

# VILLERE & C<sup>o</sup>

SELECTIVE INVESTING SINCE 1911

## STATEMENT OF ADDITIONAL INFORMATION December 29, 2022

**VILLERE BALANCED FUND**  
*TICKER: VILLX*

**VILLERE EQUITY FUND**  
*TICKER: VLEQX*

**601 Poydras St., Suite 1808, New Orleans, LA 70130**  
**1-866-209-1129**

This Statement of Additional Information (“SAI”) is not a prospectus and it should be read in conjunction with the Prospectus dated December 29, 2022, as may be revised, of the Villere Balanced Fund (the “Balanced Fund”) and the Villere Equity Fund (the “Equity Fund”), (each a “Fund” and collectively, the “Funds”), each a series of Professionally Managed Portfolios (the “Trust”). St. Denis J. Villere & Company, LLC (the “Adviser”) is the investment adviser to the Funds. A copy of the Funds’ Prospectus is available on the Funds’ website at [www.villere.com](http://www.villere.com) and by calling the telephone number listed above.

The Funds’ most recent [Annual Report to Shareholders](#) is available, without charge, upon request by calling the number listed above. The financial statements, accompanying notes and report of independent registered public accounting firm appearing in the Annual Report are incorporated into this SAI by reference to the Funds’ Annual Report dated August 31, 2022 as filed with the Securities and Exchange Commission (“SEC”).

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## **THE TRUST**

The Trust is a Massachusetts business trust organized on February 24, 1987, and is registered with the SEC as an open-end management investment company. Prior to May 1991, the Trust was known as the Avondale Investment Trust. The Trust's Agreement and Declaration of Trust (the "Declaration of Trust") permits the Trust's Board of Trustees (the "Board") to issue an unlimited number of full and fractional shares of beneficial interest, without par value, which may be issued in any number of series. The Trust consists of various series which represent separate investment portfolios. The Board may from time to time issue other series, the assets and liabilities of which will be separate and distinct from any other series. This SAI relates only to the Funds.

The shareholders of a Massachusetts business trust could, under certain circumstances, be held personally liable as partners for its obligations. However, the Declaration of Trust contains an express disclaimer of shareholder liability for acts or obligations of the Trust.

The Declaration of Trust also provides for indemnification and reimbursement of expenses out of a Fund's assets for any shareholder held personally liable for obligations of the Fund or the Trust. The Declaration of Trust provides that the Trust shall, upon request, assume the defense of any claim made against any shareholder for any act or obligation of the Funds or the Trust and satisfy any judgment thereon. All such rights are limited to the assets of the Funds. The Declaration of Trust further provides that the Trust may maintain appropriate insurance (for example, fidelity bonding and errors and omissions insurance) for the protection of the Trust, its shareholders, trustees, officers, employees and agents to cover possible tort and other liabilities. However, the activities of the Trust as an investment company would not likely give rise to liabilities in excess of the Trust's total assets. Thus, the risk of a shareholder incurring financial loss on account of shareholder liability is limited to circumstances in which both inadequate insurance exists and a Fund itself is unable to meet its obligations.

The Balanced Fund commenced operations on June 7, 2002, as successor to the Villere Balanced Fund, a series of the Trust for Investment Managers. The predecessor Villere Balanced Fund commenced operations on September 30, 1999.

The Equity Fund commenced operations on May 31, 2013.

The Funds do not hold themselves out as related to any other series within the Trust for purposes of investment and investor services, nor do they share the same investment adviser with any other series of the Trust. The Funds' Prospectus and this SAI are a part of the Trust's Registration Statement filed with the SEC. Copies of the Trust's complete Registration Statement may be obtained from the SEC upon payment of the prescribed fee or may be accessed free of charge at the SEC's website at [www.sec.gov](http://www.sec.gov).

## **INVESTMENT POLICIES AND RISKS**

Each Fund is diversified. Under applicable federal securities laws, the diversification of a mutual fund's holdings is measured at the time a Fund purchases a security. If a Fund purchases a security and holds it for a period of time, the security may become a larger percentage of the Fund's total assets due to movements in the financial markets. If the market affects several securities held by a Fund, the Fund may have a greater percentage of its assets invested in securities of fewer issuers. A Fund is subject to the risk that its performance may be hurt disproportionately by the poor performance of relatively few securities despite the Fund qualifying as a diversified fund under applicable federal securities laws.

**MARKET AND REGULATORY RISK.** Events in the financial markets and economy may cause volatility and uncertainty and affect performance. Such adverse effect on performance could include a decline in the value and liquidity of securities held by a Fund, unusually high and unanticipated levels of redemptions, an increase in portfolio turnover, a decrease in net asset value (“NAV”), and an increase in Fund expenses. It may also be unusually difficult to identify both investment risks and opportunities, in which case investment objectives may not be met. Market events may affect a single issuer, industry, sector, or the market as a whole. Traditionally liquid investments may experience periods of diminished liquidity. During a general downturn in the financial markets, multiple asset classes may decline in value and a Fund may lose value, regardless of the individual results of the securities and other instruments in which a Fund invests. It is impossible to predict whether or for how long such market events will continue, particularly if they are unprecedented, unforeseen or widespread events or conditions, pandemics, epidemics and other similar circumstances in one or more countries or regions. Therefore it is important to understand that the value of your investment may fall, sometimes sharply and for extended periods, and you could lose money.

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. Policy and legislative changes in the United States and in other countries are affecting many aspects of financial regulation, and may in some instances contribute to decreased liquidity and increased volatility in the financial markets. The impact of these changes on the markets, and the practical implications for market participants, may not be fully known for some time. In addition, economies and financial markets throughout the world are becoming increasingly interconnected. As a result, whether or not a Fund invests in securities of issuers located in or with significant exposure to countries experiencing economic and financial difficulties, the value and liquidity of a Fund’s investments may be negatively affected.

The following information supplements the discussion of the Funds’ investment objectives and policies as set forth in their Prospectus. There is no guarantee that a Fund will achieve its investment objective.

The Funds may invest in the following types of investments, each of which is subject to certain risks, as discussed below.

**EQUITY SECURITIES.** Each Fund may invest in equity securities consistent with its investment objective and strategies. Common stocks, preferred stocks and convertible securities are examples of equity securities in which each Fund may invest.

All investments in equity securities are subject to market risks that may cause their prices to fluctuate over time. Historically, the equity markets have moved in cycles and the value of the securities in a Fund’s portfolio may fluctuate substantially from day to day. Owning an equity security can also subject a Fund to the risk that the issuer may discontinue paying dividends.

To the extent a Fund invests in the equity securities of small- or medium-sized companies, it will be exposed to the risks of small- and medium-sized companies. Small- and medium-sized companies may have narrower markets for their goods and/or services and more limited managerial and financial resources than larger, more established companies. Furthermore, such companies often have limited product lines, services, markets or financial resources, or are dependent on a small management group. In addition, because these stocks may not be well-known to the investing public, do not have significant institutional ownership and are typically followed by fewer security analysts, there will normally be less publicly available information concerning these securities compared to what is available for the securities of larger companies.

Adverse publicity and investor perceptions, whether based on fundamental analysis, can decrease the value and liquidity of securities held by a Fund. As a result, their performance can be more volatile and they face greater risk of business failure, which could increase the volatility of a Fund's portfolio.

*COMMON STOCK.* Common stocks represent a proportionate share of the ownership of a company and its value is based on the success of the company's business, any income paid to stockholders, the value of its assets, and general market conditions. In addition to the general risks set forth above, investments in common stocks are subject to the risk that in the event a company in which a Fund invests is liquidated, the holders of preferred stock and creditors of that company will be paid in full before any payments are made to the Fund as a holder of common stock. It is possible that all assets of that company will be exhausted before any payments are made to a Fund.

*PREFERRED STOCK.* Preferred stocks are equity securities that often pay dividends at a specific rate and have a preference over common stocks in dividend payments and liquidation of assets. A preferred stock is a blend of the characteristics of a bond and common stock. It can offer the higher yield of a bond, but does not have the seniority of a bond. Unlike common stock, a preferred stock's participation in the issuer's growth may be limited. Although the dividend is set at a fixed annual rate, it is subject to the risk that the dividend can be changed or omitted by the issuer.

*CONVERTIBLE SECURITIES.* Convertible securities are securities (such as debt securities or preferred stock) that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A convertible security entitles the holder to receive interest paid or accrued on debt or dividends paid on preferred stock until the convertible stock matures or is redeemed, converted or exchanged. While no securities investment is without some risk, investments in convertible securities generally entail less risk than the issuer's common stock. However, the extent to which such risk is reduced depends in large measure upon the degree to which the convertible security sells above its value as a fixed-income security. In addition to the general risk associated with equity securities discussed above, the market value of convertible securities is also affected by prevailing interest rates, the credit quality of the issuer and any call provisions. While convertible securities generally offer lower interest or dividend yields than nonconvertible debt securities of similar quality, they do enable the investor to benefit from increases in the market price of the underlying common stock.

*INITIAL PUBLIC OFFERINGS.* Securities issued in initial public offerings ("IPOs") are often issued by unseasoned companies that have the risks of smaller capitalization companies. Securities issued in IPOs have no trading history, and information about the companies may be available for very limited periods. Securities issued in an IPO frequently are very volatile in price, and the Fund's may hold securities purchased in an IPO for a very short period of time. As a result, the Equity Fund's investments in IPOs may increase portfolio turnover, which increases brokerage and administrative costs and may result in taxable distributions to shareholders.

At any particular time or from time to time the Equity Fund may not be able to invest in securities issued in IPOs, or invest to the extent desired because, for example, only a small portion (if any) of the securities being offered in an IPO may be made available to the Fund. In addition, under certain market conditions a relatively small number of companies may issue securities in IPOs. Similarly, as the number of investors to which IPO securities are allocated increases, the number of securities issued to any one investor may decrease. The investment performance of the Equity Fund during periods when it is unable to invest significantly or at all in IPOs may be lower than

during periods when it is able to do so. In addition, as the Equity Fund increases in size, the impact of IPOs on the Fund's performance will generally decrease. There can be no assurance that investments in IPOs will improve the Equity Fund's performance.

**RIGHTS AND WARRANTS.** Rights and warrants are securities which entitle the holder to purchase the securities of a company (usually, its common stock) at a specified price during a specified time period. The value of a right or warrant is affected by many of the same factors that determine the prices of common stocks. Rights and warrants may be purchased directly or acquired in connection with a corporate reorganization or exchange offer. A right is an instrument granting rights to existing shareholders of a corporation to subscribe to shares of a new issue of common stock at below the public offering price before the stock is offered to the public. A warrant is an instrument issued by a corporation that gives the holder the right to subscribe to a specific amount of the corporation's capital stock at a set price for a specified period of time. Rights and warrants do not represent ownership of the securities, but only the right to buy the securities. The prices of rights and warrants do not necessarily move parallel to the prices of underlying securities. Rights and warrants may be considered speculative in that they have no voting rights, pay no dividends and have no rights with respect to the assets of a corporation issuing them.

**FIXED-INCOME SECURITIES.** Fixed-income securities include traditional debt securities issued by corporations, such as bonds and debentures and debt securities that are convertible into common stock and interests. Fixed-income securities that will be eligible for purchase by a Fund include investment grade and high-yield corporate debt securities. Investment grade securities are those rated BBB or better by S&P Global Ratings ("S&P<sup>®</sup>") and those rated Baa or better by Moody's Investors Service<sup>®</sup>, Inc. ("Moody's") or their equivalent. Securities rated BBB by S&P<sup>®</sup> are considered investment grade, but Moody's considers securities rated Baa to have speculative characteristics. High-yield securities, or "junk bonds," are rated less than investment grade.

The Balanced Fund reserves the right to invest up to 10% of its assets in securities rated lower than BBB by S&P<sup>®</sup> or lower than Baa by Moody's. High-yield debt securities generally offer a higher current yield than that available for higher-grade issues. However, lower-rated securities involve higher risks in that they are especially subject to adverse changes in general economic conditions and in the industries in which the issuers are engaged, to changes in the financial condition of the issuers and to price fluctuations in response to changes in interest rates. During periods of economic downturn or rising interest rates, highly leveraged issuers may experience financial stress that could adversely affect their ability to make payments of interest and principal and increase the possibility of default.

The market for high-yield debt securities is generally thinner and less active than that for higher quality securities, which may limit a Fund's ability to sell such securities at fair value in response to changes in the economy or financial markets. Adverse publicity and investor perceptions, whether based on fundamental analysis, may also decrease the values and liquidity of lower-rated securities, especially in a thinly traded market.

Ratings of debt securities represent the rating agencies' opinions regarding their quality, but are not a guarantee of quality and may be reduced after a Fund has acquired the security. If a security's rating is reduced while it is held by a Fund, the Adviser will consider whether the Fund should continue to hold the security but is not required to dispose of it. Credit ratings attempt to evaluate the safety of principal and interest payments and do not evaluate the risks of fluctuations in market value. Also, rating agencies may fail to make timely changes in credit ratings in

response to subsequent events, so that an issuer's current financial condition may be better or worse than the rating indicates. The ratings for debt securities are described in Appendix A.

Fixed-income securities with longer maturities generally entail greater risk than those with shorter maturities.

**FOREIGN SECURITIES.** The Balanced Fund may invest up to 5% of its assets in securities of foreign issuers, including in emerging markets. The Equity Fund may invest up to 10% of its assets in foreign securities through American Depositary Receipts ("ADRs"), including in issuers in emerging markets.

Investing in foreign securities involves certain risks not ordinarily associated with investments in securities of domestic issuers. Foreign securities markets have, for the most part, substantially less volume than the U.S. markets and securities of many foreign companies are generally less liquid and their prices more volatile than securities of U.S. companies. There is generally less government supervision and regulation of foreign exchanges, brokers and issuers than in the United States. The rights of investors in certain foreign countries may be more limited than those of shareholders of U.S. issuers and a Fund may have greater difficulty taking appropriate legal action to enforce its rights in a foreign court than in a U.S. court. Investing in foreign securities also involves risks associated with government, economic, monetary, and fiscal policies (such as the adoption of protectionist trade measures), possible foreign withholding taxes on dividends and interest payable to a Fund, possible taxes on trading profits, inflation, and interest rates, economic expansion or contraction, and global or regional political, economic or banking crises. Furthermore, there is the risk of possible seizure, nationalization or expropriation of the foreign issuer or foreign deposits and the possible adoption of foreign government restrictions such as exchange controls. Also, foreign issuers are not necessarily subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those applicable to domestic issuers and as a result, there may be less publicly available information on such foreign issuers than is available from a domestic issuer.

In addition, the Balanced Fund may invest in foreign securities of companies that are located in developing or emerging markets. The Equity Fund may invest in foreign securities through ADRs of companies that are located in developing or emerging markets. Investing in securities of issuers located in these markets may pose greater risks not typically associated with investing in more established markets, such as increased risk of social, political and economic instability. Emerging market countries typically have smaller securities markets than developed countries and therefore less liquidity and greater price volatility than more developed markets. Securities traded in emerging markets may also be subject to risks associated with the lack of modern technology, poor infrastructure, the lack of capital base to expand business operations and the inexperience of financial intermediaries, custodians and transfer agents. Emerging market countries are also more likely to impose restrictions on the repatriation of an investor's assets and even where there is no outright restriction on repatriation, the mechanics of repatriations may delay or impede a Fund's ability to obtain possession of its assets. As a result, there may be an increased risk or price volatility associated with a Fund's investments in emerging market countries, which may be magnified by currency fluctuations.

Dividends and interest payable on a Fund's foreign securities may be subject to foreign withholding tax. Each Fund may also be subject to foreign taxes on its trading profits. Some countries may also impose a transfer or stamp duty on certain securities transactions. The imposition of these taxes will increase the cost to the Funds of investing in those countries that impose these taxes. Based on the Funds' principal investment strategies, it is not expected that such taxes will be offset by credits or deductions available to shareholders in the Funds under

U.S. tax law. Thus, it is expected that such taxes will reduce the net return to the Funds' shareholders.

To the extent a Fund invests in securities denominated in foreign currencies, the Fund will be subject to the risk that a change in the value of any such currency against the U.S. dollar will result in a corresponding change in the U.S. dollar value of the Fund's assets denominated in that currency. Investing in foreign denominated securities may also result in transaction costs incurred in connection with conversions between various currencies. In addition, only a limited market currently exists for hedging transactions relating to currencies in certain emerging markets and securities transactions undertaken in foreign markets may not be settled promptly, subjecting the Funds to the risk of fluctuating currency exchange rates pending settlement.

Each Fund may invest in ADRs. ADRs represent receipts typically issued by a U.S. bank or trust company which evidence ownership of underlying securities of foreign issuers. ADR prices are denominated in U.S. dollars although the underlying securities are denominated in a foreign currency. ADRs may be listed on a national securities exchange or may be traded in the over-the-counter market. Investments in ADRs involve risks similar to direct investment in the underlying foreign security. Unsponsored ADRs are organized independently of the issuer of the underlying security and without its cooperation. Available information about the issuer of the unsponsored ADR may not be current or as readily available as for sponsored ADRs and therefore the prices of unsponsored ADRs may be more volatile than for sponsored ADRs.

*Brexit.* Uncertainties surrounding the sovereign debt of a number of European Union ("EU") countries and the viability of the EU have disrupted and may in the future disrupt markets in the United States and around the world. If one or more countries leave the EU or the EU dissolves, the world's securities markets likely will be significantly disrupted. In January 2020, the United Kingdom ("UK") left the EU, commonly referred to as "Brexit," and the UK ceased to be a member of the EU. Following a transition period during which the EU and the UK Government engaged in a series of negotiations regarding the terms of the UK's future relationship with the EU, the EU and the UK Government signed an agreement on December 30, 2020 regarding the economic relationship between the UK and the EU. This agreement became effective on May 1, 2021. The UK and the EU also negotiated a Memorandum of Understanding, which creates a framework for voluntary regulatory cooperation in financial services between the UK and the EU. There is significant market uncertainty regarding Brexit's ramifications, and the range and potential implications of possible political, regulatory, economic, and market outcomes are difficult to predict. This long-term uncertainty may affect other countries in the EU and elsewhere, and may cause volatility within the EU, triggering prolonged economic downturns in certain European countries. In addition, Brexit may create additional and substantial economic stresses for the UK, including a contraction of the UK economy and price volatility in UK stocks, decreased trade, capital outflows, devaluation of the British pound, wider corporate bond spreads due to uncertainty, and declines in business and consumer spending as well as foreign direct investment. Brexit may also adversely affect UK-based financial firms that have counterparties in the EU or participate in market infrastructure (trading venues, clearing houses, settlement facilities) based in the EU. These events and the resulting market volatility may have an adverse effect on the performance of a Fund.

**GOVERNMENT OBLIGATIONS.** Each Fund may make short-term investments in U.S. government obligations. Such obligations include Treasury bills, certificates of indebtedness, notes and bonds, and issuers of such entities as the Government National Mortgage Association ("GNMA"). Some of these obligations, such as those of the GNMA, are supported by the full faith and credit of the U.S. Treasury.

**AGENCY OBLIGATIONS.** Each Fund may make short-term investments in agency obligations, such as the Export-Import Bank of the United States, Tennessee Valley Authority, Resolution Funding Corporation, Farmers Home Administration, Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Farm Credit Banks, Federal Land Banks, Federal Housing Administration, Federal National Mortgage Association (“FNMA”), Federal Home Loan Mortgage Corporation and the Student Loan Marketing Association. Some, such as those of the Export-Import Bank of United States, are supported only by the right of the issuer to borrow from the Treasury; others, such as those of the FNMA, are supported by only the discretionary authority of the U.S. government to purchase the agency’s obligations; still others, such as those of the Student Loan Marketing Association, are supported only by the credit of the instrumentality. No assurance can be given that the U.S. government would provide financial support to U.S. government-sponsored instrumentalities because it is not obligated to do so by law.

As of September 6, 2008, the Federal Housing Finance Agency (“FHFA”) has been appointed to be the Conservator of the Federal Home Loan Mortgage Corporation and FNMA for an indefinite period. In accordance with the Federal Housing Finance Regulatory Reform Act of 2008 and the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as Conservator, the FHFA will control and oversee the entities until the FHFA deems them financially sound and solvent. During the Conservatorship, each entity’s obligations are expected to be paid in the normal course of business. Although no express guarantee exists for the debt or mortgage-backed securities issued by entities, the U.S. Department of Treasury, through a secured lending credit facility and a Senior Preferred Stock Purchase Agreement, has attempted to enhance the ability of the entities to meet their obligations.

**WHEN-ISSUED SECURITIES.** Each Fund may from time to time purchase securities on a “when-issued” basis. The price of such securities, which may be expressed in yield terms, is fixed at the time the commitment to purchase is made, but delivery and payment for them take place at a later date. Normally, the settlement date occurs within one month of the purchase; during the period between purchase and settlement, no payment is made by a Fund to the issuer and no interest accrues to the Fund. To the extent that assets of a Fund are held in cash pending the settlement of a purchase of securities, the Fund would not earn income; however, it is each Fund’s intention to be fully invested to the extent practicable and subject to the policies stated in this SAI and in the Funds’ Prospectus. While when-issued securities may be sold prior to the settlement date, each Fund intends to purchase them with the purpose of actually acquiring them unless a sale appears desirable for investment reasons. At the time a Fund makes the commitment to purchase a security on a when-issued basis, it will record the transaction and reflect the value of the security in determining its per share net asset value (“NAV”). The market value of the when-issued securities may be more or less than the purchase price. The Funds do not believe that their NAV or income will be adversely affected by their purchase of securities on a when-issued basis.

Rule 18f-4 under the 1940 Act permits a Fund to invest in securities on a when-issued or forward-settling basis, or with a non-standard settlement cycle, notwithstanding the limitation on the issuance of senior securities in Section 18 of the 1940 Act, provided that the Fund intends to physically settle the transaction and the transaction will settle within 35 days of its trade date (the “Delayed-Settlement Securities Provision”). A when-issued, forward-settling, or non-standard settlement cycle security that does not satisfy the Delayed-Settlement Securities Provision is treated as a derivatives transaction under Rule 18f-4. See “Use of Derivatives, Hedging and Income Transactions” below.

**BORROWING.** Currently, the 1940 Act permits a Fund to borrow money from banks in amounts of up to one-third of the Fund's total assets (including the amount borrowed). To the extent permitted by the 1940 Act, or the rules and regulations thereunder, a Fund may also borrow an additional 5% of its total assets without regard to the foregoing limitation for temporary purposes, such as the clearance of portfolio transactions. To limit the risks attendant to borrowing, the 1940 Act requires a Fund to maintain at all times an "asset coverage" of at least 300% of the amount of its borrowings. Asset coverage means the ratio that the value of a Fund's total assets, minus liabilities other than borrowings, bears to the aggregate amount of all borrowings. Borrowing money to increase a Fund's investment portfolio is known as "leveraging." Borrowing, especially when used for leverage, may cause the value of a Fund's shares to be more volatile than if the Fund did not borrow. This is because borrowing tends to magnify the effect of any increase or decrease in the value of a Fund's portfolio holdings. Borrowed money thus creates an opportunity for greater gains, but also greater losses. To repay borrowings, a Fund may have to sell securities at a time and at a price that is unfavorable to the Fund. There also are costs associated with borrowing money, and these costs would offset and could eliminate the Fund's net investment income in any given period.

The use of borrowing by a Fund involves special risk considerations that may not be associated with other funds having similar objectives and policies. Since substantially all of a Fund's assets fluctuate in value, while the interest obligation resulting from a borrowing will be fixed by the terms of the Fund's agreement with its lender, the net asset value per share of the Fund will tend to increase more when its portfolio securities increase in value and to decrease more when its portfolio assets decrease in value than would otherwise be the case if the Fund did not borrow funds. In addition, interest costs on borrowings may fluctuate with changing market rates of interest and may partially offset or exceed the return earned on borrowed funds. Under adverse market conditions, a Fund might have to sell portfolio securities to meet interest or principal payments at a time when fundamental investment considerations would not favor such sales. Each Fund will reduce its borrowing amount within three days, if that Fund's asset coverage falls below the amount required by the 1940 Act.

**SECURITIES LENDING.** The Funds have received Board approval and are permitted to lend up to 33 1/3% of the securities in each of their portfolios. A Fund would lend securities from its portfolio to brokers, dealers and financial institutions (but not individuals) in order to increase the return on its portfolio. The SEC currently requires that the following conditions must be met whenever a fund's portfolio securities are loaned: (1) the Fund must receive at least 100% cash collateral from the borrower; (2) the borrower must increase such collateral whenever the market value of the securities rises above the level of such collateral; (3) the Fund must be able to terminate the loan at any time; (4) the Fund must receive reasonable interest on the loan, as well as any dividends, interest or other distributions on the loaned securities, and any increase in market value; (5) while voting rights on the loaned securities may pass to the borrower, the Board must terminate the loan and regain the right to vote the securities if a material event adversely affecting the investment occurs, and (6) the Fund may not loan its portfolio securities so that the value of the loaned securities is more than one-third of its total asset value, including collateral received from such loans.

In the case of the Funds, loans must be secured by collateral consisting of: (i) cash or cash equivalents; (ii) securities issued or guaranteed by the U.S. government or one of its agencies or instrumentalities; (iii) an irrevocable bank letter of credit; or (iv) any combination thereof, equal to not less than (a) 102% of the market value of the securities loaned that are principally settled in the United States at the inception of the loan and (b) 105% of the market value for securities that are cleared and principally settled outside the United States at the inception of the loan.

These conditions may be subject to future modification. Such loans will be terminable at any time upon specified notice. A Fund might experience the risk of loss if the institution with which it has engaged in a portfolio loan transaction breaches its agreement with the Fund. In addition, a Fund will not enter into any portfolio security lending arrangement having a duration of longer than one year. The principal risk of portfolio lending is potential default or insolvency of the borrower. In either of these cases, a Fund could experience delays in recovering securities or collateral or could lose all or part of the value of the loaned securities. As part of participating in a lending program, a Fund may be required to invest in collateralized debt or other securities that bear the risk of loss of principal. In addition, all investments made with the collateral received are subject to the risks associated with such investments. If such investments lose value, a Fund will have to cover the loss when repaying the collateral.

Any loans of portfolio securities are fully collateralized based on values that are marked-to-market daily. Any securities that a Fund may receive as collateral will not become part of the Fund's investment portfolio at the time of the loan and, in the event of a default by the borrower, the Fund will, if permitted by law, dispose of such collateral except for such part thereof that is a security in which the Fund is permitted to invest. During the time securities are on loan, the borrower will pay a Fund any accrued income on those securities, and the Fund may invest the cash collateral and earn income or receive an agreed-upon fee from a borrower that has delivered cash-equivalent collateral.

**USE OF DERIVATIVES, HEDGING AND INCOME TRANSACTIONS.** The Funds are prohibited from investing in derivatives, excluding certain currency and interest rate hedging transactions. This restriction is not fundamental and may be changed by the Funds without a shareholder vote. If the Funds do determine to invest in derivatives in the future, they will comply with Rule 18f-4 under the 1940 Act.

**SHORT-TERM INVESTMENTS.** Each Fund may invest in any of the following securities and instruments for defensive purposes:

*CERTIFICATES OF DEPOSIT, BANKERS' ACCEPTANCES AND TIME DEPOSITS.* Each Fund may hold certificates of deposit, bankers' acceptances and time deposits. Certificates of deposit are negotiable certificates issued against funds deposited in a commercial bank for a definite period of time and earning a specified return. Bankers' acceptances are negotiable drafts or bills of exchange, normally drawn by an importer or exporter to pay for specific merchandise, which are "accepted" by a bank, meaning in effect that the bank unconditionally agrees to pay the face value of the instrument on maturity. Certificates of deposit and bankers' acceptances acquired by a Fund will be U.S. dollar-denominated obligations of domestic banks, savings and loan associations or financial institutions which, at the time of purchase, have capital, surplus and undivided profits in excess of \$100 million (including assets of both domestic and foreign branches), based on latest published reports, or less than \$100 million if the principal amount of such bank obligations are fully insured by the U.S. government.

In addition to buying certificates of deposit and bankers' acceptances, each Fund also may make interest-bearing time or other interest-bearing deposits in commercial or savings banks. Time deposits are non-negotiable deposits maintained at a banking institution for a specified period of time at a specified interest rate.

*COMMERCIAL PAPER AND SHORT-TERM NOTES.* Each Fund may invest a portion of its assets in commercial paper and short-term notes. Commercial paper consists of unsecured promissory notes issued by companies. Commercial paper and short-term notes will normally

have maturities of less than nine months and fixed rates of return, although such instruments may have maturities of up to one year.

Commercial paper and short-term notes will consist of issues rated at the time of purchase “A-2” or higher by S&P<sup>®</sup>, “Prime-1” or “Prime-2” by Moody’s, similarly rated by another nationally recognized statistical rating organization or, if unrated, will be determined by the Adviser to be of comparable quality. These rating symbols are described in Appendix B.

*MONEY MARKET MUTUAL FUNDS.* Each Fund may invest in shares of money market mutual funds in connection with the Fund’s management of daily cash positions or for longer periods. In addition to the advisory and operational fees a Fund bears directly in connection with its own operation, the Fund and its shareholders would also bear its pro rata portions of each other money market fund’s advisory and operational expenses. Each Fund currently intends to limit its investments in shares of money market funds in accordance with the 1940 Act.

**ILLIQUID INVESTMENTS AND RESTRICTED SECURITIES.** Pursuant to Rule 22e-4 under the 1940 Act, a Fund may not acquire any “illiquid investment” if, immediately after the acquisition, the Fund would have invested more than 15% of its net assets in illiquid investments that are assets. An “illiquid investment” is any investment that a Fund reasonably expects cannot be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment. Each Fund has implemented a liquidity risk management program and related procedures to identify illiquid investments pursuant to Rule 22e-4. The 15% limits are applied as of the date a Fund purchases an illiquid investment. It is possible that a Fund’s holding of illiquid investment could exceed the 15% limit, for example as a result of market developments or redemptions.

Each Fund may purchase certain restricted securities that can be resold to institutional investors and which may be determined not to be illiquid investments pursuant to the Fund’s liquidity risk management program. In many cases, those securities are traded in the institutional market under Rule 144A under the 1933 Act and are called Rule 144A securities.

Investments in illiquid investments involve more risks than investments in similar securities that are readily marketable. Illiquid investments may trade at a discount from comparable, more liquid investments. Investment of a Fund’s assets in illiquid investments may restrict the ability of the Fund to dispose of its investments in a timely fashion and for a fair price as well as its ability to take advantage of market opportunities. The risks associated with illiquidity will be particularly acute where a Fund’s operations require cash, such as when the Fund has net redemptions, and could result in the Fund borrowing to meet short-term cash requirements or incurring losses on the sale of illiquid investments.

Illiquid investments are often restricted securities sold in private placement transactions between issuers and their purchasers and may be neither listed on an exchange nor traded in other established markets. In many cases, the privately placed securities may not be freely transferable under the laws of the applicable jurisdiction or due to contractual restrictions on resale. To the extent privately placed securities may be resold in privately negotiated transactions, the prices realized from the sales could be less than those originally paid by a Fund or less than the fair value of the securities. In addition, issuers whose securities are not publicly traded may not be subject to the disclosure and other investor protection requirements that may be applicable if their securities were publicly traded. If any privately placed securities held by a Fund are required to be registered under the securities laws of one or more jurisdictions before being resold, the Fund may be required to bear the expenses of registration. Private placement investments may involve investments in smaller, less seasoned issuers, which may involve greater risks than investments in

more established companies. These issuers may have limited product lines, markets or financial resources, or they may be dependent on a limited management group. In making investments in private placement securities, a Fund may obtain access to material non-public information, which may restrict the Fund's ability to conduct transactions in those securities.

**SECTOR EMPHASIS.** Each Fund may, from time to time, have greater than 25% of its assets in one market sector (but not greater than 80% in any one market sector). To the extent that a Fund focuses its investments in one or more sectors, it may be subject to the risks affecting that sector more than if they were a more broadly diversified fund. The Adviser's judgment about which sectors offer the greatest potential for long-term financial reward may, and likely will, change over time. In fact, a Fund may focus its investments in any sector, depending on its investment strategy.

**OTHER INVESTMENT COMPANIES.** Each Fund may invest in the securities of other registered investment companies, including money market mutual funds, in accordance with the limitations established under the Investment Company Act of 1940, as amended (the "1940 Act"). Investments in the securities of other investment companies may involve duplication of advisory fees and certain other expenses. By investing in another investment company, a Fund becomes a shareholder of that investment company. As a result, Fund shareholders indirectly will bear the Fund's proportionate share of the fees and expenses paid by shareholders of the other investment company, in addition to the fees and expenses Fund shareholders directly bear in connection with the Fund's own operations.

Each Fund currently intends to limit its investments in securities issued by other investment companies so that not more than 3% of the outstanding voting stock of any one investment company (other than money market funds) will be owned by a Fund, or its affiliated persons, as a whole. In addition to the advisory and operational fees each Fund bears directly in connection with its own operation, each Fund would also bear its pro rata portions of each other investment company's advisory and operational expenses.

Section 12(d)(1)(A) of the 1940 Act generally prohibits a fund from purchasing (1) more than 3% of the total outstanding voting stock of another fund; (2) securities of another fund having an aggregate value in excess of 5% of the value of the acquiring fund; and (3) securities of the other fund and all other funds having an aggregate value in excess of 10% of the value of the total assets of the acquiring fund. There are some exceptions, however, to these limitations pursuant to various rules promulgated by the SEC.

In accordance with Section 12(d)(1)(F) and Rule 12d1-3 of the 1940 Act, the provisions of Section 12(d)(1) shall not apply to securities purchased or otherwise acquired by a Fund if (i) immediately after such purchase or acquisition not more than 3% of the total outstanding stock of such registered investment company is owned by the Fund and all affiliated persons of the Fund; and (ii) the Fund is not proposing to offer or sell any security issued by it through a principal underwriter or otherwise at a public or offering price including a sales load or service fee that exceeds the limits set forth in Rule 2341 of the Conduct Rules of the Financial Industry Regulatory Authority ("FINRA") applicable to a fund of funds (*e.g.*, 8.5%).

The SEC adopted revisions to the rules permitting funds to invest in other investment companies to streamline and enhance the regulatory framework applicable to fund of funds arrangements. While new Rule 12d1-4 permits more types of fund of fund arrangements without an exemptive order, it imposes new conditions including limits on control and voting of acquired funds' shares, evaluations and findings by investment advisers, fund investment agreements, and limits on most three-tier fund structures.

**SPECIAL RISKS RELATED TO CYBER SECURITY.** The Funds and their service providers are susceptible to cyber security risks that include, among other things, theft, unauthorized monitoring, release, misuse, loss, destruction or corruption of confidential and highly restricted data; denial of service attacks; unauthorized access to relevant systems, compromises to networks or devices that the Funds and their service providers use to service the Funds' operations; or operational disruption or failures in the physical infrastructure or operating systems that support the Funds and their service providers. Cyber-attacks against or security breakdowns of the Funds or their service providers may adversely impact the Funds and their shareholders, potentially resulting in, among other things, financial losses; the inability of Funds shareholders to transact business and the Funds to process transactions; inability to calculate the Funds' NAV; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs; and/or additional compliance costs. The Funds may incur additional costs for cyber security risk management and remediation purposes. In addition, cyber security risks may also impact issuers of securities in which the Funds invest, which may cause the Funds' investment in such issuers to lose value. There can be no assurance that the Funds or their service providers will not suffer losses relating to cyber-attacks or other information security breaches in the future.

**CASH HOLDINGS AND TEMPORARY DEFENSIVE POSITIONS.** The Funds may take temporary defensive measures that are inconsistent with a Fund's normal investment policies and strategies in response to adverse market, economic, political, or other conditions as determined by the Adviser. Such measures could include, but are not limited to, investments in (1) cash and cash equivalents, (2) short-term debt securities and (3) money market instruments. In the event a Fund uses a money market fund for its cash position, there will be some duplication of expenses because a Fund would bear its pro rata portion of such money market fund's advisory fees and operational expenses.

## **INVESTMENT RESTRICTIONS**

Each Fund has adopted the following policies and investment restrictions as fundamental policies (unless otherwise noted), which may not be changed without the affirmative vote of the holders of a "majority" of the outstanding voting securities of each Fund. Under the 1940 Act, the "vote of the holders of a majority of the outstanding voting securities" means the vote of the holders of the lesser of (i) 67% of the shares of the Fund represented at a meeting at which the holders of more than 50% of the Fund's outstanding shares are represented or (ii) more than 50% of the outstanding shares of a Fund. A Fund may not:

1. Make loans to others, except (a) through the purchase of debt securities in accordance with its investment objectives and policies, or (b) to the extent the entry into a repurchase agreement is deemed to be a loan.
2. (a) Borrow money, except as stated in the Prospectus and this SAI. Any such borrowing will be made only if immediately thereafter there is an asset coverage of at least 300% of all borrowings.  
  
(b) Mortgage, pledge or hypothecate any of its assets except in connection with any such borrowings and only with respect to 33 1/3% of its assets.
3. Purchase securities on margin, participate on a joint basis or joint and several basis in any securities trading account, or underwrite securities. (Does not preclude a Fund from obtaining such short-term credit as may be necessary for the clearance of purchases and sales of its portfolio securities.)

4. Purchase or sell real estate, commodities or commodity contracts (other than futures transactions for the purposes and under the conditions described in the Prospectus and in this SAI).
5. Invest 25% or more of the market value of its assets in the securities of companies engaged in any one industry. (Does not apply to investment in the securities of the U.S. government, its agencies or instrumentalities.)
6. Issue senior securities, as defined in the 1940 Act, except that this restriction shall not be deemed to prohibit a Fund from (a) making any permitted borrowings, mortgages or pledges, or (b) entering into options, futures, forward or repurchase transactions.
7. Purchase the securities of any issuer, if as a result of such purchase more than 5% of the total assets of a Fund would be invested in the securities of that issuer, other than obligations of the U.S. government, its agencies or instrumentalities, provided that up to 25% of the value of the Fund's assets may be invested without regard to this limitation.

## **PORTFOLIO TURNOVER**

Although the Funds generally will not invest for short-term trading purposes, portfolio securities may be sold without regard to the length of time they have been held when, in the opinion of the Adviser, investment considerations warrant such action. Portfolio turnover rate is calculated by dividing (1) the lesser of purchases or sales of portfolio securities for the fiscal year by (2) the monthly average of the value of portfolio securities owned during the fiscal year. A 100% turnover rate would occur if all the securities in a Fund's portfolio, with the exception of securities whose maturities at the time of acquisition were one year or less, were sold and either repurchased or replaced within one year. A high rate of portfolio turnover (100% or more) generally leads to higher transaction costs and may result in a greater number of taxable transactions. See "Execution of Portfolio Transactions".

The Funds had the following portfolio turnover rates for the last two fiscal years ended August 31:

| <b>Portfolio Turnover Rate</b> | <b>2022</b> | <b>2021</b> |
|--------------------------------|-------------|-------------|
| <b>Balanced Fund</b>           | 21%         | 28%         |
| <b>Equity Fund</b>             | 12%         | 26%         |

## PORTFOLIO HOLDINGS INFORMATION

The Trust, on behalf of the Funds, has adopted a portfolio holdings disclosure policy that governs the timing and circumstances of disclosure of portfolio holdings of the Funds. The policy was developed in consultation with the Adviser and has been adopted by the Adviser. Information about the Funds' portfolio holdings will not be distributed to any third party except in accordance with this policy. The Board considered the circumstances under which the Funds' portfolio holdings may be disclosed under this policy and the actual and potential material conflicts that could arise in such circumstances between the interests of the Funds' shareholders and the interests of the Adviser, the principal underwriter or any other affiliated person of a Fund, its Adviser or its Distributor. After due consideration, the Board determined that each Fund has a legitimate business purpose for disclosing portfolio holdings to persons described in the policy, including mutual fund rating or statistical agencies, or persons performing similar functions, and internal parties involved in the investment process, administration or custody of the Funds. Pursuant to the policy, the Trust's Chief Compliance Officer ("CCO"), President and Treasurer are each authorized to consider and authorize dissemination of portfolio holdings information to additional third parties, after considering the best interests of the shareholders and potential conflicts of interest in making such disclosures.

The Board exercises continuing oversight of the disclosure of the Funds' portfolio holdings (1) by overseeing the implementation and enforcement of the policy, Codes of Ethics and other relevant policies of the Funds and their service providers by the Trust's CCO, (2) by considering reports and recommendations by the Trust's CCO concerning any material compliance matters (as defined in Rule 38a-1 under the 1940 Act), and (3) by considering to approve any amendment to the policies. The Board reserves the right to amend the policies at any time without prior notice to shareholders in its sole discretion.

Disclosure of the Funds' complete holdings is required to be made quarterly within 60 days of the end of each period covered by the Annual Report and Semi-Annual Report to Fund shareholders. Monthly portfolio disclosures are filed quarterly with the SEC on Form N-PORT, with quarter-end disclosures being made public 60 days after the end of each fiscal quarter. These reports are available, free of charge, on the EDGAR database on the SEC's website at [www.sec.gov](http://www.sec.gov). In addition, each Fund discloses its complete portfolio holdings on the Funds' website at [www.villere.com](http://www.villere.com) generally within ten business days after the month-end. Portfolio holdings information posted on the Funds' website may be separately provided to any person, commencing on the day after it is first published on the Funds' website. In addition, each Fund may provide its complete portfolio holdings at the same time that it is filed with the SEC.

In the event of a conflict between the interests of the Funds and the interests of the Adviser or an affiliated person of the Adviser, the Adviser's CCO, in consultation with the Trust's CCO, shall make a determination in the best interests of the Funds, and shall report such determination to the Board at the end of the quarter in which such determination was made. Any employee of the Adviser who suspects a breach of this obligation must report the matter immediately to the Adviser's CCO or to his or her supervisor.

In addition, material non-public holdings information may be provided without lag as part of the normal investment activities of the Funds to each of the following entities, which, by explicit agreement or by virtue of their respective duties to the Funds, are required to maintain the confidentiality of the information disclosed, including a duty not to trade on non-public information: fund administrator, fund accountant, custodian, transfer agent, auditors, counsel to the Funds or the Trustees, broker-dealers (in connection with the purchase or sale of securities or requests for price quotations or bids on one or more securities) and regulatory authorities.

Portfolio holdings information not publicly available with the SEC or through the Funds' website may only be provided to additional third parties, including mutual fund ratings or statistical agencies, in accordance with the policy, when a Fund has a legitimate business purpose and when the third party recipient is subject to a confidentiality agreement that includes a duty not to trade on non-public information.

In no event shall the Adviser, its affiliates or employees or the Funds receive any direct or indirect compensation in connection with the disclosure of information about a Fund's portfolio holdings.

There can be no assurance that the policies will protect the Funds from potential misuse of portfolio holdings information by individuals or entities to which it is disclosed.

From time to time, the Adviser may make additional disclosure of the Funds' portfolio holdings on the Funds' website. Shareholders can access the Funds' website at [www.villere.com](http://www.villere.com) for additional information about the Funds, including, without limitation, the periodic disclosure of its portfolio holdings.



| <b>Name, Address And Age</b>   | <b>Position with the Trust<sup>(1)</sup></b> | <b>Term of Office<sup>(2)</sup> and Length of Time Served</b> | <b>Principal Occupation During Past Five Years</b>  | <b>Number of Portfolios in Fund Complex<sup>(3)</sup> Overseen by Trustees</b> | <b>Other Directorships Held During the Past 5 Years</b>  |
|--|--|---|---|--|--|
| Steven J. Paggioli (born 1950)<br>c/o U.S. Bank Global Fund Services<br>615 East Michigan Street<br>Milwaukee, WI 53202  | Trustee                                      | Indefinite Term; Since May 1991.                              | Consultant; formerly, Executive Vice President, Investment Company Administration, LLC (mutual fund administrator).   | 2  | Independent Director, Muzinich BDC, Inc. (2019 to present); Independent Trustee, AMG Funds (1993 to present) (42 series).  |
| Ashi S. Parikh (born 1966)<br>c/o U.S. Bank Global Fund Services<br>615 East Michigan Street<br>Milwaukee, WI 53202      | Trustee                                      | Indefinite Term; Since June 2020.                             | Investment professional; formerly, Chief Executive and Chief Investment Officer and various other positions, RidgeWorth Investments, LLC (global investment management firm) (2006 to 2017); formerly, Chief Investment Officer Institutional Growth Equities, Eagle Asset Management (financial advisor); formerly Sr. Managing Director, Growth Equities, Banc One Investment Advisors (financial adviser). | 2  | Board of Directors Member, Investment Working Group, The Ohio State University Endowments and Foundation (2016 to present); Board of Directors, World Methodist Council, Investment Committee (2018 to present); Independent Trustee, PNC Funds (2018 to 2019) (32 series); Interested Trustee, RidgeWorth Funds (2014 to 2017) (35 series). |
| Cynthia M. Fornelli (born 1960)<br>c/o U.S. Bank Global Fund Services<br>615 East Michigan Street<br>Milwaukee, WI 53202 | Trustee                                      | Indefinite Term; Since January 2022.                          | Independent Director of TriplePoint Venture Growth BDC Corp. (2019 to present); Retired; formerly, Executive Director of the Center for Audit Quality (2007-2019); formerly, Senior Vice President of Regulatory Conflicts Management at Bank of America (2005-2007); formerly, Deputy Director, Division of Investment Management with the U.S. Securities and Exchange Commission (1998-2005).              | 2  | Independent Director, TriplePoint Private Venture Credit, Inc. (2020 to present).  |

| <b>Name, Address And Age</b>   | <b>Position with the Trust<sup>(1)</sup></b> | <b>Term of Office<sup>(2)</sup> and Length of Time Served</b> | <b>Principal Occupation During Past Five Years</b>  | <b>Number of Portfolios in Fund Complex<sup>(3)</sup> Overseen by Trustees</b> | <b>Other Directorships Held During the Past 5 Years</b> |
|--|--|---|---|--|---|
| <b>Officers of the Trust</b>   |  |   |   |  |   |
| Jason F. Hadler (born 1975)<br>c/o U.S. Bank Global Fund Services<br>615 East Michigan Street<br>Milwaukee, WI 53202   | President & Principal Executive Officer      | Indefinite Term; Since September 2021.                        | Senior Vice President and Head of Fund Services Fund Administration Department, U.S. Bank Global Fund Services since December 2003.   | Not Applicable.  | Not Applicable.   |
| Carl G. Gee, Esq. (born 1990)<br>c/o U.S. Bank Global Fund Services<br>615 East Michigan Street<br>Milwaukee, WI 53202 | Secretary & Vice President                   | Indefinite Term; Since February 2021.                         | Assistant Secretary of the Trust (2020-2021); Assistant Vice President and Counsel, U.S. Bank Global Fund Services since August 2016; Summer Associate, Husch Blackwell LLP (2015); Law Clerk, Brady Corporation (global printing systems, labels and safety products company) (2014-2015). | Not Applicable.  | Not Applicable.   |
| Craig Benton (born 1985)<br>c/o U.S. Bank Global Fund Services<br>615 East Michigan Street<br>Milwaukee, WI 53202      | Treasurer & Vice President                   | Indefinite Term; Since December 2021.                         | Assistant Treasurer of the Trust (2016-2021); Assistant Vice President, U.S. Bank Global Fund Services since November 2007.   | Not Applicable.  | Not Applicable.   |
| Melissa Breitzman (born 1983)<br>c/o U.S. Bank Global Fund Services<br>615 East Michigan Street<br>Milwaukee, WI 53202 | Assistant Treasurer                          | Indefinite Term; Since August 2016.                           | Assistant Vice President, U.S. Bank Global Fund Services since June 2005.   | Not Applicable.  | Not Applicable.   |
| Kyle J. Buscemi (born 1996)<br>c/o U.S. Bank Global Fund Services<br>615 East Michigan Street<br>Milwaukee, WI 53202   | Assistant Treasurer                          | Indefinite Term; Since June 2022.                             | Mutual Funds Administrator, U.S. Bank Global Fund Services since June 2018; Business Administration Student, 2014-2018.   | Not Applicable.  | Not Applicable.   |

| Name, Address And Age   | Position with the Trust <sup>(1)</sup>                        | Term of Office <sup>(2)</sup> and Length of Time Served | Principal Occupation During Past Five Years  | Number of Portfolios in Fund Complex <sup>(3)</sup> Overseen by Trustees | Other Directorships Held During the Past 5 Years |
|---|---|---|--|--|--|
| Gazala Khan (born 1969) c/o U.S. Bank Global Fund Services 615 East Michigan Street Milwaukee, WI 53202 | Chief Compliance Officer<br><br>Anti-Money Laundering Officer | Indefinite Term; Since November 2022.                   | Vice President and Compliance Officer, U.S. Bank Global Fund Services since July 2022; Chief Compliance Officer Matthews Asia Fund (May 2019-July 15, 2022); Chief Compliance Officer GS Trust/VIT (June 2009-May 2019); Vice President GSAM (May 2005-June 2009); Staff Accountant, SEC Office of Compliance Inspection and Examination (1999-2005) | Not Applicable.  | Not Applicable.                                  |

- (1) All Trustees of the Trust are not “interested persons” of the Trust as defined in the 1940 Act (“Independent Trustees”).
- (2) Under the terms of the Board’s retirement policy, a Trustee shall retire at the end of the calendar year in which he or she reaches the age of 78.
- (3) The Trust is comprised of numerous series managed by unaffiliated investment advisers. The term “Fund Complex” applies only to the Funds. The Funds do not hold themselves out as related to any other series within the Trust for purposes of investment and investor services, nor does it share the same investment adviser with any other series.

## Additional Information Concerning the Board of Trustees

### *The Role of the Board*

The Board oversees the management and operations of the Trust. Like all mutual funds, the day-to-day management and operation of the Trust is the responsibility of the various service providers to the Trust, such as the Adviser, the Distributor, the Administrator, the Custodian, and the Transfer Agent, each of whom is discussed in greater detail in this Statement of Additional Information. The Board has appointed various senior employees of the Administrator as officers of the Trust, with responsibility to monitor and report to the Board on the Trust’s operations. In conducting this oversight, the Board receives regular reports from these officers and the service providers. For example, the Treasurer reports as to financial reporting matters and the President reports as to matters relating to the Trust’s operations. In addition, the Adviser provides regular reports on the investment strategy and performance of the Funds. The Board has appointed a Chief Compliance Officer who administers the Trust’s compliance program and regularly reports to the Board as to compliance matters. These reports are provided as part of formal “Board Meetings” which are typically held quarterly, in person, and involve the Board’s review of recent operations. In addition, various members of the Board also meet with management in less formal settings, between formal “Board Meetings,” to discuss various topics. In all cases, however, the role of the Board and of any individual Trustee is one of oversight and not of management of the day-to-day affairs of the Trust and its oversight role does not make the Board a guarantor of the Trust’s investments, operations or activities.

### *Board Structure, Leadership*

The Board has structured itself in a manner that it believes allows it to perform its oversight function effectively. It has established three standing committees, a Nominating and Governance Committee, an

Audit Committee, and a Qualified Legal Compliance Committee, which are discussed in greater detail below under “Trust Committees.” The Board is entirely comprised of Trustees who are Independent Trustees, which are Trustees that are not affiliated with the Adviser, the principal underwriter, or their affiliates. The Independent Trustees have engaged their own independent counsel to advise them on matters relating to their responsibilities in connection with the Trust. The Nominating and Governance Committee, Audit Committee and Qualified Legal Compliance Committee are comprised of all of the Independent Trustees. The Chairperson of the Board is an Independent Trustee. The Board has determined not to combine the Chairperson position and the principal executive officer position and has appointed a Vice President of the Administrator as the President of the Trust. The Board reviews its structure and the structure of its committees annually. The Board has determined that the structure of the Independent Chairperson, the composition of the Board, and the function and composition of its various committees are appropriate means to address any potential conflicts of interest that may arise.

#### *Board Oversight of Risk Management*

As part of its oversight function, the Board receives and reviews various risk management reports and discusses these matters with appropriate management and other personnel. Because risk management is a broad concept comprised of many elements (e.g., investment risk, issuer and counterparty risk, compliance risk, operational risks, business continuity risks, etc.), the oversight of different types of risks is handled in different ways. For example, the Audit Committee meets with the Treasurer and the Trust’s independent registered public accounting firm to discuss, among other things, the internal control structure of the Trust’s financial reporting function. The Board meets regularly with the Chief Compliance Officer to discuss compliance and operational risks and how they are managed. The Board also receives reports from the Adviser as to investment risks of the Fund. In addition to these reports, from time to time the Board receives reports from the Administrator and the Adviser as to enterprise risk management.

#### *Information about Each Trustee’s Qualification, Experience, Attributes or Skills*

The Board believes that each of the Trustees has the qualifications, experience, attributes and skills (“Trustee Attributes”) appropriate to their continued service as Trustees of the Trust in light of the Trust’s business and structure. In addition to a demonstrated record of business and/or professional accomplishment, each of the Trustees has served on the Board for a number of years. They have substantial board experience and, in their service to the Trust, have gained substantial insight as to the operation of the Trust. They have demonstrated a commitment to discharging their oversight duties as trustees in the interests of shareholders. The Board annually conducts a “self-assessment” wherein the effectiveness of the Board and individual Trustees is reviewed.

In addition to the information provided in the chart above, below is certain additional information concerning each particular Trustee and his/her Trustee Attributes. The information is not all-inclusive. Many Trustee Attributes involve intangible elements, such as intelligence, integrity, work ethic, the ability to work together, the ability to communicate effectively, the ability to exercise judgment, to ask incisive questions, and commitment to shareholder interests.

Ms. Barr’s Trustee Attributes include her substantial mutual fund experience, including her role as Chair of the Governing Council for the Independent Directors Council and member of the ICI Board of Governors. She has executive experience as the former owner of a registered investment adviser (Productive Capital Management, Inc.), as the Chief Administrative Officer, Senior Vice President and Senior Managing Director of Allegiant Asset Management Company (merged with PNC Capital Advisors LLC in 2009), and as the Chief Administrative Officer, Chief Compliance Officer and Senior Vice President of PNC Funds and PNC Advantage Funds (f/k/a Allegiant Funds). Ms. Barr also currently serves on the board of several registered investment companies. Ms. Barr has been determined to qualify

as an Audit Committee financial expert for the Trust. The Board believes Ms. Barr's experience, qualifications, attributes or skills on an individual basis and in combination with those of the other Trustees led to the conclusion that she possesses the requisite skills and attributes as a Trustee to carry out oversight responsibilities with respect to the Trust.

Mr. Falkeis' Trustee Attributes include his substantial mutual fund experience and his experience with financial, accounting, investment and regulatory matters through his former position as Senior Vice President and Chief Financial Officer (and other positions) of U.S. Bancorp Fund Services, LLC, a full-service provider to ETFs, mutual funds and alternative investment products. Mr. Falkeis currently serves as Chief Executive Officer of Tidal ETF Services LLC (2018 to present), and he has experience consulting with investment advisers regarding the legal structure of investment companies, distribution channel analysis, marketing and actual distribution of those funds. Mr. Falkeis also has substantial managerial, operational and risk oversight experience through his former positions as Chief Operating Officer and Trustee of the Direxion Funds and the Direxion Exchange Traded Funds. Mr. Falkeis has been determined to qualify as an Audit Committee financial expert for the Trust. The Board believes Mr. Falkeis' experience, qualifications, attributes or skills on an individual basis and in combination with those of the other Trustees led to the conclusion that he possesses the requisite skills and attributes as a Trustee to carry out oversight responsibilities with respect to the Trust.

Mr. Paggioli's Trustee Attributes include his substantial mutual fund and investment advisory experience. Mr. Paggioli is an independent consultant on investment company and investment advisory matters. He has held a number of senior positions with mutual fund and investment advisory organizations and related businesses, including Executive Vice President, Director and Principal of the Wadsworth Group (fund administration, distribution transfer agency and accounting services). He serves on the boards of several investment management companies and advisory firms. He is a member of the Board of Governors of the Investment Company Institute and of the Governing Council of the Independent Directors Council. He has served on various industry association and self-regulatory committees and formerly worked on the staff of the SEC. Mr. Paggioli has been determined to qualify as an Audit Committee financial expert for the Trust. The Board believes Mr. Paggioli's experience, qualifications, attributes or skills on an individual basis and in combination with those of the other Trustees led to the conclusion that he possesses the requisite skills and attributes as a Trustee to carry out oversight responsibilities with respect to the Trust.

Mr. Parikh's Trustee Attributes include his substantial investment and executive experience in the asset management industry, including his position as Chief Executive Officer and Chief Investment Officer of Ridgworth Investments (global investment management firm with over \$41 billion in assets). He has also served as a Trustee of several investment trusts (including private investment trusts). Mr. Parikh has ongoing responsibility as a member of the Investment Working Group as part of the Board of Directors for the Ohio State University Endowments & Foundation, as well as an ongoing position as a member of the Investment Committee for the World Methodist Council Endowment Fund (a charitable religious foundation). Mr. Parikh has been determined to qualify as an Audit Committee financial expert for the Trust. The Board believes Mr. Parikh possesses the requisite skills and attributes as a Trustee to carry out oversight responsibilities with respect to the Trust.

Ms. Fornelli's Trustee Attributes include her substantial governance, legal, regulatory and business experience, including her role as an Independent Director of TriplePoint Venture Growth BDC Corp and TriplePoint Private Venture Credit, Inc. She has broad leadership experience in strategy formulation, corporate governance and risk management. She has executive experience as the Executive Director of Center for Audit Quality (2007-2019), Senior Vice President of Regulatory and Conflicts Management at Bank of America (2005-2007) and Deputy Director, Division of Investment Management with the US Securities and Exchange Commission (1998-2005). Ms. Fornelli has been determined to qualify as an Audit Committee financial expert for the Trust. The Board believes Ms. Fornelli's experience,

qualifications, attributes or skills on an individual basis and in combination with those of the other Trustees led to the conclusion that she possesses the requisite skills and attributes as a Trustee to carry out oversight responsibilities with respect to the Trust.

## TRUST COMMITTEES

The Trust has three standing committees: the Nominating and Governance Committee, and the Audit Committee, which also serves as the Qualified Legal Compliance Committee (“QLCC”).

The Nominating and Governance Committee, comprised of all of the Independent Trustees, is responsible for seeking and reviewing candidates for consideration as nominees for Trustees and meets only as necessary. The Nominating and Governance Committee has appointed Independent Trustee Kathleen Barr as the Chairperson of the Committee. The Nominating and Governance Committee will consider nominees nominated by shareholders. Recommendations for consideration by shareholders by the Nominating Committee should be sent to the President of the Trust in writing together with the appropriate biographical information concerning each such proposed Nominee, and such recommendation must comply with the notice provisions set forth in the Trust By-Laws. In general, to comply with such procedures, such nominations, together with all required biographical information, must be delivered to and received by the President of the Trust at the principal executive offices of the Trust not later than 120 days and no more than 150 days prior to the shareholder meeting at which any such nominee would be voted on. The Nominating and Governance Committee met one time with respect to the Funds during the Funds’ last fiscal year.

The Audit Committee is comprised of all of the Independent Trustees. The Audit Committee generally meets on a quarterly basis with respect to the various series of the Trust, and may meet more frequently. The function of the Audit Committee, with respect to each series of the Trust, is to review the scope and results of the audit of such series’ financial statements and any matters bearing on the audit or the financial statements, and to ensure the integrity of the series’ pricing and financial reporting. The Audit Committee met one time with respect to the Funds during the Funds’ last fiscal year.

The function of the QLCC is to receive reports from an attorney retained by the Trust of evidence of a material violation by the Trust or by any officer, director, employee or agent of the Trust. The QLCC did not meet during the Fund’s last fiscal year with respect to the Fund.

## TRUSTEE OWNERSHIP OF FUND SHARES AND OTHER INTERESTS

The following table shows the amount of Fund shares and the amount of shares in other portfolios of the Trust owned by the Trustees as of the calendar year ended December 31, 2021.

| Name                            | Dollar Range of<br>Balanced Fund Shares | Dollar Range of<br>Equity Fund Shares | Aggregate Dollar<br>Range of Fund Shares<br>in the Trust |
|---------------------------------|---|---------------------------------------|--|
| <b>Independent Trustees</b>     |   |                                       |  |
| Kathleen T. Barr                | None                                    | None                                  | Over \$100,000   |
| Eric W. Falkeis                 | None                                    | None                                  | Over \$100,000   |
| Steven J. Paggioli              | \$10,000 - \$50,000                     | None                                  | Over \$100,000   |
| Ashi S. Parikh                  | None                                    | None                                  | Over \$100,000   |
| Cynthia Fornelli <sup>(1)</sup> | None                                    | None                                  | None   |

<sup>(1)</sup> Ms. Fornelli became a Trustee of the Trust on January 1, 2022.

Furthermore, neither the Independent Trustees nor members of their immediate family, own securities beneficially or of record in the Adviser, the Funds' principal underwriter, or any of their affiliates. Accordingly, neither the Independent Trustees nor members of their immediate family have had a direct or indirect interest, during the two most recently completed calendar years, the value of which exceeds \$120,000, in the Adviser, the Funds' principal underwriter or any of its affiliates.

## COMPENSATION

Effective February 16, 2022, Independent Trustees were due to receive an annual retainer of \$142,000 allocated among each of the various portfolios comprising the Trust, an additional \$8,000 per regularly scheduled Board meeting, and an additional \$3,500 per special meeting, paid by the Trust or applicable advisors/portfolios, as well as reimbursement for expenses incurred in connection with attendance at Board meetings. The Chairperson of the Board receives an additional annual retainer of \$21,000 also allocated among each of the various portfolios comprising the Trust. Independent Trustees receive additional fees from the applicable portfolios for any special meetings at rates assessed by the Trustees depending on the length of the meeting and whether in-person attendance is required. All Trustees will be reimbursed for expenses in connection with each Board meeting attended, which reimbursement is allocated among applicable portfolios of the Trust. The Trust has no pension or retirement plan. No other entity affiliated with the Trust pays any compensation to the Trustees. Set forth below is the rate of compensation received by the following Independent Trustees for the fiscal year ended August 31, 2022.

| <b>Name of Person/Position</b>                       | <b>Aggregate Compensation From the Balanced Fund</b> | <b>Aggregate Compensation From the Equity Fund</b> | <b>Pension or Retirement Benefits Accrued as Part of Fund Expenses</b> | <b>Estimated Annual Benefits Upon Retirement</b> | <b>Total Compensation from Fund and Fund Complex<sup>(1)</sup> Paid to Trustees</b> |
|--|--|--|--|--|---|
| Kathleen T. Barr, Independent Trustee                | \$3,903  | \$3,509  | None   | None   | \$7,412   |
| Eric W. Falkeis, Independent Trustee                 | \$4,710  | \$4,317  | None   | None   | \$9,027   |
| Steven J. Paggioli, Independent Trustee              | \$3,903  | \$3,509  | None   | None   | \$7,412   |
| Ashi S. Parikh, Independent Trustee                  | \$3,903  | \$3,509  | None   | None   | \$7,412   |
| Cynthia Fornelli, Independent Trustee <sup>(2)</sup> | \$3,903  | \$3,509  | None   | None   | \$7,412   |

<sup>(1)</sup> There are currently numerous unaffiliated portfolios comprising the Trust. The term "Fund Complex" applies only to the Funds. For the fiscal year ended August 31, 2022, Trustees' fees and expenses in the amount of \$446,000. were incurred by the Trust.

<sup>(2)</sup> Prior to her appointment as a Trustee, Ms. Fornelli was paid as a consultant to the Trust between January 1, 2021 through January 1, 2022.

## CODES OF ETHICS

The Trust and the Adviser have each adopted separate Codes of Ethics pursuant to Rule 17j-1 under the 1940 Act. These Codes permit, subject to certain conditions, access persons of the Adviser to invest in securities that may be purchased or held by the Fund. The Distributor, as defined below, relies on the principal underwriter's exception in Rule 17j-1(c)(3) under the 1940 Act, specifically where the Distributor is not affiliated with the Trust or the Adviser, and no officer, director or general partner of the Distributor serves as an officer, director or general partner of the Trust or the Adviser.

## **PROXY VOTING POLICIES**

The Board has adopted proxy voting policies and procedures (“Policies”) on behalf of the Trust which delegate the responsibility for voting proxies to the Adviser, subject to the Board’s continuing oversight. The Policies require that the Adviser vote proxies received in a manner consistent with the best interests of a Fund and its shareholders. The Policies also require the Adviser to present to the Board, at least annually, the Adviser’s proxy voting policies and a record of each proxy voted by the Adviser on behalf of each Fund, including a report on the resolution of all proxies identified by the Adviser as involving a conflict of interest. The Adviser has adopted a proxy voting policy (the “Adviser’s Policy”) that underscores the Adviser’s concern that all proxy voting decisions be made in the best interests of the Funds.

The Adviser considers each proxy proposal individually and makes decisions on a case-by-case basis based on internal research, review of corporate governance, and proposals by other companies in a particular sector.

The Adviser generally votes with management on routine matters related to the operation of a particular company and that is not expected to have a significant impact on shareholders. The Adviser generally supports proposals that foster good corporate governance practices, and will support proposals calling for boards to consist of a majority of independent directors. The Adviser also generally supports appropriate compensation plans to be used as incentive for management, employees and directors, but will analyze each proposal regarding compensation plans to ascertain the impact on corporate governance and shareholder value. The Adviser will vote against plans that dilute shareholder ownership interest without commensurate benefit. Votes on issues such as proxy contests and defenses, tender offers, mergers and restructurings are reviewed on a case-by-case basis.

Where a proxy proposal raises a material conflict between the Adviser’s interests and the Funds’ interests, the Adviser will resolve the conflict in one of the following ways:

- Contact the Board and ask for a recommendation on the vote; or
- Engage an independent third party to assist in the resolution of the conflict.

The Funds are required to file Form N-PX, with the Funds’ complete proxy voting records for the 12 months ended June 30th, no later than August 31st of each year. Form N-PX for the Funds are available without charge, upon request, by calling toll-free 1-866-209-1129 and on the SEC’s website at [www.sec.gov](http://www.sec.gov).

## **CONTROL PERSONS, PRINCIPAL SHAREHOLDERS, AND MANAGEMENT OWNERSHIP**

A principal shareholder is any person who owns of record or beneficially 5% or more of the outstanding shares of the Funds. A control person is one who owns beneficially or through controlled companies more than 25% of the voting securities of the Funds or acknowledges the existence of control. As of November 30, 2022 the Trustees and officers of the Trust as a group did not own more than 1% of the outstanding shares of the Funds.

As of November 30, 2022, the following shareholders were considered to be either a control person or principal shareholder of the Funds:

## Balanced Fund

| <b>Name and Address</b>  | <b>% Ownership</b> | <b>Type of Ownership</b> |
|--|--------------------|--------------------------|
| National Financial Services, LLC<br>For the Exclusive Benefit of Our Customers<br>Attn: Mutual Funds Dept. 4 <sup>th</sup> Floor<br>499 Washington Blvd.<br>Jersey City, NJ 07310-1995 | 34.09%             | Record                   |
| Charles Schwab & Co. Inc.<br>Special Custody A/C FBO Customers<br>Attn: Mutual Funds<br>211 Main St.<br>San Francisco, CA 94105-1901   | 9.29%              | Record                   |

## Equity Fund

| <b>Name and Address</b>  | <b>% Ownership</b> | <b>Type of Ownership</b> |
|--|--------------------|--------------------------|
| Charles Schwab & Co. Inc.<br>Special Custody A/C FBO Customers<br>Attn: Mutual Funds<br>211 Main St.<br>San Francisco, CA 94105-1901 | 20.08%             | Record                   |

## THE FUNDS' INVESTMENT ADVISER

Investment advisory services are provided to the Funds by St. Denis J. Villere & Company, LLC, located at 601 Poydras Street, Suite 1808, New Orleans, Louisiana 70130, the Funds' Adviser, pursuant to an investment advisory agreement (the "Advisory Agreement") with the Trust. The Adviser provides investment advisory services to individual and institutional clients and investment companies. The Adviser is controlled by Sandy Villere, III and George V. Young, who are both portfolio managers of the Funds.

The Advisory Agreement continues in effect for successive annual periods so long as such continuation is approved at least annually by the vote of (1) the Board (or a majority of the outstanding shares of the Fund), and (2) a majority of the Independent Trustees, in each case cast in person at a meeting called for the purpose of voting on such approval. The Advisory Agreement may be terminated at any time, without penalty, by either party to the Advisory Agreement, or by a majority of the outstanding voting securities held by Fund shareholders, upon a 60-day written notice and is automatically terminated in the event of its "assignment," as defined in the 1940 Act. The Advisory Agreement provides that the Adviser under such agreement shall not be liable for any error of judgment or mistake of law or for any loss arising out of any investment or for any act or omission in the execution of portfolio transactions for the Funds, except for willful misfeasance, bad faith or gross negligence in the performance of its duties, or by reason of reckless disregard of its obligations and duties thereunder.

As compensation, the Funds pay the Adviser a monthly management fee (accrued daily) based upon the average daily net assets of the Funds at the annual rate of 0.75%. However, the Adviser may voluntarily agree to reduce a portion of the fees payable to it on a month-to-month basis.

| Balanced Fund Fiscal Year Ended | Fees Accrued | Fees (Waived) or Recouped | Adviser Reimbursement for Fee Reductions and/or Expense Payments | Net Advisory Fees Paid |
|---------------------------------|--------------|---------------------------|--|------------------------|
| August 31, 2022                 | \$1,297,896  | \$(36,227)                | \$0  | \$1,261,669            |
| August 31, 2021                 | \$1,506,763  | \$0                       | \$0  | \$1,506,763            |
| August 31, 2020                 | \$1,525,914  | \$0                       | \$0  | \$1,525,914            |

| Equity Fund Fiscal Year Ended | Fees Accrued | Fees (Waived) or Recouped | Adviser Reimbursement for Fee Reductions and/or Expense Payments | Net Advisory Fees Paid |
|-------------------------------|--------------|---------------------------|--|------------------------|
| August 31, 2022               | \$350,822    | \$0                       | \$0  | \$350,822              |
| August 31, 2021               | \$373,665    | \$0                       | \$0  | \$373,665              |
| August 31, 2020               | \$305,418    | \$0                       | \$0  | \$305,418              |

The Funds are responsible for their own operating expenses. The Adviser has contractually agreed to reduce its fees and/or pay Fund expenses (excluding Acquired Fund Fees and Expenses, interest expense in connection with investment activities, taxes and extraordinary expenses) in order to limit Total Annual Operating Expenses After Fee Waiver and/or Expense Reimbursement for shares of the Balanced Fund to 0.99% of the Fund's average net assets and 1.25% of the Equity Fund's average net assets (the "Expense Caps"). The Expense Caps will remain in effect until at least December 31, 2023, and may continue for an indefinite period thereafter, until the Board determines that the Expense Caps are no longer in the best interest of the Funds and their shareholders. The Adviser is permitted to be reimbursed for fee reductions and/or expense payments made in the prior three years. Any such reimbursement is subject to the Board's review and approval. This reimbursement may be requested by the Adviser if the aggregate amount actually paid by the Funds toward operating expenses for such period (taking into account the reimbursement) does not exceed the lesser of the Expense Caps in place at the time of waiver or at the time of reimbursement.

## PORTFOLIO MANAGERS

The following individuals serve as portfolio managers of the Funds: Mr. George V. Young, Mr. St. Denis J. Villere, III and Mr. Lamar G. Villere. They are primarily responsible for the day-to-day management of the Funds. The following provides information regarding other accounts managed by the portfolio managers as of August 31, 2022:

### *George V. Young*

| Category of Account                   | Total Number of Accounts Managed | Total Assets in Accounts Managed (In millions) | Number of Accounts for which Advisory Fee is Based on Performance | Assets in Accounts for which Advisory Fee is Based on Performance |
|---------------------------------------|----------------------------------|--|---|---|
| Other Registered Investment Companies | 0                                | \$0  | 0   | \$0   |
| Other Pooled Investment Vehicles      | 0                                | \$0  | 0   | \$0   |
| Other Accounts                        | 159                              | \$337  | 0   | \$0   |

***St. Denis J. Villere, III***

| <b>Category of Account</b>            | <b>Total Number of Accounts Managed</b> | <b>Total Assets in Accounts Managed (In millions)</b> | <b>Number of Accounts for which Advisory Fee is Based on Performance</b> | <b>Assets in Accounts for which Advisory Fee is Based on Performance</b> |
|---------------------------------------|---|---|--|--|
| Other Registered Investment Companies | 0                                       | \$0   | 0  | \$0  |
| Other Pooled Investment Vehicles      | 0                                       | \$0   | 0  | \$0  |
| Other Accounts                        | 220                                     | \$364   | 0  | \$0  |

***Lamar G. Villere***

| <b>Category of Account</b>            | <b>Total Number of Accounts Managed</b> | <b>Total Assets in Accounts Managed (In millions)</b> | <b>Number of Accounts for which Advisory Fee is Based on Performance</b> | <b>Assets in Accounts for which Advisory Fee is Based on Performance</b> |
|---------------------------------------|---|---|--|--|
| Other Registered Investment Companies | 0                                       | \$0   | 0  | \$0  |
| Other Pooled Investment Vehicles      | 0                                       | \$0   | 0  | \$0  |
| Other Accounts                        | 50                                      | \$117   | 0  | \$0  |

The portfolio managers' compensation is based on the income derived from each individual's ownership as a partner of St. Denis J. Villere & Co., LLC. Portfolio manager compensation is not based on Fund performance. The portfolio managers do not receive a bonus or deferred compensation as part of their compensation, although they do participate in a 401(k) retirement plan.

The Adviser serves as investment manager for other investment accounts with investment objectives and strategies substantially similar to the Funds, which may create certain conflicts of interest in connection with the allocation and timing of investment opportunities among the portfolio manager's advised accounts. Although the portfolio managers manage other accounts for St. Denis J. Villere & Co., LLC, potential conflicts are minimal as each Fund is managed as any other account with similar objectives. There are many similar accounts and securities are generally purchased and sold in blocks and allocated on a rotating basis without any priority given. Each Fund and any separate accounts managed similarly to the Fund are managed concurrently, and all portfolio transactions are implemented according to the Adviser's trade allocation procedures. These procedures, among other things, ensure that all trades allocated to advisory clients (including the Funds) fulfill the Adviser's fiduciary duty to each client and that securities are otherwise allocated on a basis that is fair and nondiscriminatory. Such procedures are generally applied in numerous instances, including, among other things, block and bunched trades, cross transactions and private placements. In determining a fair allocation, the Adviser takes into account a number of factors, including among other things, the Adviser's fiduciary duty to each client, any potential conflicts of interest, the size of the transaction, the relative size of a client's portfolio, cash available for investment suitability, as well as each client's investment objectives.

The following indicates the beneficial ownership of each portfolio manager in the Funds as of August 31, 2022:

| <b>Portfolio Manager</b>  | <b>Dollar Range of Equity Securities in the Balanced Fund</b>  | <b>Dollar Range of Equity Securities in the Equity Fund</b> |
|---------------------------|--|---|
|                           | <b>(None, \$1-\$10,000, \$10,001-\$50,000, \$50,001-\$100,000, \$100,001-\$500,000, \$500,001-\$1,000,000, Over \$1,000,000)</b> |   |
| George V. Young           | \$100,001 - \$500,000  | \$500,001-\$1,000,000                                       |
| St. Denis J. Villere, III | None   | \$100,001 - \$500,000                                       |
| Lamar G. Villere          | None   | Over \$1,000,000  |

## **THE FUNDS' SERVICE PROVIDERS**

### **ADMINISTRATOR, TRANSFER AGENT AND FUND ACCOUNTANT**

Pursuant to an administration agreement (the "Administration Agreement"), U.S. Bancorp Fund Services, LLC, doing business as U.S. Bank Global Fund Services ("Fund Services"), 615 East Michigan Street, Milwaukee, Wisconsin 53202, provides certain administrative services to the Funds including, among other responsibilities, coordinating the negotiation of contracts and fees with, and the monitoring of performance and billing of, the Funds' independent contractors and agents; preparation for signature by an officer of the Trust of all documents required to be filed for compliance by the Trust and the Funds with applicable laws and regulations excluding those of the securities laws of various states; arranging for the computation of performance data, including NAV and yield; responding to shareholder inquiries; and arranging for the maintenance of books and records of the Funds, and providing, at its own expense, office facilities, equipment and personnel necessary to carry out its duties. In this capacity, Fund Services does not have any responsibility or authority for the management of the Funds, the determination of investment policy, or for any matter pertaining to the distribution of Fund shares.

Pursuant to the Administration Agreement, as compensation for its services, Fund Services receives from the Funds a fee based on each Fund's current average daily net assets. Fund Services also is entitled to certain out-of-pocket expenses. Fund Services also serves as fund accountant, transfer agent and dividend disbursing agent under separate agreements. Additionally, Fund Services provides Chief Compliance Officer services to the Trust under a separate agreement. The cost for the Chief Compliance Officer services is charged to the Funds and approved by the Board annually.

The table below shows the amount of administration fees paid by the Funds to Fund Services for the fiscal years shown.

| <b>Balanced Fund Fiscal Year Ended</b> | <b>Administration Fee Paid</b> |
|--|--------------------------------|
| August 31, 2022                        | \$143,343                      |
| August 31, 2021                        | \$162,129                      |
| August 31, 2020                        | \$156,131                      |

  

| <b>Equity Fund Fiscal Period Ended</b> | <b>Administration Fee Paid</b> |
|--|--------------------------------|
| August 31, 2022                        | \$48,722                       |
| August 31, 2021                        | \$52,837                       |
| August 31, 2020                        | \$35,774                       |

## **CUSTODIAN**

U.S. Bank National Association (“U.S. Bank N.A.” or the “Custodian”), is custodian of the assets of each Fund pursuant to a custody agreement between the Custodian and the Trust, whereby the Custodian holds and administers the Funds’ assets for fees on a transactional basis plus out-of-pocket expenses. The Custodian’s address is 1555 North RiverCenter Drive, Suite 302, Milwaukee, Wisconsin 53212. The Custodian does not participate in decisions relating to the purchase and sale of securities by the Funds. Fund Services and the Custodian are affiliated entities under the common control of U.S. Bancorp. The Custodian and its affiliates may participate in revenue sharing arrangements with the service providers of mutual funds in which the Funds may invest.

## **INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM AND LEGAL COUNSEL**

Tait, Weller & Baker LLP, Two Liberty Place, 50 South 16<sup>th</sup> Street, Suite 2900, Philadelphia, Pennsylvania 19102, is the independent registered public accounting firm, providing audit services, tax services and assistance with respect to the preparation of filings with the U.S. Securities and Exchange Commission for the Funds.

Sullivan & Worcester LLP, 1633 Broadway, 32nd Floor, New York, New York 10019, serves as legal counsel to the Trust. Sullivan & Worcester also serves as independent legal counsel to the Board of Trustees.

## **PRINCIPAL UNDERWRITER AND DISTRIBUTOR**

Quasar Distributors, LLC, 111 East Kilbourn Avenue, Suite 2200, Milwaukee, WI 53202 (“Quasar”), acts as the Funds’ principal underwriter in a continuous public offering of the Funds’ shares. Pursuant to a distribution agreement between the Funds and Quasar (the “Distribution Agreement”), Quasar acts as the Funds’ principal underwriter and distributor and provides certain administration services and promotes and arranges for the sale of the Funds’ shares. Quasar is a registered broker-dealer under the Securities Exchange Act of 1934, as amended, and a member of FINRA.

The Distribution Agreement between the Funds and Quasar will continue in effect only if such continuance is specifically approved at least annually by the Board or by vote of a majority of each Fund’s outstanding voting securities and, in either case, by a majority of the Independent Trustees. The Distribution Agreement is terminable without penalty by the Trust on behalf of the Funds on a 60-day written notice when authorized either by a majority vote of the Funds’ shareholders or by vote of a majority of the Board, including a majority of the Independent Trustees, or by Quasar on a 60-day written notice, and will automatically terminate in the event of its “assignment” (as defined in the 1940 Act).

## **SUB-ACCOUNTING SERVICE FEES**

In addition to the fees that the Funds may pay to its Transfer Agent, the Board has authorized the Funds to pay service fees, at the annual rate of up to 0.10% of applicable average net assets or \$22 per account, to intermediaries such as banks, broker-dealers, financial advisers or other financial institutions, for sub-administration, sub-transfer agency, recordkeeping (collectively, “sub-accounting services”) and other shareholder services associated with shareholders whose shares are held of record in omnibus, networked, or other group accounts or accounts traded through registered securities clearing agents. Any sub-accounting fees paid by the Funds are

included in the total amount of “Other Expenses” listed in each Fund’s Fees and Expenses table in the Prospectus.

For the fiscal year ended August 31, 2022, the Funds paid the following amounts for sub-accounting services:

|                                     |           |
|-------------------------------------|-----------|
| <b>Sub-Accounting Services Fees</b> |           |
| <b>Villere Balanced Fund</b>        | \$103,694 |
| <b>Villere Equity Fund</b>          | \$10,035  |

## SECURITIES LENDING AGENT

The Funds participate in securities lending arrangements whereby they lend certain of their portfolio securities to brokers, dealers and financial institutions (not with individuals) in order to receive additional income and increase the rate of return of its portfolio. U.S. Bank N.A. serves as the Funds’ securities lending agent. For the most recent fiscal year ended August 31, 2022, the Funds’ securities lending activities resulted in the following:

|  |           | <b>Balanced Fund</b> | <b>Equity Fund</b> |
|--|-----------|----------------------|--------------------|
| Gross income from securities lending activities:   | \$        | 213,528              | 71,850             |
| Fees and/or compensation for securities lending activities and related services:   |           |                      |                    |
| Fees paid to securities lending agent from a revenue split   | \$        | (13,689)             | (3,383)            |
| Fees paid for any cash collateral management service (including fees deducted from a pooled cash collateral reinvestment vehicle) that are not included in the revenue split | \$        | (11,042)             | (3,175)            |
| Administrative fees not included in revenue split  | \$        | 0                    | 0                  |
| Indemnification fee not included in revenue split  | \$        | 0                    | 0                  |
| Rebates (paid to borrower)   | \$        | (156,830)            | (57,384)           |
| Other fees not included in revenue split (specify)   | \$        | 0                    | 0                  |
| Aggregate fees/compensation for securities lending activities:   | \$        | (181,561)            | (63,942)           |
| <b>Net income from securities lending activities:</b>  | <b>\$</b> | <b>31,967</b>        | <b>7,908</b>       |

U.S. Bank N.A. oversees the securities lending process, which includes the screening, selection and ongoing review of borrowers, monitoring the availability of securities, negotiating rebates, daily marking to market of loans, monitoring and maintaining cash collateral levels, processing securities movements and reinvesting cash collateral as directed by the Adviser. U.S. Bank N.A. does not currently receive any fees for this service. Going forward, the Funds will pay a portion of the income (net of rebate fees) or fees earned by it from securities lending to U.S Bank N.A., the Funds’ securities lending agent.

## EXECUTION OF PORTFOLIO TRANSACTIONS

Pursuant to the Advisory Agreement, the Adviser determines which securities are to be purchased and sold by the Funds and which broker-dealers are eligible to execute the Funds' portfolio transactions. The purchases and sales of securities in the over-the-counter market will generally be executed directly with a "market-maker" unless, in the opinion of the Adviser, a better price and execution can otherwise be obtained by using a broker for the transaction.

Purchases of portfolio securities for the Funds also may be made directly from issuers or from underwriters. Where possible, purchase and sale transactions will be effected through dealers (including banks) which specialize in the types of securities that the Funds will be holding, unless better executions are available elsewhere. Dealers and underwriters usually act as principal for their own accounts. Purchases from underwriters will include a concession paid by the issuer to the underwriter and purchases from dealers will include the spread between the bid and the asked price. If the execution and price offered by more than one dealer or underwriter are comparable, the order may be allocated to a dealer or underwriter that has provided research or other services as discussed below.

In placing portfolio transactions, the Adviser will seek best execution. The full range and quality of services available will be considered in making these determinations, such as the size of the order, the difficulty of execution, the operational facilities of the firm involved, the firm's risk in positioning a block of securities, and other factors. In those instances where it is reasonably determined that more than one broker-dealer can offer the best execution, the Adviser considers such information, which is in addition to and not in lieu of the services required to be performed by it under the Advisory Agreement, to be useful in varying degrees, but of indeterminable value. Portfolio transactions may be placed with broker-dealers that sell shares of the Funds subject to rules adopted by the Financial Industry Regulatory Authority ("FINRA") and the SEC.

While it is the Adviser's general policy to seek best execution in selecting a broker-dealer to execute portfolio transactions for the Funds, in accordance with Section 28(e) of the Securities Exchange Act of 1934, as amended, when it is determined that more than one broker-dealer can deliver best execution, weight is also given to the ability of a broker-dealer to furnish brokerage and research services to the Funds or to the Adviser, even if the specific services are not directly useful to the Funds and may be useful to the Adviser in advising other clients. In negotiating commissions with a broker or evaluating the spread to be paid to a dealer, the Funds may therefore pay a higher commission or spread than would be the case if no weight were given to the furnishing of these supplemental services, provided that the amount of such commission or spread has been determined in good faith by the Adviser to be reasonable in relation to the value of the brokerage and/or research services provided by such broker-dealer. Additionally, in accordance with procedures adopted by the Trust, the Adviser may direct transactions to a broker-dealer with which it has an affiliation. Currently, the Adviser does not use any soft dollars for the Funds.

Investment decisions for the Funds are made independently from those of other client accounts managed or advised by the Adviser. Nevertheless, it is possible that at times identical securities will be acceptable for both the Funds and one or more of such client accounts. In such event, the position of the Funds and such client accounts in the same issuer may vary and the length of time that each may choose to hold its investment in the same issuer may likewise vary. However, to the extent any of such client account seeks to acquire the same security as a Fund at the same time, the Fund may not be able to acquire as large a portion of such security as it desires, or it may have to pay a higher price or obtain a lower yield for such security. Similarly, a Fund may not be able to obtain as high a price for, or as large an execution of, an order to sell any particular

security at the same time. If one or more of such client accounts simultaneously purchases or sells the same security that a Fund is purchasing or selling, each day's transactions in such security will be allocated between a Fund and all such client accounts in a manner deemed equitable by the Adviser, taking into account the respective sizes of the accounts and the amount being purchased or sold. It is recognized that in some cases this system could have a detrimental effect on the price or value of the security insofar as a Fund is concerned. In other cases, however, it is believed that the ability of a Fund to participate in volume transactions may produce better executions for the Fund.

The Funds do not effect securities transactions through brokers in accordance with any formula, nor do they effect securities transactions through brokers for selling shares of the Funds. However, as stated above, broker-dealers who execute brokerage transactions may effect purchase of shares of the Funds for their customers.

The table below shows the amount of brokerage commissions paid by the Funds with respect to transactions for the fiscal years shown.

|   | <b>August 31, 2022</b> | <b>August 31, 2021</b> | <b>August 31, 2020</b> |
|---|------------------------|------------------------|------------------------|
| <b>Brokerage Fees Paid by the Balanced Fund</b> | \$63,697               | \$68,161               | \$85,789               |
| <b>Brokerage Fees Paid by the Equity Fund</b>   | \$18,300               | \$20,057               | \$21,108               |

Each of the Balanced Fund and the Equity Fund did not own securities of its regular brokers or dealers as of the fiscal year ended August 31, 2022.

## **CAPITAL STOCK**

Shares issued by the Funds have no preemptive, conversion, or subscription rights. Shares issued and sold by the Funds are deemed to be validly issued, fully paid and non-assessable by the Trust. Shareholders have equal and exclusive rights as to dividends and distributions as declared by the Funds and to the net assets of the Funds upon liquidation or dissolution. Each Fund, as a separate series of the Trust, votes separately on matters affecting only the Fund (*e.g.*, approval of the Advisory Agreement); all series of the Trust vote as a single class on matters affecting all series jointly or the Trust as a whole (*e.g.*, election or removal of Trustees). Voting rights are not cumulative, so that the holders of more than 50% of the shares voting in any election of Trustees can, if they so choose, elect all of the Trustees. While the Trust is not required and does not intend to hold annual meetings of shareholders, such meetings may be called by the Board in its discretion, or upon demand by the holders of 10% or more of the outstanding shares of the Trust, for the purpose of electing or removing Trustees.

## **DETERMINATION OF SHARE PRICE**

The NAV per share of a Fund is determined as of the close of regular trading on the New York Stock Exchange (the "NYSE") (generally 4:00 p.m., Eastern Standard Time), each day the NYSE is open for trading. The NYSE annually announces the days on which it will not be open for trading. It is expected that the NYSE will not be open for trading on the following holidays: New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day, Juneteenth National Independence Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

Generally, a Fund's investments are valued at market value or, in the absence of a market value, at fair value as determined in good faith pursuant to procedures approved by the Adviser. Pursuant to those procedures, the Adviser considers, among other things: (1) the last sales price on the securities exchange, if any, on which a security is primarily traded; (2) the mean between the bid and asked prices; (3) price quotations from an approved pricing service, and (4) other factors as necessary to determine a fair value under certain circumstances.

Securities primarily traded on U.S. national or foreign securities exchanges for which market quotations are readily available shall be valued at either the last reported sale price on the day of valuation, or the exchange's official closing price, if applicable. If there has been no sale on such day, then the mean between the bid and asked prices will be used. Securities and assets for which market quotations are not readily available (including restricted securities which are subject to limitations as to their sale) are valued at fair value as determined in good faith under procedures approved by or under the direction of the Adviser.

Short-term debt obligations, including short-term debt obligations having a maturity of less than 60 days, are valued at the mean evaluated price supplied by a pricing service.

The securities in a Fund's portfolio, including ADRs, which are traded on securities exchanges are valued at the last sale price on the exchange on which such securities are traded, as of the close of business on the day the securities are being valued or, lacking any reported sales, at the mean between the last available bid and asked price. Securities that are traded on more than one exchange are valued on the exchange on which the security is principally traded.

All other assets of a Fund are valued in such manner as the Adviser in good faith deems appropriate to reflect their fair value.

## **PURCHASE AND REDEMPTION INFORMATION**

The information provided below supplements the information contained in the Funds' Prospectus regarding the purchase and redemption of Fund shares.

**HOW TO BUY SHARES.** In addition to purchasing shares directly from a Fund, you may purchase shares of the Fund through certain financial intermediaries and their agents that have made arrangements with the Fund and are authorized to buy and sell shares of the Fund (collectively, "Financial Intermediaries"). Investors should contact their Financial Intermediary directly for appropriate instructions, as well as information pertaining to accounts and any service or transaction fees that may be charged. Purchase orders through Financial Intermediaries are effected at the next-determined NAV after receipt of the order by such Financial Intermediary before the close of regular trading on the NYSE, generally 4:00 p.m., Eastern Standard Time. Orders received after that time will be purchased at the next-determined NAV.

The public offering price of Fund shares is the NAV. Shares are purchased at the public offering price next determined after Fund Services receives your order in proper form as discussed in the Funds' Prospectus. In order to receive that day's public offering price, Fund Services must receive your order in proper form before the close of regular trading on the NYSE, normally 4:00 p.m. Eastern time.

The Trust reserves the right in its sole discretion (i) to suspend the continued offering of a Fund's shares, (ii) to reject purchase orders in whole or in part when in the judgment of the Adviser such rejection is in the best interest of the Fund, and (iii) to reduce or waive the minimum for initial

and subsequent investments for certain fiduciary accounts or under circumstances where certain economies can be achieved in sales of the Fund's shares.

In addition to cash purchases, Fund shares may be purchased by tendering payment in-kind in the form of shares of stock, bonds or other securities. Any securities used to buy Fund shares must be readily marketable, their acquisition consistent with a Fund's investment objective and otherwise acceptable to the Adviser and the Board.

**AUTOMATIC INVESTMENT PLAN.** As discussed in the Prospectus, each Fund provides an Automatic Investment Plan ("AIP") for the convenience of investors who wish to purchase shares of a Fund on a regular basis. All record keeping and custodial costs of the AIP are paid by the Funds. The market value of a Fund's shares is subject to fluctuation. Prior to participating in the AIP, an investor should note that this plan does not assure a profit nor does it protect against depreciation in declining markets.

**HOW TO SELL SHARES AND DELIVERY OF REDEMPTION PROCEEDS.** You can sell Fund shares any day the NYSE is open for regular trading. The Funds typically send redemption proceeds on the next business day (a day when the NYSE is open for normal business) after the redemption request is received in good order and prior to market close, regardless of whether the redemption proceeds are sent via check, wire, or automated clearing house (ACH) transfer. Under unusual circumstances, the Funds may suspend redemptions, or postpone payment for up to seven days, as permitted by federal securities law.

The Funds typically expect that they will hold cash or cash equivalents to meet redemption requests. The Funds may also use the proceeds from the sale of portfolio securities to meet redemption requests if consistent with the management of the Funds. In situations in which investment holdings in cash or cash equivalents are not sufficient to meet redemption requests or when the sale of portfolio securities is not sufficient to meet redemption requests, a Fund will typically borrow money through its line of credit. These redemption methods will be used regularly and may also be used in stressed market conditions. The Funds reserve the right to pay redemption proceeds to you in whole or in part through a redemption in-kind as described under "Redemptions In-Kind" below. Redemptions in-kind are typically used to meet redemption requests that are a large percentage of a Fund's net assets in order to minimize the effect of large redemptions on a Fund and its remaining shareholders. Redemptions in-kind may be used regularly in such circumstances and may also be used in stressed market conditions.

A Fund may suspend the right of redemption or postpone the date of payment during any period when (a) trading on the NYSE is restricted as determined by the SEC or the NYSE is closed for other than weekends and holidays; (b) an emergency exists as determined by the SEC making disposal of portfolio securities or valuation of net assets of the Fund not reasonably practicable; or (c) for such other period as the SEC may permit for the protection of a Fund's shareholders.

The value of shares on redemption may be more or less than the investor's cost, depending upon the market value of a Fund's portfolio securities at the time of redemption.

**TELEPHONE REDEMPTIONS.** As described in the Prospectus, shareholders with telephone transaction privileges established on their account may redeem Fund shares by telephone. Upon receipt of any instructions or inquiries by telephone from a person claiming to be the shareholder, a Fund or its authorized agents, may carry out the instructions and/or respond to the inquiry consistent with the shareholder's previously established account service options. For joint accounts, instructions or inquiries from either party will be carried out without prior notice to the other account owners. In acting upon telephone instructions, a Fund and its agents use

procedures that are reasonably designed to ensure that such instructions are genuine, such as (1) obtaining some or all of the following information: account number, name(s) and social security number(s) registered to the account, and personal identification; (2) recording all telephone transactions; and (3) sending written confirmation of each transaction to the registered owner.

Fund Services will employ reasonable procedures to confirm that instructions communicated by telephone are genuine. If Fund Services fails to employ reasonable procedures, a Fund and Fund Services may be liable for any losses due to unauthorized or fraudulent instructions. If these procedures are followed, however, to the extent permitted by applicable law, neither a Fund nor its agents will be liable for any loss, liability, cost or expense arising out of any redemption request, including any fraudulent or unauthorized request. For additional information, contact Fund Services.

During periods of unusual market and shareholder activity, you may experience delays in contacting Fund Services by telephone. In this event, you may wish to submit a written redemption request, as described in the Prospectus. Telephone privileges may be modified or terminated without notice.

**REDEMPTIONS IN-KIND.** The Trust has elected to be governed by Rule 18f-1 under the 1940 Act so that each Fund is obligated to redeem its shares solely in cash up to the lesser of \$250,000 or 1% of its net asset value during any 90-day period for any shareholder of the Fund. Each Fund has reserved the right to pay the redemption price of its shares in excess of \$250,000 or 1% of its net asset value, either totally or partially, by a distribution in-kind of portfolio securities (instead of cash). The securities so distributed would be valued at the same amount as that assigned to them in calculating the NAV for the shares being sold. If a shareholder receives a distribution in kind, the shareholder could incur brokerage or other charges in converting the securities to cash and would bear any market risks associated with such securities until they are converted into cash. A redemption in-kind is treated as a taxable transaction and a sale of the redeemed shares, generally resulting in capital gain or loss to you, subject to certain loss limitation rules.

Each Fund does not intend to hold any significant percentage of its portfolio in illiquid securities, although a Fund, like most mutual funds, may from time to time hold a small percentage of securities that are illiquid. In the unlikely event a Fund were to elect to make an in-kind redemption, the Fund expects that it would follow the Trust protocol of making such distribution by way of a pro rata distribution of securities that are traded on a public securities market or are otherwise considered liquid pursuant to the Fund's liquidity policies and procedures. Except as otherwise may be approved by the Trustees, the securities that would not be included in an in-kind distribution include (1) unregistered securities which, if distributed, would be required to be registered under the Securities Act of 1933 (the "1933 Act"), as amended; (2) securities issued by entities in countries which (a) restrict or prohibit the holding of securities by non-nationals other than through qualified investment vehicles, such as a fund, or (b) permit transfers of ownership of securities to be effected only by transactions conducted on a local stock exchange; and (3) certain Fund assets that, although they may be liquid and marketable, must be traded through the marketplace or with the counterparty to the transaction in order to effect a change in beneficial ownership.

## DISTRIBUTIONS AND TAX INFORMATION

**DISTRIBUTIONS.** Dividends from net investment income and distributions of net profits from the sale of securities are generally made annually. Also, each Fund typically distributes any undistributed net investment income on or about December 31 of each year. Any net capital gains realized through the period ended October 31 of each year will also be distributed on or about December 31 of each year.

Each distribution by a Fund is accompanied by a brief explanation of the form and character of the distribution. In January of each year, the Funds will issue a statement of the federal income tax status of all distributions to each shareholder.

**TAX INFORMATION.** Each series of the Trust is treated as a separate entity for federal income tax purposes. Each Fund has elected to qualify and intends to continue to qualify to be treated as a “regulated investment company” under Subchapter M of the Internal Revenue Code of 1986, as amended, (the “Code”) and to comply with all applicable requirements regarding the source of its income, diversification of its assets and amount and timing of distributions. If a Fund fails to qualify as a regulated investment company under Subchapter M, it will be taxed as a corporation. Each Fund’s policy is to distribute to its shareholders all of its investment company taxable income (ignoring the deduction for dividends paid) and any net realized capital gains for each fiscal year in a manner that complies with the distribution requirements of the Code, so that a Fund will not be subject to any federal income or excise taxes. A Fund is not required to consider tax consequences in making or disposing of its investments. However, a Fund can give no assurances that its distributions will be sufficient to eliminate all taxes in every year. To comply with the requirements of the Code to avoid a nondeductible 4% excise tax, each Fund must also distribute (or be deemed to have distributed) by December 31 of each calendar year (1) at least 98% of its ordinary income for such year, (2) at least 98.2% of the excess of its realized capital gains over its realized capital losses for the 12-month period ending on October 31 during such year and (3) any amounts from the prior calendar year that were not distributed and on which a Fund paid no federal income tax.

In order to qualify as a regulated investment company, a Fund must, among other things, derive at least 90% of its gross income each year from dividends, interest, payments with respect to loans of stock and securities, gains from the sale or other disposition of stock or securities or foreign currency gains related to investments in stock or securities, or other income (generally including gains from options, futures or forward contracts) derived with respect to the business of investing in stock, securities or currency, and net income derived from an interest in a qualified publicly traded partnership. A Fund also must satisfy the following two asset diversification tests. At the end of each quarter of each taxable year, (i) at least 50% of the value of a Fund’s total assets must be represented by cash and cash items (including receivables), U.S. government securities, the securities of other regulated investment companies, and other securities, with such other securities being limited in respect of any one issuer to an amount not greater than 5% of the value of the Fund’s total assets and not more than 10% of the outstanding voting securities of such issuer, and (ii) not more than 25% of the value of a Fund’s total assets may be invested in the securities of any one issuer (other than U.S. government securities or the securities of other regulated investment companies), the securities of any two or more issuers (other than the securities of other regulated investment companies) that the Fund controls (by owning 20% or more of their outstanding voting stock) and that are determined to be engaged in the same or similar trades or businesses or related trades or businesses, or the securities of one or more qualified publicly traded partnerships. A Fund must also distribute each taxable year sufficient dividends to its

shareholders to claim a dividends paid deduction equal to at least the sum of 90% of the Fund's investment company taxable income ignoring the dividends paid deduction (which generally includes dividends, interest, and the excess of net short-term capital gain over net long-term capital loss) and 90% of the Fund's net tax-exempt interest, if any.

A Fund's ordinary income generally consists of interest and dividend income, less expenses. Net realized capital gains for a fiscal period are computed by taking into account any capital loss carryforward of the Fund.

Net capital losses incurred after October 31 and within the taxable year are deemed to arise on the first business day of each Fund's next taxable year. For the fiscal year ended August 31, 2022, the Funds had no capital loss carryovers available for federal income tax purposes.

Distributions of net investment income and net short-term capital gains are taxable to shareholders as ordinary income. A Fund may make taxable distributions to shareholders even during periods in which the share price has declined. For individual shareholders, a portion of the distributions paid by a Fund may be qualified dividends currently eligible for taxation at long-term capital gain rates to the extent the Fund reports the amount distributed as a qualifying dividend and certain holding period requirements are met. In the case of corporate shareholders, a portion of the distributions may qualify for the inter-corporate dividends-received deduction to the extent a Fund reports the amount distributed as a qualifying dividend. The aggregate amount so reported to either individual or corporate shareholders cannot, however, exceed the aggregate amount of qualifying dividends received by the applicable Fund for its taxable year. In view of each Fund's investment policy, it is expected that dividends from domestic corporations will be part of a Fund's gross income and that, accordingly, part of the distributions by the Fund may be eligible for treatment as qualified dividend income for individual shareholders and for the dividends-received deduction for corporate shareholders. However, the portion of a Fund's gross income attributable to qualifying dividends is largely dependent on the Fund's investment activities for a particular year and therefore cannot be predicted with any certainty. The deduction may be reduced or eliminated if the Fund shares held by an individual investor are held for less than 61 days, or Fund shares held by a corporate investor are treated as debt-financed or are held for less than 46 days. Dividends from the Funds, including distributions of net long-term capital gains, and gain on the sale of shares of the Funds generally are included in net investment income, which is subject to the 3.8% Medicare surtax for taxpayers in the higher income brackets.

For taxable years beginning after 2017 and before 2025, non-corporate taxpayers generally may deduct 20% of "qualified business income" derived either directly or through partnerships or S corporations. For this purpose, "qualified business income" generally includes ordinary dividends paid by a real estate investment trust ("REIT") and certain income from publicly traded partnerships. Regulations recently adopted by the United States Treasury allow non-corporate shareholders of a Fund to benefit from the 20% deduction with respect to net REIT dividends received by the Fund if the Fund meets certain reporting requirements, but do not permit any such deduction with respect to publicly traded partnerships.

Upcoming distributions generally increase the NAV of a Fund. If you buy shares shortly before a distribution, the price you pay will reflect the value of the upcoming distribution, which will nonetheless be taxable to you. Although distributions generally are taxable when received, certain distributions declared in October, November or December and paid in the following January are taxed as if received in the prior December.

A sale, exchange or redemption of Fund shares is a taxable event and will generally result in capital gain or loss. A sale, exchange or redemption of Fund shares at a loss within six months from the date of their purchase will be treated as a long-term capital loss to the extent of any

amounts treated as distributions of long-term capital gains during such six-month period. Any loss realized upon a redemption or sale may be disallowed under certain wash sale rules to the extent shares of the Fund are purchased (through reinvestment of distributions or otherwise) within 30 days before or after the redemption.

A Fund may be subject to foreign withholding taxes on dividends and interest earned with respect to securities of foreign corporations. Based on the Funds' investment strategy, it is not expected that a Fund will be eligible to pass through to shareholders credits or deductions with respect to such foreign taxes paid by a Fund.

Under the Code, each Fund will be required to report to the Internal Revenue Service ("IRS") all distributions of ordinary income and capital gains as well as gross proceeds from the redemption or exchange of Fund shares, except in the case of exempt shareholders, which includes most corporations. Pursuant to the backup withholding provisions of the Code, distributions of any taxable income and capital gains and proceeds from the redemption of Fund shares may be subject to withholding of federal income tax at the rate of 24% in the case of non-exempt shareholders who fail to furnish a Fund with their correct taxpayer identification numbers and with required certifications regarding their status under the federal income tax law or if the IRS notifies the Fund that such backup withholding is required. If the withholding provisions are applicable, any such distributions and proceeds, whether taken in cash or reinvested in additional shares, will be reduced by the amounts required to be withheld. Corporate and other exempt shareholders should provide a Fund with their taxpayer identification numbers or certify their exempt status in order to avoid possible erroneous application of backup withholding. Backup withholding is not an additional tax and any amounts withheld may be credited against a shareholder's ultimate federal income tax liability if proper documentation is provided. Each Fund reserves the right to refuse to open an account for any person failing to provide a certified taxpayer identification number.

Distributions and the transactions referred to in the preceding paragraphs may be subject to state and local income taxes, and the tax treatment thereof may differ from the federal income tax treatment. Distributions from a Fund will be taxable to shareholders even during periods in which the Fund's share price has declined.

The foregoing discussion of U.S. federal income tax law relates solely to the application of that law to U.S. citizens or residents and U.S. domestic corporations, partnerships, trusts and estates. Each shareholder who is not a U.S. person should consider the U.S. and foreign tax consequences of ownership of shares of a Fund, including the possibility that such a shareholder may be subject to a U.S. withholding tax on amounts constituting ordinary income.

Foreign shareholders, including shareholders who are nonresident alien individuals, may be subject to U.S. withholding tax on certain distributions at a rate of 30% or such lower rates as may be prescribed by any applicable treaty. In addition, if the requirements of legislation known as FATCA are not met, the United States may impose a 30% U.S. withholding tax on certain foreign financial institutions and other foreign entities with respect to distributions on and proceeds from the sale or disposition of shares in the Funds. See the discussion below. Shareholders should consult their tax advisers regarding the possible implications of this legislation as well as the other U.S. federal, state, local and foreign tax consequences of an investment in Fund shares.

**The Foreign Account Tax Compliance Act ("FATCA").** A 30% withholding tax on a Fund's ordinary income and qualified dividend distributions generally applies if paid to a foreign entity unless: (i) if the foreign entity is a "foreign financial institution," it undertakes certain due

diligence, reporting, withholding and certification obligations, (ii) if the foreign entity is not a “foreign financial institution,” it identifies certain of its U.S. investors or (iii) the foreign entity is otherwise excepted under FATCA. If withholding is required under FATCA on a payment related to your shares, investors that otherwise would not be subject to withholding (or that otherwise would be entitled to a reduced rate of withholding) on such payment generally will be required to seek a refund or credit from the IRS to obtain the benefits of such exemption or reduction. The Funds will not pay any additional amounts in respect to amounts withheld under FATCA. You should consult your tax adviser regarding the effect of FATCA based on your individual circumstances.

The foregoing discussion of tax law is based on existing provisions of the Code, existing and proposed regulations thereunder, and current administrative rulings and court decisions, all of which are subject to change. Any such changes could affect the validity of this discussion. The discussion also represents only a general summary of tax law and practice currently applicable to a Fund and certain shareholders therein, and, as such, is subject to change. In particular, the consequences of an investment in shares of a Fund under the laws of any state, local or foreign taxing jurisdictions are not discussed herein. The Funds do not plan to seek a ruling from the IRS or an opinion of counsel with respect to any tax matters. Each prospective investor should consult his, her, or its own tax adviser to determine the application of the tax law and practice in his, her, or its own particular circumstances.

This discussion was prepared for the Funds. Any person reviewing this discussion should seek advice based on such person’s particular circumstances from an independent tax adviser.

## **MARKETING AND SUPPORT PAYMENTS**

The Adviser, out of its own resources and without additional cost to a Fund or its shareholders, may provide additional cash payments or other compensation to certain financial intermediaries who sell shares of the Funds. Such payments may be divided into categories as follows:

**SUPPORT PAYMENTS.** Payments may be made by the Adviser to certain financial intermediaries in connection with the eligibility of a Fund to be offered in certain programs and/or in connection with meetings between a Fund’s representatives and financial intermediaries and their sales representatives. Such meetings may be held for various purposes, including providing education and training about a Fund and other general financial topics to assist financial intermediaries’ sales representatives in making informed recommendations to, and decisions on behalf of, their clients.

**ENTERTAINMENT, CONFERENCES AND EVENTS.** The Adviser also may pay cash or non-cash compensation to sales representatives of financial intermediaries in the form of (i) occasional gifts; (ii) occasional meals, tickets or other entertainment; and/or (iii) sponsorship support for the financial intermediary’s client seminars and cooperative advertising. In addition, the Adviser pays for exhibit space or sponsorships at regional or national events of financial intermediaries.

During the Funds' fiscal year, the following financial intermediaries were paid out of the Adviser's revenues:

| <b>Firm</b>                      |
|----------------------------------|
| National Financial Services, LLC |
| Charles Schwab                   |
| TD Ameritrade, Inc.              |
| Fidelity Investments             |
| Merrill Lynch FDS                |
| Pershing                         |
| Raymond James                    |
| Vanguard                         |
| UBS                              |

The prospect of receiving, or the receipt of additional payments or other compensation as described above by financial intermediaries, may provide such intermediaries and/or their salespersons with an incentive to favor sales of shares of the Funds, and other mutual funds whose affiliates make similar compensation available, over sale of shares of mutual funds (or non-mutual fund investments) not making such payments. You may wish to take such payment arrangements into account when considering and evaluating any recommendations relating to each Fund's shares.

## **FINANCIAL STATEMENTS**

The Funds' [Annual Report to Shareholders](#) for the fiscal year ended August 31, 2022, is available, without charge, upon request by calling 1-866-209-1129, and the financial statements, accompanying notes and report of the independent registered public accounting firm appearing therein are incorporated by reference in this SAI.

## **APPENDIX A**

### **CORPORATE BOND RATINGS**

#### **MOODY'S INVESTORS SERVICE, INC.**

Aaa: Bonds which are rated Aaa are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as "gilt edge." Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues.

Aa: Bonds which are rated Aa are judged to be of high quality by all standards. Together with the Aaa group they comprise what are generally known as high grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or fluctuations or protective elements may be of greater amplitude or there may be other elements present which make long-term risks appear somewhat larger than in Aaa securities.

A: Bonds which are rated A possess many favorable investment attributes and are to be considered as upper medium grade obligations. Factors giving security to principal and interest are considered adequate but elements may be present which suggest a susceptibility to impairment sometime in the future.

Baa: Bonds which are rated Baa are considered medium grade obligations, *i.e.*, they are neither highly protected nor poorly secured. Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds lack outstanding investment characteristics and in fact have speculative characteristics as well.

Ba: Bonds which are rated Ba are judged to have speculative elements: their future cannot be considered as well assured. Often the protection of interest and principal payments may be very moderate and thereby not well safeguarded during both good and bad times over the future. Uncertainty of position characterizes bonds in this class.

B: Bonds which are rated B generally lack characteristics of the desirable investment. Assurance of interest and principal payments or of maintenance of other terms of the contract over any long period of time may be small.

Caa: Bonds which are rated Caa are of poor standing. Such issues may be in default or there may be present elements of danger with respect to principal or interest.

Ca: Bonds which are rated Ca represent obligations which are speculative in a high degree. Such issues are often in default or have other marked shortcomings.

#### **STANDARD & POOR'S RATINGS GROUP**

AAA: Bonds rated AAA are highest grade debt obligations. This rating indicates an extremely strong capacity to pay principal and interest.

AA: Bonds rated AA also qualify as high-quality debt obligations. Capacity to pay principal and interest is very strong, and in the majority of instances they differ from AAA issues only in small degree.

A: Bonds rated A have a strong capacity to pay principal and interest, although they are more susceptible to the adverse effects of changes in circumstances and economic conditions.

BBB: Bonds rated BBB are regarded as having an adequate capacity to pay principal and interest. Whereas they normally exhibit adequate protection parameters, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to pay principal and interest for bonds in this category than for bonds in the A category.

BB, B, CCC, CC: Bonds rated BB, B, CCC and CC are regarded, on balance, as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligation. BB indicates the lowest degree of speculation and CC the highest degree of speculation. While such bonds will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposures to adverse conditions.

The ratings from AA to CCC may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

\*Ratings are generally given to securities at the time of issuance. While the rating agencies may from time to time revise such ratings, they undertake no obligation to do so.

## **APPENDIX B**

### **COMMERCIAL PAPER RATINGS**

#### **MOODY'S INVESTORS SERVICE, INC.**

Prime-1: Issuers (or related supporting institutions) rated "Prime-1" have a superior ability for repayment of senior short-term debt obligations. "Prime-1" repayment ability will often be evidenced by many of the following characteristics: leading market positions in well-established industries, high rates of return on funds employed, conservative capitalization structures with moderate reliance on debt and ample asset protection, broad margins in earnings coverage of fixed financial charges and high internal cash generation, and well-established access to a range of financial markets and assured sources of alternate liquidity.

Prime-2: Issuers (or related supporting institutions) rated "Prime-2" have a strong ability for repayment of senior short-term debt obligations. This will normally be evidenced by many of the characteristics cited above but to a lesser degree. Earnings trends and coverage ratios, while sound, will be more subject to variation. Capitalization characteristics, while still appropriate, may be more affected by external conditions. Ample alternative liquidity is maintained.

#### **STANDARD & POOR'S RATINGS GROUP**

A-1: This highest category indicates that the degree of safety regarding timely payment is strong. Those issues determined to possess extremely strong safety characteristics are denoted with a plus (+) sign designation.

A-2: Capacity for timely payment on issues with this designation is satisfactory. However, the relative degree of safety is not as high as for issues designated "A-1".