Poplar Forest Funds Quarterly Review

September 30, 2018

About Poplar Forest

Formed in September 2007, Poplar Forest Capital provides investment management to select individual and institutional investors. We currently manage over $1.7 billion of assets using a focused, disciplined and long-term contrarian approach to investing. We offer access to our expertise through two mutual funds:

Poplar Forest Partners Fund: Established in 2009, our flagship fund is a U.S. focused, contrarian value fund designed to complement 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 Cornerstone Fund: Established in 2014, our balanced fund is comprised of U.S. focused equity and debt securities and is designed to complement 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.

FUND PERFORMANCE OVERVIEW

Average Annual Total Returns % as of September 30, 2018						
PARTNERS FUND	**QTR**	**YTD**	**1 YR**	**3 YR**	**5 YR**	**ITD**
I Shares (IPFPX)	6.26	2.98	8.72	13.68	9.57	11.93
A Shares No Load (PFPFX)	6.17	2.79	8.45	13.39	9.30	11.65
A Shares With Load (PFPFX)	0.86	-2.36	3.02	11.47	8.18	10.99
S&P 500 Index	7.71	10.56	17.91	17.31	13.95	13.96
Russell 1000 Value Index	5.70	3.92	9.45	13.55	10.72	12.17
CORNERSTONE FUND	**QTR**	**YTD**	**1 YR**	**3 YR**	**5 YR**	**ITD**
I Shares (IPFCX)	4.64	4.02	8.15	10.58	-	6.26
A Shares No Load(PFCFX)	4.58	3.84	7.90	10.30	-	5.99
A Shares With Load (PFCFX)	-0.64	-1.33	2.51	8.43	-	4.55
S&P 500 Index	7.71	10.56	17.91	17.31	-	12.00
60/40 Blended Index*	4.59	5.64	9.99	10.77	-	7.77
CPI +3%	NA	NA	NA	NA	-	NA

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. The Partners Fund expense ratio is 1.25% net and 1.28% gross for the A Shares and 1.00% net and 1.03% gross for the I Shares. The Cornerstone Fund expense ratio is 1.16% net, 1.83% gross for the A Shares and 0.91% net and 1.58% gross for the I Shares. The Advisor has contractually agreed to the fee waiver through at least January 27, 2019. The Partners Fund inception date is 12/31/2009; Cornerstone Fund inception date is 12/31/2014.

**The 60/40 blended index includes 60% of the S&P 500® Index and 40% Bloomberg Barclays US Aggregate Bond Index.*

PARTNERS FUND REVIEW

Portfolio Manager: J. Dale Harvey

The Partners Fund Institutional Class shares produced a return of 6.26% in the quarter ended September 30, 2018 versus a return of 7.71% for the S&P 500 Index and 5.70% for the Russell 1000 Value Index.

For the quarter, the Fund benefitted at the sector level from its underweight to Communication Services and Real Estate, as well as its overweight to the Healthcare sector. Conversely, the Fund's overweight to the Energy and Financial sectors negatively impacted performance, as did the Fund's underweight to Information Technology.

At the security level, the Fund was most negatively impacted by its investments in the Energy, Materials and Consumer Discretionary sectors with the largest detractors of performance being Antero Resources, Devon Energy and Weatherford International in the Energy sector, Newell Brands in the Consumer Discretionary sector, and Freeport-McMoRan in the Materials sector. Offsetting this was a positive contribution from Qualcomm in the Information Technology sector, Advance Auto Parts in the Consumer Discretionary sector, and Abbott Laboratories, Eli Lilly and Zimmer Biomet in the Healthcare sector.

Would you please discuss your view of the performance disparity between value and growth investing?

Growth investing has captured investors' attention, particularly over the past 18 months. Over this time period, we have seen the price-to-sales ratio for the Russell 1000 Growth Index increase from 2.27 to 3.30 (a 45% jump), while the same ratio for the Russell 1000 Value Index actually declined slightly from 1.80 to 1.68. At the same time, the forward price-to-earnings ratio for the Russell 1000 Growth Index rose from 19.95 to 21.76 while the ratio for the Russell 1000 Value Index fell from 16.53 to 14.45. Clearly, we see more value in value. On the return side, growth stocks continued to outperform value stocks in the third quarter with the Russell 1000 Growth Index rising 9.17% and the Russell 1000 Value Index rising 5.70% (despite trailing its Growth Index counterpart, this is still a very healthy quarterly return in the big picture).

While we don't know when a shift in favor of value investing will take place, we remain steadfast to our contrarian value investment process and believe our Fund is well positioned for the shift when it inevitably takes place.

As bottom-up managers, how is the Fund currently positioned?

The Fund is a "best ideas," high conviction portfolio with 25-35 companies that we aim to hold for three or more years. Because the Fund embraces a contrarian style, we often seek companies that are unloved and underappreciated by the market yet, in our opinion, have the potential to deliver superior returns over longer time frames. The companies we favor are financially strong, with sound management and healthy free cash flow.

Due to our bottom-up process, our portfolio often differs substantially from the S&P 500 Index and had an active share of 93.3% at quarter's end. As of September 30, 2018, the Fund's largest overweight positions compared to the Index were in the Financial, Energy and Healthcare sectors. Conversely, finding fewer companies that meet our criteria in Communication Services, Information Technology, Industrials and Consumer Staples, we are underweight in these sectors, and hold no positions in the Utilities or Real Estate sectors.

Recently, we have found compelling opportunities in the Energy sector due to a divergence between the rising price of oil and stock prices. Concerns of overproduction and excess capacity have put pressure on stock prices; however, we see strong fundamentals in our energy companies and are optimistic about their long-term prospects.

Did you establish any new positions or exit any positions during the quarter?

During the quarter, we established new investments in Coty and Noble Energy. We exited our positions in AECOM, Johnson Controls and Signet.

Coty is a large, diversified beauty company with leading positions in mass beauty, professional haircare, and luxury fragrances. The business was transformed by the $12B acquisition of P&G's portfolio of beauty brands in 2015, which more than doubled the size of the legacy business. At the time, expectations for the deal were sky high (mid-20s P/E) and confidence in management was robust. Over the last two years, the integration proved more challenging than the market anticipated and expectations were reset, with the stock rerating to a low-teens multiple on much less aggressive assumptions. We see an attractive risk/reward skew with significant potential upside, even if management achieves only a fraction of its 800+ basis point margin expansion target. In our view, with luxury beauty peers still trading in the mid-20s on P/E, an improvement in underlying fundamentals could generate renewed interest in the story and drive the current low to mid-teens multiple higher over time. Additionally, the investment benefits from the beauty category's historical defensiveness and a 4% yield.

Noble Energy is a global, large cap exploration and production energy company with a diversified asset base. Over the past few years, Noble has executed several strategic actions to high grade and reposition its portfolio. This resulted in core assets now being focused in the US (Permian, DJ Basin, Eagle Ford) and international offshore markets, primarily concentrated in the Eastern Mediterranean. The company has balanced exposure to oil and gas production and more than 15 years of high-return, proved reserves. Recent concerns over pipeline constraints in the Permian and ballot measures in Colorado have created a compelling opportunity. Double digit production growth in the US and the start-up of its high value Leviathan project in Israel (late 2019) are forecast to double operating cash flow by 2020. At current prices, we believe we get Leviathan's approximate $2 per share of cash flow for free. We also believe the company's investment grade balance sheet, dividend and share buybacks mitigate downside risk.

We purchased AECOM, a leading engineering and construction company, with the view that the company was well positioned to benefit from increasing global infrastructure investment. Over the course of our investment, the company's project backlog grew substantially. From fiscal 2016 to June 2018, the backlog, including unconsolidated joint venture projects, increased by $15B, or 38%. Unfortunately, margins on existing business continued to disappoint, causing earnings per share to stay stagnant. This trend is concerning. The company's margin trends suggest it is sacrificing price to win new business. As a result, we re-evaluated our view of AECOM's earnings power and no longer found the shares to be a top investment idea.

Johnson Controls International is the result of a 2016 merger between Johnson Controls and Tyco International to create a leading building efficiency and battery company. The 2016 deal brought strong promise of expense synergies and new cross selling potential. To date, merger progression has not lived up to expectations and free cash flow generation has been disappointing. As a result, we lowered our view of normalized earnings. The company also announced it is performing a strategic review of its batteries segment. While a business sale or spin-out typically holds promise, our calculations suggest a transaction will not add shareholder value and may even be dilutive. Therefore, we decided to exit the position and reinvest the proceeds into other opportunities.

Signet has rebounded strongly after a disappointing start to the year. Improving execution and healthy domestic consumer spending helped drive an inflection in same-store sales at the same time headwinds from the company's credit outsourcing began to fade. Meanwhile, with the R2Net acquisition, Signet has created a meaningful ecommerce presence that has dispelled some of the long-term bear thesis. With the stock now in the low to mid-$60s and more fairly reflecting what we currently view as the underlying value of the business, we've opted to move on to new opportunities in which risk/reward profiles appear more favorable.

Following these changes, the Fund ended the quarter with 30 investments and roughly 3% cash.

What is your investment case for the Poplar Forest Partners Fund?

We are excited by the opportunities the market has created and believe the Fund provides the potential for market-beating returns over a full market cycle. Since the Fund's inception in 2009, we have focused on the following criteria when building the portfolio:

- **Undervalued businesses with accelerating earnings and multiple expansion potential.** We believe the portfolio offers the potential for superior returns over a full market cycle by investing in underappreciated out-of-favor companies that have the potential to accelerate their earnings growth and/or expand their market multiples. We continue to find high-quality companies that meet our stringent research requirements. Year-to-date through September 30, 2018, we have added seven new companies to the portfolio.
- **Attractive discount to the overall market**. As of September 30, 2018, the Fund held 30 companies that trade at a forward price-to-earnings ratio of 13.1, thereby offering an attractive discount of approximately 24% to the S&P 500 Index.[i]
- **Total return target.** When we initiate a new position, we generally target a total return of 50% over a 3-year holding period.

Given our patient approach and low turnover, we view ourselves as owners of companies and not renters of stock. As such, we think it is necessary to give the companies in our portfolio time to execute their business plans. Over the long term, we believe this should result in higher earnings and/or multiple expansion, culminating in a higher future stock price.

CORNERSTONE FUND REVIEW

Portfolio Managers: J. Dale Harvey and Derek Derman

The Cornerstone Fund Institutional Class shares produced a 4.64% return versus 4.59% for a 60/40 blend of the S&P 500® Index (7.71%) and the Bloomberg Barclays U.S. Aggregate Bond Index (0.02%) in the quarter ended September 30, 2018.

The Fund benefitted from equity investments in the Information Technology, Consumer and Healthcare sectors this quarter with our top contributors being Qualcomm (information technology), Advance Auto Parts (consumer), Abbott Laboratories (healthcare), Zimmer Biomet Holdings (healthcare), and Eli Lilly (healthcare). The top detractors to our results were Newell Brands (consumer), Freeport McMoRan (materials), Devon Energy (energy), EQT Corporation (energy), and Noble Energy (energy).

While the overlap between the equities owned in the Cornerstone and Partners funds is quite high, the Cornerstone Fund remains far more defensive with roughly 7% in cash and equivalents and roughly 25% in fixed income investments. Over time, we would expect the Fund to hold between 25% and 50% in bonds, with our current exposure being driven by concerns that interest rates could increase further in coming periods. When interest rates rise, the value of bonds generally falls.

In Cornerstone, we remain focused on trying to manage downside risk while also striving to protect our investors' long-term purchasing power. With equities accounting for approximately 68% of the Fund, the potential draw-down in a weak stock market environment should be less than what we would expect from the Partners Fund. Furthermore, our fixed income investments offer a far different profile than what would commonly be found in a balanced fund. Roughly 27% of our fixed income portfolio is invested in Inflation Protected Treasury bonds (TIPs). The income produced by TIPs increases in periods when inflation rises. We also own one Treasury note whose income is indexed to short-term interest rates. The note comprises 9% of the fixed income portfolio and should protect purchasing power if interest rates rise as we expect.

As we look ahead, we believe our portfolio is well positioned to generate solid inflation-adjusted returns. The Fund remains focused on high quality companies that are trading at what we believe are discounted valuations, while our bond selections continue to emphasize our goal of capital preservation.

Quarterly Changes

We made a new investment in Coty this quarter, and we exited our positions in Johnson Controls, Perspecta, Signet and TE Connectivity.

Coty is a large, diversified beauty company with leading positions in mass beauty, professional haircare, and luxury fragrances. The business was transformed by the $12B acquisition of P&G's portfolio of beauty brands in 2015, which more than doubled the size of the legacy business. At the time, expectations for the deal were sky high (mid-20s P/E) and confidence in management was robust. Over the last two years, the integration proved more challenging than the market anticipated and expectations were reset, with the stock rerating to a low-teens multiple on much less aggressive assumptions. We see an attractive risk/reward skew with significant upside, even if management achieves only a fraction of its 800+ basis point margin expansion target. In our view, with luxury beauty peers still trading in the mid-20s on P/E, an improvement in underlying fundamentals could generate renewed interest in the story and drive the current low to mid-teens multiple higher over time. Additionally, the investment benefits from the beauty category's historical defensiveness and a 4% yield.

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We obtained Perspecta shares as a spin-out of DXC Technologies. Perspecta is the product of DXC's government services business merging with Vencore and KeyPoint. The new company is a leading player in government services and has the scale to compete. However, we sold our position as the company already has industry leading adjusted EBITDA margins and a large contract (15%-20% of revenues) that is subject to re-compete. While we believe Perspecta is in a good position to retain this business, an unexpected loss of the contract would create substantial downside. Also, since the company is already highly profitable, most of the earnings growth potential will need to come from revenue gains. Management expects merger synergies, but we are more skeptical. Lastly, Perspecta has a fair amount of debt. Cash generation will need to be initially allocated to debt reduction instead of acquisition opportunities.

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We exited our position in TE Connectivity this quarter after having owned the company firm-wide for more than 10 years. Our initial investment thesis (when the stock was trading at roughly 5x forward EPS), was that the automotive unit, combined with electrical content growth, would generate mid to high single digit revenue growth, mid-teens operating profit growth and high teens EPS growth. Since then, the company has rationalized and upgraded portfolio offerings which led to a doubling of EPS. In our view, there is currently more downside risk than upside reward.

With these changes, the Fund ended the quarter with 33 equity investments.

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.

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

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 September 30, 2018, the Poplar Forest Partners Fund's 10 largest holdings accounted for 43.32% of total fund assets. The Fund's 10 largest holdings at September 30, 2018:

Qualcomm	4.80%
AmerisourceBergen	4.61%
Advance Auto Parts	4.49%
Citigroup	4.35%
Bank of America	4.26%
MSC Industrial Direct	4.23%
Abbott Laboratories	4.21%
Lincoln National	4.20%
International Business Machines	4.13%
Zimmer Biomet Holdings	4.03%

As of September 30, 2018, the Poplar Forest Cornerstone Fund's 10 largest equity holdings accounted for 28.67% of total fund assets. The Fund's 10 largest equity holdings at September 30, 2018:

Qualcomm	3.36%
AmerisourceBergen	3.03%
Citigroup	3.01%
Advance Auto Parts	2.92%

Zimmer Biomet Holdings	2.90%
MSC Industrial Direct	2.84%
Abbott Laboratories	2.78%
Lincoln National	2.73%
American International Group	2.65%
Baker Hughes A Ge Co	2.44%

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. **Current and future holdings are subject to risk.**

Definitions

Active Share Percentage measures the difference between the asset composition of a fund and its benchmark. A larger difference between composition of the fund and benchmark results in a larger active share percentage. To determine the portfolio's active share, add the absolute differences between the portfolio weights and the benchmark weights and divide by two. Active share is not a predictor of future performance.

Bloomberg Barclays U.S. Aggregate Bond Index is a broad base index, maintained by Bloomberg L.P. since August 24th 2016, It is often used to represent investment grade bonds being traded in United States. You cannot invest directly in an index.

Basis Point is a value equaling one one-hundredth of a percent (1/100 of 1%).

A blended index (also known as a blended benchmark) is a combination of two or more indices in varying percentages. To take a simple example, if an investor's assets are allocated to 60% stocks and 40% bonds, the portfolio's performance might be best measured against a blended benchmark consisting of 60% in a stock index (e.g. S&P 500® index) and 40% in a bond index (e.g. Bloomberg Barclays Capital U.S. Aggregate Bond Index).

Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. The annual percentage change in a CPI is used as a measure of inflation.

Earnings Per Share (EPS) is the net income of a company divided by the total number of shares it has outstanding.

Earnings before interest, tax, depreciation and amortization (EBITDA) is a measure of a company's operating performance. Essentially, it's a way to evaluate a company's performance without having to factor in financing decisions, accounting decisions or tax environments.

Forward earnings per share is an estimate of the next period's earnings per share of a company, usually to completion of the current fiscal year and sometimes of the following fiscal year.

Free Cash Flow is equal to the after-tax net income of a company plus depreciation and amortization less capital expenditures.

Normalized earnings are adjusted to remove the effects of seasonality, revenue and expenses that are unusual or one-time influences. Normalized earnings help business owners, financial analysts and other stakeholders understand a company's true earnings from its normal operations.

Price/Book Ratio (P/B) of a fund is the weighted average of the price/book ratios of all the stocks in a fund's portfolio.

Price/Earnings (P/E) Ratio is a common tool for comparing the prices of different common stocks and is calculated by dividing the earnings per share into the current market price of a stock.

Price/Sales Ratio represents the amount an investor is willing to pay for a dollar generated from a particular company's operations.

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.

Russell 1000® Growth Index measures the performance of those Russell 1000 Index companies with higher price-to-book ratios and higher forecasted growth values. The Index is unmanaged, and one cannot invest directly in the Index.

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.

Yield on a security is the amount of cash (in percentage terms) that returns to the owners of the security, in the form of interest or dividends received from it. Normally, it does not include the price variations, distinguishing it from the total return.

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[i] Based on forward P/E as of September 30, 2018; data sourced from S&P Capital IQ