

Semi-Annual Report



May 31, 2016

Investment Adviser

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Dear Shareholders:

At the end of the first half of the Smead Value Fund's 2016 fiscal year, the Investor Share Class (SMVLX) has gone down in value 5.90% versus a 1.93% gain for the S&P 500 Index. We manage a concentrated, high-quality large cap value portfolio with boringly-dry turnover for shareholders that we know will have eras of unpopularity in the eyes of Mr. Market. After five fiscal years of strong performance, it is not unusual to have our portfolio of securities underperform. For us at Smead Capital Management, we call this occupational hazard as we believe that long-term business ownership is what we provide to the Fund.

In this season, we continue to ask ourselves, "Where are we wrong?" to not allow the opportunity cost to be our biggest enemy with the myriad of businesses that we can potentially own. Thus far in the fiscal year, the securities in the portfolio that most negatively impacted the Fund were H&R Block (HRB), TEGNA (TGNA) and Nordstrom (JWN). We exited our position in H&R Block as we believe their moat¹ has been impacted from increased competition, particularly from online competitors. This was the only name removed from the portfolio during the period. The companies that helped Fund performance the most significantly were Aflac (AFL), Accenture (ACN) and Comcast (CMCSA).

Shareholders purchased a net amount of \$94 million of the Fund as of May 31st, 2016. We are pleased that the Fund has grown to continue to provide better economics to existing shareholders, like ourselves. We are excited about the opportunity that we have in our current portfolio as it trades at a 13.6 forward price-to-earnings ratio (P/E) relative to the S&P 500 Index's 16.6 P/E ratio. We believe this reflects the valuation discount that we can see relative to the average stock or to the passive investor's bland portfolio. We thank our shareholders for their capital and trust today as we sit on what we believe are meritorious companies that aren't close to their day in the sun.

Warmest Regards,



William Smead
Lead Portfolio Manager



Tony Scherrer, CFA
Co-Portfolio Manager



Cole Smead, CFA
Co-Portfolio Manager

¹ Moat is a business' ability to maintain competitive advantages over its competitors in order to protect its long-term profits and market share from competing firms.

Past performance is not a guarantee of future results.

The information provided herein represents the opinion of Smead Capital Management, Inc. and is not intended to be a forecast of future events, a guarantee of future results, nor investment advice.

Must be preceded or accompanied by a prospectus.

Mutual fund investing involves risk. Principal loss is possible.

Fund holdings are subject to change at any time and should not be considered recommendations to buy or sell any security. Please refer to the Schedule of Investments in this report for a complete list of fund holdings.

The S&P 500[®] Index is a broad based unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general. The Russell 1000[®] Value Index measures the performance of those Russell 1000[®] companies with lower price-to-book ratios and lower forecasted growth values. You cannot invest directly in an index. Frank Russell Company is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell[®] is a trademark of Russell Investment Group.

Price-to-Earnings Ratio (P/E Ratio) is the ratio of a company's share price to its earnings per share.

SMEAD VALUE FUND

Expense Example

(Unaudited)

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments and (2) ongoing costs, including management fees, distribution (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 as indicated below.

Actual Expenses

The first line of the following table provides information about actual account values and actual expenses. If you purchase Class A shares of the Fund you will pay a maximum initial sales charge of 5.75% when you invest. Class A shares are also subject to a contingent deferred sales charge of 1.00% for purchases of \$1,000,000 or more that are redeemed within eighteen months of purchase. In addition, you will be assessed fees for outgoing wire transfers, returned checks and stop payment orders at prevailing rates charged by Boston Financial Data Services, Inc., the Fund's transfer agent. To the extent the Fund invests in shares of exchange traded funds ("ETFs") or other investment companies as part of its investment strategy, you will indirectly bear your proportionate share of any fees and expenses charged by the underlying funds in which the Fund invests in addition to the expenses of the Fund. Actual expenses of the underlying funds are expected to vary among the various underlying funds. These expenses are not included in the example. The example includes, but is not limited to, advisory fees, fund administration and accounting, custody and transfer agent fees. 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

The second line of the table 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 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, such as sales charges (loads), redemption fees or exchange fees. 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 these transactional costs were included, your costs would have been higher.

SMEAD VALUE FUND

Expense Example (Continued)

(Unaudited)

	Beginning Account Value <u>12/1/15</u>	Actual Ending Account Value <u>5/31/16</u>	Hypothetical Ending Account Value <u> </u>	Actual Expenses Paid During Period⁽¹⁾ <u> </u>	Hypothetical Expenses Paid During Period⁽¹⁾ <u> </u>	Net Expense Ratio During Period⁽²⁾ <u> </u>
Investor Class	\$1,000.00	\$941.00	\$1,018.70	\$6.11	\$6.36	1.26%
Class A	1,000.00	941.30	1,018.70	6.12	6.36	1.26
Class I1	1,000.00	942.60	1,020.05	4.81	5.00	0.99
Class R1	1,000.00	939.80	1,017.05	7.71	8.02	1.59
Class R2	1,000.00	940.20	1,017.80	6.98	7.26	1.44
Class Y	1,000.00	943.10	1,020.80	4.08	4.24	0.84

⁽¹⁾ Investor Class, Class A, Class I1, Class R1, Class R2 and Class Y expenses are calculated using each Class' annualized net expense ratio (as disclosed), multiplied by the average account value over the period, and multiplied by 183/366 (to reflect the most recent one-half year period).

⁽²⁾ Annualized.

SMEAD VALUE FUND

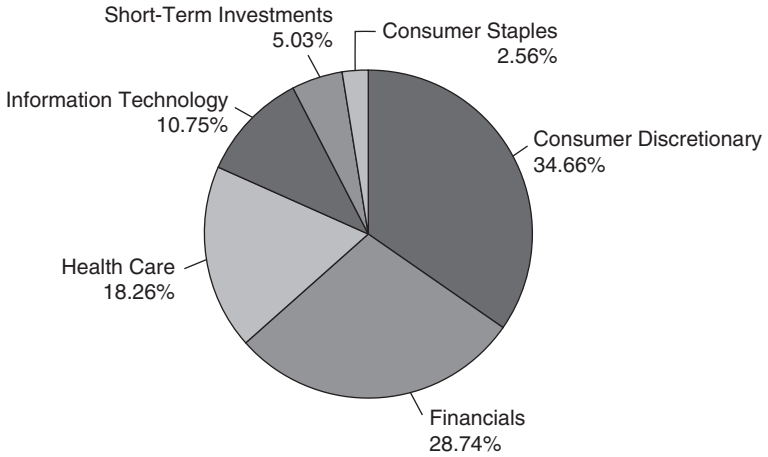
Investment Highlights

(Unaudited)

The Fund seeks long-term capital appreciation through concentrated positions. Therefore, the Fund maintains approximately 25-30 companies in its portfolio. The Fund invests in U.S. large capitalization companies through ownership of common stock.

Sector Breakdown

(% of Investments as of May 31, 2016)



Continued

SMEAD VALUE FUND
Investment Highlights (Continued)
(Unaudited)

Average Annual Total Returns as of May 31, 2016

	<u>Inception Date</u>	<u>1 Year</u>	<u>5 Years</u>	<u>Since Inception</u>
Smead Value Fund – Investor Class	1/2/2008	(3.94)%	14.45%	6.97%
Smead Value Fund – Class A	1/27/2014	(3.90)%	N/A	6.33%
Smead Value Fund – Class I1	12/18/2009	(3.66)%	14.74%	14.53%
Smead Value Fund – Class R1	11/25/2014	(4.19)%	N/A	0.21%
Smead Value Fund – Class R2	11/25/2014	(4.08)%	N/A	0.34%
Smead Value Fund – Class Y	11/25/2014	(3.52)%	N/A	0.93%
S&P 500® Index (Total Return)		1.72%	11.67%	6.63%
Russell 1000® Value Index (Total Return) . . .		(0.06)%	10.70%	5.50%

Performance data quoted represents past performance and 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 877-807-4122.

Investment performance reflects fee waivers in effect. In the absence of such waivers, total returns would be reduced.

The returns shown assume reinvestment of Fund distributions and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The following graph illustrates performance of a hypothetical investment made in the Fund and a broad-based securities index on the Fund’s inception date. The graph does not reflect any future performance.

The S&P 500® Index includes 500 common stocks, most of which are listed on the New York Stock Exchange. The S&P 500® Index is a market capitalization-weighted index representing approximately two-thirds of the total market value of all domestic common stocks.

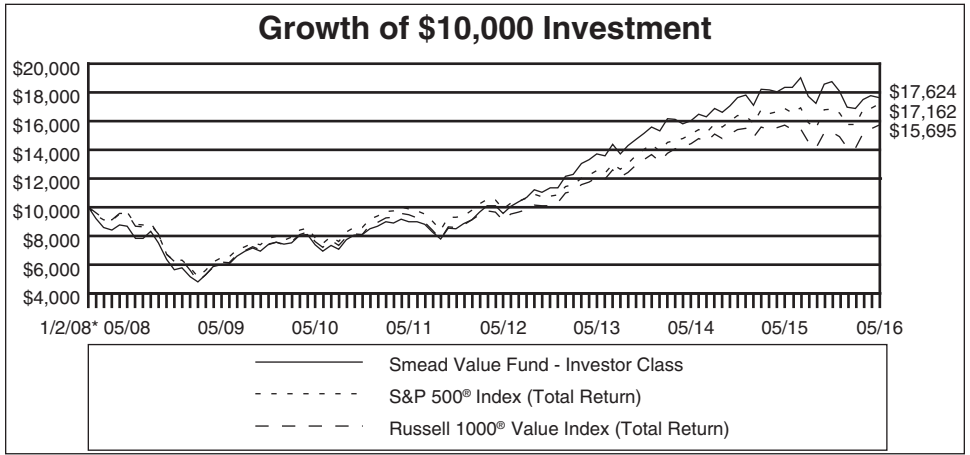
The Russell 1000® Value Index measures the performance of those Russell 1000® Value Index companies with lower price-to-book ratios and lower forecasted growth values.

Frank Russell Company is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.

One cannot invest directly in an index.

Continued

SMEAD VALUE FUND
Investment Highlights (Continued)
(Unaudited)



* Inception Date

Continued

SMEAD VALUE FUND

Schedule of Investments

May 31, 2016 (Unaudited)

	<u>Shares</u>	<u>Value</u>
COMMON STOCKS 94.87%		
Banks 13.38%		
Bank of America Corp.	3,612,922	\$ 53,435,117
JPMorgan Chase & Co.	1,005,905	65,655,419
Wells Fargo & Co.	1,064,014	53,966,790
		<u>173,057,326</u>
Consumer Durables & Apparel 6.74%		
NVR, Inc. (a)	50,300	<u>87,169,900</u>
Consumer Services 1.14%		
Starbucks Corp.	267,983	<u>14,709,587</u>
Diversified Financials 10.23%		
American Express Co.	959,585	63,102,309
Berkshire Hathaway, Inc. – Class B (a)	492,772	69,254,177
		<u>132,356,486</u>
Food & Staples Retailing 2.56%		
Walgreens Boots Alliance, Inc.	427,140	<u>33,060,636</u>
Insurance 5.10%		
Aflac, Inc.	948,972	<u>65,915,595</u>
Media 18.53%		
Comcast Corp. – Class A	665,506	42,126,530
Gannett Co., Inc.	3,672,423	57,363,247
News Corp. – Class A	2,506,679	29,979,881
Tegna, Inc.	2,939,762	67,496,936
Walt Disney Co.	430,597	42,723,834
		<u>239,690,428</u>
Pharmaceuticals, Biotechnology & Life Sciences 18.24%		
Amgen, Inc.	517,056	81,668,995
Gilead Sciences, Inc.	398,461	34,690,015
Johnson & Johnson	228,074	25,701,659
Merck & Co., Inc.	816,023	45,909,454
Pfizer, Inc.	1,381,129	47,925,176
		<u>235,895,299</u>
Retailing 8.21%		
Cabela's, Inc. – Class A (a)	770,272	37,404,408
Home Depot, Inc.	360,688	47,654,099
Nordstrom, Inc.	558,305	21,204,424
		<u>106,262,931</u>

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

SMEAD VALUE FUND

Schedule of Investments (Continued)

May 31, 2016 (Unaudited)

	<u>Shares</u>	<u>Value</u>
Software & Services 10.74%		
Accenture PLC – Class A (b)	343,137	\$ 40,823,009
eBay, Inc. (a)	1,821,938	44,564,603
PayPal Holdings, Inc. (a)	1,418,194	53,593,551
		<u>138,981,163</u>
TOTAL COMMON STOCKS (Cost \$1,111,920,940)		<u>1,227,099,351</u>
SHORT-TERM INVESTMENTS 5.03%		
Money Market Fund 5.03%		
State Street Institutional Liquid Reserves	65,032,621	<u>65,032,621</u>
TOTAL SHORT-TERM INVESTMENTS (Cost \$65,032,621)		<u>65,032,621</u>
TOTAL INVESTMENTS (Cost \$1,176,953,561) 99.90%		<u>1,292,131,972</u>
Other Assets in Excess of Liabilities 0.10%		<u>1,238,472</u>
TOTAL NET ASSETS 100.00%		<u>\$1,293,370,444</u>

(a) Non-income producing security.

(b) Foreign issued security.

The Global Industry Classification Standard (GICS®) was developed by and/or is the exclusive property of MSCI, Inc. and Standard & Poor Financial Services LLC (“S&P”). GICS® is a service mark of MSCI and S&P and has been licensed for use by Smead Capital Management, Inc.

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

SMEAD VALUE FUND

Statement of Assets and Liabilities

May 31, 2016 (Unaudited)

Assets

Investments, at value (cost \$1,176,953,561)	\$1,292,131,972
Receivable for Fund shares sold	2,607,524
Dividends and interest receivable	2,595,593
Due from Adviser	33,785
Total Assets	<u>1,297,368,874</u>

Liabilities

Payable for Fund shares redeemed	2,220,284
Payable to Adviser	837,928
Payable to Administrator	162,378
Payable for distribution fees	103,163
Payable for shareholder servicing fees	400,084
Accrued expenses and other liabilities	274,593
Total Liabilities	<u>3,998,430</u>

Net Assets

\$1,293,370,444

Net Assets Consist Of:

Paid-in capital	\$1,180,975,369
Accumulated undistributed net investment income	3,894,376
Accumulated undistributed net realized loss from investments	(6,677,712)
Net unrealized appreciation on investments	115,178,411
Net Assets	<u>\$1,293,370,444</u>

Investor Class Shares

Net assets	304,390,516
Shares of beneficial interest outstanding (unlimited number of shares authorized, \$0.001 par value)	8,019,810
Net asset value, offering price and redemption price per share	<u>\$ 37.95</u>

Class A Shares

Net assets	167,148,214
Shares of beneficial interest outstanding (unlimited number of shares authorized, \$0.001 par value)	4,424,582
Net asset value, offering price and redemption price per share ⁽¹⁾	<u>\$ 37.78</u>
Maximum offering price per share (37.78/0.9425) ⁽²⁾	<u>\$ 40.08</u>

Class I1 Shares

Net assets	808,896,322
Shares of beneficial interest outstanding (unlimited number of shares authorized, \$0.001 par value)	21,299,069
Net asset value, offering price and redemption price per share	<u>\$ 37.98</u>

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

SMEAD VALUE FUND

Statement of Assets and Liabilities (Continued)

May 31, 2016 (Unaudited)

Class R1 Shares

Net assets	953,113
Shares of beneficial interest outstanding (unlimited number of shares authorized, \$0.001 par value)	25,368
Net asset value, offering price and redemption price per share	<u>\$ 37.57</u>

Class R2 Shares

Net assets	1,674,787
Shares of beneficial interest outstanding (unlimited number of shares authorized, \$0.001 par value)	44,526
Net asset value, offering price and redemption price per share	<u>\$ 37.61</u>

Class Y Shares

Net assets	10,307,492
Shares of beneficial interest outstanding (unlimited number of shares authorized, \$0.001 par value)	271,224
Net asset value, offering price and redemption price per share	<u>\$ 38.00</u>

(1) A contingent deferred sales charge ("CDSC") of 1.00% may be charged on shares redeemed within eighteen months of purchase. Redemption price per share is equal to net asset value less any redemption or CDSC fees.

(2) Reflects a maximum sales charge of 5.75%.

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

SMEAD VALUE FUND

Statement of Operations

May 31, 2016 (Unaudited)

Investment Income

Dividend income	\$ 12,285,706
Interest income	67,864
Total Investment Income	<u>12,353,570</u>

Expenses

Management fees	4,916,402
Distribution fees – Investor Class	429,754
Distribution fees – Class A	197,615
Distribution fees – Class R1	1,689
Distribution fees – Class R2	3,748
Shareholder servicing fees – Investor Class	292,233
Shareholder servicing fees – Class A	134,378
Shareholder servicing fees – Class I1	602,474
Shareholder servicing fees – Class R1	844
Shareholder servicing fees – Class R2	750
Administration fees	127,216
Transfer agent fees and expenses	249,719
Fund accounting fees	110,828
Federal and state registration fees	140,383
Custody fees	36,398
Reports to shareholders	23,782
Legal fees	3,185
Audit and tax fees	9,250
Trustees' fees	50,000
Other expenses	25,154
Total Expenses	<u>7,355,802</u>
Expense Waiver by Adviser (Note 3)	<u>(185,948)</u>
Net Expenses	<u>7,169,854</u>

Net Investment Income	<u>5,183,716</u>
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Realized and Unrealized Loss on Investments

Net realized loss from investments	(6,640,363)
Change in net unrealized depreciation on investments	<u>(76,407,646)</u>
Net Realized and Unrealized Loss on Investments	<u>(83,048,009)</u>
Net Decrease in Net Assets from Operations	<u><u>\$(77,864,293)</u></u>

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

SMEAD VALUE FUND

Statements of Changes in Net Assets

	Six Months Ended May 31, 2016 (Unaudited)	Year Ended November 30, 2015
From Operations		
Net investment income	\$ 5,183,716	\$ 9,355,892
Net realized gain/(loss) from investments	(6,640,363)	32,478,200
Change in net unrealized appreciation/(depreciation) on investments	<u>(76,407,646)</u>	<u>27,147,262</u>
Net increase in net assets from operations	<u>(77,864,293)</u>	<u>68,981,354</u>
From Distributions		
Net investment income – Investor Class	(1,908,602)	(1,451,149)
Net investment income – Class A	(1,086,630)	(155,831)
Net investment income – Class I1	(6,340,998)	(3,481,919)
Net investment income – Class R1	(3,889)	(31)
Net investment income – Class R2	(11,374)	(32)
Net investment income – Class Y	(10,525)	(5,557)
Net realized gain on investments – Investor class	(9,354,729)	(14,609,477)
Net realized gain on investments – Class A	(3,661,639)	(1,168,196)
Net realized gain on investments – Class I1	(19,381,556)	(21,783,612)
Net realized gain on investments – Class R1	(13,267)	(201)
Net realized gain on investments – Class R2	(35,726)	(201)
Net realized gain on investments – Class Y	<u>(28,749)</u>	<u>(32,353)</u>
Net decrease in net assets resulting from distributions paid	<u>(41,837,684)</u>	<u>(42,688,559)</u>
From Capital Share Transactions		
Proceeds from shares sold	369,437,542	618,487,920
Issued in reinvestment of dividends and distributions	23,509,920	21,546,098
Payments for shares redeemed	<u>(298,773,338)</u>	<u>(285,378,505)</u>
Net increase/(decrease) in net assets from capital share transactions	<u>94,174,124</u>	<u>354,655,513</u>
Total Increase/(decrease) in Net Assets	<u>(25,527,853)</u>	<u>380,948,308</u>
Net Assets		
Beginning of year	1,318,898,297	937,949,989
End of year	<u>\$1,293,370,444</u>	<u>\$1,318,898,297</u>
Accumulated Undistributed		
Net Investment Income	<u>\$ 3,894,376</u>	<u>\$ 8,072,678</u>

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

SMEAD VALUE FUND

Financial Highlights

May 31, 2016

	Income from investment operations				Less distributions paid		
	Net Asset Value, Beginning of Period	Net investment income	Net realized and unrealized gain/(loss) on investments	Total from investment operations	Distributions from net investment income	Distributions from net realized gain on investments	Total distributions paid
Investor Class							
Six Months Ended May 31, 2016 (unaudited)	\$41.57	\$0.12 ⁽⁴⁾	\$(2.54)	\$(2.42)	\$(0.20)	\$(1.00)	\$(1.20)
Year Ended November 30, 2015	40.98	0.27 ⁽⁴⁾	2.11	2.38	(0.16)	(1.63)	(1.79)
Year Ended November 30, 2014	36.35	0.18 ⁽⁴⁾	5.62	5.80	(0.12)	(1.05)	(1.17)
Year Ended November 30, 2013	27.61	0.13	9.04	9.17	(0.15)	(0.28)	(0.43)
Year Ended November 30, 2012	20.83	0.06	6.84	6.90	(0.12)	—	(0.12)
Year Ended November 30, 2011	19.82	0.09	0.94	1.03	(0.02)	—	(0.02)
Class A							
Six Months Ended May 31, 2016 (unaudited)	41.47	0.12 ⁽⁴⁾	(2.51)	(2.39)	(0.30)	(1.00)	(1.30)
Year Ended November 30, 2015	40.95	0.30 ⁽⁴⁾	2.07	2.37	(0.22)	(1.63)	(1.85)
Period Ended November 30, 2014 ⁽⁵⁾	35.45	0.07 ⁽⁴⁾	5.43	5.50	—	—	—
Class I1							
Six Months Ended May 31, 2016 (unaudited)	41.66	0.17 ⁽⁴⁾	(2.52)	(2.35)	(0.33)	(1.00)	(1.33)
Year Ended November 30, 2015	41.07	0.39 ⁽⁴⁾	2.09	2.48	(0.26)	(1.63)	(1.89)
Year Ended November 30, 2014	36.40	0.27 ⁽⁴⁾	5.63	5.90	(0.18)	(1.05)	(1.23)
Year Ended November 30, 2013	27.61	0.18	9.08	9.26	(0.19)	(0.28)	(0.47)
Year Ended November 30, 2012	20.84	0.21	6.74	6.95	(0.18)	—	(0.18)
Year Ended November 30, 2011	19.85	0.14	0.94	1.08	(0.09)	—	(0.09)
Class R1							
Six Months Ended May 31, 2016 (unaudited)	41.31	0.06 ⁽⁴⁾	(2.51)	(2.45)	(0.29)	(1.00)	(1.29)
Year Ended November 30, 2015	40.95	0.35 ⁽⁴⁾	1.89	2.24	(0.25)	(1.63)	(1.88)
Period Ended November 30, 2014 ⁽⁶⁾	40.63	0.00 ⁽⁴⁾⁽⁷⁾	0.32	0.32	—	—	—
Class R2							
Six Months Ended May 31, 2016 (unaudited)	41.36	0.08 ⁽⁴⁾	(2.51)	(2.43)	(0.32)	(1.00)	(1.32)
Year Ended November 30, 2015	40.95	0.17 ⁽⁴⁾	2.13	2.30	(0.26)	(1.63)	(1.89)
Period Ended November 30, 2014 ⁽⁶⁾	40.63	0.00 ⁽⁴⁾⁽⁷⁾	0.32	0.32	—	—	—
Class Y							
Six Months Ended May 31, 2016 (unaudited)	41.70	0.17 ⁽⁴⁾	(2.50)	(2.33)	(0.37)	(1.00)	(1.37)
Year Ended November 30, 2015	41.06	0.42 ⁽⁴⁾	2.13	2.55	(0.28)	(1.63)	(1.91)
Period Ended November 30, 2014 ⁽⁶⁾	40.74	0.01 ⁽⁴⁾	0.31	0.32	—	—	—

(1) Total return in the above table represents the rate that the investor would have earned or lost on an investment in the Fund, assuming reinvestment of dividends.

(2) Not annualized for periods of less than one year.

(3) Annualized for periods of less than one year.

(4) Based on average shares outstanding.

(5) Class A shares commenced operations on January 27, 2014.

(6) Class R1 shares, Class R2 shares and Class Y shares commenced operations on November 25, 2014.

(7) Amount is less than \$0.005.

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



Net Asset Value, End of Period	Total Return ⁽¹⁾⁽²⁾	Net assets at end of period (000's)	Ratio of expenses to average net assets		Ratio of net investment income to average net assets		Portfolio turnover rate ⁽²⁾
			Before waivers and recoupment of expenses ⁽³⁾	After waivers and recoupment of expenses ⁽³⁾	Before waivers and recoupment of expenses ⁽³⁾	After waivers and recoupment of expenses ⁽³⁾	
\$37.95	(5.90)%	\$304,391	1.29%	1.26%	0.60%	0.62%	10.80%
41.57	6.25%	385,928	1.34%	1.26%	0.61%	0.67%	20.26%
40.98	16.45%	366,067	1.26%	1.25%	0.46%	0.47%	12.70%
36.35	33.74%	253,512	1.28%	1.35%	0.54%	0.47%	11.32%
27.61	33.27%	51,955	1.49%	1.40%	0.67%	0.76%	10.95%
20.83	5.19%	15,644	1.60%	1.40%	0.25%	0.45%	15.98%
37.78	(5.87)%	167,148	1.29%	1.26%	0.60%	0.63%	10.80%
41.47	6.23%	148,500	1.30%	1.26%	0.74%	0.76%	20.26%
40.95	15.51%	27,378	1.45%	1.44%	0.20%	0.21%	12.70%
37.98	(5.74)%	808,896	1.02%	0.99%	0.87%	0.89%	10.80%
41.66	6.51%	781,146	1.07%	0.99%	0.90%	0.96%	20.26%
41.07	16.75%	544,490	1.01%	1.00%	0.71%	0.72%	12.70%
36.40	34.10%	313,557	1.03%	1.10%	0.79%	0.72%	11.32%
27.61	33.57%	67,188	1.20%	1.15%	0.93%	0.98%	10.95%
20.84	5.46%	34,163	1.31%	1.15%	0.54%	0.70%	15.98%
37.57	(6.02)%	953	1.62%	1.59%	0.28%	0.31%	10.80%
41.31	5.91%	553	1.64%	1.59%	0.85%	0.88%	20.26%
40.95	0.79%	5	1.57%	1.57%	0.23%	0.23%	12.70%
37.61	(5.98)%	1,675	1.47%	1.44%	0.42%	0.45%	10.80%
41.36	6.07%	1,579	1.55%	1.44%	0.35%	0.44%	20.26%
40.95	0.79%	5	1.62%	1.44%	0.18%	0.36%	12.70%
38.00	(5.69)%	10,307	0.88%	0.84%	0.86%	0.91%	10.80%
41.70	6.69%	1,192	0.95%	0.84%	0.94%	1.04%	20.26%
41.06	0.79%	5	0.85%	0.82%	0.95%	0.98%	12.70%

SMEAD VALUE FUND

Notes to Financial Statements

May 31, 2016 (Unaudited)

(1) Organization

The Smead Value Fund (the “Fund”) is a non-diversified series of Smead Funds Trust, a Delaware statutory trust (the “Trust”) organized on July 17, 2014. Pursuant to a reorganization that took place on November 21, 2014, the Fund is the successor to the Smead Value Fund, a series of Trust for Professional Managers (the “Predecessor Fund”). As a result of the reorganization, the Fund assumed the performance and accounting history of the Predecessor Fund prior to the date of the reorganization. The Trust is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company. The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standard Codification Topic 946 Financial Services-Investment Companies. The Fund’s investment objective is long-term capital appreciation. The Trust may issue an unlimited number of interests (or shares) of beneficial interest each with a par value of \$0.001. The Fund currently offers six classes of shares: Investor Class, Class A, Class I1, Class R1, Class R2 and Class Y shares. Class C, Class I2, Class R3 and Class R4 shares are not yet in operation. Each class of shares of the Fund has identical rights and privileges except with respect to the distribution fees, and voting rights on matters affecting a single class of shares. The classes differ principally in their respective distribution and shareholder servicing expenses. Costs incurred by the Fund in connection with the organization, registration and the initial public offering of shares were paid by Smead Capital Management, Inc. (the “Adviser”).

(2) Significant Accounting Policies

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

(a) *Investment Valuation*

Each security owned by the Fund that is listed on a securities exchange is valued at its last sale price on that exchange on the date as of which assets are valued. When the security is listed on more than one exchange, the Fund will use the price of the exchange that the Fund generally considers to be the principal exchange on which the security is traded.

Fund securities listed on The NASDAQ Stock Market, Inc. (“NASDAQ”) will be valued at the NASDAQ Official Closing Price (“NOCP”), which may not necessarily represent the last sale price. If the NOCP is not available, such securities shall be valued at the last sale price on the day of valuation. If there has been no sale on such exchange or on NASDAQ on such day, the security is valued at the mean between the most recent bid and asked prices on such day. Over-the-counter securities that are not traded on NASDAQ shall be valued at the most recent trade price.

Debt securities other than short-term instruments are valued at the mean between the closing bid and asked prices provided by a pricing service (“Pricing Service”). If the

SMEAD VALUE FUND

Notes to Financial Statements (Continued)

May 31, 2016 (Unaudited)

closing bid and asked prices are not readily available, the Pricing Service may provide a price determined by a matrix pricing method or other analytical pricing models. Short-term debt securities, such as commercial paper, bankers acceptances and U.S. Treasury Bills, having a maturity of less than 60 days are valued at amortized cost which approximates fair value. If a short-term debt security has a maturity of greater than 60 days, it is valued at market price.

Redeemable securities issued by open-end, registered investment companies, including money market funds, are valued at the net asset value ("NAV") of such companies for purchase and/or redemption orders placed on that day.

When market quotations are not readily available, any security or other asset is valued at its fair value as determined under fair value pricing procedures approved by the Trust's Board of Trustees (the "Board of Trustees"). These fair value pricing procedures will also be used to price a security when corporate events, events in the securities market and/or world events cause the Adviser to believe that a security's last sale price may not reflect its actual fair market value. The intended effect of using fair value pricing procedures is to ensure that the Fund is accurately priced.

The Fund's Valuation Procedures include fair valuation accounting standards that 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 used to develop the measurements of fair value. These inputs are summarized in the three broad levels listed below:

Level 1—unadjusted quoted prices in active markets for identical securities.

Level 2—other significant observable inputs (including unadjusted quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3—significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following table summarizes the valuations of the Fund's investments by each fair value hierarchy level as of May 31, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity				
Common Stocks ⁽¹⁾	\$1,227,099,351	\$ —	\$ —	\$1,227,099,351
Total Equity	1,227,099,351	—	—	1,227,099,351
Short-Term Investment	—	65,032,621	—	65,032,621
Total Investments in Securities	<u>\$1,227,099,351</u>	<u>\$65,032,621</u>	<u>\$ —</u>	<u>\$1,292,131,972</u>

⁽¹⁾ See the Schedule of Investments for industry classification.

No Level 3 securities were held in the Fund at May 31, 2016. For the six month period ended May 31, 2016, there were no transfers between levels for the Fund. It is the

SMEAD VALUE FUND

Notes to Financial Statements (Continued)

May 31, 2016 (Unaudited)

Fund's policy to record transfers between levels as of the end of the reporting period. The Fund did not hold financial derivative instruments during the reporting period.

(b) *Share Valuation*

The NAV per share of the Fund is calculated by dividing the sum of the value of the securities held by the Fund, plus cash or other assets, minus all liabilities (including estimated accrued expenses) by the total number of shares outstanding for the Fund, rounded to the nearest cent. The Fund's shares will not be priced on the days on which the New York Stock Exchange is closed for trading.

(c) *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.

(d) *Allocation of Income, Expenses and Gains/Losses*

Income, expenses (other than those deemed attributable to a specific share class – distribution and shareholder servicing fees), 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. Rule 12b-1 fees are expensed at 0.25% of average daily net assets of the Investor Class and Class A shares and 0.50% of the average daily net assets of the Class R1 and Class R2 shares.

(e) *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 makes the requisite distributions of income and capital gains to its shareholders sufficient to relieve it from all or substantially all federal income taxes. Therefore, no federal income tax provision has been provided.

As of and during the year ended November 30, 2015, the Fund did not have a liability for any unrecognized tax benefits. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the statement of operations. During the year ended November 30, 2015, the Fund did not incur any interest or penalties.

SMEAD VALUE FUND

Notes to Financial Statements (Continued)

May 31, 2016 (Unaudited)

As of November 30, 2015, the components of accumulated earnings on a tax basis were as follows:

Cost basis of investments for federal income tax purposes	<u>\$1,125,841,333</u>
Gross tax unrealized appreciation	208,407,968
Gross tax unrealized depreciation	<u>(16,859,874)</u>
Net tax unrealized appreciation	<u>\$ 191,548,094</u>
Undistributed ordinary income	\$ 8,072,678
Undistributed long-term capital gain	<u>32,476,280</u>
Total distributable earnings	<u>\$ 40,548,958</u>
Other accumulated losses	<u>—</u>
Total accumulated gains	<u>\$ 232,097,052</u>

The tax basis of investments for tax and financial reporting purposes differs principally due to the deferral of losses on wash sales.

(f) *Distributions to Shareholders*

The Fund will distribute any net investment income and any net realized long or short-term capital gains at least annually. Distributions from net realized gains for book purposes may include short-term capital gains. All short-term capital gains are included in ordinary income for tax purposes. Distributions to shareholders are recorded on the ex-dividend date. The Fund may also pay a special distribution at the end of the calendar year to comply with federal tax requirements. Income and capital gains distributions may differ from GAAP, primarily due to timing differences in the recognition of income, gains and losses by the Fund. GAAP requires that certain components of net assets relating to permanent differences be reclassified between the components of net assets. These reclassifications have no effect on net assets or net asset value per share. For the year ended November 30, 2015, the Fund had no such reclassifications.

The tax character of distributions paid during the years ended November 30, 2015 and November 30, 2014 was as follows:

	<u>November 30, 2015</u>	<u>November 30, 2014</u>
Ordinary Income	\$13,056,599	\$ 6,269,087
Long-Term Capital Gain	\$29,631,960	\$12,296,981

SMEAD VALUE FUND

Notes to Financial Statements (Continued)

May 31, 2016 (Unaudited)

On December 17, 2015, the Fund declared and paid distributions from ordinary income and long-term capital gains to shareholders of record on December 16, 2015.

<u>Class</u>	<u>Distributions Paid from</u>		<u>Total Distributions Paid</u>
	<u>Ordinary Income</u>	<u>Long-Term Capital Gain</u>	
Investor Class	\$1,908,602	\$ 9,354,729	\$11,263,331
Class A	1,086,725	3,661,369	4,748,364
Class I1	6,340,998	19,381,556	25,722,553
Class R1	3,889	13,267	17,156
Class R2	11,374	35,726	47,100
Class Y	10,525	28,749	39,274

(g) *Other*

Investment transactions are recorded on the trade date. The Fund determines the gain or loss from investment transactions based on the first in, first out method. Dividend income, less foreign withholding tax, is recognized on the ex-dividend date and interest income is recognized on an accrual basis.

(3) Investment Adviser

The Fund has an Investment Advisory Agreement (the "Agreement") with the Adviser to furnish investment advisory services to the Fund. Under the terms of the Agreement, the Fund compensates the Adviser for its management services at the annual rate of 0.75% of the Fund's average daily net assets.

The Adviser has contractually agreed to waive its management fee and/or reimburse the Fund's other expenses at least through March 31, 2016 to the extent necessary to ensure that the Fund's operating expenses do not exceed 1.26%, 1.26%, 0.99%, 1.59%, 1.44% and 0.84% (the "Expense Limitation Cap") of the Fund's average daily net assets for the Investor Class, Class A, Class I1, Class R1, Class R2 and Class Y shares, respectively. Any such waiver or reimbursement is subject to later adjustment to allow the Adviser to recoup amounts waived or reimbursed to the extent actual fees and expenses for a fiscal period are less than the Expense Limitation Cap in place at the time of waiver; provided, however, that the Adviser shall only be entitled to recoup such amounts over the following three fiscal years. For the six months ended May 31, 2016, the Adviser waived expenses of \$185,948. The following table shows the waived or reimbursed expenses subject to potential recovery expiring on November 30:

<u>Year incurred</u>	<u>Expiration Year</u>	<u>Smead Value Fund</u>
2014	2017	\$ 12,412
2015	2018	635,630

(4) Distribution Plan and Shareholder Servicing Plan

The Fund has adopted a plan pursuant to Rule 12b-1 (the "12b-1 Plan"), which authorizes it to pay ALPS Distributors, Inc. (the "Distributor") a distribution fee of

SMEAD VALUE FUND

Notes to Financial Statements (Continued)

May 31, 2016 (Unaudited)

0.25% of the Fund's average daily net assets of Investor Class and Class A shares and 0.50% of the Fund's average daily net assets of Class R1 and Class R2 shares for services to prospective Fund shareholders and distribution of Fund shares. During the six months ended May 31, 2016, the Fund accrued expenses of \$632,806 pursuant to the 12b-1 Plan. As of May 31, 2016, the Fund owed the Distributor fees of \$103,163.

The Fund has also adopted a shareholder servicing plan (the "Shareholder Servicing Plan"). The Shareholder Servicing Plan also authorizes payment of a shareholder servicing fee to the Distributor up to 0.25% of the average daily net assets attributable to the respective class. The Fund implemented 0.14% for the shareholder servicing fee for the Investor Class shares of the Fund, 0.09% for the shareholder servicing fee for the Class A shares of the Fund, 0.16% for the shareholder servicing fee for the Class R1 shares of the Fund, 0.12% for the shareholder servicing fee for the Class I1 shares of the Fund and 0.07% for the shareholder servicing fee for the Class R2 shares of the Fund. For those share classes that currently charge less than the maximum shareholder servicing fee, the Fund may increase such fee, but not beyond the maximum of 0.25%, only after providing affected shareholders with 30 day's prior written notice. The following table details the Shareholder Servicing Plan fees paid for the six months ended May 31, 2016.

Investor Class	\$292,233
Class A	134,378
Class I1	602,474
Class R1	844
Class R2	750

(5) Accounting, Custody, Administration and Transfer Agent Fees

State Street Bank and Trust Company ("State Street") serves as the Fund's accounting agent, custodian of the Fund's investments and administrator of the Fund. For its services, the Fund pays State Street a fee that is calculated daily and paid monthly at an annual rate based on the aggregate average daily net assets of the Fund, along with transactional and out-of-pocket fees.

Boston Financial Data Services, Inc. ("BFDS") is the Fund's transfer and dividend disbursing agent. BFDS receives a monthly fee and is reimbursed for certain out-of-pocket expenses.

SMEAD VALUE FUND

Notes to Financial Statements (Continued)

May 31, 2016 (Unaudited)

(6) Capital Share Transactions

Transactions in shares of the Fund were as follows:

	For The Six Months Ended May 31, 2016		For The Year Ended November 30, 2015	
	Shares	Amount	Shares	Amount
Shares sold				
Investor Class	926,050	\$ 35,097,930	3,373,372	\$ 136,144,008
Class A	1,375,997	51,451,452	3,117,920	126,080,357
Class I1	7,227,295	272,952,241	8,771,583	353,035,556
Class R1	13,260	484,590	14,339	577,329
Class R2	10,547	394,490	38,229	1,514,210
Class Y	241,644	9,056,839	28,319	1,136,460
Reinvestment of dividends and distributions				
Investor Class	277,488	10,899,714	407,070	15,423,912
Class A	81,118	3,171,725	12,112	457,948
Class I1	239,401	9,398,868	148,518	5,625,863
Class R1	4	168	6	232
Class R2	4	171	6	233
Class Y	1,001	39,274	1,001	37,910
Shares redeemed				
Investor Class	(2,467,940)	(92,000,091)	(3,428,809)	(138,569,477)
Class A	(613,028)	(23,126,284)	(218,056)	(8,727,265)
Class I1	(4,916,228)	(183,432,704)	(3,430,158)	(137,998,297)
Class R1	(1,285)	(47,956)	(1,079)	(42,895)
Class R2	(4,207)	(165,776)	(176)	(7,184)
Class Y	(14)	(527)	(850)	(33,387)
Total increase in net assets from capital share transactions				
	2,391,107	\$ 94,174,124	8,833,347	\$ 354,655,513

(7) Investment Transactions

The aggregate purchases and sales of securities, excluding short-term investments, for the Fund for the six months ended May 31, 2016 were \$159,245,405 and \$138,064,226, respectively. There were no purchases or sales of U.S. government securities for the Fund.

(8) Beneficial 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 1940 Act. At May 31, 2016, National Financial Services LLC, for the benefit of

SMEAD VALUE FUND

Notes to Financial Statements (Continued)

May 31, 2016 (Unaudited)

its customers, held 39.74% of the outstanding shares of the Investor Class. At May 31, 2016, Merrill Lynch Pierce Fenner & Smith for the benefit of its customers, held 31.16%, 60.12%, 100.00% and 100.00% of outstanding shares of the Class A, Class I1, Class R1 and Class R2, respectively. At May 31, 2016, Reliance Trust Company, for the benefit of its customers, held 86.60% of outstanding shares of the Class Y.

(9) Subsequent Event

Management has evaluated the possibility of subsequent events through the date of issuance and determined that there are no material events that would require adjustment to or disclosure in the Fund's financial statements.

SMEAD VALUE FUND

Notice of Privacy Policy & Practices

We collect non-public personal information about you from the following sources:

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

We do not disclose any non-public personal information about our shareholders or former shareholders without the shareholder's authorization, except as permitted by law or in response to inquiries from governmental authorities. We may share information with affiliated parties and unaffiliated third parties with whom we have contracts for servicing the Fund. We will provide unaffiliated third parties with only the information necessary to carry out their assigned responsibility. All shareholder records will be disposed of in accordance with applicable law. We maintain physical, electronic and procedural safeguards to protect your non-public personal information and require third parties to treat your non-public 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, bank or trust company, the privacy policy of your financial intermediary would govern how your non-public personal information would be shared with unaffiliated third parties.

SMEAD VALUE FUND

Additional Information

(Unaudited)

Tax Information

The Fund designated 100% of its ordinary income distribution for the year ended November 30, 2015, as qualified dividend income under the Jobs and Growth Tax Relief Reconciliation Act of 2003.

For the year ended November 30, 2015, 100% of dividends paid from net ordinary income qualified for the dividends received deduction available to corporate shareholders.

Indemnifications

Under the Trust's organizational documents, its officers and trustees are indemnified against certain liabilities arising out of the performance of their duties to the Fund. In addition, in the normal course of business, the Fund enters into contracts that provide general indemnifications to other parties. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. However, the Fund has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

Information about Trustees

The business and affairs of the Trust are managed under the direction of the Board of Trustees. Information pertaining to the Trustees of the Trust is set forth below. The Statement of Additional Information includes additional information about the Trustees and is available, without charge, upon request by calling 877-807-4122.

Independent Trustees

<u>Name and Age</u>	<u>Position(s) Held with the Trust</u>	<u>Term of Office and Length of Time Served</u>	<u>Number of Portfolios in Trust Overseen by Trustee</u>	<u>Principal Occupation(s) During the Past Five Years</u>	<u>Other Directorships Held by Trustee During the Past Five Years</u>
Gregory A. Demopulos Age: 57	Trustee	Indefinite Term; Since September 2014	1	Chairman and CEO, Omeros Corp. (biopharmaceutical company) (since 1994).	Director, Onconome, Inc. (since 2004).
Peter M. Musser Age: 59	Trustee	Indefinite Term; Since September 2014	1	Principal, Angeline Properties, LLC (a private investment firm) (since 2014); and Principal and Senior Equity Portfolio Manager with Rainier Investment Management (from 1994 to 2013).	Trustee, Lawrence University (since 2012); Trustee, Berry College (since 2010); and Director, Boys and Girls Clubs of King County (since 2008).

SMEAD VALUE FUND
Additional Information (Continued)

(Unaudited)

Name and Age	Position(s) Held with the Trust	Term of Office and Length of Time Served	Number of Portfolios in Trust Overseen by Trustee	Principal Occupation(s) During the Past Five Years	Other Directorships Held by Trustee During the Past Five Years
Walter F. Walker Age: 61	Trustee	Indefinite Term; Since September 2014	1	Principal, Hana Road Capital LLC (hedge fund) (since 2007).	Advisory Council, Stone Arch Capital (since 2005).
Nancy A. Zevenbergen Age: 57	Trustee	Indefinite Term; Since September 2014	1	Principal and Chief Investment Officer, Zevenbergen Capital Investments LLC (since 1987).	Director, Seattle Pacific Foundation (since 1993); Director, Anduin Foundation (since 2010); Director, University of Washington Foster School of Business (since 2014); and Director, evenstar3 Inc. (since 2005).

Interested Trustees and Officers

William W. Smead ¹ Age: 58	Trustee and Chairman	Indefinite Term; Since September 2014	1	Chief Executive Officer of the Adviser (since 2007). President and Chief Executive Officer of the Trust (from September 2014 to January 2016).	None.
Cole W. Smead ¹ Age: 32	Trustee President and Chief Executive Officer	Indefinite Term; Since September 2014 Elected annually; Since January 2016	1	Managing Director of the Adviser (since 2007).	None.

SMEAD VALUE FUND
Additional Information (Continued)

(Unaudited)

Name and Age	Position(s) Held with the Trust	Term of Office and Length of Time Served	Number of Portfolios in Trust Overseen by Trustee	Principal Occupation(s) During the Past Five Years	Other Directorships Held by Trustee During the Past Five Years
Steven J. LeMire Age: 46	Chief Compliance Officer Treasurer, Principal Financial and Accounting Officer	Elected annually; Since September 2014 Elected annually; Since January 2016	N/A	Chief Compliance Officer of the Adviser (since 2014); Relationship Manager with Viceroy Investment Advisors, LLC (from 2013 to 2014); Co-Founder and Managing Principal of HCL Advisors, LLC (from 2012 to 2013). Senior Manager and Director at UBS Global AM-Americas and served as Vice President and Assistant Treasurer to The UBS Funds (from 2007 to 2011).	N/A
Lisa Martin Age: 54	Secretary	Elected annually; Since September 2014	N/A	Chief Operating Officer/ Chief Financial Officer of the Adviser (since 2007).	N/A

¹. Mr. William Smead and Mr. Cole Smead are each deemed to be an “interested person” of the Fund under the 1940 Act because of his position with Smead Capital Management, Inc. Mr. William Smead and Mr. Cole Smead are father and son, respectively.

A NOTE ON FORWARD LOOKING STATEMENTS (Unaudited)

Except for historical information contained in this report for the Fund, the matters discussed in this report may constitute forward-looking statements made pursuant to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. These include any adviser or portfolio manager predictions, assessments, analyses or outlooks for individual securities, industries, market sectors and/or markets. These statements involve risks and uncertainties. In addition to the general risks described for the Fund in the current Prospectus, other factors bearing on this report include the accuracy of the Adviser's or portfolio managers' forecasts and predictions, and the appropriateness of the investment programs designed by the adviser or portfolio managers to implement their strategies efficiently and effectively. Any one or more of these factors, as well as other risks affecting the securities markets and investment instruments generally, could cause the actual results of the Fund to differ materially as compared to benchmarks associated with the Fund.

ADDITIONAL INFORMATION (Unaudited)

The Fund has adopted proxy voting policies and procedures that delegate to the Adviser the authority to vote proxies. A description of the Fund's proxy voting policies and procedures is available without charge, upon request, by calling the Fund toll free at 877-807-4122. A description of these policies and procedures is also included in the Fund's Statement of Additional Information, which is available on the SEC's website at <http://www.sec.gov>.

The Fund's proxy voting record for the most recent 12-month period ended June 30 is available without charge, upon request, by calling, toll free, 877-807-4122, or by accessing the SEC's website at <http://www.sec.gov>.

The Fund files its complete schedule of portfolio holdings with the SEC four times each fiscal year at quarter-ends. The Fund files the schedule of portfolio holdings with the SEC on Form N-CSR (second and fourth quarters) and on Form N-Q (first and third quarters). Shareholders may view the Fund's Forms N-CSR and N-Q on the SEC's website at www.sec.gov. Forms N-CSR and N-Q may also be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the SEC's Public Reference Room may be obtained by calling 1-202-551-8090 (direct) or 1-800-SEC-0330 (general SEC number).

HOUSEHOLDING (Unaudited)

In an effort to decrease costs, the Fund intends to reduce the number of duplicate prospectuses and annual and semi-annual reports you receive by sending only one copy of each to those addresses shared by two or more accounts and to shareholders the Fund reasonably believes are from the same family or household. Once implemented, if you would like to discontinue householding for your accounts, please call toll-free at 877-807-4122 to request individual copies of these documents. Once the Fund receives notice to stop householding, the Fund will begin sending individual copies 30 days after receiving your request. This policy does not apply to account statements.

SMEAD VALUE FUND

Investment Adviser

Smead Capital Management, Inc.
600 University Street, Suite 2412
Seattle, Washington 98101

Legal Counsel

Godfrey & Kahn, S.C.
833 East Michigan Street, Suite 1800
Milwaukee, Wisconsin 53202

Independent Registered Public
Accounting Firm

Cohen Fund Audit Services, Ltd.
1350 Euclid Avenue
Suite 800
Cleveland, Ohio 44115

Custodian, Fund Accountant and
Fund Administrator

State Street Bank and Trust Company
One Lincoln Street
Boston, Massachusetts 02111

Transfer Agent

Boston Financial Data Services, Inc.
2000 Crown Colony Drive
Quincy, Massachusetts 02169

Distributor

ALPS Distributors, Inc.
1290 Broadway
Suite 1100
Denver, Colorado 80203

This report is intended for shareholders of the Fund and may not be used as sales literature unless preceded or accompanied by a current prospectus.