

# **Poplar Forest Funds**

**Poplar Forest Partners Fund**  
**Poplar Forest Cornerstone Fund**  
**Poplar Forest Outliers Fund**  
Each a Series of Advisors Series Trust

**[www.poplarforestfunds.com](http://www.poplarforestfunds.com)**

**Annual Report**  
**September 30, 2017**

# POPLAR FOREST FUNDS

## TABLE OF CONTENTS

Performance .....	1
Sector Allocation of Portfolio Assets .....	15
Expense Example .....	17
Investment Highlights .....	19
Schedules of Investments .....	23
Statements of Assets and Liabilities .....	34
Statements of Operations .....	36
Statements of Changes in Net Assets .....	37
Financial Highlights .....	40
Notes to Financial Statements .....	45
Report of Independent Registered Public Accounting Firm .....	59
Notice to Shareholders .....	60
Information about Trustees and Officers .....	61
Householding .....	65
Privacy Notice .....	66

## POPLAR FOREST FUNDS

Performance for each of the classes for the periods as of September 30, 2017 is as follows:

### Average Annual Total Returns as of September 30, 2017

				Since Inception
<b>Partners Fund</b>	<b>1 Year*</b>	<b>3 Years</b>	<b>5 years</b>	<b>12/31/09</b>
Institutional Class Shares	11.35%	6.14%	15.03%	12.35%
Class A Shares; With Load	5.51%	4.08%	13.57%	11.32%
Class A Shares; No Load	11.06%	5.87%	14.74%	12.06%
S&P 500 <sup>®</sup> Index	18.61%	10.81%	14.22%	13.46%
Russell 1000 <sup>®</sup> Value Index	15.12%	8.53%	13.20%	12.52%
<b>Cornerstone Fund</b>				<b>12/31/14</b>
Institutional Class Shares	7.83%	—	—	5.58%
Class A Shares; With Load	2.18%	—	—	3.35%
Class A Shares; No Load	7.57%	—	—	5.30%
S&P 500 <sup>®</sup> Index	18.61%	—	—	9.92%
Bloomberg Barclays U.S. Aggregate Bond Index	0.07%	—	—	2.30%
60/40 Blended Index**	10.90%	—	—	6.97%
Consumer Price Index +3%	5.29%	—	—	4.88%
<b>Outliers Fund</b>				<b>12/31/11</b>
Institutional Class Shares	5.83%	-1.03%	10.66%	12.02%
Russell Midcap <sup>®</sup> Index	15.32%	9.54%	14.26%	14.87%

\* Returns for periods one year and less are not annualized.

\*\* The 60/40 blended index comprises 60% S&P 500<sup>®</sup> Index and 40% Bloomberg Barclays U.S. Aggregate Bond Index.

*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 Funds may be lower or higher than the performance quoted. Performance data current to the most recent month-end may be obtained by calling 1-877-522-8860. 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, as of the Fund's registration statement dated April 7, 2017, is 1.25% net and 1.29% gross for the Class A shares and 1.00% net and 1.04% gross for the Institutional Class shares. The Cornerstone Fund expense ratio, as of the Fund's registration statement dated April 7, 2017, is 1.16% net and 2.30% gross for the Class A shares and 0.91% net and 1.98% gross for the Institutional Class shares. The Outliers Fund expense ratio, as of the Fund's registration statement dated April 7, 2017, is 1.13% net and 4.23% gross for Institutional Class shares. The net expense ratio is applicable to investors. Poplar Forest Capital, LLC*

## **POPLAR FOREST FUNDS**

*(the “Adviser” or “Poplar Forest”), the Funds’ investment adviser, has contractually agreed to the fee waivers through at least April 6, 2018.*

*The Outliers Fund Institutional Class performance shown prior to December 31, 2014 is that of the Poplar Forest Outliers Fund, L.P. (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 Poplar Forest 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 Outliers Fund, which, if applicable, may have adversely affected its performance.*

## POPLAR FOREST FUNDS

Dear Partner,

A few weeks ago, I was fortunate to see Taj Mahal perform live at a small venue in Minneapolis. I've loved the blues since first hearing a grizzled sax player wail on his horn at my uncle's wedding reception back in 1983. I've long wanted to see Mahal live and his performance exceeded my expectations. It didn't hurt that he is touring with Keb Mo, another seasoned blues artist. Onstage, Keb Mo treated Mahal with the kind of respect and deference befitting a living musical legend. It was a packed house and the duo, backed up by a handful of talented artists, put on a heck of a show. It's clear that after 50 years of performing, Mahal still loves what he does and he brought joy to the crowd at the sold out show.

Born Henry Saint Clair Fredericks, Jr., Taj Mahal plays what he calls the country blues. He may sound like he was raised on a farm in Mississippi, but he was actually born in Harlem to musically inclined parents. The music he heard at home was different from the popular music he heard on the radio. Instead of conforming to the tastes of the day, he started making music that was his own. He tied together traditional blues, jazz and gospel with Caribbean and African musical traditions to create a unique sound that his fans love.

In the same way that Taj Mahal puts his own unique spin on the blues, at Poplar Forest, we put our own spin on value investing. In developing my "sound," I've drawn from traditional value investing principles, but I've made it my own by concentrating on under-earning companies. I don't feel compelled to conform to the popular style of current times (even though we might attract a larger crowd). I don't want to be the Justin Bieber of investing. We aren't trying to fill the biggest stadiums in the country; I prefer smaller places packed with people who appreciate our distinctive approach to investing. Like Mahal, we bring optimism to our work investing in out of favor and unloved companies. Like Mahal, I expect to be doing what I love at age 75 and I hope you'll all still be in the audience enjoying the work of the Poplar Forest ensemble decades from now.

In the same way that particular styles of music come into and then fall out of favor, investor tastes also change over time. As those of you who read my letters know, I have believed that the Federal Reserve's first interest rate increase back in December 2015 was going to usher in a new multi-year period of outperformance for value-based investment strategies. Value beat growth in 2016 and we did even better in delivering results that beat the Russell 1000<sup>®</sup> Value Index. All that has reversed in the first nine months of 2017 as dysfunction in D.C. has dimmed expectations for accelerating economic growth. While investor perceptions have shifted back to a mindset of low growth and low inflation for the foreseeable future, I believe that consensus is too pessimistic.

### *Surprises and Questions*

I believe that securities prices can be "reverse engineered" in order to assess the expectations of investors. For example, the current 2.24% yield on a 10 year Treasury bond suggests fixed income investors either 1) see a recession in the short term,

## POPLAR FOREST FUNDS

2) expect falling inflation in the next decade, or 3) are willing to accept a return above inflation that looks ridiculously low relative to history (please see the Appendix for more information). With respect to the risk of recession, relatively tight spreads between government and corporate bond yields suggest this isn't the concern. Thus, it seems fair to reason that market participants generally expect a continuation of the low inflation environment we've lived with for roughly eight years now.

Central bankers around the world have expected inflation to be much higher given the extraordinary liquidity they've provided. The global economy seems to be expanding in a synchronized way, unemployment rates have fallen dramatically, and indicators such as metals prices suggest inflation should be running much higher than it is. The models used by the world's leading economists don't seem to be working any more. Why hasn't there been more inflation? It's the conundrum of the last decade.

Looking ahead, the Federal Reserve has plans to slowly reduce its massive (\$4.5 trillion) holdings of bonds purchased as a tonic for the illness of the Great Recession. How will the great unwinding impact markets? Consensus opinion on this subject seems surprisingly calm, but I'm less sanguine. Extrapolating the past well into the future could be particularly frustrating given that we may have a new Chair of the Federal Reserve in a few months' time. Will President Trump really appoint a new maestro who'll deliver more of the same? It seems unlikely, given his rhetoric.

Complacency on the part of fixed income investors will prove sound if the future resembles the recent past, but markets have a way of confounding the consensus. So far this decade, inflation has averaged 1.88% and 10 year Treasury bonds have yielded 2.19%, a 0.31% spread to core inflation. This is a historically low spread. A reversal to levels seen in prior decades, and/or an increase in inflation, could create some serious dissonance in the bond market.

If there is market turbulence in coming years, due to rising rates or other potential shocks, currently popular passive investment strategies could get severely tested. Exchange-traded funds and index funds are fully invested portfolios that offer no downside protection if markets correct, as happens from time to time. If the massive flow of money into index funds were to reverse, would that exacerbate a market decline?

Given these unanswered questions, and a stock market at new all-time high levels, it doesn't surprise me that it's becoming cool to be bearish. There is a slowly growing list of pundits urging caution. While I will acknowledge being less bullish on the broad market than I have been in recent years, **I continue to believe that it's too early to build cash defensively.** With our portfolio generally moving sideways this year, we aren't seeing many stocks hit our target prices and we're continuing to find what we believe are compelling new investment ideas.

In this more challenging investment environment, I feel even better about managing a fund that only owns 30 stocks. We can be patient making new investments; **unlike an**

## POPLAR FOREST FUNDS

**index fund, we aren't forced to buy more of everything we own just because a new client invests with us.** We can build cash if we stop finding good new investment opportunities and we can hopefully avoid the higher flying parts of the market that may suffer the brunt of a market decline, whenever it occurs. **In my opinion, if ever there were a time for value-based, active management, it's now.**

### *Picking Stocks is an Imperfect Process*

When looking at stocks, I think from the perspective of someone who owns the whole business with plans to own it indefinitely. The enterprise is sure to have both good and bad years, but what I concern myself with is the average year – what I consider “normal” – or, said another way, what the business should be able to do as opposed to what it currently is doing. Where others may get scared away by sub-normal results, the opportunity to close the gap between current and normal whets my appetite.

When an enterprise is off key, the question to be answered is simply: is this the fault of management or has the company structurally changed for the worse? In any case, many investors will simply sell the stock because 1) they don't want to be invested in what is perceived to be a bad business, regardless of the price and 2) they do want to invest in companies with good management. I'm more open minded – price matters. **The market generally does a good job of reflecting current fundamentals in the price of stocks, but a poor job assessing changes to fundamentals.**

For a fundamentally sound business, producing sub-par results, I'm usually willing to patiently stay invested with the idea that one of several things will lead to a brighter future:

- The current management team will get the band back on track, or
- The board will fire existing management and a new conductor will fix things, or
- An activist investor will force the board to make changes, or
- A third party firm will acquire the company.

I suppose there is a fine line between being appropriately patient and ill-advisedly hard headed. To help address this challenge, as part of our investment process, we often use a “designated bear” to argue the smartest sellers' perspective on a company we are evaluating. It's important to understand as many angles as possible when evaluating individual stocks and I believe the “designated bear” process helps reduce the number of value traps into which we fall. That said, I don't know of any investment process that plays every note perfectly.

### *We're Still Finding Opportunity*

With a portfolio of roughly 30 stocks and a three to five year holding period, we generally make six to eight investments a year. There are times, like 2009-2011, when there are an abundance of compelling ideas from which to choose. Not surprisingly, as the market goes higher, great values become harder to find. Such is the case today. We are turning over more rocks than usual in our search for new ideas, but fewer

## POPLAR FOREST FUNDS

stocks are surviving our triage process and meriting a more in-depth look. As a result, we have made just three new investments in the Partners Fund so far this year. While fewer in number, these new investments are consistent with our framework – **with the market at all time high levels, we haven't and won't relax our standards**. If the new idea process fails to unearth what we believe are compelling long-term values, then our cash position may grow. Provided we can continue to find ideas like the ones I discuss below, we will stay close to fully invested.

***Ally Financial*** (“Ally”) is the former lending arm of General Motors (“GM”), though the business has been repositioned since being spun off from GM during the financial crisis. Our average cost is roughly 70% of book value. Investors appear unduly concerned about negative developments on the credit side in the auto lending business. We believe the company is well reserved and cognizant of the auto finance cycle. Stocks that trade at a discount to book value reflect investor expectations for a bleak future. In contrast to the market’s perspective, we see room for higher earnings and an improving return on equity as Ally continues to shift its funding from expensive debt securities to much cheaper bank deposits. This change in funding costs is key to our investment thesis. This is a potential double play of growing book value with the potential for a higher price-to-book valuation over time.

***Johnson Controls*** is a multi-industry company primarily focused on building controls and HVAC systems. Investors have long valued Johnson Controls at a price-to-earnings (“P/E”) discount to the market based on the historically large contribution (65-70% of earnings) of their automotive businesses. In 2016, the business was transformed by the spin out of their highly-cyclical auto interiors business (Adient plc) and subsequent merger with Tyco International. The new company has far more dependence on industrial businesses with their remaining automotive business (primarily less-cyclical replacement car batteries) now contributing less than 40% of total corporate earnings. Our average costs basis is roughly 16x 2017 expected earnings – a 10% discount to the S&P 500<sup>®</sup> Index and an even larger discount to a broad cross section of industrial companies. While the stock is trading at a below average valuation, we believe the company should be able to grow earnings at an above average rate as they recognize cost savings and other synergies from the Tyco merger. Delivering merger synergies and improving the conversion of earnings to free cash flow are key tenets of our investment thesis.

***Advance Auto Parts***, an auto parts retailer, had suffered an over 40% decline in its stock price this year before we made our initial investment. The stock doesn’t look cheap given expectations of around \$5 of earnings per share this year, but we believe current results are not reflective of the business’s normalized earnings power. The company grew through acquisitions, but they never got around to rationalizing them. The management team has targeted \$750 million of productivity enhancements which would bring their margins to 15% and their earnings to \$15 a share. Given the company’s track record, we are skeptical that the management team will deliver everything they are promising despite the fact that, at 15%, the company’s targeted margins would still be below the ~19% reported by competitors AutoZone and



## POPLAR FOREST FUNDS

O'Reilly Automotive. Delivering improved productivity is key and we conservatively assume that management will deliver about 60% of their target. We also assume the shares will trade at just 13-15x normalized earnings of ~\$11 per share – a P/E discount to the market given the potential for electric vehicle penetration and internet disintermediation to provide a long term headwind to revenue growth.

I am excited about all three of these new investments – investor expectations are low as reflected in each stock's valuation relative to our assessment of their normalized earnings. Perhaps more importantly, **I continue to feel great about the other stocks in the portfolio.** I hope that the descriptions of our three new investments helps you see that we aren't being forced out of our traditional comfort zone despite the market being at all time high levels. I believe our portfolio is attractively valued on an absolute basis and even better relative to the broad market.

### *Closing – Many Thanks for a Great 10 Years*

Taj Mahal wasn't the only musical legend I saw perform live this year – my all-time favorite band is Tom Petty and the Heartbreakers. I saw them three times this summer and I loved every show. Perhaps it's our shared southern roots, but there is something in the lyrics to many of their songs that really speaks to me. In this, the third year out of four in which value stocks have underperformed the S&P 500, one song seems particularly relevant: "I Won't Back Down:"

*No, I'll stand my ground  
Won't be turned around  
And I'll keep the world from draggin' me down  
Gonna stand my ground*

Poplar Forest is now ten years old. We've come a long way from a three-piece garage band managing \$42.5 million on behalf of nine clients. After starting Poplar Forest, I learned that one of the biggest factors influencing clients who invested with us was trust. We consider ourselves stewards of our client partners' funds and I'm proud of what we've accomplished in that regard since taking the stage a decade ago. I feel even more confident about the next 10 years. We've assembled an outstanding ensemble who all care deeply about our mission – about taking care of Mrs. Jones, as we say at Poplar Forest. I love coming to work every day and I'm thankful to have a great band with which to work.

As we move into the future, we will be doing so without the skills of our bandmate Peter McAniff. Peter was the first analyst I hired and an equity partner from day one. In addition to his analytical work, Peter was our first Chief Compliance Officer; he handled recruiting and lease negotiations; he's been our in-house historian and he's always been willing to do whatever was asked of him along the way. We will miss Peter's many and varied contributions to Poplar Forest and we wish him well as he pursues his entrepreneurial interests and returns to writing and teaching.

While Poplar Forest will continue to grow and evolve in the years to come, our commitment to you, our client partners, is unwavering. You are our priority and our

## POPLAR FOREST FUNDS

interests are aligned. Everyone at Poplar Forest has personally invested in our funds. For a decade now, virtually all of my liquid assets have been invested in Poplar Forest Funds. While an independent financial advisor might say I shouldn't have all my eggs in one basket, I believe that the investment process we use at Poplar Forest offers the potential for market-beating, long-term returns. If I knew of a more promising way to invest, I'd pursue it.

**While the prevalent fashion today is passive investment strategies that simply mimic returns of the broad market, I am more convinced than ever that actively managed, contrarian investment strategies, like those pursued at Poplar Forest, offer the potential for better than average returns.** Long term, contrarian value investing is what I believe in and I am grateful for the opportunity to manage your money exactly as I manage my own – as Tom Petty put it:

*Well I know what's right  
I got just one life  
In a world that keeps on pushin' me around  
But I'll stand my ground  
And I won't back down*

Thank you for putting your trust in Poplar Forest,



J. Dale Harvey  
October 1, 2017

# POPLAR FOREST FUNDS

## Appendix – Historical Interest Rates and Inflation



Source: Intrinsic Research

	Median 10 Year Treasury Yield	Median Core CPI	Spread of Yield Over CPI
<b>Most Recent</b>	<b>2.33%</b>	<b>1.68%</b>	<b>0.65%</b>
<b>2010s</b>	<b>2.19%</b>	<b>1.88%</b>	<b>0.31%</b>
<b>2000s</b>	<b>4.22%</b>	<b>2.14%</b>	<b>2.08%</b>
<b>1990s</b>	<b>6.33%</b>	<b>2.79%</b>	<b>3.54%</b>
<b>1980s</b>	<b>9.56%</b>	<b>4.54%</b>	<b>5.02%</b>
<b>1970s</b>	<b>7.62%</b>	<b>6.54%</b>	<b>1.08%</b>
<b>1960s</b>	<b>4.65%</b>	<b>1.63%</b>	<b>3.12%</b>

## **POPLAR FOREST FUNDS**

### **PARTNERS FUND COMMENTARY**

#### ***Portfolio Manager: J. Dale Harvey***

In the past, I've shared with readers our belief that we were on the verge of a multi-year period when value strategies, like those followed by Poplar Forest, would produce market-beating returns. So far, this fiscal year has been challenging, as evidenced by the Russell 1000<sup>®</sup> Value Index (the "Value Index") producing a subpar return relative to the S&P 500<sup>®</sup> Index. While the S&P 500<sup>®</sup> Index has produced a gain of 18.61% in the fiscal year ended September 30, 2017, the Value Index generated a 15.12% return. In comparison, the Partners Fund Institutional Class delivered an 11.35% return and the Class A delivered an 11.06% return (without load).

At the individual stock level, the biggest detractors to performance this fiscal year were: Mattel (consumer), Avon Products (consumer), Dun & Bradstreet (industrials), Ralph Lauren (consumer), and Antero Resources (energy). We decided to exit our positions in Mattel, Avon Products and Dun & Bradstreet due to a loss of confidence in management's ability to deliver on their stated plans for improved growth and profitability.

The top contributors to the Fund's performance this fiscal year were mainly in the financial services sector: Bank of America Corp. (financials), Lincoln National Corp. (financials), Citigroup Inc. (financials), Abbott Laboratories (healthcare), and MetLife Inc. (financials). As stated in our last annual letter, Financials were a headwind to our positive performance in 2016; however, this fiscal year, our chosen stocks in the financials sector were the largest contributors to performance.

I continue to be excited about the value I see in the portfolio today. We ended the fiscal year with 2% in cash and our research efforts continued to identify what appear to be very attractive new investment opportunities. We will continue to be patient with a focus on identifying what we believe are the most compelling risk/reward opportunities in the market. 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.

### **CORNERSTONE FUND COMMENTARY**

#### ***Portfolio Managers: J. Dale Harvey and Derek Derman***

The Cornerstone Fund is designed 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 partners' long-term 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 strategy, the Cornerstone Fund 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.

## POPLAR FOREST FUNDS

In the fiscal year ended September 30, 2017, the Cornerstone Fund Institutional Class and Class A (without load) generated a 7.83% and 7.57% return, respectively, trailing the Fund's benchmarks. The S&P 500<sup>®</sup> Index produced an 18.61% return and the Bloomberg Barclays U.S. Aggregate Bond Index produced a 0.07% return. A blend of these indices, weighted at 60% equity and 40% bonds and cash, would have produced a total return of 10.90%. The Consumer Price Index +3% benchmark had a return of 5.29% for this fiscal period.

At the individual stock level, the biggest detractors to performance this fiscal year were: Mattel Inc. (consumer), Dun & Bradstreet (industrial), Signet Jewelers Ltd. (consumer), Plains GP Holdings (energy), and Ralph Lauren (consumer). We decided to exit our positions in Mattel and Dun & Bradstreet due to a loss of confidence in management's ability to deliver on their stated plans for improved growth and profitability.

Our top contributors to performance were mainly concentrated in the financial services sector: Lincoln National Corp. (financials), Citigroup Inc. (financials), Abbot Laboratories (healthcare), MetLife Inc. (financials), and Bank of America Corp. (financials).

The portfolio's asset allocation is currently ~66% equities, ~24% fixed income and ~10% cash and equivalents. The bond portfolio continues to hold high-quality, low-duration securities with the intention of limiting risk from rising interest rates. Having a healthy balance of cash and equivalents may provide stability in turbulent markets while giving us flexibility to deploy assets as opportunities emerge.

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 continues to emphasize capital preservation.

## POPLAR FOREST OUTLIERS FUND

*Portfolio Managers: J. Dale Harvey and Steve Burlingame*

In the past, we've shared with readers our belief that we were on the verge of a multi-year period when value strategies, like those followed by Poplar Forest, would produce market-beating returns. So far, this fiscal year has been challenging, as evidenced by the Russell Midcap<sup>®</sup> Value Index producing a subpar return relative to the Russell Midcap<sup>®</sup> Index. While the Russell Midcap<sup>®</sup> Index has produced a gain of 15.32% in the fiscal year ended September 30, 2017, the Russell Midcap<sup>®</sup> Value Index generated a 13.37% return. In comparison, the Fund's Institutional Class delivered a 5.83% return.

At the individual stock level, the biggest detractors to performance this fiscal year were: Mattel, Inc. (consumer), Signet Jewelers Ltd. (consumer), Avon Products Inc. (consumer), Plains GP Holdings (energy), and Antero Resources (energy). We decided to exit our position in Avon Products due to a loss of confidence in management's ability to deliver on their stated plans for improved growth and

## POPLAR FOREST FUNDS

profitability. While many of our investments in the consumer and energy sectors have recently hurt our performance, we continue to find value in these sectors and believe our patience will be rewarded in future periods.

The top contributors to the Fund's performance this fiscal year were: SVB Financial Group (financials), NN Inc. (industrials), Strayer Education (consumer), Lincoln National Corp. (financials), and Progressive (financials). Financials have been a source of excess returns this fiscal year as economic growth, favorable investment returns, benign credit trends, and improving net interest income resulted in earnings growth and improving valuation ratios.

We're excited about the value we see in the portfolio today and our research efforts continue to identify what appear to be very attractive new investment opportunities. We will continue to be patient with a focus on identifying what we believe are the most compelling risk/reward opportunities in the market. 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.

The portfolio remains quite different from the Russell Midcap® Index and has no exposure to companies in the utilities, consumer staples, telecom services, or real estate sectors. Companies in these sectors are often viewed as “safe” investments that have offered dividend yields higher than what is being offered in the bond market and may be thought of as bond-proxies. For long-term investors, price paid and valuation are critical variables in defining the risk of loss for any asset. **In our opinion, many of the companies that are viewed to have safe cash flows and dividend streams are actually quite risky because of their valuation.** Conversely, we believe select companies in the healthcare sector offer investors growing streams of non-cyclical earnings that are being valued at a discount to the broader market due to concerns about increased regulation. The Fund continues to trade at a significant discount to our estimates of normalized earnings power while offering a healthy balance between cyclical and non-cyclical businesses.

### Disclosures

*Must be preceded or accompanied by a prospectus.*

**Mutual fund investing involves risk. Principal loss is possible. Investing in small and medium-sized companies may involve greater risk than investing in larger, more established companies because they can be subject to greater share price volatility. 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 usually greater in emerging markets. The Funds may invest in debt securities which typically decrease in value when interest rates rise. Asset-backed and mortgage-backed securities include market risk, interest rate risk, credit risk and prepayment risk. This risk is usually greater for longer-term debt securities. When a Fund invests in an exchange-traded fund (“ETF”) or mutual fund, it will bear additional expenses based on its pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The Funds may invest in options, which may be subject to greater fluctuations in value than an investment in the underlying securities.**

## POPLAR FOREST FUNDS

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. For a complete list of holdings, please refer to the schedule of investments in this report.

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

Active investing generally has higher management fees because of the manager's increased level of involvement while passive investing generally has lower management and operating fees. Investing in both actively and passively managed funds involves risk, and principal loss is possible. Both actively and passively managed funds generally have daily liquidity. There are no guarantees regarding the performance of actively and passively managed funds. Actively managed mutual funds may have higher portfolio turnover than passively managed funds. Excessive turnover can limit returns and can incur capital gains. ETFs are securities that track an index, a commodity or basket of assets like an index fund, but trade like a stock on an exchange. ETFs experience price changes throughout the day as they are bought and sold. Mutual Funds are structured and maintained to match their investment objectives and generally are priced and traded only once a day at the market close.

The S&P 500<sup>®</sup> Index is a market-value weighted index consisting of 500 stocks chosen for market size, liquidity, and industry group representation.

The Russell 1000<sup>®</sup> 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 Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, mortgage-backed securities, asset-backed securities and commercial mortgage-backed securities.

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<sup>®</sup> Index) and 40% in a bond index (e.g. Bloomberg Barclays Capital U.S. Aggregate Bond Index). The Cornerstone Fund's blended index is a 60% S&P 500<sup>®</sup> Index and 40% Bloomberg Barclays U.S. Aggregate Bond Index blend.

The Russell Midcap<sup>®</sup> Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap<sup>®</sup> Index is a subset of the Russell 1000<sup>®</sup> Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap<sup>®</sup> Index represents approximately 31% of the total market capitalization of the Russell 1000 companies.

The Russell Midcap<sup>®</sup> Value Index, an unmanaged index, measures the performance of the mid-cap value segment of the U.S. equity universe. It is a market capitalization weighted index representing the smallest 800 companies of the Russell 1000<sup>®</sup> Index. It includes those Russell Midcap companies with lower price-to-book ratios and lower expected growth values.

The 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 the CPI is used as a measure of inflation.

It is not possible to invest directly in an index.

An index fund is a type of mutual fund with a portfolio constructed to match or track the components of a market index, such as the S&P 500<sup>®</sup> Index. 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.

## **POPLAR FOREST FUNDS**

Book value of an asset is the value at which the asset is carried on a balance sheet. Book value is also the net asset value of a company, calculated as total assets minus intangible assets (patents, goodwill) and liabilities.

Free cash flow is revenue less operating expenses including interest expense 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.

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

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 Ratio (“P/E”) 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.

Value investing is an investment strategy where stocks are selected that trade for less than their intrinsic values. Value investors actively seek stocks they believe the market has undervalued.

Growth stocks typically are more volatile than value stocks; however, value stocks have a lower expected growth rate in earnings and sales.

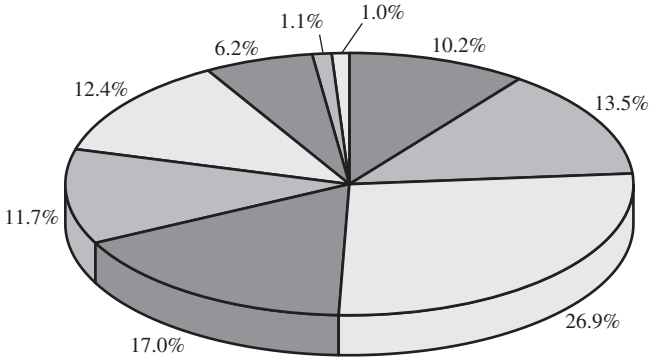
Poplar Forest Capital LLC is the adviser to the Poplar Forest Funds which are distributed by Quasar Distributors, LLC.



## POPLAR FOREST FUNDS

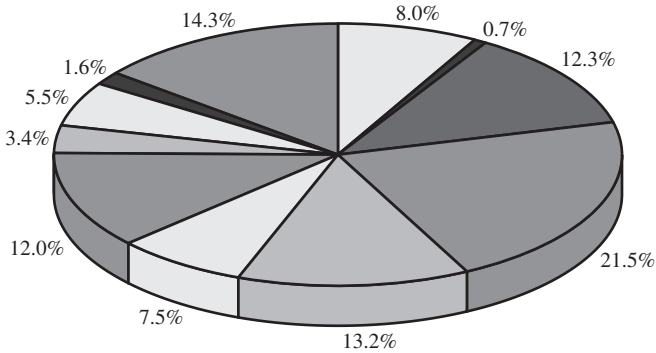
### SECTOR ALLOCATION OF PORTFOLIO ASSETS at September 30, 2017 (Unaudited)

#### POPLAR FOREST PARTNERS FUND



- |                                  |                                   |
|----------------------------------|-----------------------------------|
| ■ Consumer Discretionary – 10.2% | □ Information Technology – 12.4%  |
| ■ Energy – 13.5%                 | ■ Materials – 6.2%                |
| □ Financials – 26.9%             | ■ Money Market Fund – 1.1%        |
| ■ Health Care – 17.0%            | □ U.S. Treasury Securities – 1.0% |
| ■ Industrials – 11.7%            |                                   |

#### POPLAR FOREST CORNERSTONE FUND



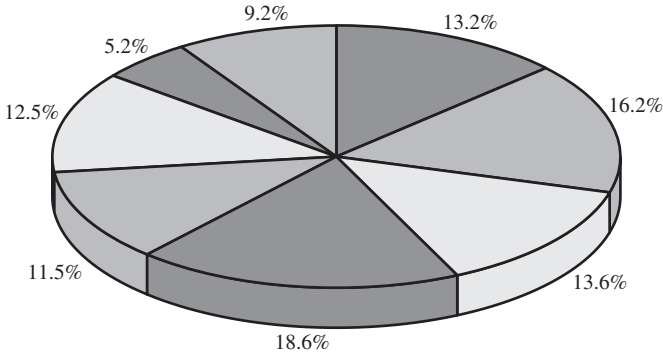
- |                                 |                                    |
|---------------------------------|------------------------------------|
| □ Consumer Discretionary – 8.0% | ■ Information Technology – 12.0%   |
| ■ Consumer Staples – 0.7%       | ■ Materials – 3.4%                 |
| ■ Energy – 12.3%                | □ Money Market Fund – 5.5%         |
| ■ Financials – 21.5%            | ■ U.S. Government Agency – 1.6%    |
| ■ Health Care – 13.2%           | ■ U.S. Treasury Securities – 14.3% |
| □ Industrials – 7.5%            |                                    |

Percentages represent market value as a percentage of total investments.

## POPLAR FOREST FUNDS

### SECTOR ALLOCATION OF PORTFOLIO ASSETS at September 30, 2017 (Unaudited)

#### POPLAR FOREST OUTLIERS FUND



- |                                  |                                  |
|----------------------------------|----------------------------------|
| ■ Consumer Discretionary – 13.2% | ■ Industrials – 11.5%            |
| ■ Energy – 16.2%                 | ■ Information Technology – 12.5% |
| ■ Financials – 13.6%             | ■ Materials – 5.2%               |
| ■ Health Care – 18.6%            | ■ Money Market Fund – 9.2%       |

Percentages represent market value as a percentage of total investments.

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## POPLAR FOREST FUNDS

### EXPENSE EXAMPLE at September 30, 2017 (Unaudited)

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As a shareholder of a mutual fund, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments, redemption fees, and exchange fees, and (2) ongoing costs, including management fees, distribution and/or service fees, and other fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Funds and to compare these costs with the ongoing costs of investing in other mutual funds. The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (4/1/17 – 9/30/17).

#### **Actual Expenses**

For each class of each Fund, two lines are presented in the tables below, with the first line providing information about actual account values and actual expenses. Actual net expenses are limited to 1.25% and 1.00% for Class A shares and Institutional Class shares, respectively, of the Poplar Forest Partners Fund, per the operating expenses limitation agreement. Actual net expenses are limited to 1.15% and 0.90% for Class A shares and Institutional Class shares, respectively, of the Poplar Forest Cornerstone Fund, per the operating expenses limitation agreement. Actual net expenses are limited to 1.10% for Institutional Class shares of the Poplar Forest Outliers Fund, per the operating expenses limitation agreement. You will be assessed fees for outgoing wire transfers, returned checks, and stop payment orders at prevailing rates charged by U.S. Bancorp Fund Services, LLC, the Funds' transfer agent. The Example below includes, but is not limited to, management fees, 12b-1 fees, fund accounting, custody and transfer agent fees. You may use this information, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

#### **Hypothetical Example for Comparison Purposes**

For each class of each Fund, the second line provides information about hypothetical account values and hypothetical expenses based on the respective Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Funds and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transaction costs, such as sales charges (loads), redemption fees, or exchange fees. Therefore, the second line of the tables for each class of each Fund is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transaction costs were included, your costs would have been higher.

## POPLAR FOREST FUNDS

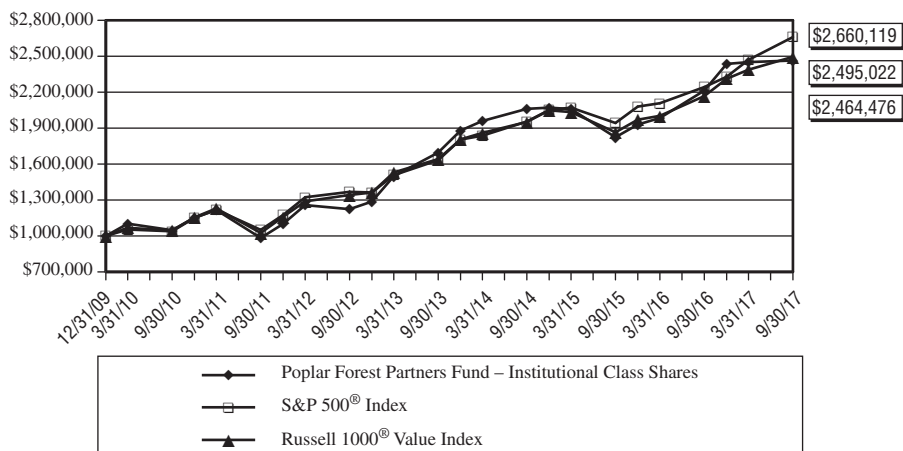
### EXPENSE EXAMPLE at September 30, 2017 (Unaudited), Continued

	Beginning Account Value 4/1/17	Ending Account Value 9/30/17	Expenses Paid During Period 4/1/17 – 9/30/17	Annualized Expense Ratio*
<b>Poplar Forest Partners Fund</b>				
<b>Class A Shares</b>				
Actual	\$1,000.00	\$1,004.10	\$6.28	1.25%
Hypothetical (5% return before expenses)	\$1,000.00	\$1,018.80	\$6.33	1.25%
<b>Institutional Class Shares</b>				
Actual	\$1,000.00	\$1,005.50	\$5.03	1.00%
Hypothetical (5% return before expenses)	\$1,000.00	\$1,020.05	\$5.06	1.00%
	Beginning Account Value 4/1/17	Ending Account Value 9/30/17	Expenses Paid During Period 4/1/17 – 9/30/17	Annualized Expense Ratio*
<b>Poplar Forest Cornerstone Fund</b>				
<b>Class A Shares</b>				
Actual	\$1,000.00	\$1,007.20	\$5.79	1.15%
Hypothetical (5% return before expenses)	\$1,000.00	\$1,019.30	\$5.82	1.15%
<b>Institutional Class Shares</b>				
Actual	\$1,000.00	\$1,008.70	\$4.53	0.90%
Hypothetical (5% return before expenses)	\$1,000.00	\$1,020.56	\$4.56	0.90%
	Beginning Account Value 4/1/17	Ending Account Value 9/30/17	Expenses Paid During Period 4/1/17 – 9/30/17	Annualized Expense Ratio*
<b>Poplar Forest Outliers Fund</b>				
<b>Institutional Class Shares</b>				
Actual	\$1,000.00	\$ 996.20	\$5.50	1.10%
Hypothetical (5% return before expenses)	\$1,000.00	\$1,019.55	\$5.57	1.10%

\* Expenses are equal to the annualized expense ratio of each class, multiplied by the average account value over the period, multiplied by 183 (days in most recent fiscal half-year) / 365 days to reflect the one-half year expense.

## POPLAR FOREST PARTNERS FUND

Comparison of the change in value of a \$1,000,000 investment in the Poplar Forest Partners Fund – Institutional Class Shares vs. the S&P 500<sup>®</sup> Index and the Russell 1000<sup>®</sup> Value Index



<b>Average Annual Total Return:</b>	<b>1 Year</b>	<b>5 Year</b>	<b>Since Inception<sup>1</sup></b>
Poplar Forest Partners Fund – Institutional Class Shares	11.35%	15.03%	12.35%
Poplar Forest Partners Fund – Class A Shares (with sales load)	5.51%	13.57%	11.32%
Poplar Forest Partners Fund – Class A Shares (without sales load)	11.06%	14.74%	12.06%
S&P 500 <sup>®</sup> Index	18.61%	14.22%	13.46%
Russell 1000 <sup>®</sup> Value Index	15.12%	13.20%	12.52%

*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 1-877-522-8860.*

Returns reflect the reinvestment of dividends and capital gain distributions. Fee waivers are in effect. In the absence of fee waivers, returns would be reduced. Class A shares may be subject to a 5.00% front-end sales load. The performance data and graph do not reflect the deduction of taxes that a shareholder may pay on dividends, capital gain distributions, or redemption of Fund shares. This chart does not imply any future performance. Indices do not incur expenses and are not available for investment.

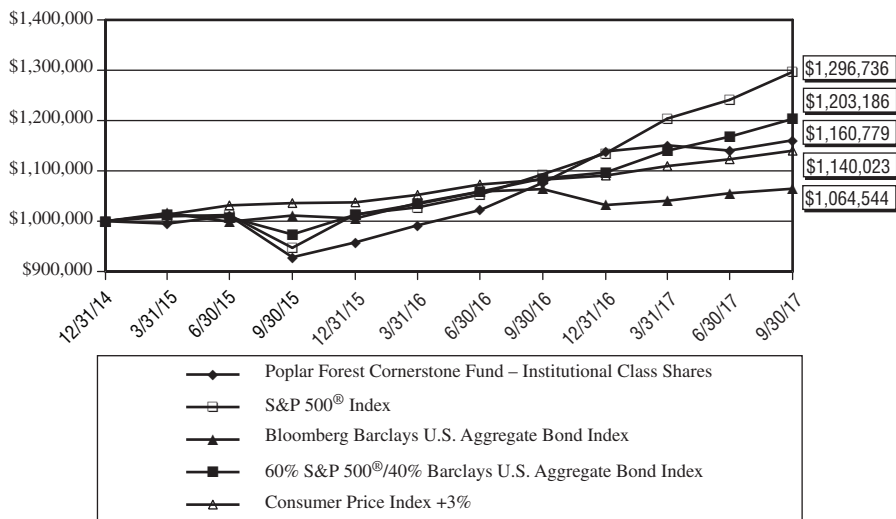
The S&P 500<sup>®</sup> Index is a market-value weighted index consisting of 500 stocks chosen for market size, liquidity, and industry group representation.

The Russell 1000<sup>®</sup> Value Index 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<sup>®</sup> Index.

<sup>1</sup> The Fund commenced operations on December 31, 2009.

## POPLAR FOREST CORNERSTONE FUND

Comparison of the change in value of a \$1,000,000 investment in the Poplar Forest Cornerstone Fund – Institutional Class Shares vs. the S&P 500® Index, the Bloomberg Barclays U.S. Aggregate Bond Index, the Blended Index and the Consumer Price Index +3%



### Average Annual Total Return:

	Since 1 Year	Inception <sup>1</sup>
Poplar Forest Cornerstone Fund – Institutional Class Shares	7.83%	5.58%
Poplar Forest Cornerstone Fund – Class A Shares (with sales load)	2.18%	3.35%
Poplar Forest Cornerstone Fund – Class A Shares (without sales load)	7.57%	5.30%
S&P 500® Index	18.61%	9.92%
Bloomberg Barclays U.S. Aggregate Bond Index	0.07%	2.30%
60% S&P 500®/ 40% Barclays U.S. Aggregate Bond Index	10.90%	6.97%
Consumer Price Index +3%	5.29%	4.88%

*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 1-877-522-8860.*

Returns reflect the reinvestment of dividends and capital gain distributions. Fee waivers are in effect. In the absence of fee waivers, returns would be reduced. Class A shares may be subject to a 5.00% front-end sales load. The performance data and graph do not reflect the deduction of taxes that a shareholder may pay on dividends, capital gain distributions, or redemption of Fund shares. This chart does not imply any future performance. Indices do not incur expenses and are not available for investment.

The S&P 500® Index is a market-value weighted index consisting of 500 stocks chosen for market size, liquidity, and industry group representation.

## **POPLAR FOREST CORNERSTONE FUND**

The Bloomberg Barclays U.S. Aggregate Bond Index is a broad based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable market, including Treasuries, government related and corporate securities.

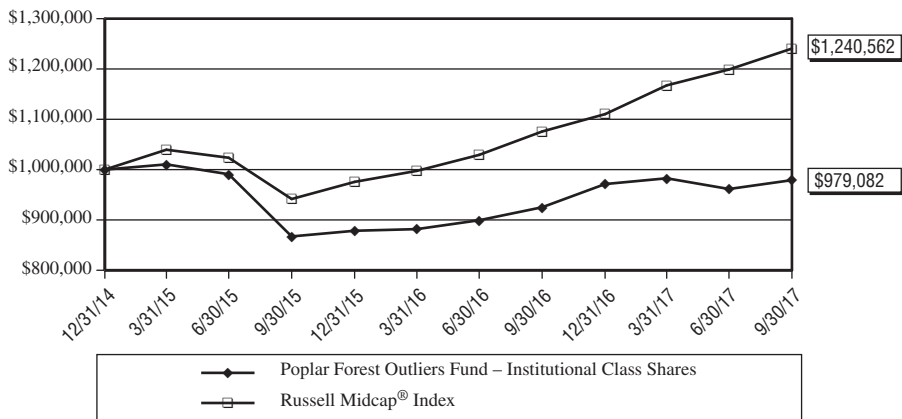
The blended index is a 60% S&P 500<sup>®</sup> Index and 40% Bloomberg Barclays U.S. Aggregate Bond Index blend.

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. The CPI +3% is a measure defined as an objective in the Fund's prospectus.

<sup>1</sup> The Fund commenced operations on December 31, 2014.

## POPLAR FOREST OUTLIERS FUND

Comparison of the change in value of a \$1,000,000 investment in the  
Poplar Forest Outliers Fund – Institutional Class Shares vs.  
the Russell Midcap® Index



### Average Annual Total Return:

Poplar Forest Outliers Fund – Institutional Class Shares  
Russell Midcap® Index

	<b>1 Year</b>	<b>Since Inception<sup>1</sup></b>
Poplar Forest Outliers Fund – Institutional Class Shares	5.83%	-0.77%
Russell Midcap® Index	15.32%	8.16%

*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 1-877-522-8860.*

Returns reflect the reinvestment of dividends and capital gain distributions. Fee waivers are in effect. In the absence of fee waivers, returns would be reduced. The performance data and graph do not reflect the deduction of taxes that a shareholder may pay on dividends, capital gain distributions, or redemption of Fund shares. This chart does not imply any future performance. Indices do not incur expenses and are not available for investment.

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.

<sup>1</sup> The Fund commenced operations on December 31, 2014.



**POPLAR FOREST PARTNERS FUND**

**SCHEDULE OF INVESTMENTS at September 30, 2017**

Shares	COMMON STOCKS – 97.8%	Value
	<b>Banks – 9.8%</b>	
1,350,000	Bank of America Corp. . . . .	\$ 34,209,000
575,000	Citigroup, Inc. . . . .	41,825,500
		<u>76,034,500</u>
	<b>Building Products – 3.8%</b>	
725,000	Johnson Controls International plc (a) . . . . .	29,210,250
	<b>Construction &amp; Engineering – 4.4%</b>	
915,000	AECOM Technology Corp. (b) . . . . .	33,681,150
	<b>Consumer Finance – 3.6%</b>	
1,157,000	Ally Financial, Inc. . . . .	28,068,820
	<b>Electronic Equipment, Instruments &amp; Components – 4.3%</b>	
400,000	TE Connectivity Ltd. (a) . . . . .	33,224,000
	<b>Energy Equipment &amp; Services – 6.2%</b>	
740,000	Baker Hughes, Inc. . . . .	27,098,800
4,475,000	Weatherford International plc (a) (b) . . . . .	20,495,500
		<u>47,594,300</u>
	<b>Health Care Equipment &amp; Supplies – 4.9%</b>	
320,000	Zimmer Biomet Holdings, Inc. . . . .	37,468,800
	<b>Health Care Providers &amp; Services – 4.0%</b>	
370,000	AmerisourceBergen Corp. . . . .	30,617,500
	<b>Insurance – 13.4%</b>	
485,000	American International Group, Inc. . . . .	29,774,150
530,000	Lincoln National Corp. . . . .	38,944,400
665,000	MetLife, Inc. . . . .	34,546,750
		<u>103,265,300</u>
	<b>IT Services – 2.2%</b>	
115,000	International Business Machines Corp. . . . .	16,684,200
	<b>Metals &amp; Mining – 6.1%</b>	
1,050,000	Freeport-McMoRan Inc. (b) . . . . .	14,742,000
430,000	Reliance Steel & Aluminum Co. . . . .	32,753,100
		<u>47,495,100</u>
	<b>Oil, Gas &amp; Consumable Fuels – 7.3%</b>	
365,000	Antero Resources Corp. (b) . . . . .	7,263,500
240,000	Chevron Corp. . . . .	28,200,000
575,000	Devon Energy Corp. . . . .	21,108,250
		<u>56,571,750</u>

The accompanying notes are an integral part of these financial statements.

**POPLAR FOREST PARTNERS FUND**

**SCHEDULE OF INVESTMENTS at September 30, 2017, Continued**

Shares		Value
	<b>Pharmaceuticals – 8.2%</b>	
820,000	Abbott Laboratories . . . . .	\$ 43,755,200
230,000	Eli Lilly & Co. . . . .	19,674,200
		<u>63,429,400</u>
	<b>Software – 2.5%</b>	
247,187	Micro Focus International plc – ADR (b) . . . . .	7,885,265
150,000	Microsoft Corp. . . . .	11,173,500
		<u>19,058,765</u>
	<b>Specialty Retail – 5.8%</b>	
100,000	Advance Auto Parts, Inc. . . . .	9,920,000
525,000	Signet Jewelers Ltd. (a) . . . . .	34,938,750
		<u>44,858,750</u>
	<b>Technology Hardware, Storage &amp; Peripherals – 3.4%</b>	
1,800,000	Hewlett Packard Enterprise Co. . . . .	26,478,000
	<b>Textiles, Apparel &amp; Luxury Goods – 4.4%</b>	
590,000	Coach, Inc. . . . .	23,765,200
115,000	Ralph Lauren Corp. . . . .	10,153,350
		<u>33,918,550</u>
	<b>Trading Companies &amp; Distributors – 3.5%</b>	
360,000	MSC Industrial Direct Inc. – Class A . . . . .	27,205,200
	<b>TOTAL COMMON STOCKS</b>	
	(Cost \$595,642,330) . . . . .	<u>754,864,335</u>
<hr/>		
	<b>SHORT-TERM INVESTMENTS – 2.1%</b>	
	<b>Money Market Fund</b>	
8,241,660	Morgan Stanley Institutional Liquidity Funds – Treasury Portfolio – Institutional Class, 0.90% (c) . . .	<u>8,241,660</u>

The accompanying notes are an integral part of these financial statements.

**POPLAR FOREST PARTNERS FUND**

**SCHEDULE OF INVESTMENTS at September 30, 2017, Continued**

Principal Amount		Value
<b>U.S. Treasury Bills</b>		
\$2,700,000	0.975%, 12/21/17 (d) .....	\$ 2,694,075
2,700,000	0.996%, 1/18/18 (d) .....	2,691,860
2,700,000	1.067%, 2/15/18 (d) .....	<u>2,689,035</u>
		<u>8,074,970</u>
<b>TOTAL SHORT-TERM INVESTMENTS</b>		
	(Cost \$16,314,366) .....	<u>16,316,630</u>
<b>Total Investments in Securities</b>		
	(Cost \$611,956,696) – 99.9% .....	771,180,965
	<b>Other Assets in Excess of Liabilities – 0.1%</b> .....	<u>718,078</u>
	<b>NET ASSETS – 100.0%</b> .....	<u><u>\$771,899,043</u></u>

ADR – American Depositary Receipt

- (a) U.S. traded security of a foreign issuer.
- (b) Non-income producing security.
- (c) Rate shown is the 7-day annualized yield at September 30, 2017.
- (d) Rate shown is the discount rate at September 30, 2017.

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The accompanying notes are an integral part of these financial statements.

**POPLAR FOREST CORNERSTONE FUND**

**SCHEDULE OF INVESTMENTS at September 30, 2017**

Shares	COMMON STOCKS – 65.7%	Value
	<b>Banks – 5.9%</b>	
15,800	Bank of America Corp. ....	\$ 400,372
13,300	Citigroup, Inc. ....	967,442
2,000	SVB Financial Group (b) ....	374,180
		<u>1,741,994</u>
	<b>Beverages – 0.7%</b>	
1,900	PepsiCo, Inc. ....	<u>211,717</u>
	<b>Building Products – 2.4%</b>	
17,800	Johnson Controls International plc (a) ....	<u>717,162</u>
	<b>Communications Equipment – 2.3%</b>	
19,800	Cisco Systems, Inc. ....	<u>665,874</u>
	<b>Construction &amp; Engineering – 1.5%</b>	
11,900	AECOM Technology Corp. (b) ....	<u>438,039</u>
	<b>Consumer Finance – 2.4%</b>	
29,000	Ally Financial, Inc. ....	<u>703,540</u>
	<b>Electronic Equipment, Instruments &amp; Components – 1.7%</b>	
5,900	TE Connectivity Ltd. (a) ....	<u>490,054</u>
	<b>Energy Equipment &amp; Services – 4.4%</b>	
27,800	Baker Hughes, Inc. ....	1,018,036
6,200	Halliburton Co. ....	285,386
		<u>1,303,422</u>
	<b>Health Care Equipment &amp; Supplies – 2.8%</b>	
7,000	Zimmer Biomet Holdings, Inc. ....	<u>819,630</u>
	<b>Health Care Providers &amp; Services – 2.5%</b>	
9,100	AmerisourceBergen Corp. ....	<u>753,025</u>
	<b>Hotels, Restaurants &amp; Leisure – 1.6%</b>	
7,400	Las Vegas Sands Corp. ....	<u>474,784</u>
	<b>Insurance – 8.8%</b>	
12,400	American International Group, Inc. ....	761,236
1,327	Brighthouse Financial, Inc. (b) ....	80,682
13,500	Lincoln National Corp. ....	991,980
14,600	MetLife, Inc. ....	758,470
		<u>2,592,368</u>

The accompanying notes are an integral part of these financial statements.

**POPLAR FOREST CORNERSTONE FUND**

**SCHEDULE OF INVESTMENTS at September 30, 2017, Continued**

Shares		Value
	<b>IT Services – 3.2%</b>	
4,900	DXC Technology Co. ....	\$ 420,812
3,600	International Business Machines Corp. ....	522,288
		<u>943,100</u>
	<b>Metals &amp; Mining – 3.5%</b>	
31,000	Freeport-McMoRan Inc. (b) ....	435,240
8,000	Reliance Steel & Aluminum Co. ....	609,360
		<u>1,044,600</u>
	<b>Oil, Gas &amp; Consumable Fuels – 3.5%</b>	
4,800	Antero Resources Corp. (b) ....	95,520
3,650	Chevron Corp. ....	428,875
14,200	Devon Energy Corp. ....	521,282
		<u>1,045,677</u>
	<b>Pharmaceuticals – 5.6%</b>	
18,200	Abbott Laboratories ....	971,152
5,300	Eli Lilly & Co. ....	453,362
3,600	Merck & Co., Inc. ....	230,508
		<u>1,655,022</u>
	<b>Software – 2.0%</b>	
6,001	Micro Focus International plc – ADR (b) ....	191,432
5,500	Microsoft Corp. ....	409,695
		<u>601,127</u>
	<b>Specialty Retail – 3.8%</b>	
1,400	Advance Auto Parts, Inc. ....	138,880
14,650	Signet Jewelers Ltd. (a) ....	974,957
		<u>1,113,837</u>
	<b>Technology Hardware, Storage &amp; Peripherals – 2.2%</b>	
43,700	Hewlett Packard Enterprise Co. ....	642,827
	<b>Textiles, Apparel &amp; Luxury Goods – 2.8%</b>	
17,500	Coach, Inc. ....	704,900
1,500	Ralph Lauren Corp. ....	132,435
		<u>837,335</u>
	<b>Trading Companies &amp; Distributors – 2.1%</b>	
8,200	MSC Industrial Direct Inc. – Class A ....	619,674
	<b>TOTAL COMMON STOCKS</b>	
	(Cost \$16,270,089) ....	<u>19,414,808</u>

The accompanying notes are an integral part of these financial statements.

**POPLAR FOREST CORNERSTONE FUND**

**SCHEDULE OF INVESTMENTS at September 30, 2017, Continued**

Principal Amount/Shares	MLP INVESTMENTS AND RELATED COMPANIES – 0.3%	Value
	<b>Oil, Gas &amp; Consumable Fuels – 0.3%</b>	
4,100	Plains GP Holdings LP .....	\$ 89,667
	<b>TOTAL MLP INVESTMENTS AND RELATED COMPANIES (Cost \$118,431) .....</b>	<u>89,667</u>
<hr/>		
	<b>CORPORATE BONDS – 14.8%</b>	
	<b>Depository Credit Intermediation – 5.0%</b>	
	Bank of America Corp.	
\$750,000	2.60%, 1/15/19 .....	756,300
	JPMorgan Chase Bank NA	
725,000	6.00%, 10/1/17 .....	725,000
		<u>1,481,300</u>
	<b>Health Care Equipment &amp; Supplies – 2.6%</b>	
	Becton Dickinson and Co.	
750,000	3.25%, 11/12/20 .....	770,829
	<b>Oil, Gas &amp; Consumable Fuels – 1.8%</b>	
	Devon Energy Corp.	
525,000	4.00%, 7/15/21 .....	546,212
	<b>Oil &amp; Gas Services &amp; Equipment – 2.6%</b>	
	Schlumberger Holdings Corp.	
750,000	2.35%, 12/21/18 (g) .....	754,524
	<b>Professional Services – 1.7%</b>	
	Equifax, Inc.	
500,000	3.30%, 12/15/22 .....	498,081
	<b>Technology Hardware, Storage &amp; Peripherals – 1.1%</b>	
	EMC Corp.	
320,000	1.875%, 6/1/18 .....	318,782
	<b>TOTAL CORPORATE BONDS (Cost \$4,333,940) .....</b>	<u>4,369,728</u>

The accompanying notes are an integral part of these financial statements.

**POPLAR FOREST CORNERSTONE FUND**

**SCHEDULE OF INVESTMENTS at September 30, 2017, Continued**

Principal Amount	U.S. GOVERNMENT AGENCIES AND INSTRUMENTALITIES – 12.3%	Value
	<b>U.S. Government Agencies</b>	
	FHLMC	
\$500,000	1.30%, 9/30/21 (c) .....	\$ 494,938
	<b>U.S. Treasury Bonds</b>	
	U.S. Treasury Bond TIPS	
632,401	0.125%, 4/15/20 .....	635,648
608,237	0.125%, 7/15/24 .....	602,467
		<u>1,238,115</u>
	<b>U.S. Treasury Notes</b>	
	U.S. Treasury Floating Rate Notes	
600,000	0.996% (3 Month U.S. Treasury Money Market Rate + 0.174%), 7/31/18 (e) .....	600,944
700,000	0.962% (3 Month U.S. Treasury Money Market Rate + 0.14%), 1/31/19 (e) .....	701,217
	U.S. Treasury Note TIPS	
616,466	0.125%, 1/15/22 .....	618,718
		<u>1,920,879</u>
	<b>TOTAL U.S. GOVERNMENT AGENCIES AND INSTRUMENTALITIES (Cost \$3,667,786) .....</b>	<u><b>3,653,932</b></u>

The accompanying notes are an integral part of these financial statements.

## POPLAR FOREST CORNERSTONE FUND

### SCHEDULE OF INVESTMENTS at September 30, 2017, Continued

Principal Amount/Shares	SHORT-TERM INVESTMENTS – 9.7%	Value
<b>Money Market Fund</b>		
1,659,939	Morgan Stanley Institutional Liquidity Funds – Treasury Portfolio – Institutional Class, 0.90% (f) . . .	<u>\$ 1,659,939</u>
<b>U.S. Treasury Bills</b>		
\$300,000	0.863%, 10/19/17 (d) . . . . .	299,871
300,000	0.975%, 12/21/17 (d) . . . . .	299,342
300,000	0.996%, 1/18/18 (d) . . . . .	299,095
300,000	1.067%, 2/15/18 (d) . . . . .	<u>298,782</u>
		<u>1,197,090</u>
<b>TOTAL SHORT-TERM INVESTMENTS</b>		
		<u>2,857,029</u>
<b>Total Investments in Securities</b>		
		30,385,164
		(Cost \$27,247,011) – 102.8% . . . . .
		Liabilities in Excess of Other Assets – (2.8)% . . . . .
		<u>(831,744)</u>
		<u><u>NET ASSETS – 100.0%</u></u>
		<u><u>\$29,553,420</u></u>

ADR – American Depositary Receipt

FHLMC – Federal Home Loan Mortgage Corporation

MLP – Master Limited Partnership

TIPS – Treasury Inflation Protected Securities

(a) U.S. traded security of a foreign issuer.

(b) Non-income producing security.

(c) Step-up bond; pays one interest rate for a certain period and a higher rate thereafter. The interest rate shown is the rate in effect as of September 30, 2017.

(d) Rate shown is the discount rate at September 30, 2017.

(e) Variable rate security. Rate shown reflects the rate in effect as of September 30, 2017.

(f) Rate shown is the 7-day annualized yield at September 30, 2017.

(g) Security purchased within the terms of a private placement memorandum, exempt from registration under Rule 144A of the Securities Act of 1933, as amended, and may be sold only to dealers in the program or other “qualified institutional buyers.” Poplar Forest Capital, LLC, the Fund’s adviser, has determined that such security is liquid in accordance with the liquidity guidelines approved by the Board of Trustees of Advisors Series Trust. As of September 30, 2017, the value of these investments was \$754,524 or 2.6% of total net assets.

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The accompanying notes are an integral part of these financial statements.



**POPLAR FOREST OUTLIERS FUND**

**SCHEDULE OF INVESTMENTS at September 30, 2017**

Shares	COMMON STOCKS – 88.9%	Value
	<b>Banks – 2.7%</b>	
867	SVB Financial Group (b) .....	\$ 162,207
	<b>Communications Equipment – 5.0%</b>	
1,700	CommScope Holding Company, Inc. (b) .....	56,457
2,950	Motorola Solutions, Inc. ....	250,366
		<u>306,823</u>
	<b>Construction &amp; Engineering – 4.1%</b>	
6,780	AECOM Technology Corp. (b) .....	249,572
	<b>Consumer Finance – 4.3%</b>	
10,800	Ally Financial, Inc. ....	262,008
	<b>Diversified Consumer Services – 3.0%</b>	
2,103	Strayer Education, Inc. ....	183,529
	<b>Diversified Financial Services – 1.0%</b>	
1,550	Voya Financial, Inc. ....	61,830
	<b>Electronic Equipment, Instruments &amp; Components – 4.0%</b>	
5,800	Keysight Technologies, Inc. (b) .....	241,628
	<b>Energy Equipment &amp; Services – 5.2%</b>	
1,910	Baker Hughes, Inc. ....	69,944
53,300	Weatherford International plc (a) (b) .....	244,114
		<u>314,058</u>
	<b>Health Care Equipment &amp; Supplies – 4.5%</b>	
2,327	Zimmer Biomet Holdings, Inc. ....	272,468
	<b>Health Care Providers &amp; Services – 8.0%</b>	
630	Aetna Inc. ....	100,176
3,457	AmerisourceBergen Corp. ....	286,067
410	Humana, Inc. ....	99,888
		<u>486,131</u>
	<b>Insurance – 5.7%</b>	
2,765	Lincoln National Corp. ....	203,172
3,000	Progressive Corp. ....	145,260
		<u>348,432</u>
	<b>IT Services – 2.0%</b>	
3,800	CSRA Inc. ....	122,626
	<b>Leisure Products – 1.1%</b>	
4,500	Mattel, Inc. ....	69,660
		<u>69,660</u>

The accompanying notes are an integral part of these financial statements.

**POPLAR FOREST OUTLIERS FUND**

**SCHEDULE OF INVESTMENTS at September 30, 2017, Continued**

Shares		Value
	<b>Machinery – 6.7%</b>	
8,929	NN, Inc. ....	\$ 258,941
3,950	SPX FLOW, Inc. (b) ....	152,312
		<u>411,253</u>
	<b>Metals &amp; Mining – 5.2%</b>	
4,654	Freeport-McMoRan Inc. (b) ....	65,342
3,329	Reliance Steel & Aluminum Co. ....	253,570
		<u>318,912</u>
	<b>Oil, Gas &amp; Consumable Fuels – 8.9%</b>	
8,600	Antero Resources Corp. (b) ....	171,140
4,499	Devon Energy Corp. ....	165,158
3,150	EQT Corp. ....	205,506
		<u>541,804</u>
	<b>Pharmaceuticals – 6.2%</b>	
1,981	Abbott Laboratories ....	105,706
3,250	Perrigo Co. plc (a) ....	275,113
		<u>380,819</u>
	<b>Specialty Retail – 6.4%</b>	
850	Advance Auto Parts, Inc. ....	84,320
13,850	Party City Holdco, Inc. (b) ....	187,667
1,785	Signet Jewelers Ltd. (a) ....	118,792
		<u>390,779</u>
	<b>Technology Hardware, Storage &amp; Peripherals – 1.5%</b>	
6,400	Hewlett Packard Enterprise Co. ....	94,144
	<b>Textiles, Apparel &amp; Luxury Goods – 2.7%</b>	
2,200	Coach, Inc. ....	88,616
875	Ralph Lauren Corp. ....	77,254
		<u>165,870</u>
	<b>Trading Companies &amp; Distributors – 0.7%</b>	
550	MSC Industrial Direct Inc. – Class A ....	41,564
	<b>TOTAL COMMON STOCKS</b>	
	(Cost \$4,817,106) ....	<u>5,426,117</u>

The accompanying notes are an integral part of these financial statements.

## POPLAR FOREST OUTLIERS FUND

### SCHEDULE OF INVESTMENTS at September 30, 2017, Continued

Shares	MLP INVESTMENTS AND RELATED COMPANIES – 2.3%	Value
	<b>Oil, Gas &amp; Consumable Fuels – 2.3%</b>	
6,400	Plains GP Holdings LP . . . . .	\$ 139,968
	<b>TOTAL MLP INVESTMENTS AND RELATED COMPANIES (Cost \$196,638) . . . . .</b>	<b><u>139,968</u></b>
<hr/>		
	<b>MONEY MARKET FUND – 9.3%</b>	
566,197	Morgan Stanley Institutional Liquidity Funds – Treasury Portfolio – Institutional Class, 0.90% (c) . . .	<u>566,197</u>
	<b>TOTAL MONEY MARKET FUND (Cost \$566,197) . . . . .</b>	<b><u>566,197</u></b>
	Total Investments in Securities (Cost \$5,579,941) – 100.5% . . . . .	6,132,282
	Liabilities in Excess of Other Assets – (0.5)% . . . . .	<u>(28,468)</u>
	<b>NET ASSETS – 100.0% . . . . .</b>	<b><u><u>\$6,103,814</u></u></b>

MLP – Master Limited Partnership

(a) U.S. traded security of a foreign issuer.

(b) Non-income producing security.

(c) Rate shown is the 7-day annualized yield at September 30, 2017.

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The accompanying notes are an integral part of these financial statements.

# POPLAR FOREST FUNDS

## STATEMENTS OF ASSETS AND LIABILITIES at September 30, 2017

---

### ASSETS

Investments in securities, at value (identified cost \$611,956,696, \$27,247,011, and \$5,579,941, respectively) .....	
Receivables	
Due from Adviser (Note 4) .....	
Fund shares issued .....	
Dividends and interest .....	
Dividend tax reclaim .....	
Prepaid expenses .....	
Total assets .....	

### LIABILITIES

Payables	
Securities purchased .....	
Fund shares redeemed .....	
Due to Adviser .....	
12b-1 fees .....	
Custody fees .....	
Administration and fund accounting fees .....	
Transfer agent fees and expenses .....	
Audit fees .....	
Chief Compliance Officer fee .....	
Trustee fees and expenses .....	
Accrued expenses .....	
Total liabilities .....	

NET ASSETS .....

### CALCULATION OF NET ASSET VALUE PER SHARE

#### Class A Shares

Net assets applicable to shares outstanding .....	
Shares issued and outstanding [unlimited number of shares (par value \$0.01) authorized]	
<b>Net asset value and redemption price per share</b> .....	
<b>Maximum offering price per share (Net asset value per share divided by 95.00%)</b> .....	

#### Institutional Class Shares

Net assets applicable to shares outstanding .....	
Shares issued and outstanding [unlimited number of shares (par value \$0.01) authorized]	
<b>Net asset value, offering and redemption price per share</b> .....	

### COMPONENTS OF NET ASSETS

Paid-in capital .....	
Accumulated net investment income .....	
Accumulated net realized gain/(loss) from investments .....	
Net unrealized appreciation on investments .....	
Net assets .....	

The accompanying notes are an integral part of these financial statements.

## POPLAR FOREST FUNDS

### STATEMENTS OF ASSETS AND LIABILITIES at September 30, 2017, Continued

Poplar Forest Partners Fund	Poplar Forest Cornerstone Fund	Poplar Forest Outliers Fund
\$771,180,965	\$30,385,164	\$6,132,282
—	—	3,190
1,173,124	—	—
607,446	76,321	4,247
36,250	890	—
25,374	7,513	2,430
<u>773,023,159</u>	<u>30,469,888</u>	<u>6,142,149</u>
—	862,592	—
349,366	—	—
524,470	3,887	—
47,151	380	—
14,238	1,065	1,023
87,479	15,874	10,254
63,302	6,898	3,413
21,400	21,400	19,900
1,500	1,500	1,500
512	330	273
14,698	2,542	1,972
<u>1,124,116</u>	<u>916,468</u>	<u>38,335</u>
<u>\$771,899,043</u>	<u>\$29,553,420</u>	<u>\$6,103,814</u>
\$ 79,334,949	\$ 613,823	\$ —
<u>1,559,167</u>	<u>23,057</u>	<u>—</u>
<u>\$ 50.88</u>	<u>\$ 26.62</u>	<u>\$ —</u>
<u>\$ 53.56</u>	<u>\$ 28.02</u>	<u>\$ —</u>
\$692,564,094	\$28,939,597	\$6,103,814
13,564,306	1,083,999	255,529
<u>\$ 51.06</u>	<u>\$ 26.70</u>	<u>\$ 23.89</u>
\$577,819,027	\$24,975,742	\$5,669,871
13,584,387	438,830	40,424
21,271,360	1,000,695	(158,822)
159,224,269	3,138,153	552,341
<u>\$771,899,043</u>	<u>\$29,553,420</u>	<u>\$6,103,814</u>

The accompanying notes are an integral part of these financial statements.

## POPLAR FOREST FUNDS

### STATEMENTS OF OPERATIONS For the Year Ended September 30, 2017

	Poplar Forest Partners Fund	Poplar Forest Cornerstone Fund	Poplar Forest Outliers Fund
<b>INVESTMENT INCOME</b>			
Income			
Dividends (net of withholding tax of \$0, \$0, and \$53, respectively) .....	\$22,453,912	\$ 600,502	\$ 98,333
Interest .....	<u>142,263</u>	<u>145,572</u>	<u>2,579</u>
Total income .....	<u>22,596,175</u>	<u>746,074</u>	<u>100,912</u>
Expenses			
Advisory fees (Note 4) .....	6,547,982	222,054	54,857
Administration and fund accounting fees (Note 4) .....	510,692	91,463	61,008
Transfer agent fees and expenses (Note 4) ..	475,109	37,774	21,545
12b-1 fees – Class A Shares (Note 5)* .....	275,577	1,538	145
Custody fees (Note 4) .....	82,247	5,593	5,160
Registration fees .....	38,312	19,507	7,114
Printing and mailing expense .....	28,309	1,417	526
Audit fees .....	21,416	21,398	19,897
Trustees fees and expenses .....	19,206	11,210	10,877
Insurance expense .....	13,551	1,995	1,727
Chief Compliance Officer fee (Note 4) .....	9,000	9,000	9,000
Legal fees .....	8,572	8,167	6,547
Interest expense (Note 7) .....	1,411	88	—
Miscellaneous .....	<u>24,942</u>	<u>6,544</u>	<u>2,562</u>
Total expenses .....	8,056,326	437,748	200,965
Less: Advisory fees waived and expenses reimbursed by Adviser (Note 4) .....	<u>(220,772)</u>	<u>(186,399)</u>	<u>(140,477)</u>
Net expenses .....	<u>7,835,554</u>	<u>251,349</u>	<u>60,488</u>
<b>Net investment income</b> .....	<u>14,760,621</u>	<u>494,725</u>	<u>40,424</u>
<b>REALIZED AND UNREALIZED</b>			
<b>GAIN/(LOSS) ON INVESTMENTS</b>			
Net realized gain/(loss) from investments .....	21,572,133	(83,001)	(223,344)
Net change in unrealized appreciation on investments .....	<u>34,194,732</u>	<u>1,566,261</u>	<u>426,808</u>
Net realized and unrealized gain on investments .....	<u>55,766,865</u>	<u>1,483,260</u>	<u>203,464</u>
<b>Net Increase in Net Assets</b> <b>Resulting from Operations</b> .....	<u>\$70,527,486</u>	<u>\$1,977,985</u>	<u>\$ 243,888</u>

\* Outliers Fund Class A shares converted to Outliers Fund Institutional Class shares on December 9, 2016. See Note 1 in the Notes to Financial Statements.

The accompanying notes are an integral part of these financial statements.

## POPLAR FOREST FUNDS

### STATEMENTS OF CHANGES IN NET ASSETS

	<b>Poplar Forest Partners Fund</b>	
	<b>Year Ended</b>	<b>Year Ended</b>
	<b>September 30, 2017</b>	<b>September 30, 2016</b>
<b>NET INCREASE/(DECREASE) IN NET ASSETS FROM:</b>		
<b>OPERATIONS</b>		
Net investment income .....	\$ 14,760,621	\$ 5,536,228
Net realized gain from investments .....	21,572,133	17,586,808
Net change in unrealized appreciation on investments .....	34,194,732	84,658,382
<b>Net increase in net assets resulting from operations</b> .....	<b>70,527,486</b>	<b>107,781,418</b>
<b>DISTRIBUTIONS TO SHAREHOLDERS</b>		
From net investment income		
Class A Shares .....	(384,755)	(1,263,961)
Institutional Class Shares .....	(4,921,355)	(3,383,154)
From net realized gain on investments		
Class A Shares .....	(1,496,411)	—
Institutional Class Shares .....	(8,862,135)	—
<b>Total distributions to shareholders</b> .....	<b>(15,664,656)</b>	<b>(4,647,115)</b>
<b>CAPITAL SHARE TRANSACTIONS</b>		
Net increase in net assets derived from		
net change in outstanding shares (a) .....	92,998,996	5,789,109
<b>Total increase in net assets</b> .....	<b>147,861,826</b>	<b>108,923,412</b>
<b>NET ASSETS</b>		
Beginning of year .....	624,037,217	515,113,805
<b>End of year</b> .....	<b>\$771,899,043</b>	<b>\$624,037,217</b>
Accumulated net investment income .....	<b>\$ 13,584,387</b>	<b>\$ 4,129,876</b>

(a) A summary of share transactions is as follows:

	<b>Year Ended</b>		<b>Year Ended</b>	
	<b>September 30, 2017</b>		<b>September 30, 2016</b>	
<b>Class A Shares</b>	<b>Shares</b>	<b>Paid-in Capital</b>	<b>Shares</b>	<b>Paid-in Capital</b>
Shares sold .....	755,307	\$ 37,798,411	880,761	\$ 36,926,077
Shares issued on reinvestments				
of distributions .....	32,387	1,660,129	26,043	1,071,644
Shares redeemed .....	(3,382,263)	(164,905,265)	(1,530,672)	(63,749,939)
Net decrease .....	<b>(2,594,569)</b>	<b>\$(125,446,725)</b>	<b>(623,868)</b>	<b>\$(25,752,218)</b>
<b>Institutional Class Shares</b>	<b>Year Ended</b>		<b>Year Ended</b>	
	<b>September 30, 2017</b>		<b>September 30, 2016</b>	
	<b>Shares</b>	<b>Paid-in Capital</b>	<b>Shares</b>	<b>Paid-in Capital</b>
Shares sold .....	7,350,775	\$ 367,123,978	2,620,965	\$110,123,227
Shares issued on reinvestments				
of distributions .....	176,154	9,041,987	46,827	1,932,539
Shares redeemed .....	(3,152,504)	(157,720,244)	(1,946,727)	(80,514,439)
Net increase .....	<b>4,374,425</b>	<b>\$ 218,445,721</b>	<b>721,065</b>	<b>\$ 31,541,327</b>

The accompanying notes are an integral part of these financial statements.

## POPLAR FOREST FUNDS

### STATEMENTS OF CHANGES IN NET ASSETS, Continued

	<b>Poplar Forest Cornerstone Fund</b>	
	<b>Year Ended</b>	<b>Year Ended</b>
	<b>September 30, 2017</b>	<b>September 30, 2016</b>
<b>NET INCREASE/(DECREASE) IN NET ASSETS FROM:</b>		
<b>OPERATIONS</b>		
Net investment income .....	\$ 494,725	\$ 181,081
Net realized loss from investments .....	(83,001)	(68,273)
Net change in unrealized appreciation on investments .....	1,566,261	2,301,302
<b>Net increase in net assets resulting from operations</b> .....	<b>1,977,985</b>	<b>2,414,110</b>
<b>DISTRIBUTIONS TO SHAREHOLDERS</b>		
From net investment income		
Class A Shares .....	(2,496)	(2,204)
Institutional Class Shares .....	(208,912)	(86,439)
From net realized gain on investments		
Class A Shares .....	(12,365)	(14,256)
Institutional Class Shares .....	(743,591)	(423,165)
<b>Total distributions to shareholders</b> .....	<b>(967,364)</b>	<b>(526,064)</b>
<b>CAPITAL SHARE TRANSACTIONS</b>		
Net increase in net assets derived from		
net change in outstanding shares (a) .....	5,845,296	10,916,936
<b>Total increase in net assets</b> .....	<b>6,855,917</b>	<b>12,804,982</b>
<b>NET ASSETS</b>		
Beginning of year .....	22,697,503	9,892,521
<b>End of year</b> .....	<b>\$29,553,420</b>	<b>\$22,697,503</b>
Accumulated net investment income .....	\$ 438,830	\$ 155,521

(a) A summary of share transactions is as follows:

	<b>Year Ended</b>		<b>Year Ended</b>	
	<b>September 30, 2017</b>		<b>September 30, 2016</b>	
<b>Class A Shares</b>	<b>Shares</b>	<b>Paid-in Capital</b>	<b>Shares</b>	<b>Paid-in Capital</b>
Shares sold .....	13,354	\$ 355,601	356	\$ 8,992
Shares issued on reinvestments				
of distributions .....	564	14,861	698	16,041
Shares redeemed .....	(6,870)	(178,395)	(756)	(19,106)
Net increase .....	<u>7,048</u>	<u>\$ 192,067</u>	<u>298</u>	<u>\$ 5,927</u>
<b>Institutional Class Shares</b>	<b>Shares</b>	<b>Paid-in Capital</b>	<b>Shares</b>	<b>Paid-in Capital</b>
Shares sold .....	285,013	\$ 7,449,305	459,845	\$10,957,062
Shares issued on reinvestments				
of distributions .....	33,482	882,588	21,301	489,492
Shares redeemed .....	(102,041)	(2,678,664)	(24,118)	(535,545)
Net increase .....	<u>216,454</u>	<u>\$ 5,653,229</u>	<u>457,028</u>	<u>\$10,911,009</u>

The accompanying notes are an integral part of these financial statements.



## POPLAR FOREST FUNDS

### STATEMENTS OF CHANGES IN NET ASSETS, Continued

	Poplar Forest Outliers Fund	
	Year Ended	Year Ended
	September 30, 2017	September 30, 2016
NET INCREASE/(DECREASE) IN NET ASSETS FROM:		
OPERATIONS		
Net investment income .....	\$ 40,424	\$ 1,090
Net realized loss from investments .....	(223,344)	(470,365)
Net change in unrealized appreciation on investments .....	426,808	661,850
<b>Net increase in net assets resulting from operations</b> .....	<b>243,888</b>	<b>192,575</b>
DISTRIBUTIONS TO SHAREHOLDERS		
From net investment income		
Class A Shares .....	—	(6,801)
Institutional Class Shares .....	(1,090)	(100,607)
<b>Total distributions to shareholders</b> .....	<b>(1,090)</b>	<b>(107,408)</b>
CAPITAL SHARE TRANSACTIONS		
Net increase/(decrease) in net assets derived from		
net change in outstanding shares (a) .....	1,441,693	(168,611)
<b>Total increase/(decrease) in net assets</b> .....	<b>1,684,491</b>	<b>(83,444)</b>
NET ASSETS		
Beginning of year .....	4,419,323	4,502,767
<b>End of year</b> .....	<b>\$6,103,814</b>	<b>\$4,419,323</b>
Accumulated net investment income .....	\$ 40,424	\$ 1,090

(a) A summary of share transactions is as follows:

	Year Ended September 30, 2017		Year Ended September 30, 2016	
	Shares	Paid-in Capital	Shares	Paid-in Capital
<b>Class A Shares*</b>				
Shares sold .....	—	\$ —	47,992	\$1,035,151
Shares issued on reinvestments of distributions .....	—	—	308	6,592
Shares converted to Institutional Class .....	(12,936)	(316,085)	—	—
Shares redeemed .....	(1)	(10)	(48,393)	(956,374)
Net increase/(decrease) .....	<u>(12,937)</u>	<u>\$(316,095)</u>	<u>(93)</u>	<u>\$ 85,369</u>
	Year Ended September 30, 2017		Year Ended September 30, 2016	
<b>Institutional Class Shares</b>	Shares	Paid-in Capital	Shares	Paid-in Capital
Shares sold .....	93,305	\$2,227,239	25,529	\$ 560,922
Shares converted from Class A .....	12,875	316,085	—	—
Shares issued on reinvestments of distributions .....	43	1,058	4,666	100,141
Shares redeemed .....	(33,527)	(786,594)	(42,038)	(915,043)
Net increase/(decrease) .....	<u>72,696</u>	<u>\$1,757,788</u>	<u>(11,843)</u>	<u>\$(253,980)</u>

\* Class A shares converted to Institutional Class shares on December 9, 2016. See Note 1 in the Notes to Financial Statements.

The accompanying notes are an integral part of these financial statements.

## POPLAR FOREST PARTNERS FUND

### FINANCIAL HIGHLIGHTS For a share outstanding throughout each year

#### Class A Shares

	Year Ended September 30,				
	2017	2016	2015	2014	2013
Net asset value, beginning of year . . . . .	\$46.61	\$38.76	\$47.01	\$40.68	\$29.86
Income from investment operations:					
Net investment income <sup>^</sup> . . . . .	0.67	0.35	0.24	0.19	0.36
Net realized and unrealized gain/(loss) on investments and written options . . .	4.49	7.77	(5.52)	8.17	10.91
Total from investment operations . . . . .	5.16	8.12	(5.28)	8.36	11.27
Less distributions:					
From net investment income . . . . .	(0.18)	(0.27)	(0.15)	(0.29)	(0.33)
From net realized gain on investments . .	(0.71)	—	(2.82)	(1.74)	(0.12)
Total distributions . . . . .	(0.89)	(0.27)	(2.97)	(2.03)	(0.45)
Net asset value, end of year . . . . .	<u>\$50.88</u>	<u>\$46.61</u>	<u>\$38.76</u>	<u>\$47.01</u>	<u>\$40.68</u>
<b>Total return</b> . . . . .	11.06%	21.05%	-11.73%	21.22%	38.24%
<b>Ratios/supplemental data:</b>					
Net assets, end of year (thousands) . . . . .	\$79,335	\$193,598	\$185,183	\$212,245	\$105,366
Ratio of expenses to average net assets:					
Before fee waiver . . . . .	1.28%	1.29%	1.30%	1.39%	1.50%
After fee waiver . . . . .	1.25%	1.25%	1.25%	1.25%	1.25%
Ratio of net investment income to average net assets:					
Before fee waiver . . . . .	1.33%	0.78%	0.48%	0.28%	0.75%
After fee waiver . . . . .	1.36%	0.82%	0.53%	0.42%	1.00%
Portfolio turnover rate . . . . .	31.07%	29.63%	30.38%	23.10%	27.82%

<sup>^</sup> Based on average shares outstanding.

The accompanying notes are an integral part of these financial statements.

## POPLAR FOREST PARTNERS FUND

### FINANCIAL HIGHLIGHTS For a share outstanding throughout each year

#### Institutional Class

	Year Ended September 30,				
	2017	2016	2015	2014	2013
Net asset value, beginning of year . . . . .	\$46.84	\$38.96	\$47.22	\$40.84	\$29.96
Income from investment operations:					
Net investment income <sup>^</sup> . . . . .	1.02	0.45	0.35	0.30	0.44
Net realized and unrealized gain/(loss) on investments and written options . . .	4.30	7.81	(5.54)	8.19	10.96
Total from investment operations . . . . .	5.32	8.26	(5.19)	8.49	11.40
Less distributions:					
From net investment income . . . . .	(0.39)	(0.38)	(0.25)	(0.37)	(0.40)
From net realized gain on investments . .	(0.71)	—	(2.82)	(1.74)	(0.12)
Total distributions . . . . .	(1.10)	(0.38)	(3.07)	(2.11)	(0.52)
Net asset value, end of year . . . . .	<u>\$51.06</u>	<u>\$46.84</u>	<u>\$38.96</u>	<u>\$47.22</u>	<u>\$40.84</u>
<b>Total return</b> . . . . .	11.35%	21.35%	-11.50%	21.50%	38.62%
<b>Ratios/supplemental data:</b>					
Net assets, end of year (thousands) . . . . .	\$692,564	\$430,439	\$329,930	\$329,149	\$197,416
Ratio of expenses to average net assets:					
Before fee waiver . . . . .	1.03%	1.04%	1.05%	1.14%	1.25%
After fee waiver . . . . .	1.00%	1.00%	1.00%	1.10%	1.00%
Ratio of net investment income to average net assets:					
Before fee waiver . . . . .	2.02%	1.03%	0.74%	0.52%	0.98%
After fee waiver . . . . .	2.05%	1.07%	0.79%	0.66%	1.23%
Portfolio turnover rate . . . . .	31.07%	29.63%	30.38%	23.10%	27.82%

<sup>^</sup> Based on average shares outstanding.

The accompanying notes are an integral part of these financial statements.

## POPLAR FOREST CORNERSTONE FUND

### FINANCIAL HIGHLIGHTS For a share outstanding throughout each period

Class A Shares	Year Ended September 30,		December 31, 2014*
	2017	2016	through September 30, 2015
Net asset value, beginning of period . . . . .	\$25.62	\$23.17	\$25.00
Income from investment operations:			
Net investment income <sup>^</sup> . . . . .	0.40	0.22	0.17
Net realized and unrealized gain/(loss) on investments . . . . .	1.53	3.28	(2.00)
Total from investment operations . . . . .	1.93	3.50	(1.83)
Less distributions:			
From net investment income . . . . .	(0.16)	(0.14)	—
From net realized gain on investments . . . . .	(0.77)	(0.91)	—
Total distributions . . . . .	(0.93)	(1.05)	—
Net asset value, end of period . . . . .	\$26.62	\$25.62	\$23.17
<b>Total return</b> . . . . .	7.57%	15.62%	-7.32%+
<b>Ratios/supplemental data:</b>			
Net assets, end of period (thousands) . . . . .	\$614	\$410	\$364
Ratio of expenses to average net assets:			
Before fee waiver and expense reimbursement . . .	1.82%	2.29%	3.34%++
After fee waiver and expense reimbursement . . . .	1.15%	1.15%	1.15%++
Ratio of net investment income/(loss) to average net assets:			
Before fee waiver and expense reimbursement . . .	0.85%	(0.23%)	(1.27%)++
After fee waiver and expense reimbursement . . . .	1.52%	0.91%	0.92%++
Portfolio turnover rate . . . . .	24.82%	24.54%	32.60%+

\* Commencement of operations.

<sup>^</sup> Based on average shares outstanding.

+ Not annualized.

++ Annualized.

The accompanying notes are an integral part of these financial statements.

## POPLAR FOREST CORNERSTONE FUND

### FINANCIAL HIGHLIGHTS For a share outstanding throughout each period

#### Institutional Shares

	Year Ended September 30,		December 31, 2014* through September 30, 2015
	2017	2016	
Net asset value, beginning of period . . . . .	\$25.69	\$23.21	\$25.00
Income from investment operations:			
Net investment income <sup>^</sup> . . . . .	0.47	0.28	0.21
Net realized and unrealized gain/(loss) on investments . . . . .	1.53	3.29	(2.00)
Total from investment operations . . . . .	2.00	3.57	(1.79)
Less distributions:			
From net investment income . . . . .	(0.22)	(0.18)	—
From net realized gain on investments . . . . .	(0.77)	(0.91)	—
Total distributions . . . . .	(0.99)	(1.09)	—
Net asset value, end of period . . . . .	\$26.70	\$25.69	\$23.21
<b>Total return</b> . . . . .	7.83%	15.95%	-7.16%+
<b>Ratios/supplemental data:</b>			
Net assets, end of period (thousands) . . . . .	\$28,939	\$22,287	\$9,529
Ratio of expenses to average net assets:			
Before fee waiver and expense reimbursement . . .	1.57%	1.97%	3.14%++
After fee waiver and expense reimbursement . . . .	0.90%	0.90%	0.90%++
Ratio of net investment income/(loss) to average net assets:			
Before fee waiver and expense reimbursement . . .	1.12%	0.09%	(1.09%)++
After fee waiver and expense reimbursement . . . .	1.79%	1.16%	1.15%++
Portfolio turnover rate . . . . .	24.82%	24.54%	32.60%+

\* Commencement of operations.

<sup>^</sup> Based on average shares outstanding.

+ Not annualized.

++ Annualized.

The accompanying notes are an integral part of these financial statements.

## POPLAR FOREST OUTLIERS FUND

### FINANCIAL HIGHLIGHTS For a share outstanding throughout each period

Institutional Shares	Year Ended September 30,		December 31, 2014*
	2017	2016	through September 30, 2015
Net asset value, beginning of period . . . . .	\$22.58	\$21.68	\$25.00
Income from investment operations:			
Net investment income/(loss)^ . . . . .	0.17	0.01	(0.04)
Net realized and unrealized gain/(loss) on investments . . . . .	1.14	1.41	(3.28)
Total from investment operations . . . . .	1.31	1.42	(3.32)
Less distributions:			
From net investment income . . . . .	(0.00)#	—	—
From net realized gain on investments . . . . .	—	(0.52)	—
Total distributions . . . . .	(0.00)#	(0.52)	—
Net asset value, end of period . . . . .	\$23.89	\$22.58	\$21.68
<b>Total return</b> . . . . .	5.83%	6.68%	-13.28%+
<b>Ratios/supplemental data:</b>			
Net assets, end of period (thousands) . . . . .	\$6,104	\$4,129	\$4,221
Ratio of expenses to average net assets:			
Before fee waiver and expense reimbursement . . .	3.70%†	4.69%	4.67%++
After fee waiver and expense reimbursement . . . .	1.11%†	1.10%	1.10%++
Ratio of net investment income/(loss) to average net assets:			
Before fee waiver and expense reimbursement . . .	(1.84%)†	(3.56%)	(3.80%)++
After fee waiver and expense reimbursement . . . .	0.75%†	0.03%	(0.23%)++
Portfolio turnover rate . . . . .	49.94%	57.17%	21.63%+

\* Commencement of operations.

^ Based on average shares outstanding.

+ Not annualized.

++ Annualized.

# Less than \$0.01.

† Includes income and expenses of Class A shares which converted to Institutional Class shares on December 9, 2016.

The accompanying notes are an integral part of these financial statements.

## POPLAR FOREST FUNDS

### NOTES TO FINANCIAL STATEMENTS at September 30, 2017

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#### NOTE 1 – ORGANIZATION

The Poplar Forest Partners Fund (the “Partners Fund”), the Poplar Forest Cornerstone Fund (“Cornerstone Fund”) and the Poplar Forest Outliers Fund (“Outliers Fund”), (each, a “Fund” and collectively, the “Funds”) are diversified series of Advisors Series Trust (the “Trust”), which is registered under the Investment Company Act of 1940, as amended, (the “1940 Act”) as an open-end management investment company. Each Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standard Codification Topic 946 “Financial Services – Investment Companies.”

The investment objective of the Partners Fund and the Outliers Fund is to seek long-term growth of capital. The investment objective of the Cornerstone Fund is to seek to achieve current income and long-term growth of capital. The Partners Fund and the Cornerstone Fund currently offer Class A shares and Institutional Class shares while the Outliers Fund offers Institutional Class shares only. Class A shares are subject to a maximum front-end sales load of 5.00%, which decreases depending on the amount invested. The Partner Fund’s Class A shares and Institutional Class shares commenced operations on December 31, 2009.

The Cornerstone Fund’s and the Outlier Fund’s Class A shares and Institutional Class shares commenced operations on December 31, 2014. The initial purchase into each Fund included a transfer in-kind of securities and cash. The transfers in-kind were nontaxable. The Cornerstone Fund and the Outliers Fund issued 184,742 and 141,189 shares, respectively, on December 31, 2014. The fair value and cost of securities received by the Cornerstone Fund was \$3,036,606 and \$612,283, respectively. The fair value and cost of securities received by the Outliers Fund was \$3,238,689 and \$2,497,054, respectively. In addition, the Cornerstone Fund received \$1,591,937 of cash and dividends receivable and the Outliers Fund received \$291,037 of cash. For financial reporting purposes, assets received and shares issued by each Fund were recorded at fair value.

Effective December 9, 2016, the Outliers Fund ceased offering its Class A shares. The remaining Class A shares converted to Institutional Class shares at the close of business on December 9, 2016.

#### NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Funds. These policies are in conformity with accounting principles generally accepted in the United States of America.

- A. *Security Valuation:* All investments in securities are recorded at their estimated fair value, as described in note 3.

## POPLAR FOREST FUNDS

### NOTES TO FINANCIAL STATEMENTS at September 30, 2017, Continued

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- B. *Federal Income Taxes:* It is the Funds' policy to comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no Federal income or excise tax provision is required.

The Funds recognize the tax benefits of uncertain tax positions only where the position is "more likely than not" to be sustained assuming examination by tax authorities. Management has analyzed the Partner Fund's tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for the open tax years of 2014-2016, or expected to be taken in the Fund's 2017 tax returns. Management has also analyzed the Cornerstone Fund's and the Outliers Fund's tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for the open tax years 2015-2016, or expected to be taken in the Funds' 2017 tax returns. The Funds identify their major tax jurisdictions as U.S. Federal and the state of Wisconsin; however the Funds are not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next twelve months.

- C. *Security Transactions, Income and Distributions:* Security transactions are accounted for on the trade date. Realized gains and losses on securities sold are calculated on the basis of specific cost. Interest income is recorded on an accrual basis. Discounts and premiums on securities purchased are accreted or amortized using the effective interest method. Dividend income, income and capital gain distributions from underlying funds, and distributions to shareholders are recorded on the ex-dividend date. Withholding taxes on foreign dividends have been provided for in accordance with the Funds' understanding of the applicable country's tax rules and rates.

Investment income, expenses (other than those specific to the class of shares), and realized and unrealized gains and losses on investments are allocated to the separate classes of each Fund based upon their relative net assets on the date income is earned or expensed and realized and unrealized gains and losses are incurred.

Each Fund is charged for those expenses that are directly attributable to the Fund, such as investment advisory, custody and transfer agent fees. Expenses that are not attributable to a Fund are typically allocated among the Funds in proportion to their respective net assets. Common expenses of the Trust are typically allocated among the funds in the Trust based on a fund's respective net assets, or by other equitable means.



## POPLAR FOREST FUNDS

### NOTES TO FINANCIAL STATEMENTS at September 30, 2017, Continued

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The Funds distribute substantially all net investment income, if any, and net realized gains, if any, annually. Distributions from net realized gains for book purposes may include short-term capital gains. All short-term capital gains are included in ordinary income for tax purposes.

The amount of dividends and distributions to shareholders from net investment income and net realized capital gains is determined in accordance with Federal income tax regulations which differ from accounting principles generally accepted in the United States of America. To the extent these book/tax differences are permanent, such amounts are reclassified within the capital accounts based on their Federal tax treatment.

D. *Derivatives:* The Funds have adopted the financial accounting reporting rules as required by the Derivatives and Hedging Topic of the FASB Accounting Standards Codification. The Funds are required to include enhanced disclosure that enables investors to understand how and why an entity uses derivatives, how derivatives are accounted for, and how derivative instruments affect an entity's results of operations and financial position.

The Funds may utilize options for hedging purposes as well as direct investment. Some options strategies, including buying puts, tend to hedge the Funds' investments against price fluctuations. Other strategies, such as writing puts and calls and buying calls, tend to increase market exposure. Options contracts may be combined with each other in order to adjust the risk and return characteristics of a Fund's overall strategy in a manner deemed appropriate to the adviser and consistent with the Fund's investment objective and policies. When a call or put option is written, an amount equal to the premium received is recorded as a liability. The liability is marked-to-market daily to reflect the current fair value of the written option. When a written option expires, a gain is realized in the amount of the premium originally received. If a closing purchase contract is entered into, a gain or loss is realized in the amount of the original premium less the cost of the closing transaction. If a written call option is exercised, a gain or loss is realized from the sale of the underlying security, and the proceeds from such sale are increased by the premium originally received. If a written option is exercised, the amount of the premium originally received reduces the cost of the security which is purchased upon the exercise of the option.

With options, there is minimal counterparty credit risk to the Funds since the options are covered or secured, which means that the Funds will own the underlying security or, to the extent it does not hold the security, will maintain liquid assets consisting of cash, short-term securities, or equity or debt securities equal to the market value of the security underlying the option, marked-to-market daily.

## POPLAR FOREST FUNDS

### NOTES TO FINANCIAL STATEMENTS at September 30, 2017, Continued

Options purchased are recorded as investments and marked-to-market daily to reflect the current fair value of the option contract. If an option purchased expires, a loss is realized in the amount of the cost of the option contract. If a closing transaction is entered into, a gain or loss is realized to the extent that the proceeds from the sale are greater or less than the cost of the option. If a purchased put option is exercised, a gain or loss is realized from the sale of the underlying security by adjusting the proceeds from such sale by the amount of the premium originally paid. If a purchased call option is exercised, the cost of the security purchased upon exercise is increased by the premium originally paid.

During the year ended September 30, 2017, the Funds did not hold written options.

- E. *Reclassification of Capital Accounts:* Accounting principles generally accepted in the United States of America require that certain components of net assets relating to permanent differences be reclassified between financial and tax reporting. These reclassifications have no effect on net assets or net asset value per share.

For the year ended September 30, 2017, the Funds made the following permanent tax adjustments on the statements of assets and liabilities:

	<b>Undistributed Net Investment Income/(Loss)</b>	<b>Accumulated Net Realized Gain/(Loss)</b>	<b>Paid-in Capital</b>
Partners Fund	\$ —	\$ —	\$ —
Cornerstone Fund	(8)	8	—
Outliers Fund	—	(8,458)	8,458

- F. *Use of Estimates:* The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets during the reporting period. Actual results could differ from those estimates.
- G. *Events Subsequent to the Fiscal Year End:* In preparing the financial statements as of September 30, 2017, management considered the impact of subsequent events for potential recognition or disclosure in the financial statements.

### NOTE 3 – SECURITIES VALUATION

The Funds have adopted authoritative fair value accounting standards which establish an authoritative definition of fair value and set out a hierarchy for measuring fair

## POPLAR FOREST FUNDS

### NOTES TO FINANCIAL STATEMENTS at September 30, 2017, Continued

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value. These standards require additional disclosures about the various inputs and valuation techniques used to develop the measurements of fair value, a discussion in changes in valuation techniques and related inputs during the period and expanded disclosure of valuation levels for major security types. These inputs are summarized in the three broad levels listed below:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Funds have the ability to access.
- Level 2 – Observable inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.
- Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing each Fund’s own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

Following is a description of the valuation techniques applied to the Funds’ major categories of assets and liabilities measured at fair value on a recurring basis.

Each Fund determines the fair value of its investments and computes its net asset value per share as of the close of regular trading on the New York Stock Exchange (4:00 pm EST).

*Equity Securities:* The Funds’ investments are carried at fair value. Equity securities that are primarily traded on a national securities exchange shall be valued at the last sale price on the exchange on which they are primarily traded on the day of valuation or, if there has been no sale on such day, at the mean between the bid and asked prices. Securities primarily traded in the NASDAQ Global Market System for which market quotations are readily available shall be valued using the NASDAQ Official Closing Price (“NOCP”). If the NOCP is not available, such securities shall be valued at the last sale price on the day of valuation, or if there has been no sale on such day, at the mean between the bid and asked prices. Over-the-counter (“OTC”) securities which are not traded in the NASDAQ Global Market System shall be valued at the most recent sales price. Investments in open-end mutual funds are valued at their net asset value per share. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized in level 1 of the fair value hierarchy.

## POPLAR FOREST FUNDS

### NOTES TO FINANCIAL STATEMENTS at September 30, 2017, Continued

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*Debt Securities:* Debt securities are valued at the mean of the bid and asked prices furnished by an independent pricing service using valuation methods that are designed to represent fair value. These valuation methods can include matrix pricing and other analytical pricing models, market transactions, and dealer-supplied valuations. The pricing service may consider recently executed transactions in securities of the issuer or comparable issuers, market price quotations (where observable), bond spreads, and fundamental data relating to the issuer. Most debt securities are categorized in level 2 of the fair value hierarchy.

*Options:* Exchange-traded options are valued at the composite price, using the National Best Bid and Offer quotes. Specifically, composite pricing looks at the last trades on the exchanges where the options are traded. If there are no trades for the option on a given business day, composite option pricing calculates the mean of the highest bid price and the lowest ask price across the exchanges where the option is traded. Options that are valued based on quoted prices from the exchange are categorized in level 1 of the fair value hierarchy. Options that are valued at the mean of the highest bid price and lowest asked price are categorized in level 2.

*Short-Term Securities:* Short-term debt securities, including those securities having a maturity of 60 days or less, are valued at the evaluated mean between the bid and asked prices. To the extent the inputs are observable and timely, these securities would be classified in level 2 of the fair value hierarchy.

The Board of Trustees has delegated day-to-day valuation issues to a Valuation Committee of the Trust which is comprised of representatives from U.S. Bancorp Fund Services, LLC, the Funds' administrator. The function of the Valuation Committee is to value securities where current and reliable market quotations are not readily available or the closing price does not represent fair value by following procedures approved by the Board of Trustees. These procedures consider many factors, including the type of security, size of holding, trading volume and news events. All actions taken by the Valuation Committee are subsequently reviewed and ratified by the Board of Trustees.

Depending on the relative significance of the valuation inputs, fair valued securities may be classified in either level 2 or level 3 of the fair value hierarchy.

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities. The following is a summary of the inputs used to value the Funds' securities as of September 30, 2017:

## POPLAR FOREST FUNDS

### NOTES TO FINANCIAL STATEMENTS at September 30, 2017, Continued

#### Partners Fund

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Common Stocks</b>				
Consumer Discretionary	\$ 78,777,300	\$ —	\$ —	\$ 78,777,300
Energy	104,166,050	—	—	104,166,050
Financials	207,368,620	—	—	207,368,620
Health Care	131,515,700	—	—	131,515,700
Industrials	90,096,600	—	—	90,096,600
Information Technology	95,444,965	—	—	95,444,965
Materials	47,495,100	—	—	47,495,100
<b>Total Common Stocks</b>	<u>754,864,335</u>	<u>—</u>	<u>—</u>	<u>754,864,335</u>
<b>Short-Term Investments</b>	<u>8,241,660</u>	<u>8,074,970</u>	<u>—</u>	<u>16,316,630</u>
<b>Total Investments in Securities</b>	<u>\$763,105,995</u>	<u>\$8,074,970</u>	<u>\$ —</u>	<u>\$771,180,965</u>

#### Cornerstone Fund

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Common Stocks</b>				
Consumer Discretionary	\$ 2,425,956	\$ —	\$ —	\$ 2,425,956
Consumer Staples	211,717	—	—	211,717
Energy	2,349,099	—	—	2,349,099
Financials	5,037,902	—	—	5,037,902
Health Care	3,227,677	—	—	3,227,677
Industrials	1,774,875	—	—	1,774,875
Information Technology	3,342,982	—	—	3,342,982
Materials	1,044,600	—	—	1,044,600
<b>Total Common Stocks</b>	<u>19,414,808</u>	<u>—</u>	<u>—</u>	<u>19,414,808</u>
<b>MLP Investments</b>	<u>89,667</u>	<u>—</u>	<u>—</u>	<u>89,667</u>
<b>Fixed Income</b>				
Corporate Bonds	—	4,369,728	—	4,369,728
U.S. Government Agencies and Instrumentalities	—	3,653,932	—	3,653,932
<b>Total Fixed Income</b>	<u>—</u>	<u>8,023,660</u>	<u>—</u>	<u>8,023,660</u>
<b>Short-Term Investments</b>	<u>1,659,939</u>	<u>1,197,090</u>	<u>—</u>	<u>2,857,029</u>
<b>Total Investments in Securities</b>	<u>\$ 21,164,414</u>	<u>\$9,220,750</u>	<u>\$ —</u>	<u>\$ 30,385,164</u>

## POPLAR FOREST FUNDS

### NOTES TO FINANCIAL STATEMENTS at September 30, 2017, Continued

#### Outliers Fund

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Common Stocks</b>				
Consumer Discretionary	\$ 809,838	\$ —	\$ —	\$ 809,838
Energy	855,862	—	—	855,862
Financials	834,477	—	—	834,477
Health Care	1,139,418	—	—	1,139,418
Industrials	702,389	—	—	702,389
Information Technology	765,221	—	—	765,221
Materials	318,912	—	—	318,912
<b>Total Common Stocks</b>	<u>5,426,117</u>	<u>—</u>	<u>—</u>	<u>5,426,117</u>
<b>MLP Investments</b>	<u>139,968</u>	<u>—</u>	<u>—</u>	<u>139,968</u>
<b>Money Market Fund</b>	<u>566,197</u>	<u>—</u>	<u>—</u>	<u>566,197</u>
<b>Total Investments in Securities</b>	<u>\$ 6,132,282</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 6,132,282</u>

Refer to the Funds' schedules of investments for a detailed break-out of securities by industry classification. Transfers between levels are recognized at September 30, 2017, the end of the reporting period. The Funds recognized no transfers to/from level 1 or level 2. There were no level 3 securities held in the Funds during the year ended September 30, 2017.

#### **NOTE 4 – INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES**

For the year ended September 30, 2017, Poplar Forest Capital, LLC (the "Adviser") provided the Funds with investment management services under an investment advisory agreement. The Adviser furnished all investment advice, office space, facilities, and provides most of the personnel needed by the Funds. As compensation for its services, each Fund pays the Adviser a monthly management fee. Effective March 3, 2017, for the Partners Fund, the fees are calculated at an annual rate of 1.00% of average daily net assets for the first \$250 million of assets, 0.80% of the Fund's average daily net assets for the next \$750 million of assets, and 0.70% of the Fund's average daily net assets in excess of \$1 billion. Prior to March 3, 2017, for the Partners Fund, the fees were calculated at an annual rate of 1.00% of average daily net assets for the first \$250 million of assets, 0.80% of the Fund's average daily net assets for the next \$750 million of assets, and 0.60% of the Fund's average daily net assets in excess of \$1 billion. For the Cornerstone Fund, the fees are calculated at an annual rate of 0.80% of average daily net assets for the first \$250 million of assets, 0.70% of the Fund's average daily net assets for the next \$750 million of assets, and 0.60% of the Fund's average daily net assets in excess of \$1 billion. For the Outliers Fund, the fees are calculated at an annual rate of 1.00% of average daily

## POPLAR FOREST FUNDS

### NOTES TO FINANCIAL STATEMENTS at September 30, 2017, Continued

net assets for the first \$250 million of assets, 0.90% of the Fund's average daily net assets for the next \$750 million of assets, and 0.80% of the Fund's average daily net assets in excess of \$1 billion. For the year ended September 30, 2017, the Partners Fund, the Cornerstone Fund and the Outliers Fund incurred \$6,547,982, \$222,054 and \$54,857, respectively, in advisory fees.

The Funds are responsible for their own operating expenses. The Adviser has agreed to reduce fees payable to it by the Funds and to pay Fund operating expenses to the extent necessary to limit each Fund's aggregate annual operating expenses as a percent of average daily net assets as follows:

	Class A	Institutional Class
Partners Fund	1.25%	1.00%
Cornerstone Fund	1.15%	0.90%
Outliers Fund	N/A	1.10%

Any such reductions made by the Adviser in its fees or payment of expenses which are each Fund's obligation are subject to reimbursement by the Fund to the Adviser, if so requested by the Adviser, in any subsequent month in the three year period from the date of the management fee reduction and expense payment if the aggregate amount actually paid by the Fund toward the operating expenses for such fiscal year (taking into account the reimbursement) will not cause the Fund to exceed the lesser of: (1) the expense limitation in place at the time of the management fee reduction and expense payment; or (2) the expense limitation in place at the time of the reimbursement. Any such reimbursement is also contingent upon Board of Trustees review and approval at time the reimbursement is made. Such reimbursement may not be paid prior to the Fund's payment of current ordinary operating expenses. For the year ended September 30, 2017, the Adviser reduced its fees in the amount of \$220,772, \$186,399 and \$140,477 in the Partners Fund, the Cornerstone Fund and the Outliers Fund, respectively. No amounts were reimbursed to the Adviser. The expense limitation will remain in effect through at least April 6, 2018, and may be terminated only by the Trust's Board of Trustees. Cumulative expenses subject to recapture and the date of expiration are as follows:

	9/30/18	9/30/19	9/30/20	Total
Partners Fund	\$294,913	\$248,302	\$220,772	\$763,987
Cornerstone Fund	123,515	167,909	186,399	477,823
Outliers Fund	122,482	163,345	140,477	426,304

U.S. Bancorp Fund Services, LLC (the "Administrator") acts as the Funds' Administrator under an administration agreement. The Administrator prepares various federal and state regulatory filings, reports and returns for the Funds; prepares reports and materials to be supplied to the Trustees; monitors the activities of the Funds' custodian, transfer agent and accountants; coordinates the preparation and payment of the Funds' expenses and reviews the Funds' expense accruals.

## POPLAR FOREST FUNDS

### NOTES TO FINANCIAL STATEMENTS at September 30, 2017, Continued

U.S. Bancorp Fund Services, LLC (“USBFS” or the “Transfer Agent”) also serves as the fund accountant and transfer agent to the Funds. U.S. Bank N.A., an affiliate of USBFS, serves as the Funds’ custodian.

Quasar Distributors, LLC (the “Distributor”) acts as the Funds’ principal underwriter in a continuous public offering of the Funds’ shares. The Distributor is an affiliate of the Administrator.

Certain officers of the Funds are also employees of the Administrator. The Trust’s Chief Compliance Officer is also an employee of USBFS. A Trustee of the Trust is affiliated with USBFS and U.S. Bank N.A. as he was recently, previously employed by USBFS. This same Trustee was recently an interested person of the Distributor.

For the year ended September 30, 2017, the Funds incurred the following expense for administration, fund accounting, transfer agency, custody, and Chief Compliance Officer fees:

	<u>Partners Fund</u>	<u>Cornerstone Fund</u>	<u>Outliers Fund</u>
Administration and Fund Accounting	\$510,692	\$91,463	\$61,008
Transfer Agency (excludes out-of-pocket expenses and sub-ta fees)	203,739	32,535	18,918
Custody	82,247	5,593	5,160
Chief Compliance Officer	9,000	9,000	9,000

At September 30, 2017, the Funds had payables due to USBFS for administration, fund accounting, transfer agency, and Chief Compliance Officer fees and to U.S. Bank N.A. for custody fees in the following amounts:

	<u>Partners Fund</u>	<u>Cornerstone Fund</u>	<u>Outliers Fund</u>
Administration and Fund Accounting	\$87,479	\$15,874	\$10,254
Transfer Agency (excludes out-of-pocket expenses and sub-ta fees)	32,858	5,656	2,833
Custody	14,238	1,065	1,023
Chief Compliance Officer	1,500	1,500	1,500

### NOTE 5 – DISTRIBUTION AGREEMENT AND PLAN

The Funds have adopted a Distribution Plan pursuant to Rule 12b-1 (the “Plan”). The Plan permits the Funds to pay the Distributor for distribution and related expenses at an annual rate of up to 0.25% of the average daily net assets of each Fund’s Class A shares. The expenses covered by the Plan may include the cost in connection with the promotion and distribution of shares and the provision of personal services to shareholders, including, but not necessarily limited to, advertising, compensation to underwriters, dealers and selling personnel, the printing and mailing of prospectuses to other than current Fund shareholders, and the printing and mailing of sales literature. Payments made pursuant to the Plan will represent compensation for



## POPLAR FOREST FUNDS

### NOTES TO FINANCIAL STATEMENTS at September 30, 2017, Continued

distribution and service activities, not reimbursements for specific expenses incurred. For the year ended September 30, 2017, the Class A shares of the Partners Fund, the Cornerstone Fund and the Outliers Fund paid the Distributor \$275,577, \$1,538 and \$145, respectively.

#### NOTE 6 – PURCHASES AND SALES OF SECURITIES

For the year ended September 30, 2017, the cost of purchases and the proceeds from sales of securities, excluding short-term securities, were as follows:

	Purchases		Sales	
	Government	Non-Government	Government	Non-Government
Partners Fund	—	\$336,682,836	—	\$226,365,537
Cornerstone Fund	\$1,061,648	10,883,197	\$410,000	5,741,729
Outliers Fund	—	4,025,003	—	2,533,888

#### NOTE 7 – LINE OF CREDIT

The Partners Fund has a line of credit in the amount of \$100,000,000. This line of credit is intended to provide short-term financing, if necessary, subject to certain restrictions, in connection with shareholder redemptions. The credit facility is with the Funds' custodian, U.S. Bank N.A. During the year ended September 30, 2017, the Partners Fund drew upon its line of credit. The Partners Fund had an average daily outstanding balance of \$3,526, a weighted average interest rate of 3.99%, paid interest expense of \$143 and had a maximum amount outstanding of \$595,000. At September 30, 2017, the Partners Fund had no outstanding loan amounts.

The Cornerstone Fund has a line of credit in the amount of \$5,000,000. This line of credit is intended to provide short-term financing, if necessary, subject to certain restrictions, in connection with shareholder redemptions. The credit facility is with the Funds' custodian, U.S. Bank N.A. During the year ended September 30, 2017, the Cornerstone Fund drew upon its line of credit. The Cornerstone Fund had an average daily outstanding balance of \$2,175, a weighted average interest rate of 4.00%, paid interest expense of \$88 and had a maximum amount outstanding of \$279,000. At September 30, 2017, the Cornerstone Fund had no outstanding loan amounts.

#### NOTE 8 – INCOME TAXES AND DISTRIBUTIONS TO SHAREHOLDERS

The tax character of distributions paid by the Funds during the years ended September 30, 2017 and September 30, 2016 was as follows:

	Year Ended September 30, 2017	Year Ended September 30, 2016
<b>Partners Fund</b>		
Ordinary income	\$ 5,306,110	\$4,647,115
Long-term capital gains	10,358,546	—

## POPLAR FOREST FUNDS

### NOTES TO FINANCIAL STATEMENTS at September 30, 2017, Continued

	<u>Year Ended</u> <u>September 30, 2017</u>	<u>Year Ended</u> <u>September 30, 2016</u>
<b>Cornerstone Fund</b>		
Ordinary income	\$ 230,189	\$ 88,643
Long-term capital gains	737,175	437,421

	<u>Year Ended</u> <u>September 30, 2017</u>	<u>Year Ended</u> <u>September 30, 2016</u>
<b>Outliers Fund</b>		
Ordinary income	\$ 1,090	\$ —
Long-term capital gains	—	107,408

As of September 30, 2017, the components of capital on a tax basis were as follows:

	<u>Partners</u> <u>Fund</u>	<u>Cornerstone</u> <u>Fund</u>	<u>Outliers</u> <u>Fund</u>
Cost of investments (a)	\$612,089,273	\$26,514,369	\$5,455,381
Gross unrealized appreciation	174,144,993	4,460,012	965,191
Gross unrealized depreciation	(15,053,301)	(589,217)	(288,290)
Net unrealized appreciation	159,091,692	3,870,795	676,901
Undistributed ordinary income	13,584,387	438,830	40,424
Undistributed long-term capital gains	21,403,937	268,053	—
Total distributable earnings	34,988,324	706,883	40,424
Other accumulated gains/(losses)	—	—	(283,382)
Total accumulated earnings/(losses)	<u>\$194,080,016</u>	<u>\$ 4,577,678</u>	<u>\$ 433,943</u>

(a) The difference between book-basis and tax-basis net unrealized appreciation is attributable primarily to the tax deferral of losses on wash sale adjustments and tax adjustments related to a transfer in-kind.

At September 30, 2017, the Outliers Fund had a short-term capital loss carryforward of \$283,382, which can be carried forward indefinitely.

### NOTE 9 – PRINCIPAL RISKS

Below is a summary of some, but not all, of the principal risks of investing in the Funds, each of which may adversely affect a Fund's net asset value and total return. The Funds' most recent prospectus provides further descriptions of each Fund's investment objective, principal investment strategies and principal risks.

*Value-Style Investing Risk (All Funds)* – Value stocks can perform differently from the market as a whole and from other types of stocks. Value stocks may be purchased based upon the belief that a given security may be out of favor; that belief may be misplaced or the security may stay out of favor for an extended period of time.

## POPLAR FOREST FUNDS

### NOTES TO FINANCIAL STATEMENTS at September 30, 2017, Continued

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*Debt Securities Risk (All Funds)* – The following risks are associated with the Funds’ investment in debt securities.

- *Prepayment and Extension Risk.* The risk that the securities may be paid off earlier or later than expected. Either situation could cause securities to pay lower-than-market rates of interest, which could hurt the Fund’s yield or share price.
- *Interest Rate Risk.* The risk that fixed income securities will decline in value because of changes in interest rates. It is likely there will be less governmental action in the near future to maintain low interest rates. The negative impact on fixed income securities from the resulting rate increases for that and other reasons could be swift and significant.
- *Credit Risk.* The risk of loss on an investment due to the deterioration of an issuer’s financial strength. Such a deterioration of financial strength may result in a reduction of the credit rating of the issuer’s securities and may lead to the issuer’s inability to honor its contractual obligations, including making timely payment of interest and principal.
- *High-Yield Securities Risk.* Debt securities that are rated below investment grade (*i.e.*, “junk bonds”) are subject to additional risk factors due to the speculative nature of these securities, such as increased possibility of default liquidation of the security, and changes in value based on public perception of the issuer.

*Large-Sized Companies Risk (Partners Fund)* – Larger, more established companies may be unable to respond quickly to new competitive challenges like changes in consumer tastes or innovative smaller competitors. In addition, large-cap companies are sometimes unable to attain the high growth rates of successful, smaller companies, especially during extended periods of economic expansion.

*Medium-Sized Companies Risk (Partners and Cornerstone Funds)* – Investing in securities of medium-sized companies may involve greater risk than investing in larger, more established companies because they can be subject to greater share price volatility than larger, more established companies.

*Small- and Medium-Sized Companies Risk (Outliers Fund)* – Investing in securities of 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 than larger, more established companies.

#### **NOTE 10 – REPORT OF THE TRUST’S AND POPLAR FOREST PARTNERS FUND’S SPECIAL SHAREHOLDER MEETINGS (Unaudited)**

A Special Meeting of Shareholders took place on March 3, 2017, to elect one new Trustee to the Board and to ratify the prior appointment of two current Trustees of the Board.

## POPLAR FOREST FUNDS

### NOTES TO FINANCIAL STATEMENTS at September 30, 2017, Continued

All Trust shareholders of record, in the aggregate across all Funds of the Trust, were entitled to attend or submit proxies. As of the applicable record date, the Trust had 315,776,916 shares outstanding. The results of the voting for each proposal were as follows:

#### Proposal No. 1. Election of One New Trustee

<u>Nominee</u>	<u>For Votes</u>	<u>Votes Withheld</u>
David G. Mertens	206,896,354	1,556,814

#### Proposal No. 2. Ratification of the Prior Appointment of Two Current Trustees of the Board

<u>Current Trustee</u>	<u>For Votes</u>	<u>Votes Withheld</u>
Gail S. Duree	205,321,820	3,131,348
Raymond B. Woolson	206,321,270	2,131,897

Effective **March 3, 2017**, the Board of Trustees of Advisors Series Trust consists of the following individuals:

Gail S. Duree, <i>Independent Trustee</i>	Joe D. Redwine, <i>Interested Trustee</i>
David G. Mertens, <i>Independent Trustee</i>	George T. Wofford, <i>Independent Trustee</i>
George J. Rebhan, <i>Independent Trustee</i>	Raymond B. Woolson, <i>Independent Trustee</i>

Effective **March 13, 2017**, following Mr. Wofford's resignation, the Board of Trustees of Advisors Series Trust consists of the following individuals:

Gail S. Duree, <i>Independent Trustee</i>	Joe D. Redwine, <i>Interested Trustee</i>
David G. Mertens, <i>Independent Trustee</i>	Raymond B. Woolson, <i>Independent Trustee</i>
George J. Rebhan, <i>Independent Trustee</i>	

In addition, a separate Special Meeting of Shareholders of the Poplar Forest Partners Fund (the "Fund") took place on March 3, 2017, to approve an amended Investment Advisory Agreement between Poplar Forest Capital, LLC and the Trust, on behalf of the Fund (the "Proposal").

All Fund shareholders of record at the close of business on January 9, 2017 were entitled to vote. As of the record date, the Fund had 15,482,241 shares outstanding. The results of the voting were as follows:

<u>For</u>	<u>% For Voted</u>	<u>% For of Outstanding</u>	<u>Against</u>	<u>% Against Voted</u>	<u>% Against of Outstanding</u>
7,333,009	82.09%	47.36%	138,630	1.55%	0.90%
<u>Abstain</u>	<u>% Abstain Voted</u>	<u>% Abstain of Outstanding</u>	<u>Broker Non-Votes</u>	<u>% Broker Non-Votes Voted</u>	<u>% Broker Non-Votes of Outstanding</u>
39,254	0.44%	0.25%	1,421,850	15.92%	9.18%

Accordingly, the Proposal was approved.

## POPLAR FOREST FUNDS

### REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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**To the Board of Trustees Advisors Series Trust and Shareholders of:  
Poplar Forest Partners Fund  
Poplar Forest Cornerstone Fund  
Poplar Forest Outliers Fund**

We have audited the accompanying statements of assets and liabilities of the Poplar Forest Partners Fund, the Poplar Forest Cornerstone Fund, and the Poplar Forest Outliers Fund, each a series of Advisors Series Trust (the “Trust”), including the schedules of investments, as of September 30, 2017, and with respect to the Poplar Forest Partners Fund, the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, with respect to the Poplar Forest Cornerstone Fund and Poplar Forest Outliers Fund, the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the two years in the period then ended and for the period ended December 31, 2014 (commencement of operations) to September 30, 2015. These financial statements and financial highlights are the responsibility of the Trust’s management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Trust is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of September 30, 2017, by correspondence with the custodian and brokers. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the Poplar Forest Partners Fund, the Poplar Forest Cornerstone Fund, and the Poplar Forest Outliers Fund as of September 30, 2017, and the results of their operations, the changes in their net assets, and their financial highlights for the periods indicated therein, in conformity with accounting principles generally accepted in the United States of America.

**TAIT, WELLER & BAKER LLP**

**Philadelphia, Pennsylvania  
November 29, 2017**

## POPLAR FOREST FUNDS

### NOTICE TO SHAREHOLDERS at September 30, 2017 (Unaudited)

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For the year ended September 30, 2017, the Partners Fund, Cornerstone Fund and Outliers Fund designated \$5,306,110, \$230,189 and \$1,090, respectively, as ordinary income for purposes of the dividends paid deduction. For the year ended September 30, 2017, the Partners Fund and the Cornerstone Fund designated \$10,358,546 and \$737,175, respectively, as long-term capital gains for purposes of the dividends paid deduction.

Certain dividends paid by the Partners Fund, Cornerstone Fund and the Outliers Fund may be subject to a maximum tax rate of 15%, as provided by the Jobs and Growth Tax Relief Reconciliation Act of 2003. For the year ended September 30, 2017, the percentage of dividends declared from net investment income designated as qualified dividend income was 100%, 100%, and 100%, respectively.

For corporate shareholders in the Partners Fund, Cornerstone Fund and the Outliers Fund, the percent of ordinary income distributions qualifying for the corporate dividends received deduction for the year ended September 30, 2017 was 100%, 100%, and 100%, respectively.

The percentage of taxable ordinary income distributions that are designated as short-term capital gain distributions under Internal Revenue Section 871(k)(2)(C) for the Partners Fund, Cornerstone Fund and Outliers Fund was 0%, 8.16% and 0%, respectively.

#### **How to Obtain a Copy of the Funds' Proxy Voting Policies**

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities is available without charge, upon request, by calling 1-877-522-8860 or on the U.S. Securities and Exchange Commission's ("SEC") website at <http://www.sec.gov>.

#### **How to Obtain a Copy of the Funds' Proxy Voting Records for the 12-Month Period Ended June 30**

Information regarding how the Funds voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available without charge, upon request, by calling 1-877-522-8860. Furthermore, you can obtain the Funds' proxy voting records on the SEC's website at <http://www.sec.gov>.

#### **Quarterly Filings on Form N-Q**

The Funds file their complete schedules of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Funds' Form N-Q is available on the SEC's website at <http://www.sec.gov>. The Funds' Form N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, DC, and information on the operation of the Public Reference Room may be obtained by calling 1-202-551-8090. Information included in the Funds' Form N-Q is also available, upon request, by calling 1-877-522-8860.

## POPLAR FOREST FUNDS

### INFORMATION ABOUT TRUSTEES AND OFFICERS (Unaudited)

This chart provides information about the Trustees and Officers who oversee the Funds. Officers elected by the Trustees manage the day-to-day operations of the Funds and execute policies formulated by the Trustees.

Name, Address and Age	Position Held with the Trust	Term of Office and Length of Time Served	Principal Occupation During Past Five Years	Number of Portfolios in Fund Complex Overseen by Trustee <sup>(2)</sup>	Other Directorships Held During Past Five Years <sup>(3)</sup>
<b>Independent Trustees<sup>(1)</sup></b>					
Gail S. Duree (age 71) 615 E. Michigan Street Milwaukee, WI 53202	Trustee	Indefinite term; since March 2014.	Director, Alpha Gamma Delta Housing Corporation (collegiate housing management) (2012 to present); Trustee and Chair (2000 to 2012), New Covenant Mutual Funds (1999 to 2012); Director and Board Member, Alpha Gamma Delta Foundation (philanthropic organization) (2005 to 2011).	3	Trustee, Advisors Series Trust (for series not affiliated with the Funds); Independent Trustee from 1999 to 2012, New Covenant Mutual Funds (an open-end investment company with 4 portfolios).
David G. Mertens (age 57) 615 E. Michigan Street Milwaukee, WI 53202	Trustee	Indefinite term*; since March 2017.	Retired; formerly Managing Director and Vice President, Jensen Investment Management, Inc. (a privately-held investment advisory firm) (2002 to 2017).	3	Trustee, Advisors Series Trust (for series not affiliated with the Funds).
George J. Rebhan (age 83) 615 E. Michigan Street Milwaukee, WI 53202	Chairman of the Board and Trustee	Indefinite term; since May 2002.	Retired; formerly President, Hotchkis and Wiley Funds (mutual funds) (1985 to 1993).	3	Trustee, Advisors Series Trust (for series not affiliated with the Funds); Independent Trustee from 1999 to 2009, E*TRADE Funds.

**POPLAR FOREST FUNDS**

**INFORMATION ABOUT TRUSTEES AND OFFICERS (Unaudited), Continued**

<u>Name, Address and Age</u>	<u>Position Held with the Trust</u>	<u>Term of Office and Length of Time Served</u>	<u>Principal Occupation During Past Five Years</u>	<u>Number of Portfolios in Fund Complex Overseen by Trustee<sup>(2)</sup></u>	<u>Other Directorships Held During Past Five Years<sup>(3)</sup></u>
Raymond B. Woolson (age 58) 615 E. Michigan Street Milwaukee, WI 53202	Trustee	Indefinite term*; since January 2016.	President, Apogee Group, Inc. (financial consulting firm) (1998 to present).	3	Trustee, Advisors Series Trust (for series not affiliated with the Funds); Independent Trustee, DoubleLine Funds Trust (an open-end investment company with 15 portfolios), DoubleLine Opportunistic Credit Fund and DoubleLine Income Solutions Fund, from 2010 to present; Independent Trustee, DoubleLine Equity Funds from 2010 to 2016.
<b>Interested Trustee</b>					
Joe D. Redwine <sup>(4)</sup> (age 70) 615 E. Michigan Street Milwaukee, WI 53202	Interested Trustee	Indefinite term; since September 2008.	Retired; formerly President, CEO, U.S. Bancorp Fund Services, LLC (May 1991 to July 2017); formerly, Manager, U.S. Bancorp Fund Services, LLC (1998 to July 2017).	3	Trustee, Advisors Series Trust (for series not affiliated with the Funds).



## POPLAR FOREST FUNDS

### INFORMATION ABOUT TRUSTEES AND OFFICERS (Unaudited), Continued

<u>Name, Address and Age</u>	<u>Position Held with the Trust</u>	<u>Term of Office and Length of Time Served</u>	<u>Principal Occupation During Past Five Years</u>
<b>Officers</b>			
Douglas G. Hess (age 50) 615 E. Michigan Street Milwaukee, WI 53202	President, Chief Executive Officer and Principal Executive Officer	Indefinite term; since June 2003.	Senior Vice President, Compliance and Administration, U.S. Bancorp Fund Services, LLC (March 1997 to present).
Cheryl L. King (age 56) 615 E. Michigan Street Milwaukee, WI 53202	Treasurer and Principal Financial Officer	Indefinite term; since December 2007.	Vice President, Compliance and Administration, U.S. Bancorp Fund Services, LLC (October 1998 to present).
Kevin J. Hayden (age 46) 615 E. Michigan Street Milwaukee, WI 53202	Assistant Treasurer	Indefinite term; since September 2013.	Assistant Vice President, Compliance and Administration, U.S. Bancorp Fund Services, LLC (June 2005 to present).
Michael L. Ceccato (age 60) 615 E. Michigan Street Milwaukee, WI 53202	Vice President, Chief Compliance Officer and AML Officer	Indefinite term; since September 2009.	Senior Vice President, U.S. Bancorp Fund Services, LLC and Vice President, U.S. Bank N.A. (February 2008 to present).
Jeanine M. Bajczyk, Esq. (age 52) 615 E. Michigan Street Milwaukee, WI 53202	Secretary	Indefinite term; since September 2015.	Senior Vice President and Counsel, U.S. Bancorp Fund Services, LLC (May 2006 to present).

## POPLAR FOREST FUNDS

### INFORMATION ABOUT TRUSTEES AND OFFICERS (Unaudited), Continued

<u>Name, Address and Age</u>	<u>Position Held with the Trust</u>	<u>Term of Office and Length of Time Served</u>	<u>Principal Occupation During Past Five Years</u>
Emily R. Enslow, Esq. (age 30) 615 E. Michigan Street Milwaukee, WI 53202	Assistant Secretary	Indefinite term; since September 2015.	Assistant Vice President, U.S. Bancorp Fund Services, LLC (July 2013 to present); Proxy Voting Coordinator and Class Action Administrator, Artisan Partners Limited Partnership (September 2012 to July 2013); Legal Internship, Artisan Partners Limited Partnership (February 2012 to September 2012); J.D. Graduate, Marquette University Law School (2009 to 2012).

\* Under the Trust's Agreement and Declaration of Trust, a Trustee serves during the continued lifetime of the Trust until he/she dies, resigns, is declared bankrupt or incompetent by a court of appropriate jurisdiction, or is removed, or, if sooner, until the election and qualification of his/her successor. In addition, the Trustees have designated a mandatory retirement age of 75, such that each Trustee first elected or appointed to the Board after December 1, 2015, serving as such on the date he or she reaches the age of 75, shall submit his or her resignation not later than the last day of the calendar year in which his or her 75th birthday occurs.

- (1) The Trustees of the Trust who are not "interested persons" of the Trust as defined under the 1940 Act ("Independent Trustees").
- (2) As of September 30, 2017, the Trust was comprised of 45 active portfolios managed by unaffiliated investment advisers. The term "Fund Complex" applies only to the Funds. The Funds do not hold themselves out as related to any other series within the Trust for investment purposes, nor does it share the same investment adviser with any other series.
- (3) "Other Directorships Held" includes only directorships of companies required to register or file reports with the SEC under the Securities Exchange Act of 1934, as amended, (that is, "public companies") or other investment companies registered under the 1940 Act.
- (4) Mr. Redwine is an "interested person" of the Trust as defined by the 1940 Act. Mr. Redwine is an interested Trustee of the Trust by virtue of the fact that he was recently an interested person of Quasar Distributors, LLC who acts as principal underwriter to the series of the Trust.

The Statement of Additional Information includes additional information about the Funds' Trustees and Officers and is available, without charge, upon request by calling 1-877-522-8860.

## POPLAR FOREST FUNDS

### **HOUSEHOLDING (Unaudited)**

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In an effort to decrease costs, the Funds intend to reduce the number of duplicate prospectuses, annual and semi-annual reports, proxy statements and other similar documents you receive by sending only one copy of each to those addresses shared by two or more accounts and to shareholders the Transfer Agent reasonably believes are from the same family or household. Once implemented, if you would like to discontinue householding for your accounts, please call toll-free at 1-877-522-8860 to request individual copies of these documents. Once the Funds receive notice to stop householding, the Transfer Agent will begin sending individual copies thirty days after receiving your request. This policy does not apply to account statements.

## POPLAR FOREST FUNDS

### PRIVACY NOTICE

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The Funds collect non-public information about you from the following sources:

- Information we receive about you on applications or other forms;
- Information you give us orally; and/or
- Information about your transactions with us or others.

We do not disclose any non-public personal information about our customers or former customers without the customer's authorization, except as permitted by law or in response to inquiries from governmental authorities. We may share information with affiliated and unaffiliated third parties with whom we have contracts for servicing the Funds. We will provide unaffiliated third parties with only the information necessary to carry out their assigned responsibilities. We maintain physical, electronic and procedural safeguards to guard your non-public personal information and require third parties to treat your personal information with the same high degree of confidentiality.

In the event that you hold shares of the Funds through a financial intermediary, including, but not limited to, a broker-dealer, bank, or trust company, the privacy policy of your financial intermediary would govern how your non-public personal information would be shared by those entities with unaffiliated third parties.

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Pasadena, CA 91101

**Distributor**  
Quasar Distributors, LLC  
777 East Wisconsin Avenue, 6th Floor  
Milwaukee, WI 53202

**Transfer Agent**  
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(877) 522-8860

**Custodian**  
U.S. Bank National Association  
Custody Operations  
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**Independent Registered Public Accounting Firm**  
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1818 Market Street, Suite 2400  
Philadelphia, PA 19103

**Legal Counsel**  
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666 Fifth Avenue, Suite 1700  
New York, NY 10103

This report is intended for shareholders of the Funds and may not be used as sales literature unless preceded or accompanied by a current prospectus. For a current prospectus, please call 1-877-522-8860.