



## NUANCE CONCENTRATED VALUE LONG-SHORT FUND

INVESTOR CLASS SHARES – NCLIX  
INSTITUTIONAL CLASS SHARES – NCLSX

ANNUAL REPORT

[www.nuanceinvestments.com](http://www.nuanceinvestments.com)

APRIL 30, 2019

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission (the “SEC”), paper copies of the Fund’s shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports from the Fund (defined herein) or from your financial intermediary, such as a broker-dealer or bank. Instead, the reports will be made available on the Fund’s website ([www.nuanceinvestments.com](http://www.nuanceinvestments.com)), and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Fund electronically by contacting your financial intermediary (such as a broker-dealer or bank) or, if you are a direct investor, by calling 855-682-6233 or by sending an e-mail request to [client.services@nuanceinvestments.com](mailto:client.services@nuanceinvestments.com).

You may elect to receive all future reports in paper free of charge. If you invest through a financial intermediary, you can contact your financial intermediary to request that you continue to receive paper copies of your shareholder reports. If you invest directly with the Fund, you can call 855-682-6233 or send an e-mail request to [client.services@nuanceinvestments.com](mailto:client.services@nuanceinvestments.com) to let the Fund know you wish to continue receiving paper copies of your shareholder reports. Your election to receive reports in paper will apply to all funds held in your account if you invest through your financial intermediary.



## NUANCE CONCENTRATED VALUE LONG-SHORT FUND

---

April 30, 2019

Dear Fellow Shareholders:

We are pleased to write our annual shareholder letter for the Nuance Concentrated Value Long-Short Fund (the “Fund”). The Fund seeks long-term capital appreciation by taking long positions in securities priced below, and short positions in securities priced above, our internal view of their estimated intrinsic value. The Fund will typically maintain 15-35 long positions and up to 50 short positions.

### Average Annual Rates of Return as of April 30, 2019:

|                              | <u>1 Year</u> | <u>3 Year</u> | <u>Since Inception<sup>(1)</sup></u> |
|------------------------------|---------------|---------------|--------------------------------------|
| Institutional Class          | 5.30%         | 3.98%         | 6.65%                                |
| S&P 500 Index <sup>(2)</sup> | 13.49%        | 14.87%        | 13.89%                               |
|                              | <u>1 Year</u> | <u>3 Year</u> | <u>Since Inception<sup>(1)</sup></u> |
| Investor Class               | 4.96%         | 3.63%         | 6.29%                                |
| S&P 500 Index <sup>(2)</sup> | 13.49%        | 14.87%        | 13.89%                               |

*Performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor’s shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 1-855-682-6233.*

Nuance Investments, LLC (the “Adviser”) has contractually agreed to reduce its management fees, and may reimburse the Fund for its operating expenses, in order to ensure that Total Annual Fund Operating Expenses (Excluding acquired fund fees and expenses, leverage, interest, dividend and interest expense on short sales, taxes, brokerage commissions, and extraordinary expenses) do not exceed 1.55% of the average daily net assets of the Investor Class and 1.30% of the average daily net assets of the Institutional Class. Fees waived and expenses paid by the Adviser may be recouped by the Adviser for a period of 36 months following the month during which such fee waiver and expense payment was made, if such recoupment can be achieved without exceeding the expense limit in effect at the time the fee waiver and expense payment occurred and at the time of recoupment. The Operating Expenses Limitation Agreement is indefinite in term and cannot be terminated through at least August 28, 2019. The net expense ratio represents what investors have paid as of the most recent prospectus.

Institutional Class Gross Expense Ratio – 2.82%

Net Expense Ratio – 2.59%

Investor Class Gross Expense Ratio – 3.07%

Net Expense Ratio – 2.84%

(1) December 31, 2015

(2) The Standard & Poor’s 500 Index (S&P 500) is an unmanaged, capitalization-weighted index generally representative of the U.S. Market for large capitalization stocks. This Index cannot be invested in directly.

In terms of performance, since its inception on December 31, 2015 through April 30, 2019 the Institutional Class is up 6.65 percent versus its primary index – the S&P 500 Index – up 13.89 percent. Given the very short history of the Fund, we do not read much into our since inception performance. Nuance cautions clients regarding the use of short-term performance as a tool to make investment decisions. As we remind our clients each month, your team continues to try and find leading business franchises with sustainable competitive positions that are trading below our internally derived view of fair or intrinsic value. We believe that our time-tested process of finding what we consider best of breed businesses with better than the market downside support and better than the market upside potential over the long-term should lead to solid risk adjusted returns versus our peers and benchmarks.

## NUANCE CONCENTRATED VALUE LONG-SHORT FUND

---

At Nuance, our team and our processes are designed to emphasize consistency and what we believe is thorough fundamental analysis of companies that have the potential to lead to investment returns that will be acceptable for our shareholders over the long-term. To do this, we focus our attention on studying one company at a time using the Nuance approach.

Nuance employs a bottoms-up stock selection process that emphasizes one stock at a time valuation and fundamental work. Sector/industry weightings are a fallout primarily of the emphasis of the team to optimize the risk versus reward profile of the portfolio. We would note that often specific events will result in an entire industry or sector being out of favor and thus showing positively skewed risk versus rewards. During those periods, we are likely to be overweight those areas. The reverse is also true and certain sectors or industries can become overvalued at the same time. During those periods we would be underweight. Those decisions are made as a direct result of the time-tested process of studying valuations for leading business franchises one stock at a time as opposed to a top-down view of a space.

The Investment Team believes the investment opportunity set has once again become skewed to the short side of the Fund's investment portfolio. As a point of reference, as of April 30, 2019, the median company in the proprietary Nuance long universe, which consists of approximately 250 companies we view as industry leaders, was trading at over a 25% premium to what the Investment Team would consider to be fair value. Said another way, the universe appeared to be more than 25% over-valued on average, per our internal estimates. In addition, according to our company-by-company valuation work, this same universe had roughly 65% downside potential. This implies that if our list of 250 companies were to all trade down to their historic trough valuation multiples, then the average stock could go down by around 65%.

On the long side of the portfolio, the Investment Team continues to find attractive investments with reasonable risk/ rewards within the Packaged Food & Meats, Healthcare Supplies, Property & Casualty Insurance, and Life & Health Insurance sub-industries, in our opinion. On the short side of the portfolio, the Investment Team believes the opportunity set has once again expanded, with attractive short investments to be found across the majority of sectors of the economy. In particular, recent outperformance in what most consider to be defensive sectors of the economy, including the Consumer Staples, Real Estate and Utilities sectors, have led to what we believe are very attractive risk/rewards from a short seller's perspective.

Chad Baumler, CFA

Please visit our website at [www.nuanceinvestments.com](http://www.nuanceinvestments.com) for more information about our team, our process, and value investing. You can also get real-time access to the Nuance Investment website updates and information via traditional mail or e-mail. Simply contact us at [client.services@nuanceinvestments.com](mailto:client.services@nuanceinvestments.com) or call 816-743-7080 to sign-up.

*This report should be preceded or accompanied by a prospectus.*

**Mutual fund investing involves risk. Principal loss is possible. Investments in small and mid-capitalization companies involve additional risk such as limited liquidity and greater volatility than larger capitalization companies. Investments in foreign securities involve political, economic and currency risks, greater volatility and differences in accounting methods. The Fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the Fund is more exposed to individual stock volatility than a diversified fund.**

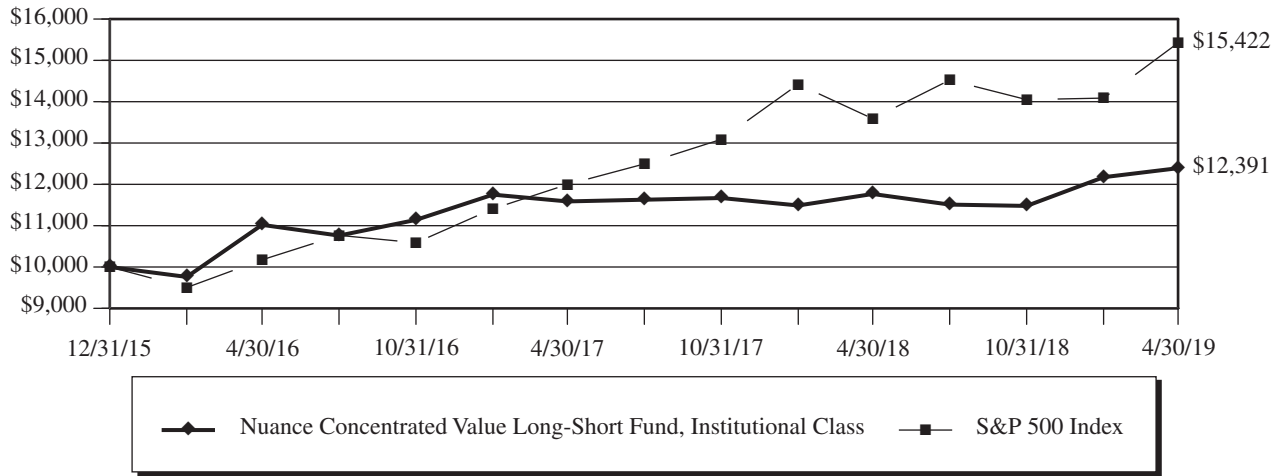
***Past performance does not guarantee future results.***

Opinions expressed are subject to change, are not guaranteed and should not be considered investment advice or recommendations to buy or sell any security.

Nuance Investments is the advisor to the Nuance Concentrated Value Long-Short Fund which is distributed by Quasar Distributors, LLC.

## NUANCE CONCENTRATED VALUE LONG-SHORT FUND

### Value of \$10,000 Investment (UNAUDITED)



*The chart assumes an initial investment of \$10,000. Performance reflects waivers of fee and operating expenses in effect. In the absence of such waivers, total return would be reduced. Past performance is not predictive of future performance. Investment return and principal value will fluctuate, so that your shares, when redeemed may be worth more or less than their original cost. Performance assumes the reinvestment of capital gains and income distributions. The performance does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.*

### Average Annual Rates of Return (%) As of April 30, 2019

| Investor Class                         | <u>1 Year</u> | <u>3 Year</u> | <u>Since Inception<sup>(1)</sup></u> |
|--|---------------|---------------|--------------------------------------|
| <b>Institutional Class</b>             | 4.96%         | 3.63%         | 6.29%                                |
| <b>S&amp;P 500 Index<sup>(2)</sup></b> | 13.49%        | 14.87%        | 13.89%                               |

(1) December 31, 2015.

(2) The Standard & Poor's 500 Index (S&P 500) is an unmanaged, capitalization-weighted index generally representative of the U.S. market for large capitalization stocks. This Index cannot be invested in directly.

## NUANCE CONCENTRATED VALUE LONG-SHORT FUND

---

### EXPENSE EXAMPLE (UNAUDITED) APRIL 30, 2019

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs and (2) ongoing costs, including management fees, distribution and service (12b-1) fees, shareholder servicing fees, and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (November 1, 2018 – April 30, 2019).

#### ACTUAL EXPENSES

For each class, the first line of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

#### HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES

For each class, the second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

*Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if transactional costs were included, your costs may have been higher.*

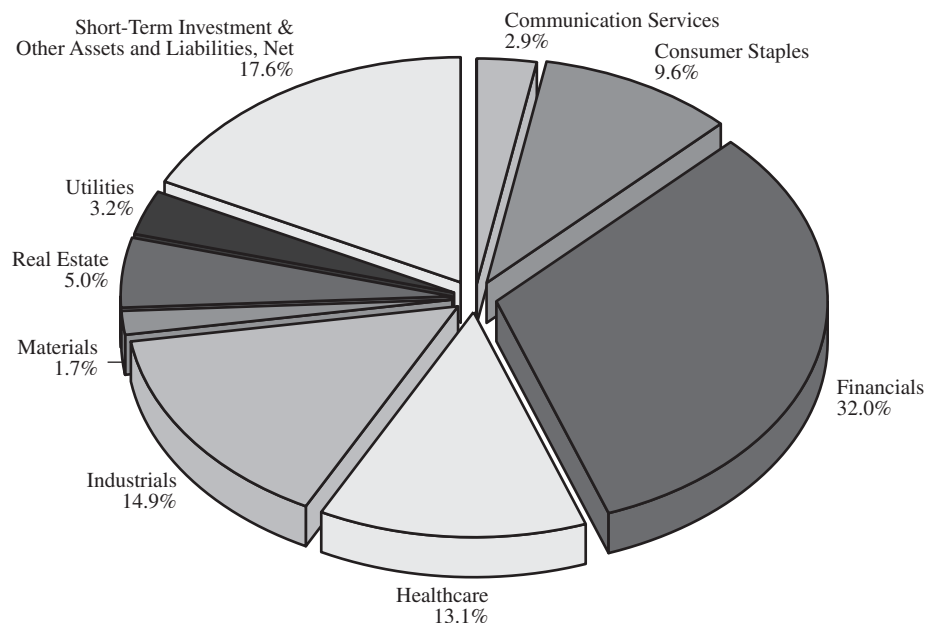
|   | <u>Beginning Account<br/>Value (11/1/2018)</u> | <u>Ending Account<br/>Value (4/30/2019)</u> | <u>Expenses Paid<br/>During Period<sup>(1)</sup><br/>(11/1/2018 to 4/30/2019)</u> |
|---|--|---|---|
| Investor Class  |  |   |   |
| Actual <sup>(2)(3)</sup>                                | \$1,000.00                                     | \$1,077.30                                  | \$18.95   |
| Hypothetical <sup>(4)</sup> (5% return before expenses) | \$1,000.00                                     | \$1,006.55                                  | \$18.31   |
| Institutional Class                                     |  |   |   |
| Actual <sup>(2)(3)</sup>                                | \$1,000.00                                     | \$1,079.50                                  | \$18.20   |
| Hypothetical <sup>(4)</sup> (5% return before expenses) | \$1,000.00                                     | \$1,007.29                                  | \$17.57   |

- (1) Expenses are equal to the Fund’s annualized expense ratio for the six-month period of 1.55% and 1.30% for the Investor Class and Institutional Class, respectively, multiplied by the average account value over the period, multiplied by 181/365 to reflect the one-half year period.
- (2) Based on the actual returns for the six-month period of 7.73% and 7.95% for the Investor Class and Institutional Class, respectively.
- (3) Excluding dividends and interest on short positions, the actual expenses would be \$7.98 and \$6.70 for the Investor Class and Institutional Class, respectively.
- (4) Excluding dividends and interest on short positions, the hypothetical expenses would be \$7.75 and \$6.51 for the Investor Class and Institutional Class, respectively.

# NUANCE CONCENTRATED VALUE LONG-SHORT FUND

---

## ALLOCATION OF PORTFOLIO<sup>(1)(2)</sup> (% OF NET ASSETS) (UNAUDITED) APRIL 30, 2019



### TOP TEN LONG EQUITY POSITIONS<sup>(1)(2)</sup> (UNAUDITED) AS OF APRIL 30, 2019 (% OF NET ASSETS)

|                                    |      |
|------------------------------------|------|
| Travelers Companies, Inc.          | 6.4% |
| Dentsply Sirona, Inc.              | 6.3% |
| Reinsurance Group of America, Inc. | 5.0% |
| Equity Commonwealth                | 5.0% |
| Sanderson Farms, Inc.              | 4.5% |
| MetLife, Inc.                      | 4.1% |
| WABCO Holdings, Inc.               | 3.9% |
| Everest Re Group Ltd.              | 3.6% |
| Amphenol Corp. – Class A           | 3.5% |
| Unum Group                         | 3.1% |

### TOP FIVE SHORT POSITIONS<sup>(2)</sup> (UNAUDITED) AS OF APRIL 30, 2019 (% OF NET ASSETS)

|                         |       |
|-------------------------|-------|
| Republic Services, Inc. | -4.6% |
| Progressive Corp.       | -4.6% |
| Dollar General Corp.    | -4.3% |
| Ross Stores, Inc.       | -4.2% |
| Prologis, Inc.          | -4.2% |

(1) Excludes short positions.

(2) Fund holdings and sector allocations are subject to change at any time and are not recommendations to buy or sell any security.

# NUANCE CONCENTRATED VALUE LONG-SHORT FUND

## SCHEDULE OF INVESTMENTS APRIL 30, 2019

|  | <u>Shares</u> | <u>Value</u>      |
|--|---------------|-------------------|
| <b>COMMON STOCKS – 82.4%</b>           |               |                   |
| <b>Communication Services – 2.9%</b>   |               |                   |
| Alphabet, Inc. – Class A (a)*          | 772           | \$ 925,597        |
| <b>Consumer Staples – 9.6%</b>         |               |                   |
| Cal-Maine Foods, Inc. (a)              | 13,438        | 552,436           |
| Diageo PLC – ADR (a)                   | 4,662         | 786,200           |
| Henkel AG & Co. KGaA – ADR (a)         | 13,324        | 319,776           |
| Sanderson Farms, Inc. (a)              | 9,472         | 1,436,239         |
|  |               | <u>3,094,651</u>  |
| <b>Financials# – 32.0%</b>             |               |                   |
| Charles Schwab Corp. (a)               | 10,687        | 489,251           |
| Chubb Ltd. (a)                         | 3,267         | 474,368           |
| Everest Re Group, Ltd. (a)             | 4,909         | 1,156,070         |
| MetLife, Inc. (a)                      | 28,546        | 1,316,827         |
| Northern Trust Corp. (a)               | 6,718         | 662,059           |
| Reinsurance Group of America, Inc. (a) | 10,686        | 1,619,036         |
| Travelers Companies, Inc. (a)          | 14,384        | 2,067,700         |
| UMB Financial Corp. (a)                | 9,340         | 652,492           |
| Unum Group (a)                         | 27,033        | 998,058           |
| Valley National Bancorp (a)            | 77,973        | 817,157           |
|  |               | <u>10,253,018</u> |
| <b>Healthcare – 13.1%</b>              |               |                   |
| Cerner Corp. (a)*                      | 4,942         | 328,396           |
| Dentsply Sirona, Inc. (a)              | 39,789        | 2,034,412         |
| Johnson & Johnson (a)                  | 6,868         | 969,762           |
| Medtronic PLC (a)                      | 3,355         | 297,957           |
| Smith & Nephew – ADR (a)               | 15,058        | 588,015           |
|  |               | <u>4,218,542</u>  |
| <b>Industrials – 14.9%</b>             |               |                   |
| ABB Ltd. – ADR (a)                     | 24,254        | 501,088           |
| Amphenol Corp. – Class A (a)           | 11,234        | 1,118,457         |
| Applied Materials, Inc. (a)            | 7,213         | 317,877           |
| Lindsay Corp. (a)                      | 7,195         | 611,575           |
| Schneider Electric SE – ADR (a)        | 39,260        | 684,498           |
| WABCO Holdings, Inc. (a)*              | 9,359         | 1,239,506         |
| Werner Enterprises, Inc. (a)           | 8,770         | 293,795           |
|  |               | <u>4,766,796</u>  |
| <b>Materials – 1.7%</b>                |               |                   |
| 3M Co. (a)                             | 2,904         | <u>550,337</u>    |

See Notes to the Financial Statements



## NUANCE CONCENTRATED VALUE LONG-SHORT FUND

---

### SCHEDULE OF INVESTMENTS – CONTINUED APRIL 30, 2019

|   | <u>Shares</u> | <u>Value</u>               |
|---|---------------|----------------------------|
| <b>Real Estate – 5.0%</b>                                       |               |                            |
| Equity Commonwealth (a)   | 50,664        | \$ <u>1,611,115</u>        |
| <b>Utilities – 3.2%</b>   |               |                            |
| Aqua America, Inc. (a)  | 10,762        | 420,364                    |
| SJW Group (a)   | 9,700         | <u>601,982</u>             |
|   |               | <u>1,022,346</u>           |
| <b>Total Common Stocks</b>                                      |               |                            |
| <b>(Cost \$23,383,906)</b>                                      |               | <u>26,442,402</u>          |
| <br>  |               |                            |
| <b>SHORT-TERM INVESTMENT – 13.0%</b>                            |               |                            |
| First American Government Obligations Fund, Class X, 2.36% (a)^ |               |                            |
| <b>(Cost \$4,160,324)</b>                                       | 4,160,324     | <u>4,160,324</u>           |
| <b>Total Investments – 95.4%</b>                                |               |                            |
| <b>(Cost \$27,544,230)</b>                                      |               | 30,602,726                 |
| <b>Other Assets and Liabilities, Net – 4.6%</b>                 |               | <u>1,473,104</u>           |
| <b>Total Net Assets – 100.0%</b>                                |               | <u><u>\$32,075,830</u></u> |

(a) All or a portion of this security is designated as collateral for securities sold short. As of April 30, 2019, the value of the collateral was \$30,602,726.

\* Non-income producing security.

# The Fund is significantly invested in this sector and therefore is subject to additional risks. Changes in governmental regulation, interest rates, domestic and international economics, loan losses, price competition and industry consolidation may affect companies in this sector.

^ The rate shown is the annualized seven day effective yield as of April 30, 2019.

ADR – American Depositary Receipt

See Notes to the Financial Statements

## NUANCE CONCENTRATED VALUE LONG-SHORT FUND

---

### SCHEDULE OF SECURITIES SOLD SHORT APRIL 30, 2019

|                                       | <u>Shares</u> | <u>Value</u>     |
|---------------------------------------|---------------|------------------|
| <b>COMMON STOCKS – 99.9%</b>          |               |                  |
| <b>Consumer Discretionary – 24.3%</b> |               |                  |
| Cintas Corp.                          | 5,868         | \$ 1,274,178     |
| Delta Air Lines, Inc.                 | 3,635         | 211,884          |
| Home Depot, Inc.                      | 5,643         | 1,149,479        |
| McDonalds Corp.                       | 2,500         | 493,925          |
| O’Reilly Automotive, Inc.*            | 2,875         | 1,088,389        |
| Restaurant Brands International, Inc. | 14,568        | 950,416          |
| Ross Stores, Inc.                     | 13,734        | 1,341,262        |
| Royal Caribbean Cruises Ltd.          | 4,523         | 547,012          |
| TJX Companies, Inc.                   | 4,592         | 252,009          |
| Yum China Holding, Inc.               | 4,706         | 491,259          |
|                                       |               | <u>7,799,813</u> |
| <b>Consumer Staples – 12.3%</b>       |               |                  |
| Coca-Cola Co.                         | 26,864        | 1,317,948        |
| Costco Wholesale Corp.                | 1,817         | 446,128          |
| Dollar General Corp.                  | 10,991        | 1,385,855        |
| Hormel Foods Corp.                    | 5,808         | 231,971          |
| PepsiCo, Inc.                         | 4,318         | 552,920          |
|                                       |               | <u>3,934,822</u> |
| <b>Energy – 6.7%</b>                  |               |                  |
| BP PLC – ADR                          | 5,266         | 230,282          |
| Chevron Corp.                         | 2,173         | 260,890          |
| ConocoPhillips                        | 8,049         | 508,053          |
| Exxon Mobil Corp.                     | 7,079         | 568,302          |
| Marathon Petroleum Corp.              | 3,008         | 183,097          |
| Suncor Energy, Inc.                   | 4,793         | 158,169          |
| Valero Energy Corp.                   | 2,540         | 230,277          |
|                                       |               | <u>2,139,070</u> |
| <b>Financials – 9.9%</b>              |               |                  |
| Allstate Corp.                        | 12,326        | 1,221,014        |
| Bank of America Corp.                 | 8,194         | 250,572          |
| JPMorgan Chase & Co.                  | 2,062         | 239,295          |
| Progressive Corp.                     | 18,698        | 1,461,249        |
|                                       |               | <u>3,172,130</u> |
| <b>Healthcare – 1.7%</b>              |               |                  |
| HCA Healthcare, Inc.                  | 4,281         | 544,672          |

See Notes to the Financial Statements

## NUANCE CONCENTRATED VALUE LONG-SHORT FUND

---

### SCHEDULE OF SECURITIES SOLD SHORT – CONTINUED APRIL 30, 2019

|                                      | <u>Shares</u> | <u>Value</u>               |
|--------------------------------------|---------------|----------------------------|
| <b>Industrials – 22.0%</b>           |               |                            |
| Boeing Co.                           | 2,866         | \$ 1,082,460               |
| CSX Corp.                            | 5,755         | 458,271                    |
| Cummins, Inc.                        | 1,646         | 273,713                    |
| Eaton Corporation PLC                | 2,263         | 187,422                    |
| Illinois Tool Works, Inc.            | 3,540         | 550,930                    |
| Ingersoll-Rand PLC                   | 6,464         | 792,551                    |
| Parker-Hannifin Corp.                | 1,354         | 245,182                    |
| Republic Services, Inc.              | 17,857        | 1,478,917                  |
| Union Pacific Corp.                  | 4,287         | 758,970                    |
| Waste Management, Inc.               | 11,514        | 1,235,913                  |
|                                      |               | <u>7,064,329</u>           |
| <b>Information Technology – 0.8%</b> |               |                            |
| Paychex, Inc.                        | 2,878         | <u>242,644</u>             |
| <b>Materials – 4.7%</b>              |               |                            |
| Avery Dennison Corp.                 | 2,733         | 302,407                    |
| Ball Corp.                           | 11,571        | 693,566                    |
| Sherwin-Williams Co.                 | 1,163         | 528,967                    |
|                                      |               | <u>1,524,940</u>           |
| <b>Real Estate – 15.5%</b>           |               |                            |
| AvalonBay Communities, Inc.          | 2,704         | 543,315                    |
| Boston Properties, Inc.              | 1,659         | 228,311                    |
| Equity Residential                   | 17,058        | 1,303,572                  |
| Prologis, Inc.                       | 17,355        | 1,330,608                  |
| Realty Income Corp.                  | 18,974        | 1,328,370                  |
| Simon Property Group, Inc.           | 1,463         | 254,123                    |
|                                      |               | <u>4,988,299</u>           |
| <b>Utilities – 2.0%</b>              |               |                            |
| Duke Energy Corp.                    | 2,588         | 235,819                    |
| WEC Energy Group, Inc.               | 3,050         | 239,211                    |
| Xcel Energy, Inc.                    | 2,748         | 155,262                    |
|                                      |               | <u>630,292</u>             |
| <b>Total Securities Sold Short</b>   |               |                            |
| <b>(Proceeds \$29,330,886)</b>       |               | <u><u>\$32,041,011</u></u> |

\* Non-income producing security  
ADR – American Depositary Receipt

See Notes to the Financial Statements

# NUANCE CONCENTRATED VALUE LONG-SHORT FUND

## STATEMENT OF ASSETS AND LIABILITIES APRIL 30, 2019

### ASSETS:

|   |  |              |
|---|--|--------------|
| Investments, at value                     |  | \$30,602,726 |
| (cost \$27,544,230)                       |  |              |
| Cash <sup>(1)</sup>                       |  | 1,039,506    |
| Deposits at broker <sup>(1)</sup>         |  | 32,295,173   |
| Receivable for investment securities sold |  | 1,760,418    |
| Receivable for capital shares sold        |  | 242,486      |
| Dividends & interest receivable           |  | 25,703       |
| Prepaid expenses                          |  | 10,896       |
| Total assets                              |  | 65,976,908   |

### LIABILITIES:

|   |  |            |
|---|--|------------|
| Securities sold short, at value (proceeds \$29,330,886) |  | 32,041,011 |
| Dividends payable                                       |  | 5,464      |
| Payable for investment securities purchased             |  | 1,789,811  |
| Payable to investment adviser                           |  | 11,029     |
| Payable for fund administration & accounting fees       |  | 13,158     |
| Payable for transfer agent fees & expenses              |  | 1,042      |
| Payable for custody fees                                |  | 2,397      |
| Payable for trustee fees                                |  | 74         |
| Payable for compliance fees                             |  | 1,940      |
| Accrued distribution & shareholder service fees         |  | 8,120      |
| Accrued expenses  |  | 27,032     |
| Total liabilities                                       |  | 33,901,078 |

**NET ASSETS** \$32,075,830

### NET ASSETS CONSIST OF:

|                        |  |              |
|------------------------|--|--------------|
| Paid-in capital        |  | \$33,126,249 |
| Total accumulated loss |  | (1,050,419)  |
| Net Assets             |  | \$32,075,830 |

|  | Investor<br>Class | Institutional<br>Class |
|--|-------------------|------------------------|
| Net Assets   | \$2,538,637       | \$29,537,193           |
| Shares issued and outstanding <sup>(2)</sup>                   | 237,650           | 2,733,427              |
| Net asset value, redemption price and offering price per share | \$10.68           | \$10.81                |

(1) Pledged as collateral for securities sold short.

(2) Unlimited shares authorized with no par value.

See Notes to the Financial Statements

# NUANCE CONCENTRATED VALUE LONG-SHORT FUND

---

## STATEMENT OF OPERATIONS FOR THE YEAR ENDED APRIL 30, 2019

### INVESTMENT INCOME:

|   |                  |
|---|------------------|
| Interest income, including broker interest on short positions | \$ 614,030       |
| Dividend income   | 531,464          |
| Total investment income                                       | <u>1,145,494</u> |

### EXPENSES:

|   |                  |
|---|------------------|
| Dividend expense                                      | 702,227          |
| Investment adviser fees (See Note 4)                  | 344,975          |
| Fund administration & accounting fees (See Note 4)    | 79,065           |
| Federal & state registration fees                     | 35,261           |
| Audit fees  | 18,504           |
| Custody fees (See Note 4)                             | 15,602           |
| Trustee fees (See Note 4)                             | 11,898           |
| Compliance fees (See Note 4)                          | 10,415           |
| Transfer agent fees & expenses (See Note 4)           | 8,637            |
| Postage & printing fees                               | 6,972            |
| Other   | 6,253            |
| Legal fees  | 6,001            |
| Distribution & shareholder service fees (See Note 5): |                  |
| Investor Class  | 3,731            |
| Institutional Class                                   | 28,155           |
| Total expenses before waiver                          | <u>1,277,696</u> |
| Less: waiver from investment adviser (See Note 4)     | <u>(124,669)</u> |
| Net expenses  | <u>1,153,027</u> |

**NET INVESTMENT LOSS** (7,533)

### REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:

|  |                  |
|--|------------------|
| Net realized gain (loss) on transactions from:         |                  |
| Investments  | 2,084,067        |
| Securities sold short                                  | (1,882,408)      |
| Net change in unrealized appreciation/depreciation on: |                  |
| Investments  | 1,332,237        |
| Securities sold short                                  | <u>(884,648)</u> |
| Net realized and unrealized gain on investments        | <u>649,248</u>   |

**NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS** \$ 641,715

See Notes to the Financial Statements

# NUANCE CONCENTRATED VALUE LONG-SHORT FUND

---

## STATEMENTS OF CHANGES IN NET ASSETS

|  | <u>Year Ended</u><br><u>April 30, 2019</u> | <u>Year Ended</u><br><u>April 30, 2018</u> |
|--|--|--|
| <b>OPERATIONS:</b>   |  |  |
| Net investment loss  | \$ (7,533)                                 | \$ (510,116)                               |
| Net realized gain (loss) on transactions from:                               |  |  |
| Investments  | 2,084,067                                  | 3,975,539                                  |
| Securities sold short  | (1,882,408)                                | (2,515,338)                                |
| Net change in unrealized appreciation/depreciation on:                       |  |  |
| Investments  | 1,332,237                                  | (388,193)                                  |
| Securities sold short  | (884,648)                                  | 269,443                                    |
| Net increase in net assets resulting from operations                         | <u>641,715</u>                             | <u>831,335</u>                             |
| <b>CAPITAL SHARE TRANSACTIONS:</b>   |  |  |
| Investor Class:  |  |  |
| Proceeds from shares sold  | 2,370,376                                  | 262,463                                    |
| Proceeds from reinvestment of distributions                                  | 45,321                                     | 53,414                                     |
| Payments for shares redeemed   | <u>(344,898)</u>                           | <u>(1,118,788)</u>                         |
| Increase (Decrease) in net assets resulting from Investor Class transactions | <u>2,070,799</u>                           | <u>(802,911)</u>                           |
| Institutional Class:   |  |  |
| Proceeds from shares sold  | 7,581,533                                  | 13,797,423                                 |
| Proceeds from reinvestment of distributions                                  | 1,676,904                                  | 2,311,011                                  |
| Payments for shares redeemed   | <u>(23,516,071)</u>                        | <u>(21,815,637)</u>                        |
| Decrease in net assets resulting from Institutional Class transactions       | <u>(14,257,634)</u>                        | <u>(5,707,203)</u>                         |
| Net decrease in net assets resulting from capital share transactions         | <u>(12,186,835)</u>                        | <u>(6,510,114)</u>                         |
| <b>DISTRIBUTIONS TO SHAREHOLDERS:</b>  |  |  |
| Investor Class   | (45,321)                                   | (53,414)                                   |
| Institutional Class  | <u>(1,730,461)</u>                         | <u>(2,448,569)</u>                         |
| Total distributions to shareholders  | <u>(1,775,782)</u>                         | <u>(2,501,983)*</u>                        |
| <b>TOTAL DECREASE IN NET ASSETS</b>  | <u>(13,320,902)</u>                        | <u>(8,180,762)</u>                         |
| <b>NET ASSETS:</b>   |  |  |
| Beginning of year  | <u>45,396,732</u>                          | <u>53,577,494</u>                          |
| End of year  | <u>\$ 32,075,830</u>                       | <u>\$ 45,396,732**</u>                     |

\* Includes net realized gain distributions of \$53,414 and \$2,448,569 for the Investor and Institutional class, respectively.

\*\* Includes accumulated undistributed net investment loss of \$(41,915).

See Notes to the Financial Statements

# NUANCE CONCENTRATED VALUE LONG-SHORT FUND

## FINANCIAL HIGHLIGHTS

For a Fund share outstanding throughout the period.

|  | <u>Year Ended<br/>April 30, 2019</u> | <u>Year Ended<br/>April 30, 2018</u> | <u>Year Ended<br/>April 30, 2017</u> | <u>For the Period<br/>Inception<sup>(1)</sup> through<br/>April 30, 2016</u> |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--|
| <b>Investor Class</b>  |                                      |                                      |                                      |  |
| <b>PER SHARE DATA:</b>   |                                      |                                      |                                      |  |
| Net asset value, beginning of period   | <u>\$10.90</u>                       | <u>\$11.26</u>                       | <u>\$11.01</u>                       | <u>\$10.00</u>   |
| <b>INVESTMENT OPERATIONS:</b>  |                                      |                                      |                                      |  |
| Net investment loss  | (0.03) <sup>(2)</sup>                | (0.52)                               | (0.34)                               | (0.00) <sup>(3)</sup>  |
| Net realized and unrealized<br>gain on investments                                     | <u>0.55</u>                          | <u>0.65</u>                          | <u>0.86</u>                          | <u>1.01</u>  |
| Total from investment operations   | <u>0.52</u>                          | <u>0.13</u>                          | <u>0.52</u>                          | <u>1.01</u>  |
| <b>LESS DISTRIBUTIONS:</b>   |                                      |                                      |                                      |  |
| Distributions from net realized gains  | <u>(0.74)</u>                        | <u>(0.49)</u>                        | <u>(0.27)</u>                        | <u>—</u>   |
| Total distributions  | <u>(0.74)</u>                        | <u>(0.49)</u>                        | <u>(0.27)</u>                        | <u>—</u>   |
| Net asset value, end of period   | <u>\$10.68</u>                       | <u>\$10.90</u>                       | <u>\$11.26</u>                       | <u>\$11.01</u>   |
| <b>TOTAL RETURN<sup>(4)</sup></b>  | 4.96%                                | 1.29%                                | 4.69%                                | 10.10%   |
| <b>SUPPLEMENTAL DATA AND RATIOS:</b>   |                                      |                                      |                                      |  |
| Net assets, end of period (in millions)  | \$2.6                                | \$0.4                                | \$1.3                                | \$0.2  |
| Ratio of expenses to average net assets <sup>(5)</sup> :                               |                                      |                                      |                                      |  |
| Before expense reimbursement   | 4.16%                                | 3.07%                                | 3.48%                                | 3.61%  |
| After expense reimbursement  | 3.60%                                | 2.84%                                | 3.04%                                | 2.06%  |
| Ratio of expenses excluding dividend<br>expense to average net assets <sup>(5)</sup> : |                                      |                                      |                                      |  |
| Before expense reimbursement   | 2.11%                                | 1.78%                                | 1.99%                                | 3.10%  |
| After expense reimbursement  | 1.55%                                | 1.55%                                | 1.55%                                | 1.55%  |
| Ratio of net investment loss<br>to average net assets <sup>(5)</sup> :                 |                                      |                                      |                                      |  |
| Before expense reimbursement   | (0.84)%                              | (1.43)%                              | (1.92)%                              | (1.58)%  |
| After expense reimbursement  | (0.28)%                              | (1.20)%                              | (1.48)%                              | (0.03)%  |
| Portfolio turnover rate <sup>(4)</sup>   | 123%                                 | 177%                                 | 93%                                  | 51%  |

(1) Inception date of the Fund was December 31, 2015.

(2) Per share amounts calculated using the average shares method.

(3) Amount rounds to less than \$(0.01).

(4) Not annualized for periods less than one year.

(5) Annualized for periods less than one year.

See Notes to the Financial Statements

# NUANCE CONCENTRATED VALUE LONG-SHORT FUND

## FINANCIAL HIGHLIGHTS

For a Fund share outstanding throughout the period.

|  | Year Ended<br>April 30, 2019 | Year Ended<br>April 30, 2018 | Year Ended<br>April 30, 2017 | For the Period<br>Inception <sup>(1)</sup> through<br>April 30, 2016 |
|--|------------------------------|------------------------------|------------------------------|--|
| <b>Institutional Class</b>   |                              |                              |                              |  |
| <b>PER SHARE DATA:</b>   |                              |                              |                              |  |
| Net asset value, beginning of period   | <u>\$10.99</u>               | <u>\$11.32</u>               | <u>\$11.02</u>               | <u>\$10.00</u>   |
| <b>INVESTMENT OPERATIONS:</b>  |                              |                              |                              |  |
| Net investment loss  | (0.00) <sup>(2)(3)</sup>     | (0.12)                       | (0.06)                       | (0.00) <sup>(3)</sup>  |
| Net realized and unrealized<br>gain on investments                                     | <u>0.56</u>                  | <u>0.28</u>                  | <u>0.63</u>                  | <u>1.02</u>  |
| Total from investment operations   | <u>0.56</u>                  | <u>0.16</u>                  | <u>0.57</u>                  | <u>1.02</u>  |
| <b>LESS DISTRIBUTIONS:</b>   |                              |                              |                              |  |
| Distributions from net realized gains  | <u>(0.74)</u>                | <u>(0.49)</u>                | <u>(0.27)</u>                | <u>—</u>   |
| Total distributions  | <u>(0.74)</u>                | <u>(0.49)</u>                | <u>(0.27)</u>                | <u>—</u>   |
| Net asset value, end of period   | <u><u>\$10.81</u></u>        | <u><u>\$10.99</u></u>        | <u><u>\$11.32</u></u>        | <u><u>\$11.02</u></u>  |
| <b>TOTAL RETURN<sup>(4)</sup></b>  | 5.30%                        | 1.56%                        | 5.15%                        | 10.20%   |
| <b>SUPPLEMENTAL DATA AND RATIOS:</b>   |                              |                              |                              |  |
| Net assets, end of period (in millions)  | \$29.5                       | \$45.0                       | \$52.3                       | \$17.4   |
| Ratio of expenses to average net assets <sup>(5)</sup> :                               |                              |                              |                              |  |
| Before expense reimbursement   | 3.69%                        | 2.73%                        | 3.20%                        | 3.73%  |
| After expense reimbursement  | 3.33%                        | 2.56%                        | 2.75%                        | 2.18%  |
| Ratio of expenses excluding dividend<br>expense to average net assets <sup>(5)</sup> : |                              |                              |                              |  |
| Before expense reimbursement   | 1.66%                        | 1.47%                        | 1.75%                        | 2.85%  |
| After expense reimbursement  | 1.30%                        | 1.30%                        | 1.30%                        | 1.30%  |
| Ratio of net investment loss<br>to average net assets <sup>(5)</sup> :                 |                              |                              |                              |  |
| Before expense reimbursement   | (0.37)%                      | (1.09)%                      | (1.43)%                      | (1.70)%  |
| After expense reimbursement  | (0.01)%                      | (0.92)%                      | (0.98)%                      | (0.15)%  |
| Portfolio turnover rate <sup>(4)</sup>   | 123%                         | 177%                         | 93%                          | 51%  |

(1) Inception date of the Fund was December 31, 2015.

(2) Per share amounts calculated using the average shares method.

(3) Amount rounds to less than \$(0.01).

(4) Not annualized for periods less than one year.

(5) Annualized for periods less than one year.

See Notes to the Financial Statements



# NUANCE CONCENTRATED VALUE LONG-SHORT FUND

---

## NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2019

### 1. ORGANIZATION

Managed Portfolio Series (the “Trust”) was organized as a Delaware statutory trust on January 27, 2011. The Trust is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company. The Nuance Concentrated Value Long-Short Fund (the “Fund”) is a non-diversified series with its own investment objectives and policies within the Trust. The investment objective of the Fund is long-term capital appreciation. The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 946 Financial Services – Investment Companies. The Fund commenced operations on December 31, 2015. The Fund currently offers two classes, the Investor Class and the Institutional Class. Investor Class shares are subject to a 0.25% of average daily net assets distribution and servicing fee and each class of shares is subject to a shareholder servicing fee of up to 0.15% of average daily net assets. Each class of shares has identical rights and privileges with respect to voting on matters affecting a single share class. The Fund may issue an unlimited number of shares of beneficial interest, with no par value.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. These policies are in conformity with generally accepted accounting principles in the United States of America (“GAAP”).

**Security Valuation** – All investments in securities are recorded at their estimated fair value, as described in Note 3.

**Federal Income Taxes** – The Fund complies with the requirements of Subchapter M of the Internal Revenue Code of 1986, as amended, necessary to qualify as a regulated investment company and distributes substantially all net taxable investment income and net realized gains to shareholders in a manner which results in no tax cost to the Fund. Therefore, no federal income or excise tax provision is required. As of and during the year ended April 30, 2019, the Fund did not have any tax positions that did not meet the “more-likely-than-not” threshold of being sustained by the applicable tax authority. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits on uncertain tax positions as income tax expense in the Statement of Operations. During the year ended April 30, 2019, the Fund did not incur any interest or penalties.

**Security Transactions, Income and Distributions** – The Fund follows industry practice and records security transactions on the trade date. Realized gains and losses on sales of securities are calculated on the basis of identified cost. Dividend income and expense is recorded on the ex-dividend date and interest income, including broker interest on securities sold short and margin, is recorded on an accrual basis. Withholding taxes on foreign dividends have been provided for in accordance with the Fund’s understanding of the applicable country’s tax rules and regulations. Discounts and premiums on securities purchased are amortized over the expected life of the respective securities using the constant yield method of calculation.

The Fund will make distributions, if any, of net investment income quarterly. The Fund will also distribute net realized capital gains, if any, annually. Distributions to shareholders are recorded on the ex-dividend date. The treatment for financial reporting purposes of distributions made to shareholders during the year from net investment income or net realized capital gains may differ from their treatment for federal income tax purposes. These differences are caused primarily by differences in the timing of the recognition of certain components of income, expense or realized capital gain for federal income tax purposes. Where such differences are permanent in nature, GAAP requires that they be reclassified in the components of the net assets based on their ultimate characterization for federal income tax purposes. Any such reclassifications will have no effect on net assets, results of operations or net asset values per share of the Fund. For the year ended April 30, 2019, the Fund

# NUANCE CONCENTRATED VALUE LONG-SHORT FUND

---

## NOTES TO THE FINANCIAL STATEMENTS – CONTINUED APRIL 30, 2019

decreased accumulated loss by \$40,396 and decreased paid-in capital by \$40,396. These reclassifications were due to net operating losses.

**Short Sales** – A short sale is the sale by the Fund of a security which they do not own in anticipation of purchasing the same security in the future at a lower price to close the short position. A short sale will be successful if the price of the shorted security decreases. However, if the underlying security goes up in price during the period in which the short position is outstanding, the Fund will realize a loss. The risk on a short sale is unlimited because the Fund must buy the shorted security at the higher price to complete the transaction. Therefore, short sales may be subject to greater risks than investments in long positions. With a long position, the maximum sustainable loss is limited to the amount paid for the security plus the transaction costs, whereas there is no maximum attainable price of the shorted security. The Fund would also incur increased transaction costs associated with selling securities short. In addition, the Fund segregates liquid securities at least equal to the fair value of the securities sold short (not including the proceeds from the short sales).

**Use of Estimates** – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Allocation of Income, Expenses and Gains/Losses** – Income, expenses (other than those deemed attributable to a specific share class), and gains and losses of the Fund are allocated daily to each class of shares based upon the ratio of net assets represented by each class as a percentage of the net assets of the Fund. Expenses deemed directly attributable to a class of shares are recorded by the specific class. Most Fund expenses are allocated by class based on relative net assets. 12b-1 fees are expensed at 0.25% of average daily net assets of Investor Class shares. Shareholder service fees are expensed at up to 0.15% of average daily net assets for each class of shares. Expenses associated with a specific fund in the Trust are charged to that fund. Common Trust expenses are typically allocated evenly between the funds of the Trust, or by other equitable means.

### 3. SECURITIES VALUATION

The Fund has adopted authoritative fair value accounting standards which establish an authoritative definition of fair value and set out a hierarchy for measuring fair value. These standards require additional disclosures about the various inputs and valuation techniques used to develop the measurements of fair value, a discussion in changes in valuation techniques and related inputs during the period and expanded disclosure of valuation levels for major security types. These inputs are summarized in the three broad levels listed below:

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

# NUANCE CONCENTRATED VALUE LONG-SHORT FUND

## NOTES TO THE FINANCIAL STATEMENTS – CONTINUED APRIL 30, 2019

Following is a description of the valuation techniques applied to the Fund’s major categories of assets and liabilities measured at fair value on a recurring basis. The Fund’s investments are carried at fair value.

**Equity Securities** – Securities that are primarily traded on a national securities exchange are valued at the last sale price on the exchange on which they are primarily traded on the day of valuation or, if there has been no sale on such day, at the mean between the bid and ask prices. Securities traded primarily in the Nasdaq Global Market System for which market quotations are readily available are valued using the Nasdaq Official Closing Price (“NOCP”). If the NOCP is not available, such securities are valued at the last sale price on the day of valuation, or if there has been no sale on such day, at the mean between the bid and ask prices. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy.

**Short-Term Investments** – Investments in other mutual funds, including money market funds are valued at their net asset value per share and are categorized in Level 1 of the fair value hierarchy. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy.

Securities for which market quotations are not readily available, or if the closing price does not represent fair value, are valued following procedures approved by the Board of Trustees (the “Board”). These procedures consider many factors, including the type of security, size of holding, trading volume and news events. There can be no assurance that the Fund could obtain the fair value assigned to a security if it were to sell the security at approximately the time at which the Fund determines its net asset values per share. The Board has established a Valuation Committee to administer, implement, and oversee the fair valuation process, and to make fair value decisions when necessary. The Board regularly reviews reports that describe any fair value determinations and methods.

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities. The following is a summary of the inputs used to value the Fund’s securities as of April 30, 2019:

|                                 | Level 1               | Level 2     | Level 3     | Total                 |
|---------------------------------|-----------------------|-------------|-------------|-----------------------|
| Common Stocks                   | \$ 26,442,402         | \$ —        | \$ —        | \$ 26,442,402         |
| Short-Term Investment           | 4,160,324             | —           | —           | 4,160,324             |
| Total Investments in Securities | <u>\$ 30,602,726</u>  | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 30,602,726</u>  |
| Securities Sold Short           |                       |             |             |                       |
| Common Stocks                   | \$(32,041,011)        | \$ —        | \$ —        | \$(32,041,011)        |
| Total Securities Sold Short     | <u>\$(32,041,011)</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$(32,041,011)</u> |

Refer to the Schedule of Investments and Schedule of Securities Sold Short for further information on the industry classification of investments.

#### 4. INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES

The Trust has an agreement with Nuance Investments, LLC (the “Adviser”) to furnish investment advisory services to the Fund. Pursuant to an Investment Advisory Agreement between the Trust and the Adviser, the Adviser is entitled to receive, on a monthly basis, an annual advisory fee equal to 1.00% of the Fund’s average daily net assets.

The Fund’s Adviser has contractually agreed to waive a portion or all of its management fees and reimburse the Fund for its expenses to ensure that total annual operating expenses (excluding acquired fund fees and expenses, dividends and interest on short positions, interest, taxes, brokerage commissions and extraordinary expenses) for

# NUANCE CONCENTRATED VALUE LONG-SHORT FUND

---

## NOTES TO THE FINANCIAL STATEMENTS – CONTINUED APRIL 30, 2019

the Fund do not exceed 1.55% and 1.30% of average daily net assets of the Fund’s Investor Class and Institutional Class, respectively. Fees waived and expenses reimbursed by the Adviser may be recouped by the Adviser for a period of thirty-six months following the month during which such waiver or reimbursement was made if such recoupment can be achieved without exceeding the expense limit in effect at the time the waiver and reimbursement occurred. The Operating Expense Limitation Agreement is intended to be continual in nature and cannot be terminated within a year after the effective date of the Fund’s prospectus. After that date, the agreement may be terminated at any time upon 60 days’ written notice by the Trust’s Board or the Adviser, with the consent of the Board. Waived fees and reimbursed expenses subject to potential recovery by year of expiration are as follows:

| <b>Expiration</b>     | <b>Amount</b> |
|-----------------------|---------------|
| May 2019 – April 2020 | \$148,788     |
| May 2020 – April 2021 | \$ 95,714     |
| May 2021 – April 2022 | \$124,669     |

U.S. Bancorp Fund Services, LLC, doing business as U.S. Bank Global Fund Services, (“Fund Services” or the “Administrator”), acts as the Fund’s Administrator, Transfer Agent, and Fund Accountant. U.S. Bank N.A. (the “Custodian”) serves as the custodian to the Fund. The Custodian is an affiliate of the Administrator. The Administrator performs various administrative and accounting services for the Fund. The Administrator prepares various federal and state regulatory filings, reports and returns for the Fund; prepares reports and materials to be supplied to the Trustees; monitors the activities of the Fund’s custodian; coordinates the payment of the Fund’s expenses and reviews the Fund’s expense accruals. The officers of the Trust, including the Chief Compliance Officer are employees of the Administrator. A Trustee of the Trust was an officer of the Administrator, until retiring on July 2, 2018. As compensation for its services, the Administrator is entitled to a monthly fee at an annual rate based upon the average daily net assets of the Fund, subject to annual minimums. Fees paid by the Fund for administration and accounting, transfer agency, custody and compliance services for the year ended April 30, 2019, are disclosed in the Statement of Operations.

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

### **5. DISTRIBUTION & SHAREHOLDER SERVICING FEES**

The Fund has adopted a Distribution Plan pursuant to Rule 12b-1 (the “Plan”) in the Investor Class only. The Plan permits the Fund to pay for distribution and related expenses at an annual rate of 0.25% of the Investor Class average daily net assets. The expenses covered by the Plan may include the cost of preparing and distributing prospectuses and other sales material, advertising and public relations expenses, payments to financial intermediaries and compensation of personnel involved in selling shares of the Fund. Payments made pursuant to the Plan will represent compensation for distribution and service activities, not reimbursements for specific expenses incurred. For the year ended April 30, 2019, the Investor Class incurred expenses of \$2,332 pursuant to the Plan.

The Fund has entered into a shareholder servicing agreement (the “Agreement”) with the Adviser, under which the Fund may pay servicing fees at an annual rate of up to 0.15% of the average daily net assets of each class. Payments to the Adviser under the Agreement may reimburse the Adviser for payments it makes to selected brokers, dealers and administrators which have entered into service agreements with the Adviser for services provided to shareholders of the Fund. The services provided by such intermediaries are primarily designed to assist shareholders of the Fund and include the furnishing of office space and equipment, telephone facilities,

# NUANCE CONCENTRATED VALUE LONG-SHORT FUND

## NOTES TO THE FINANCIAL STATEMENTS – CONTINUED APRIL 30, 2019

personnel and assistance to the Fund in servicing such shareholders. Services provided by such intermediaries also include the provision of support services to the Fund and includes establishing and maintaining shareholders' accounts and record processing, purchase and redemption transactions, answering routine client inquiries regarding the Fund, and providing such other personal services to shareholders as the Fund may reasonably request. For the year ended April 30, 2019, the Investor and Institutional Class incurred \$1,399 and \$28,155, respectively, of shareholder servicing fees under the Agreement.

### 6. CAPITAL SHARE TRANSACTIONS

Transactions in shares of the Fund were as follows:

|   | Year Ended<br>April 30, 2019 | Year Ended<br>April 30, 2018 |
|---|------------------------------|------------------------------|
| Investor Class:   |                              |                              |
| Shares sold   | 225,319                      | 24,121                       |
| Shares issued to holders in reinvestment of distributions | 4,362                        | 5,006                        |
| Shares redeemed   | (32,644)                     | (102,746)                    |
| Net increase (decrease) in Investor Class shares          | 197,037                      | (73,619)                     |
| Institutional Class:                                      |                              |                              |
| Shares sold   | 706,441                      | 1,240,368                    |
| Shares issued to holders in reinvestment of distributions | 159,705                      | 215,178                      |
| Shares redeemed   | (2,223,393)                  | (1,985,520)                  |
| Net decrease in Institutional Class shares                | (1,357,247)                  | (529,974)                    |
| Net decrease in shares outstanding                        | (1,160,210)                  | (603,593)                    |

### 7. INVESTMENT TRANSACTIONS

The aggregate purchases and sales, excluding short-term investments and securities sold short, by the Fund for the year ended April 30, 2019, were as follows:

|                 | Purchases    | Sales        |
|-----------------|--------------|--------------|
| U.S. Government | \$ —         | \$ —         |
| Other           | \$33,760,631 | \$45,073,912 |

### 8. FEDERAL TAX INFORMATION

The aggregate gross unrealized appreciation and depreciation of securities and securities sold short held by the Fund and the total cost of securities for federal income tax purposes at April 30, 2019, the Fund's most recent fiscal year end, were as follows:

|                                 |                                 |               | Federal<br>Income<br>Tax Cost,<br>Net of Proceeds<br>for Securities<br>Sold Short |
|---------------------------------|---------------------------------|---------------|---|
| Aggregate Gross<br>Appreciation | Aggregate Gross<br>Depreciation | Net           |   |
| \$3,569,084                     | \$(4,618,856)                   | \$(1,049,772) | \$(388,513)   |

## NUANCE CONCENTRATED VALUE LONG-SHORT FUND

---

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED APRIL 30, 2019

The difference between book-basis and tax-basis unrealized appreciation is attributable primarily to the deferral of wash sale losses. At April 30, 2019, components of accumulated loss on a tax-basis were as follows:

| Undistributed<br>Ordinary Income | Undistributed<br>Long-Term<br>Capital Gains | Other<br>Accumulated<br>Losses | Unrealized<br>Depreciation | Total<br>Accumulated<br>Loss |
|----------------------------------|---|--------------------------------|----------------------------|------------------------------|
| \$ —                             | \$16,199                                    | \$(16,846)                     | \$(1,049,772)              | \$(1,050,419)                |

As of April 30, 2019, the Fund did not have any capital loss carryovers. A regulated investment company may elect for any taxable year to treat any portion of any qualified late year loss as arising on the first day of the next taxable year. Qualified late year losses are certain capital, and ordinary losses which occur during the portion of the Fund's taxable year subsequent to October 31 and December 31, respectively. For the taxable year ended April 30, 2019, the Fund deferred, on a tax basis, ordinary late year losses of \$8,042.

The tax character of distributions paid during the year ended April 30, 2019, were as follows:

| Ordinary<br>Income* | Long-Term<br>Capital Gains | Total       |
|---------------------|----------------------------|-------------|
| \$ —                | \$1,775,782                | \$1,775,782 |

The tax character of distributions paid during the year ended April 30, 2018, were as follows:

| Ordinary<br>Income* | Long-Term<br>Capital Gains | Total       |
|---------------------|----------------------------|-------------|
| \$1,237,666         | \$1,264,317                | \$2,501,983 |

\* For federal income tax purposes, distributions of short-term capital gains are treated as ordinary income distributions.

The Fund designated as long-term capital gain dividend, pursuant to Internal Revenue Code Section 852(b)(3), the amount necessary to reduce the earnings and profits of the Fund related to net capital gain to zero for the tax year ended April 30, 2019.

### 9. CONTROL OWNERSHIP

The beneficial ownership, either directly or indirectly, of more than 25% of the voting securities of a fund creates a presumption of control of the fund, under Section 2(a)(9) of the Investment Company Act of 1940. As of April 30, 2019, National Financial Services, LLC, for the benefit of its customers, owned 49.88% of the Fund.

# NUANCE CONCENTRATED VALUE LONG-SHORT FUND

---

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of Nuance Concentrated Value Long-Short Fund and  
Board of Trustees of Managed Portfolio Series

### Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedules of investments and securities sold short, of Nuance Concentrated Value Long-Short Fund (the “Fund”), a series of Managed Portfolio Series, as of April 30, 2019, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, including the related notes, and the financial highlights for each of the four periods in the period then ended (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of April 30, 2019, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the four periods in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of April 30, 2019, by correspondence with the custodian and brokers. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the auditor of one or more of Nuance Investments, LLC’s investment companies since 2011.

*Cohen & Company, Ltd.*

COHEN & COMPANY, LTD.

Milwaukee, Wisconsin  
June 25, 2019

## NUANCE CONCENTRATED VALUE LONG-SHORT FUND

### ADDITIONAL INFORMATION (UNAUDITED) APRIL 30, 2019

#### TRUSTEES AND OFFICERS

| Name,<br>Address<br>and Year<br>of Birth   | Position(s)<br>Held with<br>the Trust                                 | Term of<br>Office<br>and<br>Length<br>of Time<br>Served | Number of<br>Portfolios<br>in Trust<br>Overseen<br>by Trustee | Principal<br>Occupation(s)<br>During the Past<br>Five Years   | Other<br>Directorships<br>Held by Trustee<br>During the Past<br>Five Years  |
|--|---|---|---|---|---|
| <b>INDEPENDENT TRUSTEES</b>  |   |   |   |   |   |
| Leonard M. Rush,<br>CPA<br>615 E. Michigan St.<br>Milwaukee, WI 53202<br>Year of Birth: 1946 | Lead<br>Independent<br>Trustee<br>and Audit<br>Committee<br>Chairman  | Indefinite<br>Term; Since<br>April 2011                 | 37  | Retired, Chief Financial<br>Officer, Robert W. Baird<br>& Co. Incorporated<br>(2000-2011).                      | Independent<br>Trustee,<br>ETF Series<br>Solutions<br>(47 Portfolios)<br>(2012-Present)   |
| David A. Massart<br>615 E. Michigan St.<br>Milwaukee, WI 53202<br>Year of Birth: 1967        | Trustee<br>and<br>Valuation<br>Committee<br>Chairman                  | Indefinite<br>Term; Since<br>April 2011                 | 37  | Co-Founder and Chief<br>Investment Strategist,<br>Next Generation Wealth<br>Management, Inc.<br>(2005-Present). | Independent<br>Trustee,<br>ETF Series<br>Solutions<br>(47 Portfolios)<br>(2012-Present)   |
| David M. Swanson<br>615 E. Michigan St.<br>Milwaukee, WI 53202<br>Year of Birth: 1957        | Trustee<br>and<br>Nominating<br>& Governance<br>Committee<br>Chairman | Indefinite<br>Term; Since<br>April 2011                 | 37  | Founder and Managing<br>Principal, SwanDog<br>Strategic Marketing,<br>LLC (2006-Present).                       | Independent<br>Trustee,<br>ALPS Variable<br>Investment Trust<br>(10 Portfolios)<br>(2006-Present);<br>Independent<br>Trustee,<br>RiverNorth<br>Opportunities<br>Closed-End Fund<br>(2015-Present) |
| <b>INTERESTED TRUSTEE</b>  |   |   |   |   |   |
| Robert J. Kern*<br>615 E. Michigan St.<br>Milwaukee, WI 53202<br>Year of Birth: 1958         | Chairman,<br>and Trustee  | Indefinite<br>Term; Since<br>January 2011               | 37  | Retired (July 2018-Present);<br>Executive Vice President,<br>U.S. Bancorp Fund Services,<br>LLC (1994-2018).    | None  |

\* Mr. Kern is an "interested person" of the Trust as defined by the 1940 Act by virtue of the fact that he was a board member of the Fund's principal underwriter, Quasar Distributors, LLC.



## NUANCE CONCENTRATED VALUE LONG-SHORT FUND

### ADDITIONAL INFORMATION (UNAUDITED) – CONTINUED APRIL 30, 2019

| Name,<br>Address<br>and Year<br>of Birth   | Position(s)<br>Held with<br>the Trust  | Term of<br>Office<br>and<br>Length<br>of Time<br>Served   | Number of<br>Portfolios<br>in Trust<br>Overseen<br>by Trustee | Principal<br>Occupation(s)<br>During the Past<br>Five Years   | Other<br>Directorships<br>Held by Trustee<br>During the Past<br>Five Years |
|--|--|---|---|---|--|
| <b>OFFICERS</b>  |  |   |   |   |  |
| Brian R. Wiedmeyer<br>615 E. Michigan St.<br>Milwaukee, WI 53202<br>Year of Birth: 1973        | President and<br>Principal<br>Executive<br>Officer   | Indefinite<br>Term; Since<br>November<br>2018   | N/A   | Vice President, U.S.<br>Bancorp Fund Services,<br>LLC (2005-Present).   | N/A  |
| Deborah Ward<br>615 E. Michigan St.<br>Milwaukee, WI 53202<br>Year of Birth: 1966              | Vice President,<br>Chief<br>Compliance<br>Officer and<br>Anti-Money<br>Laundering<br>Officer | Indefinite<br>Term; Since<br>April 2013   | N/A   | Senior Vice President,<br>U.S. Bancorp Fund Services,<br>LLC (2004-Present).  | N/A  |
| Ryan L. Roell<br>615 E. Michigan St.<br>Milwaukee, WI 53202<br>Year of Birth: 1973             | Vice President,<br>Treasurer<br>and Principal<br>Financial<br>Officer                        | Indefinite<br>Term; Since<br>November<br>2018   | N/A   | Assistant Vice President,<br>U.S. Bancorp Fund Services,<br>LLC (2005-Present).                                       | N/A  |
| Thomas A. Bausch,<br>Esq.<br>615 E. Michigan St.<br>Milwaukee, WI 53202<br>Year of Birth: 1979 | Secretary  | Indefinite<br>Term; Since<br>November<br>2017   | N/A   | Vice President, U.S. Bancorp<br>Fund Services, LLC (2016-<br>Present); Associate, Godfrey<br>& Kahn S.C. (2012-2016). | N/A  |
| Benjamin Eirich<br>615 E. Michigan St.<br>Milwaukee, WI 53202<br>Year of Birth: 1981           | Vice President<br>and Assistant<br>Treasurer   | Indefinite<br>Term; Since<br>May 2016<br>(Assistant<br>Treasurer);<br>Since<br>November<br>2018<br>(Vice President) | N/A   | Assistant Vice President,<br>U.S. Bancorp Fund Services,<br>LLC (2008-Present).                                       | N/A  |
| Douglas Schafer<br>615 E. Michigan St.<br>Milwaukee, WI 53202<br>Year of Birth: 1970           | Vice President<br>and Assistant<br>Treasurer   | Indefinite<br>Term; Since<br>May 2016<br>(Assistant<br>Treasurer);<br>Since<br>November<br>2018<br>(Vice President) | N/A   | Assistant Vice President,<br>U.S. Bancorp Fund Services,<br>LLC (2002-Present).                                       | N/A  |

## NUANCE CONCENTRATED VALUE LONG-SHORT FUND

---

### ADDITIONAL INFORMATION (UNAUDITED) – CONTINUED APRIL 30, 2019

#### AVAILABILITY OF FUND PORTFOLIO INFORMATION

The Fund files complete schedules of portfolio holdings with the U.S. Securities and Exchange Commission (the “SEC”) for the first and third quarters of each fiscal year on Form N-Q or Part F of Form N-PORT (beginning with filings after March 31, 2019). The Fund’s Forms N-Q or Part F of Form N-PORT are available on the SEC’s website at [www.sec.gov](http://www.sec.gov) and may be reviewed and copied at the SEC’s Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 1-800-732-0330. The Fund’s Form N-Q or Part F of Form N-PORT may also be obtained by calling 1-855-682-6233.

#### AVAILABILITY OF PROXY VOTING INFORMATION

A description of the Fund’s Proxy Voting Policies and Procedures is available without charge, upon request, by calling 1-855-682-6233. Information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12 month period ended June 30, is available (1) without charge, upon request, by calling 1-888-621-9258, or (2) on the SEC’s website at [www.sec.gov](http://www.sec.gov).

#### QUALIFIED DIVIDEND INCOME/DIVIDENDS RECEIVED DEDUCTION

For the fiscal year ended April 30, 2019, certain dividends paid by the Fund may be subject to a maximum tax rate of 15%, as provided for by the American Taxpayer Relief Act of 2012. The percentage of dividends declared from ordinary income designated as qualified dividend income was 0% for the Fund.

For corporate shareholders, the percent of ordinary income distributions qualifying for the corporate dividends received deduction for the fiscal year ended April 30, 2019 was 0% for the Fund.

The percentage of taxable ordinary income distributions that are designated as short-term capital gain distributions under Internal Revenue Section 871 (k)(2)(c) was 0%.

## NUANCE CONCENTRATED VALUE LONG-SHORT FUND

---

### APPROVAL OF INVESTMENT ADVISORY AGREEMENT (UNAUDITED)

At the special meeting of the Board of Trustees of Managed Portfolio Series (“Trust”) on August 28, 2018, the Trust’s Board of Trustees (“Board”), including all of the Trustees who are not “interested persons” of the Trust, as that term is defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended, (“Independent Trustees”) considered and approved the Investment Advisory Agreement between the Trust and Nuance Investments, LLC (“Nuance” or “Adviser”) regarding the Nuance Concentrated Value Long-Short Fund (the “Fund”) (the “Advisory Agreement”) for an initial two-year term.

Prior to the meeting, the Board received and considered information from Nuance and the Trust’s administrator designed to provide the Board with the information necessary to evaluate the approval of the Advisory Agreement (“Support Materials”). In addition, at the August Meeting, representatives of Nuance met with the Board telephonically to discuss a proposed change of control at Nuance. Before voting to approve the Advisory Agreement, the Board reviewed the Support Materials with Trust management and with counsel to the Independent Trustees, and received a memorandum from such counsel discussing the legal standards for the Board’s consideration of the Advisory Agreement. In approving the Advisory Agreement, the Board considered substantially the same factors as it considered in approving the continuation of the current advisory agreement between Nuance and the Trust, on behalf of the Fund (the “Current Advisory Agreement”), which was completed at the Board’s meeting on February 21, 2018, in addition to new information regarding the change of control at Nuance (the “Transaction”). This information formed the primary basis for the Board’s determinations.

In determining whether to approve the Advisory Agreement, the Trustees considered all factors they believed relevant, including the following with respect to the Fund: (1) the nature, extent, and quality of the services to be provided by Nuance with respect to the Fund; (2) the Fund’s historical performance as managed by Nuance under the Current Advisory Agreement; (3) the costs of the services to be provided by Nuance and the profits to be realized by Nuance from services rendered to the Fund; (4) comparative fee and expense data for the Fund and other investment companies with similar investment objectives; (5) the extent to which economies of scale may be realized as the Fund grows, and whether the advisory fee for the Fund reflects such economies of scale for the Fund’s benefit; and (6) other benefits to Nuance resulting from its relationship with the Fund. In their deliberations, the Trustees weighed to varying degrees the importance of the information provided to them and did not identify any particular information that was all-important or controlling.

Based upon the information provided to the Board including at a presentation by representatives from Nuance, and the Support Materials, the Board concluded that the overall arrangements between the Trust and Nuance as set forth in the Advisory Agreement, as the agreement relates to the Fund, are fair and reasonable in light of the services that Nuance will perform, the investment advisory fees that Nuance will receive for such services, and such other matters as the Trustees considered relevant in the exercise of their reasonable business judgment. The material factors and conclusions that formed the basis of the Trustees’ determination to approve the Advisory Agreement, as it relates to the Fund, are summarized below.

**Nature, Extent and Quality of Services Provided.** The Trustees considered the scope of services that Nuance would provide under the Advisory Agreement with respect to the Fund, noting that such services include, but are not limited to, the following: (1) investing the Fund’s assets consistent with the Fund’s investment objective and investment policies; (2) determining for the Fund the portfolio securities to be purchased, sold, or otherwise disposed of, and the timing of such transactions; (3) voting all proxies with respect to the Fund’s portfolio securities; (4) maintaining the required books and records for transactions that Nuance effected on behalf of the Fund; (5) selecting broker-dealers to execute orders on behalf of the Fund; and (6) monitoring and maintaining the

## NUANCE CONCENTRATED VALUE LONG-SHORT FUND

---

### APPROVAL OF INVESTMENT ADVISORY AGREEMENT (UNAUDITED) – CONTINUED

Fund's compliance with policies and procedures of the Trust and with applicable securities laws. The Trustees noted Nuance's assets under management and its strong capitalization. The Trustees considered the investment philosophy of the Fund's portfolio managers and their investment analysis and portfolio management experience, noting one portfolio manager's significant experience managing assets utilizing investment objectives similar to those of the Fund. The Board considered that Nuance did not expect the Transaction to materially impact the nature, extent or quality of the services currently provided by Nuance to the Fund, or the personnel that provide those services. The Trustees concluded that they were satisfied with the nature, extent and quality of services that Nuance would provide to the Fund under the Advisory Agreement.

**Fund Historical Performance and the Overall Performance of Nuance.** In assessing the quality of the portfolio management to be delivered by Nuance, the Trustees reviewed the short-term and longer-term performance of the Fund on both an absolute basis and in comparison to an appropriate securities benchmark index, and the Fund's peer funds according to Morningstar classifications. The Trustees noted that there is not a composite of separate accounts that Nuance manages utilizing investment strategies similar to those of the Fund. While the Trustees considered both short-term and longer-term performance of the Fund, they placed greater emphasis on longer term performance. When reviewing the Fund's performance against its respective Morningstar peer group, the Trustees took into account that the investment objective and strategies of the Fund, as well as the Fund's level of risk tolerance, may differ significantly from funds in its peer group. The Trustees considered that the Fund had outperformed its peer group average over the year-to-date period ended June 30, 2018, but underperformed the peer group average over the one-year period ended June 30, 2018. The Trustees also considered that the Fund had achieved positive absolute total returns over the year-to-date and one-year periods ended June 30, 2018.

**Cost of Advisory Services and Profitability.** The Trustees considered the annual advisory fee that the Fund will pay to Nuance under the Advisory Agreement, as well as Nuance's profitability from services that Nuance rendered to the Fund under the Current Advisory Agreement during the 12 month period ended June 30, 2018. The Trustees also considered the anticipated effect of the Expense Limitation Agreement on Nuance's compensation and that Nuance has contractually agreed to reduce its advisory fees and, if necessary, reimburse the Fund for operating expenses, as specified in the Fund's prospectus. The Trustees noted that Nuance does not manage a composite of separately managed accounts with a strategy similar to that of the Fund. The Trustees concluded that Nuance's service relationship with the Fund has yielded a reasonable profit under the Current Advisory Agreement and would be anticipated to yield a reasonable profit under the Advisory Agreement.

**Comparative Fee and Expense Data.** The Trustees considered a comparative analysis of the contractual expenses borne by the Fund and those of funds in the same Morningstar peer group. The Trustees noted that the Fund's contractual management fee was significantly below the peer group median. The Trustees also noted that the total expenses after expense waiver and reimbursement of the Fund's Institutional Class and Investor Class were below the peer group median and average. While recognizing that it is difficult to compare advisory fees because the scope of advisory services provided may vary from one investment adviser to another, the Trustees concluded that Nuance's advisory fee with respect to the Fund continues to be reasonable.

**Economies of Scale.** The Trustees then considered whether the Fund may benefit from any economies of scale, noting that the investment advisory fees for the Fund does not contain breakpoints. The Trustees additionally took into account the fact that Nuance had expressed reservations about adopting breakpoints for the Fund because of concerns about potential capacity constraints associated with the Fund's strategy.

## NUANCE CONCENTRATED VALUE LONG-SHORT FUND

---

### APPROVAL OF INVESTMENT ADVISORY AGREEMENT (UNAUDITED) – CONTINUED

**Other Benefits.** The Trustees considered the direct and indirect benefits that could be realized by Nuance from Nuance's relationship with the Fund. The Trustees considered the extent to which Nuance utilizes soft dollar arrangements with respect to portfolio transactions, and that Nuance does not use affiliated brokers to execute the Fund's portfolio transactions. While the Trustees noted that the Fund utilizes Rule 12b-1 fees to pay for shareholder and distribution services related to Investor Class shareholders of the Fund, the Trustees observed that distribution expenses that Nuance incurred significantly exceed any Rule 12b-1 payments from the Fund. The Trustees considered that Nuance may receive some form of reputational benefit from services rendered to the Fund, but that such benefits are immaterial and cannot otherwise be quantified. The Trustees concluded that Nuance does not receive additional material benefits from its relationship with the Fund.

(This Page Intentionally Left Blank.)

# NUANCE CONCENTRATED VALUE LONG-SHORT FUND

---

## PRIVACY NOTICE (UNAUDITED)

The Fund collects only relevant information about you that the law allows or requires it to have in order to conduct its business and properly service you. The Fund collects financial and personal information about you (“Personal Information”) directly (e.g., information on account applications and other forms, such as your name, address, and social security number, and information provided to access account information or conduct account transactions online, such as password, account number, e-mail address, and alternate telephone number), and indirectly (e.g., information about your transactions with us, such as transaction amounts, account balance and account holdings).

**The Fund does not disclose any non-public personal information about its shareholders or former shareholders other than for everyday business purposes such as to process a transaction, service an account, respond to court orders and legal investigations or as otherwise permitted by law. Third parties that may receive this information include companies that provide transfer agency, technology and administrative services to the Fund, as well as the Fund’s investment adviser who is an affiliate of the Fund. If you maintain a retirement/educational custodial account directly with the Fund, we may also disclose your Personal Information to the custodian for that account for shareholder servicing purposes. The Fund limits access to your Personal Information provided to unaffiliated third parties to information necessary to carry out their assigned responsibilities to the Fund. All shareholder records will be disposed of in accordance with applicable law. The Fund maintains physical, electronic and procedural safeguards to protect your Personal Information and requires its third party service providers with access to such information to treat your Personal Information with the same high degree of confidentiality.**

**In the event that you hold shares of the Fund through a financial intermediary, including, but not limited to, a broker-dealer, credit union, bank or trust company, the privacy policy of your financial intermediary governs how your non-public personal information is shared with unaffiliated third parties.**

**INVESTMENT ADVISER**

Nuance Investments, LLC  
4900 Main Street, Suite 220  
Kansas City, MO 64112

**DISTRIBUTOR**

Quasar Distributors, LLC  
777 East Wisconsin Ave.  
Milwaukee, WI 53202

**CUSTODIAN**

U.S. Bank, N.A.  
1555 North Rivercenter Drive  
Milwaukee, WI 53212

**ADMINISTRATOR, FUND ACCOUNTANT  
AND TRANSFER AGENT**

U.S. Bancorp Fund Services, LLC  
615 East Michigan Street  
Milwaukee, WI 53202

**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Cohen & Company, Ltd.  
342 North Water Street, Suite 830  
Milwaukee, WI 53202

**LEGAL COUNSEL**

Stradley Ronon Stevens & Young, LLP  
2005 Market Street, Suite 2600  
Philadelphia, PA 19103

*This report should be accompanied or preceded by a prospectus.*

*The Fund's Statement of Additional Information contains additional information about the Fund's trustees and is available without charge upon request by calling 1-855-682-6233.*