

**STATEMENT OF ADDITIONAL INFORMATION**

**January 28, 2019**

**Broadview Funds Trust**

**Broadview Opportunity Fund  
c/o ALPS Fund Services, Inc.  
P.O. Box 1920  
Denver, CO 80201  
(Ticker: BVAOX)**

This Statement of Additional Information is not a prospectus and should be read in conjunction with the Prospectus of the Broadview Opportunity Fund (the “Fund”) dated January 28, 2019.

The financial statements of the Fund and the independent registered public accounting firm’s report appearing in the Fund’s Annual Report for the fiscal year ended September 30, 2018 are hereby incorporated by reference. Shareholders may obtain copies of the Fund’s prospectus, SAI or annual report free of charge by writing to the Fund c/o ALPS Fund Services, Inc., P.O. Box 1920, Denver, CO 80201, or by calling (855) 846-1463.

**BROADVIEW OPPORTUNITY FUND**  
**A SERIES OF BROADVIEW FUNDS TRUST**

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No person has been authorized to give any information or to make any representations other than those contained in this Statement of Additional Information and the Prospectus dated January 28, 2019 and, if given or made, such information or representations may not be relied upon as having been authorized by Broadview Funds Trust.

This Statement of Additional Information does not constitute an offer to sell securities.

## THE TRUST

Broadview Funds Trust (the “Trust”), a Delaware statutory trust organized on September 9, 2013, is an open-end, management investment company consisting of one diversified series, the Broadview Opportunity Fund (the “Fund”). The Trust is registered under the Investment Company Act of 1940, as amended (the “1940 Act”).

The Fund is the successor to the FMI Focus Fund (the “Predecessor Fund”), a series of the FMI Funds, Inc. Effective November 29, 2013, following a special meeting of the shareholders of the Predecessor Fund held on November 25, 2013, the Predecessor Fund was reorganized into the Fund. In addition, Broadview Advisors, LLC (the “Adviser”) became the investment adviser to the Fund. The Adviser previously served as the sole sub-adviser to the Predecessor Fund since May 1, 2001. The Fund has the same investment objective and substantially similar investment strategies and restrictions as the Predecessor Fund.

## INVESTMENT RESTRICTIONS

The Fund has adopted the following investment restrictions which are matters of fundamental policy and cannot be changed without approval of the holders of the lesser of: (i) 67% of the Fund’s shares present or represented at a shareholders’ meeting at which the holders of more than 50% of such shares are present or represented; or (ii) more than 50% of the outstanding shares of the Fund.

1. The Fund will not purchase securities on margin (except for such short term credits as are necessary for the clearance of transactions); provided, however, that the Fund, to the extent permitted by the 1940 Act, may (i) borrow money; (ii) purchase or sell futures contracts and options on futures contracts; (iii) make initial and variation margin payments in connection with purchases or sales of futures contracts or options on futures contracts; and (iv) write or invest in put or call options.

2. The Fund may sell securities short and write or invest in put and call options to the extent permitted by the 1940 Act.

3. The Fund may borrow money or issue senior securities to the extent permitted by the 1940 Act.

4. The Fund may pledge or hypothecate its assets to secure its borrowings.

5. The Fund will not make loans of money (except for the lending of the Fund’s portfolio securities and purchases of debt securities consistent with the Fund’s investment policies).

6. The Fund will not make investments for the purpose of exercising control or management of any company.

7. The Fund will not purchase securities of any issuer (other than the United States or an instrumentality of the United States) if, as a result of such purchase, the Fund would hold more than 10% of the voting securities of such issuer or more than 5% of the Fund’s total assets, taken at current value, would be invested in securities of such issuer, except that up to 25% of the Fund’s total assets may be invested without regard to these limitations.

8. The Fund will not invest 25% or more of the value of its total assets, determined at the time an investment is made, exclusive of U.S. Government securities, in securities issued by companies

primarily engaged in the same industry.

9. The Fund will not acquire or retain any security issued by a company, an officer or director of which is an officer or trustee of the Trust or an officer, director or other affiliated person of its investment adviser.

10. The Fund will not act as an underwriter or distributor of securities other than shares of the Fund (except to the extent that the Fund may be deemed to be an underwriter within the meaning of the Securities Act of 1933, as amended, in the disposition of restricted securities).

11. The Fund will not purchase any interest in any oil, gas or other mineral leases or any interest in any oil, gas or any other mineral exploration or development program.

12. The Fund will not purchase or sell real estate or interests in real estate, unless acquired as a result of ownership of securities (although the Fund may purchase and sell securities that are secured by real estate and securities of companies that invest or deal in real estate).

13. The Fund will not purchase or sell commodities or commodity contracts, unless acquired as a result of ownership of securities or other instruments and provided that this restriction does not prevent the Fund from engaging in transactions involving futures contracts and options thereon or other investments that are secured by commodities. (The Fund will only invest in such securities to the extent such investments are consistent with its investment objectives.)

The Fund has adopted certain other investment restrictions which are not fundamental policies and which may be changed by the Trust's Board of Trustees (the "Board of Trustees") without shareholder approval. These additional restrictions are as follows:

1. The Fund will not invest more than 15% of the value of its net assets in illiquid securities.
2. The Fund's investments in warrants will be limited to 5% of the Fund's net assets. Included within such 5%, but not to exceed 2% of the value of the Fund's net assets, may be warrants which are not listed on either the New York Stock Exchange (the "NYSE") or the NYSE American.

The aforementioned fundamental and non-fundamental percentage restrictions on investment or utilization of assets refer to the percentage at the time an investment is made. If these restrictions (other than those relating to borrowing of money, illiquid securities or issuing senior securities) are adhered to at the time an investment is made, and such percentage subsequently changes as a result of changing market values or some similar event, no violation of the Fund's fundamental restrictions will be deemed to have occurred. Any changes in the Fund's investment restrictions made by the Board of Trustees will be communicated to shareholders prior to their implementation.

## **INVESTMENT CONSIDERATIONS**

The Fund's prospectus describes the Fund's principal investment strategies and risks. This section expands upon that discussion and also discusses the Fund's non-principal investment strategies and risks.

The Fund may invest in stocks of companies of all sizes, but primarily invests in smaller capitalization United States companies (generally companies that have a market capitalization, at the time of purchase, within the capitalization range of the Russell 2000<sup>®</sup> Index) that have substantial capital appreciation potential. The Adviser conducts extensive research on each prospective investment.

## **Illiquid Securities**

The Fund may invest up to 15% of its net assets in illiquid securities. The 15% limitation includes certain securities whose disposition would be subject to legal restrictions (“restricted securities”). However, certain restricted securities that may be resold pursuant to Rule 144A under the Securities Act may be considered liquid. Rule 144A permits certain qualified institutional buyers to trade in privately placed securities not registered under the Securities Act. Institutional markets for restricted securities have developed as a result of Rule 144A, providing both readily ascertainable market values for Rule 144A securities and the ability to liquidate these securities to satisfy redemption requests. However, an insufficient number of qualified institutional buyers interested in purchasing Rule 144A securities held by the Fund could adversely affect their marketability, causing the Fund to sell securities at unfavorable prices. The Board of Trustees has delegated to the Adviser the day-to-day determination of the liquidity of a security although it has retained oversight and ultimate responsibility for such determinations. Although no definitive written criteria are used, the Board of Trustees has directed the Adviser to consider such factors as (i) the nature of the market for a security (including the institutional private resale markets); (ii) the terms of these securities or other instruments allowing for the disposition to a third party or the issuer thereof (*e.g.*, certain repurchase obligations and demand instruments); (iii) the availability of market quotations; and (iv) other permissible factors.

Restricted securities may be sold in privately negotiated or other exempt transactions or in a public offering with respect to which a registration statement is in effect under the Securities Act. When registration is required, the Fund may be obligated to pay all or part of the registration expenses and a considerable time may elapse between the decision to sell and the sale date. If, during such period, adverse market conditions were to develop, the Fund might obtain a less favorable price than the price which prevailed when it decided to sell. Restricted securities will be priced at fair value as determined in good faith by the Adviser in accordance with procedures approved by the Board of Trustees.

On or about June 1, 2019, in connection with the implementation of the SEC’s new liquidity risk management rule, the term “illiquid security” will be defined as a security that the Fund reasonably expects cannot be sold or disposed of in current market conditions in seven days or less without the sale or disposition significantly changing the market value of the security.

On or about June 1, 2019, the Fund will be subject to guidelines as set forth in the Fund’s liquidity risk management program, which may differ from the Fund’s existing guidelines.

## **Futures Contracts and Options Thereon**

The Fund may purchase and write (sell) stock index futures contracts for portfolio hedging purposes. A futures contract obligates the seller to deliver (and the purchaser to take delivery of) the specified commodity on the expiration date of the contract. A stock index futures contract obligates the seller to deliver (and the purchaser to take) an amount of cash equal to a specific dollar amount times the difference between the value of a specific stock index at the close of the last trading day of the contract and the price at which the agreement is made. No physical delivery of the underlying stocks in the index is made. It is the practice of holders of futures contracts to close out their positions on or before the expiration date by use of offsetting contract positions and physical delivery is thereby avoided.

The Fund may also purchase put and call options and write call options on stock index futures contracts for portfolio hedging purposes. When the Fund writes an option on a futures contract, it becomes obligated, in return for the premium paid, to assume a position in the futures contract at a specified exercise price at any time during the term of the option. If the Fund writes a call, it assumes a short futures position. If it writes a put, it assumes a long futures position. When the Fund purchases an

option on a futures contract, it acquires the right in return for the premium it pays to assume a position in a futures contract (a long position if the option is a call and a short position if the option is a put). When the Fund purchases a put or call option on a futures contract, the Fund pays a premium for the right to sell or purchase the underlying futures contract for a specified price upon exercise at any time during the options period. By writing a call option on a futures contract, the Fund receives a premium in return for granting to the purchaser of the option the right to buy from the Fund the underlying futures contract for a specified price upon exercise at any time during the option period.

Futures and options strategies are used to hedge the Fund's equity positions against price fluctuations. Whether the Fund realizes a gain or loss from futures activities depends generally upon movements in the underlying stock index. The extent of the Fund's loss from an unhedged short position in futures contracts or call options on futures contracts is potentially unlimited. The Fund may engage in related closing transactions with respect to options on futures contracts. The Fund will trade futures contracts and options on futures contracts only on a United States exchange or board of trade approved for such trading and regulated by the Commodity Futures Trading Commission (the "CFTC").

The Fund's commodities transactions must be made solely for bona fide hedging purposes as defined by the CFTC. In addition, the Fund may invest in commodity interests for other than bona fide hedging purposes if it meets either the 5% trading de minimis test (the "5% Test") or a test based on the net notional value of the Fund's commodities transactions (the "Notional Test"). Under the 5% Test, the aggregate initial margin and premiums required to establish positions in commodity futures, commodity options or swaps may not exceed 5% of the Fund's net asset value. Under the Notional Test, the aggregate net notional value of commodity futures, commodity options or swaps not used solely for bona fide hedging purposes may not exceed 100% of the Fund's net asset value. The Trust has filed a notice of eligibility for exclusion from the definition of the term "commodity pool operator" in accordance with Rule 4.5 under the Commodity Exchange Act (the "CEA") and, therefore, is not subject to registration or regulation as a commodity pool operator under the CEA. The Fund intends to limit its transactions in commodity futures contracts and related options to 5% of the Fund's net assets.

When the Fund purchases or sells a stock index futures contract, the Fund "covers" its position. To cover its position, the Fund may maintain with its custodian bank (and mark-to-market on a daily basis) cash or liquid securities that, when added to any amounts deposited with a futures commission merchant as margin, are equal to the market value of the futures contract or otherwise cover its position. If the Fund continues to engage in the described securities trading practices and so maintain cash or liquid securities, the maintained cash or liquid securities will function as a practical limit on the amount of leverage which the Fund may undertake and on the potential increase in the speculative character of the Fund's outstanding portfolio securities. Additionally, such maintained cash or liquid securities will assure the availability of adequate funds to meet the obligations of the Fund arising from such investment activities.

The Fund may cover its long position in a futures contract by purchasing a put option on the same futures contract with a strike price (i.e., an exercise price) as high or higher than the price of the futures contract, or, if the strike price of the put is less than the price of the futures contract, the Fund will maintain cash or liquid securities equal in value to the difference between the strike price of the put and the price of the futures contract. The Fund may also cover its long position in a futures contract by taking a short position in the instruments underlying the futures contract, or by taking positions in instruments the prices of which are expected to move relatively consistently with the futures contract. The Fund may cover its short position in a futures contract by taking a long position in the instruments underlying the futures contract, or by taking positions in instruments the prices of which are expected to move relatively consistently with the futures contract.

The Fund may cover its sale of a call option on a futures contract by taking a long position in the underlying futures contract at a price less than or equal to the strike price of the call option, or, if the long position in the underlying futures contract is established at a price greater than the strike price of the written call, the Fund will maintain cash or liquid securities equal in value to the difference between the strike price of the call and the price of the futures contract. The Fund may also cover its sale of a call option by taking positions in instruments the prices of which are expected to move relatively consistently with the call option.

Although the Fund intends to sell futures contracts only if there is an active market for such contracts, no assurance can be given that a liquid market will exist for any particular contract at any particular time. Many futures exchanges and boards of trade limit the amount of fluctuation permitted in futures contract prices during a single trading day. Once the daily limit has been reached in a particular contract, no trades may be made that day at a price beyond that limit or trading may be suspended for specified periods during the day. Futures contract prices could move to the limit for several consecutive trading days with little or no trading, thereby preventing prompt liquidation of futures positions and potentially subjecting the Fund to substantial losses.

If trading is not possible, or the Fund determines not to close a futures position in anticipation of adverse price movements, the Fund will be required to make daily cash payments of variation margin. The risk that the Fund will be unable to close out a futures position will be minimized by entering into such transactions on a national exchange with an active and liquid secondary market.

### **Index Options Transactions**

The Fund may purchase put and call options and write call options on stock indexes. A stock index fluctuates with changes in the market values of the stock included in the index. Options on stock indexes give the holder the right to receive an amount of cash upon exercise of the options. Receipt of this cash amount will depend upon the closing level of the stock index upon which the option is based being greater than (in the case of a call) or less than (in the case of a put) the exercise price of the option. The amount of cash received, if any, will be the difference between the closing price of the index and the exercise price of the option, multiplied by a specified dollar multiple. The writer (seller) of the option is obligated, in return for the premiums received from the purchaser of the option, to make delivery of this amount to the purchaser. Unlike the options on securities discussed below, all settlements of index options transactions are in cash.

Some stock index options are based on a broad market index such as the S&P 500 Index, the NYSE Composite Index or the NYSE Arca Major Market Index, or on a narrower index such as the PHLX Utility Sector Index. Options currently are traded on the Chicago Board of Options Exchange, NYSE Arca and other exchanges. The Fund will only invest in exchange-traded options.

Each of the exchanges has established limitations governing the maximum number of call or put options on the same index which may be bought or written (sold) by a single investor, whether acting alone or in concert with others (regardless of whether such options are written on the same or different exchanges or are held or written on one or more accounts or through one or more brokers). Under these limitations, options positions of certain other accounts advised by the same investment adviser are combined for purposes of these limits. Pursuant to these limitations, an exchange may order the liquidation of positions and may impose other sanctions or restrictions. These position limits may restrict the number of listed options which the Fund may buy or sell.

Index options are subject to substantial risks, including the risk of imperfect correlation between the option price and the value of the underlying securities comprising the stock index selected and the risk

that there might not be a liquid secondary market for the option. Because the value of an index option depends upon movements in the level of the index rather than the price of a particular stock, whether the Fund will realize a gain or loss from the purchase of writing of options on an index depends upon movements in the level of stock prices in the stock market generally or, in the case of certain indexes, in an industry or market segment, rather than upon movements in the price of a particular stock. Trading in index options requires different skills and techniques than are required for predicting changes in the prices of individual stocks. The Fund will only invest in options for portfolio hedging purposes. The Fund will not enter into an option position that exposes the Fund to an obligation to another party, unless the Fund either (i) owns an offsetting position in securities or other options; and/or (ii) maintains with the Fund's custodian bank (and marks-to-market, on a daily basis) cash or liquid securities that, when added to the premiums deposited with respect to the option, are equal to the market value of the underlying stock index not otherwise covered.

### **Options on Securities**

The Fund may buy put and call options and write (sell) call options on securities for portfolio hedging purposes. The Fund will only buy or write options on United States exchanges. The Fund will comply with the rules and regulations of the 1940 Act and, if required, set aside cash or liquid securities to "cover" its obligations when writing options. By writing a call option and receiving a premium, the Fund may become obligated during the term of the option to deliver the securities underlying the option at the exercise price if the option is exercised. By buying a put option, the Fund has the right, in return for a premium paid during the term of the option, to sell the securities underlying the option at the exercise price. By buying a call option, the Fund has the right, in return for a premium paid during the term of the option, to purchase the securities underlying the option at the exercise price. Options on securities written by the Fund will be traded on recognized securities exchanges.

When writing call options on securities, the Fund may cover its position by owning the underlying security on which the option is written. Alternatively, the Fund may cover its position by owning a call option on the underlying security, on a share for share basis, which is deliverable under the option contract at a price no higher than the exercise price of the call option written by the Fund or, if higher, by owning such call option and maintaining cash or liquid securities equal in value to the difference between the two exercise prices. In addition, the Fund may cover its position by maintaining cash or liquid securities equal in value to the exercise price of the call option written by the Fund. The principal reason for the Fund to write call options on stocks held by the Fund is to attempt to realize, through the receipt of premiums, a greater return than would be realized on the underlying securities alone.

When the Fund wishes to terminate the Fund's obligation with respect to an option it has written, the Fund may effect a "closing purchase transaction." The Fund accomplishes this by buying an option of the same series as the option previously written by the Fund. The effect of the purchase is that the writer's position will be canceled. However, a writer may not effect a closing purchase transaction after the writer has been notified of the exercise of an option. When the Fund is the holder of an option, it may liquidate its position by effecting a "closing sale transaction." The Fund accomplishes this by selling an option of the same series as the option previously purchased by the Fund. There is no guarantee that either a closing purchase or a closing sale transaction can be effected. If any call or put option is not exercised or sold, the option will become worthless on its expiration date.

The Fund will realize a gain (or a loss) on a closing purchase transaction with respect to a call option previously written by the Fund if the premium, plus commission costs, paid by the Fund to purchase the call option is less (or greater) than the premium, less commission costs, received by the Fund on the sale of the call option. The Fund also will realize a gain if a call option which the Fund has written



lapses unexercised, because the Fund would retain the premium.

The Fund will realize a gain (or a loss) on a closing sale transaction with respect to a call or a put option previously purchased by the Fund if the premium, less commission costs, received by the Fund on the sale of the call or the put option is greater (or less) than the premium, plus commission costs, paid by the Fund to purchase the call or the put option. If a put or a call option which the Fund has purchased expires out-of-the-money, the option will become worthless on the expiration date, and the Fund will realize a loss in the amount of the premium paid, plus commission costs.

Although certain securities exchanges attempt to provide continuously liquid markets in which holders and writers of options can close out their positions at any time prior to the expiration of the option, no assurance can be given that a market will exist at all times for all outstanding options purchased or sold by the Fund. In such event, the Fund would be unable to realize its profits or limit its losses until the Fund would exercise options it holds and the Fund would remain obligated until options it wrote were exercised or expired.

Because option premiums paid or received by the Fund are small in relation to the market value of the investments underlying the options, buying and selling put and call options can be more speculative than investing directly in common stocks.

### **Short Sales**

The Fund may seek to realize additional gains through short sale transactions in securities listed on one or more national securities exchanges, or in unlisted securities. Short selling involves the sale of borrowed securities. At the time a short sale is effected, the Fund incurs an obligation to replace the security borrowed at whatever its price may be at the time the Fund purchases it for delivery to the lender. The price at such time may be more or less than the price at which the security was sold by the Fund. Until the security is replaced, the Fund is required to pay the lender amounts equal to any dividend or interest which accrue during the period of the loan. To borrow the security, the Fund also may be required to pay a premium, which would increase the cost of the security sold. The proceeds of the short sale will be retained by the broker, to the extent necessary to meet margin requirements, until the short position is closed.

Until the Fund closes its short position or replaces the borrowed security, the Fund will: (a) maintain cash or liquid securities at such a level that the amount deposited in the account plus the amount deposited with the broker as collateral will equal the current value of the security sold short; or (b) otherwise cover the Fund's short position. The potential loss with respect to short sales is unlimited.

### **U.S. Treasury Securities**

The Fund may invest in U.S. Treasury Securities as "cover" for the investment techniques the Fund employs. The Fund may also invest in U.S. Treasury Securities as part of a cash reserve or for liquidity purposes. U.S. Treasury Securities are backed by the full faith and credit of the U.S. Treasury. U.S. Treasury Securities differ only in their interest rates, maturities and dates of issuance. Treasury Bills have maturities of one year or less. Treasury Notes have maturities of one to ten years and Treasury Bonds generally have maturities of greater than ten years at the date of issuance. Yields on short-, intermediate- and long-term U.S. Treasury Securities are dependent on a variety of factors, including the general conditions of the money and bond markets, the size of a particular offering and the maturity of the obligation. Debt securities with longer maturities tend to produce higher yields and are generally subject to potentially greater capital appreciation and depreciation than obligations with shorter maturities and lower yields. The market value of U.S. Treasury Securities generally varies inversely with changes in

market interest rates. An increase in interest rates, therefore, would generally reduce the market value of the Fund's portfolio investments in U.S. Treasury Securities, while a decline in interest rates would generally increase the market value of the Fund's portfolio investments in these securities.

U.S. Treasury Securities may be purchased at a discount. Such securities, when retired, may include an element of capital gain. Capital gains or losses also may be realized upon the sale of U.S. Treasury Securities.

### **Borrowing**

The Fund is authorized to borrow money from banks as a temporary measure for extraordinary or emergency purposes in amounts not to exceed limits set forth under the 1940 Act. For example, the Fund may borrow money to facilitate management of the Fund's portfolio by enabling the Fund to meet redemption requests when the liquidation of portfolio investments would be inconvenient or disadvantageous. As required by the 1940 Act, the Fund must maintain continuous asset coverage (total assets, including assets acquired with borrowed funds, less liabilities exclusive of borrowings) of 300% of all amounts borrowed. If, at any time, the value of the Fund's assets should fail to meet this 300% coverage test, the Fund within three business days will reduce the amount of the Fund's borrowings to the extent necessary to meet this 300% coverage. Maintenance of this percentage limitation may result in the sale of portfolio securities at a time when investment considerations otherwise indicate that it would be disadvantageous to do so.

### **Foreign Securities and American Depositary Receipts**

The Fund may invest in common stocks of foreign issuers which are publicly traded on U.S. exchanges or in the U.S. over-the-counter market either directly or in the form of American Depositary Receipts ("ADRs") or American Depositary Shares ("ADSs"). The Fund may invest in ADRs of foreign issuers in foreign markets classified as mature or emerging. ADRs are receipts issued by an American bank or trust company evidencing ownership of underlying securities issued by a foreign issuer. ADSs are shares issued under a deposit agreement that represents an underlying security in the issuer's home country. An ADS is the actual share trading, while an ADR represents a bundle of ADSs. ADR prices are denominated in United States dollars; the underlying security may be denominated in a foreign currency. Investments in such securities also involve certain inherent risks, such as political or economic instability of the issuer or the country of issue, the difficulty of predicting international trade patterns and the possibility of imposition of exchange controls. Such securities may also be subject to greater fluctuations in price than securities of domestic corporations. In addition, there may be less publicly available information about a foreign company than about a domestic company. Foreign companies generally are not subject to uniform accounting, auditing and financial reporting standards comparable to those applicable to domestic companies. Dividends and interest on foreign securities may be subject to foreign withholding taxes. To the extent such taxes are not offset by credits or deductions allowed to investors under U.S. federal income tax laws, such taxes may reduce the net return to shareholders. Although the Fund intends to invest in securities of foreign issuers domiciled in nations which the Adviser considers as having stable and friendly governments, there is the possibility of expropriation, confiscation, taxation, currency blockage or political or social instability which could affect investments of foreign issuers domiciled in such nations.

The Fund will invest only in ADRs which are "sponsored". Sponsored facilities are based on an agreement with the issuer that sets out rights and duties of the issuer, the depository and the ADR holder. This agreement also allocates fees among the parties. Most sponsored agreements also provide that the depository will distribute shareholder notices, voting instruments and other communications.

## **Warrants**

The Fund may purchase rights and warrants to purchase equity securities. Investments in rights and warrants are pure speculation in that they have no voting rights, pay no dividends and have no rights with respect to the assets of the corporation issuing them. Rights and warrants basically are options to purchase equity securities at a specific price valid for a specific period of time. They do not represent ownership of the securities, but only the right to buy them. Rights and warrants differ from call options in that rights and warrants are issued by the issuer of the security which may be purchased on their exercise, whereas call options may be written or issued by anyone. The prices of rights (if traded independently) and warrants do not necessarily move parallel to the prices of the underlying securities. Rights and warrants involve the risk that the Fund could lose the purchase value of the warrant if the warrant is not exercised or sold prior to its expiration. They also involve the risk that the effective price paid for the warrant added to the subscription price of the related security may be greater than the value of the subscribed security's market price.

## **Money Market Instruments and Repurchase Agreements**

The Fund may invest in cash and money market securities. The Fund may do so to “cover” investment techniques, when taking a temporary defensive position or to have assets available to pay expenses, satisfy redemption requests or take advantage of investment opportunities. The money market securities in which the Fund invests include U.S. Treasury Bills, commercial paper, commercial paper master notes and repurchase agreements.

The Fund may invest in commercial paper or commercial paper master notes rated, at the time of purchase, A-1 or A-2 by Standard & Poor's Corporation (“Standard and Poor's”) or Prime-1 or Prime-2 by Moody's Investors Service, Inc. (“Moody's”). Commercial paper master notes are demand instruments without a fixed maturity bearing interest at rates that are fixed to known lending rates and automatically adjusted when such lending rates change.

The Fund may enter into repurchase agreements. Under a repurchase agreement, the Fund purchases a debt security and simultaneously agrees to sell the security back to the seller at a mutually agreed-upon future price and date, normally one day or a few days later. The resale price is greater than the purchase price, reflecting an agreed-upon market interest rate during the purchaser's holding period. While the maturities of the underlying securities in repurchase transactions may be more than one year, the term of each repurchase agreement will always be less than one year. The Fund will enter into repurchase agreements only with member banks of the Federal Reserve System or primary dealers of U.S. government securities. The Adviser will monitor the creditworthiness of each of the firms which is a party to a repurchase agreement with the Fund. In the event of a default or bankruptcy by the seller, the Fund will liquidate those securities (whose market value, including accrued interest, must be at least equal to 100% of the dollar amount invested by the Fund in each repurchase agreement) held under the applicable repurchase agreement, which securities constitute collateral for the seller's obligation to pay. However, liquidation could involve costs or delays and, to the extent proceeds from the sale of these securities were less than the agreed-upon repurchase price the Fund would suffer a loss. The Fund also may experience difficulties and incur certain costs in exercising its rights to the collateral and may lose the interest the Fund expected to receive under the repurchase agreement. Repurchase agreements usually are for short periods, such as one week or less, but may be longer. It is the current policy of the Fund to treat repurchase agreements that do not mature within seven days as illiquid for the purposes of its investments policies.

## **Registered Investment Companies**

The Fund may also invest in securities issued by other investment companies that invest in high quality, short-term debt securities (i.e., money market instruments). Any investment in a registered investment company involves bearing the risks of owning the underlying investments the registered investment company holds. Additionally, an investor could invest directly in the registered investment companies in which the Fund invests. By investing indirectly through the Fund, an investor bears not only his or her proportionate share of the expenses of the Fund (including operating costs and investment advisory fees) but also indirect similar expenses of the registered investment companies in which the Fund invests. An investor may also indirectly bear expenses paid by registered investment companies in which the Fund invests related to the distribution of such registered investment company's shares.

## **Portfolio Turnover**

The Fund will generally purchase and sell securities and effect transactions in futures contracts without regard to the length of time the security has been held or the futures contract open and, accordingly, it can be expected that the rate of portfolio turnover may be substantial. The Fund may sell a given security or close a futures contract, no matter for how long or short a period it has been held in the portfolio, and no matter whether the sale is at a gain or loss, if the Adviser believes that it is not fulfilling its purpose. Since investment decisions are based on the anticipated contribution of the security in question to the Fund's investment objective, the rate of portfolio turnover is irrelevant when the Adviser believes a change is in order to achieve those objectives, and the Fund's annual portfolio turnover rate may vary from year to year. Pursuant to Securities and Exchange Commission (the "SEC") requirements, the portfolio turnover rate of the Fund is calculated without regard to securities, including short sales, options and futures contracts, having a maturity of less than one year. For the fiscal years ended September 30, 2018 and 2017, the Fund's portfolio turnover rates were 49% and 53%, respectively. A high portfolio turnover rate may generate a greater amount of capital gains, including short-term capital gains taxable to shareholders as ordinary income.

## **Cybersecurity Risk**

With the increased use of technologies such as the Internet to conduct business, the Fund is susceptible to operational, information security, and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting the Fund or its service providers have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with the Fund's ability to calculate its NAV, impediments to trading, the inability of shareholders to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting issuers of securities in which the Fund invests, counterparties with which the Fund engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and service providers for shareholders) and other parties. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future. While the Fund's service providers have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, the Fund

cannot control the cyber security plans and systems put in place by its service providers or any other third parties whose operations may affect the Fund or its shareholders. As a result, the Fund and its shareholders could be negatively impacted.

### **Additional Risks**

As a result of the investment techniques used by the Fund, the Fund may have a significant portion (up to 100%) of its assets maintained as “cover” for the investment techniques the Fund employs. The securities so maintained will be liquid securities. These assets may not be sold while the position in the corresponding instrument or transaction (e.g., short sale, option or futures contract) is open unless they are replaced by similar assets. As a result, the commitment of a large portion of the Fund’s assets to “cover” investment techniques could impede portfolio management or the Fund’s ability to meet redemption requests or other current obligations.

## **DISCLOSURE OF PORTFOLIO HOLDINGS**

The Fund maintains written policies and procedures regarding the disclosure of its portfolio holdings to ensure that disclosure of information about portfolio securities is in the best interests of the Fund’s shareholders. The Fund may not receive any compensation for providing this information. The Trust’s Chief Compliance Officer (the “CCO”) will report periodically to the Board of Trustees with respect to compliance with the Fund’s portfolio holdings disclosure procedures. The Board of Trustees or the CCO may authorize the disclosure of the Fund’s portfolio holdings prior to the public disclosure of such information.

Disclosure of the Fund’s complete holdings is required to be made quarterly within 60 days of the end of each fiscal quarter, in the annual and semi-annual reports to Fund shareholders, and in the quarterly holdings report on Form N-Q. These reports will be made available, free of charge, on the EDGAR database on the SEC’s website at [www.sec.gov](http://www.sec.gov).

The Fund may not receive any compensation for providing its portfolio holdings information to any category of persons. The Fund generally does not provide its portfolio holdings to rating and ranking organizations until the portfolio holdings have been disclosed on the Fund’s website (as described below). The Fund may not pay any of these rating and ranking organizations. The disclosure of the Fund’s portfolio holdings to Fund service providers is discussed below.

There may be instances where the interests of the shareholders of the Fund regarding the disclosure of information about portfolio securities may conflict with the interests of the Adviser or an affiliated person of the Fund. In such situations, the CCO will bring the matter to the attention of the Board of Trustees, and the Board will determine whether or not to allow such disclosure.

### **Fund Service Providers**

Certain of the Fund’s third party service providers will have access to the Fund’s portfolio holdings from time to time, on an ongoing basis. A service provider includes the Adviser, the Fund’s administrator, custodian, and fund accountant, software or technology service providers, or any other entity that has a need to know such information in order to fulfill their contractual obligations to provide services to the Fund. As a result, such third party service providers will receive portfolio holdings information prior to and more frequently than the public disclosure of such information. There is no set frequency at which this information is provided to the Fund’s service providers, as it is only provided on an as needed basis in connection with their services to the Fund, and the need for such disclosure arises from time to time throughout the year. As a result, there is also no set time between the date of such

information and the date on which the information is publicly disclosed. In each case, the Board of Trustees has determined that such advance disclosure is supported by a legitimate business purpose and that each of these parties is contractually and/or ethically prohibited from disclosing the Fund’s portfolios unless specifically authorized by the Fund.

**Website Disclosure**

The complete portfolio holdings for the Fund are publicly available on the Fund’s website (www.bvafunds.com) approximately 10 business days after the end of each quarter. In addition, top ten holdings information for the Fund is publicly available on the Fund’s website approximately 10 to 45 business days after the end of each quarter.

**TRUSTEES AND OFFICERS OF THE TRUST**

**Management Information**

As a Delaware statutory trust, the management and affairs of the Trust are managed by its officers under the supervision of its Board of Trustees. The Trustees are fiduciaries for the Fund’s shareholders and are governed by the laws of the State of Delaware in this regard. The Board of Trustees establishes policies for the operation of the Fund and appoints the officers who conduct the daily business of the Fund. Set forth below is certain important information with respect to each of the current trustees and officers of the Trust. Unless otherwise noted, the business address of each Trustee or officer is c/o Broadview Funds Trust, 330 East Kilbourn Avenue, Suite 1475, Milwaukee, Wisconsin 53202.

Name and Year of Birth	Position(s) With the Trust, Term of Office, Length of Time Served and Number of Portfolios in Fund Complex Overseen	Principal Occupation(s) During the Past 5 Years	Other Directorships Held by Trustee During the Past 5 Years
<b>Interested Trustee</b>			
Richard J. Whiting <sup>(1)</sup> Born: 1957	Chairman and Trustee (since 2013); Indefinite Term; 1 Portfolio	Manager of Trading Department and Portfolio Manager, Broadview Advisors, LLC (since 2001)	None
<b>Non-Interested Trustees</b>			
Gregory W. Berger Born: 1961	Trustee (since 2013); Indefinite Term; 1 Portfolio	Attorney and Shareholder, Brownstein Hyatt Farber Schreck, LLP (law firm) (1994 to present)	None
Cornelius J. Lavelle Born: 1944	Trustee (since 2013); Indefinite Term; 1 Portfolio	Retired; Director, Institutional Equities, Citigroup Global Markets Inc.	Independent Trustee, The 504 Fund (a closed-end investment

		(multinational financial services firm) (1997 to 2009)	company); Independent Trustee, USFS Funds Trust (an open-end investment company with two portfolios) (2013-2014)
Philip J. Uihlein, Sr. Born: 1950	Trustee (since 2013); Indefinite Term; 1 Portfolio	Retired; President, U-Line Corporation (refrigeration appliance manufacturer) (1977 to 2008); Chief Executive Officer, U-Line Corporation (1986 to 2008)	None

<sup>(1)</sup> Mr. Whiting is an “interested person” of the Trust (as defined in the 1940 Act) because he is an employee and officer of the Adviser.

<b>Name and Year of Birth</b>	<b>Position(s) With the Trust, Term of Office and Length of Time Served</b>	<b>Principal Occupation(s) During the Past 5 Years</b>
<b>Other Officers</b>		
Richard E. Lane Born: 1955	President and Principal Executive Officer (since 2013); Indefinite Term	President, Broadview Advisors, LLC (since 2001)
Aaron J. Garcia Born: 1977	Treasurer and Principal Financial Officer and Principal Accounting Officer (since 2013); Indefinite Term	Portfolio Manager, Broadview Advisors, LLC (since 2003)
Faraz Farzam Born: 1973	Secretary (since 2013); Indefinite Term	Portfolio Manager, Broadview Advisors, LLC (since 2001)
Angela L. Pingel Born: 1971	Chief Compliance Officer and AML Compliance Officer (since 2017); Vice President and Assistant Secretary (since 2015); Indefinite Term	General Counsel and Chief Compliance Officer, Broadview Advisors, LLC (since 2015); Secretary, Managed Portfolio Series (an open-end investment company) (2011-2015); Vice President and Counsel, U.S. Bancorp Fund Services, LLC (2011-2015)

As of December 31, 2018, neither the Trustees who are not “interested” persons of the Trust, nor

members of their immediate families, owned securities beneficially, or of record, in the Adviser, the Distributor or any of its affiliates. Accordingly, neither the Trustees who are not “interested” persons of the Fund nor members of their immediate families, have a direct or indirect interest, the value of which exceeds \$120,000, in the Adviser, the Distributor or any of their affiliates. In addition, during the two most recently completed calendar years, neither the Trustees who are not “interested” persons of the Trust nor members of their immediate families have conducted any transactions (or series of transactions) in which the amount involved exceeds \$120,000 and to which the Adviser, the Distributor or any affiliate thereof was a party.

## **Board Committees**

Audit Committee. The Board of Trustees has a standing Audit Committee whose members consist of all of the non-interested trustees. The Audit Committee operates under a written charter approved by the Board of Trustees. The primary functions of the Audit Committee are to recommend to the Board of Trustees the independent registered public accounting firm to be retained to perform the annual audit of the Fund, to review the results of the audit, to review the Fund’s internal controls and to review certain other matters relating to the Fund’s auditor and financial records. Mr. Lavelle serves as the Audit Committee Chairman and Audit Committee Financial Expert. During the fiscal year ended September 30, 2018, the Audit Committee held two meetings.

Valuation Committee. The Board of Trustees has a standing Valuation Committee appointed by the Board of Trustees. The members of the Valuation Committee include the Funds’ four portfolio managers (Messrs. Lane, Garcia, Farzam and Whiting) and the Fund’s and the Adviser’s chief compliance officer (Ms. Pingel) as a non-voting member. The Valuation Committee operates under procedures approved by the Board of Trustees. The principal responsibility of the Valuation Committee is to determine the fair value of securities for which current market quotations are not readily available. The Valuation Committee’s determinations are reviewed by the Board of Trustees. The Valuation Committee meets periodically, as necessary. During the fiscal year ended September 30, 2018, the Valuation Committee did not meet.

Nominating Committee. The Board of Trustees has a standing Nominating Committee that is composed of all of the non-interested trustees. The Nominating Committee operates under a written charter approved by the Board of Trustees. The principal responsibility of the Nominating Committee is to consider, recommend and nominate candidates to fill vacancies on the Board of Trustees, if any. The Nominating Committee generally will not consider nominees recommended by shareholders. The nominating committee meets periodically, as necessary. During the fiscal year ended September 30, 2018, the Nominating Committee held one meeting.

## **Individual Trustee Qualifications**

The Trust has concluded that each of the Trustees should serve on the Board because of their ability to review and understand information about the Fund provided to them by management, to identify and request other information they may deem relevant to the performance of their duties, to question management and other service providers regarding material factors bearing on the management and administration of the Fund, and to exercise their business judgment in a manner that serves the best interests of the Fund’s shareholders. The Trust has concluded that each of the Trustees should serve as a Trustee based on his own experience, qualifications, attributes and skills as described below.

*Richard J. Whiting.* Mr. Whiting has served as a Trustee of the Trust since 2013. Mr. Whiting has more than 30 years of experience in the investment management industry and has been employed by the Adviser since 2001 and currently serves as Portfolio Manager, Manager of the Trading Department and a



Member. Mr. Whiting previously served as a Senior Trader with Robert W. Baird from 1983 to 1987, as a partner and founding member of Cleary Gull Reiland McDevitt & Collopy from 1987 to 1994 and as the Head Trader at Vector Securities from 1994 to 2000. Mr. Whiting holds a degree in economics from Lawrence University. Through his employment and investment management experience, Mr. Whiting is knowledgeable about financial, accounting, regulatory and investment matters. Such experience helps him exercise the business judgment necessary to fulfill the requirements and obligations of his Board position.

*Gregory W. Berger.* Mr. Berger has served as a Trustee of the Trust since 2013. Mr. Berger is an attorney and shareholder with the Government Relations Group of Brownstein Hyatt Farber Schreck, LLP, with extensive experience in corporate and partnership taxation, state and local taxation and public finance. Mr. Berger has been a practicing attorney since 1986. Through his employment experience, Mr. Berger is knowledgeable about financial, accounting, regulatory and investment matters. Such experience helps him exercise the business judgment necessary to fulfill the requirements and obligations of his Board position.

*Cornelius J. Lavelle.* Mr. Lavelle has served as a Trustee of the Trust since 2013. He also serves as a trustee of The 504 Fund, a closed-end investment company. Prior to retiring in 2009, Mr. Lavelle was a part of the institutional research division of Citigroup, Inc. and several of its predecessor entities for over 40 years, including serving as Director of Institutional Equities for Citigroup Global Markets Inc. from 1997 to 2009. Through his experience as a trustee of open-end and closed-end funds, and his employment experience, Mr. Lavelle is knowledgeable about financial, accounting, regulatory and investment matters. Such experience helps him exercise the business judgment necessary to fulfill the requirements and obligations of his Board position.

*Philip J. Uihlein, Sr.* Mr. Uihlein has served as a Trustee of the Trust since 2013. Prior to retiring in 2008, Mr. Uihlein spent 22 years as Chief Executive Officer and 31 years as President of U-Line Corporation, a high-end refrigeration appliance manufacturer. Mr. Uihlein was responsible for directing all phases of the company including engineering, new product development, sales, marketing, legal and accounting. Through his employment experience, Mr. Uihlein is knowledgeable about financial, accounting, regulatory and investment matters. Such experience helps him exercise the business judgment necessary to fulfill the requirements and obligations of his Board position.

## **Board Leadership Structure**

The Board of Trustees has general oversight responsibility with respect to the operation of the Trust and the Fund. The Board has engaged the Adviser to manage the Fund and is responsible for overseeing the Adviser and other service providers to the Trust and the Fund in accordance with the provisions of the 1940 Act and other applicable laws. The Board has established an Audit Committee, Valuation Committee and Nominating Committee to assist the Board in performing its oversight responsibilities.

The Trust does not have a lead non-interested trustee. Richard J. Whiting, an interested person of the Trust, serves as Chairman of the Board. The Chairman is the presiding officer at all Board meetings and sets the agenda for the Board meetings, with input from the other trustees and officers of the Trust. The Trust has determined that its leadership structure is appropriate in light of, among other factors, the asset size and nature of the Fund, the arrangements for the conduct of the Fund's operations, the number of trustees, and the Board's responsibilities.

## **Board Oversight of Risk**

Through its direct oversight role, and indirectly through its committees, officers of the Fund and

service providers, the Board of Trustees performs a risk oversight function for the Fund. To effectively perform its risk oversight function, the Board of Trustees, among other things, performs the following activities: receives and reviews reports related to the performance and operations of the Fund; reviews and approves, as applicable, the compliance policies and procedures of the Fund; approves the Fund’s principal investment policies; adopts policies and procedures designed to deter market timing; meets with representatives of various service providers, including the Adviser and the Fund’s independent registered public accounting firm, to review and discuss the activities of the Fund and to provide direction with respect thereto; and appoints a chief compliance officer of the Fund who oversees the implementation and testing of the Fund’s compliance program and reports to the Board regarding compliance matters for the Funds and their service providers.

As referenced above, the Audit Committee plays a significant role in the risk oversight of the Fund as it meets at least annually with the Fund’s auditors and quarterly with the CCO.

Not all risks that may affect the Fund can be identified nor can controls be developed to eliminate or mitigate their occurrence or effects. It may not be practical or cost effective to eliminate or mitigate certain risks, the processes and controls employed to address certain risks may be limited in their effectiveness, and some risks are simply beyond the reasonable control of the Fund, the Adviser or other service providers. Moreover, it is necessary to bear certain risks (such as investment-related risks) to achieve the Fund’s goals. As a result of the foregoing and other factors, the Fund’s ability to manage risk is subject to substantial limitations.

**Board Compensation**

For their service as Trustees, each non-interested Trustee receives from the Trust a retainer fee of \$20,000 for each calendar year plus travel and other out-of-pocket expenses incurred in connection with attendance at Board meetings. Interested Trustees of the Trust do not receive any compensation for their services as Trustee. The Trust does not offer any pension or retirement benefits to Trustees. The following table shows the compensation paid to each Trustee for the Fund’s fiscal year ended September 30, 2018:

**COMPENSATION TABLE**

Name of Person/Position	Aggregate Compensation from the Fund	Pension or Retirement Benefits Accrued as Part of Fund Expenses	Estimated Annual Benefits Upon Retirement	Total Compensation from the Trust and the Fund Paid to Trustees
Gregory W. Berger, Non-Interested Trustee	\$21,000	None	None	\$21,000 <sup>(1)</sup>
Cornelius J. Lavelle, Non-Interested Trustee	\$21,000	None	None	\$21,000 <sup>(1)</sup>
Philip J. Uihlein, Sr., Non-Interested Trustee	\$21,000	None	None	\$21,000 <sup>(1)</sup>
Richard J. Whiting,	None	None	None	None

## Interested Trustee

<sup>1</sup> Each Non-Interested Trustee received a one-time meeting fee of \$1,000 for attendance at the special meeting of the Board on March 9, 2018.

## Code of Ethics

The Trust, the Adviser and the Fund's distributor have adopted separate codes of ethics pursuant to Rule 17j-1 under the 1940 Act. Each code of ethics permits personnel subject thereto to invest in securities, including securities that may be purchased or held by the Fund, subject to certain restrictions. Each code of ethics generally prohibits, among other things, persons subject thereto from purchasing or selling securities if they know at the time of such purchase or sale that the security is being considered for purchase or sale by the Fund or is being purchased or sold by the Fund.

## Proxy Voting Policies

The Board of Trustees has adopted a Proxy Voting and Disclosure Policy that delegates the authority to vote proxies to the Adviser subject to the supervision of the Board. The Adviser will make proxy voting decisions on securities held in the Fund's portfolio in accordance with its proxy voting policies and procedures and consistent with the Trust's Proxy Voting and Disclosure Policy. The guiding principle of the Adviser's proxy voting policies is that proxies should be voted consistent with the best interests of the Fund as a common shareholder. The Adviser generally votes in favor of the re-election of directors and the appointment of auditors. The Adviser generally votes against poison pills, green mail, super majority voting provisions, golden parachute arrangements, staggered board arrangements and the creation of classes of stock with superior voting rights. The Adviser generally votes in favor of maintaining preemptive rights for shareholders and cumulative voting rights. Whether or not the Adviser votes in favor of or against a proposal to a merger, acquisition or spin-off depends on its evaluation of the impact of the transaction on the common stockholder over a two to three year time horizon. The Adviser generally votes in favor of transactions paying what it believes to be a fair price in cash or liquid securities and against transactions which do not. The Adviser generally votes against traditional stock option plans unless the absolute amount is low and the options are earmarked to lower level employees. The Adviser generally votes in favor of compensation plans that encourage outright ownership of stock provided that they are based on tangible operating performance metrics and management is not excessively compensated. The Adviser generally supports management with respect to social issues (namely, issues relating to the environment, labor, etc.).

Consistent with the principle of voting proxies in the best interest of shareholders, in the event that a vote presents a conflict of interest between the interests of the Fund and the Adviser, the Adviser will vote with management on those issues on which brokerage firms are allowed to vote without customer approval under NYSE rules. On other issues, the Adviser will advise the Board of the conflict and will refer the proxy to the Board for voting purposes or abstain the Board's consent before voting.

Information on how the Fund voted proxies relating to portfolio securities during the most recent twelve-month period ended June 30 is available without charge, upon request, by calling (855) 846-1463, or on the website of the SEC at [www.sec.gov](http://www.sec.gov).

## Ownership of Board Members in the Fund

The following table sets forth the dollar range of shares of the Fund beneficially owned by each current trustee as of December 31, 2018:

Name of Trustee	Dollar Range of Shares in the Fund
<b>Interested Trustee</b>	
Richard J. Whiting	Over \$100,000

Name of Trustee	Dollar Range of Shares in the Fund
<b>Non-Interested Trustees</b>	
Gregory W. Berger	None
Cornelius J. Lavelle	None
Philip J. Uihlein, Sr.	None

### PRINCIPAL SHAREHOLDERS AND CONTROL PERSONS

Set forth below are the names and addresses of all holders of the Fund's shares who as of December 31, 2018, own of record, or are known by the Fund to own beneficially, 5% or more of the Fund's shares. These holders are referred to as principal shareholders.

Name and Address	Percent of the Fund	Nature of Ownership
Charles Schwab & Co. Inc. Attn. Mutual Funds 211 Main Street San Francisco, CA 94105-1905	25.59%	Record
National Financial Services LLC 82 Devonshire St. Mailzone ZE7F Boston, MA 02109	15.00%	Record
RBC Capital Markets, LLC 60 S. 6 <sup>th</sup> St. Minneapolis, MN 55402	11.58 %	Record
Wells Fargo Clearing Services, LLC <sup>(1)</sup> One N. Jefferson Ave. Mailcode: H006-09V St. Louis, MO 63103-2523	9.44%	Record

<sup>(1)</sup> The shares are held for the benefit of underlying accounts for which Wells Fargo Clearing Services may have voting or investment power.

As of December 31, 2018, the Officers and Trustees as a group owned 1.5% of the outstanding shares of the Fund.

No person is deemed to "control" the Fund, as that term is defined in the 1940 Act, because the Fund does not know of any person who owns beneficially or through controlled companies more than 25% of the Fund's shares or who acknowledges the existence of control. The Trust does not control any

person.

## **INVESTMENT ADVISER, PORTFOLIO MANAGERS AND ADMINISTRATOR**

### **Investment Adviser**

The Adviser is a Wisconsin limited liability company and an SEC-registered investment adviser. The Adviser is controlled by Richard E. Lane, who serves as its President and owns a majority of its voting securities. Mr. Lane is an affiliated person of the Trust by virtue of his service as President of the Trust.

Pursuant to an investment advisory agreement between the Fund and the Adviser (the “Advisory Agreement”), the Adviser provides investment advisory services to the Fund. The Adviser has overall responsibility for selecting and overseeing the Fund’s investments and provides overall investment strategies and programs for the Fund. The Adviser also provides the Fund with office space, equipment and personnel necessary to operate and administer the Fund’s business and to supervise the provision of services by third parties such as the transfer agent and the custodian.

For its services under the Advisory Agreement, the Adviser is entitled to receive a fee, computed daily at an annual rate based on the average daily net assets of the Fund, of 1.00%. The Advisory Agreement for the Fund was initially approved by the Board of Trustees, including a majority of the non-interested Trustees, at an in-person meeting held on November 8, 2013, and by the initial shareholder of the Fund on November 20, 2013. The Advisory Agreement was renewed most recently in November, 2018. The Advisory Agreement continues in effect, unless sooner terminated, for successive one-year periods so long as it is approved annually (a) by the vote of a majority of the non-interested Trustees, cast in person at a meeting called for the purpose of voting on such approval, and (b) either by the full Board of Trustees or by the vote of the Fund’s shareholders. The Advisory Agreement terminates in the event of assignment and generally may be terminated by either party upon 60 days’ written notice. During the fiscal years ended September 30, 2018, 2017 and 2016, the Fund paid advisory fees of \$5,777,370, \$6,415,785 and \$6,719,933, respectively.

The Fund pays all of its expenses not assumed by the Adviser pursuant to the Advisory Agreement or the administration agreement described below including, but not limited to, the professional costs of preparing and the cost of printing its registration statements required under the Securities Act and the 1940 Act and any amendments thereto, the expense of registering its shares with the SEC and in the various states, the printing and distribution cost of prospectuses mailed to existing shareholders, director and officer liability insurance, reports to shareholders, reports to government authorities and proxy statements, interest charges, and brokerage commissions and expenses in connection with portfolio transactions. The Fund also pays the fees of trustees who are not interested persons of the Adviser or officers or employees of the Fund, salaries of administrative and clerical personnel, association membership dues, auditing and accounting services, fees and expenses of any custodian or trustees having custody of Fund assets, expenses of repurchasing and redeeming shares, printing and mailing expenses, charges and expenses of dividend disbursing agents, registrars and stock transfer agents, including the cost of keeping all necessary shareholder records and accounts and handling any problems related thereto.

The benefits derived by the Adviser from soft dollar arrangements are described under the caption “Allocation of Portfolio Brokerage.”

### **Portfolio Managers**

The Adviser employs individuals to manage the Fund’s portfolio. These portfolio managers to the

Fund may have responsibility for the day-to-day management of accounts other than the Fund. Information regarding these other accounts is set forth below. The number of accounts and assets is shown as of September 30, 2018.

Name of Portfolio Manager	Number of Other Accounts Managed and Total Assets by Account Type			Number of Accounts and Total Assets for Which Advisory Fee is Performance-Based		
	Registered Investment Companies	Other Pooled Investment Vehicles	Other Accounts	Registered Investment Companies	Other Pooled Investment Vehicles	Other Accounts
Richard E. Lane	0	1	14	0	1	0
	\$0	\$44 million	\$73 million	\$0	\$44 million	\$0
Aaron J. Garcia	0	0	13	0	0	0
	\$0	\$0	\$68 million	\$0	\$0	\$0
Faraz Farzam	0	0	13	0	0	0
	\$0	\$0	\$68 million	\$0	\$0	\$0
Richard J. Whiting	0	0	13	0	0	0
	\$0	\$0	\$68 million	\$0	\$0	\$0

The portfolio managers of the Fund are often responsible for managing other accounts. The Adviser typically assigns accounts with similar investment strategies to the portfolio managers to mitigate the potentially conflicting investment strategies, the side-by-side management of the Fund and other accounts may raise potential conflicts of interest due to the interest held by the portfolio managers (for example, cross trades between the Fund and another account and allocation of aggregated trades). The Adviser has developed policies and procedures reasonably designed to mitigate those conflicts. In particular, the Adviser has adopted policies designed to ensure the fair allocation of securities purchased on an aggregated basis.

The portfolio managers are compensated through their ownership interest in the Adviser and such compensation is not based on the performance of the Fund or the value of the Fund's assets. The following tables outline the forms of compensation paid to each portfolio manager and their ownership of shares of the Fund as of September 30, 2018.

Name of Portfolio Manager	Form of Compensation	Source of Compensation
Richard E. Lane	Pro rata distribution of the Adviser's profits	Adviser
Aaron J. Garcia	Pro rata distribution of the Adviser's profits	Adviser
Faraz Farzam	Pro rata distribution of the Adviser's profits	Adviser
Richard J. Whiting	Pro rata distribution of the Adviser's profits	Adviser

<b>Name of Portfolio Manager</b>	<b>Dollar Range of Shares in the Fund</b>
Richard E. Lane	Over \$1,000,000
Aaron J. Garcia	\$500,001 - \$1,000,000
Faraz Farzam	\$100,001 - \$500,000
Richard J. Whiting	\$100,001 - \$500,000

### **Administrator**

ALPS Fund Services, Inc. (the “Administrator”), whose principal business is located at 1290 Broadway, Suite 1100, Denver, Colorado 80203, provides certain administrative, bookkeeping and pricing services for the Fund under an Administration, Bookkeeping and Pricing Services Agreement (the “Administration Agreement”). Administrative services include, but are not limited to, preparing financial statements, SEC regulatory filings, Fund compliance monitoring support and reporting, performance calculations, preparing reports for quarterly Board meetings, managing Fund bill payment, coordinating Fund blue sky registration, and reporting to outside agencies including Morningstar. Accounting services include, but are not limited to, calculating and transmitting daily Fund NAVs, reconciliation of cash and investment balances with the Fund’s custodian, preparing required Fund accounting records and obtaining security valuations from appropriate sources consistent with Fund pricing and valuation policies.

During the fiscal years ended September 30, 2018, 2017 and 2016, the Fund paid fees for administrative and accounting services of \$214,764, \$218,716 and \$248,706, respectively.

### **Term of Agreements and Liability**

The Advisory Agreement will remain in effect as long as its continuance is specifically approved at least annually by (i) the Board of Trustees, or by the vote of a majority (as defined in the 1940 Act) of the outstanding shares of the Fund, and (ii) by the vote of a majority of the trustees of the Trust who are not parties to the Advisory Agreement or interested persons of the Adviser, cast in person at a meeting called for the purpose of voting on such approval.

The Advisory Agreement provides that it may be terminated at any time without the payment of any penalty, by the Board of Trustees or by vote of a majority of the Fund’s shareholders, on 60 days’ written notice to the Adviser, and by the Adviser on the same notice to the Trust and that it shall be automatically terminated if it is assigned.

The Administration Agreement became effective as of the date the Fund commenced investment operations and continued thereafter for a period of three (3) years (the “Initial Term”). The Administration Agreement is renewed annually thereafter, most recently in November 2018, and shall thereafter continue for successive annual periods unless terminated by either party on not less than sixty (60) days’ written notice prior to the expiration of the current renewal term or for cause.

The Advisory Agreement and the Administration Agreement provide that the Adviser, (and, with respect to the Administration Agreement, the Administrator) shall not be liable to the Trust, the Fund or its shareholders for anything other than willful misfeasance, bad faith, gross negligence or reckless disregard of its obligations or duties. They also provide that the Adviser and the Administrator and their officers, trustees and employees may engage in other businesses, devote time and attention to any other business whether of a similar or dissimilar nature, and render services to others.

## **DETERMINATION OF NET ASSET VALUE**

The net asset value of the Fund normally will be determined as of the close of regular trading (generally 4:00 p.m., Eastern Time) on each day the NYSE is open for trading. The NYSE is open for trading Monday through Friday except New Year's Day, Dr. Martin Luther King Jr. Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. Additionally, if any of the aforementioned holidays falls on a Saturday, the NYSE will not be open for trading on the preceding Friday and when any such holiday falls on a Sunday, the NYSE will not be open for trading on the succeeding Monday, unless unusual business conditions exist, such as the ending of a monthly or the yearly accounting period. The NYSE also may be closed on national days of mourning or due to natural disasters or other extraordinary events or emergencies.

The Fund's net asset value per share is determined by dividing the total value of its investments and other assets, less any liabilities, by the number of its outstanding shares. The result, rounded to the nearest cent, is its NAV per share. Common stock and securities sold short that are listed on a national securities exchange (other than the NASDAQ Stock Market, referred to as NASDAQ) are valued at the last sale price on the day the valuation is made. Common stock and securities sold short that are traded on NASDAQ under one of its three listing tiers, NASDAQ Global Select Market<sup>®</sup>, NASDAQ Global Market<sup>®</sup> and NASDAQ Capital Market<sup>®</sup>, are valued at the Nasdaq Official Closing Price. Securities price information on listed stocks is taken from the exchange where the security is primarily traded. Securities which are listed on an exchange but which are not traded on the valuation date are valued at the average of the current bid and asked prices. Other securities, including debt securities, will be valued by using market quotations or a matrix method provided by a pricing service. If prices are not available from the pricing service, then the securities will be priced at fair value. Options purchased or written by the Fund are valued at the average of the current bid and asked prices. The value of a futures contract is the daily quoted settlement price.

Any securities for which there are no readily available market quotations will be valued at their fair value as determined in good faith by the Fund's Valuation Committee in accordance with procedures approved by the Board of Trustees. The fair value of a security is the amount which the Fund might reasonably expect to receive upon a current sale. The fair value of a security may differ from the last quoted price and the Fund may not be able to sell a security at the fair value. Market quotations may not be available, for example, if trading in particular securities was halted during the day and not resumed prior to the close of trading on the NYSE. Other types of securities that the Fund may hold for which fair value pricing might be required include, but are not limited to: (a) illiquid securities; (b) securities of an issuer that has entered into a restructuring; and (c) securities whose trading has been halted or suspended.

## **DISTRIBUTION OF SHARES**

### **Distribution and Shareholder Servicing (Rule 12b-1) Plan**

The Fund has adopted a Distribution and Shareholder Servicing (Rule 12b-1) Plan (the "Plan") in anticipation that the Fund will benefit from the Plan through increased sales of shares, thereby reducing the Fund's expense ratio and providing greater flexibility in portfolio management. The Plan authorizes payments by the Fund in connection with the distribution of its shares at an annual rate, as determined from time to time by the Board of Trustees, of 0.25% of the Fund's average daily net assets. However, the Fund did not utilize the Plan or pay any 12b-1 fees during the fiscal year ended September 30, 2018. The Fund presently intends not to utilize the Plan or pay any 12b-1 fees during the fiscal year ending September 30, 2019. Payments made pursuant to the Plan may only be used to pay distribution expenses in the year incurred. Amounts paid under the Plan by the Fund may be spent by the Fund on any activities



or expenses primarily intended to result in the sale of shares of the Fund, including but not limited to, advertising, compensation for sales and marketing activities of financial institutions and others such as dealers and distributors, shareholder account servicing, the printing and mailing of prospectuses to other than current shareholders and the printing and mailing of sales literature.

The Plan may be terminated by the Fund at any time by a vote of the trustees of the Trust who are not interested persons of the Trust and who have no direct or indirect financial interest in the Plan or any agreement related thereto (the “Rule 12b-1 Trustees”) or by a vote of a majority of the outstanding shares of the Fund. Any change in the Plan that would materially increase the distribution expenses of the Fund provided for in the Plan requires approval of the shareholders of the Fund and the Board of Trustees, including the Rule 12b-1 Trustees.

While the Plan is in effect, the selection and nomination of trustee who are not interested persons of the Trust will be committed to the discretion of the trustees of the Trust who are not interested persons of the Trust. The Board of Trustees of the Trust must review the amount and purposes of expenditures pursuant to the Plan quarterly as reported to it by a distributor, if any, or officers of the Trust. The Plan will continue in effect for as long as its continuance is specifically approved at least annually by the Board of Trustees, including the Rule 12b-1 Trustees. The Fund has not incurred any distribution costs as of the date of this Statement of Additional Information.

#### **Sub-TA Services Fees**

In addition to the fees that the Fund may pay to the Transfer Agent (defined below), the Board has authorized the Fund to pay fees to certain financial intermediaries, such as broker-dealers or banks, for performing sub-transfer agent, administrative, sub-accounting, recordkeeping and other shareholder services (collectively, “sub-TA services”) on behalf of their customers who are shareholders of the Fund with shares held of record in omnibus or networked accounts, retirement plans, other group accounts or accounts traded through registered securities clearing agents in lieu of the Transfer Agent providing such services. Any sub-TA services fees paid by the Fund are included in the total amount of “Other Expenses” listed in the “Fees and Expenses of the Fund” table in the Fund’s prospectus.

#### **DISTRIBUTOR**

ALPS Distributors, Inc., 1290 Broadway, Suite 1100, Denver, CO 80203, serves as the distributor (“Distributor”) in connection with the continuous offering of the Fund’s shares. The Distributor and participating dealers with whom it has entered into dealer agreements offer shares of the Fund as agents on a best efforts basis and are not obligated to sell any specific amount of shares. Currently, the Distributor is not compensated for services that the Distributor provides to the Fund.

#### **AUTOMATIC INVESTMENT PLAN**

Shareholders wishing to invest fixed dollar amounts in the Fund monthly or quarterly can make automatic purchases in amounts of \$50 or more on any day they choose by using the Trust’s Automatic Investment Plan. If such day is a weekend or holiday, such purchase will be made on the next business day. There is no service fee for participating in this Plan. To use this service, the shareholder must authorize the transfer of funds from their checking account or savings account by completing the Automatic Investment Plan application included as part of the share purchase application. Additional application forms may be obtained by calling the transfer agent at (855) 846-1463. The Automatic Investment Plan must be implemented with a financial institution that is a member of the Automated Clearing House. The Trust reserves the right to suspend, modify or terminate the Automatic Investment Plan without notice. If your bank rejects your payment, the Fund’s transfer agent will charge a \$25 fee to

your account.

Shareholders should notify the Fund's transfer agent, ALPS Fund Services, Inc. (the "Transfer Agent"), of any changes to their Automatic Investment Plan at least five calendar days prior to the effective date. The Transfer Agent is unable to debit mutual fund or "pass through" accounts.

The Automatic Investment Plan is designed to be a method to implement dollar cost averaging. Dollar cost averaging is an investment approach providing for the investment of a specific dollar amount on a regular basis thereby precluding emotions dictating investment decisions. Dollar cost averaging does not insure a profit nor protect against a loss.

## **REDEMPTION OF SHARES**

The right to redeem shares of the Fund will be suspended for any period during which the NYSE is closed because of financial conditions or any other extraordinary reason and may be suspended for any period during which (a) trading on the NYSE is restricted pursuant to rules and regulations of the SEC, (b) the SEC has by order permitted such suspension, or (c) an emergency, as defined by rules and regulations of the SEC, exists as a result of which it is not reasonably practicable for the Fund to dispose of its securities or fairly to determine the value of its net assets.

## **SYSTEMATIC WITHDRAWAL PLAN**

The Trust has available to shareholders a Systematic Withdrawal Plan, pursuant to which a shareholder who owns shares of the Fund worth at least \$10,000 at current net asset value may provide that a fixed sum will be distributed to him or her at regular intervals. To participate in the Systematic Withdrawal Plan, a shareholder appoints the Transfer Agent as his or her agent to effect redemptions of shares held in his or her account for the purpose of making monthly or quarterly withdrawal payments of a fixed amount to him or her out of the account. An application for participation in the Systematic Withdrawal Plan is included as part of the share purchase application. Additional application forms may be obtained by calling the Transfer Agent at (855) 846-1463.

The minimum amount of a withdrawal payment is \$100. These payments will be made from the proceeds of periodic redemption of Fund shares in the account at net asset value. Redemptions will be made on such day (no more than monthly) as a shareholder chooses or, if that day is a weekend or holiday, on the next business day. When participating in the Systematic Withdrawal Plan, shareholders should elect to have all net investment income and net capital gain distributions payable by the Fund on shares held in such account reinvested into additional Fund shares at net asset value. This election can be made at the time of application or can be changed at any time. The shareholder may deposit additional shares in his or her account at any time. Withdrawals under the Systematic Withdrawal Plan may give rise to a taxable capital gain or realized capital loss for federal income tax purposes.

Withdrawal payments cannot be considered as yield or income on the shareholder's investment, since portions of each payment will normally consist of a return of capital. Depending on the size or the frequency of the disbursements requested, and the fluctuation in the value of the Fund's portfolio, redemptions for the purpose of making such disbursements may reduce or even exhaust the shareholder's account.

Shareholders should notify the Transfer Agent of any other changes to their Systematic Withdrawal Plan at least five calendar days prior to the effective date. The shareholder may vary the amount or frequency of withdrawal payments, temporarily discontinue them, or change the designated payee or payee's address, by notifying the Transfer Agent.

## **ALLOCATION OF PORTFOLIO BROKERAGE**

Decisions to buy and sell securities for the Fund are made by the Adviser subject to review by the Board of Trustees. In placing purchase and sale orders for portfolio securities for the Fund, it is the policy of the Adviser to seek the best execution of orders at the most favorable price in light of the overall quality of brokerage and research services provided, as described in this and the following paragraph. In selecting brokers to effect portfolio transactions, the determination of what is expected to result in best execution at the most favorable price involves a number of largely judgmental considerations. Among these are the Adviser's evaluation of the broker's efficiency in executing and clearing transactions, block trading capability (including the broker's willingness to position securities and the broker's financial strength and stability). The most favorable price to the Fund means the best net price (namely, the price after giving effect to commissions, if any). Over-the-counter securities may be purchased and sold directly with principal market makers who retain the difference in their cost in the security and its selling price (i.e., "markups" when the market maker sells a security and "markdowns" when the market maker purchases a security). In some instances, the Adviser feels that better prices are available from non-principal market makers who are paid commissions directly.

In allocating brokerage business for the Fund, the Adviser also takes into consideration the research, analytical, statistical and other information and services provided by the broker, such as general economic reports and information, reports or analyses of particular companies or industry groups, market timing and technical information, and the availability of the brokerage firm's analysts for consultation. While the Adviser believes these services have substantial value, they are considered supplemental to the Adviser's own efforts in the performance of its duties under the Advisory Agreement. Other clients of the Adviser may indirectly benefit from the availability of these services to the Adviser, and the Fund may indirectly benefit from services available to the Adviser as a result of transactions for other clients. The Advisory Agreement provides that the Adviser may cause the Fund to pay a broker which provides brokerage and research services to the Adviser a commission for effecting a securities transaction in excess of the amount another broker would have charged for effecting the transaction, if the Adviser determines in good faith that such amount of commission is reasonable in relation to the value of brokerage and research services provided by the executing broker viewed in terms of either the particular transaction or the Adviser's overall responsibilities with respect to the Fund and the other accounts as to which it exercises investment discretion. During the fiscal years ended September 30, 2018, 2017 and 2016, the Fund paid brokerage commissions of \$1,134,536 on transactions having a total value of \$672,922,709; \$1,210,844 on transactions having a total value of \$677,801,454; and \$1,129,651 on transactions having a total value of \$564,910,429, respectively. Of the brokerage commissions paid by the Fund in the fiscal year ended September 30, 2018, brokerage commissions totaling \$769,790 on transactions having a total value of \$403,753,625 were paid to brokers who provided research services to the Adviser.

As of September 30, 2018, the Fund did not hold securities of certain of its "regular brokers or dealers" as defined in the 1940 Act, or their parents.

## **CUSTODIAN**

MUFG Union Bank, N.A. ("Union Bank"), whose principal place of business is located at 350 California Street, 6th Floor, San Francisco, California 94104, acts as custodian for the Fund. As such, Union Bank holds all securities and cash of the Fund, delivers and receives payment for securities sold, receives and pays for securities purchased, collects income from investments and performs other duties, all as directed by officers of the Trust. Union Bank does not exercise any supervisory function over the management of the Fund, the purchase and sale of securities or the payment of distributions to

shareholders.

## **TRANSFER AGENT**

ALPS Fund Services, Inc. (“ALPS”), whose principal business is located at 1290 Broadway, Suite 1100, Denver, Colorado 80203, acts as the Fund’s transfer agent and dividend disbursing agent under an agreement with the Trust.

## **REDEMPTIONS IN-KIND**

The Fund does not intend to redeem shares in any form except cash. The Trust, however, has filed a notice of election under Rule 18f-1 of the 1940 Act that allows the Fund to redeem in-kind redemption requests of a certain amount. Specifically, if the amount you are redeeming during any 90-day period is in excess of the lesser of \$250,000 or 1% of the net assets of the Fund, valued at the beginning of such period, the Fund has the right to redeem your shares by giving you the amount that exceeds \$250,000 or 1% of the net assets of the Fund in securities instead of cash. If the Fund pays your redemption proceeds by a distribution of securities, you could incur brokerage or other charges in converting the securities to cash, and you will bear any market risks associated with such securities until they are converted into cash. For federal income tax purposes, redemptions made in-kind are taxed in the same manner as redemptions made in cash. The subsequent sale of securities received in-kind may give rise to taxable capital gains or realized capital losses.

## **TAXES**

Set forth below is a summary of certain United States federal income tax considerations applicable to the Fund and the purchase, ownership, and disposition of Fund shares. Changes in federal income tax laws, potentially with retroactive effect, could impact the Fund’s investments or the tax consequences to an investor of investing in the Fund. This discussion does not purport to be a complete description of the federal income tax considerations that may be applicable to an investment in the Fund. For example, this summary does not discuss certain tax considerations that may be relevant to non-U.S. holders or holders who are subject to special rules under the Internal Revenue Code of 1986, as amended (the “Code”), including shareholders subject to the alternative minimum tax, tax-exempt organizations, certain financial institutions, dealers in securities, and pension plans and trusts. In addition, this summary does not discuss any aspect of U.S. estate or gift tax or foreign, state, or local taxes.

### **Taxation of the Fund**

The Fund has elected to be treated, has qualified, and intends to qualify as a regulated investment company under Subchapter M of the Code. To qualify as a regulated investment company, the Fund must comply with certain requirements of the Code relating to, among other things, the sources of its income, the diversification of its assets and the timing and amount of its distributions. If the Fund so qualifies as a regulated investment company and distributes to its shareholders at least 90% of its investment company taxable income (generally including interest, dividends, and net short-term capital gain), it will not be subject to U.S. federal income tax on its investment company taxable income or its net capital gain realized during any fiscal year, to the extent that it distributes such income and gain to the Fund’s shareholders. If the Fund failed to qualify as a regulated investment company in any fiscal year, it would be treated as a regular corporation for federal income tax purposes and as such, the Fund (but not its shareholders) would be required to pay income taxes at the Fund level on its net investment income and net capital gain, if any, at the rates generally applicable to corporations, regardless of whether the Fund distributed such income or gains. In addition, distributions to the Fund’s shareholders, whether from the

Fund's net investment income or net capital gain, would be treated as taxable dividends to the extent of current and accumulated earnings and profits of the Fund.

As a regulated investment company, the Fund is generally not allowed to utilize any net operating loss realized in a taxable year in computing investment company taxable income in any prior or subsequent taxable year. The Fund may, however, carry forward capital losses in excess of capital gains ("net capital losses") from a taxable year to offset capital gains, if any, realized in a subsequent taxable year, subject to certain limitations. Net capital losses may be carried forward for an unlimited period and retain their character as either short-term or long-term capital losses. As of September 30, 2018 the Fund did not have any net capital loss carryovers.

The Fund will be subject to income tax at regular corporate rates on any investment company taxable income or net capital gain that it does not distribute to its shareholders. The Fund intends to distribute substantially all of its investment company taxable income and net capital gain each fiscal year.

The Code imposes a 4% nondeductible excise tax on the Fund to the extent it does not distribute by the end of any calendar year at least the sum of (i) 98% of its ordinary income (not taking into account any capital gain or loss) for the calendar year and (ii) 98.2% of its capital gain in excess of its capital loss (adjusted for certain ordinary losses) for a one-year period generally ending on October 31 of the calendar year. In addition, the minimum amounts that must be distributed in any year to avoid the excise tax will be increased or decreased to reflect any under-distribution or over-distribution, as the case may be, from the previous year. While the Fund intends to distribute any income and capital gain in the manner necessary to minimize imposition of the 4% nondeductible excise tax, there can be no assurance that sufficient amounts of the Fund's taxable income and capital gain will be distributed to avoid entirely the imposition of the excise tax. In that event, the Fund will be liable for the excise tax only on the amount by which it does not meet the foregoing distribution requirement.

The Fund may use "equalization accounting" (in lieu of making some cash distributions) in determining the portion of its investment company taxable income and net capital gain that has been distributed. If the Fund uses equalization accounting, it will allocate a portion of its undistributed investment company taxable income and net capital gain to redemptions of Fund shares and will correspondingly reduce the amount of such income and gains that it distributes in cash. If the Internal Revenue Service ("IRS") determines that the Fund's allocation is improper and that the Fund has under-distributed its investment company taxable income and net capital gain for any taxable year, the Fund may be liable for federal income and/or excise tax. If, as a result of such adjustment, the Fund fails to satisfy the distribution requirements for maintaining its status as a regulated investment company, it will not qualify that year as a regulated investment company.

## **Taxation of Shareholders**

Investment company taxable income distributions (which include net short-term capital gains) are taxable to shareholders as ordinary income (although a portion of such distributions may be taxable to shareholders at the lower rates applicable to qualified dividend income), while distributions of net capital gain (the excess of net long-term capital gain over net short-term capital loss) are taxable as long-term capital gain regardless of the shareholder's holding period for the shares. Distributions from the Fund are taxable to shareholders, whether received in cash or in additional shares of the Fund. In the case of domestic corporate shareholders, a portion of the Fund's investment company taxable income distributions may be eligible for the 50% dividends-received deduction.

Any investment company taxable income or net capital gain distribution paid shortly after a purchase of shares of the Fund will have the effect of reducing the per share net asset value of such shares

by the amount of the distribution. Even if the net asset value of the shares of the Fund immediately after a distribution is less than the cost of such shares to the shareholder so that the distribution is the economic equivalent of a return of capital to the shareholder, the distribution will be taxable to the shareholder.

In addition to the federal income tax, certain individuals, trusts and estates may be subject to a Medicare tax of 3.8%. The Medicare tax is imposed on the lesser of: (i) a taxpayer's investment income, net of deductions properly allocable to such income, or (ii) the amount by which such taxpayer's modified adjusted gross income exceeds certain thresholds (\$250,000 for married individuals filing jointly, \$200,000 for unmarried individuals, and \$125,000 for married individuals filing separately). The Fund's distributions are includable in a shareholder's investment income for purposes of this Medicare tax. In addition, any capital gain realized by a shareholder upon a redemption of Fund shares is includable in such shareholder's investment income for purposes of this Medicare tax.

Redemption of shares will generally result in a capital gain or loss for income tax purposes for shareholders who hold such shares for investment. Such capital gain or loss will be long-term or short-term, depending on the shareholder's holding period in the redeemed shares. However, if a loss is realized on shares held for six months or less, and the shareholder received a net capital gain distribution during that period, then such loss is treated as a long-term capital loss to the extent of the net capital gain distribution received. Any loss realized on a redemption will be disallowed to the extent that shares redeemed are replaced (including through reinvestment of distributions) within a period of 61 days beginning 30 days before and ending 30 days after redemption of the original shares. In that case, the basis of the shares acquired will be adjusted to reflect the disallowed loss.

In addition to reporting gross proceeds from redemptions of mutual fund shares, the Code requires mutual funds, such as the Fund, to report to the IRS and certain shareholders the "cost basis" of shares acquired on or after January 1, 2012 ("covered shares") when they are redeemed on or after such date. These requirements generally do not apply to Fund shares held through a tax-deferred arrangement or to certain types of entities (such as C corporations). S corporations, however, are not exempt from these rules.

A corporation purchasing shares of the Fund shall be treated for tax purposes as a C-corporation unless the corporation has elected to be treated as an S-corporation and has provided authenticating documentation. Also, if a shareholder holds Fund shares through a financial intermediary, the shareholder should contact that financial intermediary with respect to the reporting of cost basis and available elections for the shareholder's account.

If a shareholder holds Fund shares directly, the shareholder may request that the shareholder's cost basis be calculated and reported using any one of a number of IRS-approved alternative methods. A shareholder should contact the Fund to make, revoke or change the shareholder's election. If a shareholder does not affirmatively elect a cost basis method, the Fund will use the average cost basis method as its default method for determining the shareholder's cost basis.

Shareholders should note that they will continue to be responsible for calculating and reporting the tax basis, as well as any corresponding gains or losses, of Fund shares purchased prior to January 1, 2012 that are subsequently redeemed. Shareholders are encouraged to consult with their tax advisers regarding the application of the cost basis reporting rules to them and, in particular, which cost basis calculation method they should elect. In addition, because the Fund is not required to, and in many cases does not possess the information to, take into account all possible basis, holding period or other adjustments into account in reporting cost basis information to shareholders, shareholders also should carefully review the cost basis information provided to them by the Fund and make any additional basis, holding period or other adjustments that are required when reporting these amounts on their federal income tax return.

The Fund may be required to withhold federal income tax at a rate set under Section 3406 of the Code (“backup withholding”) from distributions and redemption proceeds if a shareholder fails to furnish the Fund with a correct social security or other tax identification number and certify under penalty of perjury that such number is correct and that he or she is not subject to backup withholding due to the underreporting of income. The certification form is included as part of the share purchase application and should be completed when the account is opened.

Under the Foreign Account Tax Compliance Act (“FATCA”), the Fund may be required to withhold a generally nonrefundable 30% tax on (i) distributions of investment company taxable income and (ii) distributions of net capital gain and the gross proceeds of a redemption of Fund shares paid to (i) certain “foreign financial institutions” unless such foreign financial institution agrees to verify, monitor, and report to the IRS the identity of certain of its accountholders, among other things, and (ii) certain “non-financial foreign entities” unless such entity certifies to the Fund that it does not have any substantial U.S. owners or provides the name, address, and taxpayer identification number of each substantial U.S. owner, among other things (unless such institution is otherwise deemed compliant under the terms of an intergovernmental agreement between the United States and the country in which the institution is a resident). In December 2018, the IRS and Treasury Department released proposed Treasury Regulations that would eliminate FATCA withholding on Fund distributions of net capital gain and the gross proceeds from a sale or redemption of Fund shares. Although taxpayers are entitled to rely on these proposed Treasury Regulations until final Treasury Regulations are issued, these proposed Treasury Regulations have not been finalized, may not be finalized in their proposed form, and are potentially subject to change. This FATCA withholding tax could also affect the Fund’s return on its investments in foreign securities or affect a shareholder’s return if the shareholder holds its Fund shares through a foreign intermediary. You are urged to consult your tax adviser regarding the application of this FATCA withholding tax to your investment in the Fund and the potential certification, compliance, due diligence, reporting, and withholding obligations to which you may become subject in order to avoid this withholding tax.

Fund shareholders may be subject to state, local and non-U.S. taxes on their Fund distributions.

This section is not intended to be a complete discussion of present or proposed federal income tax laws and the effect of such laws on a particular investor. Investors are urged to consult with their respective tax advisers for a complete review of the tax ramifications of an investment in the Fund.

## **SHAREHOLDER MEETINGS**

The Delaware Statutory Trust Act permits registered investment companies, such as the Trust, to operate without an annual meeting of shareholders under specified circumstances if an annual meeting is not required by the 1940 Act. The Trust has adopted provisions relating thereto in its Declaration of Trust.

The Trust’s Declaration of Trust also contains procedures for the removal of trustees by its shareholders. At any meeting of shareholders, duly called and at which a quorum is present, the shareholders may, by the vote of the holders of two-thirds of the outstanding shares entitled to be cast thereon, remove any trustee from office and may elect a successor or successors to fill any resulting vacancies for the unexpired terms of removed trustees.

Upon the written request of the holders of shares entitled to not less than ten percent (10%) of all the votes entitled to be cast at such meeting, the Secretary of the Trust shall promptly call a special meeting of shareholders for the purpose of voting upon the question of removal of any director.

## **CAPITAL STRUCTURE**

The Declaration of Trust permits the Board of Trustees to issue an unlimited number of shares of beneficial interest. The Board of Trustees has the power to designate one or more series of shares of beneficial interest and to classify or reclassify any unissued shares with respect to such series.

The shares of the Fund are fully paid and non-assessable, have no preference as to conversion, exchange, dividends and distributions, retirement or other features and have no pre-emptive rights. Such shares have non-cumulative voting rights, meaning that the holders of more than 50% of the shares voting for the election of trustees can elect 100% of the trustees if they so choose.

## **INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Cohen & Company, Ltd., whose principal business is located at 342 North Water Street, Suite 830, Milwaukee, WI 53202, serves as the independent registered public accounting firm for the Fund and is responsible for auditing the financial statements of the Fund.

## **FINANCIAL STATEMENTS**

The financial statements for the Fund and the report of Cohen & Company, Ltd., the Fund's independent registered public accounting firm, are included in the Fund's Annual Report for the fiscal year ended September 30, 2018 and are incorporated by reference into this SAI.