



## PORT STREET QUALITY GROWTH FUND

INSTITUTIONAL CLASS SHARES — PSQGX

ANNUAL REPORT

[www.portstreetinvest.com](http://www.portstreetinvest.com)

MARCH 31, 2015

## PORT STREET QUALITY GROWTH FUND

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Dear Shareholders,

March 31, 2015 marked the end of the Port Street Quality Growth Fund's first twelve months of stewardship. Thank you for the opportunity to report on the Fund's strategy, performance, and outlook going forward.

### **Strategy**

The Fund's approach to investing focuses on those companies that can be purchased at market prices below their fair value with a record of consistent, above average profit growth, strong balance sheets, sustainable competitive advantages, and capable management. The source of such growth is persistently above average profitability, which, when combined with a sensible policy relating to the payout of such profits and intelligent re-investment, results in the compounding of retained earnings and long-term growth. The Fund's investment strategy is designed to grow purchasing power in excess of inflation and outperform the general market over time while mitigating losses during periods of economic adversity.

### **Performance**

During its first twelve months ending March 31, 2015, the Fund returned 6.10% while the S&P 500 returned 12.73%, the Russell 1000 Growth returned 16.09%, and the MSCI World Index rose 6.03%

The Fund's lag in performance was the result of a few things, but primarily it was the result of the market environment in which we've been investing since our launch one year ago. The multi-trillion dollar stimulus and zero interest rate policy have fueled significant increases in asset valuations- stock prices included. These price increases are significantly outpacing the increase in earnings that these same companies are generating which results in a very expensive stock market. To illustrate how lofty today's market is, Robert Schiller's cyclically adjusted price to earnings ratio (CAPE) stands at 26.86 which is over 60% above its historical average of 16.55. The more expensive the stock market the more difficult it becomes to find great companies priced at margin of safety discounts to their fair value and hence the more difficult it becomes to deploy cash. The Fund's cash position has remained fairly constant at 43.70% and was the biggest contributor to the Fund's lag in performance vs the S&P 500, representing almost 6.00% or nearly the entire difference in performance.

### **Outlook**

Should this market continue to "melt up" with little volatility as it has done this past year, then we expect to continue to under-perform. In this scenario, stock valuations in general will continue to be expensive which will make it difficult for us to deploy cash into great businesses at margin of safety discounts. That said, we expect the stock market to exhibit higher volatility in the near term. The Federal Reserve is laying the groundwork to start increasing interest rates at an undetermined point in the near future while GDP for the first quarter was underwhelming; corporate earnings growth for the first quarter was negative against a relatively easy comparison period due to extreme weather in Q1 2014; and asset prices have outpaced fundamentals for a sustained timeframe, effectively increasing risk and decreasing potential reward. On the flip side, central banks around the world are maintaining easy monetary policy and ramping up quantitative easing (e.g., Europe and Japan). Picking a direction is anyone's best guess, but volatility is all too likely. Should we see higher volatility, then we expect to find more opportunities to invest in businesses with sustainable competitive advantages at margin of safety discounts to their intrinsic value. We believe that sticking to this discipline will allow us to execute successfully our strategy over a full market cycle.

Thank you for your confidence in our stewardship.

Graham Pierce    Doug Allison

## PORT STREET QUALITY GROWTH FUND

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Must be Preceded or Accompanied by a Prospectus

The **S&P 500 Index** is a stock market index based on the market capitalizations of 500 large companies having common stock listed on the NYSE or NASDAQ. It is not possible to invest directly in an index.

The **Russell 1000 Growth Index** is an unmanaged, capitalization-weighted index that measures the performance of those companies within the Russell 1000 Index (large-cap index) with higher price-to-book ratios and higher forecasted growth values.

The **MSCI World Index** is a stock market index of 1,612 ‘world’ stocks. It includes a collection of stocks of all developed markets in the world, as defined by MSCI.

The cyclically adjusted price to earnings ratio is a valuation measure usually applied to the US S&P 500 equity market. It is defined as price divided by the average of ten years of earnings (Moving average), adjusted for inflation.

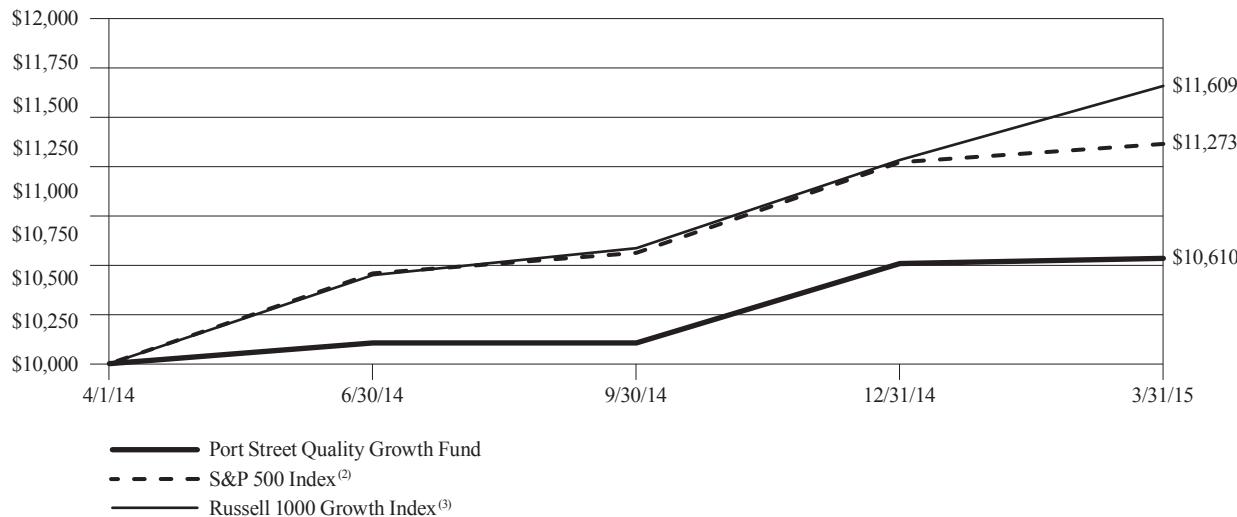
**Mutual fund investing involves risk. Principal loss is possible. Investments in small-and mid-capitalization companies involve additional risks such as limited liquidity and greater volatility than large capitalization companies. Investments in foreign securities involve greater volatility; political, economic and currency risks; and differences in accounting methods. The Fund may have a relatively high concentration of assets in a single or smaller number of securities which can result in reduced diversification and greater volatility. The Fund will bear its share of expenses and the underlying risks of investments in ETFs and other investment companies. The market price of the shares of an ETF will fluctuate based on changes in the net asset value as well as changes in the supply and demand of its shares in the secondary market. It is also possible that an active secondary market of an ETF’s shares may not develop and market trading in the shares of the ETF may be halted under certain circumstances.**

Port Street Quality Growth Fund is distributed by Quasar Distributors, LLC.

## PORT STREET QUALITY GROWTH FUND

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### VALUE OF \$10,000 INVESTMENT (UNAUDITED)



*The chart assumes an initial investment of \$10,000. Performance reflects waivers of fee and operating expenses in effect. In the absence of such waivers, total return would be reduced. Past performance is not predictive of future performance. Investment return and principal value will fluctuate, so that your shares, when redeemed may be worth more or less than their original cost. Performance assumes the reinvestment of capital gains and income distributions. The performance does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.*

### ANNUALIZED RATES OF RETURN — AS OF MARCH 31, 2015

|  | Since Inception <sup>(1)</sup> |
|--|--------------------------------|
| Port Street Quality Growth Fund          | 6.10%                          |
| S&P 500 Index <sup>(2)</sup>             | 12.73%                         |
| Russell 1000 Growth Index <sup>(3)</sup> | 16.09%                         |

<sup>(1)</sup> April 1, 2014.

<sup>(2)</sup> The S&P 500 Index is a stock market index based on the market capitalizations of 500 large companies having common stock listed on the NYSE or NASDAQ. It is not possible to invest directly in an index.

<sup>(3)</sup> The Russell 1000 Growth Index is an unmanaged, capitalization-weighted index that measures the performance of those companies within the Russell 1000 Index (large-cap index) with higher price-to-book ratios and higher forecasted growth values. It is not possible to invest directly in an index.

## PORT STREET QUALITY GROWTH FUND

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### **EXPENSE EXAMPLE (UNAUDITED) MARCH 31, 2015**

As a shareholder of the Fund, you incur ongoing costs, including management fees; service fees; and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (October 1, 2014 – March 31, 2015).

#### **ACTUAL EXPENSES**

The first line of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expense that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

#### **HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES**

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

*Please note that the expenses shown in the table are meant to highlight your ongoing costs only. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds.*

|  | <b>Beginning<br/>Account Value<br/>(10/1/2014)</b> | <b>Ending<br/>Account Value<br/>(3/31/2015)</b> | <b>Expenses Paid<br/>During Period<sup>(1)</sup><br/>(10/1/2014 to 3/31/2015)</b> |
|--|--|---|---|
| Institutional Class Actual <sup>(2)</sup>                              | \$1,000.00   | \$1,048.40                                      | \$5.87  |
| Institutional Class Hypothetical (5% annual return<br>before expenses) | 1,000.00   | 1,019.20  | 5.79  |

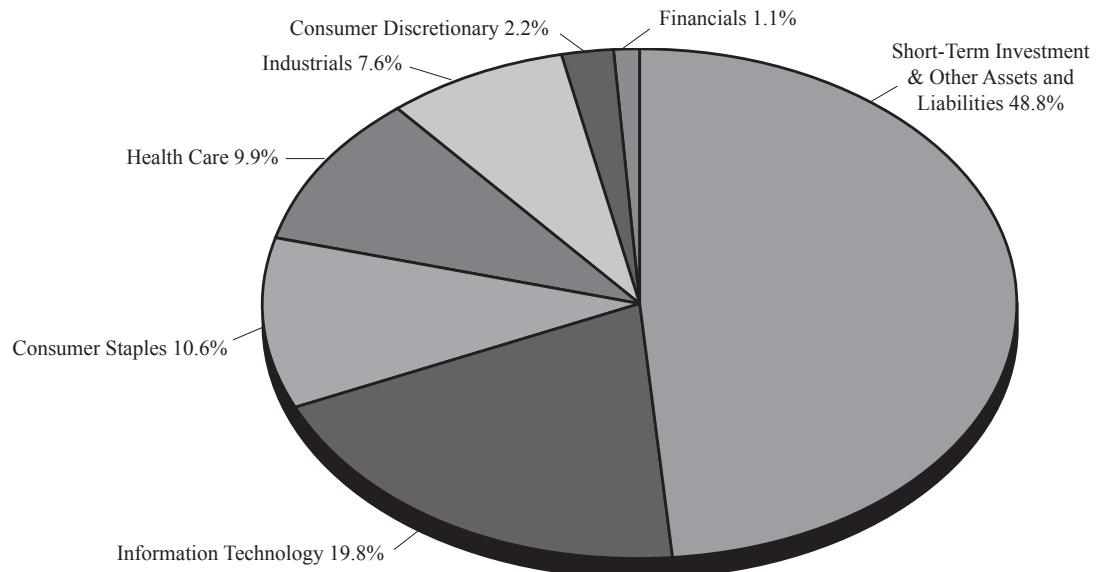
<sup>(1)</sup> Expenses are equal to the Fund’s annualized expense ratio for the most recent six-month period of 1.15%, multiplied by the average account value over the period, multiplied by 182/365 to reflect the one-half year period.

<sup>(2)</sup> Based on the actual returns for the six-month period ended March 31, 2015 of 4.84%.

## **PORT STREET QUALITY GROWTH FUND**

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### **ALLOCATION OF PORTFOLIO<sup>(1)</sup> (UNAUDITED) AS OF MARCH 31, 2015 (% OF NET ASSETS)**



### **TOP TEN EQUITY HOLDINGS<sup>(1)</sup> (UNAUDITED) AS OF MARCH 31, 2015 (% OF NET ASSETS)**

|                              |      |
|------------------------------|------|
| Microsoft Corp.              | 3.7% |
| Oracle Corp.                 | 3.7% |
| Apple, Inc.                  | 2.8% |
| United Technologies Corp.    | 2.8% |
| PepsiCo, Inc.                | 2.8% |
| Varian Medical Systems, Inc. | 2.8% |
| Sysco Corp.                  | 2.8% |
| Cisco Systems, Inc.          | 2.8% |
| Wal-Mart Stores, Inc.        | 2.6% |
| Baxter International, Inc.   | 2.6% |

<sup>(1)</sup> Fund holdings and sector allocations are subject to change at any time and are not recommendations to buy or sell any security.

## PORT STREET QUALITY GROWTH FUND

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### SCHEDULE OF INVESTMENTS MARCH 31, 2015

|  | <u>Shares</u> | <u>Value</u>     |
|--|---------------|------------------|
| <b>COMMON STOCKS — 51.2%</b>                 |               |                  |
| <b>Consumer Discretionary — 2.2%</b>         |               |                  |
| Coach, Inc.                                  | 85            | \$ 3,522         |
| McDonald's Corp.                             | 2,635         | 256,754          |
| Omnicom Group, Inc.                          | 3,200         | 249,536          |
|  |               | <b>509,812</b>   |
| <b>Consumer Staples — 10.6%</b>              |               |                  |
| Coca-Cola Co.                                | 80            | 3,244            |
| Colgate-Palmolive Co.                        | 2,900         | 201,086          |
| PepsiCo, Inc.                                | 6,800         | 650,216          |
| Procter & Gamble Co.                         | 4,200         | 344,148          |
| Sysco Corp.                                  | 17,200        | 648,956          |
| Wal-Mart Stores, Inc.                        | 7,450         | 612,763          |
|  |               | <b>2,460,413</b> |
| <b>Financials — 1.1%</b>                     |               |                  |
| Berkshire Hathaway, Inc., Class B *          | 1,800         | <b>259,776</b>   |
| <b>Health Care — 9.9%</b>                    |               |                  |
| Baxter International, Inc.                   | 8,900         | 609,650          |
| Becton, Dickinson & Co.                      | 3,500         | 502,565          |
| Medtronic                                    | 3,400         | 265,166          |
| Stryker Corp.                                | 3,000         | 276,750          |
| Varian Medical Systems, Inc. *               | 6,900         | 649,221          |
|  |               | <b>2,303,352</b> |
| <b>Industrials — 7.6%</b>                    |               |                  |
| C.H. Robinson Worldwide, Inc.                | 7,500         | 549,150          |
| Expeditors International of Washington, Inc. | 5,400         | 260,172          |
| Precision Castparts Corp.                    | 1,400         | 294,000          |
| United Technologies Corp.                    | 5,600         | 656,320          |
|  |               | <b>1,759,642</b> |

See Notes to the Financial Statements

## PORT STREET QUALITY GROWTH FUND

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### SCHEDULE OF INVESTMENTS – CONTINUED MARCH 31, 2015

|  | <u>Shares</u> | <u>Value</u>               |
|--|---------------|----------------------------|
| <b>Information Technology — 19.8%</b>                    |               |                            |
| Accenture, Class A                                       | 6,100         | \$ 571,509                 |
| Apple, Inc.  | 5,300         | 659,479                    |
| Cisco Systems, Inc.                                      | 23,500        | 646,837                    |
| Cognizant Technology Solutions Corp., Class A *          | 4,600         | 286,994                    |
| Google, Inc., Class A *                                  | 500           | 277,350                    |
| International Business Machines Corp.                    | 1,100         | 176,550                    |
| Microsoft Corp.  | 21,100        | 857,821                    |
| Oracle Corp.   | 19,800        | 854,370                    |
| Total Systems Services, Inc.                             | 7,000         | 267,050                    |
|  |               | <b><u>4,597,960</u></b>    |
| <b>Total Common Stocks</b>                               |               |                            |
| <b>(Cost \$11,513,108)</b>                               |               | <b><u>11,890,955</u></b>   |
| <br><b>SHORT-TERM INVESTMENT — 42.8%</b>                 |               |                            |
| Invesco Treasury Portfolio, Institutional Class, 0.01% ^ |               |                            |
| <b>(Cost \$9,957,994)</b>                                | 9,957,994     | <b><u>9,957,994</u></b>    |
| <br><b>Total Investments — 94.0%</b>                     |               |                            |
| <b>(Cost \$21,471,102)</b>                               |               | <b><u>21,848,949</u></b>   |
| <b>Other Assets and Liabilities, Net — 6.0%</b>          |               | <b><u>1,393,215</u></b>    |
| <br><b>Total Net Assets — 100.0%</b>                     |               | <b><u>\$23,242,164</u></b> |

\* Non-income producing security.

^ Variable Rate security — The rate shown is the rate in effect as of March 31, 2015.

See Notes to the Financial Statements

## PORT STREET QUALITY GROWTH FUND

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### STATEMENT OF ASSETS AND LIABILITIES MARCH 31, 2015

**ASSETS:**

|  |                   |
|--|-------------------|
| Investments, at value<br>(cost \$21,471,102) | \$21,848,949      |
| Dividends & interest receivable              | 21,082            |
| Receivable for capital shares sold           | 2,147,132         |
| Prepaid expenses                             | 15,355            |
| Total assets                                 | <u>24,032,518</u> |

**LIABILITIES:**

|   |                |
|---|----------------|
| Payable for investment securities purchased       | 742,718        |
| Payable to investment adviser                     | 847            |
| Payable for fund administration & accounting fees | 11,629         |
| Payable for compliance fees                       | 2,589          |
| Payable for transfer agent fees & expenses        | 4,916          |
| Payable for custody fees                          | 1,495          |
| Payable for trustee fees                          | 3,343          |
| Accrued shareholder service fees                  | 1,604          |
| Accrued other fees                                | 21,213         |
| Total liabilities                                 | <u>790,354</u> |

|                   |                             |
|-------------------|-----------------------------|
| <b>NET ASSETS</b> | <u><u>\$ 23,242,164</u></u> |
|-------------------|-----------------------------|

**NET ASSETS CONSIST OF:**

|  |                             |
|--|-----------------------------|
| Paid-in capital  | \$ 22,833,102               |
| Accumulated undistributed net investment income            | 3,959                       |
| Accumulated undistributed net realized gain on investments | 27,256                      |
| Net unrealized appreciation on investments                 | 377,847                     |
| Net Assets   | <u><u>\$ 23,242,164</u></u> |

|  |               |
|--|---------------|
| Net Assets   | \$ 23,242,164 |
| Shares issued and outstanding <sup>(1)</sup>                   | 2,191,529     |
| Net asset value, redemption price and offering price per share | \$ 10.61      |

<sup>(1)</sup>Unlimited shares authorized.

See Notes to the Financial Statements

# PORT STREET QUALITY GROWTH FUND

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## STATEMENT OF OPERATIONS FOR THE YEAR ENDED MARCH 31, 2015

### **INVESTMENT INCOME:**

|                         |               |
|-------------------------|---------------|
| Dividend income         | \$ 92,579     |
| Interest income         | 335           |
| Total investment income | <u>92,914</u> |

### **EXPENSES:**

|   |                  |
|---|------------------|
| Fund administration & accounting fees (See Note 4)              | 69,635           |
| Investment adviser fees (See Note 4)                            | 65,790           |
| Transfer agent fees & expenses (See Note 4)                     | 29,167           |
| Federal & state registration fees                               | 26,562           |
| Audit fees  | 16,004           |
| Compliance fees (See Note 4)                                    | 15,214           |
| Legal fees  | 11,619           |
| Trustee fees (See Note 4)                                       | 10,494           |
| Custody fees (See Note 4)                                       | 8,695            |
| Shareholder service fees (See Note 5)                           | 7,740            |
| Other   | 4,696            |
| Postage & printing fees   | <u>4,498</u>     |
| Total expenses before reimbursement/waiver                      | 270,114          |
| Less: reimbursement/waiver from investment adviser (See Note 4) | <u>(181,104)</u> |
| Net expenses  | <u>89,010</u>    |
| <br><b>NET INVESTMENT INCOME</b>                                | <br><u>3,904</u> |

### **REALIZED AND UNREALIZED GAIN ON INVESTMENTS:**

|  |                |
|--|----------------|
| Net realized gain on investments                     | 27,256         |
| Net change in unrealized appreciation on investments | <u>377,847</u> |
| Net realized and unrealized gain on investments      | <u>405,103</u> |

### **NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS**

**\$ 409,007**

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See Notes to the Financial Statements

## PORT STREET QUALITY GROWTH FUND

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### STATEMENT OF CHANGES IN NET ASSETS

|  | <b>Year Ended<br/>March 31, 2015</b> |
|--|--------------------------------------|
| <b>OPERATIONS:</b>   |                                      |
| Net investment income  | \$ 3,904                             |
| Net realized gain on investments   | 27,256                               |
| Net change in unrealized appreciation on investments                                 | <u>377,847</u>                       |
| Net increase in net assets resulting from operations                                 | <u>409,007</u>                       |
| <b>CAPITAL SHARE TRANSACTIONS:</b>   |                                      |
| Proceeds from shares sold  | 24,104,709                           |
| Proceeds from reinvestment of distributions  | <u>—</u>                             |
| Payments for shares redeemed   | <u>(1,271,552)</u>                   |
| Net increase in net assets resulting from capital share transactions                 | <u>22,833,157</u>                    |
| <b>DISTRIBUTIONS TO SHAREHOLDERS:</b>  |                                      |
| From net investment income   | <u>—</u>                             |
| From net realized gains  | <u>—</u>                             |
| Total distributions to shareholders  | <u>—</u>                             |
| <b>TOTAL INCREASE IN NET ASSETS</b>  | <u>23,242,164</u>                    |
| <b>NET ASSETS:</b>   |                                      |
| Beginning of period  | <u>—</u>                             |
| End of period (including accumulated undistributed net investment income of \$3,959) | <u>\$ 23,242,164</u>                 |

See Notes to the Financial Statements

## PORT STREET QUALITY GROWTH FUND

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### FINANCIAL HIGHLIGHTS

|  | <u><b>Year Ended<br/>March 31, 2015</b></u> |
|--|---|
| For a Fund share outstanding throughout the year             |   |
| <b>PER SHARE DATA:</b>                                       |   |
| Net asset value, beginning of year                           | <u>\$ 10.00</u>                             |
| Investment operations:                                       |   |
| Net investment income  | 0.00 <sup>(1)</sup>                         |
| Net realized and unrealized gain on investments              | <u>0.61</u>                                 |
| Total from investment operations                             | <u>0.61</u>                                 |
| Less distributions from:                                     |   |
| Net investment income  | —   |
| Net realized gains   | <u>—</u>                                    |
| Total distributions  | <u>—</u>                                    |
| Net asset value, end of year                                 | <u>\$10.61</u>                              |
| <b>TOTAL RETURN</b>  |   |
|  | 6.10%                                       |
| <b>SUPPLEMENTAL DATA AND RATIOS:</b>                         |   |
| Net assets, end of period (in millions)                      | \$ 23.2                                     |
| Ratio of expenses to average net assets:                     |   |
| Before expense reimbursement/waiver                          | 3.49%                                       |
| After expense reimbursement/waiver                           | 1.15%                                       |
| Ratio of net investment income (loss) to average net assets: |   |
| Before expense reimbursement/waiver                          | (2.29)%                                     |
| After expense reimbursement/waiver                           | 0.05%                                       |
| Portfolio turnover rate                                      | 13 %  |

<sup>(1)</sup>Amount per share is less than \$0.005.

See Notes to the Financial Statements

# **PORT STREET QUALITY GROWTH FUND**

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## **NOTES TO FINANCIAL STATEMENTS MARCH 31, 2015**

### **1. ORGANIZATION**

Managed Portfolio Series (the “Trust”) was organized as a Delaware statutory trust under a Declaration of Trust dated January 27, 2011. The Trust is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company. The Port Street Quality Growth Fund (the “Fund”) is a diversified series with its own investment objectives and policies within the Trust. The investment objective of the Fund is to seek total return. The Fund commenced operations on April 1, 2014. Costs incurred by the Fund in connection with the organization, registration, and initial public offering of shares were paid by Port Street Investments, LLC (the “Adviser”). The Fund currently offers an Institutional Class. Institutional Class shares are subject to a 0.10% shareholder servicing fee. The Fund may issue an unlimited number of shares of beneficial interest, with no par value.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

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

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

*Federal Income Taxes* — The Fund complies with the requirements of Subchapter M of the Internal Revenue Code of 1986, as amended, necessary to qualify as a regulated investment company and distributes substantially all net taxable investment income and net realized gains to shareholders in a manner which results in no tax cost to the Fund. Therefore, no federal income or excise tax provision is required. As of and during the year ended March 31, 2015, the Fund did not have any tax positions that did not meet the “more-likely-than-not” threshold of being sustained by the applicable tax authority. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits on uncertain tax positions as income tax expense in the statement of operations. During the year ended March 31, 2015, the Fund did not incur any interest or penalties. The Fund is subject to examination by U.S. taxing authorities for the tax periods since the commencement of operations.

*Security Transactions, Income and Distributions* — The Fund follows industry practice and records security transactions on the trade date. Realized gains and losses on sales of securities are calculated on the basis of identified cost. Dividend income is recorded on the ex-dividend date and interest income is recorded on an accrual basis. Withholding taxes on foreign dividends have been provided for in accordance with the Fund’s understanding of the applicable country’s tax rules and regulations.

The Fund distributes substantially all net investment income, if any, and net realized capital gains, if any, annually. Distributions to shareholders are recorded on the ex-dividend date. The treatment for financial reporting purposes of distributions made to shareholders during the year from net investment income or net realized capital gains may differ from their treatment for federal income tax purposes. These differences are caused primarily by differences in the timing of the recognition of certain components of income, expense or realized capital gain for federal income tax purposes. Where such differences are permanent in nature, GAAP requires that they be reclassified in the components of the net assets based on their ultimate

# PORT STREET QUALITY GROWTH FUND

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## NOTES TO FINANCIAL STATEMENTS – CONTINUED MARCH 31, 2015

characterization for federal income tax purposes. Any such reclassifications will have no effect on net assets, results of operations or net asset values per share of the Fund. For the year ended March 31, 2015, the Fund increased accumulated undistributed net investment income by \$55 and decreased paid-in capital by \$55.

*Expenses* — Expenses associated with a specific fund in the Trust are charged to that fund. Common expenses are allocated evenly between funds of the Trust, or by other equitable means.

*Use of Estimates* — The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### **3. SECURITIES VALUATION**

The Fund has adopted authoritative fair value accounting standards which establish an authoritative definition of fair value and set out a hierarchy for measuring fair value. These standards require additional disclosures about the various inputs and valuation techniques used to develop the measurements of fair value, a discussion in changes in valuation techniques and related inputs during the period and expanded disclosure of valuation levels for major security types. These inputs are summarized in the three broad levels listed below:

Level 1 — Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.

Level 2 — Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 — Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

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

*Equity Securities* — Securities that are primarily traded on a national securities exchange shall be valued at the last sale price on the exchange on which they are primarily traded on the day of valuation or, if there has been no sale on such day, at the mean between the bid and ask prices. Securities traded primarily in the Nasdaq Global Market System for which market quotations are readily available shall be valued using the Nasdaq Official Closing Price ("NOCP"). If the NOCP is not available, such securities shall be valued at the last sale price on the day of valuation, or if there has been no sale on such day, at the mean between the bid and ask prices. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy.

# PORT STREET QUALITY GROWTH FUND

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## NOTES TO FINANCIAL STATEMENTS – CONTINUED MARCH 31, 2015

*Mutual Funds* — Investments in other mutual funds, including money market funds, are valued at their net asset value per share and are categorized in Level 1 of the fair value hierarchy.

Securities for which market quotations are not readily available, or if the closing price does not represent fair value, are valued following procedures approved by the Board of Trustees. These procedures consider many factors, including the type of security, size of holding, trading volume and news events. There can be no assurance that the Fund could obtain the fair value assigned to a security if they were to sell the security at approximately the time at which the Fund determines their net asset values per share. The Board of Trustees has established a Valuation Committee to administer, implement, and oversee the fair valuation process, and to make fair value decisions when necessary. The Board of Trustees regularly reviews reports that describe any fair value determinations and methods.

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities. The following is a summary of the inputs used to value the Fund's securities as of March 31, 2015:

|  | <b>Level 1</b>       | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>         |
|--|----------------------|----------------|----------------|----------------------|
| Common Stocks                          | \$ 11,890,955        | \$ —           | \$ —           | \$ 11,890,955        |
| Short-Term Investment                  | 9,957,994            | —              | —              | 9,957,994            |
| <b>Total Investments in Securities</b> | <b>\$ 21,848,949</b> | <b>\$ —</b>    | <b>\$ —</b>    | <b>\$ 21,848,949</b> |

Transfers between levels are recognized at the end of the reporting period. During the year ended March 31, 2015, the Fund recognized no transfers to/from Level 1 or Level 2. The Fund did not invest in any Level 3 investments during the period. Refer to the Schedule of Investments for further information on the classification of investments.

## **4. INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES**

The Trust has an agreement with the Adviser to furnish investment advisory services to the Fund. Pursuant to an Investment Advisory Agreement between the Trust and the Adviser, the Adviser is entitled to receive, on a monthly basis, an annual advisory fee equal to 0.85% on the first \$100 million of assets, 0.80% on the next \$150 million of assets, 0.75% on the next \$500 million of assets, and 0.70% on assets over \$750 million.

The Adviser has engaged Saratoga Research & Investment Management (the "Sub-Adviser") as the Sub-Adviser to the Fund. Subject to the supervision of the Adviser, the Sub-Adviser is primarily responsible for the day-to-day management of the Fund's portfolio, including purchase, retention and sale of securities. Pursuant to a Sub-Advisory Agreement, the Adviser pays the Sub-Adviser, on a quarterly basis, a sub-advisory fee based on the Fund's average net assets at month-end at an annual rate of 0.20% on the first \$100 million of assets, 0.30% on the next \$400 million, and 0.35% on assets over \$500 million.

The Fund's Adviser has contractually agreed to waive a portion or all of its management fees and/or reimburse the Fund for its expenses to ensure that total annual operating expenses (excluding acquired fund fees and expenses, leverage, interest, taxes, brokerage commissions and extraordinary expenses) for the Fund do not exceed 1.15% of the average daily net assets. Expenses reimbursed and/or fees reduced by the

## PORT STREET QUALITY GROWTH FUND

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### NOTES TO FINANCIAL STATEMENTS – CONTINUED MARCH 31, 2015

Adviser may be recouped by the Adviser for a period of three fiscal years following the fiscal year during which such reimbursement or reduction was made if such recoupment can be achieved without exceeding the expense limit in effect at the time the waiver and/or reimbursement occurred. The Operating Expense Limitation Agreement will be in effect through at least March 31, 2016. Waived and/or reimbursed fees and expenses subject to potential recovery by year of expiration are as follows:

| <b>Expiration</b> | <b>Amount</b> |
|-------------------|---------------|
| 3/31/2018         | \$181,104     |

U.S. Bancorp Fund Services, LLC (“USBFS” or the “Administrator”) acts as the Fund’s Administrator, Transfer Agent, and Fund Accountant. U.S. Bank, N.A. (the “Custodian”) serves as the custodian to the Fund. The Custodian is an affiliate of the Administrator. The Administrator performs various administrative and accounting services for the Fund. The Administrator prepares various federal and state regulatory filings, reports and returns for the Fund; prepares reports and materials to be supplied to the Trustees; monitors the activities of the Fund’s custodian; coordinates the payment of the Fund’s expenses and reviews the Fund’s expense accruals. The officers of the Trust and the Chief Compliance Officer are employees of the Administrator. A Trustee of the Trust is an officer of the Administrator. As compensation for its services, the Administrator is entitled to a monthly fee at an annual rate based upon the average daily net assets of the Fund, subject to annual minimums. Fees paid by the Fund for administration and accounting, transfer agency, custody and chief compliance officer services for the year ended March 31, 2015 are disclosed in the Statement of Operations.

Quasar Distributors, LLC (the “Distributor”) acts as the Fund’s principal underwriter in a continuous public offering of the Fund’s shares. The Distributor is an affiliate of the Administrator. A Trustee of the Trust is an interested person of the Distributor.

### **5. SHAREHOLDER SERVICING FEES**

The Fund has entered into a shareholder servicing agreement (the “Agreement”) with the Adviser, under which the Fund may pay a servicing fee at an annual rate of 0.10% of the average daily net assets of the Institutional Class. Payments to the Adviser under the Agreement may reimburse the Adviser for payments it makes to selected brokers, dealers and administrators which have entered into service agreements with the Adviser for services provided to shareholders of the Fund. The services provided by such intermediaries are primarily designed to assist shareholders of the Fund and include the furnishing of office space and equipment, telephone facilities, personnel and assistance to the Fund in servicing such shareholders. Services provided by such intermediaries also include the provision of support services to the Fund and includes establishing and maintaining shareholders’ accounts and record processing, purchase and redemption transactions, answering routine client inquiries regarding the Fund, and providing such other personal services to shareholders as the Fund may reasonably request. For the year ended March 31, 2015, the Fund incurred \$7,740 in shareholder servicing fees under the Agreement.

# PORT STREET QUALITY GROWTH FUND

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## NOTES TO FINANCIAL STATEMENTS – CONTINUED MARCH 31, 2015

### **6. CAPITAL SHARE TRANSACTIONS**

Transactions in shares of the Fund were as follows:

|   | <b>Year Ended<br/>March 31, 2015</b> |
|---|--------------------------------------|
| Shares sold   | 2,314,134                            |
| Shares issued to holders in reinvestment of dividends | —                                    |
| Shares redeemed                                       | <u>(122,605)</u>                     |
| Net increase in shares outstanding                    | <u>2,191,529</u>                     |

### **7. INVESTMENT TRANSACTIONS**

The aggregate purchases and sales, excluding short-term investments, by the Fund for the year ended March 31, 2015, were as follows:

|                 | <b>Purchases</b> | <b>Sales</b> |
|-----------------|------------------|--------------|
| U.S. Government | \$ —             | \$ —         |
| Other           | \$ 12,090,675    | \$ 604,823   |

### **8. FEDERAL TAX INFORMATION**

The aggregate gross unrealized appreciation and depreciation of securities held by the Fund and the total cost of securities for federal income tax purposes at March 31, 2015, were as follows:

| <b>Aggregate Gross<br/>Appreciation</b> | <b>Aggregate Gross<br/>Depreciation</b> | <b>Net<br/>Appreciation</b> | <b>Federal Income<br/>Tax Cost</b> |
|---|---|-----------------------------|------------------------------------|
| \$614,750                               | \$(247,685)                             | \$367,065                   | \$21,481,884                       |

The difference between book-basis and tax-basis unrealized appreciation is attributable primarily to the differences in tax treatment of wash sales.

At March, 2015, components of accumulated earnings on a tax-basis were as follows:

| <b>Undistributed<br/>Ordinary Income</b> | <b>Unrealized<br/>Appreciation</b> | <b>Total Accumulated<br/>Earnings</b> |
|--|------------------------------------|---------------------------------------|
| \$41,997                                 | \$367,065                          | \$409,062                             |

As of March 31, 2015, the Fund did not have any capital loss carryovers. A regulated investment company may elect for any taxable year to treat any portion of any qualified late year loss as arising on the first day of the next taxable year. Qualified late year losses are certain capital, and ordinary losses which occur during the portion of the Fund's taxable year subsequent to October 31. For the taxable year ended March 31, 2015, the Fund did not defer any qualified late year losses.

There were no distributions made by the Fund for the year ended March 31, 2015.

### **9. CONTROL OWNERSHIP**

The beneficial ownership, either directly or indirectly, of more than 25% of the voting securities of a fund creates a presumption of control of the fund, under Section 2(a)(9) of the Investment Company Act of 1940. As of March 31, 2015, Charles Schwab & Co., Inc., for the benefit of its customers, owned 71.84% of the outstanding shares of the Fund.

## PORT STREET QUALITY GROWTH FUND

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### REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of Port Street Quality Growth Fund and  
Board of Trustees of Managed Portfolio Series

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Port Street Quality Growth Fund, a series of Managed Portfolio Series (the "Fund"), as of March 31, 2015, and the related statements of operations and changes in net assets, and financial highlights for the year ended March 31, 2015. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of March 31, 2015, by correspondence with the custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Port Street Quality Growth Fund as of March 31, 2015, and the results of its operations, changes in net assets, and financial highlights for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

*Cohen Fund Audit Services*

COHEN FUND AUDIT SERVICES, LTD.  
Cleveland, Ohio  
May 28, 2015

## **PORT STREET QUALITY GROWTH FUND**

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### **ADDITIONAL INFORMATION (UNAUDITED) MARCH 31, 2015**

#### **APPROVAL OF INVESTMENT ADVISORY AGREEMENT PORT STREET INVESTMENTS, LLC**

#### **APPROVAL OF INVESTMENT SUB-ADVISORY AGREEMENT SARATOGA RESEARCH & INVESTMENT MANAGEMENT**

At the regular meeting of the Board of Trustees of Managed Portfolio Series (“Trust”) on February 17-18, 2015, the Trust’s Board of Trustees (“Board”), including all of the Trustees present in person who are not “interested persons” of the Trust, as that term is defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended (“Independent Trustees”), considered and approved the continuation of the Investment Advisory Agreement between the Trust and Port Street Investments, LLC (“Port Street” or “Adviser”) regarding the Port Street Quality Growth Fund (the “Fund”) (the “Investment Advisory Agreement”) and the Investment Sub-Advisory Agreement between Port Street and Saratoga Research & Investment Management (“Saratoga” or “Sub-Adviser”) regarding the Fund (the “Investment Sub-Advisory Agreement”) for another annual term.

Prior to the meeting and at a meeting held on January 8, 2015, the Trustees received and considered information from Port Street, Saratoga and the Trust’s administrator designed to provide the Trustees with the information necessary to evaluate the continuance of the Investment Advisory Agreement and the Investment Sub-Advisory Agreement (“Support Materials”). Before voting to approve the continuance of the Investment Advisory Agreement and Investment Sub-Advisory Agreement, the Trustees reviewed the Support Materials with Trust management and with counsel to the Independent Trustees, and received a memorandum from such counsel discussing the legal standards for the Trustees’ consideration of the renewal of the Investment Advisory Agreement and Investment Sub-Advisory Agreement. This information, together with the information provided to the Board throughout the course of the year, formed the primary (but not exclusive) basis for the Board’s determinations.

In determining whether to continue the Investment Advisory Agreement and the Investment Sub-Advisory Agreement, the Trustees considered all factors they believed relevant, including the following: (1) the nature, extent, and quality of the services provided by Port Street and Saratoga with respect to the Fund; (2) the cost of the services provided and the profits realized by Port Street and Saratoga from services rendered to the Trust with respect to the Fund; (3) comparative fee and expense data for the Fund and other investment companies with similar investment objectives; (4) the extent to which economies of scale may be realized as the Fund grows, and whether the advisory fee for the Fund reflects such economies of scale for the Fund’s benefit; and (5) other financial benefits to Port Street and Saratoga resulting from services rendered to the Fund. In their deliberations, the Trustees did not identify any particular information that was all-important or controlling.

Based upon the information provided to the Board throughout the course of the year, including an in-person presentation by representatives from Port Street and the Support Materials, the Board concluded that the overall arrangements between the Trust and Port Street as set forth in the Investment Advisory Agreement and between Port Street and Saratoga as set forth in the Investment Sub-Advisory Agreement, as each agreement relates to the Fund, continue to be fair and reasonable in light of the services that Port Street and Saratoga perform, the investment advisory fees that each receives for such services, and such other matters

## PORT STREET QUALITY GROWTH FUND

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### **ADDITIONAL INFORMATION (UNAUDITED) – CONTINUED MARCH 31, 2015**

as the Trustees considered relevant in the exercise of their reasonable business judgment. The material factors and conclusions that formed the basis of the Trustees' determination to approve the continuation of the Investment Advisory Agreement and the Investment Sub-Advisory Agreement, as each relates to the Fund, are summarized below.

**Nature, Extent and Quality of Services Provided.** The Trustees considered the scope of services that Port Street provides under the Investment Advisory Agreement, noting that such services and responsibilities differ from those of the Sub-Adviser, and include but are not limited to the following: (1) providing overall supervisory responsibility for the general management and investment of the Fund's securities portfolio, including through the use of a sub-adviser; (2) investing or overseeing the investment of the Fund's assets consistent with the Fund's investment objective and investment policies; (3) allocating most Fund assets to the Sub-Adviser for investment, overseeing the Sub-Adviser, and evaluating the Sub-Adviser's performance results; (4) directly managing the portion of the Fund's assets that the Adviser determines not to allocate to the Sub-Adviser and, with respect to such portion, determining or overseeing the portfolio securities to be purchased, sold or otherwise disposed of and timing of such transactions; (5) voting or overseeing the voting of all proxies with respect to the Fund's portfolio securities; (6) maintaining or overseeing the maintenance of the required books and records for transactions that Port Street and/or Saratoga effected on behalf of the Fund; and (7) selecting or overseeing the selection of broker-dealers to execute orders on behalf of the Fund. The Trustees considered that Port Street is under common control with Beacon Pointe Advisors, LLC, a registered investment adviser with over \$6.2 billion in assets under management ("Beacon Pointe"), and that Port Street's parent company has provided resources to Port Street. The Trustees also considered the investment philosophy of Port Street's portfolio managers and their investment industry experience, including, through their roles at Beacon Pointe, providing due diligence on numerous investment advisers, recommending investment advisers to clients, and overseeing the investment performance of such investment advisers. In addition, the Trustees considered the Fund's performance through December 31, 2014, noting that while the Fund has underperformed its benchmark since inception, the Fund had achieved positive returns during its limited operations, and further noting that it is difficult to make meaningful comparisons with short-term results. The Trustees concluded that they were satisfied with the nature, extent and quality of services that Port Street provides to the Fund under the Investment Advisory Agreement.

Similar to the review of Port Street, the Trustees considered the scope of distinct services that Saratoga provides under the Investment Sub-Advisory Agreement with respect to the Fund, noting that such services include but are not limited to the following: (1) investing the assets of the Fund consistent with its investment objective and investment policies; (2) for the portion of the portfolio that the Adviser allocates to it, and subject to the Adviser's oversight, determining the portfolio securities to be purchased, sold or otherwise disposed of and the timing of such transactions; (3) subject to the Adviser's oversight, voting all proxies with respect to the Fund's portfolio securities for the portion of the portfolio that the Adviser allocated to the Sub-Adviser; (4) maintaining the required books and records for transactions Saratoga effected on behalf of the Fund; and (5) selecting broker-dealers to execute orders on behalf of the Fund. The Trustees considered Saratoga's assets under management, the investment performance of a composite of accounts that Saratoga advises with similar investment strategies to that of the Fund, and the long-term relationship between Beacon Pointe and Saratoga. The Trustees noted the investment philosophy of Saratoga's portfolio manager and his significant investment and portfolio management experience. The Trustees concluded that they were satisfied with the nature, extent and quality of services that Saratoga provides to the Fund under the Investment Sub-Advisory Agreement.

## PORT STREET QUALITY GROWTH FUND

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### **ADDITIONAL INFORMATION (UNAUDITED) – CONTINUED MARCH 31, 2015**

**Cost of Advisory Services and Profitability.** The Trustees considered the annual management fee that the Fund pays to Port Street under the Investment Advisory Agreement, as well as Port Street's profitability analysis (3 month pro-forma) for services that Port Street rendered to the Fund for the 3 months ending June 30, 2014. In this regard, the Trustees noted that Port Street subsidizes any distribution services rendered to the Fund and the cost of all shareholder services (other than transfer agency fees) which exceed the projected shareholder service fees payable by the Fund. The Trustees also noted that Port Street had contractually agreed to reduce its management fee and, if necessary, reimburse the Fund for its operating expenses, as specified in the Fund's prospectus. The Trustees concluded that Port Street's service relationship with the Fund has not been profitable.

The Trustees also considered the annual sub-advisory fee that Port Street pays to Saratoga under the Investment Sub-Advisory Agreement. The Trustees noted that the management fees Saratoga charges to separately managed accounts with similar investment strategies and similar asset levels to those of the Fund are generally higher than the sub-advisory fee for the Fund. With respect to profitability, the Trustees considered that Port Street compensates Saratoga from its fee. The Trustees concluded that Saratoga's service relationship with Port Street with respect to the Fund provides a reasonable profit.

**Comparative Fee and Expense Data.** The Trustees considered a comparative analysis of contractual expenses borne by the Fund and those of funds in the same Morningstar benchmark category. The Trustees noted that the Fund's management fee was higher than the average management fees reported for the benchmark category. They also considered that the total expenses of the Fund (after waivers and expense reimbursements) were slightly higher than the average total expenses reported for the benchmark category, but that the average net assets of funds comprising the benchmark category were significantly higher than the assets of the Fund. While recognizing that it is difficult to compare advisory fees because the scope of advisory services provided may vary from one investment adviser to another, the Trustees concluded that Port Street's advisory fee and the portion of such fee that it allocates to Saratoga continues to be reasonable.

**Economies of Scale.** The Trustees considered whether the Fund would benefit from any economies of scale and noted that the investment advisory fee for the Fund contains breakpoints. The Trustees noted that Port Street anticipates realizing certain economies of scale if Fund assets should increase materially from current levels and that the breakpoint structure of the investment advisory fee will share such economies with shareholders. The Trustees noted the fact that the Fund's assets are too low to consider whether the current breakpoint structure is appropriate at the present time, agreed to revisit the issue in the future as circumstances change and asset levels increase.

**Other Benefits.** The Trustees noted that neither Port Street nor Saratoga utilizes soft dollar arrangements with respect to portfolio transactions or has affiliated brokers to execute the Fund's portfolio transactions. The Trustees concluded that Port Street and Saratoga will not receive any other material financial benefits from services rendered to the Fund.

# PORT STREET QUALITY GROWTH FUND

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## ADDITIONAL INFORMATION (UNAUDITED) MARCH 31, 2015

### TRUSTEES AND OFFICERS

| Name, Address and Age   | Position(s) Held with the Trust | Term of Office and Length of Time Served | Number of Portfolios in Trust Overseen by Trustee | Principal Occupation(s) During the Past Five Years  | Other Directorships Held by Trustee During the Past Five Years   |
|---|---------------------------------|--|---|---|--|
| <b>Independent Trustees</b>   |                                 |  |   |   |  |
| Roel C. Campos, Esq.<br>615 E. Michigan St.<br>Milwaukee, WI 53202<br>Age: 66 | Trustee                         | Indefinite Term;<br>Since April 2011     | 26  | Partner, Locke Lord LLP (a law firm) (2011-present); Partner, Cooley LLP (a law firm) (2007-2011); Commissioner, U.S. Securities and Exchange Commission (2002-2007). | Director, WellCare Health Plans, Inc. (2013-Present); Director, Regional Management Corp. (2012-Present).                      |
| David A. Massart<br>615 E. Michigan St.<br>Milwaukee, WI 53202<br>Age: 47     | Trustee                         | Indefinite Term;<br>Since April 2011     | 26  | Co-Founder and Chief Investment Strategist, Next Generation Wealth Management, Inc. (2005-present).   | Independent Trustee, ETF Series Solutions (8 Portfolios) (2012-Present).   |
| Leonard M. Rush, CPA<br>615 E. Michigan St.<br>Milwaukee, WI 53202<br>Age: 69 | Trustee                         | Indefinite Term;<br>Since April 2011     | 26  | Chief Financial Officer, Robert W. Baird & Co. Incorporated, (2000-2011).   | Independent Trustee, ETF Series Solutions (8 Portfolios) (2012-Present); Director, Anchor Bancorp Wisconsin, Inc. (2011-2013). |
| David M. Swanson<br>615 E. Michigan St.<br>Milwaukee, WI 53202<br>Age: 58     | Trustee                         | Indefinite Term;<br>Since April 2011     | 26  | Founder and Managing Principal, SwanDog Strategic Marketing, LLC (2006-present); Executive Vice President, Calamos Investments (2004-2006).                           | Independent Trustee, ALPS Variable Insurance Trust (9 Portfolios) (2006-Present)   |
| <b>Interested Trustee</b>   |                                 |  |   |   |  |
| Robert J. Kern*<br>615 E. Michigan St.<br>Milwaukee, WI 53202<br>Age: 56      | Chairman,<br>and Trustee        | Indefinite Term;<br>Since January 2011   | 26  | Executive Vice President, U.S. Bancorp Fund Services, LLC (1994-present).   | None   |

## PORT STREET QUALITY GROWTH FUND

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### ADDITIONAL INFORMATION (UNAUDITED) – CONTINUED MARCH 31, 2015

#### TRUSTEES AND OFFICERS

| Name, Address and Age   | Position(s) Held with the Trust  | Term of Office and Length of Time Served | Number of Portfolios in Trust Overseen by Trustee | Principal Occupation(s) During the Past Five Years   | Other Directorships Held by Trustee During the Past Five Years |
|---|--|--|---|--|--|
| <b>Officers</b>   |  |  |   |  |  |
| James R. Arnold<br>615 E. Michigan St.<br>Milwaukee, WI 53202<br>Age: 57        | President and Principal Executive Officer                                  | Indefinite Term, Since January 2011      | N/A   | Senior Vice President, U.S. Bancorp Fund Services, LLC (2002-present).   | N/A  |
| Deborah Ward<br>615 E. Michigan St.<br>Milwaukee, WI 53202<br>Age: 48           | Vice President, Chief Compliance Officer and Anti-Money Laundering Officer | Indefinite Term; Since April 2013        | N/A   | Senior Vice President, U.S. Bancorp Fund Services, LLC (2004-present).   | N/A  |
| Brian R. Wiedmeyer<br>615 E. Michigan St.<br>Milwaukee, WI 53202<br>Age: 42     | Treasurer and Principal Financial Officer                                  | Indefinite Term; Since January 2011      | N/A   | Vice President, U.S. Bancorp Fund Services, LLC (2005-present).  | N/A  |
| Angela L. Pingel, Esq.<br>615 E. Michigan St.<br>Milwaukee, WI 53202<br>Age: 44 | Secretary  | Indefinite Term; Since January 2011      | N/A   | Vice President and Counsel, U.S. Bancorp Fund Services, LLC (2011-present); Vice President and Securities Counsel, Marshall & Ilsley Trust Company N.A. (2007-2010); | N/A  |
| Ryan L. Roell<br>615 E. Michigan St.<br>Milwaukee, WI 53202<br>Age: 41          | Assistant Treasurer  | Indefinite Term; Since September 2012    | N/A   | Assistant Vice President, U.S. Bancorp Fund Services, LLC (2005-present)   | N/A  |

\* Mr. Kern is an “interested person” of the Trust as defined by the 1940 Act by virtue of the fact that he is an interested person of Quasar Distributors, LLC, the Fund’s principal underwriter.

## **PORT STREET QUALITY GROWTH FUND**

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### **ADDITIONAL INFORMATION (UNAUDITED) MARCH 31, 2015**

#### **AVAILABILITY OF FUND PORTFOLIO INFORMATION**

The Fund files complete schedules of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q, which is available on the SEC's website at [www.sec.gov](http://www.sec.gov). The Fund's Form N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. For information on the Public Reference Room call 1-800-SEC-0330. In addition, the Fund's Form N-Q is available without charge upon request by calling 1-855-369-6220.

#### **AVAILABILITY OF PROXY VOTING INFORMATION**

A description of the Fund's Proxy Voting Policies and Procedures is available without charge, upon request, by calling 1-855-369-6220. Information regarding how the Funds voted proxies relating to portfolio securities during the most recent 12 month period ended June 30, is available (1) without charge, upon request, by calling 1-855-369-6220, or (2) on the SEC's website at [www.sec.gov](http://www.sec.gov).

#### **QUALIFIED DIVIDEND INCOME/DIVIDENDS RECEIVED DEDUCTION**

For the fiscal year ended March 31, 2015, certain dividends paid by the Fund may be subject to a maximum tax rate of 15%, as provided for by the Jobs and Growth Tax Relief Reconciliation Act of 2003. The percentage of dividends declared from ordinary income designated as qualified dividend income was 0.00% for the Fund.

For corporate shareholders, the percent of ordinary income distributions qualifying for the corporate dividends received deduction for the fiscal year ended March 31, 2015 was 0.00% for the Fund.

The percentage of taxable ordinary income distributions that are designated as short-term capital gain distributions under Internal Revenue Section 871 (k)(2)(c) was 0.00%.

## **PORT STREET QUALITY GROWTH FUND**

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### **PRIVACY NOTICE – (UNAUDITED)**

The Fund collects only relevant information about you that the law allows or requires it to have in order to conduct its business and properly service you. The Fund collects financial and personal information about you (“Personal Information”) directly (e.g., information on account applications and other forms, such as your name, address, and social security number, and information provided to access account information or conduct account transactions online, such as password, account number, e-mail address, and alternate telephone number), and indirectly (e.g., information about your transactions with us, such as transaction amounts, account balance and account holdings).

**The Fund does not disclose any non-public personal information about its shareholders or former shareholders other than for everyday business purposes such as to process a transaction, service an account, respond to court orders and legal investigations or as otherwise permitted by law. Third parties that may receive this information include companies that provide transfer agency, technology and administrative services to the Fund, as well as the Fund’s investment adviser who is an affiliate of the Fund. If you maintain a retirement/educational custodial account directly with the Fund, we may also disclose your Personal Information to the custodian for that account for shareholder servicing purposes. The Fund limits access to your Personal Information provided to unaffiliated third parties to information necessary to carry out their assigned responsibilities to the Fund. All shareholder records will be disposed of in accordance with applicable law. The Fund maintains physical, electronic and procedural safeguards to protect your Personal Information and requires its third party service providers with access to such information to treat your Personal Information with the same high degree of confidentiality.**

**In the event that you hold shares of the Fund through a financial intermediary, including, but not limited to, a broker-dealer, credit union, bank or trust company, the privacy policy of your financial intermediary governs how your non-public personal information is shared with unaffiliated third parties.**

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**INVESTMENT ADVISER**  
Port Street Investments, LLC  
24 Corporate Plaza, Suite 150  
Newport Beach, CA 92660

**INVESTMENT SUB-ADVISER**  
Saratoga Research & Investment Management  
14471 Big Basin Way, Suite E  
Saratoga, CA 95070

**DISTRIBUTOR**  
Quasar Distributors, LLC  
615 East Michigan Street  
Milwaukee, WI 53202

**CUSTODIAN**  
U.S. Bank, N.A.  
1555 North Rivercenter Drive  
Milwaukee, WI 53212

**ADMINISTRATOR, FUND ACCOUNTANT  
AND TRANSFER AGENT**  
U.S. Bancorp Fund Services, LLC  
615 E. Michigan Street  
Milwaukee, WI 53202

**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**  
Cohen Fund Audit Services, Ltd.  
1350 Euclid Avenue, Suite 800  
Cleveland, OH 44115

**LEGAL COUNSEL**  
Bernstein, Shur, Sawyer & Nelson, P.A.  
100 Middle Street  
Portland, ME 04104

*This report should be accompanied or preceded by a prospectus.*

*The Fund's Statement of Additional Information contains additional information about the Fund's trustees and is available without charge upon request by calling 1-855-369-6220.*