portfolio is currently valued at approximately 11x my estimate of normalized earnings power which represents a significant discount to the current valuation multiples of indices for small, midcap and large cap stocks.**

From a performance attribution standpoint, our weak 4Q'15 performance relative to the Russell Midcap Index® was largely a function of stock selection as opposed to sector allocation decisions. Our investments in the Healthcare and Consumer Discretionary sectors contributed the most to our relative returns whereas our investments in the Financial and Industrial sectors detracted the most. We continue to believe that attractive risk / reward profiles exist among companies in the Healthcare sector that combine clear competitive advantages, attractive valuations, and favorable long-term growth prospects. This belief informs our relatively high exposure to the Healthcare sector. It is worth noting that the fund has no exposure to Utilities or Real Estate Investment Trusts (REITs). Many of these companies have paid investors high dividend yields and are often viewed as fixed income equivalents. Over the next three to five years, investors may become less interested in Utilities and REITs if interest rates on competing fixed income assets rise.

Quarterly Changes:

During the quarter, we initiated an investment in Horizon Pharma (HZNP) and exited investments in DeVry Education (DV) and Network Appliance (NTAP). We believe the fund continues to look quite different from the Russell Midcap Index® with higher allocations to the Healthcare, Energy, and Industrials sectors and lower allocations to the Financials, Utilities, and Consumer Staples sectors.

POPLAR FOREST CORNERSTONE FUND

Portfolio Managers: J. Dale Harvey and Derek Derman

Average Annual Total Returns as of December 31, 2015				
	4Q 2015	1 Year	3 Years	Since Inception (12/31/14)
Poplar Forest Cornerstone Fund:				
I Shares	3.18%	-4.21%	-	-4.21%
A Shares No Load	3.12%	-4.43%	-	-4.43%
A Shares With Load	-2.04%	-9.22%	-	-9.22%
S&P 500® Index	7.04%	1.38%	-	1.38%
Barclays Aggregate Bond Index	-0.57%	0.55%	-	0.55%

Commentary from Derek Derman, Co-Portfolio Manager:

The close of 2015 marks the end of the calendar year and the first anniversary of the Poplar Forest Cornerstone Fund. We launched the Cornerstone Fund last year to provide investors with a less volatile version of our flagship Partners Fund. It is our belief that investors can enjoy solid long-term returns with an approach that balances the volatile growth of equities with the stability of bonds and cash. Our balanced strategy focuses on growing our client partner's purchasing power while avoiding permanent losses of capital. We believe compounding returns can be a powerful wealth producer. By building on the firm's flagship equity product, the Poplar Forest Partners Fund, Cornerstone uses fixed income and cash to lower volatility and emphasize capital preservation. Equities will always be at least half of the fund's assets, but a mandate to invest in fixed income allows us to tactically adjust the Fund's profile based on market conditions and perceived risk. We are excited about the prospects of serving clients with this product.

In 2015, while the equity market was fairly flat, the year was anything but boring. Fears related to China's economic slowdown spread in multiple directions. With China being a large portion of incremental global demand growth, commodity prices began to sell-off. This, in turn, pressured many emerging markets that are dependent on energy and commodities for a large portion of their gross domestic product. Several developed economies also struggled to emerge from the financial crisis, exacerbating economic growth concerns. With the Fed raising the Fed Funds rate for the first time in nine years while many other central banks continue to stimulate, the dollar has strengthened causing another growth headwind. Then, in the latter part of the year, leverage concerns and weakness in the oil patch caused the high yield market to breakdown.

In many ways it's impressive the equity market was only flat given the concerns outlined above. However, the market indices are somewhat distorted by the success of a few large companies, not the majority of index components. Investors sought safety in growth (Facebook, Amazon, Netflix and Google) and downplayed the importance of valuation. Last year, growth stocks beat value stocks by a wide margin (Russell 1000 Growth +3.9% vs. Russell 1000 Value -6.3%).

As with all Poplar Forest strategies, the Cornerstone Fund takes a long-term value approach to investing. We seek investments that are out-of-favor – trading on what we believe are currently depressed trends, not normalized ones. As part of this process, we recognize the challenges of predicting the timing of trend changes. On many occasions, share prices can move wildly as fear and new information are absorbed. At times, investors discount unsustainable assumptions well into the future. Getting to "normal" can take time and certainly doesn't correspond to calendar measurement periods. This was true in 2015 as the Fund's performance lagged. Fear gripped investors who responded by chasing a select group of fast growing companies. During these periods, we prefer to be patient rather than follow consensus.   While joining the crowd can generate rewarding short-term performance, when the cycle changes the impact can be painful. At Poplar Forest, we remain disciplined value investors focused on normalized earnings and free cash flow. We are not comfortable straight-lining sales trends with expanding margins. Our scenario analysis tries to look at "through-the-cycle" trends to determine valuation and understand downside risk. In the current environment, this discipline produced unsatisfying performance results. However, we remain confident in our process.

As we look to 2016, we believe our portfolio is well positioned to generate solid real returns. The Fund remains focused on high quality companies that are trading at what we believe are discounted valuations.   Our stock and bond selection continues to emphasize capital preservation. The overwhelming majority of our equity investments are investment grade rated and dividend paying. The fixed income holdings are highly rated credits with short duration to damper the impact of rising interest rates. As of year-end, equities comprised 65% of total assets with the balance in bonds and cash.

In 2016, investors will need to contend with lots of uncertainty – the pace of the Fed slowly reversing years of stimulus; how commodity dependent emerging markets wrestle with low prices; and China's ability to manage a soft landing – just to name a few. While there is a lack of clarity on many fronts, investor fear is what creates dislocations and opportunities. At Poplar Forest, we intend to wade through what we expect to be an uncertain environment by sticking to our discipline. We will remain selective stock pickers aiming for long-term market-beating returns. Our investments will be stress tested to understand the implications of a recession on free cash flow. Valuation will be measured on normalized earnings, not unsustainable margins. Finally, and most importantly, we will not forget that we are stewards of your capital. Our client partners come first and we strive to perform our job with the highest ethical standards.

Investment Results and Operations:

During the quarter, the Cornerstone Fund's institutional shares returned 3.18%. This compares to the S&P 500 Index's 7.04% gain and the Barclays Aggregate Bond Index's -0.57% return. The biggest positive contributor to our quarterly results was the healthcare sector. Many of our large cap pharmaceutical and medical device holdings saw healthy price appreciation. This was partially offset by weakness in the energy sector. Depressed oil and natural gas prices continue to weigh on our energy related investments. Returns in the remaining sectors weren't notable. Despite heightened volatility, our contrarian investment process remains focused on our long-term goals of protecting and growing investors' purchasing power. As the fund grows, we continue to make new investments that meet these aims. In the last three months we established a new equity position in Las Vegas Sands Corp. We also continued to build position sizes in several other equity investments. The portfolio's asset allocation is currently 65% equities, 25% fixed income and 10% cash and equivalents. This is unchanged from the prior quarter. The bond portfolio continues to hold high-quality low-duration securities with the intention of limiting risk from rising interest rates. The fund's cash and equivalents weighting sets us up to deploy assets as opportunities emerge.

Disclosures

The Funds' objectives, risks, charges and expenses must be considered carefully before investing. The summary and statutory prospectuses contain this and other important information and can be obtained by calling (626) 304-6000 or by visiting www.poplarforestfunds.com. Read it carefully before investing.

Mutual fund investing involves risk. Principal loss is possible. The funds may invest in debt securities which typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. The funds may invest in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods. These risks are greater in emerging markets. Investing in small and medium sized companies may involve greater risk than investing in larger, more established companies because small and medium capitalization companies can be subject to greater share price volatility. The Funds may invest in options, which may be subject to greater fluctuations in value than an investment in the underlying securities. When the Cornerstone Growth Fund invests in other funds and ETFs an investor will indirectly bear the principal risks and its share of the fees and expenses of the underlying funds. Investments in asset-backed and mortgage-backed securities involve additional risks such as credit risk, prepayment risk, possible illiquidity and default, and increased susceptibility to adverse economic developments. Diversification does not assure a profit, nor does it protect against a loss in a declining market.

Opinions expressed are subject to change at any time, are not guaranteed and should not be considered investment advice.

Poplar Forest Capital LLC is the advisor to the Poplar Forest Partners Fund which is distributed by Quasar Distributors, LLC.

As of December 31, 2015, the Poplar Forest Partners Fund's 10 largest holdings accounted for 44.19% of total fund assets. The Fund's 10 largest holdings at December 31, 2015:

Mattel – 5.07%
American International Group – 5.02%
TE Connectivity – 4.53%
Microsoft – 4.45%
Lincoln National – 4.30%
Quest Diagnostics – 4.28%
Eli Lilly– 4.20%
AECOM – 4.16%
Citigroup – 4.10%
Metlife– 4.08%

As of December 31, 2015, the Poplar Forest Outliers Fund's 10 largest holdings accounted for 37.24% of total fund assets. The Fund's 10 largest holdings at December 31, 2015:

Quest Diagnostics – 4.55%
Progressive – 4.18%
Zimmer Biomet Holdings – 3.92%
Checkpoint Software Technologies – 3.91%
Motorola Solutions – 3.83%
Aetna – 3.56%
CIT Group – 3.49%
AECOM– 3.38%
Dun & Bradstreet – 3.23%
Humana – 3.17%

As of December 31, 2015, the Poplar Forest Cornerstone Fund's 10 largest holdings accounted for 26.85% of total fund assets. The Fund's 10 largest holdings at December 31, 2015:

Mattel – 2.90%
Microsoft– 2.83%
American International Group – 2.68%
Baker Hughes – 2.68%
Metlife – 2.67%
Lincoln National – 2.65%
IBM– 2.62%
Dun & Bradstreet – 2.61%
US Treasury Inflation Protection Security 4/15/2020– 2.61%
Federal Home Loan Mortgage Corp 9/11/2017- 2.60%

Fund holdings and sector allocations are subject to change at any time, and should not be considered a recommendation to buy or sell any security.

Definitions

The S&P 500 Index is a market-value weighted index consisting of 500 stocks chosen for market size, liquidity, and industry group representation. It is not possible to invest directly in an index.

The Russell Midcap® Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap Index is a subset of the Russell 1000® Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap Index represents approximately 31% of the total market capitalization of the Russell 1000 companies. It is not possible to invest directly in an index.

Active investing has higher management fees because of the manager's increased level of involvement while index investing has lower management and operating fees. Investing in both actively managed funds and index funds involves risk and principal loss is possible. Both actively managed funds and index funds generally have daily liquidity. Actively managed mutual funds may have higher portfolio turnover than index funds. Excessive turnover can limit returns and can incur capital gains.

Free cash flow is revenue less operating expenses including interest expenses and maintenance capital spending. It is the discretionary cash that a company has after all expenses and is available for purposes such as dividend payments, investing back into the business or share repurchases.

An index fund is a type of mutual fund with a portfolio constructed to match or track the components of a specific Index, such as the S&P 500 Index.

The Barclays Aggregate Bond Index, which used to be called the "Lehman Aggregate Bond Index," is a broad base index, maintained by Barclays Capital, which took over the index business of the now defunct Lehman Brothers, and is often used to represent investment grade bonds being traded in the United States.

Duration is a measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years.

The Russell 1000 includes 1,000 or fewer of the largest U.S. firms by market capitalization and represents about 90% of the U.S. market; if an issue disappears because of bankruptcy, merger or other corporate action, it is not replaced until the next index reconstitution. The index is reconstituted on a June 30th annual cycle.

The Russell 1000 Growth index measures the performance of the Russell 1000's growth segment, which is defined to include firms whose share prices have higher price/book ratios and higher expected earnings growth rates.

The Russell 1000 Value index measures the performance of the Russell 1000's value segment, which is defined to include firms whose share prices have lower price/book ratios and lower expected long/term mean earnings growth rates.

Price/Book is the ratio of a firm's closing stock price and its fiscal year end book value per share.

Price/Earnings (P/E) Ratio is the ratio of a firm's closing stock price and its earnings per share.

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[i] Rong-Gong Lin II and Rosanna Xia, "Massive El Nino gains strength, likely to drench key California drought zone," Los Angeles Times, November 20, 2015. http://www.latimes.com/local/weather/la-me-ln-el-nino-q-a-20151120-story.html