Poplar Forest Funds Quarterly Review

March 31, 2019

About Poplar Forest

Formed in September 2007, Poplar Forest Capital provides investment management to select individual and institutional investors. We currently manage over $1.9 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 March 31, 2019						
PARTNERS FUND	**QTR**	**YTD**	**1 YR**	**3 YR**	**5 YR**	**ITD**
I Shares (IPFPX)	13.26	13.26	-3.02	6.51	4.12	9.92
A Shares No Load (PFPFX)	13.17	13.17	-3.27	6.25	3.86	9.65
A Shares With Load (PFPFX)	7.50	7.50	-8.11	4.45	2.80	9.04
S&P 500 Index	13.65	13.65	9.50	13.51	10.91	12.95
Russell 1000 Value Index	11.93	11.93	5.67	10.45	7.72	11.33
CORNERSTONE FUND	**QTR**	**YTD**	**1 YR**	**3 YR**	**5 YR**	**ITD**
I Shares (IPFCX)	9.35	9.35	0.14	6.00	-	4.00
A Shares No Load(PFCFX)	9.31	9.31	-0.01	5.78	-	3.77
A Shares With Load (PFCFX)	3.82	3.82	-5.00	3.99	-	2.52
S&P 500 Index	13.65	13.65	9.50	13.51	-	10.07
Bloomberg Barclays Bond Index*	2.94	2.94	4.48	2.03	-	2.28
60/40 Blended Index**	9.31	9.31	7.78	8.95	-	7.09
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, 1.75% gross for the A Shares and 0.91% net and 1.50% gross for the I Shares. The Advisor has contractually agreed to the fee waiver through at least January 27, 2020. The Partners Fund inception date is 12/31/2009; Cornerstone Fund inception date is 12/31/2014.

**Bloomberg Barclays US Aggregate Bond Index*

***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 13.26% in the quarter ended March 31, 2019 versus a return of 13.65% for the S&P 500 Index and 11.93% for the Russell 1000 Value Index.

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

At the security level, the Fund was most negatively impacted by its investments in the Consumer, Communication Services, Energy and Financial sectors with the largest detractors of performance being Kroger and Newell Brands in the consumer sectors; CenturyLink in the Communication Services sector; Antero Resources in the Energy sector; and E*TRADE in the Financial sector. Offsetting this was positive contribution from Reliance Steel & Aluminum in the Materials sector; International Business Machines in the Information Technology sector; Citigroup and Ally Financial in the Financial sector; and Noble Energy in the Energy sector.

What is your perspective on the stock market in the first quarter of 2019?

Investor sentiment changed in Q1 2019, fueling the returns of both equity and fixed income assets. In fact, the S&P 500 Index recorded its best quarter since Q3 2009. The reversal in sentiment resulted largely from the Federal Reserve's announcement that they intended to keep interest rates steady in 2019. Though investors are concerned about overall economic growth, there is less worry that the Fed might slow the economy with additional rate increases. Importantly, we believe that lower interest rates should boost stock valuations.

From the perspective of the overall economy, we have observed a transition of expectations to slower growth, domestically and abroad. Also, with the recent inversion of the yield curve, many market pundits are forecasting the near-term likelihood of an inevitable recession. While sentiment is still somewhat negative, it is critical to manage emotions. Regardless of the economic conditions, we remain committed to monitoring the fundamentals of companies we own and looking for additional long-term opportunities at attractive prices.

How does the Fund's valuation compare to the S&P 500 Index?

The Fund's value proposition remains strong. Our extensive research identifies companies that have strong, healthy fundamentals, yet are underpriced or underappreciated by the market. As a result, our portfolio continues to trade at a discount to the stock market as represented by the S&P 500 Index. With a price-to-earnings ratio of 11.3x, the portfolio traded at a discount of 34% compared to the S&P 500 as of March 31, 2019. This is one of the largest discounts we have experienced since the Fund's inception in 2009.

In fact, the Fund's valuation is compelling when examining multiple metrics as seen in the table below. We believe that our high-quality companies have the potential to return to normalized earnings through margin expansion or revenue growth. With these current significant discounts in place, we believe the Fund has the potential to outperform over the long term.

Valuation	Partners Fund	S&P 500 Index	Discount
Price/Earnings	11.3x	17.0x	34%
Price/Book Value	1.4x	3.1x	54%
Price/Cash Flow	10.2x	22.0x	54%
Price/Sales	0.7x	2.1x	69%

Would you discuss any portfolio changes that were made in the first quarter of 2019?

During the quarter, we established new investments in Conagra Brands, E-TRADE Financial and UPS. We exited our positions in Cisco Systems, Freeport McMoRan and Metlife.

Conagra is one of the largest food manufacturers in the world with roughly $11 billion in sales and a dominant position in the frozen food aisle, with brands like *Marie Callender's* and *Birds Eye*. In our view, the company's leading brands and scale are currently undervalued following the poorly-timed $10.9 billion acquisition of Pinnacle Foods. We believe Conagra management, which successfully transformed Conagra's legacy business over the last three years, can unlock similar progress at Pinnacle – expanding profitability and improving organic growth over our investment timeframe. At ~11x earnings and a 3.8% trailing dividend yield, this consumer staple provides a strong mix of offense and defense at an attractive valuation.

Several factors caused a correction in E*TRADE Financial shares creating a compelling investment opportunity. Last October, the company completed its strategic review and opted to remain independent. The Board of Directors gave the company a mandate to improve results with clear targets by a certain date. Management greatly improved results, but came up short on a few targets. Investors thought a sale should occur, but when management opted not to sell the company, many investors exited their positions. Next, J.P. Morgan's entry into the discount brokerage space caused competitive pricing concerns. Lastly, with the Fed's announcement to keep rates steady, investors saw less potential for margin expansion. In our view, these concerns unjustly depressed E*TRADE's valuation. E*TRADE has succeeded with intense competition for some time. Efforts by management have revitalized the franchise and boosted growth. In fact, management set a $7+ EPS target by 2023. Operating earnings for 2018 were $3.90, suggesting healthy growth ahead. In our view, E*TRADE should benefit from the secular shift to discount brokers, margin expansion opportunities, and healthy capital returns. If management fails to execute, we would expect a sale of the company at a healthy premium.

UPS shares have come down in price as investors grew concerned about the company's heavy capital spending plans. We have a different perspective. UPS is spending heavily because e-commerce volume growth requires additional capacity. Some investors are concerned about Amazon getting into the business, but we believe that the delivery market is growing so rapidly that it needs heavy investment from all the incumbent players as well as Amazon. We think UPS will be able to grow earnings and that the P/E multiple will expand as they deliver solid earnings growth.

We invested in Cisco when investors were concerned about what appeared to be a very slow revenue growth rate as the company transitioned to a subscription-driven business model. With that transition now acknowledged by investors, the shares' risk/reward ratio no longer seems as compelling given the current 17x P/E ratio.

Freeport-McMoRan was shrouded in controversy when we first invested in the company in 2015. Since then, the company has sold its energy assets, de-levered the balance sheet and solidified its ownership of a key copper mine in Indonesia (Grasberg). With the restructuring largely complete, Freeport shares will now be primarily driven by copper prices. While we think copper prices are more likely to rise in coming years, relying on a single macro-economic variable is a risk that we aren't comfortable with today.

We exited our position in MetLife to reallocate the funds elsewhere. MetLife has successfully reduced capital market and interest rate sensitivity by spinning off its variable annuity franchise (Brighthouse Financial) and setting aside a large block of business for run-off called MetLife Holdings. We applaud these moves, but feel the shift to more stable growth will take time. We also grew less confident in MetLife's international growth opportunities. The company has leading franchises in Latin America, EMEA (Europe, Middle East, Africa) and Asia that should grow much faster than its domestic units. Unfortunately, we found inconsistent results that often fell short of targets.

Following these changes, the Fund ended the quarter with 32 investments and 3% cash.

CORNERSTONE FUND REVIEW

Portfolio Managers: J. Dale Harvey and Derek Derman

The Cornerstone Fund Institutional Class shares produced a 9.35% return versus 9.31% for a 60/40 blend of the S&P 500® Index and the Bloomberg Barclays U.S. Aggregate Bond Index in the quarter ended March 31, 2019.

The Fund benefitted from equity investments in the Energy and Materials sectors this quarter with our top contributors being International Business Machines (information technology), Noble Energy (energy), Reliance Steel & Aluminum (materials), Baker Hughes (energy), and Devon Energy (energy). The top detractors to our results were Newell (consumer), CenturyLink (Communication Services), Kroger (consumer), Antero Resources (energy), and Tapestry (consumer).

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 9% in cash and equivalents and roughly 24% 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 67% 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 30% of our fixed income portfolio is invested in Inflation Protected Treasury bonds (TIPs). The income produced by TIPs increases in periods when inflation rises.

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 new investments in Conagra and UPS this quarter, while we exited our positions in Freeport McMoRan, Metlife and Microsoft.

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When we first invested in Microsoft, investors were very concerned about the impact a subscription model would have on both revenues and earnings. The company's deeply embedded enterprise relationships translated to earnings growth well in excess of expectations, leading to significant stock appreciation over our investment timeframe. The risk/reward profile no longer seems as compelling given its valuation at greater than 25x.

With these changes, the Fund ended the quarter with 34 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.

The Partners Fund top ten equity holdings and their percentage weights as of 3/31/2019:

International Business Machines	4.69
Reliance Steel & Aluminum	4.54
MSC Industrial Direct	4.50
American International Group	4.37
Ally Financial	4.29
Lincoln National	4.11
Qualcomm	4.10
Bank of America	4.05
Kroger	3.89
AmerisourceBergen	3.75

The Cornerstone Fund top ten equity holdings and their percentage weights as of 3/31/2019:

Abbott Laboratories	3.06
International Business Machines	2.99
MSC Industrial Direct	2.89
Merck	2.87
Citigroup	2.83
Ally Financial	2.73
Kroger	2.58

Qualcomm	2.58
Lincoln National	2.57
Advance Auto Parts	2.57

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

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.

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.

Dividend yield is a stock's dividend as a percentage of the stock price. Dividend Yield = Annual Dividend / Current Stock Price

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

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/Cash Flow (P/CF) is a stock valuation measure calculated by dividing a firm’s cash flow per share into the current stock price. Financial analysts often prefer to value stocks using cash flow rather than earnings because the latter is more easily manipulated.

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.

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.

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