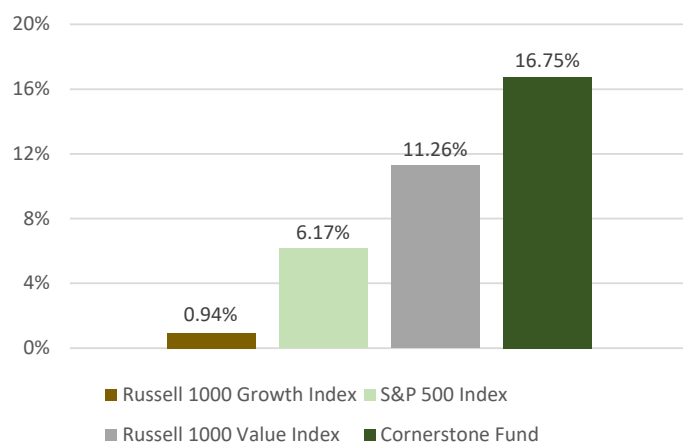


## Market Commentary

### State of the Economy and the Recovery in Value Stocks

Due to robust economic activity, the air is starting to come out of the growth bubble. Progress on vaccination efforts and record stimulus injections into the economy fueled continued gains in stocks, and low-expectation value stocks in particular. The Russell 1000 Value Index outperformed both the Russell 1000 Growth and the S&P 500 indices year to date by 1,032 bps and 509 bps, respectively. So far this year, investors have allocated \$11.5 billion into U.S. large cap value exchange traded funds, versus almost \$4 billion in outflows from growth funds.<sup>1</sup>

2021 YTD Index Returns Vs. Cornerstone



We view this value recovery in two tranches: cyclical value and defensive value. Economically-exposed cyclical businesses— Financials, Energy, and Industrials— are early beneficiaries. However, the defensive half of Value— such as Real Estate or Consumer Staples— has yet to participate. So, we may have more of this “recovery runway” to experience: economists surveyed by the Wall Street Journal predict economic growth will accelerate by almost 6% this year, the fastest pace in nearly four decades.<sup>1</sup> Although we don’t know the length of this recovery, it will be defined by its magnitude. Two critical components we continue to evaluate in gauging the recovery are employment reports and the shape of the yield curve. Employment is improving faster than anyone expected. Most forecasters think the unemployment rate will continue to decline fairly rapidly, and in recent months, the yield curve has steepened, both positive signs for economic strength. We expect

these positive trends to continue.

### Fund Positioning

Although growth in actual company earnings has rebounded, this reality is not reflected in earnings estimates. The 2022 expected earnings for our portfolio companies are still 10% below actual earnings from 2019. Despite a belief that consensus underestimates the earnings power of our companies, the equities in the portfolio still trade at just 13x consensus 2021 earnings expectations. Additionally, the equity portion has a 5.5% free cash flow yield (latest 12 months) and we believe those free cash flows can grow 9-10% per year for the next three to four years.

We also believe the Fund is well positioned for reflation with Financials, Energy and Materials comprising 41% of the portfolio. Research suggests that only 20-25% of stimulus is making its way into the economy which leaves a tremendous amount of cash and borrowing capacity on the sidelines. Deployment of that cash should further benefit economic activity and the reflation trade. Furthermore, congressional approval of infrastructure spending could further benefit these economically-sensitive companies.

### Portfolio Changes and Future Outlook

New Positions	Ticker
United Therapeutics	UTHR
Exited Positions	Ticker
Cisco	CSCO

Although our process is focused on bottom-up, company-specific research, macro activities will influence where we focus our attention. We are looking at opportunities that would benefit from an infrastructure bill, beneficiaries of reflation, and companies that fall into the defensive value category. However, the most important observation right now is that everyone from the White House to Congress to the U.S. Treasury to the Federal Reserve is committed to delivering more robust economic growth. If the next eight years follow the same pattern as 2000-2007, and value stocks outperform

*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.*

## 1Q 2021 Cornerstone Fund Review

growth stocks, then we believe the companies in our concentrated, high-conviction, benchmark-agnostic portfolio could shine.

We exited our position in Cisco and established a new position in United Therapeutics.

**Cisco:** We invested in Cisco when investors were concerned about the impact of a transition to a subscription-based business model on revenue growth. With that transition now largely acknowledged by investors, the risk/reward ratio no longer appears as

compelling as other investment opportunities.

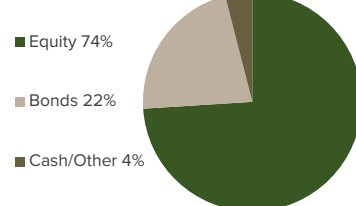
**United Therapeutics:** United Therapeutics Corporation is a biotechnology company that engages in the development and commercialization of products that address chronic and life-threatening diseases. The company has built an attractive business targeting a rare and deadly lung disease called pulmonary arterial hypertension. Despite misguided fears of generics, we believe the company can generate double-digit annual sales and earnings growth.

### Attribution

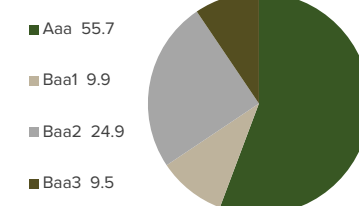
Top 5 Contributors	Bottom 5 Contributors
Nucor	Eli Lilly
ViacomCBS	Merck
Wells Fargo	United Therapeutics
Tapestry	Stanley Black & Decker
Equitable Holdings	Curtiss-Wright

*Fund Holdings are subject to change at any time.*

### Asset Allocation



### Bond Distribution



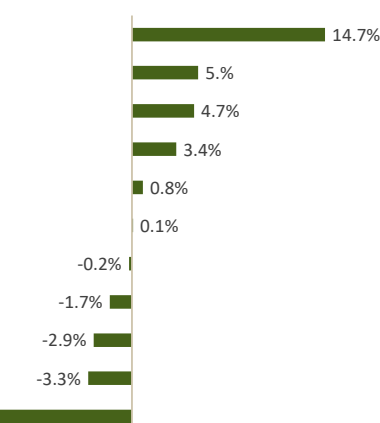
*Credit ratings are based on Moody's scale*

Top Ten Holdings	% Wt.
Nucor	3.7%
Advance Auto Parts	3.2%
Equitable Holdings	3.1%
Ally Financial	3.1%
Wells Fargo	3.0%
American International Group	3.0%
Chevron	2.9%
CNH Industrial	2.9%
Murphy Oil	2.9%
AmerisourceBergen	2.7%

### Equity Allocation Relative to S&P 500



### Underweight | Overweight



### Performance as of 3/31/21

	Total Return %			Average Annual Total Return %		
	QTR	YTD	1YR	3YR	5YR	ITD*
Investor Shares (IPFCX)	16.75	16.75	61.46	9.14	9.11	7.09
S&P 500 Index	6.17	6.17	56.35	16.78	16.29	13.33
60/40 Blended Index	2.31	2.31	31.71	12.24	11.15	9.42

Expense Ratio : 1.77% Gross/0.91% Net

### Disclosures

*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. Investment performance reflects fee waivers. In the absence of such waivers, total returns would be reduced. The Adviser has contractually agreed to waive a portion or all of its management fees and/or pay Fund*

## 1Q 2021 Cornerstone Fund Review

expenses in order to limit the Net Annual Fund Operating Expenses to 0.91% of average daily net assets of the Fund's Investor Class shares until January 27, 2022. \*Inception To Date (ITD) for Poplar Forest Cornerstone Fund IPFCX is 12/31/14. Net expense ratio is 0.91% and is applicable to investors. Minimum account size is \$25,000. Blended Index is comprised of 60% S&P 500 Index and 40% Bloomberg Barclays U.S. Aggregate Bond Index.

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](http://www.poplarforestfunds.com). Read it carefully before investing.

**Mutual fund investing involves risk. Principal loss is possible. The Fund 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 Fund may invest in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods. 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 Fund may invest in options, which may be subject to greater fluctuations in value than an investment in the underlying securities.**

Attribution data is sourced from S&P Global Capital IQ.

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 Poplar Forest Funds, distributed by Quasar Distributors, LLC.

Moody's credit rating system assigns securities rating from Aaa to C, with Aaa being the highest rating and C being the lowest rating. Basis Point (bp) is a value equaling one one-hundredth of a percent (1/100 of 1%). Earnings Per Share (EPS): is the net income of a company divided by the total number of shares it has outstanding. Bloomberg Barclays U.S. Aggregate Bond Index: is a broad base index, maintained by Bloomberg L.P., It is often used to represent investment grade bonds being traded in United States. You cannot invest directly in an index. 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). Free Cash Flow (cash flow): is equal to the after-tax net income of a company plus depreciation and amortization less capital expenditures. Reflation is a fiscal or monetary policy to expand output, stimulate spending, and curb the effects of deflation, which usually occurs after a period of economic uncertainty or a recession. The term may also be used to describe the first phase of economic recovery after a period of contraction. 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. 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 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. The S&P 500® Index: is a market-value weighted index consisting of 500 stocks chosen for market size, liquidity, and industry group representation. Yield curve is a line that compares the yield of bonds of equal quality but different maturity dates. In general, bonds with longer maturity dates offer higher yields than bonds with shorter maturity dates, thus producing an upward sloping yield curve.

<sup>1</sup> Michael Wursthorn, 'Stocks Favored in Reopening Trade Hit Turbulence', The Wall Street Journal, March 29, 2021, [https://www.wsj.com/articles/stocks-favored-in-reopening-trade-hit-turbulence-11617010200?mod=hp\\_lead\\_pos4](https://www.wsj.com/articles/stocks-favored-in-reopening-trade-hit-turbulence-11617010200?mod=hp_lead_pos4)