



**LK BALANCED FUND**  
FOCUSED LONG-TERM INVESTING

**LK Balanced Fund**

**Institutional Class Shares – LKBLX**



## LK Balanced Fund

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July 31, 2018

Fellow Shareholders,

The goldilocks environment that propelled the stock market over much of the past several years is seemingly being replaced with a more volatile, but stronger, economic environment. Over the past 12 months, U.S. GDP growth has averaged over 3% with the most recent quarter coming in at 4.1% growth. With this tailwind, corporate results have been largely positive, leading to another 12 months of positive equity market performance. Bond markets saw four Fed Funds rate increases over the past year, with the Federal Reserve still signaling further increases later in 2018. In this environment, the Fund returned 12.55%, outpacing the Lipper Balanced Fund Index which returned 7.01% for the 12 months ended June 30, 2018.

As might be expected in a strong economic environment, our stock positions contributed the majority of Fund performance, while bond positions were only slightly additive. Leading individual contributors to the Fund's performance were Texas Pacific Land Trust, Boeing, and Microsoft which collectively added about 9.1% to Fund performance. The largest detractors were Bed Bath & Beyond, Hershey and Johnson & Johnson which subtracted about 0.8% from Fund performance.

Equity markets in the U.S. have been rising for over nine years, and financial media reports have speculated that this bull run will come to end. But why? We see no substantial reasons or indicators that a major correction is on the horizon and remain cautiously optimistic that this bull market has room to run. Overall, investment fundamentals are strong. Corporate earnings are growing at a healthy rate, and companies are generating excess cash flow. There have been, and we believe will likely continue to be, downturns throughout this extended bull market. Since 2010, there have been 18 downturns in the market, 14 of which were between 5% and 10% and four of which were corrections of between 10% and 20%. Yet the market has bounced back following each pullback and then moved higher.

We believe we are firmly in (and have been in) a macro and geopolitical dominated market. Those have been the daily market drivers, not company/corporate fundamentals. Businesses and the market are becoming increasingly nervous about ongoing trade battles and conflicting comments from the President and other world leaders. Although the Federal Reserve has been increasing interest rates, the pace has been gradual, and at the anticipated rate. The bond market has also continued to support the equity market and equity market valuations. Since June of last year, long bond yields have stayed within a narrow band, with the 10-year U.S. Treasury yield hovering mainly in the 2.25% to 3.00% range, which is low compared to historical averages. Persistent low inflation likely will keep long-term rates low despite an increasing Federal Funds rate.

Lower taxes have been a big windfall for companies and a driving factor in the market since President Trump was elected. Company earnings have historically driven equity markets and the hope is that, with the reinvestment of tax savings back into businesses and share buybacks, earnings can continue to move higher in the second half of 2018 and into 2019.

## LK Balanced Fund

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While we continue to have concerns – a rising dollar (a brake on foreign investment in US); higher oil prices (a brake on consumer spending); geopolitical (trade tensions); central banks (at some point, you would expect higher interest rates to slow the economy) – the situation in which we find ourselves has us keeping the Fund investments tilted toward equities. As we move forward, we will continue our quest to identify the best risk-adjusted investment opportunities.

Thank you for your continued trust and confidence.

Sincerely,



Thomas J. Sudyka, Jr.



Bruce H. Van Kooten

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.**

Earnings growth is not representative of the Fund's future performance.

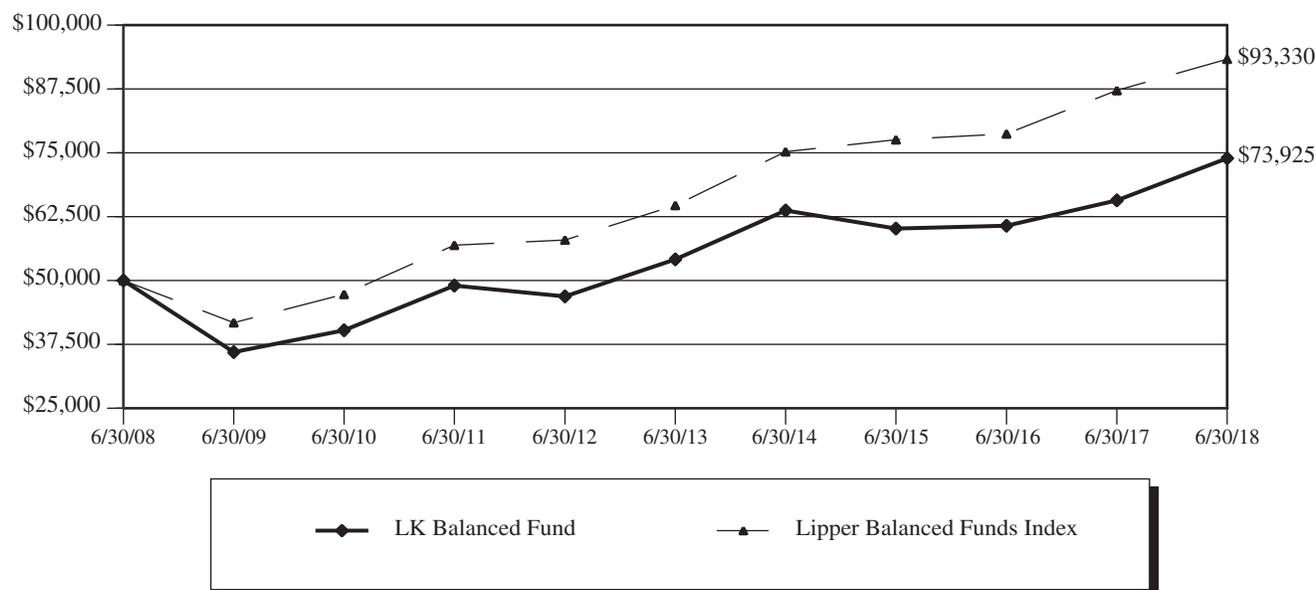
Fund holdings and allocations are subject to change at any time and should not be considered a recommendation to buy or sell any security. Please see the schedule of investments for a complete list of Fund holdings.

**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.**

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, 2018

	<u>One Year</u>	<u>Five Year</u>	<u>Ten Year</u>	<u>Since Inception</u>
<b>LK Balanced Fund</b> <sup>(1)(2)</sup>	12.55%	6.43%	3.99%	8.12%
<b>Lipper Balanced Funds Index</b> <sup>(3)</sup>	7.01%	7.60%	6.44%	7.96%
<b>S&amp;P 500 Index</b> <sup>(4)</sup>	14.37%	13.42%	10.17%	10.44%
<b>Bloomberg Barclays U.S. Aggregate Bond Index</b> <sup>(5)</sup>	-0.40%	2.27%	3.72%	6.09%

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

## LK Balanced Fund

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### EXPENSE EXAMPLE (UNAUDITED) JUNE 30, 2018

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, 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, 2018 – June 30, 2018).

#### 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 (1/1/2018)</u>	<u>Ending Account Value (6/30/2018)</u>	<u>Expenses Paid During Period<sup>(1)</sup> (1/1/2018 to 6/30/2018)</u>
LK Balanced Fund Actual <sup>(2)</sup>	\$1,000.00	\$1,018.80	\$5.01
LK Balanced Fund Hypothetical (5% return before expenses)	\$1,000.00	\$1,019.84	\$5.01

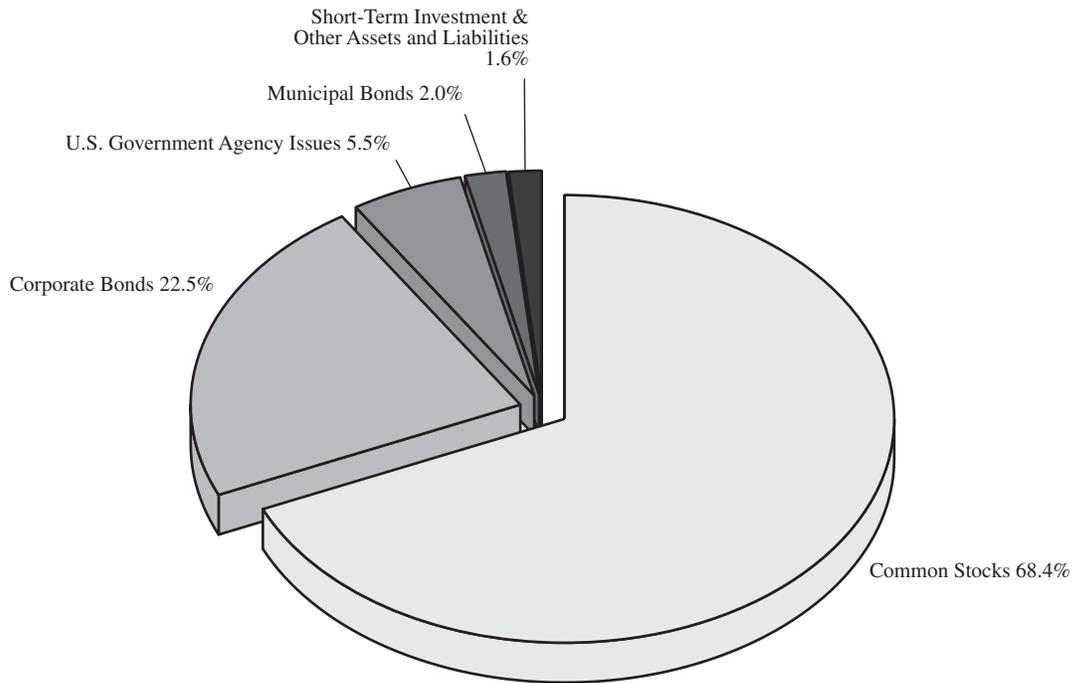
(1) Expenses are equal to the Fund’s expense ratio for the most recent six-month period of 1.00%, multiplied by the average account value over the period, 181/365 to reflect the one-half year period.

(2) Based on the actual returns for the six-month period ended June 30, 2018 of 1.88%.

# LK Balanced Fund

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## ALLOCATION OF PORTFOLIO NET ASSETS (UNAUDITED) JUNE 30, 2018 (% OF NET ASSETS)



## TOP TEN HOLDINGS (UNAUDITED) JUNE 30, 2018 (% OF NET ASSETS)

Texas Pacific Land Trust	5.1%
Boeing	3.7%
Microsoft	3.3%
Thermo Fisher Scientific	3.1%
Orion Engineered Carbons	2.7%
Walt Disney	2.7%
Brookfield Asset Management, Class A	2.7%
Johnson & Johnson	2.7%
Pfizer	2.7%
Anheuser-Busch InBev – ADR	2.4%

## LK Balanced Fund

### SCHEDULE OF INVESTMENTS JUNE 30, 2018

<u>Description</u>	<u>Shares</u>	<u>Value</u>
<b>COMMON STOCKS – 68.4%</b>		
<b>Consumer Discretionary – 9.9%</b>		
Discovery Communications, Series C*	19,000	\$ 484,500
Gildan Activewear	19,000	535,040
LKQ*	12,200	389,180
Walt Disney	7,000	733,670
Winnebago Industries	13,000	527,800
		<u>2,670,190</u>
<b>Consumer Staples – 7.4%</b>		
Anheuser-Busch InBev – ADR	6,500	654,940
Crimson Wine Group*	30,000	277,500
Hershey	6,800	632,808
Wal-Mart Stores	5,000	428,250
		<u>1,993,498</u>
<b>Energy – 2.1%</b>		
Chevron	4,418	558,568
<b>Financials – 7.6%</b>		
Arthur J. Gallagher	7,000	456,960
Berkshire Hathaway, Class A*	2	564,080
Berkshire Hathaway, Class B*	2,900	541,285
Opus Bank	17,000	487,900
		<u>2,050,225</u>
<b>Health Care – 10.2%</b>		
Gilead Sciences	7,000	495,880
Johnson & Johnson	6,000	728,040
Pfizer	20,000	725,600
Thermo Fisher Scientific	4,000	828,560
		<u>2,778,080</u>
<b>Industrials – 10.1%</b>		
Aerojet Rocketdyne Holdings*	17,500	516,075
Boeing	3,000	1,006,530
Costamare	15,000	119,700
Kansas City Southern	4,600	487,416
Lincoln Electric Holdings	7,000	614,320
		<u>2,744,041</u>
<b>Information Technology – 3.3%</b>		
Microsoft	9,000	887,490

See Notes to the Financial Statements

## LK Balanced Fund

### SCHEDULE OF INVESTMENTS – CONTINUED JUNE 30, 2018

Description	Shares/Par	Value
<b>COMMON STOCKS – 68.4% (CONTINUED)</b>		
<b>Materials – 6.6%</b>		
Compass Minerals International	6,000	\$ 394,500
Constellium, Class A*	20,000	206,000
Orion Engineered Carbons	24,000	740,400
Vulcan Materials	3,500	451,710
		1,792,610
<b>Real Estate – 9.5%</b>		
Brookfield Asset Management, Class A	18,000	729,720
Texas Pacific Land Trust	2,000	1,390,700
Weyerhaeuser – REIT	12,800	466,688
		2,587,108
<b>Telecommunication Services – 1.7%</b>		
Verizon Communications	9,200	462,852
<b>Total Common Stocks</b>		<b>18,524,662</b>
<b>(Cost \$10,309,162)</b>		
 <b>CORPORATE BONDS – 22.5%</b>		
<b>Consumer Discretionary – 5.4%</b>		
Advance Auto Parts		
4.500%, 12/01/2023	\$250,000	256,444
Bed Bath & Beyond		
3.749%, 08/01/2024	500,000	454,959
McDonald's		
1.875%, 05/29/2019	250,000	248,380
Newell Rubbermaid		
3.900%, 11/01/2025	250,000	238,734
Viacom		
3.875%, 12/15/2021	250,000	249,738
		1,448,255
<b>Consumer Staples – 2.9%</b>		
Archer-Daniels-Midland		
4.479%, 03/01/2021	250,000	258,764
Bunge Limited Finance		
3.500%, 11/24/2020	250,000	249,996
Campbell Soup		
2.500%, 08/02/2022	300,000	284,487
		793,247

See Notes to the Financial Statements

## LK Balanced Fund

### SCHEDULE OF INVESTMENTS – CONTINUED JUNE 30, 2018

Description	<u>Par</u>	<u>Value</u>
<b>CORPORATE BONDS – 22.5% (CONTINUED)</b>		
<b>Energy – 0.9%</b>		
Murphy Oil 4.450%, 12/01/2022	\$250,000	\$ <u>246,853</u>
<b>Financials – 4.2%</b>		
Barclays Bank 3.000%, 01/03/2030 (a)	250,000	235,333
Old Republic International 3.875%, 08/26/2026	500,000	481,785
Opus Bank 5.500%, 07/01/2026	400,000	<u>408,500</u>
		<u>1,125,618</u>
<b>Health Care – 1.3%</b>		
Stryker 4.375%, 01/15/2020	200,000	203,806
Teva Pharmaceutical Finance IV 2.250%, 03/18/2020	150,000	<u>144,650</u>
		<u>348,456</u>
<b>Industrials – 3.7%</b>		
General Electric 5.000%, 12/29/2049	500,000	493,125
Hexcel 4.700%, 08/15/2025	250,000	256,992
Keysight Technologies 4.550%, 10/30/2024	250,000	<u>253,344</u>
		<u>1,003,461</u>
<b>Information Technology – 3.2%</b>		
Corning 7.530%, 03/01/2023	110,000	126,578
Intel 2.700%, 12/15/2022	250,000	244,984
KLA-Tencor 4.650%, 11/01/2024	250,000	258,714
Motorola Solutions 3.750%, 05/15/2022	250,000	<u>249,414</u>
		<u>879,690</u>

See Notes to the Financial Statements

## LK Balanced Fund

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### SCHEDULE OF INVESTMENTS – CONTINUED JUNE 30, 2018

<u>Description</u>	<u>Par</u>	<u>Value</u>
<b>CORPORATE BONDS – 22.5% (CONTINUED)</b>		
<b>Telecommunication Services – 0.9%</b>		
Qwest 7.125%, 11/15/2043	\$250,000	\$ 243,456
<b>Total Corporate Bonds</b> <b>(Cost \$6,201,229)</b>		<u>6,089,036</u>
 <b>U.S. GOVERNMENT AGENCY ISSUES – 5.5%</b>		
Federal Home Loan Banks 1.800%, 09/27/2024 (a)	500,000	491,226
Federal Home Loan Mortgage Corporation 2.125%, 12/29/2022 (a)	500,000	492,567
2.000%, 12/20/2024 (a)	500,000	<u>495,005</u>
<b>Total U.S. Government Agency Issues</b> <b>(Cost \$1,493,300)</b>		<u>1,478,798</u>
 <b>MUNICIPAL BONDS – 2.0%</b>		
Colony, Texas Local Development Corporation Series A 2.594%, 10/01/2020 – BHAC Insured	190,000	188,503
Lincoln, Nebraska Airport Authority Series C 3.628%, 07/01/2022	350,000	<u>350,000</u>
<b>Total Municipal Bonds</b> <b>(Cost \$541,516)</b>		<u>538,503</u>

See Notes to the Financial Statements

## LK Balanced Fund

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### SCHEDULE OF INVESTMENTS – CONTINUED JUNE 30, 2018

<u>Description</u>	<u>Shares</u>	<u>Value</u>
<b>SHORT-TERM INVESTMENT – 1.5%</b>		
First American Government Obligations, Class Z, 1.77% (b) (Cost \$408,159)	408,159	\$ 408,159
<b>Total Investments – 99.9%</b> (Cost \$18,953,366)		27,039,158
<b>Other Assets and Liabilities, Net – 0.1%</b>		31,757
<b>Total Net Assets – 100.0%</b>		<u>\$27,070,915</u>

\* Non-income producing security.

(a) Step-up bond; the interest rate shown is the rate in effect as of June 30, 2018.

(b) The rate shown is the annualized seven-day effective yield as of June 30, 2018.

ADR – American Depositary Receipt

BHAC – Berkshire Hathaway Assurance Corporation

REIT – Real Estate Investment Trust

See Notes to the Financial Statements

## LK Balanced Fund

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### STATEMENT OF ASSETS AND LIABILITIES JUNE 30, 2018

**ASSETS:**

Investments, at value (cost \$18,953,366)	\$27,039,158
Cash	4,080
Dividends & interest receivable	77,276
Receivable for capital shares sold	1,015
Prepaid expenses	4,682
Total assets	<u>27,126,211</u>

**LIABILITIES:**

Payable for audit fees	18,503
Payable to investment adviser	10,008
Payable for fund administration & accounting fees	11,175
Payable for compliance fees	1,997
Payable for transfer agent fees & expenses	4,655
Payable for custody fees	910
Payable for trustee fees	2,701
Accrued other fees	5,347
Total liabilities	<u>55,296</u>

**NET ASSETS** \$27,070,915

**NET ASSETS CONSIST OF:**

Paid-in capital	\$17,449,561
Accumulated undistributed net investment income	267,658
Accumulated undistributed net realized gain on investments	1,267,904
Net unrealized appreciation on investments	8,085,792
Net Assets	<u>\$27,070,915</u>

Shares outstanding, unlimited number of shares authorized without par value 547,836

Net asset value, redemption price and offering price per share \$ 49.41

See Notes to the Financial Statements

## LK Balanced Fund

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### STATEMENT OF OPERATIONS FOR THE YEAR ENDED JUNE 30, 2018

**INVESTMENT INCOME:**

Dividend income	\$ 343,039
Less: Foreign taxes withheld	(9,640)
Interest income	<u>302,139</u>
Total investment income	<u>635,538</u>

**EXPENSES:**

Investment adviser fees (See Note 4)	208,456
Fund administration & accounting fees (See Note 4)	69,468
Transfer agent fees & expenses (See Note 4)	30,277
Audit fees	18,508
Compliance fees (See Note 4)	11,997
Trustee fees	8,942
Legal fees	7,394
Postage & printing fees	6,451
Other fees	6,029
Custody fees (See Note 4)	5,274
Federal & state registration fees	<u>5,009</u>
Total expenses before waiver	377,805
Less: waiver from investment adviser (See Note 4)	<u>(99,864)</u>
Net expenses	<u>277,941</u>

**NET INVESTMENT INCOME**357,597**REALIZED AND UNREALIZED GAIN ON INVESTMENTS:**

Net realized gain on investments	1,267,878
Net change in unrealized appreciation on investments	<u>1,581,190</u>
Net realized and unrealized gain on investments	<u>2,849,068</u>

**NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS**\$3,206,665

See Notes to the Financial Statements

## LK Balanced Fund

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### STATEMENTS OF CHANGES IN NET ASSETS

	<u>Year Ended June 30, 2018</u>	<u>Year Ended June 30, 2017</u>
<b>OPERATIONS:</b>		
Net investment income	\$ 357,597	\$ 377,123
Net realized gain on investments	1,267,878	128,370
Net change in unrealized appreciation on investments	<u>1,581,190</u>	<u>1,560,256</u>
Net increase in net assets resulting from operations	<u>3,206,665</u>	<u>2,065,749</u>
<b>CAPITAL SHARE TRANSACTIONS:</b>		
Proceeds from shares sold	1,480,162	1,893,906
Proceeds from reinvestment of distributions	595,396	414,596
Payments for shares redeemed	<u>(3,697,063)</u>	<u>(3,606,777)</u>
Net decrease in net assets resulting from capital share transactions	<u>(1,621,505)</u>	<u>(1,298,275)</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>		
From net investment income	(467,027)	(191,958)
From net realized gains	<u>(128,369)</u>	<u>(222,638)</u>
Total distributions to shareholders	<u>(595,396)</u>	<u>(414,596)</u>
<b>TOTAL INCREASE IN NET ASSETS</b>	<u>989,764</u>	<u>352,878</u>
<b>NET ASSETS:</b>		
Beginning of year	<u>26,081,151</u>	<u>25,728,273</u>
End of year (including accumulated undistributed net investment income of \$267,658 and \$377,117, respectively)	<u>\$27,070,915</u>	<u>\$26,081,151</u>

See Notes to the Financial Statements

## LK Balanced Fund

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### FINANCIAL HIGHLIGHTS

For a Fund share outstanding throughout the year.

	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015	Year Ended June 30, 2014
<b>PER SHARE DATA:</b>					
Net asset value, beginning of year	<u>\$44.84</u>	<u>\$42.10</u>	<u>\$43.21</u>	<u>\$49.06</u>	<u>\$42.82</u>
<b>INVESTMENT OPERATIONS:</b>					
Net investment income	0.65	0.65	0.65	0.54	0.81
Net realized and unrealized gain (loss) on investments	<u>4.95</u>	<u>2.78</u>	<u>(0.33)</u>	<u>(3.24)</u>	<u>6.67</u>
Total from investment operations	<u>5.60</u>	<u>3.43</u>	<u>0.32</u>	<u>(2.70)</u>	<u>7.48</u>
<b>LESS DISTRIBUTIONS FROM:</b>					
Net investment income	(0.81)	(0.32)	(0.59)	(0.89)	(0.41)
Net realized gains	<u>(0.22)</u>	<u>(0.37)</u>	<u>(0.84)</u>	<u>(2.26)</u>	<u>(0.83)</u>
Total distributions	<u>(1.03)</u>	<u>(0.69)</u>	<u>(1.43)</u>	<u>(3.15)</u>	<u>(1.24)</u>
Net asset value, end of year	<u>\$49.41</u>	<u>\$44.84</u>	<u>\$42.10</u>	<u>\$43.21</u>	<u>\$49.06</u>
<b>TOTAL RETURN</b>	12.55%	8.18%	0.91%	(5.55)%	17.68%
<b>SUPPLEMENTAL DATA AND RATIOS:</b>					
Net assets, end of year (in millions)	\$27.1	\$26.1	\$25.7	\$26.6	\$27.2
Ratio of expenses to average net assets:					
Before expense waiver	1.36%	1.41%	1.45%	1.42%	1.43%
After expense waiver	1.00%	1.00%	1.00%	1.00%	1.00%
Ratio of net investment income to average net assets:					
Before expense waiver	0.93%	1.03%	1.08%	0.79%	1.40%
After expense waiver	1.29%	1.44%	1.53%	1.21%	1.83%
Portfolio turnover rate	10%	11%	25%	16%	20%

See Notes to the Financial Statements

# LK Balanced Fund

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## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2018

### 1. ORGANIZATION

Managed Portfolio Series (the “Trust”) was organized as a Delaware statutory trust on 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 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 tax provision is required. As of and during the year ended June 30, 2018, 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, 2018, the Fund did not have liabilities for any unrecognized tax benefits. The Fund is not subject to examination by U.S. tax authorities for tax years prior to the year ended June 30, 2015.

**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

## LK Balanced Fund

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### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED JUNE 30, 2018

such reclassifications will have no effect on net assets, results of operations or net asset values per share of the Fund. For the year ended June 30, 2018, the Fund decreased accumulated net investment income by \$29 and increased accumulated net realized gain on investments by \$29.

**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.

## LK Balanced Fund

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED JUNE 30, 2018

**Fixed Income Securities** – Fixed income securities, including asset-backed, corporate, mortgage-backed, 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 (the “Board”). 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 has established a Valuation Committee to administer, implement, and oversee the fair valuation process, and to make fair value decisions when necessary. The Board 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, 2018:

	Level 1	Level 2	Level 3	Total
Common Stocks	\$18,524,662	\$ —	\$ —	\$18,524,662
Corporate Bonds	—	6,089,036	—	6,089,036
U.S. Government Agency Issues	—	1,478,798	—	1,478,798
Municipal Bonds	—	538,503	—	538,503
Short-Term Investment	408,159	—	—	408,159
<b>Total Investments</b>	<b>\$18,932,821</b>	<b>\$8,106,337</b>	<b>\$ —</b>	<b>\$27,039,158</b>

Transfers between levels are recognized at the end of the reporting year. During the year ended June 30, 2018, 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 Fund’s Adviser has contractually agreed to waive its management fees and pay Fund expenses, in order to ensure that Total Annual Operating Expenses (excluding acquired fund fees and expenses, leverage, interest, taxes, brokerage commissions and extraordinary expenses) do not exceed 1.00% of the Fund’s average daily net assets. Fees waived and expenses paid by the Adviser may be recouped by the Adviser for a period of thirty-six months following the date on which such fee waiver and expense payment was made if such recoupment can be achieved without exceeding the expense limit in effect at the time the fee waiver and expense payment occurred and the expense limit in effect at the time of recoupment. The Operating Expenses Limitation Agreement is indefinite in term and cannot be terminated through at least October 28, 2019. Thereafter, the agreement may be terminated at

## LK Balanced Fund

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED JUNE 30, 2018

any time upon 60 days' written notice by the Trust's Board or the Adviser. Waived fees and reimbursed expenses subject to potential recovery by month of expiration are as follows:

<u>Expiration</u>	<u>Amount</u>
July 2018 – June 2019	\$113,106
July 2019 – June 2020	\$107,280
July 2020 – June 2021	\$ 99,864

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 chief compliance officer services for the year ended June 30, 2018, 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 was an interested person of the Distributor until resigning from the Distributor's Board on September 21, 2017.

#### 5. CAPITAL SHARE TRANSACTIONS

Transactions in shares of the Fund were as follows:

	<u>Year Ended June 30, 2018</u>	<u>Year Ended June 30, 2017</u>
Shares sold	30,090	43,242
Shares issued to holders in reinvestment of dividends	12,299	9,433
Shares redeemed	(76,180)	(82,125)
Net decrease in shares outstanding	<u>(33,791)</u>	<u>(29,450)</u>

#### 6. INVESTMENT TRANSACTIONS

The aggregate purchases and sales, excluding short-term investments, by the Fund for the year ended June 30, 2018, were as follows:

	<u>Purchases</u>	<u>Sales</u>
U.S. Government	\$1,493,300	\$ —
Other	\$1,303,572	\$3,635,618

## LK Balanced Fund

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED JUNE 30, 2018

#### 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, 2018, were as follows:

<b>Aggregate Gross Appreciation</b>	<b>Appreciation Gross Depreciation</b>	<b>Net Appreciation</b>	<b>Federal Income Tax Cost</b>
\$8,779,387	\$(693,595)	\$8,085,792	\$18,953,366

At June 30, 2018, the components of accumulated earnings (deficit) on a tax-basis were as follows:

<b>Undistributed Ordinary Income</b>	<b>Undistributed Long-Term Capital Gains</b>	<b>Unrealized Appreciation</b>	<b>Total Accumulated Earnings</b>
\$268,043	\$1,267,519	\$8,085,792	\$9,621,354

As of June 30, 2018, 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 and December 31, respectively. For the taxable year ended June 30, 2018, the Fund did not defer any qualified late year losses.

The tax character of distributions paid during the year ended June 30, 2018, were as follows:

<b>Ordinary Income*</b>	<b>Long Term Capital Gains</b>	<b>Total</b>
\$467,027	\$128,369	\$595,396

The tax character of distributions paid during the year ended June 30, 2017, were as follows:

<b>Ordinary Income*</b>	<b>Long Term Capital Gains**</b>	<b>Total</b>
\$241,286	\$173,310	\$414,596

\* 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 year ended June 30, 2018.

# LK Balanced Fund

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of LK Balanced Fund and  
Board of Trustees of Managed Portfolio Series

### Opinion on the Financial Statements

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, 2018, 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, including the related notes, and the financial highlights for each of the five years in the period then ended (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 June 30, 2018, 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 five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

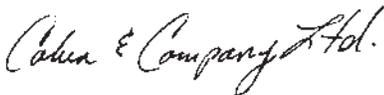
### Basis for Opinion

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 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.

Our audits include 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 include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and confirmation of securities owned as of June 30, 2018, by correspondence with the custodian. 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. We believe that our audits provide a reasonable basis for our opinion.

We have served as the Fund’s auditor since 2012.



COHEN & COMPANY, LTD.  
Milwaukee, Wisconsin  
August 24, 2018

## LK Balanced Fund

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### ADDITIONAL INFORMATION (UNAUDITED) APPROVAL OF INVESTMENT ADVISORY AGREEMENT

At the regular meeting of the Board of Trustees of Managed Portfolio Series (“Trust”) on February 20-21, 2018, the Trust’s Board of Trustees (“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, (“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 9, 2018, 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 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 benefits to LK resulting from its relationship with the Fund. In their deliberations, the Trustees weighed to varying degrees the importance of the information provided to them, and 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 at 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

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### 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 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. 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 that the Fund underperformed the peer group average and median for the year-to-date, three-year, five-year and ten-year periods ended October 31, 2017 but outperformed the peer group median and average over the one-year period ended October 31, 2017. The Trustees also noted that the Fund underperformed its benchmark Lipper Balanced Funds Index during the year-to-date, three-year, five-year and ten-year periods ended October 31, 2017, but outperformed the index for the one-year period ended October 31, 2017. With respect to the Fund's other benchmark index, the S&P 500 Index, the Trustees observed that the Fund underperformed across all measured periods. The Trustees also considered that the Fund has provided shareholders with positive returns over all measured periods since inception. The Trustees then observed that the Fund's performance was generally consistent with the performance of a composite of similar accounts managed by LK over all relevant time periods but that in certain periods Fund performance diverged from the composite due to variations in asset holdings or tax status of the composite accounts.

**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 September 30, 2017. The Trustees also considered the effect of an expense limitation agreement on LK's compensation and that LK has contractually agreed to reduce its advisory fees and, if necessary, reimburse the Fund for operating expenses, as specified in the Fund's prospectus. 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 may be above or below the advisory fee for the Fund, LK has additional responsibilities with respect to the Fund which include 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 a higher fee. 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 peer group. The Trustees noted the Fund's management fee was higher than the peer group average and median management fees. They also considered the total expenses of the Fund (after waivers and expense reimbursements) were higher than the peer group average and median total expenses, but that the average net assets of funds comprising the peer group were significantly higher than the assets of the Fund. The Trustees observed that when the peer group was limited to comparably-sized funds, the Fund's total expenses (after waivers and expense reimbursements) were equal to the peer group median. 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 peer group. While recognizing that it is difficult to compare advisory fees because the scope of advisory services provided may vary from one investment adviser to another, the Trustees concluded that 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 asset levels, it was not necessary to consider the implementation of fee breakpoints at the present time, but agreed

## LK Balanced Fund

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### ADDITIONAL INFORMATION (UNAUDITED) – CONTINUED

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 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 does not use 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. The Trustees concluded that LK does not receive additional material benefits from its relationship with the Fund.

## LK Balanced Fund

### ADDITIONAL INFORMATION (UNAUDITED) – CONTINUED JUNE 30, 2018

#### TRUSTEES AND OFFICERS

<u>Name, Address and Year of Birth</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>
<b>Independent Trustees</b>					
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 (29 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 (29 Portfolios) (2012-present)
David M. Swanson 615 E. Michigan St. Milwaukee, WI 53202 Year of Birth: 1957	Trustee and Nominating & Governance Committee Chairman	Indefinite Term; Since April 2011	36	Founder and Managing Principal, SwanDog Strategic Marketing, LLC (2006-present).	Independent Trustee, ALPS Variable Investment Trust (11 Portfolios) (2006-present); Independent Trustee, RiverNorth Opportunities Closed-End Fund (2015-present)
<b>Interested Trustee</b>					
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 (1994-2018).	None
<b>Officers</b>					
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, 2018

#### TRUSTEES AND OFFICERS

<u>Name, Address and Year of Birth</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
Thomas A. Bausch, Esq. 615 E. Michigan St. Milwaukee, WI 53202 Year of Birth: 1979	Secretary	Indefinite Term; Since November 2017	N/A	Assistant Vice President, U.S. Bancorp Fund Services, LLC (2016-present); Associate, Godfrey & Kahn S.C. (2012-2016).	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 (2002-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 was a board member of the Fund’s principal underwriter, Quasar Distributors, LLC.

## **LK Balanced Fund**

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### **ADDITIONAL INFORMATION (UNAUDITED) – CONTINUED JUNE 30, 2018**

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

The Fund files complete schedules of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q, which is available on the SEC's website at [www.sec.gov](http://www.sec.gov). The Fund's Form N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. For information on the Public Reference Room call 1-800-SEC-0330. In addition, the Fund's Form N-Q is available without charge upon request by calling 1-855-682-6233.

#### **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](http://www.sec.gov).

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

For the fiscal year ended June 30, 2018, 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 81.90% 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, 2018, was 72.15% 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 0.00%.

## LK Balanced Fund

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### PRIVACY NOTICE (UNAUDITED)

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

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

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

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AND TRANSFER AGENT**

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**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

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**LEGAL COUNSEL**

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*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.*