



LK BALANCED FUND
FOCUSED LONG-TERM INVESTING

LK Balanced Fund

Institutional Class Shares – LKBLX

LK Balanced Fund

August 3, 2016

Dear Fellow Shareholders,

The markets over the past year have been driven largely by the historic moves in interest rates. U.S. ten-year treasury rates have continued to defy forecasts and make new lows. This not only propelled longer-duration bonds upwards, it had a see-sawing effect on equity markets. Every move seemed to be viewed through the lens of half good and half bad. For instance, lower rates could be viewed as positive for equities by allowing for improved valuation metrics and potentially stimulating economic conditions, or negative for equities as each lower move signaled the need for economic stimulation as global economies just couldn't quite get themselves going. Against this backdrop, fixed income markets did well, while equity markets bounced from positive to negative performance and back again. For the 12 months ended June 30, 2016, the Fund returned 0.91%, underperforming the Lipper Balanced Fund Index which returned 1.49%. During this period, our bond holdings contributed the majority of the performance, while equity positions were only a slight positive. Leading individual contributors to the Fund's performance were The Hershey Company, Symetra Financial, and Johnson & Johnson which collectively added about 3.1% to Fund performance. The largest detractors were Constellium, Chicago Bridge & Iron, and Costamare which subtracted about 4.1% from Fund performance.

We would expect equity markets to continue to reflect concerns about global economic growth (or better said, the lack thereof), geo-political events (the Brexit vote, terrorist attacks), and central bank policies. These issues, as well as an increased focus on coming political elections, are likely to remain on investors' minds for the rest of the year and contribute to further waves of market volatility. Fortunately for the domestic investor, U.S. markets have recovered from bouts of fear and stand at or near all-time highs. Even though there was a barrage of negative media coverage, equity markets over the past year continued to climb the proverbial wall of worry. Despite concerns, we believe there is much to be positive about. Unemployment is low and wages are rising, which supports consumer confidence and consumption. Many U.S. companies continue to find ways to make a profit, rebuild their balance sheets and spend for future growth.

While much of the focus of media reports and investors is on macro events, we continue to believe it will be company specific performance that will drive longer-term results. All else being equal, we would expect companies that are capable of delivering above-average growth (in a low-growth world) to be rewarded by investors over time. We continue to seek opportunities to own well-positioned, growth oriented businesses with valuations that offer attractive compensation for the risks taken. The number of such opportunities might be fewer than earlier in the current market cycle, but we believe a selective and active approach to investing can maximize the likelihood of finding such companies today. Rather than attempting to predict macro outcomes, we strive to build a portfolio that is durable enough to participate in the upside of rising markets while hopefully providing some protection in distressed conditions.

Thank you for your continued trust and confidence.

Sincerely,



Thomas J. Sudyka, Jr.



Bruce H. Van Kooten

LK Balanced Fund

Opinions expressed are subject to change at any time, are not guaranteed and should not be considered investment advice.

Past performance does not guarantee future results.

Fund holdings and allocations are subject to change at any time and should not be considered a recommendation to buy or sell any security.

Please see the schedule of investments for a complete list of fund holdings.

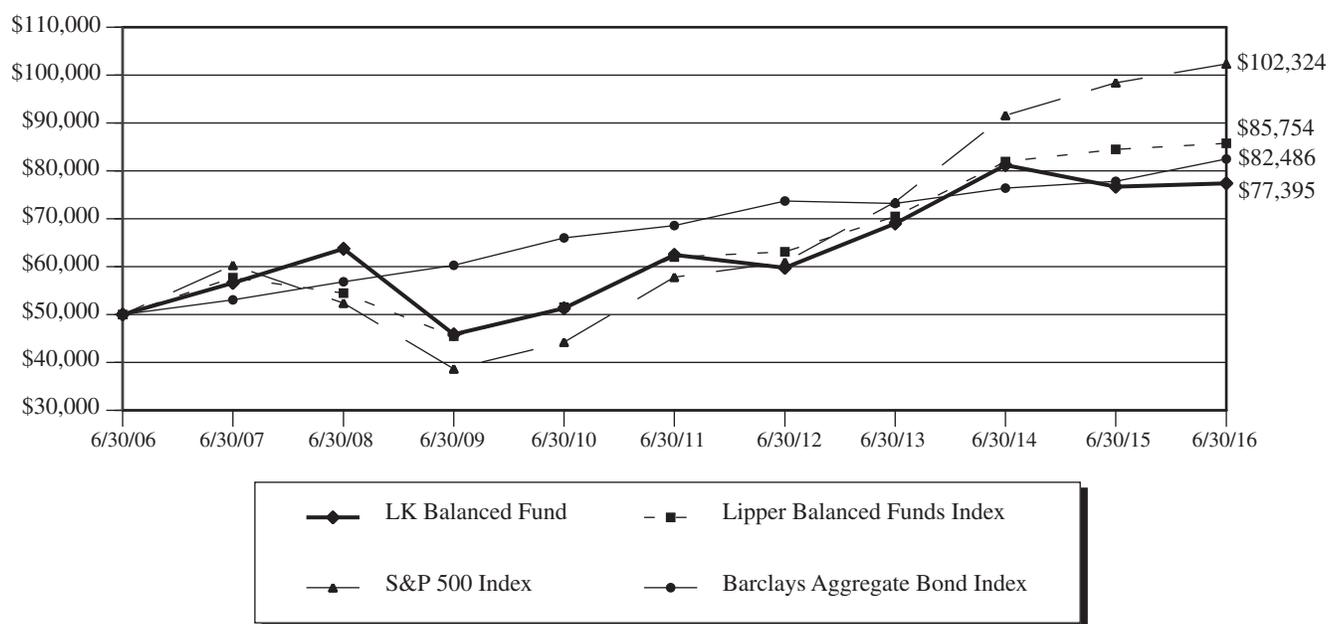
Mutual fund investing involves risk. Principal loss is possible. Securities of mid-cap and small-cap companies may be more volatile and less liquid than the securities of large-cap companies. Foreign companies involve risks not generally associated with investment in the securities of U.S. companies, including risks relating to political, social and economic developments abroad and differences between U.S. and foreign regulatory requirements and market practices, including fluctuations in foreign currencies. The Fund's investments in debt securities will be subject to credit risk, interest rate risk, prepayment risk and duration risk. Credit risk is the risk that an issuer will not make timely payments of principal and interest. Interest rate risk is the risk that the value of debt securities fluctuates with changes in interest rates (e.g. increases in interest rates result in a decrease in value of debt securities). Pre-payment risk is the risk that the principal on debt securities will be paid off prior to maturity causing the Fund to invest in debt securities with lower interest rates. Investments in below investment grade debt securities and unrated securities of similar credit quality as determined by the Adviser (commonly known as "junk bonds") involve a greater risk of default and are subject to greater levels of credit and liquidity risk. The Fund may be exposed to liquidity risk when trading volume, lack of a market maker, or legal restrictions impair the Fund's ability to sell particular securities at an advantageous price or in a timely manner.

One may not directly invest in an index.

The Lipper Balanced Funds index is an equally weighted index of the 30 largest U.S. Balanced Funds. One may not directly invest in an index.

LK Balanced Fund

VALUE OF \$50,000 INVESTMENT (UNAUDITED)



The chart assumes an initial investment of \$50,000. 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 June 30, 2016

	<u>One Year</u>	<u>Five Year</u>	<u>Ten Year</u>	<u>Since Inception</u>
LK Balanced Fund ⁽¹⁾⁽²⁾	0.91%	4.38%	4.47%	7.98%
Lipper Balanced Funds Index ⁽³⁾	1.49%	6.70%	5.54%	7.89%
S&P 500 Index ⁽⁴⁾	3.99%	12.10%	7.42%	10.06%
Barclays Aggregate Bond Index ⁽⁵⁾	6.00%	3.76%	5.13%	6.54%

(1) Fund commenced operations on July 1, 2012.

(2) The performance data quoted for periods prior to July 1, 2012 is that of the L/K Limited Partnership #1 (the "Partnership"). The Partnership commenced operations on December 31, 1986. The Partnership was not a registered mutual fund and was not subject to the same investment and tax restrictions as the Fund. If it had been, the Partnership's performance might have been lower.

(3) The Lipper Balanced Funds Index is an equally weighted index of the 30 largest U.S. Balanced Funds. One may not invest directly in an index.

(4) The Standard and Poor's 500 Index is an unmanaged, capitalization-weighted index generally representative of the U.S. market for large capitalization stocks. One may not invest directly in an index.

(5) The Barclays Aggregate Bond Index is an intermediate term index and a market capitalization-weighted index, where securities in the index are weighted according to the market size of each bond type. One may not invest directly in an index.

LK Balanced Fund

EXPENSE EXAMPLE (UNAUDITED) JUNE 30, 2016

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, which may include but are not limited to, wire transfer fees; and (2) ongoing costs, including management 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 (January 1, 2016 – June 30, 2016).

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 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 do not reflect any transactional costs. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if transactional costs were included, your costs may have been higher.

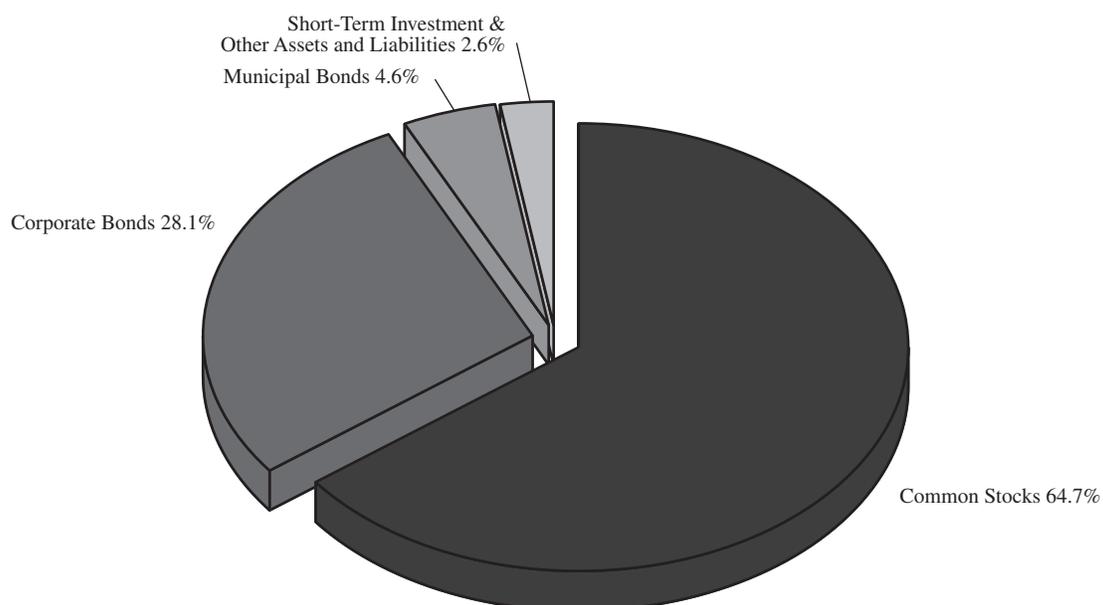
	<u>Beginning Account Value (1/1/2016)</u>	<u>Ending Account Value (6/30/2016)</u>	<u>Expenses Paid During Period⁽¹⁾ (1/1/2016 to 6/30/2016)</u>
LK Balanced Fund Actual ⁽²⁾	\$1,000.00	\$1,048.30	\$5.09
LK Balanced Fund Hypothetical (5% return before expenses)	\$1,000.00	\$1,019.89	\$5.02

(1) Expenses are equal to the Fund’s expense ratio for the most recent six-month period of 1.00%, multiplied by the average account value over the period, multiplied by 182/366 to reflect the one-half year period.

(2) Based on the actual returns for the six-month period ended June 30, 2016 of 4.83%.

LK Balanced Fund

ALLOCATION OF PORTFOLIO NET ASSETS (UNAUDITED) JUNE 30, 2016 (% OF NET ASSETS)



TOP TEN HOLDINGS (UNAUDITED) JUNE 30, 2016⁽¹⁾ (% OF NET ASSETS)

Texas Pacific Land Trust	3.6%
Johnson & Johnson	2.8%
Microsoft	2.8%
Pfizer	2.7%
Lincoln Electric Holdings	2.7%
Walt Disney	2.7%
Hershey	2.6%
Thermo Fisher Scientific	2.3%
Boeing	2.3%
Chicago Bridge & Iron	2.2%

(1) First American Government Obligations, Class Z, is excluded from the Top Ten Holdings.

LK Balanced Fund

SCHEDULE OF INVESTMENTS JUNE 30, 2016

<u>Description</u>	<u>Shares</u>	<u>Value</u>
COMMON STOCKS – 64.7%		
Consumer Discretionary – 11.4%		
Bed Bath & Beyond	10,000	\$ 432,200
Cato, Class A	12,500	471,500
Discovery Communications, Series C*	19,000	453,150
LKQ*	11,000	348,700
McDonald's	2,000	240,680
Walt Disney	7,000	684,740
Winnebago Industries	13,000	297,960
		<u>2,928,930</u>
Consumer Staples – 5.7%		
Hershey	6,000	680,940
Procter & Gamble	5,000	423,350
Wal-Mart Stores	5,000	365,100
		<u>1,469,390</u>
Energy – 3.2%		
Chevron	4,418	463,139
ConocoPhillips	8,000	348,800
		<u>811,939</u>
Financials – 14.8%		
Arthur J. Gallagher	7,000	333,200
Berkshire Hathaway, Class A*	2	433,950
Berkshire Hathaway, Class B*	2,900	419,891
Brookfield Asset Management, Class A	15,000	496,050
Leucadia National	14,400	249,552
Opus Bank	8,000	270,400
Texas Pacific Land Trust	5,500	927,575
The St. Joe Company*	17,000	301,240
Weyerhaeuser – REIT	12,800	381,056
		<u>3,812,914</u>
Health Care – 9.6%		
Gilead Sciences	5,500	458,810
Johnson & Johnson	6,000	727,800
Pfizer	20,000	704,200
Thermo Fisher Scientific	4,000	591,040
		<u>2,481,850</u>
Industrials – 11.0%		
Aerojet Rocketdyne Holdings*	22,000	402,160
Boeing	4,500	584,415

See Notes to the Financial Statements

LK Balanced Fund

SCHEDULE OF INVESTMENTS – CONTINUED JUNE 30, 2016

Description	Shares/Par	Value
COMMON STOCKS – 64.7% (CONTINUED)		
Industrials – 11.0% (Continued)		
Brookfield Business Partners L.P.*	300	\$ 5,727
Chicago Bridge & Iron	16,000	554,080
Costamare	25,000	191,750
Kansas City Southern	4,600	414,414
Lincoln Electric Holdings	11,600	685,328
		2,837,874
Information Technology – 2.8%		
Microsoft	14,000	716,380
Materials – 4.2%		
Compass Minerals International	6,000	445,140
Constellium, Class A*	44,000	206,360
Vulcan Materials	3,500	421,260
		1,072,760
Telecommunication Services – 2.0%		
Verizon Communications	9,200	513,728
Total Common Stocks (Cost \$11,999,780)		16,645,765
CORPORATE BONDS – 28.1%		
Consumer Discretionary – 7.1%		
Advance Auto Parts 4.500%, 12/01/2023	\$250,000	268,935
Bed Bath & Beyond 3.749%, 08/01/2024	500,000	510,569
McDonald's 1.875%, 05/29/2019	250,000	253,144
Newell Rubbermaid 3.900%, 11/01/2025	250,000	262,366
Viacom 3.875%, 12/15/2021	250,000	264,099
Walt Disney 5.875%, 12/15/2017	250,000	267,649
		1,826,762
Consumer Staples – 3.9%		
Archer-Daniels-Midland 4.479%, 03/01/2021	250,000	282,217

See Notes to the Financial Statements

LK Balanced Fund

SCHEDULE OF INVESTMENTS – CONTINUED JUNE 30, 2016

<u>Description</u>	<u>Par</u>	<u>Value</u>
CORPORATE BONDS – 28.1% (CONTINUED)		
Consumer Staples – 3.9% (Continued)		
Bunge Limited Finance 3.500%, 11/24/2020	\$250,000	\$ 262,321
Campbell Soup 2.500%, 08/02/2022	300,000	305,092
Coca-Cola 7.125%, 08/01/2017	150,000	<u>159,554</u>
		<u>1,009,184</u>
Energy – 1.9%		
ConocoPhillips 6.650%, 07/15/2018	250,000	271,856
Murphy Oil 3.700%, 12/01/2022	250,000	<u>229,026</u>
		<u>500,882</u>
Financials – 2.0%		
Berkshire Hathaway 1.900%, 01/31/2017	265,000	266,788
JPMorgan Chase 3.500%, 03/28/2027 ^	250,000	<u>251,291</u>
		<u>518,079</u>
Health Care – 2.5%		
Pfizer 4.650%, 03/01/2018	250,000	266,235
Stryker 4.375%, 01/15/2020	200,000	218,085
Teva Pharmaceutical Finance IV 2.250%, 03/18/2020	150,000	<u>152,662</u>
		<u>636,982</u>
Industrials – 4.1%		
General Electric 5.000%, 12/29/2049 ^	500,000	531,125
Hexcel 4.700%, 08/15/2025	250,000	266,831
Keysight Technologies 4.550%, 10/30/2024	250,000	<u>255,171</u>
		<u>1,053,127</u>

See Notes to the Financial Statements

LK Balanced Fund

SCHEDULE OF INVESTMENTS – CONTINUED JUNE 30, 2016

<u>Description</u>	<u>Par</u>	<u>Value</u>
CORPORATE BONDS – 28.1% (CONTINUED)		
Information Technology – 5.6%		
Corning 7.530%, 03/01/2023	\$110,000	\$ 123,058
Intel 2.700%, 12/15/2022	250,000	261,782
KLA-Tencor 4.650%, 11/01/2024	250,000	273,181
Motorola Solutions 3.750%, 05/15/2022	250,000	250,215
Qualcomm 3.450%, 05/20/2025	500,000	531,956
		1,440,192
Telecommunication Services – 1.0%		
Qwest 7.125%, 11/15/2043	250,000	243,750
Total Corporate Bonds (Cost \$6,952,874)		7,228,958
MUNICIPAL BONDS – 4.6%		
Blair, Nebraska Water System Series C 3.500%, 12/15/2017	200,000	202,118
Colony, Texas Local Development Corporation Series A 2.594%, 10/01/2020 – BHAC Insured	190,000	199,538
La Vista, Nebraska Economic Development Fund 6.530%, 10/15/2017	200,000	201,660
Lincoln, Nebraska Airport Authority Series C 3.628%, 07/01/2022	350,000	360,570
Omaha, Nebraska Special Tax, Build America Bonds Series B 4.130%, 10/15/2016	220,000	221,560
Total Municipal Bonds (Cost \$1,163,169)		1,185,446

See Notes to the Financial Statements

LK Balanced Fund

SCHEDULE OF INVESTMENTS – CONTINUED JUNE 30, 2016

<u>Description</u>	<u>Shares</u>	<u>Value</u>
SHORT-TERM INVESTMENT – 2.7%		
First American Government Obligations, Class Z, 0.24% (a) (Cost \$699,831)	699,831	\$ 699,831
Total Investments – 100.1% (Cost \$20,815,654)		25,760,000
Other Assets and Liabilities, Net – (0.1)%		(31,727)
Total Net Assets – 100.0%		<u>\$25,728,273</u>

* Non-income producing security.

^ Variable rate security – The rate shown is the rate in effect as of June 30, 2016.

(a) The rate shown is the annualized seven day effective yield as of June 30, 2016.

BHAC – Berkshire Hathaway Assurance Corporation

REIT – Real Estate Investment Trust

See Notes to the Financial Statements

LK Balanced Fund

STATEMENT OF ASSETS AND LIABILITIES JUNE 30, 2016

ASSETS:

Investments, at value (cost \$20,815,654)	\$25,760,000
Cash	2,609
Dividends & interest receivable	81,374
Prepaid expenses	3,448
Total assets	<u>25,847,431</u>

LIABILITIES:

Payable to investment adviser	7,630
Payable for investment securities purchased	66,899
Payable for fund administration & accounting fees	11,299
Payable for compliance fees	1,999
Payable for transfer agent fees & expenses	5,191
Payable for custody fees	896
Payable for trustee fees	3,073
Accrued other fees	22,171
Total liabilities	<u>119,158</u>

NET ASSETS \$25,728,273

NET ASSETS CONSIST OF:

Paid-in capital	\$20,369,341
Accumulated undistributed net investment income	191,954
Accumulated undistributed net realized gain on investments	222,632
Net unrealized appreciation on investments	4,944,346
Net Assets	<u><u>\$25,728,273</u></u>

Shares outstanding, unlimited number of shares authorized without par value 611,077

Net asset value, redemption price and offering price per share \$ 42.10

See Notes to the Financial Statements

LK Balanced Fund

STATEMENT OF OPERATIONS FOR THE YEAR ENDED JUNE 30, 2016

INVESTMENT INCOME:	
Dividend income	\$ 328,496
Less: Foreign taxes withheld	(2,741)
Interest income	<u>314,657</u>
Total investment income	<u>640,412</u>
EXPENSES:	
Investment adviser fees (See Note 4)	190,063
Fund administration & accounting fees (See Note 4)	69,635
Transfer agent fees & expenses (See Note 4)	29,589
Audit fees	18,011
Compliance fees (See Note 4)	12,001
Legal fees	11,761
Trustee fees (See Note 4)	9,954
Postage & printing fees	7,497
Other fees	6,534
Federal & state registration fees	6,212
Custody fees (See Note 4)	<u>5,266</u>
Total expenses before waiver	366,523
Less: waiver from investment adviser (See Note 4)	<u>(113,106)</u>
Net expenses	<u>253,417</u>
NET INVESTMENT INCOME	<u>386,995</u>
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:	
Net realized gain on investments	425,983
Net change in unrealized appreciation on investments	<u>(605,508)</u>
Net realized and unrealized loss on investments	<u>(179,525)</u>
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ 207,470</u>

See Notes to the Financial Statements

LK Balanced Fund

STATEMENTS OF CHANGES IN NET ASSETS

	<u>Year Ended June 30, 2016</u>	<u>Year Ended June 30, 2015</u>
OPERATIONS:		
Net investment income	\$ 386,995	\$ 326,834
Net realized gain on investments	425,983	621,150
Net change in unrealized appreciation on investments	<u>(605,508)</u>	<u>(2,456,685)</u>
Net increase (decrease) in net assets resulting from operations	<u>207,470</u>	<u>(1,508,701)</u>
CAPITAL SHARE TRANSACTIONS:		
Proceeds from shares sold	1,444,556	4,023,849
Proceeds from reinvestment of distributions	844,711	1,779,684
Payments for shares redeemed	<u>(2,480,979)</u>	<u>(3,115,724)</u>
Net increase (decrease) in net assets resulting from capital share transactions	<u>(191,712)</u>	<u>2,687,809</u>
DISTRIBUTIONS TO SHAREHOLDERS:		
From net investment income	(346,806)	(502,814)
From net realized gains	<u>(497,905)</u>	<u>(1,276,870)</u>
Total distributions to shareholders	<u>(844,711)</u>	<u>(1,779,684)</u>
TOTAL DECREASE IN NET ASSETS	<u>(828,953)</u>	<u>(600,576)</u>
NET ASSETS:		
Beginning of year	<u>26,557,226</u>	<u>27,157,802</u>
End of year (including accumulated undistributed net investment income of \$191,954 and \$153,309, respectively)	<u>\$25,728,273</u>	<u>\$26,557,226</u>

See Notes to the Financial Statements

LK Balanced Fund

FINANCIAL HIGHLIGHTS

For a Fund share outstanding throughout the year.

	<u>Year Ended June 30, 2016</u>	<u>Year Ended June 30, 2015</u>	<u>Year Ended June 30, 2014</u>	<u>Year Ended June 30, 2013</u>
PER SHARE DATA:				
Net asset value, beginning of year	<u>\$43.21</u>	<u>\$49.06</u>	<u>\$42.82</u>	<u>\$38.16</u>
INVESTMENT OPERATIONS:				
Net investment income	0.65	0.54	0.81	0.52
Net realized and unrealized gain (loss) on investments	<u>(0.33)</u>	<u>(3.24)</u>	<u>6.67</u>	<u>5.30</u>
Total from investment operations	<u>0.32</u>	<u>(2.70)</u>	<u>7.48</u>	<u>5.82</u>
LESS DISTRIBUTIONS FROM:				
Net investment income	(0.59)	(0.89)	(0.41)	(0.32)
Net realized gains	<u>(0.84)</u>	<u>(2.26)</u>	<u>(0.83)</u>	<u>(0.84)</u>
Total distributions	<u>(1.43)</u>	<u>(3.15)</u>	<u>(1.24)</u>	<u>(1.16)</u>
Net asset value, end of year	<u>\$42.10</u>	<u>\$43.21</u>	<u>\$49.06</u>	<u>\$42.82</u>
TOTAL RETURN	0.91%	(5.55)%	17.68%	15.46%
SUPPLEMENTAL DATA AND RATIOS:				
Net assets, end of year (in millions)	\$25.7	\$26.6	\$27.2	\$21.1
Ratio of expenses to average net assets:				
Before expense reimbursement/waiver	1.45%	1.42%	1.43%	1.62%
After expense reimbursement/waiver	1.00%	1.00%	1.00%	1.00%
Ratio of net investment income to average net assets:				
Before expense reimbursement/waiver	1.08%	0.79%	1.40%	0.64%
After expense reimbursement/waiver	1.53%	1.21%	1.83%	1.26%
Portfolio turnover rate	25%	16%	20%	20%

See Notes to the Financial Statements

LK Balanced Fund

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2016

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 LK Balanced Fund (the “Fund”) is a diversified series with its own investment objectives and policies within the Trust. The investment objective of the Fund is long-term capital appreciation and current income. The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (“FASB”) Accounting Standards Board Codification Topic 946 Financial Services – Investment Companies. Prior to July 1, 2012, the Fund’s investment adviser managed a limited partnership with an investment objective and investment policies that were, in all material respects, equivalent to those of the Fund. The limited partnership, which inceptioned on December 31, 1986, converted into, and the Fund commenced operations in the Trust on, July 1, 2012. The Fund currently offers one class, the Institutional Class. 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 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 June 30, 2016, 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. As of and during the year ended June 30, 2016, the Fund did not incur any interest or penalties.

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. Discounts and premiums on securities purchased are amortized over the expected life of the respective securities.

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 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

LK Balanced Fund

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED JUNE 30, 2016

Fund. For the year ended June 30, 2016, the Fund decreased accumulated undistributed net investment income by \$1,544 and increased accumulated undistributed net realized gain on investments by \$1,544.

Allocation of Expenses – Expenses associated with a specific fund in the Trust are charged to that fund. Common Trust expenses are typically 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 of 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.

Short-Term Investments – Investments in other mutual funds, including money market 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.

Equity Securities – Equity securities, including common stocks, preferred stocks, exchange-traded funds (“ETFs”) and real estate investment trusts (“REITs”), that are primarily traded on a national securities exchange are 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 are valued using the Nasdaq Official Closing Price (“NOCP”). If the NOCP is not available, such securities are 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. If the market for a particular security is not active, and the mean between bid and ask prices is used, these securities are categorized in Level 2 of the fair value hierarchy.

LK Balanced Fund

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED JUNE 30, 2016

Fixed Income Securities – Corporate, municipal bonds, and U.S. government & agency securities, are valued at fair value on the basis of valuations furnished by an independent pricing service which utilizes both dealer-supplied valuations and formula-based techniques. The pricing service may consider recently executed transactions in securities of the issuer or comparable issuers, market price quotations (where observable), bond spreads, and fundamental data relating to the issuer. Fixed income securities are categorized in Level 2 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 it were to sell the security at approximately the time at which the Fund determines its 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 of the Valuation Committee 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 June 30, 2016:

	Level 1	Level 2	Level 3	Total
Common Stocks	\$16,645,765	\$ —	\$ —	\$16,645,765
Corporate Bonds	—	7,228,958	—	7,228,958
Municipal Bonds	—	1,185,446	—	1,185,446
Short-Term Investment	699,831	—	—	699,831
Total Investments	\$17,345,596	\$8,414,404	\$ —	\$25,760,000

Transfers between levels are recognized at the end of the reporting period. During the year ended June 30, 2016, the Fund recognized no transfers between levels. The Fund did not invest in any Level 3 investments during the year. 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 Lawson Kroeker Investment Management, Inc. (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 0.75% of the Fund's average daily net assets.

The Adviser has contractually agreed to waive a portion or all of its management fees and 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 1.00% of the Fund's average daily net assets. Fees waived and expenses reimbursed by the Adviser may be recouped by the Adviser for a period of three fiscal years following the fiscal year during which such waiver or reimbursement was made if such recoupment can be achieved without exceeding the expense limit in effect at the time the waiver and reimbursement occurred. The Operating Expense Limitation Agreement is intended to be continual in nature and cannot be terminated within a year after the effective date of the Fund's prospectus. After that date, the agreement may be terminated at any time upon 60 days' written notice by the Trust's Board of Trustees or the Adviser, with the consent of the Board. Waived fees and reimbursed expenses subject to potential recovery by year of expiration are as follows:

LK Balanced Fund

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED JUNE 30, 2016

Expiration	Amount
June 30, 2017	\$104,101
June 30, 2018	\$112,514
June 30, 2019	\$113,106

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 including 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 compliance services for the year ended June 30, 2016, 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. CAPITAL SHARE TRANSACTIONS

Transactions in shares of the Fund were as follows:

	Year Ended June 30, 2016	Year Ended June 30, 2015
Shares sold	35,024	89,085
Shares issued to holders in reinvestment of distributions	21,070	40,931
Shares redeemed	(59,695)	(68,949)
Net increase (decrease) in shares outstanding	(3,601)	61,067

6. INVESTMENT TRANSACTIONS

The aggregate purchases and sales, excluding short-term investments, by the Fund for the year ended June 30, 2016, were as follows:

	Purchases	Sales
U.S. Government	\$ —	\$1,071,761
Other	\$6,648,601	\$5,021,882

7. 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 June 30, 2016, the Fund’s most recent fiscal year end were as follows:

Aggregate Gross Appreciation	Aggregate Gross Depreciation	Net Appreciation	Federal Income Tax Cost
\$6,607,215	\$(1,662,869)	\$4,944,346	\$20,815,654

LK Balanced Fund

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED JUNE 30, 2016

At June 30, 2016, components of accumulated earnings on a tax-basis were as follows:

Undistributed Ordinary Income	Undistributed Long-Term Capital Gains	Unrealized Appreciation	Total Accumulated Earnings
\$241,280	\$173,306	\$4,944,346	\$5,358,932

As of June 30, 2016, 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 June 30, 2016, the Fund did not defer any qualified late year losses.

The tax character of distributions paid during the year ended June 30, 2016, were as follows:

Ordinary Income*	Long Term Capital Gains**	Total
\$368,510	\$476,201	\$844,711

The tax character of distributions paid during the year ended June 30, 2015, were as follows:

Ordinary Income*	Long Term Capital Gains**	Total
\$505,817	\$1,273,867	\$1,779,684

* For federal income tax purposes, distributions of short-term capital gains are treated as ordinary income.

** The Fund designated as long-term capital gain dividend, pursuant to Internal Revenue Code Section 852(b)(3)(C), the amount necessary to reduce the earnings and profits of the Fund related to net capital gain to zero for the tax years ended June 30, 2016 and June 30, 2015.

LK Balanced Fund

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of LK Balanced 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 LK Balanced Fund (the "Fund"), a series of Managed Portfolio Series, as of June 30, 2016, and 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 four years in the period then ended. 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 audits.

We conducted our audits 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 June 30, 2016, 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 audits provide 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 LK Balanced Fund as of June 30, 2016, 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 four years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.



COHEN FUND AUDIT SERVICES, LTD.

Cleveland, Ohio
August 25, 2016

LK Balanced Fund

ADDITIONAL INFORMATION (UNAUDITED) APPROVAL OF INVESTMENT ADVISORY AGREEMENT

At the regular meeting of the Board of Trustees of Managed Portfolio Series (the “Trust”) on February 16-17, 2016, the Trust’s Board of Trustees (the “Board”), including all of the Trustees 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, (the “Independent Trustees”) considered and approved the continuation of the Investment Advisory Agreement between the Trust and Lawson Kroeker Investment Management, Inc. (“LK” or the “Adviser”) regarding the LK Balanced Fund (the “Fund”) (the “Investment Advisory Agreement”) for another annual term.

Prior to the meeting and at a meeting held on January 7, 2016, the Trustees received and considered information from LK and the Trust’s administrator designed to provide the Trustees with the information necessary to evaluate the continuance of the Investment Advisory Agreement (“Support Materials”). Before voting to approve the continuance of the Investment 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. 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, the Trustees considered all factors they believed relevant, including the following: (1) the nature, extent, and quality of the services provided by LK with respect to the Fund; (2) the Fund’s historical performance and the performance of other investment accounts managed by LK; (3) the costs of the services provided by LK and the profits realized by LK from services rendered to the Trust with respect to the Fund; (4) comparative fee and expense data for the Fund and other investment companies with similar investment objectives; (5) 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 (6) other financial benefits to LK 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 a representative of LK, and the Support Materials, the Board concluded that the overall arrangements between the Trust and LK set forth in the Investment Advisory Agreement continue to be fair and reasonable in light of the services that LK performs, the investment advisory fees that the Fund pays and such other matters 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 are summarized below.

Nature, Extent and Quality of Services Provided. The Trustees considered the scope of services that LK provides under the Investment Advisory Agreement, noting that such services include, but are not limited to, the following: (1) investing the Fund’s assets consistent with the Fund’s investment objective and investment policies; (2) determining the portfolio securities to be purchased, sold or otherwise disposed of and the timing of such transactions; (3) voting all proxies with respect to the Fund’s portfolio securities; (4) maintaining the required books and records for transactions that LK effects on behalf of the Fund; and (5) selecting broker-dealers to execute orders on behalf of the Fund; (6) monitoring and maintaining the Fund’s compliance with policies and procedures of the Trust and with applicable securities laws. The Trustees noted the investment philosophy of the portfolio managers and their significant investment and portfolio management experience. The Trustees also considered LK’s capitalization and its assets under management. The Trustees concluded that they were satisfied with the nature, extent and quality of services provided by LK to the Fund pursuant to the Investment Advisory Agreement.

LK Balanced Fund

ADDITIONAL INFORMATION (UNAUDITED) – CONTINUED

Fund Historical Performance and the Overall Performance of LK. In assessing the quality of the portfolio management delivered by LK, the Trustees reviewed the short-term and long-term performance of the Fund on both an absolute basis and in comparison to appropriate securities benchmark indices, the Fund's peer funds according to Morningstar classifications, and the composite of separate accounts that LK manages utilizing a similar investment strategy as that of the Fund. While the Trustees considered both short-term and long-term performance of the Fund, they placed greater emphasis on longer term performance. When reviewing the Fund's performance against its Morningstar peer group, the Trustees 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 group. The Trustees noted the Fund's performance, with regard to its Morningstar comparative universe, was in the eighty-third and eighty-ninth percentiles for the one-year and three-year periods ended December 31, 2015. The Trustees also noted the Fund underperformed the Lipper Balanced Funds Index during the one-year, three-year, five-year, and ten-year periods ended December 31, 2015. The Trustees took into account additional information provided by LK throughout the course of the year describing the market conditions and/or investment strategies and techniques employed by the Adviser that contributed to the Fund's underperformance. The Trustees considered that the Fund outperformed the Lipper Balanced Funds Index since inception and has provided shareholders with positive returns over all measured periods except one year. The Trustees then observed that the Fund's performance was consistent with the performance of a composite of similar accounts managed by LK over all relevant time periods.

Cost of Advisory Services and Profitability. The Trustees considered the annual advisory fee that the Fund pays to LK under the Investment Advisory Agreement, as well as LK's profitability from services that LK rendered to the Fund during the 12 month period ended June 30, 2015. In that regard, the Trustees noted LK subsidizes the costs of all shareholder (other than transfer agency fees) and distribution services rendered to the Fund. The Trustees also noted that while the management fees LK charges to separately managed accounts with similar investment strategies and asset levels as those of the Fund are lower than the advisory fee for the Fund, LK has additional responsibilities with respect to the Fund, including more frequent trading and cash management stemming from the Fund's daily subscriptions and redemptions, additional compliance and shareholder servicing obligations, and the preparation of Board and shareholder materials, that justify the higher fee. The Trustees also noted LK has contractually agreed to reduce its advisory fees and, if necessary, reimburse the Fund for its operating expenses, as specified in the Fund's prospectus. The Trustees concluded that LK's service relationship with the Fund has not been profitable.

Comparative Fee and Expense Data. The Trustees considered a comparative analysis of contractual expenses borne by the Fund and those of funds within the same Morningstar benchmark category. The Trustees noted the Fund's advisory fee was higher than the average and median management fees reported for the benchmark category. They also considered the total expenses of the Fund (after waivers and expense reimbursements) were higher than the average and median 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. The Trustees also took into account that the advisory fees and total expenses (after waivers and expense reimbursements) borne by the Fund were well within the range of that borne by funds in the benchmark category. While recognizing that it is difficult to compare advisory fees because advisory services provided may vary from one investment adviser to another, the Trustees concluded that LK's advisory fee continues to be reasonable.

Economies of Scale. The Trustees considered whether the Fund may benefit from any economies of scale, noting that the investment advisory fee for the Fund does not contain breakpoints. The Trustees noted that given current

LK Balanced Fund

ADDITIONAL INFORMATION (UNAUDITED) – CONTINUED

asset levels, it was not necessary to consider the implementation of fee breakpoints at the present time, but agreed to revisit the issue in the future as circumstances change and asset levels increase. The Trustees also considered that LK had agreed to consider breakpoints in the future in response to asset growth.

Other Benefits. The Trustees considered the direct and indirect financial benefits that could be realized by the Adviser from its relationship with the Fund. The Trustees considered the extent to which LK utilizes soft dollar arrangements with respect to portfolio transactions. The Trustees also took into account that LK has no affiliated brokers to execute the Fund's portfolio transactions. The Trustees considered that LK may receive some form of reputational benefit from services rendered to the Fund, but that any such benefits are difficult to accurately quantify and remain appropriate. The Trustees concluded that LK does not receive additional material financial benefits from services rendered to the Fund.

LK Balanced Fund

ADDITIONAL INFORMATION (UNAUDITED) – CONTINUED JUNE 30, 2016

TRUSTEES AND OFFICERS

<u>Name, Address and Age</u>	<u>Position(s) Held with the Trust</u>	<u>Term of Office and Length of Time Served</u>	<u>Number of Portfolios in Trust Overseen by Trustee</u>	<u>Principal Occupation(s) During the Past Five Years</u>	<u>Other Directorships Held by Trustee During the Past Five Years</u>
Independent Trustees					
Leonard M. Rush, CPA 615 E. Michigan St. Milwaukee, WI 53202 Year of Birth: 1946	Lead Independent Trustee and Audit Committee Chairman	Indefinite Term; Since April 2011	36	Retired, Chief Financial Officer, Robert W. Baird & Co. Incorporated (2000-2011).	Independent Trustee, ETF Series Solutions (15 Portfolios) (2012-Present); Director, Anchor Bancorp Wisconsin, Inc. (2011-2013)
David A. Massart 615 E. Michigan St. Milwaukee, WI 53202 Year of Birth: 1967	Trustee and Valuation Committee Chairman	Indefinite Term; Since April 2011	36	Co-Founder and Chief Investment Strategist, Next Generation Wealth Management, Inc. (2005-present).	Independent Trustee, ETF Series Solutions (15 Portfolios) (2012-Present)
David M. Swanson 615 E. Michigan St. Milwaukee, WI 53202 Year of Birth: 1957	Trustee	Indefinite Term; Since April 2011	36	Founder and Managing Principal, SwanDog Strategic Marketing, LLC (2006-present); Executive Vice President, Calamos Investments (2004-2006).	Independent Trustee, ALPS Variable Investment Trust (9 Portfolios) (2006-Present); Independent Trustee, RiverNorth Opportunities Closed-End Fund (2015-Present)
Interested Trustee					
Robert J. Kern* 615 E. Michigan St. Milwaukee, WI 53202 Year of Birth: 1958	Chairman, and Trustee	Indefinite Term; Since January 2011	36	Executive Vice President, U.S. Bancorp Fund Services, LLC (1994-present).	None
Officers					
James R. Arnold 615 E. Michigan St. Milwaukee, WI 53202 Year of Birth: 1957	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

LK Balanced Fund

ADDITIONAL INFORMATION (UNAUDITED) – CONTINUED JUNE 30, 2016

TRUSTEES AND OFFICERS

<u>Name, Address and Age</u>	<u>Position(s) Held with the Trust</u>	<u>Term of Office and Length of Time Served</u>	<u>Number of Portfolios in Trust Overseen by Trustee</u>	<u>Principal Occupation(s) During the Past Five Years</u>	<u>Other Directorships Held by Trustee During the Past Five Years</u>
Deborah Ward 615 E. Michigan St. Milwaukee, WI 53202 Year of Birth: 1966	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 615 E. Michigan St. Milwaukee, WI 53202 Year of Birth: 1973	Treasurer and Principal Financial Officer	Indefinite Term; Since January 2011	N/A	Vice President, U.S. Bancorp Fund Services, LLC (2005-present).	N/A
Jeanine M. Bajczyk, Esq. 615 E. Michigan St. Milwaukee, WI 53202 Year of Birth: 1965	Secretary	Indefinite Term; Since August 2015	N/A	Senior Vice President and Counsel, U.S. Bancorp Fund Services, LLC (2006-present).	N/A
Thomas A. Bausch, Esq. 615 E. Michigan St. Milwaukee, WI 53202 Year of Birth: 1979	Assistant Secretary	Indefinite Term; Since May 2016	N/A	Assistant Vice President, U.S. Bancorp Fund Services, LLC (2016-Present); Associate, Godfrey & Kahn S.C. (2012-2016); Graduate, University of Wisconsin Law School (2009-2012).	N/A
Ryan L. Roell 615 E. Michigan St. Milwaukee, WI 53202 Year of Birth: 1973	Assistant Treasurer	Indefinite Term; Since September 2012	N/A	Assistant Vice President, U.S. Bancorp Fund Services, LLC (2005-present).	N/A
Benjamin Eirich 615 E. Michigan St. Milwaukee, WI 53202 Year of Birth: 1981	Assistant Treasurer	Indefinite Term; Since May 2016	N/A	Assistant Vice President, U.S. Bancorp Fund Services, LLC (2008-present).	N/A
Doug Schafer 615 E. Michigan St. Milwaukee, WI 53202 Year of Birth: 1970	Assistant Treasurer	Indefinite Term; Since May 2016	N/A	Assistant Vice President, U.S. Bancorp Fund Services, LLC (1995-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.

LK Balanced Fund

ADDITIONAL INFORMATION (UNAUDITED) – CONTINUED JUNE 30, 2016

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. 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 1-855-682-6233.

AVAILABILITY OF PROXY VOTING INFORMATION

A description of the Fund's Proxy Voting Policies and Procedures is available without charge, upon request, by calling 1-855-682-6233. Information regarding how the Fund 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 1-888-621-9258, or (2) on the SEC's website at www.sec.gov.

QUALIFIED DIVIDEND INCOME/DIVIDENDS RECEIVED DEDUCTION

For the fiscal year ended June 30, 2016, certain dividends paid by the Fund may be subject to a maximum tax rate of 23.8%, as provided for by the American Taxpayer Relief Act of 2012. The percentage of dividends declared from ordinary income designated as qualified dividend income was 78.37% for the Fund.

For corporate shareholders, the percent of ordinary income distributions qualifying for the corporate dividends received deduction for the fiscal year ended June 30, 2016, was 74.61% for the Fund.

The percentage of taxable ordinary income distributions that are designated as short-term capital gains distributions under Internal Revenue Section 871 (k)(2)(c) was 5.89%.

LK Balanced Fund

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

Lawson Kroeker Investment Management, Inc.
450 Regency Parkway, Suite 410
Omaha, NE 68114

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 1-855-698-1378.