



Brochure for Poplar Forest Capital LLC
(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of Poplar Forest Capital LLC. If you have any questions about the contents of this brochure, please contact us at (626) 304-6000 or at the address above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Poplar Forest Capital LLC is a registered investment adviser with the U.S. Securities and Exchange Commission. Registration of an investment adviser does not imply a certain level of skill or training.

Additional information about Poplar Forest Capital LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

The purpose of this page is to inform you of material changes since the previous annual update of Poplar Forest's brochure. If you are receiving this brochure for the first time, this section may not be relevant to you.

Poplar Forest reviews and updates its brochure at least annually to confirm that it remains current. This section of the brochure discusses only the material changes we have made to the brochure since the last annual update. The following material changes have been made since the annual update to our brochure dated March 28, 2014:

Poplar Forest launched the Cornerstone Strategy. On December 31, 2014, Poplar Forest began advising two new mutual funds, one of which is invested in the Cornerstone Strategy and one of which is invested in the Outliers Strategy. The assets in the Poplar Forest Outliers Fund, L.P. were transferred into the Poplar Forest Outliers Fund mutual fund.

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Item 4 – Advisory Business

Poplar Forest Capital, LLC (“Poplar Forest Capital” or “Poplar Forest”) is an SEC-registered investment adviser formed in September 2007 with the goal of providing a select group of clients with superior investment results using a value-oriented, long-term approach to investing. Poplar Forest Capital provides investment management services to individuals, institutions (including as a subadviser to other advisers), mutual funds, and a pooled investment vehicle. The principal owner of Poplar Forest Capital is J. Dale Harvey, CEO and Chief Investment Officer.

Poplar Forest’s mission is to achieve superior, risk-adjusted returns, net of fees and taxes, over full market cycles by investing in under-appreciated companies and industries.

Poplar Forest accounts are primarily segmented into three groups: the Contrarian Value Strategy, the Outliers Strategy, and the Cornerstone Strategy. Contrarian Value accounts include a mutual fund, a private investment partnership, separate accounts, and a wrap account advisory program sponsored by an unaffiliated broker-dealer. The Outliers strategy is provided through a mutual fund and separate accounts. The Cornerstone Strategy is provided through a mutual fund.

Poplar Forest also offers traditional investment management services to a variety of clients, including individuals, trusts and foundations (collectively the “Comprehensive Investment Program Accounts” or “CIP Accounts”).

Assets Under Management Poplar Forest manages client assets on both a discretionary and non-discretionary basis. As of December 31, 2014, total assets under management were:

Discretionary Assets	\$ 1,351,937,293
Non-Discretionary Assets	\$ 26,056,291
Total Assets	\$ 1,377,993,584

Contrarian Value Strategy

Contrarian Value accounts generally will hold 25 to 35 companies with (i) an investment grade debt rating, (ii) a history of paying common stock dividends, and (iii) a market capitalization among the top 1,000 companies in the United States. These accounts are managed using a long-term approach to security selection. Investments will generally be made with the intention of holding the investment for three years, although individual investments may be held for shorter or longer time periods. The strategy does not short stocks or use leverage.

Contrarian Value accounts may have the flexibility to invest in foreign equity securities, government and corporate debt securities, convertible securities, options, warrants, rights and other investment companies. These accounts also may hold long positions in cash, cash equivalents, and high-quality, short-term debt securities and money market instruments for temporary defensive purposes.

Contrarian Value accounts are segmented into two sub-strategies: Partners and Institutional. These two sub-strategies use a similar approach to security selection; differences in portfolio

holdings are primarily driven by cash inflows/outflows, tax considerations and/or client restrictions. Additional differences between the sub-strategies are highlighted below:

Contrarian Value - Partners

- Generally, no more than 15% of an account's value will be comprised of companies with a market value below \$2.5 billion (small cap companies).
- Cash and equivalents will generally compromise no more than 25% of an account's value.
- Poplar Forest generally votes proxies on behalf of clients.
- J. Dale Harvey is the portfolio manager.

Contrarian Value - Institutional

- Generally, at least 50% of an account's value will be comprised of companies with a market value in excess of \$25 billion (large cap companies).
- Cash and equivalents will generally compromise no more than 5% of an account's value. Poplar Forest is typically not responsible for selecting a manager for cash equivalent investments.
- Poplar Forest does not generally vote proxies on behalf of clients.
- J. Dale Harvey is the lead portfolio manager; Derek S. Derman, CFA serves as co-portfolio manager.

Wrap Fee Program

Poplar Forest Capital provides its Contrarian Value - Partners strategy to a wrap fee program sponsored by a large broker-dealer. Poplar Forest Capital generally receives a portion of the fees charged by the program sponsor, but Poplar Forest makes no determination as to the suitability of the sponsor's wrap program for the wrap sponsor's clients.

Model Portfolios

Poplar Forest separately provides the same wrap fee sponsor with a model portfolio for its UMA program. Poplar Forest's role in relation to the UMA program is to provide the sponsor with an "up-to-date" model portfolio of its Contrarian Value - Partners strategy, in exchange for which Poplar Forest receives a portion of the fees charged by the sponsor.

Outliers Strategy

Poplar Forest currently manages the Poplar Forest Outliers Fund, a mutual fund managed with a strategy similar to that used in Contrarian Value accounts. Accounts will generally hold 25 to 35 companies with (i) at least 50% invested in companies with market values below \$25 billion, (ii) at least 50% invested in companies returning capital to shareholders through dividends or stock repurchases, and (iii) no more than 20% invested in companies with market values below \$1 billion. The Outliers strategy differs from the Contrarian Value strategy in that it places a greater emphasis on investments in medium-sized companies. This strategy does not short stocks or use leverage. The Outliers Strategy is also available through institutional separate accounts.

Other Factors

- Cash and equivalents will generally compromise no more than 25% of an account's value.

- Outliers accounts may have a slightly higher portfolio turnover rate relative to the Contrarian Value's annual turnover rate of 25-35%.
- Poplar Forest generally votes proxies on behalf of clients.
- Stephen A. Burlingame, CFA is the portfolio manager for the accounts in the Outliers Strategy.

Cornerstone Strategy

Poplar Forest currently manages the Cornerstone Fund, a mutual fund with a balanced portfolio of debt and equity securities. Weightings between equity and fixed income securities are tactically allocated based on prospective return potential and risk factors, although equity exposure will not generally exceed 75% of net assets. Equity securities in which the Cornerstone Fund may invest include common stocks (including shares of medium-sized companies), foreign equity securities, convertible securities, options, and shares of other investment companies, including mutual funds and exchange traded funds ("ETFs"). Individual equity positions are generally not larger than 4% at time of purchase. Dividend paying companies with investment grade credit ratings are the primary focus of the Cornerstone Fund's equity investments.

Fixed income securities in which the Fund may invest include government and agency debt, inflation-protected securities, asset-backed securities, shares of other investment companies, including mutual funds and ETFs, exchange-traded notes, convertible securities, floating rate securities, mortgage-backed securities, municipal debt, and the debt of companies across a wide range of industries. Fixed income investments may be of any maturity and duration, including securities rated below investment grade (i.e., "junk bonds"). The Cornerstone Fund is managed using a long-term approach to security selection. Investments are generally made with an intended investment horizon of three years, although individual investments may be held for shorter or longer time periods.

Comprehensive Investment Program Accounts

Through its CIP Accounts, Poplar Forest offers traditional investment advisory services to individuals, trusts and foundations. For CIP Accounts, Poplar Forest tries to align portfolio holdings with the goals and objectives of each individual client using individual securities, bonds, ETFs and mutual funds. Most CIP clients have an interest in one or more Poplar Forest strategies, and certain CIP Accounts hold shares of the Cornerstone Fund.

CIP clients typically have discrete investment objectives, and Poplar Forest bases its advice on the specific needs of the individual client. The client can restrict the investment choices.

Christopher E. Morphy is the portfolio manager for the Comprehensive Investment Program Accounts.

Item 5 – Fees and Compensation

Fees for Advisory Services

Poplar Forest's standard fee schedule is outlined below. The fee schedule will vary depending on the type of client, investment strategy, and the amount of assets to be managed. Poplar Forest reserves the right to negotiate fees. Poplar Forest Capital believes the total cost of ownership is

an important consideration for clients. As a result, Poplar Forest may choose, in its sole discretion, at any time and from time to time, to waive, reduce or defer all or any portion of its investment advisory fee with respect to a Contrarian Value Account, Outliers Account and/or any Comprehensive Investment Program Account.

Mutual Funds

Clients for whom a mutual fund is an appropriate investment, and who choose to invest in one or more of the Poplar Forest mutual funds, should review the Prospectus and Summary Prospectus carefully for information on the investment objectives, management fees, expenses, and investment risks.

Limited Partnership

Clients for whom a pooled investment vehicle is an appropriate investment, and who choose to invest in the Poplar Forest Fund L.P. ("PFF"), should review PFF's limited partnership agreement carefully for information on PFF's investment objectives, management fees, expenses, and investment risks.

Institutional Separate Accounts

Contrarian Value – Partners Separate Accounts

1.00% on the first \$25 million

0.60% thereafter

Contrarian Value – Institutional Separate Accounts

0.75% on the first \$25 million

0.60% thereafter

Outliers Separate Accounts

0.90% on the first \$25 million

0.75% thereafter

Subadvisory Relationships

Poplar Forest currently serves as a subadvisor in two emerging manager programs serving institutional investors. Fees for these services are negotiated separately with each adviser.

Comprehensive Investment Program Accounts

CIP management fees are negotiated separately with each client based on the size of the account as well as other factors. To the extent Poplar Forest determines that it is appropriate for a CIP Account to invest in any of the Poplar Forest mutual funds or PFF, the CIP Account is not assessed a separate CIP management fee based on those assets. An investment in one of the Poplar Forest mutual funds or PFF will, however, incur management and other fees imposed by the particular fund, which may be more than the CIP management fee.

Wrap Accounts and Model Portfolios

Poplar Forest does not determine the fee which investors pay to the wrap program and UMA sponsor. Rather, Poplar Forest negotiates a fee with the wrap program and UMA sponsor for its services and generally receives a portion of the fees charged by the program sponsor.

Payment of Fees

Depending on the specific terms of a client's written agreement with Poplar Forest, fees for advisory services are generally based on assets under management on either the last day of the month (or quarter) or on average outstandings during the month (or quarter); fees are usually paid either monthly (or quarterly) in arrears or in advance; and fees are generally either withdrawn directly from a client's account or are billed separately. Different Poplar Forest client accounts reflect these different or alternative arrangements.

Contracts for advisory services are terminable, after appropriate notice, as outlined in the agreement between Poplar Forest and its client. Fees will be pro-rated accordingly. In those instances where fees were charged in advance and services were not rendered or were terminated before completion, those unearned fees would be refunded on a pro rata basis.

Other Fees and Expenses

The fees outlined above for Contrarian Value Separate Accounts, Outliers Separate Accounts, and Comprehensive Investment Program Accounts do not include brokerage commissions, transaction costs, and custodial fees. Please see Brokerage Practices - Item 12 for additional information.

Third Party Payments

Poplar Forest Capital does not accept any compensation from third parties for the sale of securities or other investment products.

Item 6 - Performance-Based Fees and Side-By-Side Management

Poplar Forest Capital does not charge performance-based fees.

Item 7 – Types of Clients

Poplar Forest offers investment management services to:

- individuals
- institutions, including pension and profit-sharing plans
- state or local government entities
- mutual funds
- pooled investment vehicles
- other investment advisers
- broker-dealer sponsored wrap program whose clients may include, among others, individuals, corporations, retirement plans, and foundations.

The minimum initial account size is negotiable but generally will not be less than \$25 million for new separately managed accounts in the Contrarian Value or Outliers strategies. To focus on providing investment management services to existing clients, Poplar Forest may from time to time decline to accept new clients.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Poplar Forest evaluates investment opportunities using bottom-up, fundamental analysis. This type of analysis often includes review of company filings, presentations, conference calls, third-party equity research and fixed income debt ratings, followed by an assessment of the prospective investment. Poplar Forest pays particular attention to the following factors:

1. Expected future profits;
2. Expected sustainable revenue and/or asset growth;
3. Expected cash investment needed to support expected growth;
4. Normalized free cash flow after considering Items 1 through 3 above; and
5. Valuation relative to normalized earnings and free cash flow after giving consideration to growth potential and financial strength.

Investment Strategies

Contrarian Value – This strategy seeks to deliver superior, risk-adjusted returns over full market cycles by investing primarily in the common stocks of under-appreciated companies and industries. A full market cycle is deemed to be a multi-year period including a period of material increase in the U.S. stock market (a “bull market”) and a period of material decline in the U.S. stock market (a “bear market”). Accounts will generally hold 25 to 35 companies with (i) an investment grade debt rating, (ii) a history of paying common stock dividends, and (iii) a market capitalization among the top 1,000 companies in the United States.

These accounts are managed using a long-term approach to security selection. Investments will generally be made with an intended investment horizon of three years, although individual investments may be held for shorter or longer time periods.

Outliers – Like the Contrarian Value strategy, Outliers seeks to deliver superior, risk-adjusted returns over full market cycles by investing primarily in the common stocks of under-appreciated companies and industries. The strategy emphasizes investments in medium-sized companies. Accounts will generally hold 25 to 35 companies with (i) at least 50% invested in companies with market values below \$25 billion, (ii) at least 50% invested in companies returning capital to shareholders via dividends or stock repurchases, and (iii) no more than 20% invested in companies with market values below \$1 billion.

Cornerstone – This strategy seeks to deliver superior, risk-adjusted returns over full market cycles by building a balanced portfolio of debt and equity securities. Weightings between equity and fixed income securities are tactically allocated based on prospective return potential and risk factors, although equity exposure will not generally exceed 75% of net assets. Equity securities in which the Cornerstone Fund may invest include, but are not limited to, common stocks (including shares of medium-sized companies), foreign equity securities, convertible securities, options, and the shares of other investment companies, including mutual funds and ETFs.

Individual positions in equity securities are generally no larger than 4% at time of purchase. Dividend paying companies with investment grade credit ratings are the primary focus of the Cornerstone Fund's equity investments.

Fixed income securities in which the Fund may invest include government and agency debt, inflation-protected securities, asset-backed securities, shares of other investment companies, including mutual funds and ETFs, exchange-traded notes, convertible securities, floating rate securities, mortgage-backed securities, municipal debt, and the debt of companies across a wide range of industries. Fixed income investments may be of any maturity and duration, including securities rated below investment grade (i.e., "junk bonds"). The Cornerstone Fund is managed using a long-term approach to security selection. Investments are generally made with an intended investment horizon of three years, although individual investments may be held for shorter or longer time periods.

Risk of Loss

Losing all or a portion of an investment is a risk of investing. The following additional risks could affect the value of an investment in any of Poplar Forest's strategies:

- **Management Risk** – If the investment strategies do not produce the expected results, the value of the accounts could decrease.
- **Market Risk** – If the stock market as a whole, or the value of an individual company, goes down, the result could be a decrease in the value of the accounts.
- **Value-Style Investing Risk** – Value stocks can perform differently from the market as a whole and from other types of stocks. Value stocks may be purchased based upon the belief that a given security may be out of favor; that belief may be misplaced, or the security may stay out of favor for an extended period of time.
- **Portfolio Concentration Risk** – Poplar Forest invests primarily in a reasonably concentrated portfolio of common stocks. There may be greater risk of principal loss investing in a concentrated portfolio of common stock holdings relative to the risk in a more diverse portfolio or a portfolio consisting of bonds and/or cash.
- **Debt Securities Risk** – Debt securities, such as notes and bonds, are subject to credit risk and interest rate risk. Credit risk is the possibility that an issuer of an instrument will be unable to make interest payments or repay principal when due. Changes in the financial strength of an issuer or changes in the credit rating of a security may affect its value. Interest rate risk is the risk that interest rates may increase, which tends to reduce the resale value of certain debt securities, including U.S. Government obligations.
- **Medium-Sized Companies Risk** – Investing in securities of medium-sized companies may involve greater risk than investing in larger, more established companies because they can be subject to greater share price volatility than larger, more established companies.
- **Small-Sized Companies Risk** – Investing in securities of small-sized companies may involve even greater risk than investing in medium-sized companies. It is often more difficult to value or dispose of small company stocks and to obtain information about smaller companies, and the prices of small company stocks may be more volatile than stocks of larger, more established companies.
- **Foreign Securities Risk** – Foreign securities can be more volatile than domestic (U.S.) securities. Securities markets of other countries are generally smaller than U.S. securities

markets. Many foreign securities also may be less liquid than U.S. securities, which could affect the investments.

- **Options, Warrants and Rights** -- Options may involve certain costs and risks such as liquidity, interest rate, market, credit, and the risk that a position may not be closed when most favorable or may expire worthless. Warrants and other rights, which are often issued together with bonds or preferred stocks, carry similar risks as options.
- **Lack of Liquidity** - For investors in a private limited partnership, funds are not immediately available. Liquidations are restricted to month-end.
- **Private Fund Risk** – A private fund is an investment vehicle that pools capital from a number of investors and invests in securities and other instruments. In almost all cases, a private fund is a private investment vehicle that is typically not registered under federal or state securities laws. So that private funds do not have to register under these laws, issuers make the funds available only to certain sophisticated or accredited investors and do not offer or sell them to the general public. Private funds are generally smaller than mutual funds because they are often limited to a small number of investors and have a more limited number of eligible investors. The primary risks of private funds include the following: (1) private funds do not trade publicly and are therefore illiquid; (2) an investor may not be able to exit a private fund or sell its interests in the fund during an initial lock-up period, before the fund closes, or at any time other than month end; and (3) private funds are subject to various other risks, including risks associated with the types of securities that the private fund invests in.

Such risk factors are not meant to be an exhaustive list of all potential risks.

Investing in securities involves risk. Principal loss is possible. Clients should be prepared to bear the risk of loss that accompanies investing in securities.

Item 9 – Disciplinary Information

Neither Poplar Forest nor any of Poplar Forest’s management persons has had any legal or disciplinary events that would be material to a client’s evaluation of Poplar Forest or the integrity of Poplar Forest’s management.

Item 10 – Other Financial Industry Activities and Affiliations

Mutual Funds

Poplar Forest is the investment adviser to three mutual funds (the “Mutual Funds”), which are distributed through Quasar Distributors, LLC, a subsidiary of U.S. Bancorp. Currently, one of Poplar Forest’s employees is also a registered representative of Quasar; however, this employee does not receive commissions or other transaction-based compensation in connection with recommending either the investment advisory services of Poplar Forest or investment in the Mutual Funds, or Poplar Forest Fund L.P.

Proprietary Private Fund

Poplar Forest is the investment adviser to, and general partner of, Poplar Forest Fund L.P. (the “Limited Partnership”), which is a private investment fund. The Limited Partnership is not

publicly offered or traded and is only available to “Accredited Investors,” as the term is defined by Rule 501 of the Securities Act. The limited partnership agreement (the “LPA”) for the Limited Partnership provides additional information on the requirements for investing in the Limited Partnership. Prospective investors in the Limited Partnership sign the LPA. This Form ADV Part 2A Brochure is not an offer to sell, or a solicitation of an offer to purchase, interests in the Limited Partnership. Such an offer can only occur when the prospective investor reviews and signs the applicable LPA. See also *Interest in Client Transactions* in Item 11 below.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Pursuant to Rule 204A-1 of the Investment Advisers Act of 1940 and Rule 17j-1 of the Investment Company Act of 1940, Poplar Forest has adopted a code of ethics (the “Code”) which details Poplar Forest’s fiduciary duty to its clients and sets standards of conduct for employees. All employees of Poplar Forest are subject to the Code. All employees must review and acknowledge the terms of the Code by signing an attestation form upon joining the firm, annually thereafter, and upon any amendment to the Code. Proscriptions against over-reaching, self-dealing, insider trading and the appearance of conflicts of interest are set forth in the Code. Among other matters, the Code establishes procedures designed to prevent the misuse of non-public information and confidential client information. Furthermore, the Code limits the acceptance of gifts and business entertainment as well as outside business activities that may create a conflict of interest. Although Poplar Forest believes its Code is appropriate to prevent potential conflicts of interest among Poplar Forest, its related persons, and its clients, clients should be aware that no set of rules could possibly anticipate or relieve all potential conflicts.

Personal Trading

A potential conflict of interest exists whenever investment advisers or their related persons trade in the same securities that they are purchasing and selling for clients. The advisers and related persons may have an incentive to take investment opportunities from clients for their own benefit, favor their personal trades over client transactions when allocating trades, or use the information about the transactions they intend to make for clients to their personal benefit by trading ahead of clients. In order to address this potential conflict of interest, personal securities trading by employees is subject to the limitations outlined in the Code and has been designed to limit conflicts between the interests of Poplar Forest’s clients and its employees. Employees may own securities that are also owned by one or more of Poplar Forest’s clients. However, the Code requires that employees seek pre-approval before they engage in personal securities transactions, with certain limited exceptions. In order to monitor compliance with the Code, the CCO regularly reviews employees’ account statements as well as reports of personal securities transactions.

Interest in Client Transactions

Poplar Forest is the general partner of the Limited Partnership and the investment adviser to the Mutual Funds. Poplar Forest has not actively solicited clients for Poplar Forest Fund L.P. since it launched the Poplar Forest Partners Fund in December 2009. Poplar Forest receives no direct compensation for selling either the Limited Partnership or the Mutual Funds to its clients; it does, however, receive compensation in the form of investment advisory fees when its clients choose

one of these funds. A conflict may, therefore, be deemed to exist because Poplar Forest and its personnel stand to benefit from additional investment in these funds.

In order to address this conflict, Poplar Forest will only recommend interests in the Limited Partnership to clients who meet the requisite income and/or net worth requirements and where Poplar Forest believes the investment is appropriate for the client based on the client's ability to accept the risk. Clients will receive the applicable prospectus or offering memorandum, and full disclosure of known risks, before investing in either the Mutual Funds or the Limited Partnership.

Client Having an Ownership Interest

A client of Poplar Forest has a non-controlling, passive ownership interest in Poplar Forest. In the performance of its investment advisory and management services, Poplar Forest makes no distinction between clients who may have such an ownership interest and any other clients. Poplar Forest's client relationships and services are at all times managed in accordance with the Code for the benefit of all clients. Nevertheless, by reason of a non-controlling ownership interest, this particular client may, as a practical matter, from time to time have the opportunity for access to Poplar Forest, its investment professionals and staff to a degree different from that available to other clients. In these circumstances, this client may be advantaged as to support and administrative services in comparison to clients having no ownership position. Such an advantage, however, is unrelated to the performance of investment advisory and management services by Poplar Forest for all Poplar Forest clients.

Internal Cross Transactions

At times, a client may need to sell a security that Poplar Forest believes is a good fit for another client's account. In this case, Poplar Forest may internally cross the security from the account of the selling client to the buying client's account. This will only be done when the proposed transaction is in the best interest of both clients.

General

Poplar Forest will provide a copy of its Code of Ethics to any client or prospective client upon request. Such a request may be made by submitting a written request to Poplar Forest at the address on the cover page of this brochure.

Item 12 – Brokerage Practices

General Considerations in Brokerage Selection

In placing portfolio transactions, Poplar Forest seeks "best execution." Best execution is generally understood to mean that Poplar Forest will seek to achieve the most favorable execution at an appropriate cost for its clients. Poplar Forest's objective is not to pay the lowest commission rate on every transaction, since best execution entails a balance of considerations. The range and quality of services available will be considered in making these determinations, including execution capability, commission rates, the value of any research services provided or expected to be provided, financial responsibility, responsiveness, the size of the order, the difficulty of execution, the operational facilities of the firm involved, the firm's risk in positioning a block of securities, and other factors.

Research and Other Benefits

Poplar Forest receives both proprietary research (created or developed by a broker-dealer) as well as third-party research from broker-dealers used by Poplar Forest to execute client transactions. Poplar Forest considers such research additive to its investment analysis for the benefit of its clients, but of indeterminable value. Poplar Forest believes all of its clients benefit from such research. While Poplar Forest has no formal arrangement with such broker-dealers to direct a specified level of commissions to them or otherwise employ “soft dollars,” it may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or brokerage products or other services, rather than on its clients’ interest in receiving the lowest cost execution. As a result, client accounts may pay a higher commission or spread than would be the case if no weight were given to the provision of these products and/or services, provided that the amount of such commission has been determined in good faith to be reasonable in relation to the value of the brokerage and/or research services provided by such broker-dealer. Quarterly, Poplar Forest’s Best Execution Committee reviews brokerage activity as well as the value of any research provided by such brokers, and updates the list of approved brokers as necessary.

Poplar Forest also may receive from particular broker-dealer/custodians, without cost (or at a discount), support services and/or products that benefit Poplar Forest but may not directly benefit client accounts. Schwab Advisor Services™, a division of Charles Schwab & Co., Inc., registered broker-dealer, Member SIPC (“Schwab”), makes available products and services that may be used to service all or some substantial number of the Comprehensive Investment Program Accounts, including accounts not maintained with Schwab. Schwab makes these products and services available to Poplar Forest on an unsolicited basis, at no charge so long as Poplar Forest maintains a minimum amount of assets in accounts at Schwab. Schwab makes available products and services that assist Poplar Forest in managing and administering clients’ accounts, including software and other technology that:

1. provide access to client account data (such as duplicate trade confirmations and account statements);
2. facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
3. provide pricing and other market data;
4. facilitate payment of Poplar Forest’s fees from client accounts; and
5. assist with back-office functions, recordkeeping, and client reporting.

Schwab also offers other services intended to help Poplar Forest manage and further develop its business enterprise. These services may include:

1. educational conferences and events;
2. consulting on technology, compliance, legal and business needs;
3. publications and conferences on practice management and business succession; and
4. access to employee benefits providers, human capital consultants, and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to Poplar Forest. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third-party's fees. Schwab may also provide other benefits such as educational events or occasional business entertainment of Poplar Forest personnel.

As part of our fiduciary duty to clients, Poplar Forest endeavors at all times to put the interests of clients first. Clients should be aware, however, that the receipt of economic benefits by Poplar Forest or our personnel in and of itself creates a potential conflict of interest and may indirectly influence Poplar Forest's recommendation of Schwab for custody and brokerage services.

Directed Brokerage

Portfolio transactions may be placed with broker-dealers who sell shares of the Mutual Fund subject to rules adopted by the Financial Industry Regulatory Authority, Inc. ("FINRA") and the SEC. Poplar Forest does not generally accept client instructions for directing the client's brokerage transactions to a particular broker-dealer; however, certain institutional clients may be permitted to do so. Clients who direct Poplar Forest to use a particular broker-dealer for all trading may pay higher commission charges. Under these circumstances, Poplar Forest may not have authority to negotiate commissions or obtain volume discounts, and best execution may not be achieved. Clients should further understand that when they direct Poplar Forest to use a specific broker, disparity in transaction charges might exist between the transaction costs charged to other clients. Poplar Forest may not be able to aggregate orders to reduce transaction costs, and clients who direct Poplar Forest to use a particular broker-dealer may receive less favorable prices.

Aggregation of Securities Transactions

It is possible that at times Poplar Forest will want to buy or sell identical securities for its accounts within a particular strategy, or across multiple strategies, at the same time. In such a case orders, excluding the wrap fee program and any directed brokerage, are typically aggregated ("blocked") and executed in a single transaction or a series of transactions such that all clients participating in the block receive the same average price and share pro rata in the transaction costs. If there are insufficient securities to "fill" the order, Poplar Forest will allocate the securities in a manner it deems equitable, generally pro rata. It is recognized that in some cases this system of aggregating trades could have a detrimental effect on the price or value of the security insofar as one of the clients is concerned. In other cases, however, it is believed that the ability of the client accounts to participate in volume transactions may produce better executions for those clients.

Conversely, because Comprehensive Investment Program Accounts, wrap accounts, and directed brokerage do not participate in aggregated transactions, these accounts may have higher transaction costs and receive less favorable prices than the accounts whose trading is directed by Poplar Forest.

Item 13 – Review of Accounts

Contrarian Value Accounts

J. Dale Harvey, Chief Investment Officer, reviews performance on a regular basis. Client accounts are reviewed when there are changes made to the account (e.g., cash movement in or out of the account, changes to a portfolio position, etc.). Additionally, each account is reviewed periodically to confirm that trades have been allocated appropriately and portfolio holdings are in accordance with investment guidelines.

In general, clients receive statements from the custodian at least quarterly (See Section 15 – Custody below). Poplar Forest also provides reports in accordance with the specific client agreement. Quarterly, J. Dale Harvey writes a letter in which he reviews the previous quarter's performance as well as overall market conditions.

Outliers Accounts

Stephen A. Burlingame, portfolio manager, reviews Outliers account performance on a regular basis and when there are changes made to an account (e.g., cash movement in or out of the account, changes to a portfolio position, etc.). Additionally, Outliers' holdings are reviewed periodically to confirm that trades have been allocated appropriately and portfolio holdings are in accordance with investment guidelines. Poplar Forest provides reports in accordance with the specific client agreement. Quarterly, Steve Burlingame writes a letter in which he reviews the previous quarter's performance as well as the overall market conditions.

Comprehensive Investment Program Accounts

The Comprehensive Investment Program Accounts are reviewed by Chris Morphy, President, on a regular basis and more frequently if clients' situations dictate or individual investor requirements necessitate review. Monthly, Poplar Forest sends out a bill for its investment advisory services. No less frequently than quarterly, Schwab sends out custodial statements. In addition, Poplar Forest sends out J. Dale Harvey's quarterly letter as well as a portfolio appraisal.

Wrap Fee Program

With respect to the wrap accounts, the sponsor provides all reports to the wrap clients.

Item 14 – Client Referrals and Other Compensation

Poplar Forest does not compensate any third party for providing client referrals.

Item 15 – Custody

Poplar Forest is not a qualified custodian. Poplar Forest has limited custody of some of our clients' funds or securities when the clients authorize us to deduct our management fees directly from the client's account. A qualified custodian (generally a broker-dealer, bank, trust company, or other financial institution) holds clients' funds and securities. Clients will receive statements directly from their qualified custodian at least quarterly. The statements will reflect the client's funds and securities held with the qualified custodian as well as any transactions that occurred in the account, including the deduction of Poplar Forest's fee.

Clients should carefully review the account statements they receive from the qualified custodian. When clients receive statements from Poplar Forest as well as from the qualified custodian, they should compare these two reports carefully. Clients with any questions about their statements should contact us at the address or phone number on the cover of this brochure. Clients who do not receive a statement from their qualified custodian at least quarterly should also notify us.

In all cases, clients are urged to carefully compare the account statements received from Poplar Forest with the statements received from the qualified custodian. Poplar Forest provides monthly and/or quarterly reports, which may vary from custodial statements based on accounting procedures, reporting dates, or differences between pricing services.

Limited Partnership

As general partner of the Limited Partnership, Poplar Forest is deemed to have custody of the Limited Partnership's assets although all assets in the Limited Partnership are held in custody at J.P. Morgan. Investors will not receive statements from the custodian; investors will receive quarterly statements from the Limited Partnership, subsequent to the Limited Partnership administrator preparation of such statements. Additionally, the Limited Partnership is subject to an annual audit by an independent public accountant, and audited financial statements, prepared in accordance with U.S. generally accepted accounting principles, are distributed to the investors in the Limited Partnership.

Item 16 – Investment Discretion

Clients generally grant Poplar Forest discretionary authority in the investment advisory contracts they sign. Clients also give Poplar Forest trading authority over their accounts when they sign the custodian paperwork. Investors in the Limited Partnership should review the governing fund documents, which outline this authority.

Contrarian Value - Partners Strategy

Poplar Forest does accept discretionary authority to manage securities on behalf of clients. Poplar Forest exercises discretion in the context of a client's specific investment guidelines and restrictions. Clients participating in the broker-dealer sponsored wrap account program may place restrictions on their accounts.

Contrarian Value - Institutional Strategy

Poplar Forest does accept discretionary authority to manage securities on behalf of clients. Poplar Forest exercises discretion in the context of a client's specific investment guidelines and restrictions.

Outliers Strategy

Poplar Forest does accept discretionary authority to manage securities on behalf of clients. Poplar Forest exercises discretion in the context of a client's specific investment guidelines and restrictions.

Cornerstone Strategy

Poplar Forest does accept discretionary authority to manage securities on behalf of clients. Poplar Forest exercises discretion in the context of a client's specific investment guidelines and restrictions.

Comprehensive Investment Program Accounts

Poplar Forest does accept discretionary authority to manage securities on behalf of clients. Poplar Forest exercises discretion in the context of a client's specific investment guidelines and restrictions.

Item 17 – Voting Client Securities

Poplar Forest is generally responsible for voting the proxies on securities held in client accounts. Exceptions include certain institutional clients and a few of its CIP clients which have retained such responsibility. Poplar Forest maintains written policies and procedures regarding proxy voting and makes appropriate disclosures about the firm's proxy policy and practice. The policy and practice include the responsibility to monitor corporate actions, receive and vote client proxies, disclose any potential conflicts of interest, make information available to clients about the voting of proxies for their portfolio securities, maintain relevant and required records, and resolve any conflicts of interest (including, if necessary, engaging an independent third party to vote a proxy).

Poplar Forest will vote proxies in its view of the long-term best interests of the company's shareholders, which, in Poplar Forest's view, is in the best interest of its clients. In the absence of specific voting guidelines from a client, Poplar Forest's policy is to vote all proxies from a specific issuer the same way for all clients. In the event that a CIP client offers suggestions or opinions on how Poplar Forest should vote their shares, Poplar Forest is receptive to client input and, in the event the CIP client wishes to override Poplar Forest's intention, Poplar Forest will defer to the client if practicable.

Poplar Forest is required to file Form N-PX, its complete mutual fund proxy voting record for the 12 months ended June 30, no later than August 31 of each year. Poplar Forest's mutual fund proxy voting record is available upon request by calling its offices at (626) 304-6000 and also on the SEC's website at www.sec.gov.

Poplar Forest votes the proxies it receives and, to the extent any client has a question regarding a specific proxy or the proxy policy in general, he or she should contact Chris Morphy at Poplar Forest. Mr. Morphy can be reached at (626) 304-6000.

Class Actions

Poplar Forest does not instruct or give advice to clients on whether or not to participate as a member of class action lawsuits and will not automatically file claims on the client's behalf. However, if a client notifies Poplar Forest that they wish to participate in a class action, Poplar

Forest will provide the client with any transaction information pertaining to the client's account needed for the client to file a proof of claim in a class action.

Item 18 – Financial Information

Poplar Forest has the financial capability to meet its contractual and fiduciary commitment to provide advisory services to its clients.

Poplar Forest has never been the subject of a bankruptcy petition.