



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, at the address above, or via email at cmorphy@poplarforestllc.com. 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 27, 2012:

In March 2013, Poplar Forest Capital became the General Partner of the Outlier Opportunities Fund L.P., a small private investment partnership, which is described in *Item 4 – Advisory Business* and *Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss*.

Item 3 – Table of Contents

Item 1 – Cover Page	1
Item 2 – Material Changes.....	2
Item 3 – Table of Contents	3
Item 4 – Advisory Business	4
Item 5 – Fees and Compensation	6
Item 6 - Performance-Based Fees and Side-By-Side Management.....	7
Item 7 – Types of Clients	7
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	8
Item 9 – Disciplinary Information	10
Item 10 – Other Financial Industry Activities and Affiliations	10
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	11
Item 12 – Brokerage Practices	12
Item 13 – Review of Accounts.....	14
Item 14 – Client Referrals and Other Compensation	14
Item 15 – Custody	15
Item 16 – Investment Discretion.....	15
Item 17 – Voting Client Securities	16
Item 18 – Financial Information	16

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, a mutual fund, and two pooled investment vehicles. 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 currently offers a Core Equity Strategy across a number of products including a mutual fund (the “Mutual Fund”), a private investment partnership (“Poplar Forest Fund L.P.”), institutional separate accounts (the “Institutional Separate Accounts”), and a wrap account advisory program sponsored by an unaffiliated broker-dealer (each a “Core Equity Account” and, collectively, the “Core Equity Strategy”). The products in the Core Equity Strategy are managed using the same investment program, with differences in portfolio holdings primarily being driven by cash inflows/outflows, tax considerations and/or client restrictions. In addition to its Core Equity Strategy, Poplar Forest offers traditional investment management services to a variety of clients, including endowment, foundation, personal, and family accounts (collectively the “Traditional Separately Managed Accounts” or “Traditional SMAs”), as well a small private investment partnership (the “Outlier Opportunities Fund” or “Outlier”) that utilizes a slightly different investment strategy from the Core Equity Strategy.

Core Equity Strategy

In the Core Equity Strategy, Poplar Forest Capital invests primarily in the common stocks of under-appreciated companies and industries. The Core Equity 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. Poplar Forest does not short stocks or use leverage in the Core Equity Accounts.

The Core Equity 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.

Some of the Core Equity Accounts have the flexibility to invest in foreign equity securities, government and corporate debt securities, convertible securities, options, warrants, rights and other investment companies. The Core Equity 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.

Traditional Separately Managed Accounts

Poplar Forest also offers traditional investment advisory services to individuals, trusts, foundations, and endowments. For these accounts, Poplar Forest tries to align portfolio holdings with the goals and objectives of each individual client using individual securities, bonds,

exchange-traded funds (ETFs) and mutual funds. Most of the Traditional SMA clients have an interest in one or more of the Core Equity Accounts.

SMA 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.

Outlier Opportunities Fund L.P.

In the Outlier Opportunities Fund, Poplar Forest Capital uses a similar strategy to its Core Equity Strategy. It invests primarily in the common stocks of under-appreciated companies and industries. The Outlier strategy differs from the Core Equity Strategy in that Poplar Forest places a greater emphasis on investments in small and medium sized companies in Outlier than in the Core Equity Strategy. Outlier will generally own 25 to 35 investments with at least 50% invested in companies with market values below \$30 billion and at least 50% invested in companies returning capital to shareholders via dividends or stock repurchases. Poplar Forest does not short stocks or use leverage in the Outlier Opportunities Fund.

Outlier is 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.

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

Wrap Fee Program

Poplar Forest Capital provides its Core Equity 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 Core Equity Strategy, in exchange for which Poplar Forest receives a portion of the fees charged by the sponsor.

Assets Under Management

Poplar Forest manages client assets on both a discretionary and non-discretionary basis. As of December 31, 2012, Poplar Forest managed approximately \$479 million on a discretionary basis and approximately \$24 million on a non-discretionary basis for total assets under management of approximately \$503 million.

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 Core Equity Account and/or any Traditional Separately Managed Account.

Institutional Separate Accounts

1.00% on the first \$25 million
0.60% thereafter

Limited Partnerships

Clients for whom a pooled investment vehicle is an appropriate investment and who choose to invest in either the Poplar Forest Fund L.P. or the Outlier Opportunities Fund L.P. should review the applicable limited partnership agreement carefully for information on the respective fund's investment objectives, management fees, expenses, and investment risks.

Mutual Funds

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

Traditional Separately Managed Accounts

Traditional SMA 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 Traditional Separately Managed Account to invest in one of the Core Equity Accounts, the Traditional Separately Managed Account is not assessed a Traditional SMA management fee based on those assets. An investment in one of the Core Equity Accounts will, however, incur management and other fees imposed by the particular Core Equity Account, which may be more than the Traditional SMA management fee.

Wrap Accounts and Model Portfolios

Poplar Forest does not determine the fee which investors pay to the wrap program and UMA sponsor. 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 based on assets under management on either the last day of the month or on average outstandings during the month; fees are paid either monthly in arrears or in advance; and fees are 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 terminated before completion, those unearned fees would be refunded on a pro rata basis.

Other Fees and Expenses

The fees outlined above for Institutional Separate Accounts and Traditional Separately Managed Accounts do not include brokerage commissions, transaction costs, and custodial fees. Please see Brokerage Practices - Item 12 for additional information.

Compensation for the Sale of Investment Products

Poplar Forest has an arrangement with Chris Morphy, its President, to identify and obtain new business for the firm. He may receive compensation for securing new investment advisory and mutual fund clients for Poplar Forest. Poplar Forest will pay Mr. Morphy a percentage of its advisory fee to compensate him for such new business and will not charge its clients any additional charges as a result of this compensation arrangement.

Poplar Forest's arrangement with Mr. Morphy may present a conflict for its individual Traditional SMA clients since it may provide an incentive for him to recommend one of Poplar Forest's proprietary products based on prospective compensation.

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
- state or local government entities
- mutual funds
- pooled investment vehicles
- 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 \$25,000,000 for new separately managed institutional accounts in the Core Equity Strategy. 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, and third-party equity research 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 Strategy

Core Equity Strategy -- The Core Equity 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”). The Core Equity Strategy will generally focus on 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.

The Core Equity 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.

The decision to sell securities is driven by Poplar Forest’s evaluation of prospective total returns relative to the perceived risk of the security in question. A security may be sold when its estimated future return is low in an absolute sense or in order to fund the purchase of a new investment that appears to offer a better risk/reward profile. A security may also be sold for tax considerations.

Outlier Opportunities Fund – Like the Core Equity Strategy, the Outlier Opportunities Fund seeks to deliver superior, risk-adjusted returns over full market cycles by investing primarily in the common stocks of under-appreciated companies and industries. Outlier will generally own 25 to 35 investments with at least 50% of the fund invested in companies with market values below \$30 billion and at least 50% of the fund invested in companies returning capital to shareholders via dividends or stock repurchases.

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 the Core Equity Strategy and/or Outlier Opportunities Fund:

- **Management Risk** – If the investment strategies do not produce the expected results, the value of the Core Equity 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 Core Equity 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.
- **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.
- **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 may also 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 Limited Partnership, funds are not immediately available. Liquidations are restricted to month-end.
- **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.
- **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 Fund

Poplar Forest is the investment adviser to the Poplar Forest Partners Fund (the “Mutual Fund”), which is 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 Fund, Poplar Forest Fund L.P., or the Outlier Opportunities Fund.

Proprietary Private Funds

Poplar Forest is the investment adviser to, and general partner of, Poplar Forest Fund L.P. and Outlier Opportunities Fund (collectively, the “Limited Partnerships”), which are private investment funds. The Limited Partnerships are not publicly offered or traded and are only available to “Accredited Investors,” as the term is defined by Rule 501 of the Securities Act. The limited partnership agreement for each of the Limited Partnerships (the “LPA”) provides additional information on the requirements for investing in that Limited Partnership. Prospective investors in either 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 Partnerships. 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.

Poplar Forest may recommend the Limited Partnerships to clients for whom we believe such investments would be suitable. This creates a conflict of interest, as Poplar Forest and our personnel benefit by our recommendation of these investments. Our policies to address this conflict are described under *Interest in Client Transactions* in Item 11 below. Poplar Forest does not recommend or select other investment advisers for its clients in exchange for compensation from the other adviser.

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 with the interests of Poplar Forest’s clients. Employees may own securities that are also owned by one 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 Partnerships and the investment adviser to the Mutual Fund. Poplar Forest has not actively solicited clients for Poplar Forest Fund L.P. since it launched the Mutual Fund in December 2009. Poplar Forest receives no direct compensation for selling either the Limited Partnerships or the Mutual Fund 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 Partnerships 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 of these funds.

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.

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 Soft Dollar Benefits

Poplar Forest has arrangements with a number of broker-dealers who provide value-added research services to Poplar Forest in exchange for brokerage commissions ("soft dollar arrangements"). Poplar Forest's relationships with broker-dealers are for both proprietary research (created or developed by the broker-dealer) as well as third-party research. Poplar Forest considers such research additive to its investment analysis for the benefit of its Core Equity Clients, as well as the Outlier Opportunities Fund, but of indeterminable value; Poplar Forest believes all of these clients benefit from such research proportionately. Poplar Forest may have an incentive, however, 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 most favorable execution. As a result, the Core Equity Accounts and Outliers 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. These soft dollar arrangements apply to all Core Equity Clients and Outliers, as these products are used in Poplar Forest's analysis for these

accounts. Other than incidental benefits, Traditional SMA clients neither participate in these soft dollar arrangements nor receive the benefits of the brokerage and/or research services provided. It is possible that Poplar Forest may not use all of the products and/or services that clients paid for.

Poplar Forest uses soft dollars to purchase research services that qualify under the Section 28(e) safe harbor of the Securities Exchange Act of 1934. These research services (1) fall within the category of research; (2) help in making investment decisions; and (3) are reasonable in terms of cost in relation to the value Poplar Forest receives. Poplar Forest does not use soft dollars to pay for mixed-use products.

Poplar Forest does not have any formal commitment to allocate brokerage transactions in return for research services. 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.

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 (but not Traditional SMAs) at the same time. In this instance orders, excluding the wrap fee program, 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 by round lots. 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 Core Equity Accounts to participate in volume transactions may produce better executions for those clients.

Conversely, because Traditional SMAs and wrap accounts do not participate in aggregated transactions, Traditional SMAs and wrap accounts may have higher transaction costs and receive less favorable prices than the Core Equity Accounts and Outliers.

Trade Rotation

With regards to strategic portfolio changes, the accounts participating in the aggregated order (excluding the wrap fee and UMA programs) alternate with the wrap fee and UMA programs as to priority in submitting their aggregated orders. Poplar Forest utilizes this rotation system to mitigate the risk that one client is favored over another.

Item 13 – Review of Accounts**Core Equity Strategy**

J. Dale Harvey, Chief Investment Officer, reviews the Core Equity Accounts' 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 Core Equity 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.

Traditional Separately Managed Accounts

The Traditional SMAs 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, Charles Schwab sends out custodial statements. In addition, Poplar Forest sends out J. Dale Harvey's quarterly letter as well as a portfolio appraisal.

Outlier Opportunities Fund L.P.

Stephen A. Burlingame, portfolio manager, reviews Outlier's performance on a regular basis and 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, Outlier's 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 Outlier's limited partnership agreement.

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 our 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 Partnerships

As general partner of the Limited Partnerships, Poplar Forest is deemed to have custody of the Limited Partnerships' assets although all assets in the Limited Partnerships are held in custody at J.P. Morgan. Investors will not receive statements from the custodian; investors will receive quarterly statements from the applicable Limited Partnership's Administrator. Additionally, each of the Limited Partnerships 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 each of the Limited Partnerships.

Item 16 – Investment Discretion

Core Equity 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.

Traditional Separately Managed Accounts (SMAs)

Poplar Forest does accept discretionary authority to manage securities on behalf of clients.

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 Partnerships should review the governing fund documents, which outline this authority.

Clients participating in the broker-dealer sponsored wrap account program may place restrictions on their accounts.

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 Traditional SMA 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 Traditional SMA 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 Traditional SMA 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.

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.