Pacific Income Advisers

AS OF DECEMBER 31, 2015

PIA HIGH YIELD FUND

INVESTMENT **OBJECTIVE**

PIA's High Yield Strategy primary objective is to seek a high level of current income. The Fund's secondary objective is to seek capital appreciation when that is consistent with its primary objective.

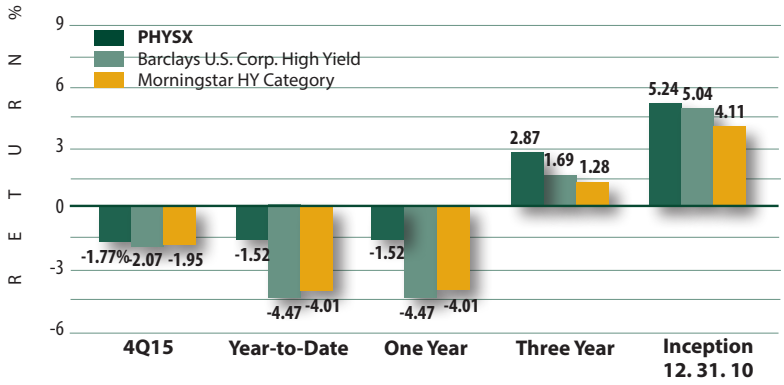
INVESTMENT **PHILOSOPHY**

We believe the high yield market has typically offered sufficient income historically to over-compensate for default risk; as well as the potential to produce capital gains when issuers have improved their credit quality. We know that defaults have been largely correlated by industry, which is why we defensively seek to underweight those industries where we can identify negative secular trends. We believe that "value" driven company-specific analysis can capture excess returns from companies that demonstrate they can generate free cash flow throughout an economic cycle. These companies generally incur lower-than-index default losses, while earning an attractive yield.

INVESTMENT **PROCESS**

We begin with top-down analysis of industry-specific economics. When we believe the economics of an industry are resilient enough to withstand high financial leverage, our analysis shifts to a very granular, industry-specialization approach toward traditional, bottom-up value investing. We seek to invest in simple, understandable and fairly mature businesses that currently generate positive free cash flow. We favor smaller, less followed issuers where our industry knowledge and experience, insight and patience can provide an additional competitive advantage. Ultimately we believe a company's relative size within an industry is more important than its absolute size when determining long-term value.

ANNUALIZED **PERFORMANCE**[1] as of 12. 31. 15



THE **FIRM**

Ownership	**Independent and Employee-owned**
Inception	**1986**
Location	**Santa Monica, California**
Employees	**41**
Firm Assets	**$11 billion**

FUND **FACTS**

Style Benchmark	**Barclays U.S. Corporate High Yield Index**
Symbol	**PHYSX**
CUSIP	**007989163**
Net Asset Value (NAV)	**$9.45**
Fund Assets	**$122 million**
Fund Inception	**12. 31. 10**
Expense Ratio	**0.90%**
Net Expense Ratio[2]	**0.73%**

MORNINGSTAR®**

High Yield Bond Fund Peer Group Rating
as of 12.31.15

Overall ★★★★ (out of 636 funds)
3 Yr ★★★★ (out of 636 funds)

High Yield Bond Fund Peer Group Ranking
as of 12.31.15

1 Yr 18th % (out of 769 funds)
3 Yr 11th % (out of 636 funds)

The Overall Morningstar Rating™for a fund is derived from a weighted average of the risk-adjusted returns associated with its three-, five-, and ten-year Morningstar Rating™metrics based on risk-adjusted performance. Morningstar Ratings are based on total return.

PORTFOLIO **MANAGERS**[3]

Robert E. Sydow
Senior Vice President
Joined PIA: May, 2010
Investment Experience: 27 Years

Kevin S. Buckle, CFA
Senior Vice President
Joined PIA: May, 2010
Investment Experience: 24 Years

James Lisko
Senior Vice President.
Joined PIA: May, 2010
Investment Experience: 21 Years

[1]*Please see the statutory prospectus for historical "Similarly Managed Account Performance".*

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 1-800-251-1970. Investment performance reflects fee waivers in effect. In the absence of such waivers, total return would be reduced.

[2]*The Adviser has contractually agreed to waive all or a portion of its management fees and pay Fund expenses to ensure that Net Annual Fund Operating Expenses (excluding AFFE, interest, taxes and extraordinary expenses) does not exceed 0.73%. The Expense Cap will remain in effect through at least March 28, 2016.*

***For each fund with at least a three –year history, Morningstar calculates a Morningstar Rating TM (based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance, including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. Past performance is not a guarantee of future results. Morningstar, Inc., is an independent mutual fund research and rating service. Each Morningstar category represents a universe of funds with similar investment objectives. Rankings for the periods shown are based on fund total returns with dividends and distributions reinvested and do not reflect sales charges. The highest percentile rank is 1 and the lowest is 100.* *© 2015 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.*

[3]*The SAI provides additional information about the portfolio managers' compensation, other accounts managed by the portfolio managers and the portfolio managers' ownership of shares in the Fund.*

SEE BACK SIDE

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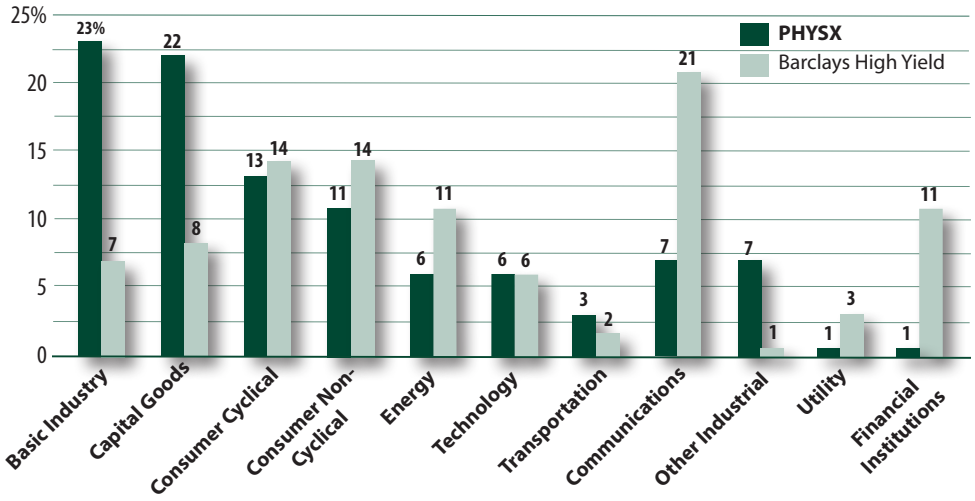
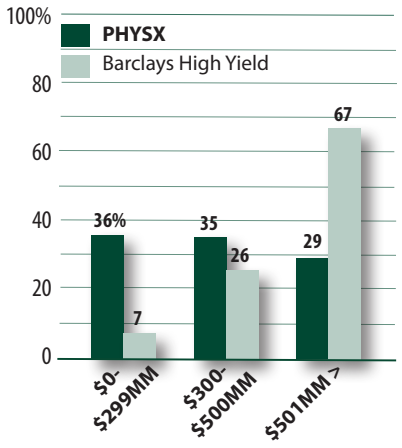
INDUSTRY **WEIGHTING**[1]



ISSUE **SIZE**



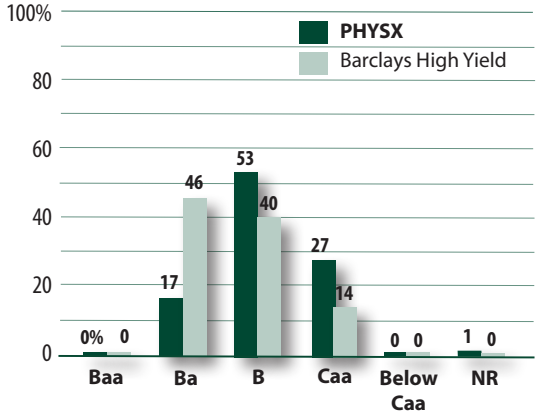
TOP TEN **HOLDINGS**[2]

ISHARES IBOXX HIGH YIELD CORP BOND	4.8%
AFFINIA GROUP 7.75%	1.3
MEDIA GENERAL 5.875%	1.3
MERCER INTERNATIONAL 7.75%	1.3
POLYONE CORP 5.25%	1.3
CASELLA WASTE SYSTEM 7.75%	1.2
H&E EQUIPMENT SERVICES 7.00%	1.2
XERIUM TECH 8.875%	1.2
NEXEO SOLUTIONS 8.375%	1.2
ZF NORTH AMERICA 4.75%	1.2

FUND **CHARACTERISTICS**

	PHYSX	Barclays HY
Duration	**4.0**	4.3
Wtd. Avg. Maturity	**5.2 yrs**	6.2 yrs
30-day SEC Yield		
(subsidized/unsubsidized)	**8.4 / 8.2%**	n/a
# of Securities	**154**	2,174

QUALITY **DISTRIBUTION**[1]



Pacific Income Advisers, Inc. (PIA) is an autonomous investment management firm registered under the Investment Advisers Act of 1940. PIA manages a variety of fixed income, equity, and balanced assets for primarily United States clients. The information contained herein is based on internal research derived from various sources and does not purport to be statements of all material facts relating to the securities mentioned. Fund holdings and/or sector allocations are subject to change at any time and are not recommendations to buy or sell any security.

The fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectus contains this and other important information about the investment company, and it may be obtained by calling 800-251-1970 or visiting www.PIAMutualFunds.com. Read it carefully before investing.

Mutual fund investing involves risk. Principal loss is possible. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. The Fund may invest in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods. These risks may increase for emerging markets. Investment by the Fund in lower-rated and non-rated securities presents a greater risk of loss to principal and interest than higher-rated securities. The Fund may invest in derivatives, which may involve risks greater than the risks presented by more traditional investments. The risk of owning an exchange-traded fund ("ETF") or mutual fund generally reflects the risks of owning the underlying securities that the ETF or mutual fund holds. It will also bear additional expenses, including operating expenses, brokerage costs and the potential duplication of management fees. These risks are fully disclosed in the Prospectus.

[1]Percentages shown may not total 100% due to rounding and/or incidental allocation to cash.

[2]These securities identified and described do not represent all of the securities purchased, sold or recommended for client accounts. The reader should not assume that an investment in the securities identified was or will be profitable. Bond rating services are provided by Moodys. Bond ratings start at AAA (denoting the highest investment quality) and usually end at D (meaning payment is in default).

The Barclays U.S. Corporate High Yield Index covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (e.g., Argentina, Brazil, Venezuela, etc.) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, 144-As and pay-in-kind bonds (PIKs, as of October 1, 2009) are also included. The index includes both corporate and non-corporate sectors. The corporate sectors are Industrial, Utility, and Finance, which include both U.S. and non-U.S. corporations. The Yankee sector has been discontinued as of 7/1/00. The bonds in the former Yankee sector have not been removed from the index, but have been reclassified into other sectors. You cannot invest directly in an index.

Free cash flow is revenue less operating expenses including interest expenses and maintenance capital spending. It is the discretionary cash that a company has after all expenses and is available for purposes such as dividend payments, investing back into the business or share repurchases.

Alpha is an annualized return measure of how much better or worse a fund's performance is relative to an index of funds in the same category, after allowing for differences in risk.

Duration is a commonly used measure of the potential volatility of the price of a debt security, or the aggregate market value of a portfolio of debt securities, prior to maturity. Securities with a longer duration generally have more volatile prices than securities of comparable quality with a shorter duration. SEC Yield is a standardized yield computed by dividing the net investment income per share earned during the 30-day period prior to quarter-end. The SEC Yield was created to allow for fairer comparisons among bond funds. The SEC yield (subsidized) reflects the effects of the fee waiver in place and the (unsubsidized) yield does not reflect the effects of the fee waiver.

The PIA Funds are distributed by Quasar Distributors, LLC

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