



AASGARD

DIVIDEND GROWTH
SMALL & MID CAP

Annual Report

March 31, 2019

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Fund's shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports from the Fund (defined herein) or from your financial intermediary, such as a broker-dealer or bank. Instead, the reports will be made available on a website, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Fund or your financial intermediary electronically through the Fund's website.

You may elect to receive all future reports in paper free of charge. You can inform the Fund or your financial intermediary that you wish to continue receiving paper copies of your shareholder reports. Your election to receive reports in paper will apply to all funds held within the fund complex and may apply to all funds held through your financial intermediary.

AASGARD DIVIDEND GROWTH SMALL & MID-CAP FUND

March 31, 2019

Dear Fellow Shareholders:

Results

The Aasgard Dividend Growth Small & Mid-Cap Fund's ("AADGX" or the "Fund") strategy ended the quarter up 10.56% on a net basis. This result lagged the return of our primary benchmark, the S&P MidCap 400® Index (the "Index") of 14.49%. Over the past fiscal year, the Fund has outperformed the Index, up 4.69% vs. 2.59% for the Index. 2018 was an excellent test of the efficacy of our strategy. The fourth quarter's significant sell-off allowed the Fund to generate outperformance by drawing down less than our benchmark. Our strategy is broadly diversified across industries, owns companies that exhibit stable earnings growth, strong balance sheets, and consistently rising dividend payments relative to their peers. The strategy has shown robust returns and continued to perform to expectations.

Market & Economic Review

2018 was a very volatile year for the stock market. A sharp contrast to 2017, which was characterized by low volatility and strong price appreciation. In 2018 early euphoria over the newly passed tax reform quickly faded on trade concerns and higher interest rates. After a sharp correction in February 2018, the market rallied in fits and starts through September. Throughout the year, earnings growth was very strong. Tax reform had cut the corporate tax rate to 21% from 35%. Revenue growth was also very strong throughout the year. Despite strong earnings and revenue growth, the market dropped dramatically in the fourth quarter of 2018. Combined fears over rising interest rates, tariff escalation, and a potential government shutdown drove investors out of the market. The S&P 500® Index dropped nearly 20% between September 20th and December 24th, 2018. The first quarter of 2019 saw the market rally strongly from the lows, enthusiasm returned to the market as one-by-one the factors that drove the downside ebbed away.

Investment Activity

While the market improved in Q2 2018, some segments wallowed. Banks, financials, and industrials were stymied by tariffs and stubbornly low interest rates. During Q2 we took losses on SEI (SEIC), Washington Federal (WAFD) which were replaced by Zion Bank (ZION) and Bank of the Ozark (OZRK). Manpower (MAN) was sold on a lower than expected profit environment. Standard Auto Parts was hurt by the tariff uncertainty. JB Hunt (JBHT) and Vail Resorts (MTN) were purchased as replacements.

In Q3 2018 we only made one trade, we sold Bank of the Ozark in late August and purchased Old Republic Intl., an insurance company, to replace it.

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In Q4 2018 we saw a very sharp correction in October, during which companies of all types sold off. We noted as the year went by that the companies that appreciated the most were primarily in the non-earnings category. Over 30% of the companies in the Russell 2000 Index were not generating annual profits. When the correction occurred, these companies fell the most. Fortunately, all the companies in the portfolio have been profitable over the past fiscal year. When stocks began rebounding in the final days of December and throughout January those companies that had fallen the most had rebounded the strongest. We note that software and biotech companies have rallied very strongly in January 2019.

We made a significant rebalance of holdings in January. The strategy seeks to be sector neutral relative to our benchmark. In 2018 GICS added a new sector, Communications. The rebalancing of the sectors gave rise to a re-weighting of existing sectors in the portfolio. Further, many of our most successful holdings had grown too large to continue holding, well over our \$15 billion market capitalization ceiling. Additionally, many positions had declined in value significantly, leading to tax loss harvesting sales and replacements. In total, 18 companies were sold and replaced in January. The portfolio now more closely resembles our idealized factor exposure by: market cap, earnings and revenue growth, dividend yield, quality factors, momentum factor, and sector neutral composition.

Market Outlook

Our baseline expectation is for further market price appreciation through the end of 2019 based on solid earnings growth. While many may fear a recession based on the longevity of this economic cycle, we do not share this view. There is no fundamental law requiring recessions based on time duration. Recessions are most often the result of over-investment, either in productive capacity or asset prices. When capital is misallocated to unproductive capacity, the capacity is eventually cut, workers are laid off and economic activity declines until a new equilibrium is found. At this time, we do not see an obvious misallocation of capital. Volatile manufacturing and energy sectors are not currently in an overcapacity condition. No stock market, housing, or other asset bubble is apparent.

In 2018 there was a realistic fear of monetary policy overshooting and inducing a recession. The Federal Reserve Board has been steadily increasing interest rates, attempting to bring the Fed Funds rate to a vaguely defined neutral status. A rate that neither induces or restricts the demand for borrowing. Estimates of that rate are between 2-3%, essentially a rate slightly above the prevailing inflation rate. As of December 2018, the Fed Funds rate is between 2.25% and 2.50%, effectively neutral. There was some fear that the Fed would continue raising rates and choking off demand as borrowers would be forced to pay more in interest and less for other uses of cash. This fear has now abated as the Fed has declared their intention to hold rates static through 2019, potentially raising rates again in 2020 if inflation picks up. There is some potential for inflation to pick up throughout 2019 as wage inflation passes through to goods prices.

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The U.S. labor market is on strong footing in 2019. Unemployment is under 4%, and the labor participation rate is increasing. Further, wage growth is solidly ahead of inflation, 3.3% vs. 1.95% as of March 2019. We expect consumer consumption to rise based on further wage and employment gains in 2019 and into 2020. The housing market may pickup again on lower mortgage rates. The 30-year fixed mortgage rate hovered around 5% in 2018 but has fallen in the first part of 2019 to 4%. This lower mortgage rate will likely stimulate refinancing and new home purchases.

The wildcard for 2019 GDP growth will be capital expenditures by corporations. Much of the press coverage around tax reform has centered on repatriated dollars being used to buy back stock. Ideally, tax savings would be invested in productive capacity and labor, which would stimulate further growth. Stock buy-backs simply return capital to investors to be used elsewhere in the economy or reinvested. Not as well known is that tax reform offered up a 5-year term, 100% accelerated depreciation of capital equipment spending. Accelerated depreciation allows companies to completely write off capital spending against earnings. We expect corporations to increase capital spending to take advantage of this opportunity. After an initial surge in the first two quarters of 2018, capital spending has paused. Our suspicion is that the ongoing trade negotiations have stymied capital spending as corporate actors await resolution. Also, of consideration is the time lag between passage of tax reform and eventual corporate spending. First an opportunity must be identified, then business plans drawn up, properties or equipment found, vendors selected, and finally capital spent. This transmission lag time could be years. We expect to see the fruits of accelerated depreciation to start showing up in earnest in the second half of 2019. Capital spending alongside further consumer spending will likely keep real GDP growing at 2-3% this year.

For now, we remain bullish on the economy and stock market. There are plenty of worries to keep us up but baseline economic growth is not one of them. We do worry that geopolitical tensions with Iran could cause oil and gasoline prices to spike, this would severely crimp consumer spending. We also worry that the Federal Reserve will prematurely seek to raise interest rates. With global growth slowing and inflation very low, we do not see reason for the Fed to do so, but anything is possible. If and when the Fed does start raising interest rates we believe that the ever-growing segment of non-earning companies operating on borrowed money will start to fail. Higher rates will hit them first as lenders begin to anticipate their inability to make future interest and principal payments. We believe higher interest rates will be the factor that precipitates the next recession.

Our strategy will be to remain disciplined. The companies in the portfolio are generally cheaper than the broader market. They all produced positive sales, earnings, and dividend growth. We do not have exposure to non-earners living on borrowed money. The companies in the Fund have strong balance sheets and plentiful cash flow. While their stock prices may not go up as fast as non-earners in a bull market, value is found in their stability. When this cycle fully matures, and a

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recession begins, companies that require external financing will likely fall the most. Whereas we believe our companies can survive and hopefully take market share in the recession. We will remain focused on finding value in fundamentally strong business, at fair valuations, that have paid consistently more to own them.

Sincerely,

James Walsh, CFA
Portfolio Manager

Past performance is no guarantee of future results.

Fund holdings and sector allocations are subject to change at any time and should not be considered a recommendation to buy or sell any security. Current and future holdings are subject to risk. Please see the schedule of investments in this report for complete Fund holdings.

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

The S&P MidCap 400[®] Index provides investors with a benchmark for mid-sized companies. The index, which is distinct from the large-cap S&P 500[®] Index, measures the performance of mid-sized companies, reflecting the distinctive risk and return characteristics of this market segment.

The S&P 500[®] Index is an unmanaged capitalization-weighted index of 500 stocks designed to represent the broad domestic market. The Index includes the reinvestment of dividends.

The Russell 2000 index is an index measuring the performance of approximately 2,000 smallest-cap American companies in the Russell 3000 Index, which is made up of 3,000 of the largest U.S. stocks. It is a market-cap weighted index.

You cannot directly invest in an index.

Mutual Fund investing involves risk, loss of principal is possible. Losing all or a portion of your investment is a risk of investing in the Fund. Investments in small- and mid-cap companies involve additional risk such as limited liquidity and greater volatility than larger companies. Investments in real estate investment trusts ("REITs") will be subject to the risks associated with the direct ownership of real estate and annual compliance with tax rules applicable to REITs.

Diversification does not assure a profit nor protect against loss in a declining market.

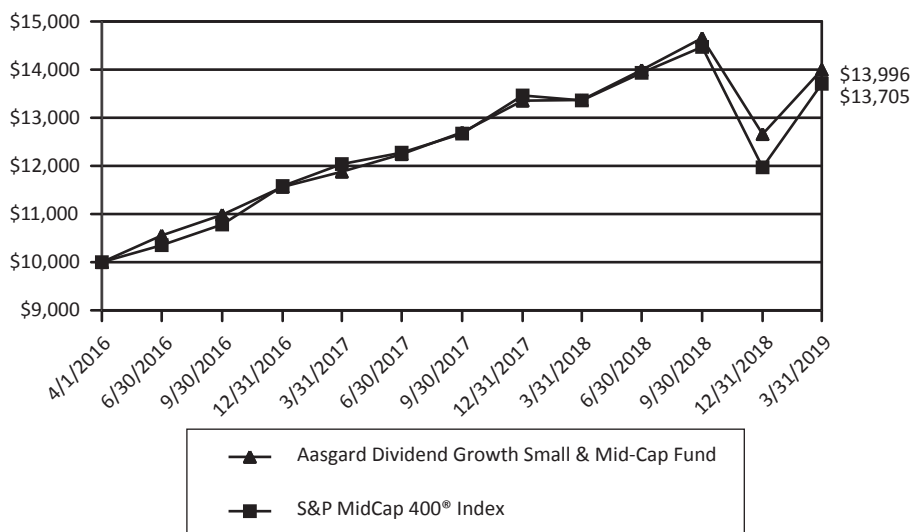
The information contained in this report is authorized for use when preceded or accompanied by a prospectus.

The Fund is distributed by Quasar Distributors, LLC.

AASGARD DIVIDEND GROWTH SMALL & MID-CAP FUND

FUND PERFORMANCE CHART at March 31, 2019

Comparison of the change in value of a hypothetical \$10,000 investment in the Aasgard Dividend Growth Small & Mid-Cap Fund vs. S&P MidCap 400® Index.



| Average Annual Total Return: | One Year | Since Inception¹ |
|--|-----------------|------------------------------------|
| Aasgard Dividend Growth Small & Mid-Cap Fund | 4.69% | 11.87% |
| S&P MidCap 400® Index | 2.59% | 11.09% |

¹ The Fund commenced operations on April 1, 2016.

Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling (877) 476-1909.

Returns reflect reinvestment of dividends and capital gains distributions. Fee waivers were in effect prior to March 31, 2018. In the absence of fee waivers, returns would be reduced. For the year ended March 31, 2019, the advisor recouped previously waived fees. In the absence of the recoupment, returns would be higher. The performance data and graph do not reflect the deduction of taxes that a shareholder would pay on dividends, capital gains distributions, or redemption of Fund shares. Indices do not incur expenses and are not available for investment.

The S&P MidCap 400® Index provides investors with a benchmark for mid-sized companies. The index, which is distinct from the large-cap S&P 500® Index, measures the performance of mid-sized companies, reflecting the distinctive risk and return characteristics of this market segment.

AASGARD DIVIDEND GROWTH SMALL & MID-CAP FUND

EXPENSE EXAMPLE at March 31, 2019 (Unaudited)

Shareholders in mutual funds generally incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments, reinvested dividends, or other distributions; redemption fees; and exchange fees; and (2) ongoing costs, including management fees; distribution and/or service fees; and other fund expenses. **The Aasgard Dividend Growth Small & Mid-Cap Fund is a no-load mutual fund and has no shareholder transaction 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 (10/1/18 – 3/31/19).

Actual Expenses

The first line of the table below provides information about actual account values and actual expenses, with actual net expenses being limited to 1.25% per the operating expenses limitation agreement. Although the Fund charges no sales load or transaction fees, you will be assessed fees for outgoing wire transfers, returned checks, and stop payment orders at prevailing rates charged by U.S. Bancorp Fund Services, LLC, the Fund's transfer agent. The Example below includes, but is not limited to, management fees, fund accounting, custody and transfer agent fees. You may use the information in the first line of the table, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is 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 and will not help you determine the relative total costs of owning different funds, as they may charge transactional costs, such as sales charges (loads), redemption fees, or exchange fees.

AASGARD DIVIDEND GROWTH SMALL & MID-CAP FUND

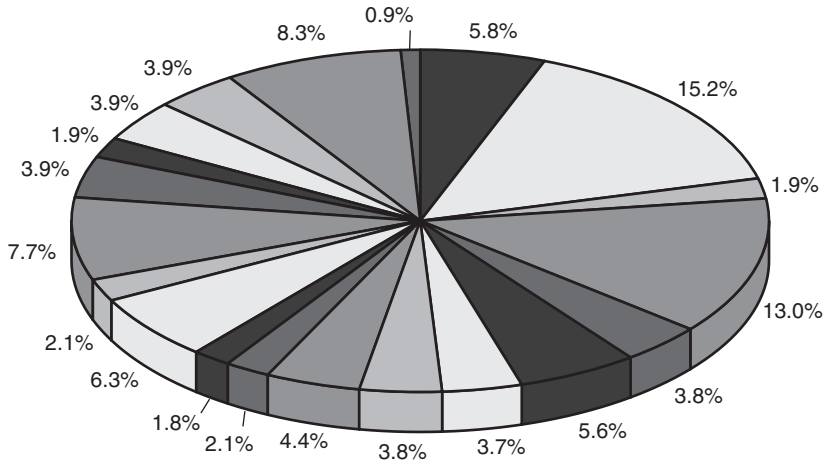
EXPENSE EXAMPLE at March 31, 2019 (Unaudited), Continued

| | <u>Beginning Account Value 10/1/18</u> | <u>Ending Account Value 3/31/19</u> | <u>Expenses Paid During Period* 10/1/18 – 3/31/19</u> |
|---|--|---|---|
| Actual | \$1,000.00 | \$ 955.00 | \$6.09 |
| Hypothetical (5% return before expenses) | \$1,000.00 | \$1,018.70 | \$6.29 |

* Expenses are equal to the Fund's annualized expense ratio of 1.25%, multiplied by the average account value over the period, multiplied by 182 (days in most recent fiscal half-year)/365 days to reflect the one-half year expense.

AASGARD DIVIDEND GROWTH SMALL & MID-CAP FUND

INDUSTRY ALLOCATION OF PORTFOLIO ASSETS at March 31, 2019 (Unaudited)



- | | |
|---|---|
| ■ Administrative Support, Waste Management - 5.8% | ■ Petroleum and Coal Products Manufacturing - 1.8% |
| □ Computer and Electronic Product Manufacturing - 15.2% | □ Professional, Scientific, and Technical Services - 6.3% |
| ■ Construction - 1.9% | ■ Real Estate and Rental and Leasing - 2.1% |
| ■ Finance and Insurance - 13.0% | ■ Retail Trade - 7.7% |
| ■ Food Manufacturing - 3.8% | ■ Transportation and Warehousing - 3.9% |
| ■ Health Care and Social Assistance - 5.6% | ■ Transportation Equipment Manufacturing - 1.9% |
| □ Information - 3.7% | □ Utilities - 3.9% |
| ■ Machinery Manufacturing - 3.8% | ■ Wholesale Trade - 3.9% |
| ■ Miscellaneous Manufacturing - 4.4% | ■ REITS - 8.3% |
| ■ Paper Manufacturing - 2.1% | ■ Money Market Fund - 0.9% |

Percentages represent market value as a percentage of total investments.

AASGARD DIVIDEND GROWTH SMALL & MID-CAP FUND

SCHEDULE OF INVESTMENTS at March 31, 2019

| Shares | COMMON STOCKS – 90.61% | Value |
|--------|---|------------------|
| | Administrative and Support Services – 5.80% | |
| 10,045 | Broadridge Financial Solutions, Inc. | \$ 1,041,566 |
| 15,960 | Robert Half International, Inc. | 1,039,954 |
| 26,670 | Rollins, Inc. | 1,110,005 |
| | | <u>3,191,525</u> |
| | Ambulatory Health Care Services – 3.70% | |
| 11,400 | Quest Diagnostics, Inc. | 1,025,088 |
| 9,625 | U.S. Physical Therapy, Inc. | 1,010,914 |
| | | <u>2,036,002</u> |
| | Clothing and Clothing Accessories Stores – 1.99% | |
| 24,711 | Nordstrom, Inc. | 1,096,674 |
| | Computer and Electronic Product Manufacturing – 15.20% | |
| 1,565 | Badger Meter, Inc. | 87,077 |
| 20,625 | FLIR Systems, Inc. | 981,338 |
| 15,520 | Garmin Ltd. | 1,340,152 |
| 19,625 | Maxim Integrated Products, Inc. | 1,043,461 |
| 12,430 | Microchip Technology, Inc. | 1,031,193 |
| 27,110 | Plantronics, Inc. | 1,250,042 |
| 10,660 | ResMed, Inc. | 1,108,320 |
| 12,050 | Xilinx, Inc. | 1,527,819 |
| | | <u>8,369,402</u> |
| | Construction – 1.87% | |
| 36,870 | PulteGroup, Inc. | 1,030,885 |
| | Credit Intermediation and Related Activities – 7.20% | |
| 16,385 | Commerce Bancshares, Inc. | 951,313 |
| 14,170 | Prosperity Bancshares, Inc. | 978,580 |
| 15,560 | UMB Financial Corp. | 996,462 |
| 28,600 | United Bankshares, Inc. | 1,036,464 |
| | | <u>3,962,819</u> |
| | Food Manufacturing – 3.78% | |
| 6,480 | J&J Snack Foods Corp. | 1,029,283 |
| 6,715 | Lancaster Colony Corp. | 1,052,173 |
| | | <u>2,081,456</u> |
| | Furniture and Home Furnishings Stores – 1.92% | |
| 18,760 | Williams-Sonoma, Inc. | 1,055,625 |
| | General Merchandise Stores – 2.04% | |
| 11,505 | Tractor Supply Co. | 1,124,729 |

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

AASGARD DIVIDEND GROWTH SMALL & MID-CAP FUND

SCHEDULE OF INVESTMENTS at March 31, 2019, Continued

| Shares | COMMON STOCKS – 90.61%, Continued | Value |
|--------|---|------------------|
| | Insurance Carriers and Related Activities – 3.65% | |
| 48,020 | Old Republic International Corp. | \$ 1,004,578 |
| 7,065 | Reinsurance Group of America, Inc. | 1,003,089 |
| | | <u>2,007,667</u> |
| | Machinery Manufacturing – 3.78% | |
| 30,085 | Gorman-Rupp Co. | 1,021,085 |
| 6,980 | IDEX Corp. | 1,059,145 |
| | | <u>2,080,230</u> |
| | Merchant Wholesalers, Durable Goods – 2.02% | |
| 4,210 | Lennox International, Inc. | 1,113,124 |
| | Merchant Wholesalers, Nondurable Goods – 1.93% | |
| 18,275 | RPM International, Inc. | 1,060,681 |
| | Miscellaneous Manufacturing – 4.39% | |
| 11,265 | Hill-Rom Holdings, Inc. | 1,192,513 |
| 9,570 | STERIS plc | 1,225,247 |
| | | <u>2,417,760</u> |
| | Motion Picture and Sound Recording Industries – 1.99% | |
| 27,330 | Cinemark Holdings, Inc. | 1,092,927 |
| | Nonstore Retailers – 1.82% | |
| 3,320 | W.W. Grainger, Inc. | 999,088 |
| | Nursing and Residential Care Facilities -1.86% | |
| 13,495 | National HealthCare Corp. | 1,024,001 |
| | Paper Manufacturing – 2.06% | |
| 18,430 | Sonoco Products Co. | 1,133,998 |
| | Petroleum and Coal Products Manufacturing – 1.76% | |
| 19,645 | HollyFrontier Corp. | 967,909 |
| | Pipeline Transportation – 1.81% | |
| 23,946 | Targa Resources Corp. | 994,956 |
| | Professional, Scientific, and Technical Services – 6.25% | |
| 11,590 | CDW Corp. | 1,116,928 |
| 4,770 | FactSet Research Systems, Inc. | 1,184,248 |
| 8,225 | Jack Henry & Associates, Inc. | 1,141,137 |
| | | <u>3,442,313</u> |
| | Publishing Industries (Except Internet) – 1.72% | |
| 17,180 | Meredith Corp. | 949,367 |
| | Rental and Leasing Services – 2.10% | |
| 20,415 | McGrath RentCorp | 1,154,877 |

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

AASGARD DIVIDEND GROWTH SMALL & MID-CAP FUND

SCHEDULE OF INVESTMENTS at March 31, 2019, Continued

| Shares | COMMON STOCKS – 90.61%, Continued | Value |
|---------|--|-----------------------------------|
| | Securities, Commodity Contracts, and Other Financial Investments and Related Activities – 2.10% | |
| 4,695 | MarketAxess Holdings, Inc. | \$ 1,155,346 |
| | Support Activities for Transportation – 2.06% | |
| 14,965 | Expeditors International of Washington, Inc. | 1,135,843 |
| | Transportation Equipment Manufacturing – 1.93% | |
| 12,605 | Polaris Industries, Inc. | 1,064,240 |
| | Utilities – 3.88% | |
| 10,445 | Atmos Energy Corp. | 1,075,104 |
| 19,105 | UGI Corp. | 1,058,799 |
| | | <u>2,133,903</u> |
| | TOTAL COMMON STOCKS (Cost \$43,935,085) | <u>49,877,347</u> |
| | REITS – 8.30% | |
| 10,935 | Camden Property Trust | 1,109,903 |
| 14,910 | EPR Properties | 1,146,579 |
| 11,485 | Extra Space Storage, Inc. | 1,170,436 |
| 61,721 | Medical Properties Trust, Inc. | 1,142,456 |
| | TOTAL REITS (Cost \$3,623,691) | <u>4,569,374</u> |
| | MONEY MARKET FUND – 0.99% | |
| 541,988 | Fidelity Investments Money Market Funds – Government Portfolio – Class I, 2.30% (a) | <u>541,988</u> |
| | TOTAL MONEY MARKET FUND (Cost \$541,988) | <u>541,988</u> |
| | TOTAL INVESTMENTS IN SECURITIES (Cost \$48,100,764) – 99.90% | 54,988,709 |
| | Other Assets in Excess of Liabilities – 0.10% | 56,970 |
| | NET ASSETS – 100.00% | <u><u>\$55,045,679</u></u> |

REIT – Real Estate Investment Trust

(a) Rate shown is the 7-day annualized yield as of March 31, 2019.

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

AASGARD DIVIDEND GROWTH SMALL & MID-CAP FUND

STATEMENT OF ASSETS AND LIABILITIES at March 31, 2019

ASSETS

| | |
|---|-------------------|
| Investments in securities, at value (identified cost \$48,100,764) | \$54,988,709 |
| Receivables: | |
| Fund shares sold | 60,000 |
| Dividends and interest | 79,949 |
| Prepaid expenses | 20,643 |
| Total assets | <u>55,149,301</u> |

LIABILITIES

| | |
|---|----------------|
| Payables: | |
| Advisory fees | 39,967 |
| Administration and fund accounting fees | 24,695 |
| Audit fees | 20,500 |
| Transfer agent fees and expenses | 7,977 |
| Shareholder reporting | 4,155 |
| Chief Compliance Officer fee | 3,000 |
| Legal fees | 856 |
| Trustee fees and expenses | 636 |
| Accrued other expenses | <u>1,836</u> |
| Total liabilities | <u>103,622</u> |

NET ASSETS \$55,045,679

CALCULATION OF NET ASSET VALUE PER SHARE

| | |
|---|-----------------------|
| Net assets applicable to shares outstanding | \$55,045,679 |
| Shares issued and outstanding [unlimited number of shares (par value \$0.01) authorized] | 4,293,387 |
| Net asset value, offering and redemption price per share | <u><u>\$12.82</u></u> |

COMPOSITION OF NET ASSETS

| | |
|------------------------------------|----------------------------|
| Paid-in capital | \$48,720,898 |
| Total distributable earnings | <u>6,324,781</u> |
| Net assets | <u><u>\$55,045,679</u></u> |

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

AASGARD DIVIDEND GROWTH SMALL & MID-CAP FUND

STATEMENT OF OPERATIONS For the Year Ended March 31, 2019

INVESTMENT INCOME

Income

| | |
|--------------------|------------------|
| Dividends | \$1,076,463 |
| Interest | <u>10,707</u> |
| Total income | <u>1,087,170</u> |

Expenses

| | |
|--|----------------|
| Advisory fees (Note 4) | 421,796 |
| Administration and fund accounting fees (Note 4) | 74,389 |
| Transfer agent fees and expenses (Note 4) | 28,002 |
| Audit fees | 20,500 |
| Trustee fees and expenses | 15,200 |
| Legal fees | 12,425 |
| Custody fees (Note 4) | 9,755 |
| Registration fees | 9,364 |
| Chief Compliance Officer fee (Note 4) | 9,000 |
| Miscellaneous expenses | 7,746 |
| Reports to shareholders | 4,539 |
| Insurance expense | <u>1,974</u> |
| Total expenses | <u>614,690</u> |
| Add: advisory fee recoupment (Note 4) | <u>5,599</u> |
| Net expenses | <u>620,289</u> |
| Net investment income | <u>466,881</u> |

REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS

| | |
|---|---------------------------|
| Net realized loss on investments | (226,021) |
| Net change in unrealized appreciation on investments | <u>1,582,537</u> |
| Net realized and unrealized gain on investments | <u>1,356,516</u> |
| Net Increase in Net Assets Resulting from Operations . | <u><u>\$1,823,397</u></u> |

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

AASGARD DIVIDEND GROWTH SMALL & MID-CAP FUND

STATEMENTS OF CHANGES IN NET ASSETS

| | <u>Year Ended</u> <u>March 31, 2019</u> | <u>Year Ended</u> <u>March 31, 2018</u> |
|--|--|--|
| INCREASE/(DECREASE) IN NET ASSETS FROM: OPERATIONS | | |
| Net investment income | \$ 466,881 | \$ 361,837 |
| Net realized gain/(loss) on investments .. | (226,021) | 1,682,790 |
| Net change in unrealized appreciation on investments | <u>1,582,537</u> | <u>1,817,467</u> |
| Net increase in net assets resulting from operations | <u>1,823,397</u> | <u>3,862,094</u> |
| DISTRIBUTIONS TO SHAREHOLDERS | | |
| Net dividends and distributions to shareholders | <u>(1,619,183)</u> | <u>(1,269,269)</u> |
| Total distributions to shareholders | <u>(1,619,183)</u> | <u>(1,269,269)*</u> |
| CAPITAL SHARE TRANSACTIONS | | |
| Net increase in net assets derived from net change in outstanding shares (a) | <u>17,457,522</u> | <u>5,437,049</u> |
| Total increase in net assets | <u>17,661,736</u> | <u>8,029,874</u> |
| NET ASSETS | | |
| Beginning of year | <u>37,383,943</u> | <u>29,354,069</u> |
| End of year | <u>\$55,045,679</u> | <u>\$37,383,943**</u> |

(a) A summary of share transactions is as follows:

| | <u>Year Ended</u> <u>March 31, 2019</u> | | <u>Year Ended</u> <u>March 31, 2018</u> | |
|---|--|----------------------------|--|---------------------------|
| Shares sold | 1,528,261 | \$19,876,660 | 577,681 | \$7,085,477 |
| Shares issued on reinvestments of distributions | 136,293 | 1,619,183 | 100,477 | 1,269,269 |
| Shares redeemed | <u>(322,940)</u> | <u>(4,038,321)</u> | <u>(241,700)</u> | <u>(2,917,697)</u> |
| Net increase | <u><u>1,341,614</u></u> | <u><u>\$17,457,522</u></u> | <u><u>436,458</u></u> | <u><u>\$5,437,049</u></u> |

* Includes net investment income distributions of \$377,325 and net realized gain distributions of \$891,944.

** Includes accumulated undistributed net investment income of \$17,003.

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

AASGARD DIVIDEND GROWTH SMALL & MID-CAP FUND

FINANCIAL HIGHLIGHTS For a share outstanding throughout each year

| | Year Ended March 31, 2019 | Year Ended March 31, 2018 | Year Ended March 31, 2017* |
|--|---------------------------------|---------------------------------|----------------------------------|
| Net asset value, beginning of year | <u>\$12.66</u> | <u>\$11.67</u> | <u>\$10.00</u> |
| Income from investment operations: | | | |
| Net investment income | 0.12 | 0.14 | 0.20 |
| Net realized and unrealized gain on investments | <u>0.44</u> | <u>1.32</u> | <u>1.66</u> |
| Total from investment operations | <u>0.56</u> | <u>1.46</u> | <u>1.86</u> |
| Less distributions: | | | |
| From net investment income | (0.12) | (0.14) | (0.19) |
| From net realized gain on investments | <u>(0.28)</u> | <u>(0.33)</u> | <u>—</u> |
| Total distributions | <u>(0.40)</u> | <u>(0.47)</u> | <u>(0.19)</u> |
| Net asset value, end of year | <u><u>\$12.82</u></u> | <u><u>\$12.66</u></u> | <u><u>\$11.67</u></u> |
| Total return | 4.69% | 12.54% | 18.79% |
| Ratios/supplemental data: | | | |
| Net assets, end of year (thousands) | \$55,046 | \$37,384 | \$29,354 |
| Ratio of expenses to average net assets: | | | |
| Before advisory fee waiver and expense recoupment | 1.24% | 1.42% | 1.54% |
| After advisory fee waiver and expense recoupment | 1.25% | 1.25% | 1.25% |
| Ratio of net investment income to average net assets: | | | |
| Before advisory fee waiver and expense recoupment | 0.95% | 0.93% | 1.67% |
| After advisory fee waiver and expense recoupment | 0.94% | 1.10% | 1.96% |
| Portfolio turnover rate | 63.38% | 53.19% | 41.73% |

* Commencement of operations on April 1, 2016.

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

AASGARD DIVIDEND GROWTH SMALL & MID-CAP FUND

NOTES TO FINANCIAL STATEMENTS at March 31, 2019

NOTE 1 – ORGANIZATION

The Aasgard Dividend Growth Small & Mid-Cap Fund (the “Fund”) is a diversified series of Advisors Series Trust (the “Trust”), which is registered under the Investment Company Act of 1940, as amended, (the “1940 Act”) as an open-end management investment company. The Fund follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (“FASB”) Accounting Standard Codification Topic 946 “Financial Services – Investment Companies”. The investment objective of the Fund is to seek a combination of dividend income and capital appreciation, with a secondary focus on lower than market volatility. The Fund commenced operations on April 1, 2016.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

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

- A. *Security Valuation:* All investments in securities are recorded at their estimated fair value, as described in note 3.
- B. *Federal Income Taxes:* It is the Fund’s policy to comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no Federal income or excise tax provision is required.

The Fund recognizes the tax benefits of uncertain tax positions only where the position is “more likely than not” to be sustained assuming examination by tax authorities. Management has analyzed the Fund’s tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for the open tax years of 2017-2018, or expected to be taken in the Fund’s 2019 tax returns. The Fund identifies its major tax jurisdictions as U.S. Federal and the state of Wisconsin; however, the Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next twelve months.

- C. *Securities Transactions, Income and Distributions:* Securities transactions are accounted for on the trade date. Realized gains and losses on securities sold are determined on a first-in, first-out basis. Interest income is recorded on an accrual basis. Dividend income, income and capital gain distributions from underlying funds, and distributions to shareholders are recorded on the ex-dividend date.

AASGARD DIVIDEND GROWTH SMALL & MID-CAP FUND

NOTES TO FINANCIAL STATEMENTS at March 31, 2019, Continued

The Fund is charged for those expenses that are directly attributable to the Fund, such as investment advisory, custody and transfer agent fees. Common expenses of the Trust are typically allocated among the funds in the Trust based on a fund's respective net assets, or by other equitable means.

The Fund distributes substantially all net investment income, if any, quarterly and net realized gains, if any, annually. Distributions from net realized gains for book purposes may include short-term capital gains. All short-term capital gains are included in ordinary income for tax purposes.

The amount of dividends and distributions to shareholders from net investment income and net realized capital gains is determined in accordance with Federal income tax regulations, which differs from accounting principles generally accepted in the United States of America. To the extent these book/tax differences are permanent, such amounts are reclassified within the capital accounts based on their Federal tax treatment.

- D. *Reclassification of Capital Accounts:* Accounting principles generally accepted in the United States of America require that certain components of net assets relating to permanent differences be reclassified between financial and tax reporting. These reclassifications have no effect on net assets or net asset value per share.
- E. *Use of Estimates:* The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets during the reporting period. Actual results could differ from those estimates.
- F. *REITs:* The Fund may invest in real estate investment trusts ("REITs") which pay dividends to their shareholders based upon funds available from operations. It is quite common for these dividends to exceed the REIT's taxable earnings and profits resulting in the excess portion of such dividends being designated as a return of capital. The Fund intends to include the gross dividends from such REITs in its annual distributions to its shareholders and, accordingly, a portion of the Fund's distributions may also be designated as a return of capital.
- G. *Events Subsequent to the Fiscal Year End:* In preparing the financial statements as of March 31, 2019, management considered the impact of subsequent events for potential recognition or disclosure in the financial statements. Management has determined there were no subsequent events that would need to be disclosed in the Fund's financial statements.

AASGARD DIVIDEND GROWTH SMALL & MID-CAP FUND

NOTES TO FINANCIAL STATEMENTS at March 31, 2019, Continued

NOTE 3 – SECURITIES VALUATION

The Fund has adopted authoritative fair value accounting standards which establish an authoritative definition of fair value and set out a hierarchy for measuring fair value. These standards require additional disclosures about the various inputs and valuation techniques used to develop the measurements of fair value, a discussion in changes in valuation 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 determines the fair value of its investments and computes its net asset value per share as of the close of regular trading on the New York Stock Exchange (4:00 pm EST).

Equity Securities: The Fund's investments are carried at fair value. Equity securities, including common stocks, real estate investment trusts, and closed-end funds, 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 asked prices. Securities primarily traded 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 asked prices. Over-the-counter securities which are not traded in the NASDAQ Global Market System shall be

AASGARD DIVIDEND GROWTH SMALL & MID-CAP FUND

NOTES TO FINANCIAL STATEMENTS at March 31, 2019, Continued

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

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

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

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

AASGARD DIVIDEND GROWTH SMALL & MID-CAP FUND

NOTES TO FINANCIAL STATEMENTS at March 31, 2019, Continued

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, 2019:

| Common Stocks | Level 1 | Level 2 | Level 3 | Total |
|---|---------------------|----------------|----------------|---------------------|
| Administrative Support, Waste Management | \$ 3,191,525 | \$ — | \$ — | \$ 3,191,525 |
| Construction | 1,030,885 | — | — | 1,030,885 |
| Finance and Insurance | 7,125,832 | — | — | 7,125,832 |
| Health Care and Social Assistance | 3,060,002 | — | — | 3,060,002 |
| Information | 2,042,294 | — | — | 2,042,294 |
| Manufacturing | 18,114,995 | — | — | 18,114,995 |
| Professional, Scientific, and Technical Services | 3,442,313 | — | — | 3,442,313 |
| Real Estate and Rental and Leasing | 1,154,877 | — | — | 1,154,877 |
| Retail Trade | 4,276,116 | — | — | 4,276,116 |
| Transportation and Warehousing | 2,130,800 | — | — | 2,130,800 |
| Utilities | 2,133,903 | — | — | 2,133,903 |
| Wholesale Trade | 2,173,805 | — | — | 2,173,805 |
| Total Common Stocks | <u>49,877,347</u> | <u>—</u> | <u>—</u> | <u>49,877,347</u> |
| REITs | <u>4,569,374</u> | <u>—</u> | <u>—</u> | <u>4,569,374</u> |
| Money Market Fund | <u>541,988</u> | <u>—</u> | <u>—</u> | <u>541,988</u> |
| Total Investments in Securities | <u>\$54,988,709</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$54,988,709</u> |

Refer to the Fund's schedule of investments for a detailed break-out of common stocks by industry classification. Transfers between levels are recognized at March 31, 2019, the end of the reporting period. There were no transfers between levels during the year ended March 31, 2019.

In August 2018, the Financial Accounting Standards Board issued Accounting Standard Update ("ASU") 2018-13, Fair Value Measurement (Topic 820): *Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement* ("ASU 2018-13"). The primary focus of ASU 2018-13 is to improve the effectiveness of the disclosure requirements for fair value measurements. The changes affect all companies that are required to include fair value measurement disclosures. In general, the amendments in ASU 2018-13 are effective for all entities for fiscal years and interim periods within those fiscal years, beginning after December 15, 2019. An entity is permitted to early adopt the removed or modified disclosures upon the issuance of ASU 2018-13 and may delay adoption of the additional disclosures, which are required for public companies only, until their effective date. Management is currently evaluating the impact these changes will have on the Fund's financial statements and disclosures.

AASGARD DIVIDEND GROWTH SMALL & MID-CAP FUND

NOTES TO FINANCIAL STATEMENTS at March 31, 2019, Continued

NOTE 4 – INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES

The Fund has an investment advisory agreement with Coldstream Capital Management, Inc. (the “Advisor”) pursuant to which the Advisor is responsible for providing investment management services to the Fund. The Advisor furnished all investment advice, office space and facilities, and provides most of the personnel needed by the Fund. As compensation for its services, the Advisor is entitled to a fee, computed daily and payable monthly. The Fund pays fees calculated at an annual rate of 0.85% based upon the average daily net assets of the Fund. For the year ended March 31, 2019, the advisory fees incurred by the Fund are disclosed in the statement of operations.

The Fund is responsible for its own operating expenses. The Advisor has contractually agreed to waive a portion or all of its management fees and pay Fund expenses in order to ensure that the net annual operating expenses (excluding acquired fund fees and expenses, taxes, interest expense and extraordinary expenses) do not exceed 1.25% of the Fund’s average daily net assets. The Advisor may request recoupment of previously waived fees and paid expenses in any subsequent month in the 36 month period from the date of the management fee reduction and expense payment if the aggregate amount actually paid by the Fund toward the operating expenses for such fiscal year (taking into account the reimbursement) will not cause the Fund to exceed the lesser of: (1) the expense limitation in place at the time of the management fee reduction and expense payment; or (2) the expense limitation in place at the time of the reimbursement. Any such reimbursement is also contingent upon Board of Trustees review and approval at the time the reimbursement is made. Such reimbursement may not be paid prior to the Fund’s payment of current ordinary operating expenses. For the year ended March 31, 2019, the Advisor recouped fees in the amount of \$5,599. Cumulative expenses subject to recapture pursuant to expire as follows:

| <u>Expiration</u> | <u>Amount</u> |
|-------------------------|------------------|
| March 2020 | \$ 62,336 |
| April 2020 – March 2021 | 56,366 |
| | <u>\$118,702</u> |

Fund Services, serves as the Fund’s administrator, fund accountant and transfer agent. In those capacities Fund Services maintains the Fund’s books and records, calculates the Fund’s NAV, prepares various federal and state regulatory filings, coordinates the payment of fund expenses, reviews expense accruals and prepares materials supplied to the Board of Trustees. The officers of the Trust and the Chief Compliance Officer are also employees of Fund Services. Fees paid by the Fund to Fund Services for these services for the year ended March 31, 2019 are disclosed in the statements of operations.

AASGARD DIVIDEND GROWTH SMALL & MID-CAP FUND

NOTES TO FINANCIAL STATEMENTS at March 31, 2019, Continued

Quasar Distributors, LLC (the “Distributor”) acts as the Fund’s principal underwriter in a continuous public offering of the Fund’s shares. U.S. Bank N.A. serves as custodian (the “Custodian”) to the Fund. Both the Distributor and Custodian are affiliates of the Administrator. Fees paid by the Fund to U.S. Bank N.A. for custody services for the year ended March 31, 2019 are disclosed in the Statement of Operations.

NOTE 5 – PURCHASES AND SALES OF SECURITIES

For the year ended March 31, 2019, the cost of purchases and the proceeds from sales of securities (excluding short-term securities) were \$47,196,593 and \$30,976,675, respectively.

NOTE 6 – LINE OF CREDIT

The Fund has an unsecured line of credit in the amount of \$3,000,000. This line of credit is intended to provide short-term financing, if necessary, subject to certain restrictions, in connection with shareholder redemptions. The credit facility is with the Fund’s custodian, U.S. Bank N.A. During the year ended March 31, 2019, the Fund drew on its line of credit. The Fund had an outstanding average daily balance of \$4,466, paid a weighted average interest rate of 5.50% and incurred interest expense of \$249. The maximum borrowing by the Fund during the year ended March 31, 2019 was \$260,000, which occurred on December 28, 2018. At March 31, 2019 the Fund had no outstanding loan amounts.

NOTE 7 – INCOME TAXES AND DISTRIBUTIONS TO SHAREHOLDERS

The distributions paid by the Fund during the year ended March 31, 2019 and the year ended March 31, 2018, were characterized as follows:

| | <u>March 31, 2019</u> | <u>March 31, 2018</u> |
|-------------------------|-----------------------|-----------------------|
| Ordinary income | \$ 474,589 | \$1,016,244 |
| Long-term capital gains | \$1,144,594 | \$ 253,025 |

AASGARD DIVIDEND GROWTH SMALL & MID-CAP FUND

NOTES TO FINANCIAL STATEMENTS at March 31, 2019, Continued

As of March 31, 2019, the components of accumulated earnings/(losses) on a tax basis were as follows:

| | |
|--------------------------------------|---------------------|
| Cost of investments (a) | <u>\$48,100,764</u> |
| Gross tax unrealized appreciation | 7,572,846 |
| Gross tax unrealized depreciation | <u>(684,901)</u> |
| Net tax unrealized appreciation (a) | 6,887,945 |
| Undistributed ordinary income | 9,273 |
| Undistributed long-term capital gain | <u>—</u> |
| Total distributable earnings | 9,273 |
| Other accumulated gains/(losses) | <u>(572,437)</u> |
| Total accumulated earnings/(losses) | <u>\$ 6,324,781</u> |

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

At March 31, 2019, the Fund had short-term capital loss carryforwards of \$572,437. The capital losses can be carried forward indefinitely to offset future gains.

NOTE 8 – PRINCIPAL RISKS

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

- **Small- and Medium-Sized Companies Risk** – Small- and medium-sized companies often have less predictable earnings, more limited product lines, markets, distribution channels or financial resources and the management of such companies may be dependent upon one or few key people. The market movements of equity securities of small- and medium-sized companies may be more abrupt and volatile than the market movements of equity securities of larger, more established companies or the stock market in general and small-sized companies in particular, are generally less liquid than the equity securities of larger companies.
- **Investment Style Risk** – The Fund's investments in dividend-paying common stocks may cause the Fund to underperform funds that do not limit their investments to dividend-paying common stocks during periods when dividend-paying stocks underperform other types of stocks. In addition, if stocks held by the Fund reduce or stop paying dividends, the Fund's ability to generate income may be affected.

AASGARD DIVIDEND GROWTH SMALL & MID-CAP FUND

NOTES TO FINANCIAL STATEMENTS at March 31, 2019, Continued

- **Growth Stock Risk** – Over time, a growth oriented investing style may go in and out of favor, which may cause the Fund to underperform other equity funds that use different investing styles.
- **Market and Regulatory Risk** – Events in the financial markets and economy may cause volatility and uncertainty and adversely impact the Fund's performance. Market events may affect a single issuer, industry, sector, or the market as a whole. Traditionally liquid investments may experience periods of diminished liquidity. Governmental and regulatory actions, including tax law changes, may also impair portfolio management and have unexpected or adverse consequences on particular markets, strategies, or investments.
- **Real Estate Investment Trust (REIT) Risk** – Investments in REITs will be subject to the risks associated with the direct ownership of real estate. Risks commonly associated with the direct ownership of real estate include fluctuations in the value of underlying properties, defaults by borrowers or tenants, changes in interest rates and risks related to general or local economic conditions. REITs have their own expenses, and the Fund will bear a proportionate share of those expenses. In addition, the value of an individual REIT's securities can decline if the REIT fails to continue qualifying for special tax treatment.

AASGARD DIVIDEND GROWTH SMALL & MID-CAP FUND

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees of
Advisors Series Trust and
Shareholders of
Aasgard Dividend Growth Small & Mid Cap Fund

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of the Aasgard Dividend Growth Small & Mid Cap Fund (the "Fund"), a series of Advisors Series Trust, including the schedule of investments, as of March 31, 2019, the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the three years in the period then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of March 31, 2019, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the three years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We have served as the auditor of one or more of the funds in the Trust since 2003.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of March 31, 2019 by correspondence with the custodian. We believe that our audits provide a reasonable basis for our opinion.

TAIT, WELLER & BAKER LLP

Philadelphia, Pennsylvania
May 29, 2019

AASGARD DIVIDEND GROWTH SMALL & MID-CAP FUND

NOTICE TO SHAREHOLDERS at March 31, 2019 (Unaudited)

For the year ended March 31, 2019, the Fund designated \$474,589 as ordinary income and \$1,144,594 as long-term capital gains for purposes of the dividends paid deduction.

For the year ended March 31, 2019, certain dividends paid by the Fund may be subject to a maximum tax rate of 15%, as provided by the Jobs and Growth Tax Relief Reconciliation Act of 2003. The percentage of dividends declared from net investment income designated as qualified dividend income was 100.00%.

For corporate shareholders, the percent of ordinary income distributions qualifying for the corporate dividends received deduction for the year ended March 31, 2019 was 100.00%

The percentage of taxable ordinary income distributions that are designated as short-term capital gain distributions under Internal Revenue Section 871(k)(2)(C) for the year ended March 31, 2019 was 0.00%.

How to Obtain a Copy of the Fund's Proxy Voting Policies

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available without charge upon request by calling (877) 476-1909 or on the U.S. Securities and Exchange Commission's ("SEC") website at <http://www.sec.gov>.

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

Information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available without charge, upon request, by calling (877) 476-1909. Furthermore, you can obtain the Fund's proxy voting records on the SEC's website at <http://www.sec.gov>.

Quarterly Filings on Form N-Q

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund's Form N-Q is available on the SEC's website at <http://www.sec.gov>. The Fund's Form N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, DC and information on the operation of the Public Reference Room may be obtained by calling (202) 551-8090. Information included in the Fund's Form N-Q is also available by calling (877) 476-1909.

AASGARD DIVIDEND GROWTH SMALL & MID-CAP FUND

HOUSEHOLDING

In an effort to decrease costs, the Fund intends to reduce the number of duplicate prospectuses, annual and semi-annual reports, proxy statements and other similar documents you receive by sending only one copy of each to those addresses shared by two or more accounts and to shareholders the Transfer Agent reasonably believes are from the same family or household. Once implemented, if you would like to discontinue householding for your accounts, please call toll-free at (877) 476-1909 to request individual copies of these documents. Once the Transfer Agent receives notice to stop householding, the Transfer Agent will begin sending individual copies thirty days after receiving your request. This policy does not apply to account statements.

AASGARD DIVIDEND GROWTH SMALL & MID-CAP FUND

INFORMATION ABOUT TRUSTEES AND OFFICERS at March 31, 2019 (Unaudited)

This chart provides information about the Trustees and Officers who oversee the Fund. Officers elected by the Trustees manage the day-to-day operations of the Fund and execute policies formulated by the Trustees.

| <u>Name, Address and Age</u> | <u>Position Held with the Trust</u> | <u>Term of Office and Length of Time Served</u> | <u>Principal Occupation During Past Five Years</u> | <u>Number of Portfolios in Fund Complex Overseen by Trustee⁽²⁾</u> | <u>Other Directorships Held During Past Five Years⁽³⁾</u> |
|---|-------------------------------------|---|--|---|--|
| Independent Trustees⁽¹⁾ | | | | | |
| Gail S. Duree (age 72) 615 E. Michigan Street Milwaukee, WI 53202 | Trustee | Indefinite term; since March 2014. | Director, Alpha Gamma Delta Housing Corporation (collegiate housing management) (2012 to present); Trustee and Chair (2000 to 2012), New Covenant Mutual Funds (1999 to 2012); Director and Board Member, Alpha Gamma Delta Foundation (philanthropic organization) (2005 to 2011). | 1 | Trustee, Advisors Series Trust (for series not affiliated with the Fund); Independent Trustee from 1999 to 2012, New Covenant Mutual Funds (an open-end investment company with 4 portfolios). |
| David G. Mertens (age 58) 615 E. Michigan Street Milwaukee, WI 53202 | Trustee | Indefinite term*; since March 2017. | Partner and Head of Business Development (February 2019 to present) Ballast Equity Management, LLC (a privately-held investment advisory firm); Managing Director and Vice President, Jensen Investment Management, Inc. (a privately-held investment advisory firm) (2002 to 2017). | 1 | Trustee, Advisors Series Trust (for series not affiliated with the Fund). |

AASGARD DIVIDEND GROWTH SMALL & MID-CAP FUND

INFORMATION ABOUT TRUSTEES AND OFFICERS at March 31, 2019 (Unaudited), Continued

| <u>Name, Address and Age</u> | <u>Position Held with the Trust</u> | <u>Term of Office and Length of Time Served</u> | <u>Principal Occupation During Past Five Years</u> | <u>Number of Portfolios in Fund Complex Overseen by Trustee⁽²⁾</u> | <u>Other Directorships Held During Past Five Years⁽³⁾</u> |
|---|-------------------------------------|---|--|---|---|
| George J. Rebhan (age 84) 615 E. Michigan Street Milwaukee, WI 53202 | Chairman of the Board and Trustee | Indefinite term; since May 2002. | Retired; formerly President, Hotchkis and Wiley Funds (mutual funds) (1985 to 1993). | 1 | Trustee, Advisors Series Trust (for series not affiliated with the Fund); Independent Trustee from 1999 to 2009, E*TRADE Funds. |
| Joe D. Redwine (age 71) 615 E. Michigan Street Milwaukee, WI 53202 | Trustee | Indefinite term; since September 2008. | Retired; formerly Manager, President, CEO, U.S. Bancorp Fund Services, LLC, and its predecessors, (May 1991 to July 2017). | 1 | Trustee, Advisors Series Trust (for series not affiliated with the Fund). |
| Raymond B. Woolson (age 60) 615 E. Michigan Street Milwaukee, WI 53202 | Trustee | Indefinite term*; since January 2016. | President, Apogee Group, Inc. (financial consulting firm) (1998 to present). | 1 | Trustee, Advisors Series Trust (for series not affiliated with the Fund); Independent Trustee, DoubleLine Funds Trust (an open-end investment company with 16 portfolios), DoubleLine Opportunistic Credit Fund and DoubleLine Income Solutions Fund, from 2010 to present; Independent Trustee, DoubleLine Equity Funds from 2010 to 2016. |

AASGARD DIVIDEND GROWTH SMALL & MID-CAP FUND

INFORMATION ABOUT TRUSTEES AND OFFICERS at March 31, 2019 (Unaudited), Continued

| <u>Name, Address and Age</u> | <u>Position Held with the Trust</u> | <u>Term of Office and Length of Time Served</u> | <u>Principal Occupation During Past Five Years</u> |
|---|--|---|---|
| Officers | | | |
| Jeffrey T. Rauman (age 50) 615 E. Michigan Street Milwaukee, WI 53202 | President, Chief Executive Officer and Principal Executive Officer | Indefinite term; since December 2018. | Senior Vice President, Compliance and Administration, U.S. Bancorp Fund Services, LLC (February 1996 to present). |
| Cheryl L. King (age 57) 615 E. Michigan Street Milwaukee, WI 53202 | Vice President, Treasurer and Principal Financial Officer | Indefinite term; since December 2007. | Vice President, Compliance and Administration, U.S. Bancorp Fund Services, LLC (October 1998 to present). |
| Kevin J. Hayden (age 47) 615 E. Michigan Street Milwaukee, WI 53202 | Assistant Treasurer | Indefinite term; since September 2013. | Assistant Vice President, Compliance and Administration, U.S. Bancorp Fund Services, LLC (June 2005 to present). |
| Richard R. Conner (age 36) 615 E. Michigan Street Milwaukee, WI 53202 | Assistant Treasurer | Indefinite term; since December 2018. | Assistant Vice President, Compliance and Administration, U.S. Bancorp Fund Services, LLC (July 2010 to present). |
| Michael L. Ceccato (age 61) 615 E. Michigan Street Milwaukee, WI 53202 | Vice President, Chief Compliance Officer and AML Officer | Indefinite term; since September 2009. | Senior Vice President, U.S. Bancorp Fund Services, LLC and Vice President, U.S. Bank N.A. (February 2008 to present). |

AASGARD DIVIDEND GROWTH SMALL & MID-CAP FUND

INFORMATION ABOUT TRUSTEES AND OFFICERS at March 31, 2019 (Unaudited), Continued

| <u>Name, Address and Age</u> | <u>Position Held with the Trust</u> | <u>Term of Office and Length of Time Served</u> | <u>Principal Occupation During Past Five Years</u> |
|--|---------------------------------------|---|--|
| Emily R. Enslow, Esq. (age 32) 615 E. Michigan Street Milwaukee, WI 53202 | Vice President and Secretary | Indefinite term; since December 2017. | Vice President, U.S. Bancorp Fund Services, LLC (July 2013 to present). |

* Under the Trust's Agreement and Declaration of Trust, a Trustee serves during the continued lifetime of the Trust until he/she dies, resigns, is declared bankrupt or incompetent by a court of appropriate jurisdiction, or is removed, or, if sooner, until the election and qualification of his/her successor. In addition, the Trustees have designated a mandatory retirement age of 75, such that each Trustee first elected or appointed to the Board after December 1, 2015, serving as such on the date he or she reaches the age of 75, shall submit his or her resignation not later than the last day of the calendar year in which his or her 75th birthday occurs.

- (1) The Trustees of the Trust who are not "interested persons" of the Trust as defined under the 1940 Act ("Independent Trustees").
- (2) As of March 31, 2019, the Trust was comprised of 41 active portfolios managed by unaffiliated investment advisers. The term "Fund Complex" applies only to the Fund. The Fund does not hold itself out as related to any other series within the Trust for investment purposes, nor does it share the same investment adviser with any other series.
- (3) "Other Directorships Held" includes only directorships of companies required to register or file reports with the SEC under the Securities Exchange Act of 1934, as amended, (that is, "public companies") or other investment companies registered under the 1940 Act.

The Statement of Additional Information includes additional information about the Fund's Trustees and Officers and is available, without charge, upon request by calling 1-877-476-1909.

AASGARD DIVIDEND GROWTH SMALL & MID-CAP FUND

APPROVAL OF INVESTMENT ADVISORY AGREEMENT (Unaudited)

At a meeting held on December 5-6, 2018, the Board (which is comprised of five persons, all of whom are Independent Trustees as defined under the Investment Company Act of 1940, as amended), considered and approved, for another annual term, the continuance of the investment advisory agreement (the “Advisory Agreement”) between Advisors Series Trust (the “Trust”) and Coldstream Capital Management, Inc. (the “Advisor”) on behalf of the Aasgard Dividend Growth Small & Mid-Cap Fund (the “Fund”). At this meeting, and at a prior meeting held on October 17-18, 2018, the Board received and reviewed substantial information regarding the Fund, the Advisor and the services provided by the Advisor to the Fund under the Advisory Agreement. This information, together with the information provided to the Board throughout the course of the year, formed the primary (but not exclusive) basis for the Board’s determinations. Below is a summary of the factors considered by the Board and the conclusions that formed the basis for the Board’s approval of the continuance of the Advisory Agreement:

1. **THE NATURE, EXTENT AND QUALITY OF THE SERVICES PROVIDED AND TO BE PROVIDED BY THE ADVISOR UNDER THE ADVISORY AGREEMENT.** The Board considered the nature, extent and quality of the Advisor’s overall services provided to the Fund, as well as its responsibilities in all aspects of day-to-day investment management of the Fund. The Board considered the qualifications, experience and responsibilities of the portfolio managers, as well as the responsibilities of other key personnel of the Advisor involved in the day-to-day activities of the Fund. The Board also considered the resources and compliance structure of the Advisor, including information regarding its compliance program, its chief compliance officer and the Advisor’s compliance record, as well as the Advisor’s cybersecurity program and business continuity plan. The Board also considered the prior relationship between the Advisor and the Trust, as well as the Board’s knowledge of the Advisor’s operations, and noted that during the course of the prior year they had met with the Advisor in person to discuss the Fund’s performance and investment outlook as well as various marketing and compliance topics, including the Advisor’s risk management process. The Board concluded that the Advisor had the quality and depth of personnel, resources, investment methods and compliance policies and procedures essential to performing its duties under the Advisory Agreement and that the nature, overall quality and extent of such management services are satisfactory.
2. **THE FUND’S HISTORICAL PERFORMANCE AND THE OVERALL PERFORMANCE OF THE ADVISOR.** In assessing the quality of the portfolio management delivered by the Advisor, the Board reviewed the short-term and long-term performance of the Fund as of July 31, 2018 on both an absolute basis, and in comparison to its peer funds utilizing Morningstar classifications and

AASGARD DIVIDEND GROWTH SMALL & MID-CAP FUND

APPROVAL OF INVESTMENT ADVISORY AGREEMENT (Unaudited), Continued

appropriate securities benchmarks. The Board noted that the Fund was newer, with less than three years of performance history. The Board also took into account that the Fund's track record is measured as of a specific date, and that track records can vary as of different measurement dates. When reviewing performance against the comparative peer group universe, the Board took into account that the investment objective and strategies of the Fund, as well as its level of risk tolerance, may differ significantly from funds in the peer universe. The Board also took into account the Advisor's views as to the reasons for the Fund's relative performance against peers and benchmarks over various time periods and its future outlook for the Fund. In considering the Fund's performance, the Trustees placed greater emphasis on performance against peers as opposed to the unmanaged benchmark indices.

The Board noted that the Fund's performance, with regard to its Morningstar comparative universe, was above its peer group median for the one-year and since inception periods.

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

The Board also considered any differences in performance between similarly managed accounts and the Fund, noting that the Fund had underperformed the similarly managed accounts for the one-year period.

3. THE COSTS OF THE SERVICES TO BE PROVIDED BY THE ADVISOR AND THE STRUCTURE OF THE ADVISOR'S FEE UNDER THE ADVISORY AGREEMENT. In considering the advisory fee and total fees and expenses of the Fund, the Board reviewed comparisons to the peer funds and the Advisor's similarly managed accounts for other types of clients as well as all expense waivers and reimbursements. When reviewing fees charged to other similarly managed accounts, the Board took into account the type of account and the differences in the management of that account that might be germane to the difference, if any, in the fees charged to such accounts.

The Board noted that the Advisor had contractually agreed to maintain an annual expense ratio for the Fund of 1.25% (the "Expense Cap"). The Board noted that the Fund's total expense ratio was above the median and average of its peer group. The Board noted that the Fund's total expense ratio was also above the median and average of its peer group when it was adjusted to include only funds with similar asset sizes. The Board also noted that the contractual advisory fee was above the median and average of its peer group and that the contractual advisory fee was also above the peer group median and average when the peer group was adjusted to include only funds with

AASGARD DIVIDEND GROWTH SMALL & MID-CAP FUND

APPROVAL OF INVESTMENT ADVISORY AGREEMENT (Unaudited), Continued

similar asset sizes. The Board found that the fees charged to the Fund were lower than, equal to, or higher than the fees charged by the Advisor to its similarly managed account clients depending on the asset level. The Board also took into consideration the services the Advisor provided to its similarly managed account clients, comparing the fees charged for those management services to the management fees charged to the Fund. The Board took into account that the Fund was not being broadly distributed at this time and that the only shareholders were advisory clients of the Advisor and friends and family of the Advisor.

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

4. **ECONOMIES OF SCALE.** The Board also considered whether economies of scale were being realized by the Advisor that should be shared with shareholders. The Board noted that the Advisor has contractually agreed to reduce its advisory fees or reimburse Fund expenses so that the Fund does not exceed its specified Expense Cap but that the Fund is currently operating below the Expense Cap. The Board noted that at current asset levels, it did not appear that there were additional significant economies of scale being realized by the Advisor that should be shared with shareholders and concluded it would continue to monitor economies of scale in the future as circumstances changed and assuming asset levels continued to increase.
5. **THE PROFITS TO BE REALIZED BY THE ADVISOR AND ITS AFFILIATES FROM THEIR RELATIONSHIP WITH THE FUND.** The Board reviewed the Advisor's financial information and took into account both the direct benefits and the indirect benefits to the Advisor from advising the Fund. The Board considered the profitability to the Advisor from its relationship with the Fund and considered any additional benefits derived by the Advisor from its relationship with the Fund. The Board also considered that the Fund does not charge any Rule 12b-1 fees or utilize "soft dollars." The Board also reviewed information regarding fee offsets for separate accounts invested in the Fund and determined that the Advisor was not receiving an advisory fee both at the separate account and at the Fund level for these accounts, and as a result was not receiving additional fall-out benefits from these relationships. After such review, the Board determined that the profitability to the Advisor with respect to the Advisory Agreement was not excessive at this time, and that the Advisor had maintained adequate profit levels to support the services it provides to the Fund.

AASGARD DIVIDEND GROWTH SMALL & MID-CAP FUND

APPROVAL OF INVESTMENT ADVISORY AGREEMENT (Unaudited), Continued

No single factor was determinative of the Board's decision to approve the continuance of the Advisory Agreement for the Fund, but rather the Board based its determination on the total combination of information available to them. Based on a consideration of all the factors in their totality, the Board determined that the advisory arrangement with the Advisor, including the advisory fee, was fair and reasonable. The Board therefore determined that the continuance of the Advisory Agreement for the Fund would be in the best interest of the Fund and its shareholders.

PRIVACY NOTICE

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

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

We do not disclose any non-public personal information about our customers or former customers without the customer's authorization, except as permitted by law or in response to inquiries from governmental authorities. We may share information with affiliated and unaffiliated third parties with whom we have contracts for servicing the Fund. We will provide unaffiliated third parties with only the information necessary to carry out their assigned responsibilities. We maintain physical, electronic and procedural safeguards to guard your non-public personal information and require third parties to treat your personal information with the same high degree of confidentiality.

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

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This report is intended for shareholders of the Fund and may not be used as sales literature unless preceded or accompanied by a current prospectus. For a current prospectus please call (877) 476-1909. Statements and other information herein are dated and are subject to change.