

# PIA Short-Term Securities Fund

Dear Shareholder:

We are pleased to provide you with this semi-annual report for the six-month fiscal period from December 1, 2017 through May 31, 2018, regarding the PIA Short-Term Securities Fund (the “Fund”) for which Pacific Income Advisers, Inc. (“PIA”), is the investment adviser.

For the six months ended May 31, 2018, the total return for the Fund, including the reinvestment of dividends and capital gains, was 0.40%.

The Fund’s return was lower than the Fund’s benchmark index, the ICE BofAML 1-Year U.S. Treasury Note Index, which returned 0.57% for the same period. The Fund’s total return is net of 0.39% in Fund fees and expenses for the six months ended May 31, 2018, compared to the benchmark index, which does not incur fees and expenses. As stated in the most recently filed prospectus, the Fund’s gross expense ratio is 0.41% and the Fund’s net expense ratio is 0.39%.

PIA has contractually agreed to waive all or a portion of its management fees and pay Fund expenses to ensure that the Total Annual Fund Operating Expenses After Fee Waiver do not exceed 0.39% of the Fund’s average daily net assets through at least March 29, 2019.

The Fund’s investment objective is to seek a high level of current income, consistent with low volatility of principal through investing in short-term investment grade debt securities.

During the six-month fiscal period ended May 31, 2018, the Fund had a shorter duration position and a more barbelled structure, relative to the Fund’s benchmark index. The Fund had a well-diversified allocation to investment grade corporate bonds, with maturities less than three years, which was a negative factor for the returns, as they produced negative excess returns during the period. The Fund was overweighted in short average life/floating rate government mortgage-backed securities, which provided the portfolio with a more defensive positioning as short-term interest rates rose. In addition, the portfolio had a small allocation to floating rate private mortgage-backed securities, with enough credit support to carry a AAA or AA rating on the security, which also added yield to the portfolio, while providing support from potentially higher short-term interest rates in the future.

## **Bond Market in Review**

The gross domestic product’s (“GDP”) quarter-over-quarter rate of growth was 2.0% for the first quarter of 2018, lower than the 2.9% during the fourth quarter of 2017. With the unemployment rate at 3.8% and inflation under control, the U.S. Federal Reserve Board (the “Fed”) tightened monetary policy. Inflation, as measured by the Consumer Price Index, was 2.8% year-over-year as of May 2018.

Yields on 2-year Treasury notes, 5-year Treasury bonds and 30-year Treasuries rose by 115, 95 and 16 basis points (“bps”), respectively, from May 31, 2017 to May 31, 2018. The expectations that the Fed will continue increasing short-term rates, inflation remaining under control, volatility in oil prices and the strengthening of the U.S. dollar, all contributed to the flattening of the yield curve.

Spreads on BBB-rated bonds over Treasuries increased during the period from 146 bps to 149 bps. Option adjusted spreads on fixed rate agency MBS rose from 26 bps to 28 bps, as their average life increased from 6.9 years to 7.5 years.

# PIA Short-Term Securities Fund

Please take a moment to review the Fund's statement of assets and liabilities and the results of operations for the six-month period ended May 31, 2018. We look forward to reporting to you again with the annual report dated November 30, 2018.



Lloyd McAdams  
Chairman of the Board  
Pacific Income Advisers, Inc.

**Past performance is not a guarantee of future results.**

Opinions expressed above are those of Pacific Income Advisers, Inc., the Fund's investment adviser, are subject to change, are not guaranteed and should not be considered recommendations to buy or sell any security.

*Must be preceded or accompanied by a prospectus.*

**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. Investments in asset-backed and mortgage-backed securities include additional risks that investors should be aware of such as credit risk, prepayment risk, possible illiquidity and default, as well as increased susceptibility to adverse economic developments. 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.**

**Diversification does not assure a profit or protect against risk in a declining market.**

The ICE BofAML 1 Year U.S. Treasury Note Index (the "Index") is an unmanaged index presented for comparative purposes only. The Index is comprised of a single U.S. Treasury issue with approximately one year to final maturity purchased at the beginning of each month and held for one full month. At the end of the month, that issue is sold and rolled into a newly selected issue. You cannot invest directly in an index.

Gross domestic product is the amount of goods and services produced in a year, in a country.

Consumer Price Index measures the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care.

Duration is the measure of the sensitivity of the price of a fixed income security to a change in interest rates, expressed in number of years.

Basis point equals 1/100th of 1%.

A yield curve is a curve that shows several yields or interest rates over different lengths of time for a similar debt security.

Spread is the difference in yield between a corporate bond and a similar maturity U.S. Treasury bond. It is the compensation investors receive for accepting credit risk of a corporate bond.

Bond ratings provide the probability of an issuer defaulting based on the analysis of the issuer's financial condition and profit potential. Bond rating services are provided by Standard & Poor's Ratings Services, Moody's Investors Service, Inc., and Fitch Ratings, Inc. Bond ratings start at AAA (denoting the highest investment quality) and usually end at D (meaning payment is in default). In limited situations when the rating agency has not issued a formal rating, the investment adviser will classify the security as non-rated.

Please refer to the schedule of investments in the report for complete holdings information. Fund holdings and sector allocations are subject to change at any time and are not recommendations to buy or sell any security. Investment performance reflects fee waivers in effect. In the absence of such waivers, total return would be reduced.

Quasar Distributors, LLC, Distributor

# PIA Short-Term Securities Fund

Expense Example – May 31, 2018

(Unaudited)

As a shareholder of a mutual fund, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments, redemption fees, and exchange fees, and (2) ongoing costs, including management fees, distribution and/or service fees, and other fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the PIA Short-Term Securities 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 (12/1/17 – 5/31/18).

## Actual Expenses

The first line of the table below provides information about actual account values and actual expenses, with actual net expenses being limited to 0.39% per the operating expenses limitation agreement. Although the Fund charges no sales loads or transaction fees, you will be assessed fees for outgoing wire transfers, returned checks, and stop payment orders at prevailing rates charged by U.S. Bancorp Fund Services, LLC, the Fund's transfer agent. The Example below includes, but is not limited to, management fees, fund accounting, custody and transfer agent fees. You may use the information in the first 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 below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is different from the Fund's actual returns. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transaction 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 transaction costs were included, your costs would have been higher.

	<b>Beginning Account Value 12/1/17</b>	<b>Ending Account Value 5/31/18</b>	<b>Expenses Paid During Period 12/1/17 – 5/31/18*</b>
Actual	\$1,000.00	\$1,004.00	\$1.95
Hypothetical (5% return before expenses)	\$1,000.00	\$1,022.99	\$1.97

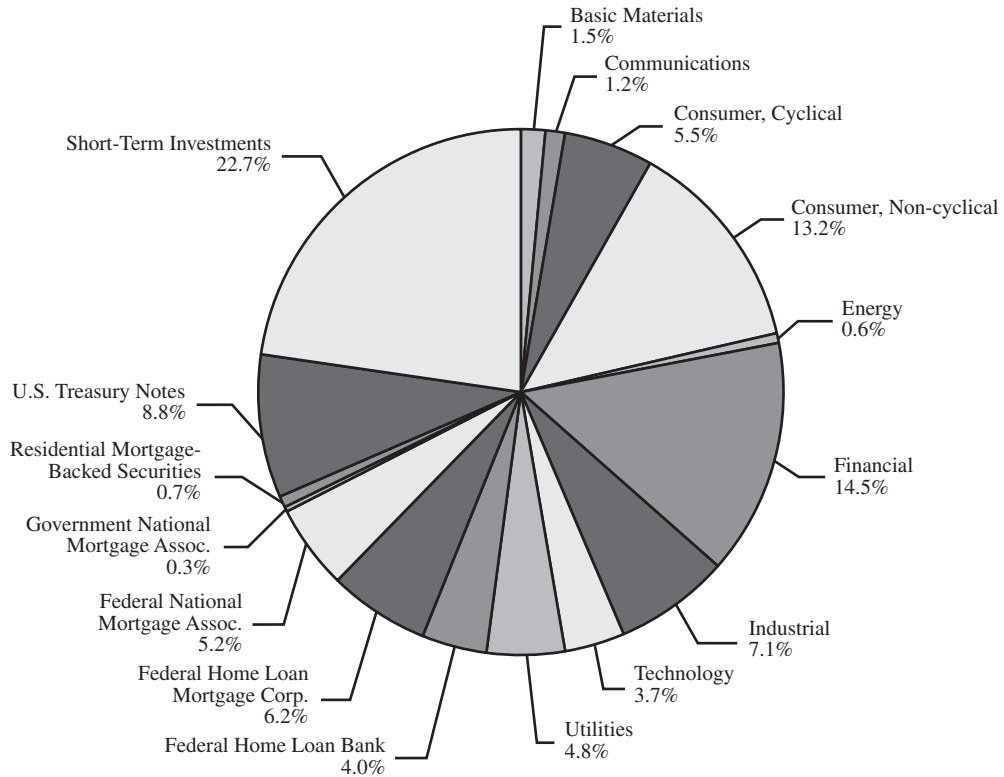
\* Expenses are equal to the Fund's annualized expense ratio, multiplied by the average account value over the period, multiplied by 182 (days in most recent fiscal half-year) / 365 days to reflect the one-half year expense. The annualized expense ratio of the Fund is 0.39%.

# PIA Short-Term Securities Fund

Allocation of Portfolio Assets – May 31, 2018  
(Unaudited)

## Investments by Type

As a Percentage of Total Investments



# PIA Short-Term Securities Fund

Schedule of Investments – May 31, 2018

(Unaudited)

Principal Amount	Value	Principal Amount	Value
<b>CORPORATE BONDS 51.9%</b>		<b>Banks 9.5% (continued)</b>	
<b>Aerospace and Defense 1.1%</b>		JPMorgan Chase Bank NA	
\$ 950,000	General Dynamics Corp. 2.736% (3 Month LIBOR USD + 0.380%), due 5/11/21 (e) ... \$ 951,480	\$1,000,000	1.65%, due 9/23/19 ..... \$ 987,733
500,000	Lockheed Martin Corp. 1.85%, due 11/23/18 ..... 498,168	1,000,000	KeyBank NA 2.35%, due 3/8/19 ..... 997,969
500,000	Rockwell Collins, Inc. 1.95%, due 7/15/19 ..... 495,078	500,000	PNC Bank NA 2.00%, due 5/19/20 ..... 491,080
	1,944,726	1,000,000	Regions Bank Birmingham Alabama 2.25%, due 9/14/18 ..... 999,012
<b>Automobiles Manufacturing 0.9%</b>		1,000,000	Royal Bank of Canada 1.80%, due 7/30/18 ..... 999,213
1,000,000	American Honda Finance Corp. 2.00%, due 2/14/20 ..... 986,481	1,000,000	2.749% (3 Month LIBOR USD + 0.390%), due 4/30/21 (e) ... 1,001,815
500,000	Harley-Davidson Financial Services, Inc. 2.831% (3 Month LIBOR USD + 0.500%), due 5/21/20 (a) (e) ..... 500,804	1,000,000	SunTrust Bank 2.25%, due 1/31/20 ..... 989,831
	1,487,285	1,500,000	Toronto Dominion Bank 1.45%, due 9/6/18 ..... 1,496,286
<b>Autos 1.1%</b>			16,451,090
1,000,000	Ford Motor Credit Co., LLC 2.021%, due 5/3/19 ..... 992,037	<b>Biotechnology 0.5%</b>	
1,000,000	General Motors Financial Co., Inc. 2.35%, due 10/4/19 ..... 992,959	800,000	Gilead Sciences, Inc. 1.85%, due 9/4/18 ..... 799,098
	1,984,996	<b>Brokers 0.7%</b>	
<b>Banks 9.5%</b>		1,300,000	Goldman Sachs Group, Inc. 2.90%, due 7/19/18 ..... 1,301,133
2,000,000	BB&T Corp. 2.695% (3 Month LIBOR USD + 0.570%), due 6/15/20 (e) .... 2,015,622	<b>Chemicals 1.5%</b>	
1,500,000	Capital One N.A. 2.35%, due 8/17/18 ..... 1,499,655	1,000,000	PPG Industries, Inc. 3.60%, due 11/15/20 ..... 1,014,766
2,000,000	Citigroup, Inc. 2.45%, due 1/10/20 ..... 1,982,636	1,600,000	Sherwin-Williams Co. 2.25%, due 5/15/20 ..... 1,577,397
500,000	Citizens Bank, N.A. 2.20%, due 5/26/20 ..... 490,752		2,592,163
1,000,000	Discover Bank 2.60%, due 11/13/18 ..... 999,842	<b>Commercial Finance 0.3%</b>	
1,500,000	Huntington National Bank 2.00%, due 6/30/18 ..... 1,499,644	500,000	Air Lease Corp. 2.625%, due 9/4/18 ..... 499,920
		<b>Communications Equipment 0.6%</b>	
		1,000,000	Apple, Inc. 1.70%, due 2/22/19 ..... 996,062

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

**PIA Short-Term Securities Fund**  
*Schedule of Investments – May 31, 2018 (continued)*  
(Unaudited)

Principal Amount	Value
<b>Construction Materials Manufacturing 0.9%</b>	
	Martin Marietta Materials, Inc.
\$ 500,000	2.979% (3 Month LIBOR USD + 0.650%), due 5/22/20 (e) . . . \$ 502,274
	Vulcan Materials Co.
1,000,000	2.725% (3 Month LIBOR USD + 0.600%), due 6/15/20 (e) . . . <u>1,000,494</u>
	<u>1,502,768</u>
<b>Consumer Finance 1.1%</b>	
	American Express Co.
1,000,000	2.846% (3 Month LIBOR USD + 0.525%), due 5/17/21 (e) . . . 1,003,574
	American Express Credit Corp.
1,000,000	1.70%, due 10/30/19 . . . . . <u>986,481</u>
	<u>1,990,055</u>
<b>Consumer Products 0.3%</b>	
	The Estee Lauder Companies Inc.
500,000	1.80%, due 2/7/20 . . . . . <u>492,384</u>
<b>Containers and Packaging 0.6%</b>	
	Packaging Corp. of America
1,000,000	2.45%, due 12/15/20 . . . . . <u>983,767</u>
<b>Diversified Banks 1.7%</b>	
	Bank of Montreal
500,000	2.10%, due 12/12/19 . . . . . 495,004
1,000,000	2.802% (3 Month LIBOR USD + 0.460%), due 4/13/21 (e) . . . 1,003,045
	Bank of Nova Scotia
500,000	2.15%, due 7/14/20 . . . . . 491,208
1,000,000	2.50%, due 1/8/21 . . . . . <u>985,794</u>
	<u>2,975,051</u>
<b>Drugs and Druggists' Sundries</b>	
<b>Merchant Wholesalers 0.9%</b>	
	Cardinal Health, Inc.
1,000,000	1.95%, due 6/15/18 . . . . . 999,734
500,000	1.948%, due 6/14/19 . . . . . 496,085
	<u>1,495,819</u>

Principal Amount	Value
<b>Electrical Equipment Manufacturing 1.1%</b>	
	Fortive Corp.
\$1,000,000	1.80%, due 6/15/19 . . . . . \$ 988,141
	Honeywell International, Inc.
1,000,000	1.40%, due 10/30/19 . . . . . <u>984,377</u>
	<u>1,972,518</u>
<b>Financial Services 1.0%</b>	
	CBOE Global Markets, Inc.
500,000	1.95%, due 6/28/19 . . . . . 495,609
	Charles Schwab Corp.
1,000,000	2.649% (3 Month LIBOR USD + 0.320%), due 5/21/21 (e) . . . 999,640
	Morgan Stanley
250,000	3.155% (3 Month LIBOR USD + 0.800%), due 2/14/20 (e) . . . <u>250,916</u>
	<u>1,746,165</u>
<b>Food 0.6%</b>	
	Kroger Co.
1,000,000	1.50%, due 9/30/19 . . . . . <u>981,572</u>
<b>Food and Beverage 2.3%</b>	
	Campbell Soup Co.
500,000	2.775% (3 Month LIBOR USD + 0.630%), due 3/15/21 (e) . . . 500,115
	Coca-Cola Co.
1,000,000	1.375%, due 5/30/19 . . . . . 988,472
	General Mills, Inc.
500,000	2.893% (3 Month LIBOR USD + 0.540%), due 4/16/21 (e) . . . 501,196
	Kraft Heinz Foods Co.
1,000,000	2.923% (3 Month LIBOR USD + 0.570%), due 2/10/21 (e) . . . 1,002,313
	Tyson Foods, Inc.
1,000,000	2.567% (3 Month LIBOR USD + 0.550%), due 6/2/20 (e) . . . <u>1,003,843</u>
	<u>3,995,939</u>

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**PIA Short-Term Securities Fund**  
*Schedule of Investments – May 31, 2018 (continued)*  
(Unaudited)

Principal Amount	Value	Principal Amount	Value
<b>Health and Personal Care Stores 0.3%</b>		<b>Navigational, Measuring, Electromedical, and Control Instruments Manufacturing 0.7%</b>	
	CVS Health Corp.		Northrop Grumman Corp.
\$ 500,000	2.777% (3 Month LIBOR USD + 0.720%), due 3/9/21 (e) . . . . .	\$ 1,300,000	2.08%, due 10/15/20 . . . . .
	<u>\$ 503,466</u>		<u>\$ 1,273,460</u>
<b>Health Care Facilities and Services 1.1%</b>		<b>Nondepository Credit Intermediation 0.6%</b>	
	Express Scripts Holding Co.		Caterpillar Financial Services Corp.
2,000,000	2.60%, due 11/30/20 . . . . .	1,000,000	1.85%, due 9/4/20 . . . . .
	<u>1,965,967</u>		<u>977,529</u>
<b>Home and Office Products Manufacturing 0.3%</b>		<b>Oil and Gas Services and Equipment 0.3%</b>	
	Newell Brands, Inc.		Schlumberger Finance Canada Ltd.
500,000	2.15%, due 10/15/18 . . . . .	500,000	2.20%, due 11/20/20 (a) . . . . .
	<u>498,646</u>		<u>490,489</u>
<b>Machinery Manufacturing 1.7%</b>		<b>Other Food Manufacturing 0.9%</b>	
	Ingersoll-Rand Global Holding Co. Ltd.		Conagra Brands, Inc.
1,000,000	2.90%, due 2/21/21 . . . . .	1,000,000	2.831% (3 Month LIBOR USD + 0.500%), due 10/9/20 (e) . . . . .
	991,806		999,063
	John Deere Capital Corp.		J.M. Smucker Co.
2,000,000	1.65%, due 10/15/18 . . . . .	500,000	2.20%, due 12/6/19 . . . . .
	<u>1,993,459</u>		<u>495,725</u>
	<u>2,985,265</u>		<u>1,494,788</u>
<b>Medical Equipment and Devices Manufacturing 2.1%</b>		<b>Other Telecommunications 0.6%</b>	
	Abbott Laboratories		AT&T, Inc.
1,000,000	2.00%, due 9/15/18 . . . . .	1,000,000	2.30%, due 3/11/19 . . . . .
	998,234		<u>996,896</u>
	629,000		<b>Pharmaceuticals 2.6%</b>
	2.35%, due 11/22/19 . . . . .		Baxalta, Inc.
	625,784		500,000
	Danaher Corp.		2.00%, due 6/22/18 . . . . .
500,000	1.65%, due 9/15/18 . . . . .		499,871
	499,097		GlaxoSmithKline Capital Plc
	Medtronic Global Holdings SCA		2,000,000
1,000,000	1.70%, due 3/28/19 . . . . .		2.693% (3 Month LIBOR USD + 0.350%), due 5/14/21 (e) . . . . .
	993,906		2,005,175
	Stryker Corp.		Johnson & Johnson
500,000	2.00%, due 3/8/19 . . . . .	1,000,000	1.95%, due 11/10/20 . . . . .
	<u>497,726</u>		984,158
	<u>3,614,747</u>		Shire Acquisitions Investments Ireland DAC
<b>Medical Equipment and Supplies Manufacturing 0.6%</b>			500,000
	Becton Dickinson and Co.		1.90%, due 9/23/19 . . . . .
1,000,000	2.944% (3 Month LIBOR USD + 0.875%), due 12/29/20 (e) . . . . .		493,165
	<u>1,002,771</u>		Teva Pharmaceutical Finance Netherlands III BV
			500,000
			1.70%, due 7/19/19 . . . . .
			<u>488,699</u>
			<u>4,471,068</u>

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**PIA Short-Term Securities Fund**  
*Schedule of Investments – May 31, 2018 (continued)*  
(Unaudited)

Principal Amount	Value
<b>Publishing &amp; Broadcasting 0.6%</b>	
\$1,000,000	\$ 990,439
<b>Refining and Marketing 0.3%</b>	
500,000	501,043
<b>Restaurants 0.9%</b>	
500,000	499,144
1,000,000	985,831
	<u>1,484,975</u>
<b>Retail – Consumer Discretionary 0.6%</b>	
1,000,000	985,125
<b>Retail – Consumer Staples 0.8%</b>	
1,400,000	1,391,813
<b>Semiconductor and Other Electronic</b>	
<b>Component Manufacturing 0.3%</b>	
500,000	494,562
<b>Semiconductors 1.7%</b>	
1,000,000	986,837
2,000,000	1,995,781
	<u>2,982,618</u>
<b>Software and Services 1.4%</b>	
500,000	497,523

Principal Amount	Value
<b>Software and Services 1.4% (continued)</b>	
\$ 500,000	500,669
1,460,000	1,454,080
	<u>2,452,272</u>
<b>Supermarkets and Pharmacies 1.1%</b>	
2,000,000	1,979,531
<b>Transportation &amp; Logistics 0.6%</b>	
500,000	491,808
500,000	489,945
	<u>981,753</u>
<b>Travel &amp; Lodging 0.3%</b>	
500,000	492,866
<b>Utilities 4.8%</b>	
1,000,000	994,571
500,000	491,900
437,500	435,280
500,000	491,510
1,900,000	1,874,370
1,000,000	999,970
2,000,000	1,958,522

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**PIA Short-Term Securities Fund**  
*Schedule of Investments – May 31, 2018 (continued)*  
(Unaudited)

Principal Amount	Value
<b>Utilities 4.8% (continued)</b>	
Sempra Energy	
\$1,000,000 1.625%, due 10/7/19 .....	\$ 982,360
	<u>8,228,483</u>
<b>Total Corporate Bonds</b>	
(cost \$90,022,296) .....	<b>89,433,083</b>
<b>MORTGAGE-BACKED SECURITIES 3.7%</b>	
<b>Residential Mortgage-Backed Securities 0.7%</b>	
BlueVirgo Trust	
1,266,046 3.00%, due 12/15/22, Series 15-1A (a) (c) .....	<u>1,266,083</u>
<b>U.S. Government Agencies 3.0%</b>	
FHLMC ARM Pool (e)	
1,093 3.577% (1 Year CMT Rate + 2.317%), due 2/1/22, #845113 .....	1,108
7,889 3.00% (1 Year CMT Rate + 1.874%), due 10/1/22, #635206 .....	7,999
1,819 3.69% (1 Year CMT Rate + 2.301%), due 6/1/23, #845755 .....	1,839
223,903 3.53% (1 Year CMT Rate + 2.276%), due 1/1/25, #785726 .....	230,998
8,790 3.533% (12 Month LIBOR USD + 1.783%), due 1/1/33, #1B0668 .....	8,928
220,645 3.50% (1 Year CMT Rate + 2.250%), due 10/1/34, #782784 .....	233,014
58,394 3.427% (12 Month LIBOR USD + 1.677%), due 12/1/34, #1G0018 .....	60,631
47,535 3.979% (12 Month LIBOR USD + 1.886%), due 4/1/36, #847671 .....	50,218

Principal Amount	Value
<b>U.S. Government Agencies 3.0% (continued)</b>	
FHLMC Pool	
\$ 88,828 5.00%, due 10/1/38, #G04832 . \$	95,108
FNMA ARM Pool (e)	
16,226 4.665% (6 Month LIBOR USD + 2.165%), due 7/1/25, #555206 .....	16,248
53,135 3.135% (1 Year CMT Rate + 1.520%), due 7/1/27, #424953 .....	53,181
59,516 3.955% (1 Year CMT Rate + 2.225%), due 3/1/28, #556438 .....	60,970
55,469 3.359% (1 Year CMT Rate + 2.021%), due 6/1/29, #508399 .....	56,439
143,893 3.502% (1 Year CMT Rate + 2.046%), due 4/1/30, #562912 .....	148,360
26,023 3.813% (1 Year CMT Rate + 2.208%), due 10/1/30, #670317 .....	26,597
35,178 3.365% (12 Month LIBOR USD + 1.615%), due 9/1/31, #597196 .....	35,301
22,544 3.402% (1 Year CMT Rate + 2.152%), due 11/1/31, #610547 .....	22,960
198,546 3.349% (12 Month LIBOR USD + 1.599%), due 10/1/33, #743454 .....	207,450
666,536 3.50% (12 Month LIBOR USD + 1.750%), due 11/1/33, #755253 .....	706,173
736,049 3.716% (1 Year CMT Rate + 2.295%), due 5/1/34, #AC5719 .....	773,632
180,382 3.42% (12 Month LIBOR USD + 1.670%), due 7/1/34, #779693 .....	188,270

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



**PIA Short-Term Securities Fund**  
*Schedule of Investments – May 31, 2018 (continued)*  
(Unaudited)

Shares/ Principal Amount	Value
<b>U.S. GOVERNMENT AGENCIES AND INSTRUMENTALITIES 21.4%</b>	
<b>U.S. Government Agencies 12.6%</b>	
FHLB	
\$5,000,000 1.375%, due 3/18/19 .....	\$ 4,966,015
2,000,000 1.375%, due 5/28/19 .....	1,982,496
FHLMC	
1,000,000 0.875%, due 10/12/18 .....	995,775
6,000,000 1.375%, due 8/15/19 .....	5,933,394
3,000,000 1.50%, due 1/17/20 .....	2,956,872
FNMA	
5,000,000 1.00%, due 10/24/19 .....	4,906,875
	<u>21,741,427</u>
<b>U.S. Treasury Notes 8.8%</b>	
U.S. Treasury Notes	
5,000,000 0.75%, due 2/15/19 .....	4,949,218
2,000,000 1.00%, due 3/15/19 .....	1,981,172
3,300,000 0.875%, due 4/15/19 .....	3,261,393
5,000,000 0.875%, due 6/15/19 .....	4,928,223
	<u>15,120,006</u>
<b>Total U.S. Government Agencies and Instrumentalities</b>	
(cost \$37,219,242) .....	<b><u>36,861,433</u></b>
<b>SHORT-TERM INVESTMENTS 22.6%</b>	
<b>Money Market Fund 0.9%</b>	
1,513,041 Fidelity Institutional Money Market Government Portfolio – Class I, 1.64% (b) .....	<u>1,513,041</u>

Principal Amount	Value
<b>U.S. Treasury Bills 21.7%</b>	
U.S. Treasury Bills	
\$8,500,000 1.554%, due 6/7/18 (d) ....	\$ 8,497,799
6,000,000 1.575%, due 6/14/18 (d) .....	5,996,588
9,000,000 1.700%, due 6/21/18 (d) .....	8,991,500
4,000,000 1.748%, due 7/5/18 (d) .....	3,993,398
6,000,000 1.785%, due 7/26/18 (d) .....	5,983,638
4,000,000 1.853%, due 8/9/18 (d) .....	3,985,797
	<u>37,448,720</u>
<b>Total Short-Term Investments</b>	
(cost \$38,963,594) .....	<b><u>38,961,761</u></b>
<b>Total Investments</b>	
(cost \$172,433,400) .....	<b>99.6% 171,699,459</b>
<b>Other Assets less Liabilities</b> .....	<b>0.4% 663,464</b>
<b>TOTAL NET ASSETS</b> .....	<b><u>100.0% \$172,362,923</u></b>

- (a) Security purchased within the terms of a private placement memorandum, exempt from registration under Rule 144A of the Securities Act of 1933, as amended, and may be sold only to dealers in the program or other “qualified institutional buyers.” The Fund’s adviser has determined that such security is liquid in accordance with the liquidity guidelines approved by the Board of Trustees of Advisors Series Trust. As May 31, 2018, the value of these investments was \$4,236,907 or 2.5% of total net assets.
- (b) Rate shown is the 7-day annualized yield as of May 31, 2018.
- (c) Value determined using significant unobservable inputs.
- (d) Rate shown is the discount rate at May 31, 2018.
- (e) Variable or floating rate security based on a reference index and spread. The rate reported is the rate in effect as of May 31, 2018.

ARM – Adjustable Rate Mortgage  
CMT – Constant Maturity Treasury  
FHLB – Federal Home Loan Bank  
FHLMC – Federal Home Loan Mortgage Corporation  
FNMA – Federal National Mortgage Association  
GNMA – Government National Mortgage Association  
LIBOR – London Interbank Offered Rate

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

**PIA Short-Term Securities Fund**  
*Statement of Assets and Liabilities – May 31, 2018*  
(Unaudited)

**Assets:**

Investments in securities, at value (cost \$172,433,400) .....	\$171,699,459
Receivable for securities sold .....	14,981
Receivable for fund shares sold .....	384,596
Interest receivable .....	521,038
Prepaid expenses .....	22,881
Total assets .....	172,642,955

**Liabilities:**

Payable for fund shares redeemed .....	162,571
Investment advisory fees .....	27,777
Administration fees .....	14,519
Custody fees .....	4,952
Transfer agent fees and expenses .....	20,966
Fund accounting fees .....	23,706
Audit fees .....	9,850
Legal fees .....	1,573
Chief Compliance Officer fee .....	2,205
Trustees' fees and expenses .....	2,268
Accrued expenses .....	9,645
Total liabilities .....	280,032
Net Assets .....	\$172,362,923

**Net Assets Consist of:**

Paid-in capital .....	\$173,523,737
Undistributed net investment income .....	38,091
Accumulated net realized loss on investments .....	(464,964)
Net unrealized depreciation on investments .....	(733,941)
Net Assets .....	\$172,362,923

**Net Asset Value, Offering Price and Redemption Price Per Share** ..... \$ 9.97

**Shares Issued and Outstanding (Unlimited number of shares authorized, par value \$0.01)** ..... 17,293,194

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

**PIA Short-Term Securities Fund**  
*Statement of Operations – Six Months Ended May 31, 2018*  
(Unaudited)

**Investment Income:**

Interest .....	<u>\$1,524,264</u>
Total investment income .....	<u>1,524,264</u>

**Expenses:**

Investment advisory fees (Note 4) .....	169,737
Fund accounting fees (Note 4) .....	45,121
Transfer agent fees and expenses (Note 4) .....	41,763
Administration fees (Note 4) .....	26,450
Registration fees .....	13,779
Audit fees .....	9,957
Custody fees (Note 4) .....	9,953
Trustees' fees and expenses .....	7,519
Chief Compliance Officer fee (Note 4) .....	4,504
Legal fees .....	4,229
Reports to shareholders .....	4,128
Insurance .....	2,063
Miscellaneous .....	<u>3,647</u>
Total expenses .....	342,850
Less: Fee waiver by adviser (Note 4) .....	<u>(11,863)</u>
Net expenses .....	<u>330,987</u>
Net investment income .....	<u>1,193,277</u>

**Realized and Unrealized Gain/(Loss) on Investments:**

Net realized gain on investments .....	4,000
Net change in unrealized depreciation on investments .....	<u>(603,170)</u>
Net loss on investments .....	<u>(599,170)</u>
Net increase in net assets resulting from operations .....	<u><u>\$ 594,107</u></u>

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

# PIA Short-Term Securities Fund

## *Statements of Changes in Net Assets*

	Six Months Ended May 31, 2018 (Unaudited)	Year Ended November 30, 2017
<b>Increase/(Decrease) in Net Assets From Operations:</b>		
Net investment income .....	\$ 1,193,277	\$ 1,907,447
Net realized gain on investments .....	4,000	25,820
Net change in unrealized appreciation/(depreciation) on investments .....	<u>(603,170)</u>	<u>(399,641)</u>
Net increase in net assets resulting from operations .....	<u>594,107</u>	<u>1,533,626</u>
<b>Distributions Paid to Shareholders:</b>		
Distributions from net investment income .....	<u>(1,188,815)</u>	<u>(1,949,900)</u>
Total distributions paid to shareholders .....	<u>(1,188,815)</u>	<u>(1,949,900)</u>
<b>Capital Share Transactions:</b>		
Proceeds from shares sold .....	24,034,726	49,574,382
Distributions reinvested .....	901,437	1,454,424
Payment for shares redeemed .....	<u>(23,499,066)</u>	<u>(49,026,512)</u>
Net increase in net assets from capital share transactions .....	<u>1,437,097</u>	<u>2,002,294</u>
Total increase in net assets .....	<u>842,389</u>	<u>1,586,020</u>
<b>Net Assets, Beginning of Period .....</b>	<u>171,520,534</u>	<u>169,934,514</u>
<b>Net Assets, End of Period .....</b>	<u>\$172,362,923</u>	<u>\$171,520,534</u>
<b>Includes Undistributed Net Investment Income of .....</b>	<u>\$ 38,091</u>	<u>\$ 33,629</u>
<b>Transactions in Shares:</b>		
Shares sold .....	2,409,507	4,941,600
Shares issued on reinvestment of distributions .....	90,413	145,040
Shares redeemed .....	<u>(2,353,623)</u>	<u>(4,886,516)</u>
Net increase in shares outstanding .....	<u>146,297</u>	<u>200,124</u>

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

# PIA Short-Term Securities Fund

## *Financial Highlights*

	Six Months Ended May 31, 2018 (Unaudited)	2017	2016	2015	2014	2013
<b>Per Share Operating Performance</b>						
(For a fund share outstanding throughout each period)						
Net asset value, beginning of period . . . . .	<u>\$10.00</u>	<u>\$10.03</u>	<u>\$10.00</u>	<u>\$10.05</u>	<u>\$10.08</u>	<u>\$10.10</u>
<b>Income From Investment Operations:</b>						
Net investment income . . . . .	0.07	0.11	0.10	0.07	0.05	0.05
Net realized and unrealized gain/(loss) on investments . . . . .	<u>(0.03)</u>	<u>(0.03)</u>	<u>0.03</u>	<u>(0.03)</u>	<u>(0.02)</u>	<u>(0.02)</u>
Total from investment operations . . . . .	<u>0.04</u>	<u>0.08</u>	<u>0.13</u>	<u>0.04</u>	<u>0.03</u>	<u>0.03</u>
<b>Less Distributions:</b>						
Distributions from net investment income . . . . .	<u>(0.07)</u>	<u>(0.11)</u>	<u>(0.10)</u>	<u>(0.09)</u>	<u>(0.06)</u>	<u>(0.05)</u>
Total distributions . . . . .	<u>(0.07)</u>	<u>(0.11)</u>	<u>(0.10)</u>	<u>(0.09)</u>	<u>(0.06)</u>	<u>(0.05)</u>
Net asset value, end of period . . . . .	<u>\$ 9.97</u>	<u>\$10.00</u>	<u>\$10.03</u>	<u>\$10.00</u>	<u>\$10.05</u>	<u>\$10.08</u>
<b>Total Return</b> . . . . .	0.40% <sup>++</sup>	0.85%	1.32%	0.37%	0.33%	0.34%
<b>Ratios/Supplemental Data:</b>						
Net assets, end of period (in 000's) . . . . .	\$172,363	\$171,521	\$169,935	\$156,007	\$155,309	\$139,347
Ratio of expenses to average net assets:						
Net of fee waivers and reimbursements . . . . .	0.39% <sup>+</sup>	0.39%	0.39%	0.39%	0.38%	0.35%
Before fee waivers and reimbursements . . . . .	0.40% <sup>+</sup>	0.41%	0.41%	0.41%	0.40%	0.43%
Ratio of net investment income to average net assets:						
Net of fee waivers and reimbursements . . . . .	1.40% <sup>+</sup>	1.12%	1.02%	0.69%	0.56%	0.49%
Before fee waivers and reimbursements . . . . .	1.39% <sup>+</sup>	1.10%	1.00%	0.67%	0.54%	0.41%
Portfolio turnover rate . . . . .	13% <sup>++</sup>	46%	37%	60%	38%	56%
<p>+ Annualized for periods less than one year.</p> <p>++ Not annualized for periods less than one year.</p>						

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

# PIA Short-Term Securities Fund

Notes to Financial Statements – May 31, 2018

(Unaudited)

## Note 1 – Organization

The PIA Short-Term Securities Fund (the “Fund”) is a diversified series of Advisors Series Trust (the “Trust”), which is registered under the Investment Company Act of 1940, as amended, 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 investment objective of the Fund is to seek a high level of current income, consistent with low volatility of principal through investing in short-term investment grade debt securities. The Fund commenced operations on April 22, 1994.

## Note 2 – Significant Accounting Policies

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

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

*Securities Purchased on a When-Issued Basis* – Delivery and payment for securities that have been purchased by the Fund on a forward-commitment or when-issued basis can take place up to a month or more after the transaction date. During this period, such securities are subject to market fluctuations. The Fund is required to hold and maintain until the settlement date, cash or other liquid assets in an amount sufficient to meet the purchase price. The purchase of securities on a when-issued or forward-commitment basis may increase the volatility of the Fund’s net asset value if the Fund makes such purchases while remaining substantially fully invested. In connection with the ability to purchase securities on a when-issued basis, the Fund may also enter into dollar rolls in which the Fund sells securities purchased on a forward-commitment basis and simultaneously contracts with a counterparty to repurchase similar (same type, coupon, and maturity), but not identical securities on a specified future date. As an inducement for the Fund to “roll over” its purchase commitments, the Fund receives negotiated amounts in the form of reductions of the purchase price of the commitment. Dollar rolls are considered a form of leverage.

*Federal Income Taxes* – It is the Fund’s policy to comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no Federal income or excise tax provision is required.

The Fund recognizes the tax benefits of uncertain tax positions only where the position is “more likely than not” to be sustained assuming examination by tax authorities. Management has analyzed the Fund’s tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for open tax years 2015 – 2017, or expected to be taken in the Fund’s 2018 tax returns. The Fund identifies its major tax jurisdictions as U.S. Federal and the state of Wisconsin; however the Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next twelve months.

*Expenses* – The Fund is charged for those expenses that are directly attributable to the Fund, such as investment advisory and custodian fees. Expenses that are not directly attributable to the Fund are typically allocated among the PIA Funds in proportion to their respective net assets. Common expenses of the Trust are typically allocated among the funds in the Trust based on a fund’s respective net assets, or by other equitable means.



# PIA Short-Term Securities Fund

*Notes to Financial Statements – May 31, 2018 (continued)*  
(Unaudited)

*Securities Transactions and Investment Income* – Security transactions are accounted for on a trade date basis. Realized gains and losses on sales of securities are calculated on the basis of identified cost. Interest income is recorded on an accrual basis. Discounts and premiums on securities purchased are amortized over the life of the respective security using the effective interest method.

*Distributions to Shareholders* – Distributions to shareholders are recorded on the ex-dividend date. The Fund distributes substantially all net investment income, if any, monthly and net realized gains, if any, 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.

The amount and character of income and net realized gains to be distributed are determined in accordance with Federal income tax rules and regulations, which may differ from accounting principles generally accepted in the United States of America. To the extent that these differences are attributable to permanent book and tax accounting differences, the components of net assets have been adjusted.

*Reclassification of Capital Accounts* – Accounting principles generally accepted in the United States of America require that certain components of net assets relating to permanent differences be reclassified between financial and tax reporting. These reclassifications have no effect on net assets or net asset value per share.

*Guarantees and Indemnifications* – In the normal course of business, the Fund enters into contracts with service providers that contain general indemnification clauses. The Fund’s maximum exposure under these arrangements is unknown as this would involve future claims against the Fund that have not yet occurred. Based on experience, the Fund expects the risk of loss to be remote.

*Use of Estimates* – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 increases and decreases in net assets from operation during the reporting period. Actual results could differ from those estimates.

*New Accounting Pronouncements* – In March 2017, FASB issued Accounting Standards Update (“ASU”) No. 2017-08, Receivables — Nonrefundable Fees and Other Costs (Subtopic 310-20): Premium Amortization on Purchased Callable Debt Securities. The amendments in the ASU shorten the amortization period for certain callable debt securities, held at a premium, to be amortized to the earliest call date. The ASU does not require an accounting change for securities held at a discount; which continue to be amortized to maturity. The ASU is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2018. Management is currently evaluating the impact, if any, of applying this provision.

*Events Subsequent to the Fiscal Period End* – In preparing the financial statements as of May 31, 2018, management considered the impact of subsequent events for the potential recognition or disclosure in these financial statements.

## **Note 3 – Securities Valuation**

The Fund has adopted authoritative fair value accounting standards which establish an authoritative definition of fair value and set out a hierarchy for measuring fair value. These standards require additional disclosures about the various inputs and valuation techniques used to develop the measurements of fair value, a discussion in changes in valuation

# PIA Short-Term Securities Fund

*Notes to Financial Statements – May 31, 2018 (continued)*  
*(Unaudited)*

techniques and related inputs during the period and expanded disclosure of valuation levels for major security types. These inputs are summarized in the three broad levels listed below:

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

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

The Fund determines the fair value of its investments and computes its net asset value per share as of the close of regular trading on the New York Stock Exchange (4:00 pm EST).

*Corporate Bonds* – Corporate bonds, including listed issues, are valued at market on the basis of valuations furnished by an independent pricing service which utilizes both dealer-supplied valuations and formula-based techniques. The pricing service may consider recently executed transactions in securities of the issuer or comparable issuers, market price quotations (where observable), bond spreads, and fundamental data relating to the issuer. Most corporate bonds are categorized in level 2 of the fair value hierarchy.

*Foreign Securities* – Foreign economies may differ from the U.S. economy and individual foreign companies may differ from domestic companies in the same industry.

Foreign companies or entities are frequently not subject to accounting and financial reporting standards applicable to domestic companies, and there may be less information available about foreign issuers. Securities of foreign issuers are generally less liquid and more volatile than those of comparable domestic issuers. There is frequently less government regulation of broker-dealers and issuers than in the United States. In addition, investments in foreign countries are subject to the possibility of expropriation, confiscatory taxation, political or social instability or diplomatic developments that could adversely affect the value of those investments.

*Mortgage- and Asset-Backed Securities* – Mortgage- and asset-backed securities are securities issued as separate tranches, or classes, of securities within each deal. These securities are normally valued by pricing service providers that use broker-dealer quotations or valuation estimates from their internal pricing models. The pricing models for these securities usually consider tranche-level attributes, estimated cash flows and market-based yield spreads for each tranche, current market data and incorporate deal collateral performance, as available. Mortgage- and asset-backed securities that use similar valuation techniques and inputs as described above are categorized as level 2 of the fair value hierarchy.

# PIA Short-Term Securities Fund

*Notes to Financial Statements – May 31, 2018 (continued)*  
*(Unaudited)*

*U.S. Government Securities* – U.S. Government securities are normally valued using a model that incorporates market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers, and reference data. Certain securities are valued principally using dealer quotations. U.S. Government securities are typically categorized in level 2 of the fair value hierarchy.

*U.S. Government Agency Securities* – U.S. Government agency securities are comprised of two main categories consisting of agency issued debt and mortgage pass-throughs. Agency issued debt securities are generally valued in a manner similar to U.S. Government securities. Mortgage pass-throughs include to-be-announced (“TBAs”) securities and mortgage pass-through certificates. TBA securities and mortgage pass-throughs are generally valued using dealer quotations. These securities are typically categorized in level 2 of the fair value hierarchy.

*Investment Companies* – Investments in open-end mutual funds are valued at their net asset value per share. To the extent, these securities are actively traded and valuation adjustments are not applied, they are categorized in level 1 of the fair value hierarchy.

*Short-Term Securities* – Short-term debt securities, including those securities having a maturity of 60 days or less, are valued at the evaluated mean between the bid and asked prices. To the extent the inputs are observable and timely, these securities would be classified in level 2 of the fair value hierarchy.

*Illiquid Securities* – A security may be considered illiquid if it lacks a readily available market. Securities are generally considered liquid if they can be sold or disposed of in the ordinary course of business within seven days at approximately the price at which the security is valued by the Fund. Illiquid securities may be valued under methods approved by the Fund’s Board of Trustees as reflecting fair value. The Fund intends to hold no more than 15% of its net assets in illiquid securities.

Certain restricted securities may be considered illiquid. Restricted securities are often purchased in private placement transactions, are not registered under the Securities Act of 1933, may have contractual restrictions on resale, and may be valued under methods approved by the Fund’s Board of Trustees as reflecting fair value. Certain restricted securities eligible for resale to qualified institutional investors, including Rule 144A securities, are not subject to the limitation on the Fund’s investment in illiquid securities if they are determined to be liquid in accordance with procedures adopted by the Fund’s Board of Trustees. As of May 31, 2018, Pacific Income Advisers, Inc., the adviser, has determined that the Rule 144A securities held by the Fund are considered liquid.

The Board of Trustees has delegated day-to-day valuation issues to a Valuation Committee of the Trust which is comprised of representatives from U.S. Bancorp Fund Services, LLC, the Fund’s administrator. The function of the Valuation Committee is to value securities where current and reliable market quotations are not readily available or the closing price does not represent fair value by following procedures approved by the Board of Trustees. These procedures consider many factors, including the type of security, size of holding, trading volume and news events. All actions taken by the Valuation Committee are subsequently reviewed and ratified by the Board of Trustees.

Depending on the relative significance of the valuation inputs, fair valued securities may be classified in either level 2 or level 3 of the fair value hierarchy.

# PIA Short-Term Securities Fund

*Notes to Financial Statements – May 31, 2018 (continued)*  
(Unaudited)

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities. The following is a summary of the inputs used to value the Fund’s securities as of May 31, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Fixed Income</b>				
Corporate Bonds	\$ —	\$ 89,433,083	\$ —	\$ 89,433,083
Mortgage-Backed Securities	—	5,177,099	1,266,083	6,443,182
U.S. Government Agencies and Instrumentalities	—	36,861,433	—	36,861,433
<b>Total Fixed Income</b>	—	131,471,615	1,266,083	132,737,698
<b>Short-Term Investments</b>	1,513,041	37,448,720	—	38,961,761
<b>Total Investments</b>	\$ 1,513,041	\$ 168,920,335	\$ 1,266,083	\$ 171,699,459

Refer to the Fund’s schedule of investments for a detailed break-out of securities. Transfers between levels are recognized at May 31, 2018, the end of the reporting period. The Fund recognized no transfers to/from level 1 or level 2.

The following is a reconciliation of the Fund’s level 3 investments for which significant unobservable inputs were used in determining value.

	<b>Investments in Securities, at Value Mortgage-Backed Securities</b>
Balance as of November 30, 2017	\$1,892,579
Accrued discounts/premiums	—
Realized gain/(loss)	2,788
Change in unrealized appreciation/(depreciation)	(7,809)
Purchases	—
Sales	(621,475)
Transfers in and/or out of Level 3	—
Balance as of May 31, 2018	\$1,266,083

The change in unrealized appreciation/(depreciation) for level 3 securities still held at May 31, 2018, and still classified as level 3 was \$(7,809). At May 31, 2018, the Fund’s primary pricing service provided a valuation for the BlueVirgo Trust bond based on a single broker quote. Due to a lack of significant observable inputs, the value of the BlueVirgo Trust bond is classified in level 3.

#### **Note 4 – Investment Advisory Fee and other Transactions with Affiliates**

The Fund has an investment advisory agreement with Pacific Income Advisers, Inc. (“PIA” or the “Adviser”) pursuant to which the Adviser is responsible for providing investment management services to the Fund. The Adviser furnished all investment advice, office space and facilities, and provides most of the personnel needed by the Fund. As

**PIA Short-Term Securities Fund**  
*Notes to Financial Statements – May 31, 2018 (continued)*  
*(Unaudited)*

compensation for its services, PIA is entitled to a fee, computed daily and payable monthly. The Fund pays fees calculated at an annual rate of 0.20% based upon the average daily net assets of the Fund. For the six months ended May 31, 2018, the Fund incurred \$169,737 in advisory fees.

The Fund is responsible for its own operating expenses. The Adviser has contractually agreed to reduce fees payable to it by the Fund and to pay Fund operating expenses to the extent necessary to limit the Fund’s aggregate annual operating expenses to 0.39% of average daily net assets. Any such reduction made by the Adviser in its fees or payment of expenses which are the Fund’s obligation are subject to reimbursement by the Fund to the Adviser, if so requested by the Adviser, in any subsequent month in the three year period from the date of the management fee reduction and expense payment if the aggregate amount actually paid by the Fund toward the operating expenses for such fiscal year (taking into account the reimbursement) will not cause the Fund to exceed the lesser of: (1) the expense limitation in place at the time of the management fee reduction and expense payment; or (2) the expense limitation in place at the time of the reimbursement. Any such reimbursement is also contingent upon Board of Trustees review and approval at the time the reimbursement is made. Such reimbursement may not be paid prior to the Fund’s payment of current ordinary operating expenses. For the six months ended May 31, 2018, the Adviser reduced its fees and/or absorbed Fund expenses in the amount of \$11,863. No amounts were reimbursed to the Adviser. Cumulative expenses subject to recapture pursuant to the aforementioned conditions amounted to \$101,658 at May 31, 2018. The expense limitation will remain in effect through at least March 29, 2019, and may be terminated only by the Trust’s Board of Trustees. Cumulative expenses subject to recapture expire as follows:

<u>Expiration</u>	<u>Amount</u>
11/30/18	\$ 35,634
11/30/19	26,651
11/30/20	27,510
Dec. 2020 – May 2021	11,863
	<u>\$101,658</u>

U.S. Bancorp Fund Services, LLC (“USBFS” or the “Administrator”) acts as the Fund’s Administrator under an administration agreement. The Administrator prepares various federal and state regulatory filings, reports and returns for the Fund; prepares reports and materials to be supplied to the Trustees; monitors the activities of the Fund’s custodian, transfer agent and accountants; coordinates the preparation and payment of the Fund’s expenses and reviews the Fund’s expense accruals.

USBFS also serves as the fund accountant and transfer agent to the Fund. U.S. Bank N.A., an affiliate of USBFS, serves as the Fund’s custodian.

Quasar Distributors, LLC (the “Distributor”) acts as the Fund’s principal underwriter in a continuous public offering of the Fund’s shares. The Distributor is an affiliate of USBFS and U.S. Bank N.A.

The officers and the Chief Compliance Officer of the Fund are employees of USBFS. A Trustee of the Trust was previously considered an Interested Trustee and an affiliate of USBFS and U.S. Bank N.A. Effective January 1, 2018, this same Trustee became an Independent Trustee.

**PIA Short-Term Securities Fund**  
*Notes to Financial Statements – May 31, 2018 (continued)*  
(Unaudited)

For the six months ended May 31, 2018, the Fund incurred the following expenses for administration, fund accounting, transfer agency, custody, and Chief Compliance Officer fees:

Administration	\$26,450
Fund Accounting	45,121
Transfer Agency (excludes out-of-pocket expenses and sub-ta fees)	32,778
Custody	9,953
Chief Compliance Officer	4,504

At May 31, 2018, the Fund had payables due to USBFS for administration, fund accounting, transfer agency and Chief Compliance Officer fees and to U.S. Bank N.A. for custody fees in the following amounts:

Administration	\$14,519
Fund Accounting	23,706
Transfer Agency (excludes out-of-pocket expenses and sub-ta fees)	16,927
Custody	4,952
Chief Compliance Officer	2,205

**Note 5 – Purchases and Sales of Securities**

For the six months ended May 31, 2018, the cost of purchases and the proceeds from sales of securities, excluding short-term securities, were as follows:

<u>Non-Government</u>		<u>Government</u>	
<u>Purchases</u>	<u>Sales</u>	<u>Purchases</u>	<u>Sales</u>
\$18,849,073	\$9,805,265	—	\$6,874,396

**Note 6 – Line of Credit**

The Fund has a line of credit in the amount of \$15,000,000. The line of credit is intended to provide short-term financing, if necessary, subject to certain restrictions, in connection with shareholder redemptions. The credit facility is with the Fund’s custodian, U.S. Bank N.A. The Fund did not draw upon its line of credit during the six months ended May 31, 2018.

**Note 7 – Federal Income Tax Information**

The tax character of distributions paid during the six months ended May 31, 2018 and the year ended November 30, 2017 was as follows:

	<u>May 31, 2018</u>	<u>November 30, 2017</u>
Ordinary income	\$1,188,815	\$1,949,900

# PIA Short-Term Securities Fund

*Notes to Financial Statements – May 31, 2018 (continued)*  
(Unaudited)

As of November 30, 2017, the most recently completed fiscal year end, the components of accumulated earnings/(losses) on a tax basis were as follows:

Cost of investments (a)	\$170,798,052
Gross unrealized appreciation	397,785
Gross unrealized depreciation	(528,556)
Net unrealized depreciation (a)	(130,771)
Undistributed ordinary income	33,629
Undistributed long-term capital gains	—
Total distributable earnings	33,629
Other accumulated losses	(468,964)
Total accumulated earnings	\$ (566,106)

(a) The book-basis and tax-basis net unrealized depreciation are the same.

The Fund had tax capital losses which may be carried over to offset future gains. Such losses expire as follows:

<u>2018</u>	<u>Short-Term Indefinite</u>	<u>Long-Term Indefinite</u>	<u>Total</u>
\$56,182	\$71,026	\$341,756	\$468,964

During the year ended November 30, 2017, the Fund utilized \$18,290 of capital loss carryover.

## Note 8 – Principal Risks

Below is a summary of some, but not all, of the principal risks of investing in the Fund, each of which may adversely affect the Fund’s net asset value and total return. The Fund’s most recent prospectus provides further descriptions of the Fund’s investment objective, principal investment strategies and principal risks.

- **Counterparty Risk.** Fund transactions involving a counterparty are subject to the risk that the counterparty or a third party will not fulfill its obligation to the Fund. Counterparty risk may arise because of the counterparty’s financial condition (i.e., financial difficulties, bankruptcy, or insolvency), market activities and developments, or other reasons, whether foreseen or not. A counterparty’s inability to fulfill its obligation may result in significant financial loss to the Fund.
- **Interest Rate Risk.** The value of the Fund’s investments in fixed-income securities will change based on changes in interest rates. If interest rates increase, the value of these investments generally declines. Securities with greater interest rate sensitivity and longer maturities generally are subject to greater fluctuations in value. Given that the Federal Reserve has begun to raise interest rates, the Fund may face a heightened level of interest rate risk.
- **Credit Risk.** The issuers of the bonds and other debt securities held by the Fund may not be able to make interest or principal payments.
- **Market and Regulatory Risk.** Events in the financial markets and economy may cause volatility and uncertainty and adversely impact the Fund’s performance. Market events may affect a single issuer, industry,

# PIA Short-Term Securities Fund

*Notes to Financial Statements – May 31, 2018 (continued)*

*(Unaudited)*

sector, or the market as a whole. Traditionally liquid investments may experience periods of diminished liquidity. Governmental and regulatory actions, including tax law changes, may also impair portfolio management and have unexpected or adverse consequences on particular markets, strategies, or investments.

- **Prepayment Risk.** Issuers of securities held by the Fund may be able to prepay principal due on these securities, particularly during periods of declining interest rates. Securities subject to prepayment risk generally offer less potential for gains when interest rates decline, and may offer a greater potential for loss when interest rates rise. When debt obligations are prepaid or when securities are called, the Fund may have to reinvest in securities with a lower yield. Prepayment risk is a major risk of mortgage-backed securities.
- **Extension Risk.** An issuer may pay principal on an obligation held by the Fund (such as an asset-backed or mortgage-backed security) later than expected. This may happen during a period of rising interest rates. Under these circumstances, the value of the obligation will decrease.
- **Risks Associated with Asset-Backed Securities.** These include Market and Regulatory Risk, Interest Rate Risk, Credit Risk, Prepayment Risk and Extension Risk (each described above). Asset-backed securities may decline in value when defaults on the underlying assets occur and may exhibit additional volatility in periods of changing interest rates.
- **Risks Associated with Mortgage-Backed Securities.** These include Market and Regulatory Risk, Interest Rate Risk, Credit Risk, Prepayment Risk and Extension Risk (each described above) as well as the risk that the structure of certain mortgage-backed securities may make their reaction to interest rates and other factors difficult to predict, making their prices very volatile. In particular, events related to the U.S. housing market in recent years had a severe negative impact on the value of some mortgage-backed securities and resulted in an increased risk associated with investments in the securities.
- **Liquidity Risk.** Reduced liquidity in the bond markets can result from a number of events, such as limited trading activity, reductions in bond inventory, and rapid or unexpected changes in interest rates. Less liquid markets could lead to greater price volatility and limit the Fund's ability to sell a holding at a suitable price.
- **Rule 144A Securities Risk.** The market for Rule 144A securities typically is less active than the market for publicly-traded securities. Rule 144A securities carry the risk that the liquidity of these securities may become impaired, making it more difficult for the Fund to sell these securities.
- **Adjustable Rate and Floating Rate Securities Risks.** Although adjustable and floating rate debt securities tend to be less volatile than fixed-rate debt securities, they nevertheless fluctuate in value.
- **Risks Associated with Inflation and Deflation.** Inflation risk is the risk that the rising cost of living may erode the purchasing power of an investment over time. Deflation risk is the risk that prices throughout the economy decline over time – the opposite of inflation.
- **ETF and Mutual Fund Risk.** When the Fund invests in an ETF or mutual fund, it will bear additional expenses based on its pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities that the ETF or mutual fund holds. The Fund also will incur brokerage costs when it purchases ETFs.



## **PIA Short-Term Securities Fund**

*Notes to Financial Statements – May 31, 2018 (continued)*

*(Unaudited)*

- **High Yield Securities Risk.** Securities with ratings lower than BBB- or Baa3 are known as “high yield” securities (commonly known as “junk bonds”). High yield bond issuers are more likely to suffer an adverse change in financial condition that would result in the inability to meet a financial obligation. Accordingly, securities issued by such companies carry a higher risk of default and should be considered speculative.

# **PIA Short-Term Securities Fund**

*Notice to Shareholders – May 31, 2018*

*(Unaudited)*

## **How to Obtain a Copy of the Fund’s Proxy Voting Policies**

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available without charge, upon request, by calling 1-800-251-1970, or on the Securities and Exchange Commission’s (“SEC”) website at <http://www.sec.gov>.

## **How to Obtain a Copy of the Fund’s Proxy Voting Records for the 12-Month Period Ended June 30**

Information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available without charge, upon request, by calling 1-800-251-1970. Furthermore, you can obtain the Fund’s proxy voting records on the SEC’s website at <http://www.sec.gov>.

## **Quarterly Filings on Form N-Q**

The Fund files its complete schedules of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund’s Form N-Q is available on the SEC’s website at <http://www.sec.gov>. The Fund’s Form N-Q may be reviewed and copied at the SEC’s Public Reference Room in Washington, DC, and information on the operation of the Public Reference Room may be obtained by calling 1-202-551-8090. Information included in the Fund’s Form N-Q is also available by calling 1-800-251-1970.

## **Householding**

In an effort to decrease costs, the Fund intends to reduce the number of duplicate prospectuses, annual and semi-annual reports, proxy statements and other regulatory documents you receive by sending only one copy of each to those addresses shared by two or more accounts and to shareholders the Transfer Agent 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 1-800-251-1970 to request individual copies of these documents. Once the Transfer Agent receives notice to stop householding, the Transfer Agent will begin sending individual copies thirty days after receiving your request. This policy does not apply to account statements.

# PIA Funds

## *Approval of Investment Advisory Agreement (Unaudited)*

At a meeting held on December 6-7, 2017, the Board (which is comprised of five persons, four of whom are Independent Trustees as defined under the Investment Company Act of 1940, as amended), considered and approved, for another annual term, the continuance of the investment advisory agreement (the “Advisory Agreement”) between Advisors Series Trust (the “Trust”) and Pacific Income Advisers, Inc. (the “Adviser”) on behalf of the PIA Short-Term Securities Fund (the “Short-Term Securities Fund”), and also for the PIA Short Duration Bond Fund (the “Short Duration Fund”), which had not yet commenced operations at the time of this meeting (collectively, the “Funds”). At this meeting, and at a prior meeting held on October 17-18, 2017, the Board received and reviewed substantial information regarding the Funds, the Adviser and the services provided by the Adviser to the Funds under the Advisory Agreement. This information, together with the information provided to the Board throughout the course of the year, formed the primary (but not exclusive) basis for the Board’s determinations. Below is a summary of the factors considered by the Board and the conclusions that formed the basis for the Board’s approval of the continuance of the Advisory Agreement:

1. **THE NATURE, EXTENT AND QUALITY OF THE SERVICES PROVIDED AND TO BE PROVIDED BY THE ADVISER UNDER THE ADVISORY AGREEMENT.** The Board considered the nature, extent and quality of the Adviser’s overall services provided to the Funds as well as its specific responsibilities in all aspects of day-to-day investment management of the Funds. The Board considered the qualifications, experience and responsibilities of the portfolio managers, as well as the responsibilities of other key personnel of the Adviser involved in the day-to-day activities of the Funds. The Board also considered the resources and compliance structure of the Adviser, including information regarding its compliance program, its chief compliance officer and the Adviser’s compliance record, as well as the Adviser’s cybersecurity program and business continuity plan. The Board also considered the prior relationship between the Adviser and the Trust, as well as the Board’s knowledge of the Adviser’s operations, and noted that during the course of the prior year they had met with the Adviser to discuss the Short-Term Securities Fund’s performance and investment outlook as well as various marketing and compliance topics, including the Adviser’s risk management process. The Board concluded that the Adviser had the quality and depth of personnel, resources, investment methods and compliance policies and procedures essential to performing its duties under the Advisory Agreement and that the nature, overall quality and extent of such management services are satisfactory.
2. **THE FUNDS’ HISTORICAL PERFORMANCE AND THE OVERALL PERFORMANCE OF THE ADVISER.** In assessing the quality of the portfolio management delivered by the Adviser, the Board reviewed the short-term and long-term performance of the Short-Term Securities Fund as of June 30, 2017 on both an absolute basis and in comparison to its peer funds utilizing Lipper and Morningstar classifications and an appropriate securities benchmark. The Board noted that the Short Duration Fund had not yet commenced operations. While the Board considered both short-term and long-term performance for the Short-Term Securities Fund, it placed greater emphasis on longer term performance. The Board also took into account that the Fund’s track record is measured as of a specific date, and that track records can vary as of different measurement dates. Therefore, in reviewing the Fund’s underperformance, the Trustees also considered the broader perspective of the Fund’s performance over varying time periods, the market conditions experienced during the periods under review, as well as the outlook for the Fund going forward in light of expected market

# PIA Funds

## *Approval of Investment Advisory Agreement (continued)* *(Unaudited)*

conditions. When reviewing performance against the comparative peer group universe, the Board took into account that the investment objective and strategies of the Short-Term Securities Fund, as well as its level of risk tolerance, may differ significantly from funds in the peer universe. The Trustees also discussed with the Adviser and considered that certain periods of underperformance may be transitory while other periods of underperformance may be reflective of broader issues that may warrant consideration of corrective action. The Board therefore took into account the Adviser's views as to the reasons for the Fund's relative performance against peers and benchmarks over various time periods and its future outlook for the Fund. In considering the Short-Term Securities Fund's performance, the Trustees placed greater emphasis on performance against peers as opposed to the unmanaged benchmark index.

The Board noted that the Short-Term Securities Fund's performance, with regard to its Lipper comparative universe, was above its peer group median for the one-year, three-year and five-year periods and below its peer group median for the ten-year period.

The Board noted that the Short-Term Securities Fund's performance, with regard to its Morningstar comparative universe, was below its peer group median for the one-year and five-year periods, slightly above its peer group median for the three-year period and above its peer group median for the ten-year period.

The Board reviewed the performance of the Fund against a broad-based securities market benchmark.

The Board also considered any differences in performance between the Adviser's similarly managed accounts and the performance of the Short-Term Securities Fund.

3. **THE COSTS OF THE SERVICES TO BE PROVIDED BY THE ADVISER AND THE STRUCTURE OF THE ADVISER'S FEE UNDER THE ADVISORY AGREEMENT.** In considering the advisory fee and total fees and expenses of the Fund, the Board reviewed comparisons to the peer funds and the Adviser's similarly managed accounts, if any, for other types of clients as well as all expense waivers and reimbursements. When reviewing fees charged to other similarly managed accounts, the Board took into account the type of account and the differences in the management of that account that might be germane to the difference, if any, in the fees charged to such accounts. The Board found that the fees charged to the Short-Term Securities Fund were lower than, equal to, or higher than the fees charged by the Adviser to its similarly managed separate account clients depending on the asset level, and to the extent fees charged to the Fund were higher than for similarly managed separate accounts, it was largely a reflection of the nature of the separate account client and the greater costs to the Adviser of managing the Fund.

**Short-Term Securities Fund:** The Board noted that the Adviser had contractually agreed to maintain an annual expense ratio for the Fund of 0.39% (the "Expense Cap"). The Board noted that the Fund's total expense ratio was below its peer group median and average. Additionally, the Board considered that when the Fund's peer group was adjusted to include only funds of similar asset sizes, the total expense ratio was equal to its peer group median and below its average. The Board noted that the Fund's contractual advisory fee was below its peer group median and average, and below its peer group median and average when the Fund's peer group was adjusted to include only funds of similar asset sizes. The Board also noted that after advisory fee waivers and

# PIA Funds

## *Approval of Investment Advisory Agreement (continued)* *(Unaudited)*

the reimbursement of Fund expenses necessary to maintain the Expense Cap, the net advisory fees received by the Adviser from the Fund during the most recent fiscal period were below the peer group median and average. The Board also took into consideration the services the Adviser provided to its separately managed account clients, comparing the fees charged for those management services to the management fees charged to the Fund. The Board found that the management fees charged to the Fund were lower than, equal to, or higher than the fees charged by the Adviser to its separately managed account clients depending on the asset level.

**Short Duration Fund:** The Board noted that the Adviser had contractually agreed to maintain annual expense ratios of 1.00% for Class A shares and 0.75% for Class I shares (the “Expense Caps”). Additionally, the Board noted that the Fund’s estimated total expense ratio for the Class I shares was above its peer group median and below its peer group average and that the Fund’s estimated total expense ratio for the Class A shares was above its peer group median and average. The Board also noted that the Fund’s contractual advisory fee was above its peer group median and average.

The Board determined that it would continue to monitor the appropriateness of the advisory fee for each Fund and concluded that, at this time, the fees to be paid to the Adviser were fair and reasonable.

4. **ECONOMIES OF SCALE.** The Board also considered whether economies of scale were being realized by the Adviser that should be shared with shareholders. In this regard, the Board noted that the Adviser has contractually agreed to reduce its advisory fees or reimburse Fund expenses so that the Funds do not exceed the specified Expense Caps. The Board noted that at current asset levels, it did not appear that there were additional significant economies of scale being realized by the Adviser and concluded that it would continue to monitor economies of scale in the future as circumstances changed and assuming asset levels continued to increase.
5. **THE PROFITS TO BE REALIZED BY THE ADVISER AND ITS AFFILIATES FROM THEIR RELATIONSHIP WITH THE FUNDS.** The Board reviewed the Adviser’s financial information and took into account both the direct benefits and the indirect benefits to the Adviser from advising the Funds. The Board considered the profitability to the Adviser from its relationship with the Funds and considered any additional benefits derived by the Adviser from its relationship with the Funds, such as benefits to be received in exchange for Rule 12b-1 fees from the Short-Term Securities Fund and noted that the Fund is currently not accruing any Rule 12b-1 fees. The Board also considered that the Funds do not utilize “soft dollar” benefits that may be received by the Adviser in exchange for Fund brokerage. After such review, the Board determined that the profitability to the Adviser with respect to the Advisory Agreement was not excessive, and that the Adviser had maintained adequate profit levels to support the services it provides to the Funds.

No single factor was determinative of the Board’s decision to approve the continuance of the Advisory Agreement for the Short-Term Securities Fund and Short Duration Fund, but rather the Board based its determination on the total combination of information available to them. Based on a consideration of all the factors in their totality, the Board determined that the advisory arrangements with the Adviser, including the advisory fees, were fair and reasonable. The Board therefore determined that the continuance of the Advisory Agreement for the Short-Term Securities Fund and Short Duration Fund would be in the best interests of the Funds and their shareholders.

# PRIVACY NOTICE

The Fund collects non-public information about you from the following sources:

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

We do not disclose any non-public personal information about our customers or former customers without the customer's authorization, except as permitted by law or in response to inquiries from governmental authorities. We may share information with affiliated 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 responsibilities. We maintain physical, electronic and procedural safeguards to guard your non-public personal information and require third parties to treat your personal information with the same high degree of confidentiality.

In the event that you hold shares of the Fund through a financial intermediary, including, but not limited to, a broker-dealer, bank, or trust company, the privacy policy of your financial intermediary would govern how your non-public personal information would be shared by those entities with unaffiliated third parties.

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**Distributor**

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Milwaukee, WI 53202

**Transfer Agent**

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Milwaukee, WI 53202  
(800) 251-1970

**Custodian**

U.S. Bank N.A.  
Custody Operations  
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Milwaukee, WI 53212

**Independent Registered Public Accounting Firm**

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1818 Market Street, Suite 2400  
Philadelphia, PA 19103

**Legal Counsel**

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Past performance results shown in this report should not be considered a representation of future performance. Share price and returns will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Statements and other information herein are dated and are subject to change.



# PIA Funds

## PIA SHORT-TERM SECURITIES FUND

**Semi-Annual Report**  
**May 31, 2018**