POPLAR FOREST CAPITAL

Active. Contrarian. Value.

Investment Team

J. Dale Harvey
Founder, CEO & Chief Investment Officer, Portfolio Manager

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Partner, Healthcare Analyst

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Partner, Financial Services Analyst

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Partner, Technology and Fixed Income Analyst

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Consumer Analyst

About Poplar Forest

Poplar Forest Capital is purposefully different: We are active, contrarian, value investors. Dale Harvey, CEO and CIO, founded the firm in 2007 after 16 years with Capital Group, where upon his resignation, he managed roughly $20 billion in client assets for the American Funds. Thomas Jefferson's little known and secluded Poplar Forest estate provided the inspiration for our name and matches our passion for independent thought.

Fund Characteristics

Net Assets	$750M
# of Holdings	30
Turnover Rate	31.83%
Ticker Symbol (I Shares)	IPFPX
Ticker Symbol (A Shares)	PFPFX

Contact Us

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www.PoplarForestFunds.com

Manager Commentary: Poplar Forest Partners Fund

as of September 30, 2018

In the following commentary, the investment team discusses the investment case for the Fund's contrarian, value approach and how the portfolio is currently positioned.

1 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.

2 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 3 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, possess the potential to improve earnings or return to "normalized earnings," and therefore 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 Financials, Energy and Health Care 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.

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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.

3 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 out-of-favor companies with the opportunity for accelerating earnings growth or multiple expansion. We continue to find high-quality companies that meet our stringent research requirements. Year-to-date through September 30, 2018, we have added 7 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.[1]
- **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 believe 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.

Disclosures and Definitions

Past performance does not guarantee future results. Earnings growth is not a measure of the Fund's future performance.

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.

The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory prospectus and summary prospectus contain this and other important information and can be obtained by calling 1-877-522-8860 or by visiting www.poplarforestfunds.com. Read it carefully before investing.

A full market cycle is deemed to be a multi-year period including a period of material increase in the U.S. stock market (a "bull market") and a period of material decline in the U.S. stock market (a "bear market"). The S&P 500 Index is a market-value weighted index consisting of 500 stocks chosen for market size, liquidity, and industry group representation. The Russell 1000 Value is an index of approximately 1,000 of the largest companies in the U.S. equity markets, and is a subset of the Russell 3000 Index. The Russell 1000 Growth is an index of approximately 1,000 of the largest companies in the U.S. equity markets, and is a subset of the Russell 3000 Index. One cannot invest directly in an index. A basis point is equal to one hundredth of one percent. Price/Sales ratio represents the amount an investor is willing to pay for a dollar generated from a particular company's operations. Price/Earnings (P/E) is the ratio of a firm's closing stock price & its earnings/share. Free cash flow is a measure of a company's financial performance, calculated as operating cash flow minus capital expenditures. 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.

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

[1]Based on 12 month forward P/E. Forward earnings does not guarantee a corresponding increase in the market value of the Fund.

Poplar Forest Capital, LLC (the "Adviser") is the Investment Adviser to the Fund. Poplar Forest Partners Fund is distributed by Quasar Distributors, LLC

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